

Non-Compliance & Grievance Procedures (External)

P-CG-004-V1.2

1.0 PURPOSE

Guan Chong Berhad (“GCB” or “the Group”) is grounded in our strong commitment to conduct our business in a responsible manner at all levels. GCB believes that all our stakeholders play important and constructive roles in the implementation of our relevant Policies and Procedures.

The purpose of establishing a Non-compliance & Grievance Procedure is to outline how non-compliance and grievances can be raised. Next, define the process of handling non-compliance identified by GCB and grievances directed at GCB by external stakeholders regarding our external operations. The procedure defines the admissibility, registration and processing of complaints. GCB will continue to review and improve the procedure to prevent any future non-compliance and grievances and harm arising from our operations.

2.0 OBJECTIVE

The objective of this procedure is to provide clear, appropriate and comprehensive guidelines for addressing any non-compliance identified by GCB and grievances directed at GCB by external stakeholders. This procedure is a reference point for the management and staff of GCB to handle any non-compliance or grievance relative to GCB’s corporate policies and codes. GCB recognises that feedback and input from stakeholders are important to ensure transparency and continuous improvement of our operations. We aim to provide a transparent and open process for dealing with non-compliance and grievances.

3.0 SCOPE

This procedure applies to all employees of GCB and its subsidiaries. Refer to Appendix 1 for the list of the GCB’s subsidiaries.

This Non-compliance & Grievance Procedure refers to the general process deployed by GCB to handle any non-compliance and grievances raised by key stakeholders (refer to section 5.0) regarding our external operations.

It is important to note that GCB may reference the Non-compliance Procedure (if any) stated in certain Policies and Codes (refer to section 9.0) for a more targeted approach to handling specific issues.

A “non-compliance” occurs when GCB’s employees identify a breach in the relevant GCB Policies and Codes and/or signed contracts or agreements related to the Group’s external operations.

A “grievance” occurs when GCB’s external stakeholders formally complain about a breach in the relevant GCB Policies and Codes related to the Group’s external operations.

A “non-compliance/ grievance raiser” refers to the individual or group submitting a concern to any of the stated channels in section 7.0.

A “non-compliance/ grievance target” is the subject of the concern raised.

If breaches of the relevant GCB Policies and Codes (refer to section 9.0) and/or signed contracts or agreements are reported in our external operations, we will assess the extent and nature of the issue and establish a time-bound plan internally and/or with relevant external stakeholders to address the issue. Depending on the nature of the issue, we will consider terminating the relationship with the supplier or farmer.

For grievances by employees pertaining to GCB’s internal operations, the Group will take the relevant actions according to the Internal Grievance Procedure (refer to section 9.0).

4.0 RESPONSIBILITY AND AUTHORITY

4.1 Whistleblowing Committee

The Whistleblowing Committee has the responsibility under this procedure to:

- Receive and register potential non-compliance and grievances
- Oversee the investigation and resolution of non-compliance and grievances
- Provide guidance and advice for non-compliance and grievance cases

4.2 Relevant Business Units / Departments

Depending on the non-compliance or grievance reported, relevant subsidiaries and their business units or departments will be responsible to:

- Launch thorough investigation of non-compliance or grievance reported
- Report investigation outcomes to the Whistleblowing Committee
- Plan and implement resolution approach and corrective actions
- Continuous monitoring of resolved cases

5.0 STAKEHOLDERS INVOLVED

This procedure will be made available on [GCB's website](#), and accessible by the general public. However, to ensure that all respective stakeholders are aware of and have access to this Non-Compliance & Grievance Procedure and its contents, the following channels and mechanisms are also used:

Stakeholders	Source of Information and Method for Reporting Non-Compliance & Grievances
1. Farmers 2. Co-operatives	<ul style="list-style-type: none"> • Training to be conducted to raise awareness of this Non-Compliance & Grievance Procedure and how to report a grievance. • Local feedback & complaint mechanisms.
3. Suppliers	<ul style="list-style-type: none"> • Non-Compliance & Grievance Procedure is accessible via GCB's website. • Non-Compliance & Grievance Procedure is included within the Supplier Code of Conduct and available upon request.
4. Service Providers	<ul style="list-style-type: none"> • Non-Compliance & Grievance Procedure is provided to service providers along with the service engagement letter.
5. Investors	<ul style="list-style-type: none"> • Non-Compliance & Grievance Procedure is accessible via GCB's website. • Non-Compliance & Grievance Procedure is mentioned in the GCB Integrated Annual Report.
6. Customers	<ul style="list-style-type: none"> • Non-Compliance & Grievance Procedure is accessible via GCB's website. • Non-Compliance & Grievance Procedure is shared annually with customers together with GCB's annual feedback forms for customers.
7. Employees	<ul style="list-style-type: none"> • Non-Compliance & Grievance Procedure is accessible via GCB's website. • Non-Compliance & Grievance Procedure is mentioned in the Business Ethics Policy and Code of Conduct shared with employees.

6.0 NON-COMPLIANCE & GRIEVANCE PROCEDURE PROCESS FLOW

Timeline	Stages
1 week	1. Identification and registration of potential non-compliance or grievance <ul style="list-style-type: none"> Assess if the issue raised is a case of non-compliance or grievance. The Whistleblowing Committee acknowledges and conducts an initial review to confirm if non-compliance or grievance applies to GCB's supply chain/relevant areas.
1 week	2. Preliminary review <ul style="list-style-type: none"> Check admissibility of non-compliance or grievance <ul style="list-style-type: none"> NO: Inform complainant. YES: Whistleblowing Committee registers it in the non-compliance and grievance log and continues with Stage 3. Admissibility of non-compliance or grievance: <ul style="list-style-type: none"> Assess party alleged to be in breach of Policy. Assess allegations in relevance to GCB's relevant policies. Assess information submitted by non-compliance/ grievance raiser and request more information if necessary.
1 month	3. Dialogue, plan investigation, determine resolution <ul style="list-style-type: none"> The Whistleblowing Committee informs and seeks input from non-compliance/ grievance target. Agreement on investigation scope and approach with non-compliance/ grievance target and raiser (within constraints of anonymity if requested by raiser). Consider involvement of third-party investigation/mediation (if needed).
1-3 months	4. Investigation process <ul style="list-style-type: none"> The Whistleblowing Committee investigates the case, requests more information if necessary and determines if field verification is required. Assesses investigation results based on objective evidence. The Whistleblowing Committee decides whether the non-compliance or grievance is valid. <ul style="list-style-type: none"> NOT VALID: Inform non-compliance/ grievance raiser and update the non-compliance and grievance log. VALID: Continue with Stage 5.
1 month	5. Develop resolution <ul style="list-style-type: none"> The Whistleblowing Committee facilitates the agreement on the investigation findings between the non-compliance/ grievance target and the raiser. Develop a time-bound corrective action plan. Determine and communicate key expectations for the corrective action plan.
6-12 months	6. Case monitoring <ul style="list-style-type: none"> The Whistleblowing Committee implements the action plan. <ul style="list-style-type: none"> CASE RESOLVED: Resolution is documented in the non-compliance and grievance log. CASE NOT RESOLVED: Depending on the nature and severity of the issue, the next action could be to terminate the relationship with the supplier/ farmer or repeat Stage 5 up to two times.
	7. Continuous improvement <ul style="list-style-type: none"> The Whistleblowing Committee reviews and revises Policies & Procedures to avoid repetition of non-compliance and grievances.

7.0 SUBMISSION OF NON-COMPLIANCE OR GRIEVANCE

7.1 Non-compliance or Grievances can be reported via any of the following channels:

- i. Via Email*: whistleblower@favorich.com
- ii. Via Writing** → Send to the nearest GCB office location (Refer to Appendix 2 for the respective addresses)

*Emails should be clearly titled 'Non-compliance or Grievance xxx'

**Envelopes containing the written letter should be clearly addressed to "Whistleblowing Committee".

7.2 The Non-compliance or grievance should include provision of the following information***:

- Full Name
- Name of Organization (if any)
- Job Title
- Contact Details (Phone no./ Fax no./ Email Address)
- Description of Non-compliance or grievance in detail
- Evidence to support the Non-compliance or grievance (if any)

***Whilst non-compliance or grievances can be made anonymously, providing full contact details enables GCB to seek further clarification and provide updates on the process, and address the concern.

8.0 TRANSPARENCY AND CONFIDENTIALITY

8.1 GCB is committed to the transparent handling of non-compliance or grievances. The business unit / department in-charge will update the status of a complaint, particularly when the complaint is recorded, action has been taken and the resolution agreed upon. The non-compliance/ grievance raiser can also contact the business unit / department in-charge regarding the status of the complaint. This practice allows for dialogue to remain confidential and for the confidentiality of the non-compliance/ grievance raiser if requested.

8.2 The identity of the non-compliance/ grievance raiser shall be kept confidential. GCB strictly prohibits any form of retaliation against non-compliance/ grievance raisers.

9.0 RELEVANT DOCUMENTATION

- 9.1** GCB Business Ethics Policy and Code of Conduct
- 9.2** GCB Supplier Code of Conduct
- 9.3** GCB Human Rights & Labour Policy and Procedure
- 9.4** GCB Grievance Procedure (Internal)
- 9.5** Sustainable Procurement Policy and Procedure
- 9.6** Forest Policy
- 9.7** Deforestation Risk Assessment and Monitoring Policy and Procedure
- 9.8** Whistleblower procedure

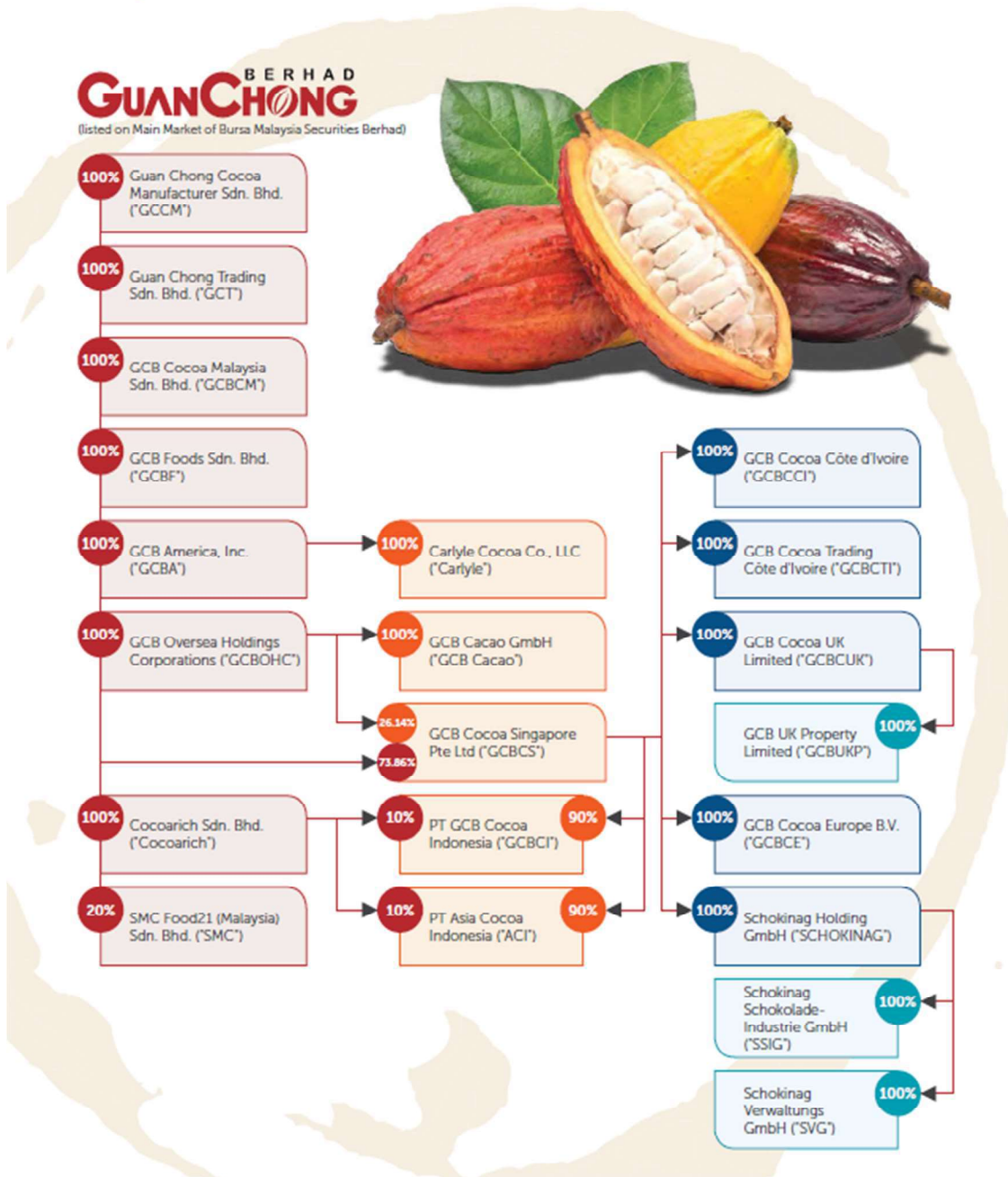
10.0 VERSION HISTORY

Version	Author	Date	Changes
V1.0	Corporate Governance Committee	07/09/2021	Creation of Grievance Procedure (External)
V1.1	Corporate Governance Committee	17/10/2022	Minor amendments on the process flow; update on the letterhead
V1.2	Corporate Governance Committee	15/12/2023	Updated the entire policy to include the process of handling non-compliance identified by GCB regarding the Group's external operations

11.0 APPENDICES

Appendix 1: List of all GCB's subsidiaries

Corporate Structure



Appendix 2: Addresses of GCB Office Locations

Malaysia	Guan Chong Cocoa Manufacturer Sdn. Bhd. PLO 273, Jalan Timah 2, 81700 Pasir Gudang, Johor, Malaysia
Indonesia	PT Asia Cocoa Indonesia JL. Engku Putri Type 7A-F, Kawasan Industri Tunas, Batam Centre 29464, Indonesia
Singapore	GCB Cocoa Singapore Pte. Ltd. 2 Venture Drive #11-12 Vision Exchange Singapore 608526
For other countries within Asia region	Guan Chong Cocoa Manufacturer Sdn. Bhd. PLO 273, Jalan Timah 2, 81700 Pasir Gudang, Johor, Malaysia
United Kingdom	GCB Cocoa UK Limited Lower Road, Glemsford, Suffolk, CO10 7QR
The Netherlands	GCB Cocoa Europe B.V. Stationsweg 25, 4 th floor, 1441 EJ Purmerend, The Netherlands
Germany and/or other countries within Europe	SCHOKINAG-Schokolade-Industrie GmbH Neckarvorlandstraße 21-25, 68159 Mannheim, Germany
Anywhere within Africa	GCB Cocoa Trading Côte d'Ivoire SA Abidjan Plateau Indenie Immeuble Résidence Les Hauts De L'Indenié Batiment C, 1ER Etage 01 BP 8144 Abidjan 01
Other areas/regions	Guan Chong Cocoa Manufacturer Sdn. Bhd. PLO 273, Jalan Timah 2, 81700 Pasir Gudang, Johor, Malaysia