

## **CODE OF CONDUCT AND ETHICS FOR EMPLOYEES**

### **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 Code of Conduct and Ethics for Employees (“Code”) is part of our efforts to inculcate corporate accountability at the individual level and enable the Group to consistently reach high standards of corporate governance, corporate social responsibility, and professionalism.

### **2.0 SCOPE**

- 2.1 This Code is a centralized document which will be used as reference by the Group.
- 2.2 The nature of the Group's businesses require Employees to engage in business with a wide range of parties, both internal as well as external. This Code establishes the boundaries on interactions with all parties.
- 2.3 This Code shall be read in conjunction with the Anti-Bribery and Anti-Corruption Policy, Social Compliance Policy, Whistleblowing Policy & Procedure, Supplier Code of Conduct (if applicable) and Conflict of Interest Policy.

### **3.0 GENERAL PRINCIPLES**

- 3.1 Each Employee shall uphold high level of personal and professional values in all business interactions and decisions.
- 3.2 The basis of this Code is founded on the core values of integrity, honesty, accountability, and social responsibility.
- 3.3 Employees shall at all times act honestly and use reasonable due diligence in the discharge of their duties and observe the following:
  - a) Behave courteously, respectfully, and professionally;
  - b) Behave honestly, fairly and with high accountability;
  - c) Act in good faith and in the best interest of the Group and its shareholders;
  - d) Do not take improper advantage and abuse of position;
  - e) Exercise sound judgment in decision making and provide sound and objective advice;
  - f) Use prudent judgment to avoid getting into a position of conflict of interest for personal gain and to inform the Group of any existing or potential conflict of interest situation;
  - g) Be accurate in representing the facts of the Group;
  - h) Devote adequate time and attention to discharge duties and responsibilities effectively; and
  - i) Keep abreast with Group and industry developments.

### **4.0 EMPLOYEES' RESPONSIBILITIES**

- 4.1 As a whole, Employees are responsible for understanding and complying with this Code, including:
  - a) Being familiar with applicable requirement and directives of the Code;
  - b) Always raising suspicious activity to immediate Superiors for guidance and next course of action;
  - c) Promptly completing violations or suspected violations through appropriate channels; and
  - d) Promptly completing related trainings, assessments and declarations as required according to position.

- 4.2 Employees with different level of influence and/or authority to related processes will have differing level of responsibilities related to this Code. For example, a Purchasing Manager is expected to have a deeper understanding and stricter compliance of the principles of this Code in comparison to General Worker.
- 4.3 Employees found to have failed to execute their responsibilities may face disciplinary action which may include termination of employment.

## **5.0 EMPLOYER'S RESPONSIBILITIES**

### **5.1 Awareness and Understanding**

Awareness and training programmes for all Employees will be conducted regularly. Successful completion of trainings and assessments may be set as a condition for an Employee's confirmation of employment with the Group.

### **5.2 Compliance**

The Group shall conduct regular validation to ensure compliance to this Code such as by ensuring all relevant Employees complete their annual declarations. Such validation exercises may be conducted by Human Resources Department or independently by the Internal Audit Department and/or by external auditors, as needed basis. Non-compliance identified by the validation or identified through other risk assessments undertaken shall be reported to the Management and Board of Directors.

### **5.3 Managing and Improving Inadequacy**

The Group shall conduct regular risk assessments to identify the risks potentially affecting the Group, including reviewing this Code from time to time to take into account relevant developments in legislature as well as evolving standards.

## **6.0 INTEGRITY AND PROFESSIONALISM**

- 6.1 Integrity is one of the core values of the Group and value which is expected and intrinsic. Employees are expected to maintain integrity and uphold the Group's reputation for corporate governance.
- 6.2 Some examples of expected behaviours are as follows:
  - a) Employees who have been delegated a task or assignment are expected to meet deadlines or provide justification for extension of deadlines;
  - b) Employees are expected to conduct themselves professionally, maintain the good reputation of the Group and to interact cordially with fellow Employees; and
  - c) As a representatives of the Group, Employees are expected to be attired appropriately and to give an accurate presentation of the Group to the public.
- 6.3 During the term of his or her employment by the Group and for the period of one (1) year after the date his or her employment with the Group ends for any reason, the Employee shall not directly or indirectly:-
  - a) Hire, engage or solicit to hire or engage any individual who is employed by the Group or who was employed by the Group within six months of the proposed solicitation;
  - b) Otherwise induce or attempt to induce any individual who is employed by the Group to terminate such employment;
  - c) In any way interfere with the relationship between the Group and any individual who employed by the Group; or

- d) Contact, solicit, divert or call upon with the intent of doing business with (other than for the exclusive benefit of the Group) any customer of the Group if the purpose of such activity is to solicit such customer or prospective customer for a competing business, to encourage such customer to discontinue, reduce or adversely alter the amount of such customer's business with the Group or to otherwise interfere with the Group's relationship with such customer; or
- e) In any way interfere with the Group's relationship with any client, supplier, manufacturer, service provider or other business relations of the Group.

## **7.0 LAW COMPLIANCE**

- 7.1 Employees must keep abreast of changes and additions in law and regulations and recognize potential non-compliance and conflict of interest situations and to seek advice from their Superiors, Management, lawyers or professional advisors.
- 7.2 Employees should inform their Head of Department (EG13 and above) of suspected violations for subsequent investigation and action to be undertaken.

## **8.0 ANTI-BRIBERY AND ANTI-CORRUPTION**

- 8.1 The Group have zero tolerance and strictly prohibits all forms of corruption, including bribery.
- 8.2 Employees must not participate in any corrupt activity such as bribery, accepting kickbacks, extortion, collusion, breach of trust, abuse of power, trading under influence, embezzlement, fraud or money laundering.

Bribery may take the form of exchange of money, goods, services, property, privilege, employment position or preferential treatment. Employees shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person in a position of trust within an organisation, either to benefit the Group or the persons involved in the transaction.

- 8.3 This Code applies equally to all business dealings in all countries worldwide, without exception or regard to regional customs, practices or competitive conditions and includes interactions with their Directors, Employees, agents and other appointed representatives at all level. Even the perception of bribery is to be avoided.
- 8.4 The Group recognise the value of integrity in its workforce. No Employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the Group losing business or experiencing a delay in business operations.
- 8.5 The Group award contracts and Employee positions purely based on merits. Support letters in all forms shall not be recognised as part of the business decision making process. The Group also do not offer employment to prospective Employees in return for previous favour/in exchange of improper favour.
- 8.6 The Group conduct due diligence on Employees who holds or may be holding a position identified as vulnerable to bribery through a risk assessment. Such positions may include, but is not limited to any role involving procurement or contract management; financial approvals; human resources; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the Group has identified as vulnerable to bribery.
- 8.7 This section shall be read in conjunction with Anti-Bribery and Anti-Corruption Policy.

## **9.0 REPRESENTATION**

- 9.1 The Group recognize the importance of investor relations and information requirements of investors, media and stakeholders and therefore appoints certain authorized spokespersons to speak on behalf of the Group. It will be the sole responsibility of the Board and its authorized spokespersons to disclose Group related news and information to the media.
- 9.2 Employees who have been authorized to represent the Group are well-advised to adhere to the Group's disclosure policy and to work closely with the appointed public relations agency as intermediary on media release(s) and with the Group Secretary on Bursa Malaysia announcements.
- 9.3 All public disclosures must be full, fair, timely, accurate and understandable in representing news and facts on corporate developments.
- 9.4 No other Employee may represent the Group including by giving quotes to the media, committing on agreements on behalf of the Group, or making unpublished information public unless with prior written approval by the Chief Executive Officer. This includes sharing information on sensitive topics on social media whether in text or graphical form like photos or videos.
- 9.5 Only spokespersons authorized by the Group may publicly share comments on behalf of the Group. Other Employees must make clear that they are speaking for themselves and not for the Group when expressing an opinion or commenting on their personal capacity to the public. A disclaimer such as "The postings on this site are my own and do not necessarily represent the position, strategy or opinions of the Hartalega Group and its subsidiaries" should be used.
- 9.6 Employees are personally responsible for the content they publish on blogs, wikis or any other form of user-generated media. As any information published will be visible to the world for a very long time, Employees are to consider consequences and use common sense before publishing contents. If an Employee is still unsure and it is related to the Group and its brands, he/ she should discuss the content with his/ her superior or HR Department.

## **10.0 CONFIDENTIAL AND PROPRIETARY INFORMATION**

- 10.1 Confidential and proprietary information as used by Employees include:
  - a) Information of the Group that is unknown to the public and/or would be helpful to competitors;
  - b) Information that certain parties have entrusted the Group for usage; and
  - c) Information, data, or industry know-how.
- 10.2 Generally speaking, all information pertaining to the operations, finances and future prospects of the Group are regarded as material and price-sensitive and hence must be treated as confidential unless it is already known to the public or are publicly available information. In the course of an Employee's duties and privy to such information, Employees have an undertaking and duty not to leak or to misuse the confidential information.
- 10.3 All Employees to adhere to Record Management Policy, where records are governed and guided by "Record Classification Scheme". Records are classified into (4) categories by level of confidentiality and proprietary information (information that is not generally known to the public and/or competitors in the industry, and is used by the business as an advantage over others that do not know the information) and protection required, namely:
  - a) Secret
  - b) Private & Confidential
  - c) Internal Use Only
  - d) Public

- 10.4 This is to ensure that correct information is disseminated to the right person with appropriate level of security clearance on a need-to-know basis to perform their jobs.
- 10.5 This standard data classification system must be used throughout the Group and the responsibility of classification rests with the owners of the information.
- 10.6 Draft versions of information must be handled in the same manner as final versions.
- 10.7 Access and dissemination of information are guided by the "Record Classification Scheme" as determined and assigned by the Records Owner:
  - a) Secret records are only accessible by minimal authorised party /parties
  - b) Private & Confidential records are accessible in accordance to distribution list
  - c) Internal Use Only records are accessible by all Employees, with no circulation allowed outside of Hartalega domain
  - d) Public records are freely distributed and disseminated to everyone
- 10.8 Employees who have tendered resignation shall only be allowed access to folders classified as "Internal Use Only" and "Public". The access to "Secret and Private & Confidential" folders shall be terminated by Information Technology Department (IT) upon tendering of resignation.
- 10.9 When in doubt, it is necessary that Employee seeks clarification or authorization from Head of Department (EG13 and above) to prevent sensitive information from being improperly disseminated.
- 10.10 All Employees are required to sign a non-disclosure agreement and be subject to consequences for breach of agreement.
- 10.11 Information in relation the Group shall not be published or used by an Employee in their studies unless approved by the Head of Department (EG13 and above) or Chief Human Resources Officer. If approved, the proposed publication shall not under any circumstances bear the words "approved publication" or words to that effect by whatever name called. Any permission granted may be withdrawn at any time without assigning any reason. The Group can exercise its right to require the Employee to submit a copy of the completed study.
- 10.12 In the event of accidental leakage of unpublished material information, this must be made known to your Head of Department (EG13 and above).
- 10.13 Exceptions can be made to the confidentiality of information in the following circumstances:
  - a) The Board of Directors authorized the disclosure of confidential information
  - b) A regulatory body or court mandates disclosure of the confidential information
- 10.14 This section shall be read in conjunction with Records Management Policy.

## **11.0 INSIDER TRADING**

- 11.1 Insider Trading can be defined as the buying or selling of Group securities by someone with knowledge of price-sensitive but non-publicly available information and thus conferring unfair advantage to the insider and enabling the insider to make substantial financial gains by buying or selling the securities before the information is made available to the public.
- 11.2 Any Employee who is aware of non-public material and price sensitive information concerning the Group or a third party who does business or engage in transactions with the Group is prohibited from trading in the securities or derivatives of the Group until the information has become public or is no longer material. The same prohibition applies for individuals who are no longer Employees but are in possession of material non-public and price sensitive information.

- 11.3 Employees are also prohibited from tipping, disclosing, recommending or expressing opinion on material, non-public price sensitive information to any other person where such other person may use the information to his benefit by making financial gains from trading in securities of the Group.
- 11.4 Exceptions to the above prohibitions on insider trading apply to the following:
- a) Employees exercising their Restricted Stock Units (RSU)
  - b) Any EPF scheme to invest in securities
  - c) Bona fide gift of securities in the Group
  - d) Employees who do not have access or has not received any information up to the time the information is disclosed publicly
  - e) Employees who have made full and true disclosure on the information to be released and has gained approval from the Group and relevant authorities.
- 11.5 Any Employee who may have access to knowledge of price-sensitive but non-publicly available information are advised to read the sections on insider trading in the Capital Market and Securities Act 2007 to familiarize themselves with implications and consequences of insider trading. Any person who commits insider trading may be subjected to certain criminal and civil actions under Malaysian law which includes the Capital Market and Securities Act 2007.
- 11.6 Employees who have access to knowledge of price-sensitive but non-publicly available information must refrain from dealing in the shares of the Group at sensitive times pending major announcements in accordance with rules governing black-out periods and moratorium on share trading during closed periods prior to quarterly results release.
- 11.7 Conflict of interest arise in situations where there is a personal interest that might interfere with a person's objectively when performing duties or exercising judgement on behalf of the Group.

## **12.0 CONFLICT OF INTEREST**

- 12.1 This Clause shall be read concurrently with the Group's Conflict of Interest Policy.
- 12.2 Conflict of interest arise in situations where there is a personal interest that might interfere with a person's objectivity when performing duties or exercising judgement on behalf of the Group.
- 12.3 Employees must not use their position, official working hours, Group resources and assets for personal gain of to the Group' disadvantage and should avoid or deal appropriately with situations in which personal interest could conflict obligations or duties.
- 12.4 Without the express written consent of the employer, the Employee shall not directly or indirectly engage or participate in any other business activities or employment, which, whether or not the employer, in its reasonable discretion, determines to be in conflict with the best interests of the employer.

## **13.0 GIFT AND HOSPITALITY**

- 13.1 The exchange of gifts or hospitality to express gratitude and build relationships is traditional in many countries. However, this can pressure the recipient to return the favor and so create a conflict of interest or perception of a conflict of interest.
- 13.2 The Group prohibits both giving and receiving gifts, meals, entertainment, favours or other forms of hospitality to influence its business decisions. Employees are to decline gifts or hospitality of any value from current or potential suppliers, customers, or other business partners if it would create the appearance of a conflict of interest.
- 13.3 Employees are never to personally request for gifts or hospitality from customers, suppliers, and other business partners.

- 13.4 If it is not possible to decline a gift or hospitality e.g. if the gift was delivered via courier or if it would cause embarrassment if declined, Employees may accept it but must immediately notify his/ her Superior (EG11 and above) who will work with the Employee to donate or distribute it among a large group of Employees.
- 13.5 Employees may accept occasional hospitality treatment such as a meal or accepting an invitation to attend annual dinner from customers, suppliers and other business partners if they also attend where the costs are reasonable and customary.
- 13.6 Any gift or hospitality received valued at RM100.00 or more per recipient must also be declared and reported to the respective Head of Department (EG13 and above) who are to record the incident in a centralized log. This log will be audited as and when necessary for compliance and risk assessment.
- 13.7 If it is necessary for an Employee to provide gifts, meals or entertainment to a business contact, the Employee must ensure that it supports a legitimate business purpose and is reasonable and appropriate under the circumstances. For example, a simple goodie bag may be given to visitors coming for an educational visit or a corporate gift given from one organisation to another, with the appointed representatives of each organisation giving and accepting the gift.
- 13.8 Before providing such gifts, meals or entertainment, an Employee must first obtain written approval from his/ her Superior (EG11 and above) for items valued at less than RM100.00 or from his/ her Head of Department (EG13 and above) for items valued at RM100.00 or more.
- 13.9 Employees should always be mindful that our business partners have their own rules on receiving gifts, meals and entertainment and must never offer anything that would violate those rules and put the business partner in a potentially uncomfortable position.
- 13.10 This section shall be read in conjunction with Anti-Bribery and Anti-Corruption Policy.

#### **14.0 INFORMATION TECHNOLOGY (IT) SECURITY POLICY**

- 14.1 The use of Group technology system and all forms of internet access are for Group business purposes only.
- 14.2 Technology resources are provided to improve productivity and enhance the effectiveness of communication.
- 14.3 The use of Group technological resources, including but not limited to email for personal communication is strictly prohibited.
- 14.4 The Group reserves the right to monitor email, internet traffic, and any Group digital communication platforms, including but not limited to TEAMS and Skype, of any Employee should there be any complaint. Every Employee is expected to exercise prudent judgement when using the company email, internet and digital communication platforms.
- 14.5 This section shall be read in conjunction with IT Security Policy.

#### **15.0 HEALTH, SAFETY AND ENVIRONMENT**

- 15.1 The Group are committed to doing business in a holistic manner by providing adequate health facilities and ensuring the safety of all Employees, continuously investing to maintain high standards of safety and environment and adopting the best industry practices as well as consistently improving standards of pollution control.



- 15.2 Employees are expected to support this commitment by always adhering to the Group' health, safety and environment policies and procedures to ensure the safety of not only themselves but also other Employees, customers, other persons, and the surrounding communities.

## **16.0 RECORD KEEPING**

- 16.1 The Group practice knowledge management and retains and archives records of meetings, data, statistics, information, industry information etc.
- 16.2 Any information collected, handled, used and/ or retained by the Group for whatsoever purpose will be done in a matter following the standard operating procedures (SOP) of the respective departments. This includes storage, retention, access, security, disposal and other aspects of managing the records.
- 16.3 SOPs shall incorporate Good Documentation Practices and adherence to related laws and regulations such as the Personal Data Protection Act where relevant.
- 16.4 All Employees have the responsibility to keep accurate records and proper documentation for easy access and quick information retrieval. A soft copy is also advised to be kept besides hard copy documentation. At all times, the integrity of information must be upheld. No misrepresentation, unauthorized, falsify or misleading records or data entry shall be made and inadvertent mistakes must be rectified and recorded.
- 16.5 Retention and destruction of any records must comply with all legal requirements and Group policies.
- 16.6 Employee shall not amend, alter, or deface documents submitted by business associates and customers or be involved in any arrangement to the forgery of signatures or other data.
- 16.7 This section shall be read in conjunction with Records Management Policy.

## **17.0 GROUP ASSETS AND PROPERTIES PROTECTION**

- 17.1 All Employees are entrusted to use the Group' properties and assets with care. Assets described here include both tangible assets like equipment and machinery, land, facilities and intangible assets like patents, copyright, proprietary information and so on.
- 17.2 Information that are classified, confidential and proprietary or sensitive, particularly relating to finance, securities, acquisition and divestments, business performance, product launches, corporate information, customers, Employees and audit reports should not be disclosed until properly released to the public.
- 17.3 Information gained through formation of business alliances are received based on trust and on professional undertaking to be maintained as confidential. This information shall be treated in the same way of the Group's own confidential information for protection and to prevent exposure to any legal implication or final liability.
- 17.4 Employees may use Group assets for legitimate purposes only or any other purposes approved by the Group.
- 17.5 During use of the assets, Employees are custodians and must ensure reasonable use without undue damage and protect the assets against abuse by others.
- 17.6 It is the obligation of Employees to protect and preserve such proprietary, confidential, or sensitive information continues even after cessation of employment contract with the Group.
- 17.7 The usage of Group assets for personal purposes is strictly prohibited.



- 17.8 Notwithstanding 17.7, moderate and appropriate use of Group asset for personal purposes is allowable upon approval or knowledge of immediate superior.

## **18.0 CONDUCT IN SOCIAL MEDIA**

- 18.1 All Employees are strictly prohibited from posting:
- a) Content (including photos or videos) that will affect the reputations of the Group, its Management, the Group's Employees and/or its customers, business partners and suppliers; and
  - b) Any sensitive or confidential content about the Group on social media platforms including but not limited to blogs, Facebook, Twitter, LinkedIn photo sharing sites such as Flickr, Instagram; and video sharing sites such as YouTube.
- 18.2 Employees authorise and consent to the rights and permission to the Group, at no cost, fee, claim and expense, to make use of his/her appearance and contribution for the photo and/or video (the nature and content of which has been explained to them from time to time).
- 18.3 The Group shall be the owner of all intellectual property rights and all proceeds whatsoever and howsoever derived, received, obtained of and from such edit, tapping photography, recording, copy right with the sole and exclusive right, throughout the world, an unlimited number of times in perpetuity, to copyright, to use in connection with the photo and video and in connection with the exhibition, advertising, exploiting and/or publicizing of the photo and video.

## **19.0 ALCOHOLS, ILLEGAL SUBSTANCES AND DRUGS ABUSE**

- 19.1 Possession, distribution, sale and consumption of alcohol, illegal substances, and/or drugs by Employees on or in the vicinity of Group premises are strictly prohibited.
- 19.2 Employees are not allowed to report to work or carry out their duties in the course of their employment under the influence of alcohol, illegal substances and/or drugs.
- 19.3 The Group may, on reasonable suspicion and its sole discretion require Employees to be randomly test for the consumption of alcohol, illegal substances and drugs. Any refusal by the Employee to undergo such a test, without any reasonable and justifiable reasons, may warrant appropriate disciplinary action to be taken by the Group as it deems fit.

## **20.0 DISCIPLINARY ACTIONS**

- 20.1 It is the Employees' responsibility to report any instance of actual or suspected breach of the Code, any law or regulation and the Group' policies and procedures. Employees may report such breaches through the whistleblowing channels, a safe and confidential channel for Employees to report wrongdoings, malpractices or unethical and unlawful conducts.
- 20.2 Failure by any Employee to comply with this Code shall be sufficient cause for the Group to take any of the following actions or combination of the following actions against such Employee including without limitation;
- a) Issuance of show cause / warning letter,
  - b) Domestic Inquiry,
  - c) Suspension of work without pay,
  - d) Demotion,
  - e) Termination of employment contract,
  - f) Summary Dismissal

**21.0 REVIEW**

- 21.1 The Group reserve the right to update and amend this Code from time to time to conform to any development of local laws.

**22.0 RECORD**

- 22.1 Forms applicable for this procedure include Declaration of Potential Conflict of Interest.

This Code is updated on 11 November 2024.