



(Company No. 217120- W)

(Incorporated in Malaysia under the Companies Act, 2016)

**POLICY ON  
CODE OF CONDUCT  
&  
ETHICS  
FOR  
DIRECTORS**

## **1.0 INTRODUCTION**

**1.1** This Code of Conduct and Ethics for Directors (the “Code”) is to provide the fundamental guiding principles and standards applicable to the Board of Directors (the “Board”) of Evergreen Fibreboard Berhad (“EFB” or the “Company”) and its subsidiaries (“EFB Group” or the “Group”)

**1.2** As Directors of EFB Group, you are expected to adhere to, comply with and uphold the provisions of this Code and hereby acknowledge that you shall and must exercise judgment in applying the principles embodied in the Code to any particular situation.

**1.3** The Code is not intended to be exhaustive. Therefore, it should be read in conjunction with the Companies Act 2016 and all relevant laws and regulations in any country the company/ group operates in, as well as the directives and policies of EFB Group including any relevant best practices or standards in corporate governance and any provisions of the constitutions of the companies within EFB Group.

## **2.0 DEFINITION**

In this Code, Director has the meaning assigned to it as in the Companies Act 2016 and includes the Chief Executive Officer, Chief Operating Officer, Executive Directors, Operations Directors, Chief Financial Officer and any other person primarily responsible for the Operations or Financial Management of a Corporation, by whatever name called; and in the case of a corporation formed or incorporated or existing outside Malaysia, a member of the Corporation’s board of directors or governing body or a person occupying or acting in the position of a member of the corporation’s body, by whatever name called.

## **3.0 OBJECTIVES**

This Code is established in compliance to the Guidelines issued by Securities Commission Malaysia Act 1993 (SCMA) pursuant to section 158 and subsection 15(1)(q) and to enhance the standard of our Corporate Governance and Corporate Behaviour with the intention of achieving the following aims: -

- a) Directors to uphold the spirit of accountability and social responsibility in line with the legislation, regulations and guidelines for governing a Company;
- b) Directors to act in good faith having regards to the best interest of the Company/ Group and its shareholders and other stakeholders;
- c) Directors to discharge and perform duties to the Company/ Group, its shareholders and other stakeholders by honestly observing high standards of ethical behaviour and abiding by all laws, rules and regulations; and
- d) Directors to promote good business conduct and maintaining a healthy corporate culture that engenders transparency and fairness.

## **4.0 CONDUCT OF DIRECTORS**

Directors shall act within the authority conferred upon them in the best interests of the Company / Group and shall at all times: -

**4.1** Directors who maybe appointed by virtue of his/her position as a representative of a shareholder, must act in the best interest of the Company in which he/she sits as a board member. In the event of any conflict between his/her duty to act in the best interest of the Company and his/her duty to his/her nominator, he/she must not subordinate his/her duty to act in the best interest of the Company to his nominator;

**4.2** In directing or managing the business and affairs of the Company/Group, Directors shall exercise reasonable care, skill and diligence by: -

- a) applying the knowledge, skill and experience which may reasonably be expected of a director having the same responsibilities; and
- b) applying any additional knowledge, skill and experience which the director has.

**4.3** Directors are required to among others: -

- a) maintain a sound understanding of the business, and keep abreast of relevant developments to ensure he/she is able to discharge his/her duties and responsibilities effectively;
- b) prepare for board meetings, contribute constructively to board discussions and decision-making, and conduct due inquiry before approving a matter;
- c) ensure key transactions or critical decisions are deliberated and decided on by the board in a meeting; and
- d) ensure his/her decisions and the basis for those decisions, including any dissenting views are made known and properly minute.

**4.4** Directors shall exercise his/her powers for a proper purpose and in good faith, honestly, fairly, ethically and with integrity in the best interest of the Company to fulfil his/her fiduciary obligations to the Company / Group and its shareholders;

**4.5** Directors shall conduct themselves in a professional and respectful manner and not take improper advantage of their position;

**4.6** Directors shall at all times use prudent judgment to avoid or abstain from all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Company / Group, and to inform the Board, at the earliest opportunity, of any existing or potential conflict of interest situation being face with;

**4.7** Directors shall not exploit for his/her own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Company /Group declines to pursue such opportunity for its business interest;

**4.8** Directors shall act to enhance and maintain the reputation of the Company and the Group;

**4.9** Directors shall contribute towards the growth and sustainability of Company / Group;

**4.10** avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company/Group or which divides his or her loyalty to the Company / Group; and

**4.11** provide anyone of the BOD of EFB or any person appointed by them with any information or explanation requested by the BOD of EFB pertaining to the performance of the business unit/subsidiary on financial or non-financial matters.

## 5.0 COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Directors when in exercising and/or discharging his/her powers or duties shall comply with all applicable laws, rules and regulations including the Constitution of the Companies within EFB Group and guidance and directives issued by the authorities.

## 6.0 MANAGING OF CONFLICT OF INTEREST

**6.1** Directors has the obligation to disclose any conflict of interest that they may have with the Company / Group. This shall apply not only to situations where Director him/her self is directly connected to a director / employee of the company but also to a situation involving their family members or related persons/party, where this shall be required to be disclose and adhere to the Policy on Conflict-of-Interest (EFB-QP-COR-12).

**6.2** Directors with a conflict of interest Shall & Must disclose any obligation, commitment, relationship or interest that could conflict or may be perceived to have conflict with his or her duties by making a declaration using the Conflict-of-Interest Disclosure document which is made through the following link:

<https://docs.google.com/forms/d/e/1FAIpQLSeE5xl6BfNow6Tlk9h9vKCDkiQA8Zc1Q200jNi34JNPiDM9bQ/viewform>

**6.3** This disclosure obligation for any Conflict of Interest includes Conflict of Interest that exist with Suppliers, Customers or any other Companies which have significant transactions or dealings with the Company / Group.

## 7.0 ANTI-BRIBERY & ANTI-CORRUPTION

**7.1** A Policy on Anti-Bribery/Corruption has been established and put in practice by the Group with more specific guidance about payments in view of the latest amendment to the Malaysian Anti-Corruption Commission Act which introduced a new Section 17A under Corporate Liability. All employees shall make themselves aware of this Policy / Procedures on Anti Bribery & Anti-Corruption (EFB-QP-COR-07 POLICY ON ANTI BRIBERY AND ANTI CORRUPTION) including any updates. An awareness training portal at <https://efb.no-bribery.com> has been established. Employees are to acknowledge the trainings and sit for a test on the understanding on a yearly basis. This policy covers the following matters and you are advised to refer to this Policy relating to these items: -

- a) Donations and Sponsorship;
- b) Facilitation Payment;
- c) Personal Gifts;
- d) Dealing with Government Officials;
- e) Political Contributions;
- f) Charitable Contributions;
- g) Entertainment, Gifts and Meals;
- h) Payments (Cash or In-Kinds); and
- i) Hospitality.

**7.2** As the Group tolerance on Bribery & Corruption is Zero, violation of the Group's Anti-Bribery/Corruption Policy will result in serious disciplinary action against Directors and appropriate sanction shall be place upon agents /companies. In observing high standards of business, professional and ethical conduct, Directors (whether acting in their own capacity or on EFB Group's behalf) are to be committed to refrain themselves from offering, giving or receiving any gift and any other form of benefits and Directors are required to adhere to the Group's *Policy on Anti-Bribery & Anti-Corruption* which is made available on the Company's website.

## **8.0 MAINTAINING PROPER RECORDS AND ACCOUNTS OF THE COMPANY**

**8.1** Directors shall ensure accounting records and other records are kept to: -

- a) sufficiently explain the business, transactions and financial position of the Group and its subsidiaries;
- b) enable the preparation of true and fair financial statements; and
- c) enable the accounting and other records of the Group and its subsidiaries to be conveniently and properly audited.

**8.2** When the financial statements of a subsidiary are to be consolidated into the Group's financial statements, subsidiary company Directors shall ensure to provide the Group with all information and record necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standards.

**8.3** Directors are to ensure that the company that they sit as Directors retains all financial transactions records for not less than seven years from the completion of the transactions or operations to which the entries or records relate.

**8.4** Directors must be aware that if any accounting and other records referred to above are kept at a place outside Malaysia, the Securities Commission may request the directors of the Company to produce any of these records at a place in Malaysia including how these records are to be kept in Malaysia whereby Directors must comply with the direction given.

## **9.0 CONFIDENTIALITY**

**9.1** Directors may come into possession or access to confidential, sensitive and non-public information ("Inside Information") in the course of their directorships work with the Group. Directors has the obligation and must treat all such information in strictest of confidence, not disclose such information to any unauthorised persons and take all necessary precautions to maintain such confidentiality and not use it, directly or indirectly, for any purpose other than what it has been intended, except when disclosure is authorised or legally required.

**9.2** Director's obligation to preserve the Group's inside Information is ongoing even after Individual ceases to be a Director of the Company and until the information becomes publicly available or the Company / Group no longer considers it as confidential.

**9.3** Directors shall not use any confidential information of a third party, customers or agents of the Company/Group for any purpose what so ever.

## **10.0 INSIDER TRADING**

Directors who possess Inside Information shall not: -

**10.1** Deal in the company's securities, if that information has not been made public;

**10.2** Shall not communicate such information to any unauthorised persons, for the benefit of him/ herself or any other persons; and

**10.3** Directors shall comply with the relevant laws on trading in securities and observe such guidelines as may be prescribed by the Company in relation thereto from time to time when dealing with Securities.

## **11.0 ANTI-MONEY LAUNDERING**

**11.1** Directors shall not tolerate any form of money laundering activities in the Company/Group. Appropriate measures specially to know the Group's actual business dealings can help prevent the Group's financial transactions from being used by others to launder money.

**11.2** Directors MUST be made aware of the applicable anti-money laundering laws and shall seek to ensure they are appropriately and adequately informed of developments in the laws relating to this area.

**11.3** Directors are expected to be mindful of the risk of the Group's business being used for money laundering activities and to promptly raise any suspicious transactions to the Company.

## **12.0 FAIR DEALING AND ANTI-COMPETITION**

**12.1** Directors shall assist the Company/ Group to compete fairly in the interests of preserving the reputation and integrity of EFB Group,

**12.2** Director shall not act impartially when dealing with vendors or third party, act honestly and responsibly in dealing with all employees, stakeholders, regulators and public where he or she shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any unfair dealing practice.

**12.3** Director shall ensure employees especially in the department of procurement and marketing are made aware of the Anti-trust / Competition Law and be fully compliant with the Standard Procedure No: EFB/QP/SDM-11.

## **13.0 ABUSE OF POWER**

Abuse of power or power harassment is the misuse of authority to take actions in personal interest that negatively impacts the company and employees. It is a form of workplace bullying. Misuse of authority is will not be tolerated . Examples of abuse of power : -

- a) constantly reminding an employee that they can be fired or replaced;
- b) humiliating an employee in front of his colleagues;
- c) forcing an employee to work overtime without being paid;
- d) mistreating employees when he/she is in a bad mood;
- e) condescending reactions to employee questions;
- f) constantly shifting the blame on employees for their own in-competencies;
- g) withholding critical information from an employee that he/she needs to know;
- h) putting personal interests before the company; and
- i) enforcing company's policies and rules on others without following them.

## **14.0 ON HUMAN RIGHTS**

**14.1** Directors are required to respect and promote human rights in accordance with the Guiding Principles on Business and Human Rights in their relationship with employees (especially foreign workers of any country), suppliers and independent contractors.

**14.2** Where exist any adverse human rights impact resulting from or caused by our business policies have been identified, we are committed to cooperate in a fair and equitable manner for remediation. Directors shall treat all our employees with dignity and respect and will also seek to promote access to remediation where we are linked to or involved in any adverse impacts through our relationships with third parties.

**15.0 NON-COMPLIANCE OF THE CODE**

Directors must immediately report any concern about possible or actual breaches of this Code by any Director to the Chairman of the Board. The Board shall determine appropriate actions to be taken after considering all relevant information and circumstances or may take necessary action to ratify on the non-compliance by Directors.

**16.0 WAIVER**

No waiver of any provision of this Code shall be valid unless provided in writing by the Board, as it deems fit and appropriate and in full compliance with any applicable laws or regulations.

**17.0 ENFORCEMENT OF THE CODE**

In the event of any violation of this Code by any Director, the Board shall determine appropriate actions to be taken after considering all relevant information and circumstances.

**18.0 REVIEW OF THE CODE**

The Code shall be reviewed by the Board and be amended and modified from time to time in line with any changes in law, governance code couple with the change in the Company’s vision, values and business plan.

The Code is made available on the company’s website at [www.evergreengroup.com.my](http://www.evergreengroup.com.my) .

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