



Sabah Softwoods Berhad

Company No. 016887 - D

**Code of
Business
Conduct**

**SABAH SOFTWOODS BERHAD
CODE OF BUSINESS CONDUCT**

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SECTION 1

INTRODUCTION

1.1 Purpose and Scope

This Code of Business Conduct applies to all employees and directors of Sabah Softwoods Berhad and its subsidiaries including permanent employees, part-time employees, employees on probation, interns, employees on secondment and personnel on fixed-term contracts.

This Code of Business Conduct sets out the principles to guide standards of values and business conduct when Employees deal with third party. In this context, third party refers to any individual or organisation includes actual and potential customers, competitors, suppliers, contractors, distributors, business contacts/partners, agents, advisers, regulators, government and public bodies and officials, shareholders, investors and the community in which the SSB operates in.

This Code is not a comprehensive guide that covers every ethical situation Employees may encounter in their course of work.. In any circumstance which is not covered by this Code or in case of any doubt, Employees shall refer to his or her Head of Department or the Company's General Manager of Human Resources Division for clarification or guidance.

1.2 Interpretations

Unless otherwise specified, the following words will have the meanings or interpretation assigned hereunder:-

- 1.2.1 "Code" means Code of Business Conduct;
- 1.2.2 "SSB" means Sabah Softwoods Berhad;
- 1.2.3 "Employees" means a permanent employee, part-time employee, employee on probation, interns, employee on secondment and personnel on fixed-term contracts who are in receipt of emoluments on a regular basis in accordance with this General Terms and Conditions of Service;
- 1.2.4 "Management" means the Chief Executive Officer and/or any duly appointed officers of SSB vested explicitly or implicitly with the authority that goes with the functions assigned to or expected of them individually;
- 1.2.5 "Family" means the officer, his principal wife and 5 children under the age of eighteen (18) years OR up to the age of twenty four (24) years provided they are still studying at government approved higher learning institutions;
- 1.2.6 "CEO" means the Chief Executive Officer;
- 1.2.7 "COO" means the Chief Operating Officer; and
- 1.2.8 "GMHR" means General Manager of Human Resource.

1.3 Responsibility and Compliance

It is the responsibility of every Employee to act in accordance with the policies, principles and guidelines detailed in this Code. It is also the Employee's responsibility to report non-compliance of this Code and support the implementation of this Code. Any violation or suspected violation of this Code shall be reported to the CEO or COO or GMHR or Employee's HOD or such other officer designated by the Company from time to time.

Non-compliance with this Code will be treated seriously and may result in disciplinary action, including the possibility of suspension or dismissal, and if warranted, legal proceedings against the Employee. Violation of applicable laws may subject Employee to civil and/or criminal penalties imposed by a governmental agency or a court, in addition to disciplinary action.

1.4 Effective Date

This Code shall take effect on 1st March 2020.

1.5 Amendment

This Code is not exhaustive and the SSB reserves the rights to alter, amend, vary or add to them as the situation may demand.

SECTION 2

VISION, MISSION AND CORPORATE VALUES

2.1 Company's Vision

To Realize The Full Potential of The Plantation Business By 2020.

2.2 Company's Mission

We Produce Accredited Plantation Timber, Timber Product and CPO Through Operational and Corporate Culture Excellence.

2.3 Corporate Value

SSB Corporate Values are the guiding principles that dictate Employee behaviour and action and also telling the Employee to know what is right or wrong. Here is the five Corporate Values:

Committed

- ✓ We are committed to carry out our duties with enthusiasm, dedication and full responsibility.
- ✓ We are committed to adopt a "never give up" attitude in performing our undertakings.

Performance Driven

- ✓ We will pursue and execute meaningful activities that bring positive outcomes to the company.
- ✓ We will recognize and reward individual employees who achieve excellent performance.

Excellence

- ✓ We will continuously drive to achieve high performance in all our undertakings.
- ✓ We will adopt a continuous improvement attitude in all our activities even if we have succeeded.

Team Synergy

- ✓ We will put aside individual differences, work together and will remain united to strive toward common goals.
- ✓ We will listen, respect and open to every team members' opinions and ideas.
- ✓ We will recognize the power of making team decisions instead of disputing over differing views.

Caring

- ✓ We will create conducive environment and contribute to the improvement of living standards and welfare of everyone.
- ✓ We will adopt a strong sense of belonging, togetherness and mutual respect.



SECTION 3

WORKPLACE CULTURE, OCCUPATIONAL SAFETY & HEALTH AND ENVIRONMENT

3.1 Workplace Culture

3.1.1 Equal Employment

SSB is firmly committed to ensure all Employees are entitled to fair and equitable treatment with regard to recruitment and employment practices, including benefits, termination and all other aspects of the employment relationship.

3.1.2 Prevention on Workplace Violence

SSB is firmly committed to prevent violence and promotes a violence free workplace. Any act of violence committed by or against any Employee in unacceptable conduct and will not be tolerated.

3.1.3 Sexual Harassment and Gender Discrimination

SSB is firmly committed to prevent and eradicate sexual harassment and gender discrimination. Immediate discipline, up to and including termination of employment will be imposed on any Employee found guilty of sexual harassment and gender discrimination.

3.1.4 Child Protection

SSB is firmly committed to comply with laws and regulations to ensure children are equally protected from any form of child maltreatment and exploitation.

3.1.5 Social

SSB acknowledges that development needs to be socially-beneficial. Hence, the company is firmly committed to adhere to identify through consultation, the potential social benefits and determine how they might be enhanced for the mutual benefits of the company and local communities.

3.1.6 Human Right

SSB believes that business has a responsibility to respect, support and uphold fundamental human rights as expressed in the Universal Declaration for Human Rights and its two covenants. Our commitment extends to any human being affected by our operations including employees, suppliers, small holders and people in the communities surrounding our operations.

3.1.7 Minimum Age

The SSB shall only employ children under the age of 15 years old and young person under age 18 years old in accordance with the Employment of Children and Young Persons [Amended. Act A1238].

3.1.8 Drugs, Alcohol and Prohibited Substances

Employees are expected to perform their job duties free from the influence of any substance that could impair job performance or pose unacceptable safety risk to the Employee or others. SSB, therefore prohibits working under the influence of Alcohol, illegal drugs or controlled substances. In addition, the use, possession, distribution or sale of alcohol, illegal drugs or other controlled substances in the workplace (other than for approved medicinal purposes) is strictly prohibited.

3.2 Occupational Safety and Health Policy

3.2.1 Occupational Safety and Health

SSB is firmly committed to the provision of a safe and healthy workplace and to preserving the environment whilst carrying out all business activities related to the Tree Plantation and Oil Palm Plantation by complying with all legal and statutory requirements.

3.3 Environment Policy

3.3.1 Environmental

SSB is firmly committed to sustainable development through protecting the environment by complying with all applicable Legal, Statutory and Regulatory requirements.

3.3.2 Malaysian Sustainable Palm Oil

SSB is firmly committed to manage Oil Palm Plantation and Palm Oil Mill in a sustainable manner by implementing best practices in social, environmental and economic spheres.

3.3.3 Zero Burning

SSB is firmly committed to sustainable development through no-burn practices, an environmentally sound approach as it does not cause air pollution.

SECTION 4

COMPANY'S INFORMATION

4.1 Personal Data Protection

SSB is firmly committed to comply with the requirements of the Personal Data Protection Principles as stipulated in the Personal Data Protection Act 2010.

4.2 Declaration of Secrecy

Every employee shall on appointment be required to sign a secrecy declaration before the immediate superior.

4.3 Publication of Information

An Employee shall, without the written permission of the CEO act as the editor of a newspaper, or take part directly or indirectly in its management, contribute to it anonymously or publish in any manner or broadcast anything which may reasonably be regarded as a matter pertaining to the Company's activities. Make public or communicate to the press or radio or to individuals, or make private copies of documents, papers or information of which he may come into possession during his employment.

SECTION 5

DILIGENCE AND INTEGRITY

5.1 Conflict of Interest

Employees have an obligation to act in the best interest of SSB at all times. Employees are prohibited from using their positions or knowledge gained directly or indirectly in the course of their duties and responsibilities or employment for private or personal advantage.

Employee is obliged to disclose the conflict promptly to the CEO, COO or the GMHR or employee's Head of Department (in all other cases) so that a determination can be made as to the existence and seriousness of an actual conflict.

5.2 Anti-Bribery and Anti-Corruption

SSB is firmly committed to conducting business dealings with integrity. This means avoiding practices of bribery and corruption of all forms in the SSB's daily operations. As a further expression, an Employee who refuses to pay bribes or participate in acts of corruption will not be penalized even if such refusal may result in losing business. Full compliance to both the spirit and the letter is mandatory and should be maintained using a principle-based approach.

5.3 Employment of Family Members

SSB is an equal opportunity employer and hires individuals based solely on their qualifications and ability to do the job to be filled.

SSB will consider a member of an employee's immediate family for employment if the applicant possesses all the qualifications for the position. However, immediate family member may not be hired, if the employment would create a direct supervisor-subordinate relationship with a family member. This condition will also be considered when assigning, transferring or promoting an employee.

5.4 Whistleblower

SSB is firmly committed to takes a serious view of any acts of wrongdoing by any of its Employee. Disciplinary and legal action, as appropriate, shall be taken against any person, who is found to have committed any wrongdoings whilst in employment with the Group.

SSB will also provide avenues for Employees to disclose any acts of wrongdoing and to assure the Employees will be protected from reprisals, discrimination or victimization for whistleblowing in good faith.