



## DAIBOCHI BERHAD

(FORMERLY KNOWN AS DAIBOCHI PLASTIC AND PACKAGING INDUSTRY BHD)

(Company No.: 12994-W)

(Incorporated in Malaysia under the Companies Act)

# CODE OF CONDUCT AND ETHICS

## 1. Introduction

- 1.1 The Board of Directors and Management Team of Daibochi Berhad (formerly known as Daibochi Plastic and Packaging Industry Berhad) (the Company) and its subsidiaries (Daibochi or the Group) are committed in ensuring adherence to high standards of corporate governance and ethical values by upholding the principles of integrity, honesty and professionalism in the Group's dealings and/or relationship with its employees, business partners, customers, suppliers, shareholders and other stakeholders. These core principles are enshrined in Daibochi's values and encapsulated in this Code of Conduct and Ethics "**the Code**".
- 1.2 The Code specifies a framework of principles and standards and serves as a guide for the Board of Directors, Management Team and employees to promote honest and ethical conduct in the organization and when interacting with internal and external stakeholders of the Group, including customers, suppliers and other business partners.
- 1.3 This Code is not meant to be all encompassing and must be read in conjunction with other policies, memorandums, manuals, standard operating procedures and guidelines developed by the Management Team and/or the respective departments, where applicable. Employees are also advised to consult their supervisors to resolve any concerns pertaining to this Code.
- 1.4 The Code affirms the following principles of conduct observed by Daibochi:
  - Daibochi complies with laws, rules and regulations;
  - Daibochi conducts its business with honesty and integrity;
  - Daibochi treats its employees fairly, with dignity and respect;
  - Daibochi's employees act in the best interest of the Company; and
  - Daibochi conducts its business in an environmentally responsible manner.

**2. Compliance with laws and regulations**

- 2.1 The Group is committed to complying with all laws, rules and regulations applicable to the conduct of our business and employees must ensure compliance in carrying out their duties and responsibilities.
- 2.2 If the employee is aware of any information that constitutes a violation of any laws, rules or regulations applicable to Daibochi or the operation of its business, the employee may bring such information to the attention of his/her supervisor/superior.

**3. Conflict of Interest**

- 3.1 Certain circumstances may give rise to a conflict of interest during the course of doing business.
- 3.2 The term “conflict of interest” encompasses a situation where the employee’s private interest interferes or is perceived to interfere with the interest of the Company and its subsidiaries. This includes situations of direct or indirect personal interest in contracts, seeking or accepting gifts in the course of employment.
- 3.3 Employees are not allowed to solicit or accept gifts, cash, discounts, commissions, entertainment or other benefits in the course of their employment which may improperly influence or prejudice their judgment in the performance of their duties. The exceptions are in relation to customary gifts of strictly token value given on religious, festive or other occasions where the exchanging of gifts is a norm.
- 3.4. No bribes or other similar payments and benefits, directly or indirectly, shall be paid to employees of suppliers or customers.
- 3.5 Employees are expected to disclose to their supervisors immediately if they become aware of a possible conflict of interest. Disclosure is mandatory and failing to do so is a violation of the Code.

**4. Confidential Information**

- 4.1 Employees may have access to confidential information during their course of employment.
- 4.2 The term “Confidential Information” means information, of any nature whatsoever, which is communicated to the employee or of which the employee has acquired knowledge in the course of employment with Daibochi and includes the following:
  - (i) information, written or verbal, revealed or disclosed to Daibochi or to its employees by third parties with whom Daibochi has a business relationship;

- (ii) all non-public information that might be of use to competitors or harmful to the Group, if disclosed;
  - (iii) documents, files, budgets, processes, designs, correspondence, know-how, market surveys, systems, programs, manuals, computer software, business techniques, projects, sources of supplies and list of suppliers and prices, trade secrets and sales contracts;
  - (iv) business, financial and operating information of any kind relating to the Daibochi and any information concerning the compensation or benefits payable to its employees.
- 4.3 Employees must not use or disclose Confidential Information obtained through their employment other than in the proper course of their duties and only if authorised by their supervisors.
- 4.4 Information obtained in the course of employment must not be used to obtain financial reward or other benefit, or to take advantage of another person.
- 4.5 The improper and unauthorised use of such Confidential Information is strictly prohibited.

## **5. Labour**

Daibochi upholds the human rights of its employees and provides a working environment where there is mutual trust and respect.

### **5.1 Freely Chosen Employment**

The Group does not engage in forced, bonded or involuntary labour. All work is voluntary and employees are free to leave upon giving reasonable notice to the Company and its subsidiaries.

### **5.2 Avoidance of Child Labour**

Daibochi does not use child labour in any stage of its manufacturing process and complies with all relevant laws and regulations in relation to the minimum age of employees.

### **5.3 Working Hours**

The Group complies with Malaysian laws of employment in relation to working hours and rest days for employees in accordance with the Employment Act 1955 as well as all other relevant laws and regulations in force.

### **5.4 Wages and Benefits**

Wages paid comply with all applicable laws and employees are compensated for overtime employment according to Malaysian laws and regulations as well as all other relevant laws and regulations in force.

**6. Occupational Health, Safety and Environment**

- 6.1 The management of safety, health and the environment is an integral part of business at Daibochi and the Group adheres to all applicable health, safety and environmental laws and regulations in force.
- 6.2 Daibochi promotes a safe and functional working environment and has established a Safety Committee designated to continuously monitor and improve safety of its employees. Employees are expected to abide by the safety policies applicable to their jobs.
- 6.3 The Group believes that maintaining and caring for the environment is an inherent responsibility of all individuals. To this end, the Company has established an “Environment Care Policy” for the continuous improvement of environmental preservation activities, adherence to established laws, recycling and the promotion of environmental awareness which employees are expected to comply with to minimise the unfavourable impact to the environment.

**7. Usage of Computers and Electronic Resources**

- 7.1 Computers and electronic resources are provided for business purposes and to assist employees in the discharge of their duties.
- 7.2 Employees must ensure that these resources are operated in a professional, responsible and ethical manner.

**8. Protection of Company’s Assets**

- 8.1 Daibochi’s assets must be used only for legitimate business purposes and be protected from loss, damage or theft. The term “assets” includes equipment, machinery, vehicles, supplies, inventory, electronic resources, confidential information, intellectual property and funds in any form.
- 8.2 Any intellectual property developed by an employee during or as a result of his or her employment in Daibochi is the sole property of the Company unless governed by law or otherwise agreed in writing.

**9. Fair Dealing**

Daibochi’s policy is to deal and compete fairly with suppliers, vendors and competitors during the course of business dealings and employees should endeavour to adhere to this practice.

**10. Record keeping and reporting**

- 10.1 Daibochi is legally required to maintain records that accurately reflect its corporate activities, business operations and financial transactions.

- 10.2 These records include but are not limited to financial, accounting, technical, sales reports, production information, research and development, personnel files, contracts, marketing information and business plans.
- 10.3 Employees entrusted with these responsibilities must ensure that these documents are accurate and complete, appropriately reflect the Group's transactions, safeguarded from loss or destruction, retained for specific periods and maintained in confidence.

**11. Conclusion**

- 11.1 Employees are expected to seek assistance from their respective supervisors or heads of department to discuss ethical issues pertaining to this Code.
- 11.2 If an employee finds or suspects that another employee may have committed or is about to commit a breach of any of his/her terms of conditions of service or of this Code, the employee must report the same to his/her Head of Department or the Human Resource Department. The report must be made by the employee in good faith and without malicious intent.
- 11.3 Employees who violate this Code may be subject to disciplinary action.
- 11.4 The Board of Directors shall review the Code, as and when deemed necessary, to ensure that it remains consistent with Daibochi's commitment to establish a corporate culture with ethical values that permeates throughout the organization.
- 11.5 This Code was approved and adopted by the Board on October 25, 2012 and the Board shall review the Code, as and when deemed necessary.