



## CODE OF CONDUCT AND ETHICS

### INTRODUCTION

The Malaysian Code on Corporate Governance 2017 recommends the Board of every listed Company to formalise a Code of Conduct that engenders ethical standards within the Company.

This Code of Conduct & Ethics (“the Code”) is applicable to all the employees of Focus Lumber Berhad (“FLB” or “the Company”) and their connected person(s).

The “Connected Person(s)” means the following persons:-

- Spouse, parent, brother, sister, child or step-child;
- A body corporate with which the employee is associated;
- A person acting as the Trustee of any trust, the beneficiaries of which includes the employee or the body corporate above; or
- A person acting as a partner or any person who by virtue is connected with the employee.

The Code describes the behavior expected of our employees and how they relate to our Business Principles and core values. The Code is a common reference point for anyone who is unclear about what is expected of them in a specific situation.

If any advice and help on topics in the Code is required, the employee can speak to:-

- The Manager / Superior, or
- The focal point in Human Resource Department.

### GUIDELINES FOR CONDUCT

Every employee shall use due care in the performance of his/her duties, be loyal to the Company and act in good faith and in a manner he/she reasonably believes to be in and/or not opposed to the best interests of the Company.

### CONFLICTS OF INTEREST

Employees must avoid conflict of interest between their private interest and their duties to the Company.

An employee who has an actual or potential conflict of interest must disclose to the Managing Director / Financial Controller the existence and nature of the actual or potential conflict of interest and all facts known to him/her regarding the transaction that may be material to judgment whether to proceed with the transaction or not. The Managing Director may proceed with the transaction only after receiving approval from the Board.

### ABUSE OF POWER

Abuse of power includes any abusive behaviour (physical, psychological, sexual or emotional) by a person in a position of authority and trust against someone in a position of vulnerability and/or dependency.

Employees must not use their position or knowledge gained directly/indirectly in the course of their duties for private or personal advantage.

Employee who wish to lodge a complaint about an alleged abusive of power by a FLB’s staff should lodge their complaint to her/his line manager (or designated complaint focal point in accordance with FLB’s Whistle-Blowing Policy) as soon as possible after he/she becomes aware of the concern.



## **CORRUPTION**

All our business partners, our suppliers, customers, joint venture partners, contractors and distributor, must be dealt fairly.

FLB expects the same from its business partners. Our relations with all business partners shall be based solely on objective criteria, quality, reliability, competitive prices, as well as compliance with environmental, social, corporate governance standards and any applicable anti-bribery or anti-corruption laws and regulations.

FLB is strictly committed to fighting any kind of corruption. Therefore, FLB prohibits its employees, agents, and other third parties acting on FLB's behalf from engaging in any form of bribery. While dealing with business partners or government officials, they must never demand or accept anything of value (e.g. cash, gifts, entertainment or any other personal benefits) which could be construed as an attempt to influence or induce business decisions. Likewise, employees of other companies or government officials must never be promised or granted any personal benefits with the intent to obtain or retain business or to gain any improper advantage from FLB.

FLB requires all employees to inform their managers if a business partner or governmental official offers or demands any personal benefits from them.

In compliance with the Corporate Liability provision under the Malaysian Anti-Corruption Commission Act 2009, the Company had on 1 June 2020 adopted The Anti-Bribery and Anti-Corruption Policy. The said Policy had been published on the Company's website in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. FLB provide briefing to all levels, including Directors and employees (whether permanent or new) to ensure they are all aware of this corruption policy. FLB will communicate with contractors, suppliers, agents and third parties by sending them a notification about the availability of the policy in Company website.

## **INSIDER TRADING**

An employee may have access to material, non-public information about FLB or the affairs of a third party which, if disclosed, could impact the value of publicly-traded securities, in particularly the FLB shares. Insider trading laws prohibits making personal use of such information and/or disclosing it to third parties, including friends or family. Examples include information relating to the intended sale of substantial parts of the company, the acquisition or merger of businesses, undisclosed data on profits or particularly promising research results.

## **MONEY LAUNDERING**

No employee, either alone or in collaboration with third parties, may take measures that violate applicable regulations on money laundering.

The financial transactions involving transfers of cash or cash equivalents would require prior review by and approval from the Financial Controller.

## **GIFTS AND ENTERTAINMENT**

When acting on behalf of the Company, the employees should never request gifts, entertainment or any other business courtesies from people doing business with the Company (including suppliers, customers, competitors, contractors and consultants). Employees should not offer gifts or entertainment to gain preferential treatment or be perceived by others as potentially influencing their decisions.

Unsolicited gifts are permissible if the gifts are customary and commonly accepted business courtesies; not excessive in value; and given and accepted without an express or implied understanding that the employee is in any way obligated by acceptance of the gift.



Only in exceptional circumstances does the Company allow the acceptance of certain gifts and/or hospitality to support business relationships. However, the acceptance would require a strict process of obtaining approvals from the Board. Gifts and/or hospitality accepted should never influence the business decisions made or cause others to perceive an influence on the business decisions made by the Board and/or management.

Meals in the ordinary course of business and infrequent meals and entertainment, such as cultural or sporting events, that are attended by both the employees and the giver are not considered as gifts. Gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) of any amount are prohibited.

#### **POLITICAL INVOLVEMENT**

FLB does not participate in any political party or make political contributions to any political parties. Under no circumstances will FLB (or any employees, director or agent of FLB), assist the Company in obtaining or retaining any business for or with, or directing business to, any person, make any political contributions to any political party or public official of that party or candidate for:

- Securing any improper advantage; and
- Inducing the political party, candidate or public official to do or omit to do an act in violation of its lawful duty

#### **COMPANY PROPERTY**

Employees have responsibility to safeguard and properly use the Company's assets and resources, as well as assets of other organisation that have been entrusted to the Company. Except as specifically authorised, the Company assets, including the Company's equipment, materials, resources and proprietary information, must strictly be used for the Company's business purposes only.

Fraud, theft, abuse or misuses of the Company's assets is unacceptable.

#### **CONFIDENTIAL INFORMATION**

Employees shall maintain confidentiality of information entrusted to them by Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for personal gain or advantage of the employee or anyone other than the Company.

#### **FAIR DEALING**

Employees shall endeavor to deal fairly with the Company's customers, suppliers, competitors, contractors, consultants and service provider and shall never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of materials facts or any other unfair dealing practice.

#### **HUMAN RIGHTS**

The Company treats employees with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination. Employees should respect the personal dignity, privacy and rights of each individual you interact with during the course of work and shall not in any way cause or contribute to the violation or circumvention of human rights.



## HEALTH AND SAFETY

The Company provides a work environment that is safe, secure and free of danger, harassment, intimidation, threats and violence. The Company takes appropriate precautions to prevent injuries or adverse working conditions for each and every employee. It is the responsibility of each and every employee to adhere to the prescribed safety rules and acts as well as to raise any concerns which may represent a potential threat to health and safety.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Company is committed to complying with all laws, rules and regulations that govern the conduct of our business. All employees must ensure compliance with all laws, rules and regulations governing the business of the Company.

## SHOULD I REPORT A VIOLATION OF THE CODE?

Yes, the Company strongly encourages the report on the violation of the Code and it will protect the employee against any retaliation. The employee may report a non-compliance allegation or concern to the respective Manager/Superior.

If the employee prefers to report a violation case confidentially, he/she may contact the Chairman of the Board or the Audit Committee through electronic mean, which is as follows:

<b>Chairman of the Board</b>	<b>Chairman of Audit Committee</b>
Email: am@lh-ag.com	Email: nyen@wyncorp.com.my

This Code of Conduct & Ethics may be amended as required, subject to the approval of the Board.

This Code of Conduct & Ethics shall be reviewed by the Board annually to provide assurance that it remains consistent with the Board's objectives and responsibilities from time to time.

Reviewed and adopted on 27 March 2023.