

Rimbunan Sawit Berhad
(Company No. 691393-U)

ANTI-CORRUPTION AND BRIBERY POLICY

1) PURPOSE

Rimbunan Sawit Group (“RSB”) is committed in ensuring that each of its subsidiaries operating within the state of Sarawak meet its legal obligations in compliance with all applicable laws, rules and regulations as well as its social obligations with the highest ethical standards and commitments embodied in the Code of Business Conduct and Ethics.

In its best efforts to meet its legal and social obligations, it has provided information and guidance to its employees and associated persons on how to recognize and deal with corruption and bribery issues through implementing its prevention, detection and the elimination measures of the corrupted practices, and strive to minimize opportunities for bribery and corruption.

2) OUR PRINCIPLES

The RSB Group has continuously strive to ensure that all its business processes and operational transactions are carried out in the most ethical and transparent manner, with high integrity, and accountability that comply with the laws and regulations of Malaysia which includes Anti-Corruption Act 1997.

It is RSB’s policy to conduct all of its business in an honest and ethical manner with zero-tolerance approach to corruption, and is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships. It is also part of the corporate values of RSB to avoid acts which might adversely causing harm upon the integrity and reputation of the group having any association to bribe and corruption.

As such, it is part and parcel of RSB’s HR policy which requires all employees and associated persons to act honestly and with integrity, and to safeguard the resources for which they are responsible for at all times. RSB’s practices aimed at establishing and strengthening the relationship with supplier or any vendor in the business dealings that must be carried out in moderation, and be transparent. This policy has been endorsed by RSB’s top management, and is communicated to all levels of employees in the business to ensure they are aware and committed to it. Any breach of this policy or cases of suspected corruption will be dealt with properly, and appropriate actions to be taken including reporting to the appropriate authorities, and taking disciplinary actions which could result in dismissal for gross misconduct.

For the purposes of this Policy, a “contractor” or “supplier” is defined as an individual or a third-party entity who provides, and receives payment for, services or goods related to any aspect of a RSB operation, and it includes consultants and subcontractors. A “non-supplier vendor” is defined as a third-party individual, company, organization, and/or Government or Government related entity that will receive payment from RSB but will not provide goods or services in return.

Rimbunan Sawit Berhad
(Company No. 691393-U)

ANTI-CORRUPTION AND BRIBERY POLICY

3) SCOPE

This Policy is applicable to every employees of RSB Group of companies, including senior executive, financial officers and members of the RSB Board of Directors, as well as contractors, suppliers, third party and any other person associated with us. This Policy is intended to supplement all applicable laws, rules, and other corporate policies, however, it is not intended to supplant any local laws.

4) DEFINITION

Corruption is the misuse of a public office or power for private gain or the misuse of entrusted power in relation to business outside the realm of government.

Bribery is the offer, promise, or payment of cash, gifts, or even excessive entertainment, or an inducement of any kind offered or given to a person in a position of trust to influence that person's views or conduct or to obtain an improper advantage.

Corruption and bribery can take many forms which including the provision or acceptance of the following:-

- Cash payments;
- Gifts, excessive hospitality and entertainment;
- Reimbursement of expenses;
- Phony jobs or consultation services;
- Social benefits;
- Kickbacks;
- Charitable contributions;
- Facilitation payments;
- Political contributions.

Kickbacks refer to the return of a sum already paid or due as a reward for awarding of furthering business.

ANTI-CORRUPTION AND BRIBERY POLICY

5) POLICY REQUIREMENTS

It is RSB's anti-corruption and bribery policy requirements that all its employees, senior executives, board members, agents and its associated persons to be strictly prohibited from offering, paying, promising, inducing, or authorizing any payment or other thing of value to any person directly or indirectly through or to a third party for the purpose of (or in exchange for)

- causing the person to act or fail to act in violation of a legal duty or responsibility;
- securing improper advantage, contract or concession; or
- causing the person to abuse or misuse their position

for RSB Group of companies or any other party.

Guidelines on adequate procedures to follow to prevent and minimize the potential occurrence of the bribery acts and corruption have been tabulated for RSB's employees and its associated persons should they ever be situated in a difficult situation as stated.

6) GUIDELINES ON ADEQUATE PROCEDURES TO COUNTER THE POTENTIAL OCCURRENCE OF THE CORRUPTION AND BRIBERY ACTS

In December 2018, The Prime Minister Department published a set of guidelines entitled "Guidelines on Adequate Procedures" to assist commercial organizations to put in place the necessary procedures to prevent or minimize the possibility of Corrupt and Bribery Acts.

It is also stated by MACC that the only defense available for Section 17A offence is the Commercial Organization must prove there are in place adequate procedures designed to prevent persons associated from committing corrupt and bribery acts.

RSB Group has designed and put in place the following guidelines of adequate procedures for its employees and associates persons to observe:-

Guidelines on Adequate Procedures

- Top Level Commitment
- Risk Assessment
- Undertake Control Measures
- Systematic Review, Monitoring & Enforcement
- Training & Communication

ANTI-CORRUPTION AND BRIBERY POLICY

Top Level Commitment

It is RSB's corporate values and its policy to conduct all of its business activities in an honest and ethical manner with zero-tolerance approach to corruption, and is committed to acting professionally, fairly, and with integrity in all its business dealings and relationships. This has been endorsed by RSB's top management and embodied in RSB's Code of Business Conduct and Ethics, and is communicated to all levels of employees and its stakeholders in the business to ensure they are aware and committed to it.

RSB's top management has designed and put in place its Anti-Corruption Programme (ACP) which encourages whistle blowing on any breach, and engaging external auditor to audit the said programme to ensure its functionality. Any findings on ACP will be reported to the top management, and the ACP will be subjected to periodical review and refining.

Risk Assessment

Risk assessment has always been one of RSB's focus to assess and analyze the risks of operation as well as corporate risk level, which including the opportunities for corruption and bribery. RSB has set up its risk management team to assess and recommend such risks to its Board of Directors on quarterly basis for further actions. Risks assessments will be made regularly by risk management team including supply chain exposure, possible corrupt payment classified wrongly and etc. Internal auditor or external consultant may be engaged to conduct the audit of ACP every 3 years, and audit documentation shall include performance improvement action plans.

Undertake Control Measures

RSB has always been transparent in its standardized control measures such as performing due diligence on its directors, employees, agents, vendors, contractors, suppliers and etc. Any red flags identified should be considered by those within the company who have experience of the industry and jurisdiction, holding senior positions, to enable them to make a careful judgement.

In order for red flags to be communicated, RSB has established various reporting channels for its employees and any associated persons. In considering various reporting channels, the following aspects are being carefully considered:-

- Accessibility
- Reporting of suspicious activity
- Info security about the whistle blower
- Retaliation against whistle blower

Rimbunan Sawit Berhad
(Company No. 691393-U)

ANTI-CORRUPTION AND BRIBERY POLICY

It has been RSB's practices to safeguard the confidentiality of the identity and the subject matters being reported by the whistle blower, as well as extending any necessary protection for the whistle blower for any potential retaliation on reporting. Throughout the investigation, the identity of all concerned parties and the subject matter being reported are to be kept confidential before any final judgement being made by the company.

Systematic Review, Monitoring & Enforcement

RSB has empowered its internal auditor or external consultant to review regularly its ACP upon findings being reported and uncovered to ensure greater efficiency and effectiveness of the ACP.

Human resource and administrative departments have been primarily charged with responsibility in monitoring employees' understanding and their compliance. Failure of employees to comply with the policy will be subjected to disciplinary actions which including reporting to the appropriate authorities as well as disciplinary action that could result in dismissal for gross misconduct.

Training & Communication

Training of human resource is inevitable in order to disseminate new knowledge and information to employees and associated persons. Training of employees can be conducted in different mediums and languages depending on the needs, and this can be verbal or written through attending seminar or webinar or even through written manual.

Communication is utmost important towards achieving a common objective, and effective communication must be enforced towards achieving a coordinated common goal. RSB rated communication as one of its most critical success factors for achieving its targeted result. As such, policies must be communicated regularly especially when they are being updated

END OF DOCUMENT