

SARAWAK OIL PALMS BERHAD
Registration No.196801000358 (7949-M)



CODE OF BUSINESS CONDUCT AND ETHICS

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1. INTRODUCTION

The Board of Directors (“Board”) of Sarawak Oil Palms Berhad (“SOPB” or “the Company”) is committed to its role in establishing a corporate culture which inculcates ethical conduct throughout SOPB and its subsidiaries (“SOP” or “the Group”). SOP Group strives to earn and preserve the trust and credibility of its shareholders, customers, employees, business partners, local communities and various other stakeholders.

Code of Business Conduct & Ethics (the “Code”) summarises the principles and standards of business conduct expected from the Group. Our Code is based upon and enhances SOP Group’s Vision, Missions (‘Key strategies’) and Values and gives guidance on how Directors and Employees of the Group affected are to behave.

Every Director and Employee has a duty in maintaining an acceptable and satisfactory level of conduct and personal behaviour at all times in order to promote and maintain a uniform ethical standard or conduct within the Group. Failure to comply shall be grounds for disciplinary action and/or referral to the appropriate authorities for criminal prosecution/legal action.

The Code has been endorsed and adopted by the Board.

2. THE FOUNDATION OF THE CODE OF BUSINESS CONDUCT AND ETHICS – VISION, KEY STRATEGIES AND VALUES

OUR VISION

Our Vision is to become a diversified corporation with global recognition.

OUR MISSIONS ('Key Strategies')

- To grow via an integrated approach in expanding of our plantation and plantation related industries.
- To be one of the leading plantation companies measured by cost, returns on investment and profitability.
- To diversify to be a regional supplier of quality food related products with recognition and strong brand presence.
- To undertake a balanced approach towards people, planet and profit in achieving our Vision.

OUR CORE VALUES

In pursuit of Our Vision, all Directors and Employees of Sarawak Oil Palms Berhad and its Group of Companies ("SOP") are expected to preserve the Core Values:

- Insist on quality
- Be competitive and have strong will to succeed
- Continuous improvement in productivity and performance
- Integrity and professionalism
- Team spirit and unity
- Continuous growth, improvement and development of skills and knowledge
- See changes as opportunities
- Environmentally and safety conscious

3. ABOUT THE CODE OF BUSINESS CONDUCT AND ETHICS

OBJECTIVE

The objective of the Code is to promote good business conduct and maintain a healthy corporate culture that upholds integrity, honesty, transparency and fairness in SOP. All directors and employees should strive to create a workplace which is free from harassment and discrimination, and provide an appropriate environment to encourage good performance and conduct at all times.

APPLICABILITY

The Code is applicable to all Employees, Directors, Officers, and others within SOP regardless of the nature of their appointment or location. Each Director and Employee has a responsibility to understand and review the Code in relation to their daily duties and avoid practices that may impair the Group's integrity, image or reputation.

4. CORE AREAS OF CONDUCT

4.1 Compliance with Applicable Laws

Directors and Employees must comply with all applicable laws, rules and regulations of the governments, commissions and exchanges in jurisdiction within which SOP Group operates. Directors and Employees are expected to understand and comply with the laws, rules and regulations that are applicable to their position and/or work. The Group reserves the right to report any action or activity which appears to be against the applicable laws, rules and regulations to the enforcement authority or other relevant authorities.

4.2 Conflict of Interest

The Directors and Employees should avoid any situation that involves, or appears to involve, a conflict between their personal interest and the interest of the Group. Conflict of interest has the potential of interfering with the individual's objectivity in performing duties or exercising judgement on behalf of the Group.

Directors and Employees must not use their positions, official working hours, resources or knowledge gained directly or indirectly in the course of their duties or employment for private or personal advantage.

4.2.1 Obligation to disclose conflicts of interest

Any employee that finds themselves in a conflict of interest whether actual or potential, the individual should speak to their Head of Department/Business Unit Head so that it can be managed properly. The Head of Department/Business Unit Head is to then take the appropriate safeguards in the best interests of the Group.

Conflict of interest form stating the nature, extent, facts, mitigation action taken and any other relevant details (obtainable from SOP Employee portal or your respective Human resources department) should be filled, signed and submitted to Human Resources to be included in your personnel file for assessment.

The conflict of interest form requires both signature of person disclosing the Conflict of Interest situation and signature of his/her respective Head of Department/Business Unit Head. In the event, the conflict of interest is faced by an employee that is Head of Department/Business Unit head, approval by to Group Chief Executive Officer must be obtained.

4. CORE AREAS OF CONDUCT (CONTINUED)

4.3 Anti-Bribery and Corruption

All forms of bribery and corruption are strictly prohibited. The Group will not tolerate any act of bribery or corruption. Even the appearance of bribery or corruption must be avoided.

A bribe is an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust, in the conduct of the enterprise's business. Note that the bribe does not actually have to take place – just promising to give a bribe or agreeing to receive one is strictly prohibited. It does not matter whether the bribe is given or received directly or through a third party (e.g. relative, agent, supplier, partner) or for the benefit of the recipient or some other person.

Bribes can take many forms, for example:-

- a) Money
- b) Unreasonable gifts, entertainment or hospitality (Refer to 4.3.1)
- c) Kickbacks
- d) Unwarranted rebates or excessive commissions
- e) Facilitation payments (refer to 1.3.2)
- f) Political/charitable contributions (refer to 1.3.3)
- g) Uncompensated use of Company services/facilities/assets
- h) Any else of value

Aside from bribery, all directors and employees must not participate in any corrupt activity, such as extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering. The Group is committed to comply with the all the provisions set out in Malaysian Anti-Corruption Commission (MACC) Act 2009 and take adequate measures to prevent corrupt practices.

Any breach of this policy or local law could result in disciplinary action being taken and ultimately could result in dismissal.

4. CORE AREAS OF CONDUCT (CONTINUED)

4.3 Anti-Bribery and Corruption (Continued)

4.3.1 Unreasonable gifts, entertainment or hospitality

As a general rule, Directors and employees of SOP Group are not to offer, promise, authorize, direct, pay, make or receive any gifts, meals or entertainment in an attempt to influence the objective and fair business decision of the Group or gain improper advantage for the Group.

SOP Group recognizes that acts of giving and accepting gifts, meals or entertainment can be customary and part of building normal healthy business relationships. However, a reasonableness test on the intention and the appropriateness of the gift/entertainment/hospitality in question must always be carried out beforehand.

4.3.2 Facilitation payments

Facilitation payments are customary, unofficial minor payments made to official(s) to secure or speed a routine government action. Facilitation payments are strictly prohibited, wherever they are prohibited by law.

4.3.3 Political / Charitable Contributions

It is the policy of SOP to not make contributions to political candidates or parties, except in the event Board approval is obtained.

Contributions to charitable funds and bodies should only be made with the written approval of the Group Executive Chairman / Group Chief Executive Officer / Board of Directors, as it is their responsibility to control and manage these expenditures.

4. CORE AREAS OF CONDUCT (CONTINUED)

4.4 Fair Dealing

Each Director and Employee is expected to deal fairly with the Company's customers, suppliers, competitors and officers. None within SOP Group should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice. Inappropriate use of proprietary information, misuse of trade secret information which was obtained without the owner's consent, or inducing such disclosure by past or present employees of other companies is prohibited.

4.5 Protection of Assets and Funds

Directors and Employees are expected to exercise their best business judgment in a manner that protects the Group's assets and funds to promote their efficient use and immediately report any suspected theft, damage, misuse, fraud, embezzlement or improper usage. All SOP assets and funds are to be used for legitimate business purposes and no property, information and position belonging to the Group or opportunity arising from these can be used for personal gain.

4.6 Confidential Information

Confidential information consists of any information that is not or has not being made public information yet. Directors and Employees must exercise caution and due care to safeguard any information of confidential and sensitive nature relating to SOP Group which is acquired in the course of their employment, and are strictly prohibited to disclose any confidential information to any person, unless the disclosure is duly authorised or legally mandated. Any material or information that has not being publicly released must be held in the strictest confidence by the Director or Employee involved.

4.7 Inside Information and Securities Trading

Neither Director nor Employee shall use price sensitive non-public information which can affect the price of the securities of the Company and/or related listed companies when it becomes publicly known, for personal benefit. Directors and Employees are prohibited to trade in securities or to provide information of the Company and/or related listed companies to others until Inside Information is publicly released.

4. CORE AREAS OF CONDUCT (CONTINUED)

4.8 Business Records and Control

All books, records and accounts should conform to generally accepted and applicable accounting principles and to all applicable laws and regulations. It is the responsibility of each Employee to prepare and maintain accurate, timely and reliable records that are necessary to meet the Group's legal and financial obligations and to manage the affairs of the Group. No unauthorised, false, improper or misleading records or entries shall be made in the books and records of the Group, under any circumstances. Employee should consult his/her manager for guidance if he/she is uncertain as to how he/she should manage the Company's documents.

4.9 Health and Safety

SOP Group is responsible to ensure a safe workplace and maintain proper occupational health and safety practices commensurate with the nature of the Group's businesses and activities. Such a commitment in return requires that all Directors and Employees understand and abide by SOP's policies and procedures.

4.10 Sexual Harassment

Any form of sexual harassment by any Director and Employee is unacceptable. SOP Group aims to provide all employees with a working environment which is free from any form of sexual harassment whether it is verbal, non-verbal, visual, psychological or physical in nature. The Company views sexual harassment as a serious offence and appropriate action will be taken against any Director or Employee found guilty of the offence. All incidences of such should be directed either to the Employees' immediate superior or the Human Resource Department and shall be treated with strictest confidence.

4.11 Fair and Courteous Behaviour

Employees are to treat their fellow Employees fairly and courteously without regard to origin, race, creed, religion, gender, nationality, age or disability, and shall not create any form of discrimination or prejudice in the workplace. The respect for equality and each other's differences is vital in SOP Group. Employees who feel that their workplace does not comply with the above principles are encouraged to raise their concerns to Human Resource Department.

4. CORE AREAS OF CONDUCT (CONTINUED)

4.12 Misconduct

No Director or Employee is to be involved in or aid or abet any activity or act in any manner which would be inconsistent with the Code. Such activity or act shall be deemed by SOP Group to be an act of misconduct, including use and abuse of drugs. Employee who brings weapons or hazardous materials to work or act in a manner inconsistent with the Code or intimidate other employee shall be with dealt severely.

4.13 Whistleblowing

The Board has implemented a formal Whistleblowing Policy to all SOP Group Employees and Stakeholders. An independent channel is available for all Directors and Employees to report any concerns or complaints of illegal conduct or potential misconduct. The identity and particulars of the Whistleblower and reports or disclosures shall be handled in the strictest confidence. The Group Executive Chairman, Group Chief Executive Officer and Disclosure Coordinator have been designated as the persons to whom all whistleblowing concerns or complaints may be directed. In the case where reporting to management is a concern, the disclosures can be made in a strict confidential to the Group Audit and Risk Management Committee Chairman.

5. FAILURE TO COMPLY

Directors and Employees shall always observe and ensure compliance with all applicable laws, rules and regulations to which they are bound to observe in performing their duties. Employees who do not comply with the Code may be subject to disciplinary action including the termination of employment and/or referral to the appropriate authorities for criminal prosecution and legal action.

It is each Director's and Employee's responsibility to seek guidance where necessary from their superior, Head of department/Business Unit Head, Human Resource Department, or Group Chief Executive Officer. When in doubt, Directors and Employees should always be guided by the basic principles stated in the Code.

6. REVIEW AND WAIVER OF THE CODE

The Board will review the Code from time to time and monitor the compliance of the Code. Waiver of the Code is subject to the Board or the appropriate Committee of the Board and may be granted on a case-by-case basis.

Approved by the board on: 28th Feb 2020