

Cenviro Group

Anti-Bribery & Corruption Policy



Reimagining Resources

Safety 1st

1. INTRODUCTION

- 1.1. **CENVIRO SENDIRIAN BERHAD AND ITS SUBSIDIARIES** (“Cenviro Group”) strive to adopt the highest standards of governance, personal and corporate ethics, compliance with laws and regulations in its routine business practices. Cenviro Group values integrity and transparency while dealing with employees, customers, suppliers and other stakeholders.
- 1.2. Cenviro Group is committed to support the government and law enforcement agencies to combat bribery and corruption. There shall be no room for any form of corrupt or bribery practices in Cenviro Group. It is collectively the responsibility of the Board of Directors, Top Management, Employees, Consultants and/or Advisors (hereinafter referred as Cenviro Group employees’) and other stakeholders to ensure ‘no stone is left unturned’ when it comes to efforts in eradicating the potential threat of bribery and corruption.
- 1.3. The highest standards of integrity amongst Cenviro Group employees at all ranks is valued and given emphasis through Cenviro Group’s recruitment process and training programs while due recognition of integrity is accorded in its performance evaluation, remuneration and promotion process.
- 1.4. This Policy must be read together with the Malaysian Anti-Corruption Commission Act 2009 (and its amendment 2018), Malaysia Penal Code, revised 1977 (and its amendments), the Malaysia Companies Act 2016 and other related internal policies/frameworks/procedures/guidelines/ manuals issued (including but not limited to Cenviro Group’s Whistle-blower Policy, Employee Code of Conduct, Employee Handbook and others) and /or external policies/ frameworks/ procedures.
- 1.5. The law shall prevail over any contradiction arising between laws and the principles contained in this Policy.

2. OBJECTIVE

- 2.1. This Policy sets out Cenviro Group’s principles towards controlling bribery and corruption in order to adequately protect the organization from financial and reputational impact.
- 2.2. In achieving this, Cenviro Group shall abide by all national and international laws that applies within the jurisdiction where it operates and conducts business to ensure Cenviro Group employees do not engage in any form of bribery or corruption.
- 2.3. Non-compliances by Cenviro Group employees with any anti-bribery and corruption laws will result in serious repercussions as it is considered a failure to observe our commitment towards eradicating such misconduct among Cenviro Group employees and other stakeholders.

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3. SCOPE

3.1 This Policy applies to any bribery and corrupt practices involving all Cenviro Group employees (including contractual employees) and subsidiaries or branches. This Policy also applies to all agents, vendors, representatives and sub-contractors acting on behalf of the company while performing their official or contractual duties.

4. DEFINITIONS

VOCABULARY	DEFINITION
Anything of value	Even Small Payments and Non-Cash Items or favours are included.
Business	Activities that are relevant to the purposes of the organization's existence.
Business integrity	Involves application of the Company's core values in which the opposite of integrity is dishonest behavior including corruption that could undermine Cenviro Group's reputation.
Business Associate	An external party with whom the organization has, or plans to establish, some form of business relationship. This includes but not limited to customers, joint ventures (JV), JV partners, consortium partners, outsourcing providers, contractors, consultants, sub-contractors, suppliers, vendors, advisors, waste generators, agents, partners, bankers, insurance brokers, auditors, legal consultant/solicitors, public and private officials representatives, distributors, intermediaries and investors.
Bribery	Offering and accepting, promising, giving, or soliciting of an undue advantage of any value (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 omitting to act in relation to the performance of official or contractual duties. Bribery is defined under MACCA as any action which would be considered as an offence of giving or receiving 'gratification'. 'Outbound' bribery is when a person acting on behalf of Cenviro Group attempts to influence actions of an external person, such as a Government or Private Individual. 'Inbound' bribery is when an external party attempts to influence a person within Cenviro Group such as a decision-

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Corruption	Corruption is 'the abuse/misuse of entrusted power or office, whether private or public for personal gain.' Corruption may also include acts of extortion, collusion, criminal breach of trust, embezzlement, fraud or money laundering. For the purpose of this Policy, corruption, is defined primarily as any action which would be considered as an offence of giving or receiving 'gratification' under the Malaysian Anti-Corruption Commission Act 2009 (MACCA) (similar to 'Bribery' as defined above).
Conflict of interest	Situation where business, financial, family, political or personal interests could interfere with the judgement of persons carrying out official or contractual duties for Cenviro Group.
Facilitation payments	A payment or other provision made personally to an individual in control of a process or decision to secure or expedite a routine or administrative duty or function which, the payer is naturally entitled even without payment.
Gifts, hospitality, donations and similar benefits	Covers offering or acceptance of gifts, hospitality (e.g. dining, conference, training, open house, event tickets, event invitations, additional discounts on price, tokens, etc.), donations, entertainment (e.g. golf, movies, karaoke, spa, orchestra, theatre, concerts, etc.) , political or charitable donations, expenses (e.g. client representative or public official travel/holiday, promotional expenses, paid services, club memberships,) sponsorship, community benefits, loans, personal favours and confidential information where such offering, provision or acceptance is or could reasonably be perceived as bribery.

5. ACCOUNTABILITY, RESPONSIBILITY AND RESOURCING

- 5.1 The responsibility to abide by this Policy lies with ALL employees where compliance is COMPULSORY. Since this Policy may not be exhaustive, reference should be made to the Heads of Departments or Corporate Governance for clarification or advise if necessary, during course of their daily work and business conduct.
- 5.2 Disciplinary actions will be taken against those found to have breached the principles of this policy which, may include dismissal or termination of employment or contract.
- 5.3 All employees have the following responsibility:
 - a. Understand requirements in this Policy;
 - b. Record all transactions and payments accurately and promptly;
 - c. Report violations or suspected violations involving employees or external parties who has business dealings with Cenviro Group through the relevant channels highlighted in this Policy on a prompt basis;
 - d. Undertake all integrity and anti-bribery & corruption trainings and assessments as directed;

- e. Pledge to conduct business dealings and operational processes with full integrity and as far as possible to combat corruption and bribery practices; and
 - f. Heads of Departments/Regional Heads are all responsible to ensure that this Policy is adhered to by staff under their jurisdiction without compromise.
- 5.4 Corporate Governance and Human Resources reserves all rights to request an employee to declare information regarding assets owned as part of an investigation into bribery or corruption allegation involving the person.
- 5.5 Cenviro Group will adopt a defined three lines of defence anti-bribery and corruption risk management program. The three lines of defence model is structured as follows:
- a. 1st line of defence
 - Primary responsibility for implementation and practice of bribery and corruption risk management, including core risk management principles of risk identification, measurement, monitoring & reporting rests with the process owners and/or Heads of Department;
 - b. 2nd line of defence
 - The Corporate Governance function is the second line of defence responsible for reviewing and challenging the completeness and accuracy of the 1st line's identification, measurement, monitoring and reporting; and
 - c. 3rd line of defence
 - Internal Audit (IA) is the third line of defence responsible for independent assessment on the effectiveness of anti-bribery and corruption controls framework design and operation. Is also responsible for reporting findings and concerns to the Board Audit Risk Committee.

6. POLICY REQUIREMENT

- 6.1. This Policy is approved by Cenviro Group's Board of Directors. This Policy is not intended to prescribe definitive answers to all questions regarding bribery and corruption but rather, it is intended to provide employees with basic guide on the many types of payments or favours that could be labelled as bribes, including the links to other associated guidelines or policies to make references to.
- 6.2. In embracing the spirit of this Policy, all Cenviro Group employees are required to use their judgement in upholding good work and business ethics at all times. Although this Policy may not precisely cover all circumstances related to bribery and corruption, the boundaries of this Policy shall not be restricted by this known limitation. Henceforth, adherence to this Policy will be monitored and measured based on the principles.
- 6.3. It is hereby also emphasized that no employee of Cenviro Group shall be reprimanded or suffer demotion or face other kinds of adverse consequences for

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a loss of business or experience of delay in operations or projects as a result of abiding to this policy and other applicable anti- bribery and corruption laws.

6.4. Similarly, in the same spirit, no employee of Cenviro Group shall be penalized for reporting in good faith any form of misconduct or concerns although it involves suspicion and unauthenticated after investigation.

6.5. **Bribes and Kickbacks**

6.5.1. Cenviro Group employees are STRICTLY PROHIBITED from engaging or participating in any form of corruption, giving or accepting of bribes including kickbacks to/from a public official (Government) or private individual (Commercial) including their directors, employees, agents and other appointed representatives at all levels of whom is solicited to obtain new or keep existing business or otherwise to secure any improper advantage for Cenviro Group.

6.5.2. Cenviro Group shall always uphold a ZERO-TOLERANCE approach towards such acts of bribes and kickbacks.

6.5.3. It must be noted that the act of bribery is not confined only to the exchange of money, but may take forms of goods, services, assets, preferential treatments, employment offers, contract offers, titles and honorifics, information and other forms of financial or non-financial value returns.

6.5.4. Giving things of value to family members, close associates or favoured organizations of those with whom we do business, those with whom we would like to do business, or public officials (Government) is also subjected to this Policy, as such actions may be interpreted as attempts to influence the conduct of third parties.

6.5.5. To quote bribery as an example, in a simple context, Cenviro Group will in no circumstances offer employment/contract in return of a previous favour or in exchange of improper favour. Employment positions or other contract awards shall be purely based on merits and thus, Cenviro Group unrecognizes issuance of Letters of Recommendations/Support from any parties.

6.5.6. On the other hand, kickbacks may involve for example negotiated bribes in the form of 'secret commissions' fulfilled after Cenviro award a contract to a third party/granting business to favoured suppliers, permitting of special privileges to customers, paid commission to agents by Cenviro Group to secure business contracts but uses portion of the commission to pay a person(s) in a position of trust to award or recommend award of a contract, etc. Procurement, contracting activities, or other departments responsible for awarding contract decisions are vulnerable to kickback soliciting.

6.5.7. Cenviro Group will NOT TOLERATE such acts and will not benefit from illicit gains. Cenviro employees who are detected in violation of this rule will be disciplined and reported to MACC.

- 6.5.8. It is the responsibility of all employees of Cenviro Group who intends to engage the services of contractors, vendors, suppliers, consultants, advisers, auditors, bankers, etc. to ensure that those parties/individuals are informed and understand Cenviro Group's policy and stance against bribery and corrupt practices from the business agreement onset and throughout the business lifecycle.

6.6 **Facilitation payment**

- 6.6.1. Facilitation payment is assumed as a form of bribery and corruption.
- 6.6.2. Cenviro Group shall adopt a strict stance on facilitation payments and disapproves its employees from offering, accepting or giving facilitation payments either directly or indirectly, purported to expedite dealings for e.g. dealings involving issuance of license and permits, waste transportation and/or processing, etc.
- 6.6.3. Facilitation payments need not involve cash or other financial asset, it can be any sort of advantage with the intention to influence a person in their duties.
- 6.6.4. The Company accepts that although refusals of making illicit payments may cause delays for example in projects or application approvals, the Company shall remain steadfast in upholding good ethics and integrity values by not bending to pressure for such payments.
- 6.6.5. Should an employee encounter a dicey situation where demand for such payment to facilitate a deal is inevitable, the matter must be reported to the Head of Department without delay. The Head of Department will then notify the same to the Managing Director at the earliest possibility. This may lead to a report being lodged with the MACC.
- 6.6.6. However, in emergency situations for e.g. where facilitation payment is requested to safeguard an employee's life or safety, this may be permitted to protect the employee who is at risk if such payment is denied. It is compulsory though that the Managing Director's approval is sought retrospectively soon after with evidence of such payment recorded transparently.

6.7 **Gifts, Hospitality & Expenses**

- 6.7.1. Giving or accepting gifts and hospitality including cash or its equivalent for e.g. vouchers, loans, physical and valuable items, (or as further described under the definition section of this policy) which, may influence or be perceived as influencing business decisions, independence, performance, judgement of a third party official or contractual function that has dealing with Cenviro Group is **STRICTLY PROHIBITED** unless mainly as a business courtesy or the gifts are distributed during a corporate event.

- 6.7.2. All expenses incurred to provide the corporate gifts must be properly kept, documented and recorded by the respective division/ department for audit purposes.
- 6.7.3. Otherwise, a gift can be seen as a bribe that may tarnish Cenviro Group's reputation or be in violation of anti-bribery and corruption laws.
- 6.7.4. There may be exceptions to the rule where Cenviro Group do recognize the fact that giving or accepting business-related gifts and/or hospitality may not be entirely avoidable on certain occasions considering the vast business environment we operate in where we are bound to have business or dealings with parties of various cultures and backgrounds whereby giving or receiving gifts is part of their norm and common culture. These gifts would include inter alia fruits, flowers, token gifts/promotional gifts (pens, USB drives, diaries, shirts, umbrellas, etc.) or hampers etc.
- 6.7.5. Some categories of business-related gifts may not be required to be declared while some require prior written approval. Cenviro Group employees are required to refer to the Guiding Principles set forth in **Cenviro Group's Gift, Hospitality & Expenses Guideline**.
- 6.7.6. All gifts accepted or offered must be declared by using the Gift Register available for recording details of gifts.

6.8 **Dealing with Public Officials**

- 6.8.1 Bribing a public official is STRICTLY FORBIDDEN and may lead to the harshest treatment under the penalty structure.
- 6.8.2 This include their immediate family members, close associates and companies related to such individuals in their capacity as directors, members of management or beneficial owners.
- 6.8.3 Cenviro Group employees are prohibited from paying for non-business travel, entertainment and hospitality for any public official or his/her family members at any amount without permission from the MD.
- 6.8.4 Accepting or giving Personal Gifts are not allowed. Only Corporate Gifts if approved and necessary for a specific acceptable reason e.g. used to promote the brand name and increase its awareness among people are permissible provided the necessary approval had been obtained according to the Level of Authority stated in Cenviro Group's Gift, Hospitality and Expenses Guideline.
- 6.8.5 The staff must also ensure that the gift (only corporate gift is allowed), entertainment or corporate hospitality is not excessive and lavish.
- 6.8.6 All gifts accepted or offered must be declared by using the Gift Register available for recording details of gifts.

6.9 **Donations and Sponsorship**

- 6.9.1 Donations and Sponsorships are permitted provided that the Limits of Authority (LOA) are observed and complied with and activities conducted must not be used as a medium to circumvent, avoid, or evade the laws or regulatory requirements, or facilitate corruption.
- 6.9.2 Cenviro Group may support donations in the form of local charities or sponsorships as part of its Corporate Social Responsibility to build and maintain good relations with its stakeholders.
- 6.9.3 However, donations and sponsors must be made transparently and documented properly.
- 6.9.4 Before any donation or sponsor is approved, due diligence must be appropriately exercised on the recipient(s) to determine whether a request for sponsorship or donation is legit.
- 6.9.5 Reference must be made to **Cenviro Group's Donation and Sponsor Policy** that provides guide into implementation.

6.10 **Political Sponsorship**

- 6.10.1 Cenviro Group shall always remain apolitical and shall avoid making any contributions or expenditure whether monetary or non-monetary to any political parties, political candidates, political organizations or campaigns.
- 6.10.2 However, Cenviro Group shall cooperate with the Federal or State Governments in developing policies or legislation that may affect its business interest.
- 6.10.3 Cenviro Group does not suppress its employee's entitlement to political views but does not permit the use of company's premises or equipment to promote those views or associate them with Cenviro Group.

6.11 **Business relations**

- 6.11.1 Business associates (as described under the definition section) are expected to strictly observe the principles in this Policy when conducting business dealings / transactions with Cenviro Group employees, and contractually agree to embrace Cenviro Group's Zero Tolerance towards bribery and corruption practices, and to adhere to the Vendor Code of Conduct (VCoC).
- 6.11.2 The VCoC is developed to provide guiding principles for vendors on the required standards and code of conduct when dealing with Cenviro Group in any business.
- 6.11.3 All vendors must pledge compliance via the 'Letter of Declaration'.
- 6.11.4 In any case, shall Cenviro Group detect an infringement of this Policy, the continuity of business dealings with that company shall be re-considered.

6.11.5 All contracts with Cenviro Group will incorporate Clause Wordings that enables Cenviro Group to terminate and exit from any contract where evidence of bribery or corruption was established.

6.11.6 Agents, Sub-contractors and Representatives

- a. In order to ensure the highest level of integrity is practiced in business dealings, employees are required to fully understand the integrity and reputation background of agents, sub- contractors and representatives by due-diligence enquiries to review their background records before entering into a commercial contract;
- b. The engagement process must be documented and safe guarded where the final approval follows an independent review by a person other than the person involved directly in the proposed business dealings for good governance; and
- c. Constant monitoring of the relationship shall continue after the signing of a business agreement to determine the level of commitment towards the principles of this Policy. Failure to abide by the Policy shall lead to an agreement withdrawal as being reflected in the agreement clause.

6.11.7 Business JV or Partnership

- a. Cenviro Group shall equally enforce this policy with business partners only to the extent where they could be practically influenced; and
- b. Review of their integrity records shall be exercised from time-to-time as part of Cenviro Group's initiative in influencing partners to adopt high level of ethics in their business dealings.

6.11.8 Suppliers, Vendors, Contractors, etc.

- a. Cenviro Group procurement process shall always be fair, transparent and unequivocal when appointments are being finalized. The evaluation and selection will be performed based on merit and avoiding personal preferences;
- b. Likewise, suppliers, vendors, contractors, etc. shall be made accountable for their actions if any breach of this Policy is detected which may lead to a termination of contract; and
- c. This Policy shall be communicated to all suppliers, vendors, contractors, etc. that provide services to or on behalf of Cenviro Group for e.g. Marketing Agent in Labuan, Technical Sales Contractors, Transporters, etc.

6.12 Conflict of Interest

- 6.12.1 Conflict of interest is assumed when there is a possibility where personal interest interferes with a person's objectivity while performing an official/contractual duty or obligation for or on behalf of Cenviro Group i.e. an employee has an economic or personal interest in a transaction.
- 6.12.2 Conflict of interest stand alone is not corrupt, but encourages corruption when a director, employee, or contracted third party breaches their official duty to safeguard their own interest and gain.
- 6.12.3 Cenviro Group employees must avoid business dealings or transactions whereby their personal interest is or appears to be conflicting with the Company's interest.
- 6.12.4 Conflict of interest may arise directly or indirectly whereby the latter could involve interests of family members, relatives or even friends. In a potential conflict of interest dealing, the interest of the Company should prevail over personal interest.
- 6.12.5 Using position, group resources, official working hours and equipment for personal interest is forbidden.
- 6.12.6 It is mandatory for all individual employees to declare any personal interest involving company dealings as stated in Cenviro Group's Conflict of Interest policy.

6.13 Corruption Risk Management

- 6.13.1 Corruption Risk Management involves identifying the root cause of an inherent bribery and corruption risk through risk assessment and implementing effective controls to stop it before happening.
- 6.13.2 All Heads of Departments are responsible to identify, assess and control risk inherent within operational processes under their function including risk related to bribery and corruption where the Heads of Departments must assess vulnerable corruption areas and ensure adequate defences and strategies are put in its order to control bribery and corruption risk.
- 6.13.3 Risk assessments shall be conducted on regular basis to ensure risk and controls are up to date and adequate.
- 6.13.4 All employees must continuously ensure business dealings are always free from elements of bribery and corruption by ensuring risk controls are maintained 'effective' and 'complied with'.

6.14 Corruption Risk Monitoring

- 6.14.1 The Top Management shall ensure business and operational activities are continuously monitored for any signs of corrupt practices company wide.

- 6.14.2 Audit arrangements will be made on a regular basis to assess and validate the level of compliance to this Policy at a departmental level and report the audit findings to the Board Audit Risk Committee.
- 6.14.3 Such validation exercise may be conducted either independently by the Chief Integrity Officer, Corporate Governance or by external consultants.
- 6.14.4 Due diligence will be conducted on regular intervals on employees who hold or may prospectively hold, Exposed High Risk Positions. This may include during recruitment onboarding process, promotion, job rotation or transfer or for regular monitoring purposes.

6.15 **Training and Communication**

- 6.15.1 This policy will be made visible in Cenviro Group's website to ease employee and public reference and for transparency purposes.
- 6.15.2 To boost awareness and understanding among Cenviro Group employees about bribery and corrupt practices, method of trainings shall be varied to ensure dissemination of knowledge has a wider reach.
- 6.15.3 Apart from regular classroom sessions that will cover ethics and integrity and the principles of this policy, online learning will be one of the training modes where employees are required to take and pass the assessment on yearly basis.
- 6.15.4 Induction training sessions are also compulsory for new recruits and shall be made a condition for employment confirmation.
- 6.15.5 New recruits are to attest that the Code of Conduct shall be complied with in the course of employment.
- 6.15.6 Regular communications pertaining to integrity and anti-corruption issues or updates will be announced through various means for e.g. emailers, buntings, banners, bulletins, messages from leadership, etc. as an initiative to upkeep a good culture of integrity.
- 6.15.7 Corporate Governance may recommend an employee to repeat certain trainings if deemed necessary in pursuit of upholding the standards of integrity and knowledge of anti-bribery and corruption within Cenviro, especially for those higher risk roles.
- 6.15.8 Adequate records of trainings are required to be maintained and safekept as evidence by Human Resources in collaboration with Corporate Governance for future references.

6.16 **Record Keeping**

- 6.16.1 Cenviro Group will upkeep detailed and accurate financial records.
- 6.16.2 We will declare and keep a written record of the amount and reason for hospitality or gifts accepted or offered and understand that gifts and acts of hospitality are subject to approval according to the LOA.

7. REPORTING CHANNELS

- 7.1. If you become aware of any breach of this Policy, actual or suspected breach we hope that you will come forward to talk to your Head of Department. Otherwise, you may use Cenviro Group's secured reporting channels below to lodge your report:
 - a. Online: <https://cenvirowhistleblowing.com/>
 - b. Whistle-blower Hotline: 1-800-817-365 (this hotline is open 8:30 am to 5:30 pm for Bahasa Malaysia and Mandarin language and 24 hours and 7 days a week for English language only)
 - c. Email: report@cenvirowhistleblowing.com
- 7.2. Every employee has a responsibility to ensure that suspected bribery and corruption is reported promptly.
- 7.3. The Group practices an open-door policy and encourages all Employees to share concerns and suggestions.
- 7.4. Reports made in good faith, either anonymously or otherwise, shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- 7.5. Cenviro Group shall notify the relevant regulatory authority if any bribery or corruption cases had been proven beyond reasonable doubt.
- 7.6. If you have any doubts on how this Policy applies, please speak to your Head of Department or Corporate Governance.

8. WAIVER

- 8.1. No party has authority to waive any provision under this Policy. Any deviation or waiver shall only be approved either by the Board Audit Risk Committee or Board of Directors.
- 8.2. Corporate Governance and the Board Audit Risk Committee shall review the suitability of this Policy from time to time, evaluate its effectiveness and update or amend this Policy as necessary.