



ETHICS AND INTEGRITY

Our Commitment

TO ADHERE TO HIGH ETHICAL STANDARDS IN CONDUCTING OUR BUSINESS IN COMPLIANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.



Our Progress in 2019

We are committed to highest level of ethics, integrity and transparency. **The Board of Directors** signifies the highest governance body in the Group and oversees governance matters through its various committees. We have clearly defined the ethical principles, values and behaviours of all employees in the CoEC. We have also established a **Whistleblowing Policy** for employees to report any improper conduct. The following are key initiatives done in 2019:

- The Group established an independent **Integrity and Governance Department** during the year, with the Head of Integrity and Governance reporting to the **Audit Committee of the Board**. The Integrity and Governance Department ensures the adoption and institutionalisation of integrity and sees to it that good governance is embedded and observed at Boustead.
- We have set up **Board Risk Committees** at both Boustead Holdings Berhad and all our listed subsidiaries. The Risk Committees are tasked to oversee the risk management frameworks and policies within their respective organisation.
- A **Tender Committee** has been established at the Group-level, comprising members of Senior Management. The committee ensures transparency in the award of contracts.
- We undertook a review exercise of the **Board Policy**, whereby the board tenure is limited to nine years and the mandatory retirement age for a director is set at 75 years old. The composition of the Board was also reviewed in alignment with Malaysia Code of Corporate Governance (MCCG).
- We introduced a **No Gift Policy** which details specific guidelines in relation to the receipt and provision of gifts, entertainment and hospitality, both directly and indirectly.
- As an ongoing measure, we have continuously improved the transparency of our procurement procedures throughout our operations while carefully reviewing **Levels of Authority (LOA)** established.
- We organised awareness sessions on **Anti-Bribery Management System (ABMS)** requirements including sessions for relevant senior executives both at Group and divisional level.
- In line with our role as signatories of the **Malaysian Anti-Corruption Commission (MACC) Corruption-free pledge**, continuous awareness sessions on anti-corruption were held for employees across our various business units.
- A Group-wide training programme was organised, discussing on fiduciary duties of directors, fraud prevention and anti-bribery management, anti-corruption and the role of the private sector as well as the implications of Section 17A of the MACC Act. This programme has brought together a total of 70 participants from Board Members and Senior Management of Boustead Holdings, Boustead Plantations, BHIC, Pharmaniaga as well as LTAT and AFFIN Bank.

We are also pleased to note that our pharmaceutical arm, Pharmaniaga Logistics Sdn Bhd obtained the ISO 37001:2016 ABMS certification in 2019.

BHB Sustainability Report 2019 p.43-44



ZERO INCIDENTS OF CORRUPTION REPORTED IN 2019

Moving Forward

- BHB aims to be certified under ISO 37001:2016 ABMS, in 2020.
- To implement an Organisational Anti-Corruption Plan (OACP) for BHB, which would entail corruption risk assessment exercises as the Group's defence mechanism against bribery and corruption.