



## ANTI-BRIBERY AND CORRUPTION (ABAC) POLICY

**KAWAN** does not tolerate any act of bribery and corruption. We believe bribery and corruption is a crime and preventing it is our duty. We are committed to dealing with any internal or external parties, including but not limited to government officials and business associates, in an open, honest, and ethical manner.

**KAWAN** is committed to fully complying with Malaysian Anti-Corruption Commission ("MACC" Act and other relevant laws in relation to bribery and corruption. We will ensure adequate and appropriate measures are in place to prevent and ensure our directors, employees and business associates do not get involved in any forms of bribery and corruption.

This policy was developed in accordance to applicable laws and regulations in Malaysia.

### 1. SCOPE OF COVERAGE

- 1.1 This ABAC Policy is applicable to all Directors and employees of Kawan Renergy Bhd & its subsidiaries ("KAWAN"). However, KAWAN expects that all business associates, including but not limited to vendors, contractors, sub-contractors, agents, or consultants who are performing work or services, for or on behalf of KAWAN will comply with this policy in relevant part when performing such work or services.
- 1.2 The respective Heads of Department are responsible to ensure that their subordinates read, understand, and always comply with this policy.
- 1.3 The employee must not use forgetfulness or ignorance as an excuse not to comply with the established policy.

### 2. DEFINITION OF BRIBERY, CORRUPTION AND GRATIFICATION

- 2.1 Corruption is the term used to describe illegal behaviors which enables a person in power to misuse their position for personal gain. Corruption may include criminal activities such as bribes, extortion, and other related offences of money laundering.
- 2.2 Bribery refers to the act of offering, giving, promising, asking, agreeing, receiving, accepting, or soliciting for any gratification or reward in the form of cash or in-kind, directly, or indirectly, to illicitly influence an action or decision to gain commercial, contractual, regulatory, or personal advantage.
- 2.3 Bribery and corruption fall under the purview and definition of gratification. Therefore, clauses in this article referring to bribery are always referring to corruption or vice versa.
- 2.4 Based on MACC Act 2009, gratification means:
  - a. money, donation, gift, loan, fee, reward, valuable security, property, or interest in property of any description whether movable or immovable, financial benefit, or any other similar advantage;
  - b. any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
  - c. any payment, release, discharge or liquidation of any loan, obligation, or other liability, whether in whole or in part;
  - d. any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction, or percentage;
  - e. any forbearance to demand any money or money's worth or valuable thing;



- f. any other service or favor of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and
- g. any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

### **3. GIFTS, HOSPITALITY AND ENTERTAINMENT**

- 3.1 Gifts, hospitality, and entertainment mean anything of value, including but not limited to fruits basket, vouchers, discounts, free tickets to events, prizes, travel, and use of vacation facilities.
- 3.2 Providing gifts, hospitality or entertainment are often considered as a form of courtesy and is common in Malaysian culture especially during festive seasons.
- 3.3 In no circumstances that Director or employees of KAWAN give or receive a personal gift or any form of hospitality arising from a tender or bidding process or to facilitate a business transaction that shall influence the commercial outcome. In some circumstances, it may also be a form of bribery, particularly when it is used to influence favorable action or decision.

### **4. CHARITABLE DONATION AND SPONSORSHIP**

- 4.1 No charitable donations or sponsorship should be made if these could be construed as improperly influencing another party with whom KAWAN has a business relationship.
- 4.2 Donation or sponsorship for charitable events to non-profitable organizations that have no commercial transactions with KAWAN is allowed as part of Corporate Social Responsibility (CSR) with written approval from the Managing Director.
- 4.3 Before making a commitment to a CSR activity, proper due diligence must be conducted.

### **5. POLITICAL CONTRIBUTION**

- 5.1 KAWAN does not make or offer any political donation whether monetary or in-kind to any political parties or representatives.
- 5.2 KAWAN employees must however make it clear that their political affiliations are those of their own capacity.

### **6. THIRD PARTY MANAGEMENT (AGENTS, CONTRACTORS, SUPPLIERS, PUBLIC OFFICIALS)**

- 6.1 KAWAN expects that all parties who have business dealings with KAWAN or acting for or on behalf of KAWAN to share the same value and ethical standards. Third parties may include but are not limited to agents, contractors, suppliers, business partners or public officials.
- 6.2 When dealing with third parties, we must conduct appropriate due diligence to know who we are working with, be it personnel, business associates or any party who is engaged to work for or on behalf of KAWAN.
- 6.3 The due diligence process should be aimed at obtaining sufficient information to assess if there are bribery risks posed by these parties. This is also to ensure that they subscribe to an acceptable standard of integrity in the conduct of their business.
- 6.4 KAWAN will not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.

### **7. CONFLICT OF INTEREST**

- 7.1 Conflicts of interest arise when there is a clash between a person's duties and their personal interest where the personal interests may influence the performance of their duties.



- 7.2 Directors or employees must not use their position, official working hours, KAWAN's resources and assets, or information available to them for personal advantage or to KAWAN's disadvantage.
- 7.3 Employees must know how to differentiate and separate between obligatory duties and personal interests.

## 8. FACILITATION PAYMENTS

- 8.1 Facilitation payments are made to secure or expedite the performance of a person performing a routine or administrative service that the person is obliged to perform without receiving such payment.
- 8.2 KAWAN does not recognize facilitation payments of any kind. Directors or employees must not pay if faced with such demand from any persons or public officials, whether the demand is made directly or indirectly through a third party or intermediary.
- 8.3 Directors or employees are prohibited from arranging, requesting, or promising any forms of benefits or advantage that can be regarded as facilitation payment.

## 9. OFFENSES

- 9.1 For KAWAN employees, any malicious, willful, deliberate or suspicion of corrupt acts shall be treated as gross misconduct and handled through KAWAN internal disciplinary procedure including but not limited to dismissal.
- 9.2 For KAWAN business partners, any breach of this policy could result in written warning, suspension, termination, blacklist or claim for damages.

## 10. TRAINING AND AWARENESS

- 10.1 HR personnel is responsible to conduct awareness program for all employees by conducting a regular training on KAWAN's position regarding this policy.

## 11. REPORTING OF POLICY VIOLATION

- 11.1 Any violation of any part of this policy or any alleged or suspected improper conduct, must be reported in writing to the Chief Compliance Officer as soon as possible through the following channels:

- i. via email

whistleblow@kawan-renergy.com.my

This email will be re-directed to the Whistleblowing Committee

- ii. in writing to whistleblowing box or mailing address below

Kawan Renergy Berhad  
No.18, Lebuhr Perusahaan 1, IGB Industrial Park,  
31200 Ipoh, Perak.

(Attention to: Whistleblowing Committee)

- 11.2 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 the investigation. The report made must be supported with sufficient evidence for KAWAN to conduct a proper investigation. All reports are protected with strict confidentiality.

## 12. APPROVAL AND REVIEW

- 12.1 This Policy is approved by the Board. It will be reviewed as and when required and will be updated in accordance with the needs of the Group and where necessary, i.e. where there are changes to regulatory requirements.