



**Desa Group of Companies**

**CODE OF CONDUCT**

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### 1.0 INTRODUCTION

- a) It is Desa Group's policy to conduct all of the Group's businesses in an honest and ethical manner. The Board and top-level management of Desa Group are committed to act professionally, fairly and with highest integrity in all business dealings and relationship in accordance with applicable Malaysian laws and regulatory requirements. This commitment is reflected in Desa Group's core values.
- b) The Board and top-level management of Desa Group recognizes its role in establishing ethical culture that promotes professionalism, integrity, accountability and fairness in the pursuit of excellence and sustainable growth in its business activities.
- c) In Desa Group, we have established adequate policies and procedures that are based on best practices where efforts are being focused to continuously enhance the level of governance in the working environment that the Group operates.

### 2.0 PURPOSE

This Code of Conduct (COC) provides the standards of behavior and ethics which shall applies to all Directors, Employees and Business Partners of Desa Group to achieve the following objectives:

- i) To foster a corporate culture of good corporate governance and ethics in the conducting of Desa Group businesses
- ii) To provide a guide when faced with dilemma of questions where the right choice is not clear
- iii) To uphold Desa Group commitment of social responsibility in the compliance with relevant existing Malaysian Laws and regulations

### 3.0 SCOPE OF POLICY

- a) This Code of Conduct applies to:
  - i) Board of Directors
  - ii) All Employees including full time/permanent, daily rated, probationary, contract and temporary employees, trainees and interns

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- iii) Business Partners, joint venture and business associates, government officials, service providers and suppliers, contractors, stakeholders, consultant, distributors, agents or any parties performing work or services for or on behalf of the Group.
- b) All covered persons above are expected to adhere to this general principle as well as to comply with all the specific provisions of this Code that are applicable and other policies adopted by Desa Group.
- c) In accepting a position with Desa Group, each covered person becomes accountable for compliance with the law and this Code of Conduct including other policies of the Group e.g Anti-Bribery and Anti-Corruption Policy

### 4.0 DEFINITION OF TERMS

- a) Employees                      Shall refers to Employees of Desa Group of Companies including full time/permanent, daily rated, probationary, contract and temporary employees, trainees and interns
- b) Business Partners          Refers to joint venture and business associates, government officials, service providers and suppliers, contractors, stakeholders, consultant, distributors, agents or any parties performing work or services for or on behalf of the Group
- c) Bribe                              Refers to any gift, payment, benefit or other advantage pecuniary or otherwise, offered, given, or received in order to secure an undue or improper result, award, decision benefit or advantage of any kind.
- d) Confidential Information      All data or information, whether in tangible or intangible form that is proprietary to Desa Group relating to or in connection with the group's businesses.
- e) Facilitation Payments          Payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.
- f) Government Officials          Shall include, without limitation, government agencies (tax, customs, police), officials of any political party and officials of state-owned enterprises.

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- g) Gratification Refers to any gift, payment, benefit or other advantage pecuniary or otherwise, offered, given, or received in order to secure an undue or improper result, award, decision benefit or advantage of any kind
- h) Money Laundering Occurring when the criminal origin or nature of money or assets is hidden in legitimate business dealings or when legitimate funds are used to support criminal activities, including the financing of terrorism.
- i) Personal Data Relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of the data user, including any sensitive personal data and expression of opinion about the data subject. For example: name, identity card number, date of birth, mobile number, employment information etc.
- j) Malaysian Laws Refers to but not limiting to Malaysian Anti-Corruption Commission 2009, Anti money Laundering and Anti-Terrorism Financing Act 2001, and any other relevant laws

### 5.0 CODE OF CONDUCT AND BUSINESS ETHICS

#### 5.1 Bribery And Corruption

- a) Directors and Employees, must in all circumstances, comply with the rules concerning solicitation, bribery and corruption set out in Desa Group Anti-Bribery and Anti-Corruption Policy as well as with applicable laws concerning bribery and corruption.
- b) Directors, Employees and Business Partners are prohibited from directly or indirectly soliciting, accepting, obtaining or agreeing to accept or attempting to obtain from any party or for any other parties any bribe or gratification as a reward for doing or forbearing to do, or for having done or forborne to do, any act in relation to Desa Group's affairs or businesses.
- c) Business Partners, Contractors, sub-contractors, consultants, agents, representatives and others must understand, accept and comply with Desa Group's policies when performing work or services for or on behalf of companies in the Desa Group.

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- d) Directors and Employees are prohibited from directly or indirectly offering, promising, or giving any bribe as a reward for doing or forbearing to do, or having done or forborne to do, any act in relation to Desa Group's affairs and/or businesses.
- e) Directors and Employees are prohibited from directly or indirectly accepting or obtaining or attempting to accept or obtain facilitation payments from any person for personal benefit or for any other person.
- f) Directors and Employees who receive a request for a bribe or if offered a bribe, gratification or facilitation payment must report it to the Chief Executive Officer, Human Resource Manager or Head of Department.

### **5.2 No Gift Policy**

- a) Directors and Employees are required to comply with the Anti-Bribery and Anti-Corruption Policy of Desa Group relating to the receipt and giving of gifts, entertainment and hospitality.
- b) Directors and Employees are not allowed to accept cash, gifts, entertainment or hospitality in exchange for getting or keeping business or for any other business advantage.
- c) Directors and Employees are not allowed to offer gifts, entertainment or hospitality, in exchange for getting or keeping business or for any other business advantage.

### **5.3 Money Laundering and Due Diligence**

- a) Directors and Employees are responsible to ensure that they are conducting business dealings and transactions with reputable parties for legitimate business purposes using legitimate funds.
- b) If the Director or Employee is aware of a person or group of individuals' action to conceal proceeds of illegal activities or try to make their illegal source of funds appear to be legitimate, the Director or Employee must immediately report it to the Chief Executive Officer or Head of Department.

### **5.4 Whistleblowing Policy and Reporting**

- a) Desa Group is committed to comply with its Whistleblowing Policy by introducing a safe and acceptable platform for Directors, Employees and

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Business Partners to channel their concern of the improper conduct, wrongdoing, illegal action by any of the Group's employees.

- b) Desa Group Whistleblowing Policy allows the Board and Senior Management to take appropriate preventative measures inside Desa Group without the negative effects that come with public disclosure such as loss of Desa Group's image, reputation and financial loss.
- c) Employees and Business Partners may make a disclosure of improper conduct based on his/her reasonable belief that any person has, is, or preparing to engage in improper conduct.
- d) All disclosed concerns received will be duly investigated by the Special Investigation Committee, in accordance with Desa Group Whistleblowing Policy, for further steps to be taken, if any, based on the findings of the investigation.

### **5.5 Conflict of Interest**

- a) Desa Group promotes good corporate governance and transparency in conducting business activities with emphasis on ethical act and trustworthiness for all Directors and Employees and other acting on behalf to avoid conflict of interest situations where their personal interest may inappropriately influence their business judgement. Examples of situations:
  - Allowing personal relationship to influence business decision
  - Discovering potential business opportunities for Desa Group and using it for your own personal gain
  - Accepting gifts or entertainment that may affect business objectivity
  - Borrowing money from subordinates, contractors, suppliers and other Business Partners which may put you under serious obligation to any person:
    - i) Who is, directly or indirectly, subject to your official authority, or
    - ii) With whom you have or are likely to have official dealings

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- b) In the event the Employee discovers that he/she become involved in the conflict of interest, the Employee concern must report the conflict as soon as the matter comes to his/her knowledge. Unless the Employee concerned obtain the appropriate approval, he/she must promptly eliminate the conflict situation.

### **6.0 CONFIDENTIALITY AND DATA PROTECTION**

#### **6.1 Desa Group Confidential Business Information and Intellectual Assets**

- a) All confidential business information, records and intellectual assets comprising business, technical, financial, legal, personnel, audit, contracts and agreements, product formulation, Standard Operating Procedures, licenses, trademarks, computer software, and any other confidential documents belonging to Desa Group.
- b) All Confidential Information of Desa Group is strictly private and confidential and shall not be utilised, discussed with, divulged to, or disclosed to persons outside of Desa Group except by persons authorised to do so.
- c) All Directors and Employees are responsible to take all necessary precaution in respect of the confidentiality of Desa Group's private and confidential information.
- d) All Directors and Employees are prohibited to, at any time after the cessation of tenure with Desa Group, use Desa Group's confidential information in breach of post-tenure obligations to maintain the confidence of such confidential information.
- e) Directors and Employees must comply with all laws, regulations and contractual obligations regarding the valid intellectual property rights of other parties, including patents, copyrights, trade secrets and other proprietary information.
- f) Directors and Employees must not knowingly infringe on the protected intellectual property rights of other parties.
- g) Directors and Employees are prohibited from publishing or writing any books or other works which are based on Desa Group's confidential information, unless with the written permission of Desa Group.
- h) Directors and Employees are prohibited from using Desa Group's information for personal gain and/or for advancement in authority.



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- i) Where Confidential Information is entrusted to Business Partners of Desa Group, Directors and Employees must make an effort to ensure the continuing protection and confidentiality of that information.

### **6.2 Data Protection**

- a) Directors and Employees must at all times comply with Desa Group policies and applicable laws concerning the protection of personal privacy including the protection of Personal Data.
- b) Personal Data must only be used for the purpose it was given or for compliance with legal obligations. Consent must be obtained if the personal data is used for a different purpose or if sensitive personal data is being processed.
- c) A data user must notify the individual of the nature of the Personal Data being processed, the purposes for which it is collected and further processed and the data subject's right to request access to and correction of the personal data etc. Notification can be in electronic form so as to ensure the individual's capacity to record and keep a copy.

## **7.0 CULTURE AND WORKING ENVIRONMENT**

### **7.1 Harassment and Discrimination**

- a) Desa Group is committed in providing a conducive working environment, safe and free from sexual harassment. Desa Group views sexual harassment as a serious violation of the Group's rules and regulations and work values.
- b) Sexual Harassment shall mean any unwelcomed conduct of a sexual nature in the form of verbal, non-verbal, visual, psychological or physical harassment.

Example of sexual harassment:

- Promises of special treatment for submitting to sexual conduct
- Subjecting an employee to unwelcome sexual attention or conduct
- Intentional physical contact which is sexual in nature
- Sexually oriented gestures, jokes or comments directed at or made in the presence of an individual who does not welcome such conduct

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- Sexual or discriminatory displays or publications anywhere in Desa's workplace
- c) Desa provides equal opportunity in employment to all employees without regard to personal characteristics, such as race, ethnicity, gender, religion, age and disability. Employment decisions must be made based on skills, experiences, and abilities and not on gender or other discriminatory factors.
- d) Managers are responsible for maintaining a work environment that is free of violence and unlawful harassment.

If any employee learn about the harassment, violence or threats of violence must report it immediately to the Human Resource Manager. Any employee found guilty of such misconduct will be subject to disciplinary action and dismissal.

### **7.3 Safety, Health and Environment**

- a) Desa Group is committed to provide a safe workplace, aiming for zero accident and injuries in all our business premises at all times. Directors and Employees are responsible for maintaining a safe workplace by following the safety, health and environment rules and practices. It is the Group's culture which requires all works, however urgent, be done safely.
- b) All employees are to comply with Safety and Health laws including Desa's own safety and health policy and programs.
- c) Employees are responsible for immediately reporting accidents, injuries, and unsafe equipment, practices or conditions to the top-level management or Head of Department. Desa Group is committed to keeping its workplace safe and free from hazards.
- d) Employees must, at all times, declare immediately to their respective Head of Department of any contagious/dangerous disease that he/she is afflicted with.
- e) Desa Safety and Health Policy program will be continuously reviewed and improved to enhance safety performance.

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### 7.4 Drugs, Alcohol and Prohibited Substances

The misuse of drugs, alcohol and other controlled substances can threaten the safety, health and productivity of our employees. All employees reporting for work must be free from the influence of illegal drugs and alcohol.

Employees are strictly prohibited from the use, possession, distribution or sale of illegal drugs, alcohol or prohibited substances while in the course of performing Desa Group's business.

### 7.5 Criminal Activities and Wrongdoings

- a) Employees shall, at all times, uphold the good name and reputation of Desa Group during and after office work.
- b) Employees shall not engage or be involved in any behaviours or activities that may be categorised as tarnishing the image of Desa Group or subversive or commit any criminal offence punishable under the law of Malaysia
- c) Should Employees be found to be involved in any behaviours or activities that may be categorized as subversive or commit any wrongdoing, criminal or otherwise that may be detrimental to the image and reputation of Desa Group, Employees shall be dealt with in accordance with Desa Group's disciplinary policies and procedures and/or liable in the court of law.

## 8.0 DISCIPLINARY PROCESS AND SANCTIONS

- a) Desa Group promotes work discipline, good conduct, and decorum as it is vital to the smooth running of its business and for the common good of Desa Group and its Employees.
- b) Desa Group may take disciplinary action as stipulated under this Policy and Desa Group General Terms and Conditions of Employment against an Employee on the ground(s) of misconduct stipulated under Part P.1, Section 1.1, such as dishonesty, theft, fraud, willful damage or loss to Desa Group product or property, willful defense of insubordination, bribes, harassment and violence and involve in activities which may tarnish the image of Desa Group.

The acts that may be treated as misconduct for which an employee may be liable for disciplinary action is described in this Policy.

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- c) Desa Group has in place, an internal disciplinary and corrective process implemented involving verbal and written warning to be given for the employee to correct any shortcomings. All actions taken relating to disciplinary of an employee will be recorded and filed.
- d) Before any disciplinary action is taken, the employee concerned shall be given every opportunity to be heard and the Group's decision after the hearing or due inquiry shall be final.

### **9.0 REVIEW OF POLICY**

Desa Group is committed to continuously enhancing its Code of Conduct and governance. This Code of Conduct Policy will be reviewed from time to time to ensure its relevance and practicality.