



SOUTHERN ACIDS (M) BERHAD

**CODE OF
CONDUCT & ETHICS**

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The directors and employees of Southern Acids (M) Berhad (“SAB” or ‘the Company’) and its subsidiaries are dedicated to upholding high standards of ethical, responsible and sustainable business conduct, maintaining a healthy corporate culture and placing a high emphasis on transparency.

In support of this commitment, SAB has issued an updated and revised Code of Conduct & Ethics (“Code”) to clearly outline the standards and principles of business conduct expected from directors and employees of the Company and its subsidiaries, and business associates (ie. investors, associate company, joint ventures business, jointly control operation, clients, customers, suppliers, vendors, consortium associates, outsourcing providers, contractors, sub-contractor, consultants, advisors, agents, distributors, representatives, intermediaries and/or any party(s) that perform(s) work and/or services for and/or on behalf of the Company and its subsidiaries).

The directors, employees and business associates of SAB and its subsidiaries are required to comply with this Code, and all applicable laws and regulations governing our business activities in the country where operations are undertaken.

Governance

1. Laws and Regulations

SAB, its subsidiaries and its business associates shall operate in full compliance with all applicable laws and regulations in the country where their operations are conducted.

Directors and employees of SAB and its subsidiaries are strictly prohibited from engaging in any illegal activities, regardless of directive from superiors or management. Business associates are also prohibited from collaborating with any director or employee of SAB and its subsidiaries in any illegal acts.

2. Business Conduct

SAB and its subsidiaries, and its business associates should conduct their business professionally, honestly, ethically and with the highest standard of integrity and transparency. Directors and employees of the organisation must uphold honesty in their work, duties and interactions with business associates.

2.1 Fair Competition

Business must be conducted in accordance with the principle of fair competition. Decisions should be made in consideration of quality, price, service and other relevant factors. It is a joint effort by establishing mutual trust and cooperative relationships through fair business dealings.

2.2 Quality of Products and Services

All goods and/or services produced or provided must meet the customer or business associates' expectations as well as required specifications and quality standards. Goods and services should be supplied or provided at a reasonable and competitive price, delivered within specified deadlines, and supported with cooperation in maintenance if problems arise or assistance is needed.

Business continuity management should be established and maintained to handle crisis, disasters, accidents or emergencies, ensuring continuous and reliable supply of products and/or services.

The same quality of products and services is expected from business associates who supply products or provide services to SAB and/or its subsidiaries.

3. Conflict of Interest

SAB, its subsidiaries and its business associates should avoid any situation or relationship that involves or appears to involve a conflict between the organisation and their business associates. Directors, employees and business associates must not engage in business activities or relationships that could reasonably be perceived as conflicting with the organisation or impair their ability to act in the organisation's best interests. Any potential or actual conflict of interest, or any financial or personal relationship that could influence or appear to influence the objective performance of duties, must be promptly disclosed to the appropriate superior and business associate.

All dealings with related parties must be disclosed immediately. Prior approval from the organisation or business associate must be obtained before entering into any business activities or relationships with a related party. Transactions should be conducted on normal commercial terms on an arm's length basis, considering prevailing market prices and applicable industry norms. Directors, employees and business associates must avoid participating in decisions or transactions where they have a direct or indirect personal interest in the related party.

4. Anti-Bribery and Anti-Corruption

SAB and its subsidiaries, and its business associates strive to uphold highest standards of ethics, honesty and integrity, and to operate in compliance with all applicable anti-bribery and anti-corruption laws and regulations. The offering, paying, soliciting or accepting of bribes, kickbacks and facilitation payments is strictly prohibited.

SAB's Anti-Bribery & Anti-Corruption Policy, available on the Company's website at www.southernacids.com, outlines the standards that directors, employees and business associates are expected to follow when acting on behalf of or engaging business dealings with the Company and/or its subsidiaries.

4.1 Gift, Corporate Hospitality, Donation and Sponsorship

It is important to manage gift and corporate hospitality giving/acceptance, donation and sponsorship activities to maintain good rapport with its business associates. However, these activities must strictly comply with all applicable laws, rules and regulations to safeguard the organisation's reputation and protect its directors and employees from allegations of soliciting bribe, corruption or exercising undue influence on external parties for personal gain.

4.2 Entertainment

It is a common practice to entertain business associates under reasonable circumstances. However, corporate entertainment should be conducted strictly for official purposes and business only. Such entertainment should take place in a form and venue that is legal and appropriate (e.g dining in an established food and beverage outlet). Activities such as golf and other sporting events are also encouraged where appropriate.

5. Company Assets and Information

5.1 Company Assets, Data Protection, Intellectual Property and Confidentiality

Company assets and resources, including but not limited to physical property, equipment, technology and intellectual property, must be used solely for business purposes. Personal use should be limited and must not interfere with business operations or compromise system security.

Directors, employees and business associates are expected to handle assets with care and must not use company resources or systems to engage in activities that could be classified as cyberspace abuse. This includes, but is not limited to, sending unsolicited bulk emails (spam), engaging in harassment or defamation, and participating in activities that disrupt or degrade the Company's network and information systems.

Access to computing resources is restricted to authorised personnel only. Directors, employees and business associates must use unique login credentials and maintain the confidentiality of their passwords. Any unauthorised access, attempt to bypass security measures, or sharing of credentials is strictly prohibited.

Directors, employees and business associates must ensure that all software used in connection with Company operations is properly licensed and conforms to the terms of its license agreement. Unauthorised copying, distribution or use of software is not permitted.

All confidential data, information and knowledge exchanged in the course of business must be respected and processed appropriately to ensure protection from loss and unauthorised use.

Directors, employees and business associates must immediately report any loss, theft or damage to the Company's assets or data to their superior or designated department. Prompt reporting ensures that appropriate actions can be taken to mitigate any potential impact on business operations or reputation.

Upon leaving employment or ending a business relationship, individuals are required to return all the Company's assets in their possession. It remains a continuing obligation of former directors, employees and business associates to maintain the confidentiality of the Company's data and information.

5.2 Books and Record

All business transactions and dealings must be accurately recorded and reported. Any form of falsification or attempt at off-the-record bookkeeping is strictly prohibited.

Documents and records created or received as evidence of business transactions must be kept and retained in accordance with applicable laws and regulations.

Environmental

SAB is dedicated to the preservation and conservation of the Earth's environment. The Company, its subsidiaries and business associates are required to adhere to the following environmental responsibilities:

1. **Compliance:** Ensure full compliance with all relevant environmental laws and regulations.
2. **Pollution Prevention:** Take proactive measures to eliminate, reduce and prevent pollution and negative environmental impacts across all operations and business activities.
3. **Environmental Management:** Implement an effective environmental management system designed to prevent environmental pollution.

Social

1. Health and Safety

SAB, its subsidiaries and its business associates, are committed to prioritising the health and safety of their employees, business associates and the public. The commitment includes:

- 1.1 **Safe Working Practices:** Promoting safe working practices to minimise health and safety risk in the workplace.
- 1.2 **Injury and Illness Management:** Establishing and maintaining procedures to identify, manage, track and report occupational injuries and illnesses.
- 1.3 **Prohibition of Illegal Drugs:** The use, possession or distribution of illegal drugs or controlled substances is strictly prohibited to maintain a healthy, safe and productive work environment.
- 1.4 **Alcohol Intoxication:** Employees must not be under the influence of alcohol while performing their job duties.
- 1.5 **Legal Compliance:** Complying with all applicable health and safety laws and regulations.

2. Labour and Human Rights

SAB, its subsidiaries and its business associates, are obligated to provide a positive working environment and adhere to Labour and Human Rights standards as governed by relevant laws and regulations. The following principles are integral to this commitment:

- 2.1. **Equal Opportunity, Diversity and Inclusivity:** Ensure that all employees are treated fairly and equally, with no discrimination based on, but not limited to nationality, race, ethnicity, culture, religion, gender, marital status, education, skills, experience, disability or age. All decisions regarding hiring, training and other employment practices will be based solely on merit and performance. Career advancement opportunities will be provided based on individual capabilities and contributions.
- 2.2. **No Harassment:** Maintain a workplace free from harassment. Any conduct that involves intimidating, humiliating or sabotaging an employee or group of employees is unacceptable and will not be tolerated. Any instances of criminal harassment will be immediately reported to the relevant authorities.
- 2.3. **No Forced, Involuntary or Child Labour:** Strictly prohibit the use of forced or involuntary labour and ensure that no child labour is employed. Compliance with minimum age requirements for employment is mandatory.
- 2.4. **Freedom of Association and Right to Collective Bargaining:** Respect employees' rights to freely associate and engage in collective bargaining in accordance with applicable laws and regulations.

3. Responsibility to Community

SAB and its subsidiaries, and its business associates, are committed to achieving a balanced approach in meeting business objectives while addressing the expectations of its stakeholders and the community. We encourage and strive for contributions that support the social, environmental and economic development of the community where we operate.

Failure to Comply with the Code

Any violations of or non-compliance with this Code shall be taken seriously and may result in the following, among other consequences:

1. **Disciplinary Action or Termination of Employment:** Any director or employee who departs from this Code, may be subject to disciplinary action in accordance with the Human Resource Group Policies and Authorities (“HR GPA”) of SAB or the relevant Employee Handbook of the subsidiaries, which may include termination of employment.
2. **Termination as a Business Associate:** A business associate of SAB and/or its subsidiaries may face termination of their business relationship and will not be entitled to any further orders or payments, regardless of any transactions undertaken or agreements/contracts entered into prior to the termination.
3. **Liability for Damages:** Individuals or entities may be liable for damages or remedies as provided by the HR GPA, agreement, contract and/or applicable laws and regulations.
4. **Legal proceedings:** Legal proceedings may be initiated as necessary.

Whistleblowing

Anyone who becomes aware of any actual or suspected violation or non-compliance of this Code is encouraged to report their concerns through SAB’s whistleblowing channel. SAB has put in place a Whistleblower Policy that set out the procedures for whistleblowing and the protections for whistleblower(s), which is available on the Company’s website at www.southernacids.com.