

# HWA TAI INDUSTRIES BERHAD GROUP

## CODE OF ETHICS AND BUSINESS CONDUCT

### **Policy**

Hwa Tai Group's Code of Ethics and Business Conduct will serve as a guide to proper business conduct for all employees. All employees are to observe highest standards of ethics and integrity in their conduct.

In brief, all employees are to be mindful of the following:-

- Produce food safe for consumption
- Responsible marketing
- Treat customers and consumers honestly and fairly
- Fair competition
- Principled supplier sourcing
- Deal honestly with government and regulatory authorities
- Respect the environment
- Keep honest books and records

### **Customers, Consumers, Suppliers**

#### ***Quality of Products***

It is important that our products are of the highest quality. Employees are expected to exercise the highest standards of care – in formulation, production, storage, transportation – by following the various respective standard operating procedures.

#### ***Marketing of Products***

We must ensure accurate and informative product labelling which is in compliance with applicable laws. We expect our marketing and sales teams to be honest and truthful when advertising and selling our products. In the event of a discovery that a product has been incorrectly labelled, the employee concerned must immediately notify the head of the marketing department.

#### ***Competition***

We are dedicated to fair and vigorous competition. We will sell our products based on merit, superior quality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly collude with our competitors. Employees must not offer or solicit improper payments or gratuities in connection with the sales of our products, nor engage or assist in unlawful boycotts of particular customers.

#### ***Good Manufacturing Practices***

We are committed to good manufacturing practices in all areas of operation – including practices relating to control procedures used in production, packaging, storage, maintenance and disinfection of equipment and personal cleanliness – all of which to ensure safe and quality products to our consumers. Strict personal hygiene policies have been established at our factories which must be adhered to by all employees and also enforced on all visitors.

### **Supplier Selection**

We believe in procuring materials for our products in a principled manner. We expect our suppliers to follow the same standards we uphold in material sourcing. Employees must only use approved suppliers and follow established standard operating procedure for supplier selection. The purchasing management process should be as transparent as possible, within commercial and legal constraints.

Employees must avoid any situation which may give rise to a conflict of interest in the procurement of suppliers. Employees must avoid any relationship or activity that might impair, or appear to impair, their ability to make objective and fair decisions when performing their jobs.

Employees must never ask for nor accept business courtesies from a supplier when involved in choosing or confirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain business from our Company. Employees may accept occasional and customary business courtesies that conform to reasonable ethical practices, provided that -

- They are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with management and other staff or having the courtesies known by the public.

### **Government and Authorities**

The Company follows strict compliance with laws and regulations of both local and foreign governments and authorities.

Employees are strictly prohibited from giving cash, gifts, meals, entertainment, Company products etc to local and foreign officials to facilitate business dealings or to obtain application approvals. In countries where cash, gifts, meals, entertainment, Company products etc practices are permitted, employees must consult and obtain approval from the Group Chief Executive Director before involving in such practices.

Employees cannot make monetary, products or other contributions from the Company to any political parties or candidates without the express authorisation of the Group Chief Executive Director, even when local or foreign laws may permit such practices.

## **The Environment**

We take a serious view of impacts on the environments caused by our operations.

We aim to continuously improve our environmental performance by finding effective ways to reduce adverse impacts of our operations. Employees are responsible for understanding the Company's environmental policies and for applying good environmental practices in the workplace at all times.

## **Record Keeping**

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in the books in accordance with applicable accounting standards.

We must not improperly influence, manipulate or mislead any audit, nor interfere with any auditor engaged to perform an independent audit of the books, records, processes or internal controls.

## **Setting Tone at the Top**

The Board and Management has the added responsibility for demonstrating, through their actions, the importance of this Code. Ethical behaviour is the product of clear and direct communication of behavioural expectations, demonstrated by example from the top. Ultimately, our actions are what matters.

## **Review**

The Board of Directors can modify this Code at any time without notice. Modification may be necessary, among other reasons, to maintain compliance with laws and regulation and / or accommodate organisational changes within Hwa Tai Group. However, the modification made shall be effective after the same is circulated to employees in writing or electronically. This Code of Ethics and Business Conduct was approved by the Board of Directors on 5 April 2018.