



# **Innoprise Plantations Berhad**

## **ANTI-BRIBERY AND CORRUPTION POLICY**

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# Anti-Bribery and Corruption Commitment

To recognise our vision of being one of the leading plantation companies committed to sustainability, Innoprise Plantations Berhad, as defined in section 2 of this Policy (“IPB Group”), has always strives in conducting business in an open and transparent manner. With this IPB Group is also committed to operating in an ethical and responsible manner, accompanied by the highest standards of integrity, governance and compliance with laws and regulations.

IPB Group adopts a zero tolerance policy against all forms of bribery and corruption. Refusal to engage in bribery, refusal to participate in acts of corruption, actively raising concerns, or the reporting of possible wrongdoing, will not be penalised even if such actions may result in IPB Group losing business, not meeting its targets or suffering disadvantage.

## 1.0 Introduction

This Anti-Bribery and Corruption Policy (“this Policy”) has been developed as part of IPB Group’s Anti-Bribery Management System, which has been designed to help prevent, detect and address bribery and corruption, by establishing a culture of integrity, transparency and compliance.

This Policy applies:-

- (a) to all operating units without exception and;
- (b) equally to IPB Group’s business dealings with commercial (“private sector”) and Government (“public sector”) entities, and includes IPB Group’s interactions with its directors, personnel, agents and other appointed representatives at all levels.

Scenarios covered in this Policy are only examples and not exhaustive. It is incumbent upon the reader to seek immediate guidance from the Integrity Unit of IPB Group in the event that any person subject to this Policy finds themselves in a scenario not dealt with in this Policy, or has any doubt about the scope of applicable laws, or the application of this Policy.

## 1.1 Objective

The objective of this Policy is to:-

- (a) Set out IPB Group’s position on bribery in all its forms, and matters of corruption that may be faced in the course of its operations; and
- (b) Provide information and guidance on how to recognise and deal with potential acts of bribery and corruption.

## 1.2 Application

This Policy applies to all Directors and Employees of the Group.

### **1.3 Related Documents**

This Policy shall be read together with:-

- (a) IPB Group's various other policies, procedures and guidelines for both the Group and individual entity level; and
- (b) All applicable laws and regulations, in particular with respect to anti-bribery and corruption laws including but not limited to Malaysian Penal Code 1936 and its amendments, Malaysian Anti-Corruption Commission ("MACC") Act 2009 and its amendments, Malaysian Anti-Money Laundering Act 2011 ("AMLA"), Malaysian Companies Act 2016, and Malaysian Financial Reporting Standards ("MFRS").

### **1.4 Compliance with Laws and Regulations**

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia. In the event of any conflict or inconsistency between the provisions of this Policy and the laws and regulations of Malaysia, the latter shall prevail.

### **1.5 Validity of this Policy**

This Policy shall become effective immediately upon approval by the Board of Directors.

### **2.0 Definition**

The terms used in this Policy shall have the meanings ascribed to them as in **Appendix 1**, unless the context otherwise requires.

### **3.0 Payments, Gifts, Hospitality, Donations and Other Benefits**

#### **3.1 Payments**

All payments made by IPB Group must be warranted, transparent and proper. No payments may be made for bribery or any acts of corruption.

IPB Group adopts a strict policy of disallowing the use of facilitation payments, financial or any other incentives in order to secure an improper advantage, to obtain or retain business, or direct business to/from any other person or entity, including expediting the performance of duties of a non-discretionary nature.

However, Directors or employees may encounter situations whereby they have no alternative but to make a facilitation payment in order to protect themselves, or their relatives, from injury, loss of life or liberty. Any request for or payment of facilitation payment under such circumstances should be immediately reported to the Integrity Unit.

It is also incumbent on the payer to ensure any such payment has been recorded transparently in the Register. Further details on the recommended course of action to be taken for such payments is explained under section 8.5 of this Policy.

In addition, if a payment has been made whereby Directors or employees are unsure of the nature of such payment, their immediate superior (for employees) or Integrity Unit (for Directors) must be immediately notified and consulted.

### **3.2 Gifts and Hospitality**

The giving and receiving of modest gifts and reasonable acts of hospitality are *allowed* by IPB Group *only* as a legitimate means of building goodwill in business relationships.

Any gift-giving and/or receiving or event of hospitality must be in accordance with the rules and regulations as highlighted in the Gift and Hospitality Policy.

All gifts and any event of hospitality offered and received that breaches the conditions as stipulated in the Gift and Hospitality Policy must be declared in the Register.

In these limited circumstances, all declarations must be properly recorded in the Register within 30 days of the giving and/or receiving of the gifts and hospitality. Failure to do so will be considered a violation of this Policy.

Approvals or directions must also be sought from the Integrity Unit on the next course of action with regards to such receipts of gifts and hospitality. These approval request and approval received must be properly documented together with the Register, for tabling to the Board of Directors purposes.

### **3.3 Donations and Sponsorships**

Donations and sponsorships may be allowed, subject to the conditions as highlighted in the Gift and Hospitality Policy. Any donations and sponsorships extended must be properly documented and retained in the Register, and available for audit purposes.

When in doubt, the Audit Committee must be consulted before any such transaction is entered into.

### **3.4 Political Contributions**

IPB Group's funds or resources must not be used to make any direct or indirect political contributions without prior written approval from the Board of Directors establishing that it is in the best interest of IPB Group to do so, and then upon satisfying itself that IPB Group is acting responsibly in accordance with all applicable local laws and requirements for public disclosure. No such political contributions may be used as a subterfuge for bribery.

### **4.0 Recruitment of Employees**

IPB Group recognises the importance of integrity in its Employees and Directors.

IPB Group's recruitment, training, performance evaluation, remuneration, recognition and promotion for employees and management shall be objective and show no favour, and shall include assessments of individuals' commitment to integrity.

IPB Group will not offer employment to prospective employees in return for previous favour or in exchange for improper favour, such as awarding of contracts. IPB Group shall award contracts and employee positions based on merit. Support/ referral letters in all forms shall not be recognised as part of the business decision making process.

## **5.0 Managing Relationships**

### **5.1 Relationship with Business Associates and Third Parties**

IPB Group will not engage in any form of bribery or provide improper incentive to induce any person to transact with IPB Group. This prohibition specifically includes kickbacks in any form, offers to split or share any commission, or any other improper or hidden compensation.

Where practical and relevant, IPB Group should conduct appropriate due diligence to ensure that the prospective Business Associate is not likely to commit an act of bribery or corruption in the course of its work with IPB Group.

The extent of the required due diligence shall be based on the circumstances of the proposed transaction. Such due diligence may include searches through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another.

Similarly, standard clauses will be included in all legal documents and/or contracts with Business Associates and third parties, requiring them to comply with this Policy and other applicable laws besides granting IPB Group the right to terminate any contract in which bribery or an act of corruption has been observed or proved to occur.

### **5.2 Conflict of Interest**

Any person discharging their duties on behalf of IPB Group, must avoid situations that create or appear to create conflicts of interest. The use of their position, IPB Group's assets and resources, or information available to them for personal gain or undue disadvantage to IPB Group, is strictly prohibited.

In situations where a conflict occurs, the person is required to declare the matter to the MD immediately.

The Group Human Resource Manual provides for scenarios where written consent is required in the event of conflict of interest arising in the course of the employees' employment with IPB Group.

## **6.0 Risk Assessment**

Risk assessments shall be conducted every three (3) years, or as and when deemed necessary by the Board of Directors, to determine the level of Anti-bribery controls necessary for a particular aspect of IPB Group's operation, in addition to identifying current bribery and corruption risks potentially affecting the Group's operations.

The following should be taken into consideration when performing risk assessments:-

- (a) Inherent risk, which includes an assessment of the overall risks of bribery and corruption associated with the governance structure and internal control systems/procedures of IPB Group;
- (b) Reputational risk, which includes an assessment of the risk that IPB Group's reputation would face due to bribery and corruption;

- (c) Transactional risk, which includes an assessment of the risks associated with a business transaction undertaken by IPB Group or any person discharging their duties on behalf of IPB Group;
- (d) Business opportunity risk, which includes the risk that pursuing or obtaining certain business opportunities may result in acts of bribery or corruption; and
- (e) Business partnership risk, which includes risks deriving from relationships with or partnership with any person discharging their duties on behalf of IPB Group.

The results of the risk assessment shall be incorporated into the Bribery Risk Register of IPB Group, categorised by entity level and location, as an effective tool for risk handling and risk management.

## **7.0 Staff Declaration**

All IPB Group personnel shall certify in writing that they have read, understood and will abide by this Policy. A copy of this declaration shall be documented and retained by the Group Human Resource Department for the duration of the personnel's employment. A sample declaration is appended in the **Appendix 2** of this Policy.

The Integrity Unit reserves the right to request any information, including on employees' assets, in the event that the person is implicated in any bribery and corruption-related accusation or incident.

## **8.0 Operation, Support and Improvement of this Policy**

### **8.1 Responsibility for this Policy**

IPB Group's Board of Directors has overall responsibility for ensuring this Policy complies with IPB Group's legal and ethical obligations, and that all person discharging their duties on behalf of IPB Group complies with it.

An Integrity Unit shall be established under the supervision of the Board of Directors as the anti-bribery and corruption compliance arm of IPB Group. The Integrity Unit has primary and day-to-day responsibility for implementing this Policy, and for monitoring its use and effectiveness.

The Integrity Unit also acts as the first point of reference for any person who wishes to consult on any matters pertaining to bribery and corruption-related matters, including scenarios and areas as discussed in this Policy. In turn, the Integrity Unit shall periodically / immediately report to the Board of Directors on all matters pertaining to bribery and corruption, depending on the severity of issue.

Such reporting by the Integrity Unit shall form the basis of the Board of Directors' deliberation on the next course of action to be taken in pursuit of IPB Group's fight against bribery and corruption.

Management at all levels is responsible for ensuring those reporting to them are made aware of and understand this Policy.

## **8.2 Review and Changes to this Policy**

This Policy shall be reviewed every three (3) years, or as and when deemed necessary by the Board of Directors, to ensure the Policy is kept abreast with the relevant developments in the legislation as well as evolving industry and international standards.

Any changes to this Policy shall be approved by the Board of Directors.

## **8.3 Communication of this Policy**

To ensure all employees and directors and any person discharging duties on behalf of IPB Group are aware of this Policy, they will be advised that this Policy is available on IPB Group's website for their review.

All employees and directors and any person discharging duties on behalf of IPB Group must be informed whenever significant changes are made to this Policy.

## **8.4 Training and Awareness**

IPB Group shall conduct awareness programmes for all its employees and directors, on a regular basis, on IPB Group's position and commitment regarding anti-bribery and corruption.

Training on this Policy shall form part of the induction process for all new employees and directors.

Business associates and any person acting on behalf of IPB Group shall also undergo appropriate training, where risk assessment identifies them as posing a more than minor bribery and corruption risk to the Company.

IPB Group's zero-tolerance on, and compliance with, anti-bribery and corruption practices must also be communicated to all business associates at the onset of relationship with them and repeated or reinforced as appropriate thereafter.

Group Human Resources shall maintain records of all training and awareness programmes, including details and attendance of participants, in collaboration with the Integrity Unit.

## **8.5 Infringement of this Policy**

Any infringement of this Policy, including any acts of bribery and misconduct, shall constitute serious misconduct or offences warranting disciplinary action against the offenders.

Non-compliance/ infringement issues identified by audits and any risk identified through this and other means shall be reported to the top management and Board of Directors in a timely manner in accordance with the level of risk identified.

IPB Group recognises that demands for bribes to be paid may be accompanied by threats to personal safety. These should be rare, but if any person discharging duties on behalf of IPB Group is subjected to an immediate threat to their safety, the person may put personal well-being first, even if this means that the person makes a payment that would contravene this Policy.



However, the person must immediately report all of the circumstances of the threat and the payment to the Integrity Unit. If a threat is made but the person is able to notify the Integrity Unit before making such payment to avoid the harm, then the person should do so. Otherwise, notification must be made and approvals must be sought retrospectively, as soon as possible. Such payments must be accurately described and recorded in the Register.

Any deviation or waiver from this Policy must be approved by the Board of Directors.

## **8.6 Raising Concerns**

Any person who learns of a potential violation of applicable laws or this Policy is responsible to report the suspicion promptly.

Employees and directors of IPB Group, who in good faith, report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation, as provided by IPB Group's Whistleblowing Policy.

## **8.7 Compliance Function**

Appropriate resources including manpower with appropriate competencies, authority and independence shall be provided for effective operation of the compliance function and overall anti-bribery and corruption management system.

Internal control systems and procedures will be subject to annual audits to provide assurance that they are effective in countering bribery and corruption. Any deficiencies identified must be rectified as soon as possible.

Such audits may be conducted internally by the Group Internal Audit function of IPB Group or by an independent external party. Audit documentation should include performance improvement action plans.

## **8.8 Continuous Improvement**

IPB Group is committed to continuously improving its policies and procedures relating to anti-bribery and corruption.

IPB Group shall monitor the legal and regulatory requirements, wherever it operates, and any changes to IPB Group's business environment and risks, to identify improvement opportunities to this Policy and overall management of bribery and corruption within IPB Group. A report shall be submitted to the top management and Audit Committee on a regular basis for the appropriate action to be taken.

## Appendix 1

### Definition

Agent	Any person employed by or acting for another, and includes an officer of a public body or an officer serving in or under any public body, a trustee, an administrator or executor of the estate of a deceased person, a subcontractor, and any person employed by or acting for such trustee, administrator or executor, or subcontractor.
Bribe or Bribery	<p>Any act considered to be the offence of giving or receiving “gratification” under the MACC Act 2009.</p> <p>This includes offering, promising, giving, accepting or soliciting something of value, directly or indirectly, and irrespective of location(s), to illicitly influence the decisions or actions of a person of position of trust within an organisation, or a function that is expected to be performed impartially or in good faith, or to obtain or retain commercial advantage.</p>
Business Associate	<p>An external party with whom IPB Group has, or plans to establish, some form of business relationship.</p> <p>This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors.</p>
Conflict of Interest	A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official or professional capacity.
Corporate Gift	<p>Something given from one organisation to another, with the appointed representatives of each organisation giving and/or accepting the gift.</p> <p>Corporate gifts, usually bearing the entity’s name and logo, may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building IPB Group’s brand. The gifts are given transparently and openly, with the implicit or explicit approval of all parties involved.</p> <p>Examples include items such as T-shirts bearing the logo of IPB Group’s and plaques.</p>
Corruption	<p>Transparency International defines corruption as “the abuse of entrusted power for personal gain”.</p> <p>For the purpose of this policy, corruption, is defined primarily as any action considered as an offence of giving or receiving “gratification” by the MACC Act 2009.</p> <p>This includes, but is not limited to, acts of extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering. A comprehensive list of these acts may be found within the MACC Act 2009.</p>
Employees	All individuals directly contracted to the Group on an employment and/or contract

	basis, including permanent and temporary employees and Directors.
Facilitation Payment	A payment or other provision made personally to an individual in control of a process or decision to secure or expedite the performance of a routine or administrative duty or function.
Foreign public official	Defined by the MACC Act 2009 as:-  (a) Any person who holds a legislative, executive, administrative or judicial office of a foreign country whether appointed or elected; (b) Any person who exercises a public function for a foreign country, including a person employed by a board, commission, corporation, or other body or authority that is established to perform a duty or function on behalf of the foreign country; and (c) Any person who is authorised by a public international organisation to act on behalf of that organisation.
Gratification	Defined by the MACC Act 2009 as:-  (a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property of any description whether movable or immovable, financial benefit, or any other similar advantage; (b) Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity; (c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part; (d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage; (e) Any forbearance to demand any money or money's worth or valuable thing; (f) Any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and (g) Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).
Hospitality	Includes, but is not limited to, considerate care of guests, business associates, etc., which may include refreshments, accommodation and entertainment, at a restaurant, hotel, club, resort, convention, concert, sporting event or any other venue such as Company offices, estates, mills and plantations, with or without the personal presence of the host. Provision of travel and sponsorship of events may also be included, as may other services such as provision of guides, attendants and escorts, use of facilities such as a spa, golf course or ski resort with equipment included.
Integrity Unit of IPB Group	A compliance unit appointed by the Board of Directors to oversee day-to-day responsibilities for implementing this Policy.
Improper favour	Includes the definition of bribe and gratification under the MACC Act 2009 as well as the following as defined by Transparency International:-  (a) Patronage - A form of favouritism in which a person is selected, regardless of qualifications or entitlement, for a job or government benefit because of

	<p>affiliations or connections;</p> <p>(b) Clientelism - An unequal system of exchanging resources and favours based on an exploitative relationship between a wealthier and/or more powerful “patron” and a less wealthy and weaker “client”;</p> <p>(c) Nepotism - A form of favouritism based on acquaintances and familiar relationships whereby someone in an official position exploits his or her power and authority to provide a job or favour to a family member or friend, even though he or she may not be qualified or deserving.</p>
Officer of a public body	<p>Defined by the MACC Act 2009 as:-</p> <p>Any person who is a member, an officer, an employee or a servant of a public body, and includes a member of the administration, a member of Parliament, a member of a State Legislative Assembly, a judge of the High Court, Court of Appeal or Federal Court, and any person receiving any remuneration from public funds, and, where the public body is a corporation sole, including the person who is incorporated as such.</p>
Personal Gift	<p>Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. This includes, but is not limited to, cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, chocolates, liquor, property, vehicles, free fares, shares, interest, free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any form of discount or commission, jewellery, decorations, souvenirs, vouchers or any other items of value.</p>
Public body	<p>Defined by the MACC Act 2009 as:-</p> <p>(a) The Government of Malaysia;</p> <p>(b) The Government of a State;</p> <p>(c) Any local authority and any other statutory authority;</p> <p>(d) Any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority;</p> <p>(e) Any society registered under subsection 7(1) of the Societies Act 1966;</p> <p>(f) Any branch of a registered society established under section 12 of the Societies Act 1966;</p> <p>(g) Any sport body registered under section 17 of the Sports Development Act 1997;</p> <p>(h) Any co-operative society registered under section 7 of the Co-operative Societies Act 1993;</p> <p>(i) Any trade union registered under section 12 of the Trade Unions Act 1959;</p> <p>(j) Any youth society registered under section 9 of the Youth Societies and Youth Development Act 2007;</p> <p>(k) Any company or subsidiary company over which or in which any public body as is referred to in paragraph (a) - (j) has controlling power or interest; or</p> <p>(l) Any society, union, organization or body as the Minister may prescribe from time to time by order published in the Gazette.</p>
Register	<p>Register of Gifts and Hospitality maintained by each business unit, by both Group and entity level as well as by location, which is to be submitted every quarter to the Audit Committee.</p>

Relative	<p>Defined by the MACC Act 2009 as:-</p> <ul style="list-style-type: none"> <li>(a) A spouse of the person;</li> <li>(b) A brother or a sister of the person;</li> <li>(c) A brother or a sister of the spouse of the person;</li> <li>(d) A lineal ascendant or descendent of a person;</li> <li>(e) A lineal ascendant or descendent of the spouse of the person;</li> <li>(f) A lineal ascendant or descendant of the person referred to in paragraph (b);</li> <li>(g) The uncle, aunt or cousin of the person; or</li> <li>(h) The son-in-law or daughter-in-law of the person.</li> </ul>
IPB Group	Includes Innoprise Plantations Berhad and all its subsidiaries.

## Appendix 2

### Sample of Staff Declaration Form

I, \_\_\_\_\_, hereby declare that I have read and understood IPB Group's Anti-Bribery and Corruption Policy. I will abide by the requirements and provisions set out in the Policy, as required by my employment contract.

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