



HONG LEONG FOUNDATION
ANTI-BRIBERY AND CORRUPTION POLICY

1. PURPOSE

Hong Leong Foundation (the “**Foundation**”) is committed to conducting its activities ethically in compliance with the Malaysian Anti-Corruption Commission Act 2009.

The Foundation does not condone any form of bribery and corruption. This Anti-Bribery Corruption Policy (“**Policy**”) serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of the Foundation’s activities.

2. SCOPE

This Policy applies to all directors, support staff, casual workers, agency staff, volunteers, interns of the Foundation and any person who performs work or services for or on behalf of the Foundation, which includes staff or employees of HLMC, partners, contractors, subcontractors, consultants, representatives, agents, intermediaries, suppliers and service providers, or any other person or persons associated with the Foundation (collectively, “**Applicable Persons**”).

3. POLICY STATEMENT

The Foundation has a zero-tolerance position for bribery and corrupt activities.

The Foundation is committed to acting professionally, fairly, and with integrity in all our operations, business dealings and relationships and is committed to implementing and enforcing measures that ensure corruption and bribery is prevented.

In particular, the Foundation’s Board of Directors (“**Board**”) including the Executive Director of the Foundation do not condone or consent to any Applicable Persons:

- (i) corruptly soliciting, receiving or agreeing to receive any gratification whether for himself or for any other person; or
- (ii) corruptly giving, agreeing to give, promising or offering to any person any gratification whether for the benefit of himself or of another person, including with intent to obtain or retain an advantage in the conduct of the Foundation’s activities.

3A. PENALTIES

Engagement in any bribery or corrupt practices or activities will result in severe negative consequences. An Applicable Person found guilty of engaging in such practices or activities may face dismissal or other disciplinary actions by his/her employer and prosecution by the relevant authorities which may include fines and imprisonment up to 20 years.

4. PRINCIPLES

4.1 Responsibilities and Commitments

(i) The Foundation’s Board of Directors

The Board shall:

- (a) Provide oversight for maintaining corporate integrity and ethics, compliance with

applicable laws and regulatory requirements on anti-corruption, and managing the key corruption risks of the Foundation; and

- (b) Receive and review reports on the implementation of this Policy.

(ii) The Foundation's Executive Director

The Foundation's Executive Director shall ensure that adequate programmes and procedures are in place to prevent the occurrence of corrupt practices which shall include:

- (a) promoting a culture of integrity within the Foundation, commitment to practise integrity and ethics and compliance with applicable laws and regulatory requirements on anti-corruption;
- (b) conducting corruption risk assessments and establishing appropriate processes, systems and controls to mitigate corruption risks;
- (c) undertaking appropriate and adequate control measures to address key corruption risks arising from weaknesses in governance framework, processes and procedures, including conducting necessary due diligence of Applicable Persons and/or relevant parties, establishing appropriate and effective reporting channel, and establishing anti-corruption policies and procedures;
- (d) reviewing effectiveness of the Foundation's anti-corruption programmes, and establishing proper monitoring and enforcement of anti-corruption policies and procedures;
- (e) regular communication internally and externally regarding the Foundation's policy on anti-corruption and bribery under this Policy; and
- (f) encouraging the use of whistleblowing and other appropriate channels in relation to any suspected or real corruption incidences or inadequacies in the anti-corruption compliance program.

(iii) Responsibility of Applicable Persons

Each Applicable Person shall:

- (a) observe and uphold the Foundation's zero-tolerance position on corruption and bribery;
- (b) observe the Foundation's policies and procedures under this Policy;
- (c) shall raise concerns about improper conduct or wrongful act relating to corruption or bribery at the earliest opportunity, and in an appropriate way through the various communication channels including as set out in the Foundation's Whistleblowing Policy.

4.2 Risk Assessment

The Foundation shall undertake the following:

- (i) conduct a corruption risk assessment on its support functions (whether external or internal) engaged in the Foundation's activities and operations as and when necessary, to identify, analyse, assess and prioritise the internal and external corruption risks of the relevant support functions. The risk assessment shall be conducted at least once every three (3) years.
- (ii) The corruption risk assessment shall include the following:
 - (a) opportunities for corruption and fraud activities resulting from weaknesses in the Foundation's governance framework and internal procedures;
 - (b) financial transactions that may disguise corrupt payments;
 - (c) non-compliance of external parties acting for or on behalf of the Foundation with regard to legal and regulatory requirements related to anti-corruption. Note that the Foundation can be liable for the acts of such third parties; and
 - (d) relationships with third parties in its supply chain (e.g. agents, vendors, contractors, and suppliers) which are likely to expose the Foundation to corruption.

- (iii) The results of the corruption risk assessment shall be reported to the Executive Director who shall review the risk assessment report and consider improvements on the Foundation's policies and procedures in relation to corruption.
- (iv) The Executive Director shall present the corruption risk assessment report together with his/her recommendations to the Board for review.

4.3 Control Measures

The following control measures shall be implemented by the Foundation:

(i) Due Diligence

- (a) To ensure that Applicable Persons share the Foundation's stance against corruption, the Foundation shall undertake due diligence to assess the integrity of Applicable Persons, which shall include background checks or document verification or conducting interviews, prior to entering into any formalized relationship with them and periodically thereafter.
- (b) Where the Applicable Person is a company, due diligence shall be conducted on its directors and senior management as well.
- (c) The departments responsible to conduct the relevant due diligence are as follows :
 1. Board Members – Foundation's Company Secretary
 2. Contractors, Suppliers – Corporate Social Responsibility ("CSR") Department

(ii) Reporting Channel

- (a) Internal and external parties are encouraged to raise concerns in relation to real or suspected corruption incidents or inadequacies of the Foundation's anti-corruption program at the earliest opportunity, and in an appropriate way.
- (b) Please refer to the Foundation's Whistleblowing Policy for details on how such concerns may be raised.

(iii) Conflict of Interest

- (a) A conflict of interest is a situation in which a person or organization is involved in multiple interests, financial or otherwise, and serving one interest could involve working against another.
- (b) The Foundation seeks to ensure that a conflict of interest does not adversely affect the interests of the Foundation, its donors, fund recipients and other stakeholders through the identification, prevention and management of the conflict of interest.
- (c) Applicable Persons (including CSRD personnel) shall declare any personal interest he/she or persons connected to an Applicable Person may have in any Foundation decision/matter he/she is involved in.

(iv) Gifts and Entertainment

The receipt and giving of gifts and entertainment shall be governed by Hong Leong Group' Code of Conduct & Ethics.

(v) Facilitation Payments

- (a) Facilitation payment is payment made to secure or expedite the performance of an action or

a service that the Foundation is entitled to, e.g. where a government official is given money or goods to perform (or speed up the performance of) an existing duty.

(b) The Foundation shall not make facilitation payments.

(vi) Financial Controls

All receipts and payment shall be governed by a Receipt and Payment Policy.

4.4 Review, Monitoring and Enforcement

(i) Review

(a) An audit shall be conducted to review the Foundation's anti-corruption program and measures to assess the compliance, performance, efficiency and effectiveness of the same. The review shall be undertaken at least once every three (3) years.

(b) The Executive Director shall review the audit report and consider improvements on the Foundation's policies and procedures in relation to corruption.

(c) The audit report together with the Executive Director's recommendations shall be presented to the Foundation's Board for review.

(ii) Monitor

(a) CSRD shall monitor the performance of Applicable Persons in relation to this Policy and report any non-compliance to the Foundation's Executive Director and/or to the Foundation's Board if necessary.

(b) The Executive Director and/or the Board shall review the non-compliance and consider the course of action to be taken, including:

(i) whether disciplinary action should be initiated against the Applicable Person involved;

(ii) whether reports should be made to the relevant legal enforcement agencies;

(iii) what immediate actions should be taken to address the breach or non-compliance; and

(iv) improvements that should be made on the Foundation's policies and procedures in relation to corruption.

(c) The non-compliance report together with the Executive Director's (as applicable) recommendations shall be presented to the Board for review.

(iii) Enforcement

Appropriate disciplinary action shall be taken against personnel found to be non-compliant with this Policy.

4.5 Training and Communication

(i) Communication

(a) The Foundation shall develop a communication plan on the Foundation's policies and commitments on anti-corruption for relevant internal and external parties.

(b) The Foundation shall develop provisions relating to the Foundation's stance against the use of corrupt practices in relation to its activities, operations and channels available for the reporting of corrupt practices for incorporation in the relevant Foundation documents.

(ii) Training

The Foundation shall develop and implement a training program on the Foundation's policies

and commitments on anti-corruption for relevant internal and external parties.

5. DEFINITION

“**AP**” means Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009;

“**Applicable Persons**” means directors, support staff, casual workers, agency staff, volunteers, interns of the Foundation and any person who performs work or services for or on behalf of the Foundation, which includes staff or employees of HLMC, partners, contractors, subcontractors, consultants, representatives, agents, intermediaries, suppliers and service providers, or any other person or persons associated with the Foundation;

“**Board**” means the Foundation’s Board of Directors;

“**corruption**” means an act of giving or receiving of any gratification or reward in the form of cash or in kind of high value for performing task in relation to his or her job description;

“**CSRD**” means the Corporate Social Responsibility Department in HLMC that oversees the overall operations and activities of the Foundation;

“**Foundation**” means Hong Leong Foundation;

“**gratification**” means

(a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being 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 favour 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);

“**HLMC**” means HL Management Co. Sdn Bhd, a wholly-owned company of Hong Leong (Malaysia) Berhad which is the ultimate parent company of the Hong Leong Group of companies.

“**Policy**” means this Hong Leong Foundation Anti-Bribery and Corruption Policy.
