

## **WHISTLEBLOWING POLICY AND PROCEDURE**

### **1.0 PURPOSE**

- 1.1. Hartalega Holdings Berhad and its subsidiaries (“the Group”) are committed to maintain high standards of corporate governance and integrity.
- 1.2. This Whistleblowing Policy and Procedure (“Policy”) and is in place to encourage a culture of transparency, accountability, and integrity as well as to promote good corporate governance within the Group.
- 1.3. This policy provides for an avenue to employees, vendors, customers, and other applicable stakeholders (“whistleblower”) to report on genuine concerns with regard to unethical behaviour, malpractice, regulatory or legal violations or similar.
- 1.4. All genuine concerns reported shall be treated as strictly confidential and without any risk of reprisal to provide protection to the whistleblower.

### **2.0 GENERAL PRINCIPLES**

- 2.1. This Policy enables employees, associates, and stakeholders in the Group to whistleblow in good faith without fear of adverse consequences.
- 2.2. The scope for whistleblowing reporting includes but is not limited to the following:

#### **2.2.1 Abuse of power**

Abuse of power refers to the misuse or exploitation of authority, influence, or position within the Group for any gratification which includes but not limited to monetary and employment for personal gain. For example, a colleague used their position to influence a decision made within the Group (i.e. vendor selection to provide service to the Group) for their gain.

#### **2.2.2 Bribery / Corruption**

Bribery is defined as offering, promising, giving, accepting or soliciting of an undue advantage of any value (which could be financial or non-financial), directly or indirectly, and irrespective of location(s), in violation of applicable law, as an inducement or reward for a person acting or refraining from acting in relation to the performance of that person's duties.

Corruption is defined as abuse of entrusted power for personal gain, as defined by the Transparency International, an independent, non-governmental and non-partisan organisation committed to fight against corruption. Examples of corruption includes bribery, kickbacks, extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money.

For example, a colleague offered special privileges to another party for personal enrichment or received benefit (monetary/non-monetary) from another party to provide special advantages to the other party.

#### **2.2.3 Conflict of Interest**

Conflict of interest arises in situations where there is personal interest that might interfere with a person's objectivity when performing duties or exercising judgment on behalf of the Group. This also includes any undisclosed business relationship between family members

or friends and the Group. For example, colleague holding a position in another organisation that has dealings with Hartalega.

#### 2.2.4 Theft

Theft is defined as moving property out of the possession of another person without their consent and with intent to take dishonestly. For example:

- a colleague takes another person's property without that person's freely given consent.
- a colleague uses another's identity to obtain goods and services.
- secretly selling goods and hiding the money from the sale.
- misrepresenting of expenses or reimbursements for personal gain.

#### 2.2.5 Fraud and Dishonesty

Fraud refers to an action that was intended to defraud, but not otherwise.

Dishonesty refers to the action with the intention of causing wrongful gain to one person, or wrongful loss to another person, irrespective of whether the act causes actual wrongful loss or gain. For example, a colleague deliberately misrepresents Group's product condition to a customer which causes actual monetary damages.

#### 2.2.6 Misappropriation of Assets

Misappropriation of assets refers to the dishonest misappropriation, or converts to his own use, of any of the Group's property which includes but not limited to the Group's resources, properties, or funds for personal gain or purposes unrelated to the Group's interests.

#### 2.2.7 Insider trading

Insider trading involves a person in the purchase or sale of a company's securities with information that is not generally available in public and have a material effect on the price or the value of securities.

#### 2.2.8 Non-compliance to policy

Non-compliance to policy refers to any action or behaviour by an employee, contractor, or associated party that violates the established Group's policies, procedures, regulations, or legal requirements.

#### 2.2.9 Health / Safety / Environment

Refers to any dishonest action or behaviour that leads to violation or non-compliance with the Group's HSE policies and procedures which in turn might potentially harm or affect an individual's safety and any hazardous actions that can impact the environment.

### 2.3. All cases will be treated fairly and properly.

- The confidentiality and anonymity of the whistleblower will be kept throughout the process.
- Bona fide whistleblowers will be protected against any unfair treatment or risk of reprisal resulting from their reporting.
- The person being reported will be considered innocent and not unduly penalized while investigation is ongoing.

- 2.4. Mischievous or malicious reports are considered as abuse of this whistleblowing mechanism and will be dealt severely, subject to the procedures and restrictions in force at the Group.
- 2.5. The Group are committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to Malaysian Anti-Corruption Commission Act 2009, Malaysian Penal Code (revised 1977), the Companies Act 2016 (Malaysia), Whistleblower Protection Act 2010 (Malaysia), and its amendments. In cases of conflict between mandatory law and the principles contained in this Policy the law shall prevail.

### **3.0 CONFIDENTIALITY AND SAFEGUARDS**

- 3.1 The identity of the whistleblower will be kept confidential. If there is a need to disclose a whistleblower's identity for any reason (e.g. to facilitate investigation or required by relevant authorities like the police), the whistleblower's consent may be sought.
- 3.2 The Group will protect a whistleblower who reports in good faith against discrimination, retaliation or any other negative treatment. If a whistleblower believes he/ she is facing such negative treatment, he/ she should immediately report those incidences to the independent 3<sup>rd</sup> party outsourced service provider as indicated in clause 4.1 below.
- 3.3 If a whistleblower is an employee of the Companies, he/ she shall be accorded protection in accordance with the Companies Act 2016 and Whistleblower Protection Act 2010. This means the whistleblower shall be protected against internal disciplinary actions, harassment or victimization from any of his/ her superiors throughout employment, providing the report was made in good faith and not for personal gain.

### **4.0 REPORTING AND INVESTIGATION PROCEDURES**

- 4.1 The whistleblower can lodge a report to an independent 3<sup>rd</sup> party outsourced service provider ("Deloitte Halo") via two channels, (i) email and (ii) website, which are available in the following languages: English, Bahasa Malaysia, Burmese, Bengali, Nepali.
- 4.2 For reporting via email, the whistleblower can send the case to the following email address:

[hartalega@tipoffs.com.my](mailto:hartalega@tipoffs.com.my)

The following information shall be shared through email for subsequent case management and investigation:

- Names of people involved;
- Names of any witnesses;
- Date, time and location of incident(s);
- Details of any proof;
- Money or assets involved;
- How often the incident has happened.

- 4.3 For reporting via website, the whistleblower may report case via website:

<https://secure.deloitte-halo.com/hartalegaspeakup>

Deloitte Halo is designed to guide the whistleblower step by step on how to lodge the report.

- 4.4 All reports received will be strictly confidential. Every effort will be made to ensure that confidentiality and protection of the whistleblower is maintained throughout the process. The whistleblower may choose to stay anonymous or allow the whistleblowing provider to share their identity to the Group by indicating in the email report/ website.
- 4.5 After the report is lodged, the case management process will be initiated where the whistleblowing provider informs the Group's Authorized Whistleblowing Representative (AWR), the Internal Audit Department of the Companies.
- 4.6 The whistleblowing report are reported to the Senior Independent Director (SID), Audit Committee Chairman (AC) and Chief Executive Officer (CEO). Thereafter, the AWR performs preliminary investigation on the reported case and outcome of preliminary investigation are reported to the SID, AC and CEO for guidance and subsequent investigation with support of internal resources or engagement of a third party independent forensic service.
- 4.7 The results of investigation are reported to SID, AC and CEO, being concluded as follows:
- Case closed with no further action, i.e. non-factual based complaints, allegation that not supported by evidence etc.;
  - Case confirmed which involve an internal misconduct that comes with internal disciplinary action, i.e. immediate dismissal or the response deemed appropriate; or
  - Case confirmed and the allegation has broken laws and/ or regulations, where reports be made to the legal enforcers and relevant authorities.

Depending on the nature of concern, person(s) concerned may be informed of the allegations and be provided with an opportunity to defend against such allegations.

All cases are reported to the Audit Committee on a quarterly basis, including case status and summary of conclusion derived from the case management.

## **5.0 CONSEQUENCES OF MALICIOUS ACTIONS**

- 5.1 The Group do not have the power to offer immunity against prosecution in the criminal jurisdiction. This applies for both whistleblower and the accused. For example, someone accused of giving or receiving bribes or kickbacks will need prove his/ her innocence in the court of law, not to the Companies. If he/ she is found guilty by the court, a maximum fine of 10 times the sum of gratification involved, or RM1 million, whichever is higher, a maximum jail term of 20 years or both penalties of the fine and jail term.
- 5.2 Mischievous or malicious reports are considered as abuse of this whistleblowing mechanism. The Group may not offer the same protection indicated in this Policy to individuals who abuse this whistleblowing mechanism.
- 5.3 If investigation reveals that the whistleblower may have acted maliciously or for personal gain, appropriate action may be taken against the whistleblower, including legal action or reporting the matter to relevant authorities like the police. If the whistleblower abusing this mechanism is a Hartalega employee, he/ she may also face disciplinary action up to dismissal from employment.

## **6.0 REVIEW**

- 6.1 The Group has overall responsibility for this Policy and shall oversee the implementation of this Policy.

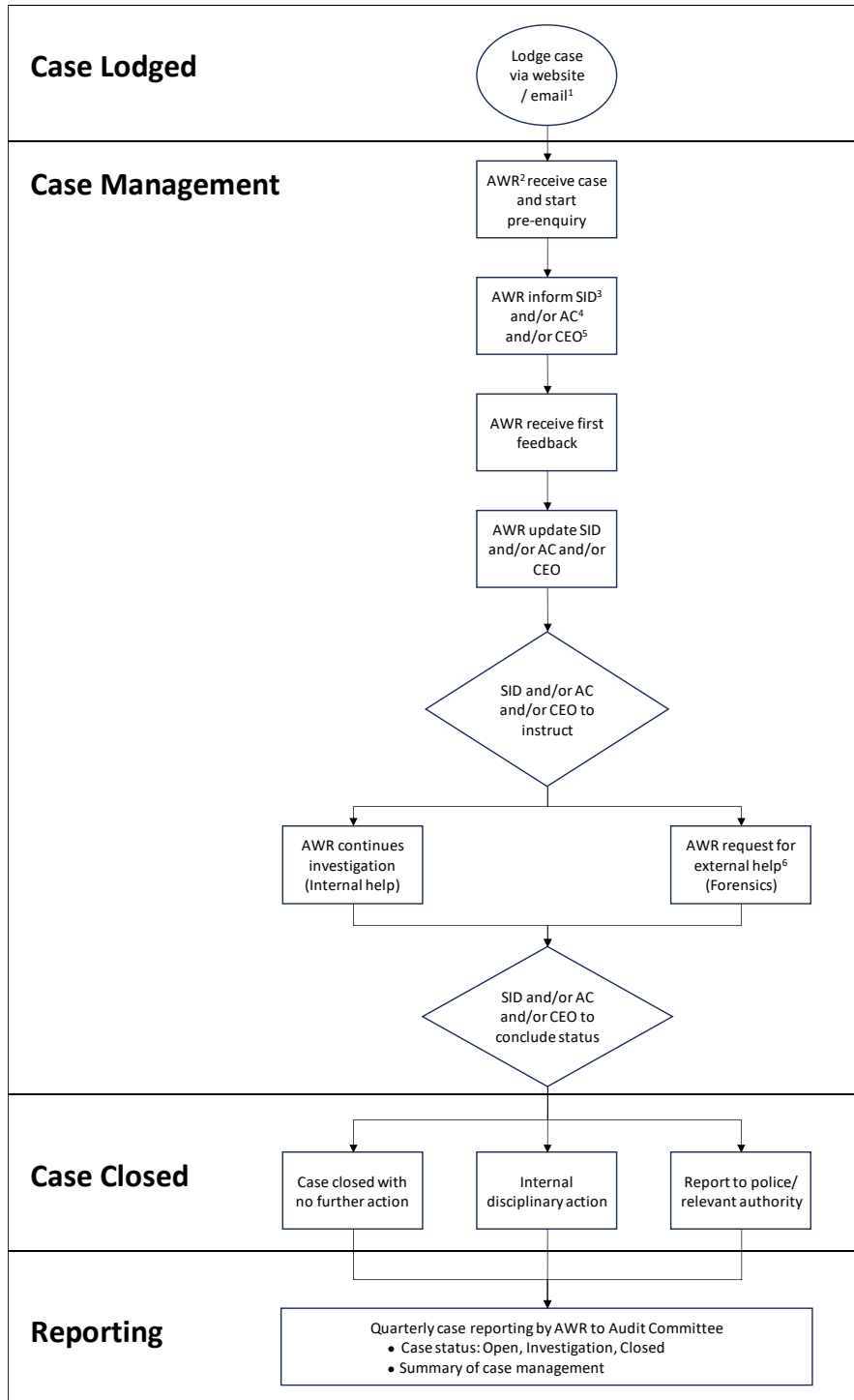


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- 6.2 The Strategy, Sustainability and Corporate Management Department within the Companies shall be responsible for the review, and update of the Group's Whistleblowing Policy and Procedures.
- 6.3 In any circumstances that any changes are required for the Policy, The Companies reserves the right to update and amend this Policy when deemed necessary.

This policy was adopted by the Board on 6 February 2024.

## Appendix: Whistleblowing Process



**Notes:**

1. To be provided by 3<sup>rd</sup> party independent service provider.
2. Authorized Whistleblowing Representative (Internal Audit Department)
3. Senior Independent Director
4. Audit Committee Chairman
5. Chief Executive Officer
6. When the reported case is complicated or if there is a lack of expertise, AWR may request to SID/ AC/ CEO for outsourced forensic services.