



KUALA LUMPUR KEPONG BERHAD

197301001526 (15043-V)

**GROUP ANTI-CORRUPTION
POLICY**

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1. POLICY STATEMENT

The adverse economic and social consequences of corruption and bribery are a major deterrent to development. As such, the Board, Management and employees of Kuala Lumpur Kepong Berhad ("KLK") Group are concerned about the seriousness of the problems and threats posed by corruption in undermining the Group's ethical values and in jeopardising the sustainable development of its business and the rule of law.

KLK Group is committed to fostering an anti-corruption culture and to ensuring that its activities and transactions are open, transparent and are conducted in accordance with its policies and the laws which govern its operations in every country in which it operates. As such, all Company Employees and Associated Persons (as defined below) are required to act fairly and with integrity in all of their business dealings and relationships.

Consistent with that commitment, KLK Group has developed this Anti-Corruption Policy ("Policy").

2. WHAT IS CORRUPTION?

For the purposes of this Policy, "corruption" is the abuse of power to influence the objective and fair business decision of KLK Group, or gain an improper advantage for KLK Group, or for personal gain.

Corruption offences may include but not be limited to the following:

- Offering/Giving/Promising Gratification (Active Bribery);
- Accepting/Receiving/Soliciting/Requesting Gratification (Passive Bribery);
- Intending to Deceive (False Documents);
- Using Office or Position for Gratification (Bribery and Abuse of Power/Position).

"Gratification" shall include the following:

- (a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, whether movable or immovable, financial benefits;
- (b) Office, dignity, employment, contract of employment/services and agreement to give employment/render services in any capacity;
- (c) Payment, release, discharge/liquidation of loan, obligation or other liability;
- (d) Valuable consideration of any kind, discount, commission, rebate, bonus, deduction or percentage;
- (e) Forbearance to demand money or money's worth or valuable thing;
- (f) Other service/favour including protection from penalty or disability incurred or apprehended or from any action, proceedings of disciplinary, civil or criminal nature; or
- (g) Offer, undertaking or promise of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

In practice, a corrupt act means offering, giving, receiving or soliciting something of value in an attempt to illegally influence the decisions or actions of a person in a position of trust within an organisation.



3. OBJECTIVE

The aims of this Policy are to ensure the practise of ethical business dealings and to strengthen measures in minimising risk of corruption and bribery. This Policy sets forth the Group's baseline standards to serve as guidance for Company Employees and Associated Persons interacting with KLK Group, in the compliance with applicable anti-corruption laws and regulations, as well as to promote a culture of ethics and integrity.

Where local laws, regulations or local Business Units'/Operating Centres' internal policies require more stringent controls, then such stringent controls must be followed.

This Policy also aims at protecting KLK Group and its Company Employees' reputation, and at avoiding potential civil and criminal liability.

4. SCOPE

All directors, officers, trustees, partners and employees (including full time, probationary, contract and temporary staff) of KLK Group (hereby collectively referred to as "Company Employees") are to observe and comply with this Policy and to uphold all applicable anti-corruption/bribery laws in the countries where the Group operates. This Policy also applies to any person associated with KLK Group (collectively referred to as "Associated Persons").

In the context of this Policy, a person associated with KLK Group refers to any individual or organisation that performs services for and on behalf of KLK Group, and that KLK Group comes into contact with during the course of its dealings which may include actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisors, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

5. BRIBES AND KICKBACKS

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action or a refrain from action, which is illegal, unethical or a breach of trust. Bribery can be a financial or in-kind undue advantage that can be given directly or through intermediaries.

Company Employees and Associated Persons will not offer, promise, authorise, direct, pay, make or receive any (i) bribes/inducements, (ii) kickbacks (a form of negotiated bribery in which a commission is paid to the bribe-taker in exchange for services rendered) or (iii) payments of money or things of value in-kind (including but not limited to lavish gifts, excessive entertainment, funding of personal travel, etc.), in an attempt to influence the objective and fair business decision of KLK Group, or gain an improper advantage for KLK Group, or for personal gain.

KLK Group recognises however, that bribes, kickbacks or payments may be extorted, or Company Employees may be coerced or blackmailed to pay if they perceive that their safety, life or liberty or that the Group's assets/businesses are under threat or compromise. In such event, the affected person must immediately report the matter to the Company, regardless whether any payment was made.

See also sections on "Improper Payment or Receipt" in the KLK's Code of Conduct and Ethics for the Company and "Governance" in the Supplier Code of Conduct.

6. GIFTS, BENEFITS AND HOSPITALITY

To avoid conflicts of interest or the perception of conflicts of interest, KLK Group discourages Company Employees from giving or accepting gifts, entertainment or other benefits which would in any way influence or appear to influence any material business decision, arrangement or transaction.

However, KLK Group recognises that entertainment, gifting and acceptance of gifts may be a legitimate custom or practice in business relationships to demonstrate appreciation, and given/received without expectation of consideration or value in return. The guideline subscribed by KLK Group in relation to such gifting and acceptance of gifts is that unsolicited gifts or other business courtesies may be given or accepted, provided they are handled in a transparent manner, are reasonable and modest in nature and amount, bona fide, and justified by a clear and legitimate business purpose.

As KLK Group has business worldwide, the local management may define specific guidelines and policies to reflect local professional and industry standards within the parameters provided in this Policy.

See also sections on "Gifts, Meals and Entertainment" in KLK's Code of Conduct and Ethics for the Company, "Gifts and Hospitality" in the Code of Conduct for Directors and "Personal Gifting" in the Code of Conduct for Employees.

7. SPONSORSHIP AND DONATION

KLK Group strives to support organisations and events in the areas of education, humanitarian and community, environmental, health and sports, and arts and culture through philanthropic donations and non-commercial sponsorship. Such support and contributions are important measures which express how KLK Group perceives its social responsibility. We allow sponsorship and donations for legitimate reasons and as permitted by existing laws and regulations.

We recognise that sponsorships and donations carry risk as they can be a conduit for corrupt payment. Hence, we have put in place the KLK Group Donations Policy and Procedure to provide guidance in relation to the giving and receiving of donation and sponsorships by and on behalf of KLK Group. A register is kept to document sponsorship and donations given out by KLK Group according to their amount and nature thereof.

See also section on "Donations" in KLK's Code of Conduct and Ethics for the Company and CR Report.

8. MANAGING THIRD PARTIES

KLK is committed to upholding the principles set out in this Policy and will operate transparently and fairly in its business dealings. This commitment is realised through continual information gathering on Associated Persons in order to obtain a high-level view of the risk profile of the Associated Persons. The information gathering and the third-party risk assessment process allow KLK Group to develop a proportionate approach to identify and respond appropriately to higher risk third parties, as well as to decide the scale of resources to be allocated to due diligence, third party management and monitoring.



Company Employees and Associated Persons are required to understand and adhere to the principles and standards set out in this Policy, as well as to all relevant international and domestic legislation. All Company Employees and Associated Persons shall ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all KLK businesses.

KLK will not hesitate to report any act of corruption to relevant authorities and/or terminate any relationships/arrangements (if any) with the Associated Persons, if an act of corruption or bribery has been proven to have occurred without proper justification.

See also KLK's Supplier Code of Conduct.

9. WHISTLEBLOWING

It is KLK's belief that the prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all its stakeholders and the public at large.

KLK encourages its stakeholders to raise concerns about any issue or suspicion of unethical conduct and corporate misdemeanours, including corrupt practices and bribery, by reporting the same via channels set out in the Group Whistleblowing Policy or any hotline set up for this purpose.

To the extent possible, KLK will treat any report of unethical and corrupt conduct in strictest confidence and will not punish or take retaliatory action against any person for reporting a matter in good faith, and in accordance with KLK's policies and procedures.

See also sections on "Reporting, Enforcement and Investigation Process" in KLK's Code of Conduct and Ethics for the Company, "Reporting of Violations of the Code" in the Code of Conduct for Employees, the Group Whistleblowing Policy and Group Employee Grievance Redressal Policy.

10. TRAINING AND COMMUNICATION

High on KLK Group's agenda is to ensure that along with all other important company messages, Company Employees are made aware of this Policy. This Policy is therefore available to stakeholders and the wider community on KLK's website.

The communication of this Policy is supported by training on the implementation and adherence to this Policy, in order to guide Company Employees' understanding of the requirements of the Policy and ensure that personal commitment to ethical behaviour is reinforced.

11. MONITORING AND REVIEW

Anti-corruption and bribery prevention procedures should be proportionate to the risk of bribery. At KLK, these procedures are monitored, reviewed and evaluated, taking into consideration their suitability, adequacy and effectiveness.

KLK's Internal Audit Division, which reports directly to the Audit and Risk Committee, conducts periodic assessments on internal control systems and the effectiveness of the processes that are in place to identify, evaluate, manage and report risks including compliance with the laws and KLK's policies.

Breaches of this Policy and its procedures are reported to the Audit and Risk Committee, who will delegate appropriate powers to Management to ensure such breaches are satisfactorily addressed.



12. CONSEQUENCES OF BREACH

Under the anti-corruption laws of Malaysia, persons convicted of acts of bribery and corruption may be liable to a fine of up to 10 times the sum of gratification involved, or RM1 million, whichever is higher and/or a maximum jail term of 20 years. Internationally, similar legislation is in force, some of which may be more onerous than Malaysian laws.

Breach of this Policy (irrespective of whether any laws are breached) will also be regarded by KLK Group as serious misconduct which may lead to sanctions including termination of employment, engagement or association with KLK Group. Such disciplinary action may be communicated internally and/or externally to reinforce the message that the Group is committed to counter corruption/bribery.

13. REPORTING

The status of the Group's corruption risks and anti-corruption programmes is disclosed in its Annual Report and Corporate Governance Report, in compliance with relevant laws.

14. REVISION AND INCONSISTENCY

This Policy may be reviewed at our absolute discretion and amendment may be made where necessary or appropriate. Addenda, guidelines and memoranda may be issued from time to time to supplement this Policy. The latest version of this Policy will always be available online at <https://www.klk.com.my>

Should any other policies of KLK Group appear inconsistent with this Policy, this Policy will prevail.

DOCUMENT VERSION CONTROL	
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1.0	03 August 2019