

Anti-Corruption Policy

PP-CG-003-V1.1

1.0 PURPOSE

Guan Chong Group (the Company) is committed to the highest standards of professional integrity and ethical conduct. To this effect, the Company requires adherence to this Anti-Corruption Policy (this Policy). The main objective of this Policy is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and that the Company’s business is conducted in a socially responsible manner.

2.0 SCOPE

This Policy applies to all Directors, managers, employees, contractors, partners, subsidiaries and associates of the Company, whether permanent or temporary, and all parties performing work or services for or on behalf of the Company (Associated Persons). Refer to Appendix 1 for the list of the Company’s subsidiaries.

This Policy covers 5 areas:

- Bribes;
- Gifts and hospitality;
- Facilitation payments;
- Political and charitable contributions; and
- Conflicts of interest.

3.0 DEFINITIONS

In this Policy, the term “Bribery” shall mean *“The offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal or a breach of trust.”*

The term “Bribe” shall mean *“An inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.”*

The term “Third Party” shall mean *“Any person or entity Associated Persons come into contact with during the course of their work, including actual or potential customer, supplier, distributor, business contact, agent, consultant, and government and public bodies.”*

4.0 POLICY STATEMENT

The Company adopts a zero-tolerance policy to corruption. All Associated Persons are prohibited from, directly or indirectly, receiving or providing benefits such as gifts, commissions, kickbacks or any benefits in similar nature from/to Third Parties, where the benefits would reasonably be expected to influence the performance of their duties in any aspects. The Company upholds all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates, including but not limited to the Malaysian Anti-Corruption (MACC) Act 2009, the US Foreign Corrupt Practices Act 1977 (amended 1998) and the UK Bribery Act 2010.

5.0 ROLES AND RESPONSIBILITIES

5.1 Whistleblowing committee

The whistleblowing committee shall:

- Comply with the procedure in Whistleblower Procedure;
- Assess the alleged corruption and order a corruption investigation;
- Assign the appropriate EXCO members and/or senior managers to conduct corruption investigations, where required;
- Provide general guidance in respect of corruption investigations, where required; and
- Report findings of corruption investigations to the Audit Committee.

5.2 EXCO

The EXCO members shall:

- Provide direction and give mandate in compliance with the Company’s Business Ethics Policy and Code of Conduct;
- Ensure that this Policy is distributed to all stakeholders concerned;
- Upon an order given by the Whistleblowing Committee, conduct corruption investigation in accordance with the procedures given in the Whistleblower Procedure;
- Report findings of corruption investigation to the Whistleblowing Committee; and
- Decide for further action regarding confirmed corruption practices, where appropriate.

5.3 Senior Management

The senior management has the responsibilities to:

- Understand and abide by the Company’s Business Ethics Policy and Code of Conduct;
- Set the tone for zero tolerance on corruption activities through actions;
- Institute and maintain a system of internal controls for the prevention of corruption;
- Implement this Policy;
- Monitor business activities of Associated Persons and stay alert to potential signs of corruption;
- Report any suspected corruption practices to the Whistleblowing Committee;
- Upon an order given by the Whistleblowing Committee, conduct corruption investigations in accordance with the procedures given in the Whistleblower Procedure; and
- Report findings of corruption investigation to the Whistleblowing Committee.

5.4 Audit committee

The audit committee shall:

- Ensure that the Company practices an effective ethics and compliance program;
- Review and assess the adequacy of internal controls; and
- Review and acknowledge the findings of corruption investigations.

5.5 Employees and contractors

All employees and contractors shall:

- Understand and abide by the Company’s Business Ethics Policy and Code of Conduct;
- Follow this Policy;
- Stay alert to potential signs of corruption and report any suspected corruption practices to the Whistleblowing Committee through prescribed channel; and
- Provide any required information to the Investigation Unit during the investigation process.

6.0 FORMS OF CORRUPTION

6.1 Bribes

All Associated Persons are not allowed to:

- Offer, give or promise to give gratification to Third Parties with the intent to secure a business advantage for the Company;
- Solicit, receive or agree to receive gratification from Third Parties knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them;
- Induce or permit Third Parties to do something illegal and/or unethical; and
- Use their official positions to procure personal gain or benefit.

6.2 Gifts, hospitality and entertainment

The Company does not prohibit normal and appropriate gestures of gifts, hospitality and entertainment (GHE), so long as it meets the following requirements:

- It is not given to influence business decision, or to obtain or reward a business advantage;
- It is not made with the suggestion that a return favour is expected;
- It is in compliance with local law;
- It is given in the name of the company, not in an individual’s name;
- It is appropriate for the circumstances, reasonable in value, respectful and customary;
- It is transparent and has been reported to immediate superior;
- It is infrequent in nature; and
- It is not above the value of USD 1,000.

The intention behind GHE shall always be considered. If there is any uncertainty, the advice of immediate superior shall be sought.

The Company recognises that the practice of giving and receiving GHE varies between countries, regions, cultures and religions, so definitions of what is acceptable and not acceptable will differ for each.

GHE may include the following:

- Gifts presented at work-related conferences, seminars and/or business events;
- Gifts given in gratitude for hosting business events, conferences and/or seminars;
- Token gifts offered in business situations or to all participants and attendees, for example at work-related seminars, conferences, trade and business events;
- Declared tokens of appreciation, for example hampers, festive gifts, vouchers, tickets, diaries, calendars and the like; and
- Refreshments or meals during meetings or as participants of work-related conferences and/or seminars or meals for business purposes.

Where it is inappropriate to decline the offer of GHE, for example when meeting with an individual of a certain religion/culture who may take offence, GHE may be accepted so long as it is declared to an immediate superior who shall assess the circumstances.

6.3 Facilitation payments

Associated Persons are strongly prohibited to make any facilitation payments for the purpose of expediting, facilitating or rewarding the performance of a routine governmental action by a public official, agent or representative. Facilitation payments tend to be demanded by low level officials to obtain a level of service which one would normally be entitled to.

6.4 Contributions

The Company accepts and encourages the act of donating to charities, whether through services, knowledge, time or direct financial contributions. However, charitable contributions shall only be made or received if:

- They are made in accordance with all legal requirements and local practices;
- They are not made to secure any improper business or other advantage;
- They are not made to influence business decisions;
- They do not create the appearance of impropriety or a violation of any local country legal requirements;
- They have been subject to due diligence and management approvals; and
- They are publicly disclosed.

Political contributions, whether in cash, kind or by any other means, made to support any political parties or candidates, are strongly prohibited.

6.5 Conflicts of Interest

Conflicts of interest occur when an individual or organisation is involved in multiple interests, one of which could possibly corrupt, or be perceived to corrupt, the motivation for an act in another. A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

All Associated Persons shall:

- Avoid any situation or activity that compromises, or may compromise, their judgement or ability to act in the best interest of the Company;
- Avoid being in a position where their personal interests are in conflict or could be in conflict with the interests or business of the Company;
- Avoid engaging in activities that will bring direct or indirect profit, commercial or business advantages to the Company’s competitor;
- Avoid acting in ways that may compromise the Company’s legality; and
- Identify and disclose any conflicts of interest in accordance with the procedures given in the Related Party Transactions Policy and Procedure.

7.0 REPORTING CHANNEL

An individual who discovers or suspects a breach of this Policy (the whistleblower) shall notify the Whistleblowing Committee immediately via email (whistleblower@favorich.com) or other established reporting channels. Refer to the Whistleblower Procedure for more information.

8.0 MODIFICATION

The Corporate Governance Committee, the Whistleblowing Committee and the Board of Directors shall review this Policy annually and reserve the right to modify or amend this Policy at any time as they may deem necessary.

9.0 RELEVANT DOCUMENTATION

- Business Ethics Policy and Code of Conduct
- Whistleblower Procedure
- Related Party Transactions Policy and Procedure

10.0 VERSION HISTORY

Version	Author	Date	Changes
V1.1	Lydia Teo	30/05/2022	Amended details listed under GHE Added in new subsidiaries

11.0 APPENDIX

Appendix 1: List of all GCB's subsidiaries

- Guan Chong Cocoa Manufacturer Sdn Bhd
- PT Asia Cocoa Indonesia
- PT GCB Cocoa Indonesia
- GCB Cocoa Malaysia Sdn Bhd
- GCB Foods Sdn Bhd
- Carlyle Cocoa Co, LLC
- GCB Cocoa Singapore Pte Ltd
- SCHOKINAG-Schokolade-Industrie GmbH
- GCB Cocoa Côte d'Ivoire
- GCB Cocoa Trading Côte d'Ivoire
- GCB Cocoa UK Limited
- GCB Cocoa Europe BV