



ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

1. Introduction & Commitment

At **Coffex Coffee (M) Sdn Bhd** (“Coffex Coffee”), we are guided by our core values embodied in **STRIVE** — where **Integrity** stands as a foundational principle. Integrity is not just a value we promote; it is a standard we live by. It governs how we conduct our business, interact with our partners, serve our customers, and treat our colleagues. Coffex Coffee is committed to upholding the highest standards of ethical conduct. We maintain a **zero-tolerance** policy against all forms of corruption and bribery, both internally and externally.

This **Anti-Corruption and Anti-Bribery Policy** set out our commitment to ethical business practices and compliance with the **Malaysian Anti-Corruption Commission (MACC) Act 2009**, especially **Section 17A**, which imposes corporate liability on commercial organizations. It also aligns with internationally recognized standards and sustainability initiatives.

Through this policy, Coffex Coffee pledges to build a transparent and compliant business culture, where every employee and stakeholder is empowered to act with honesty and accountability.

Coffex Coffee adopts the **TRUST** guidelines promulgated by the government as adequate procedures under section 17A MACC Act. Coffex Coffee is guided by the ISO 37001 framework and commits to implement a robust anti-bribery management system within its organization.

2. Scope

This policy applies to:

- All Coffex Coffee employees (permanent, contract, part-time, interns) from all levels
- The Board of Directors
- Subsidiaries, related company and controlled entities
- Suppliers, agents, dealers, distributors, consultants, and service providers
- Any other parties and/or agent acting on behalf of or representing Coffex Coffee

This policy is exclusive to Coffex Coffee (M) Sdn Bhd and is not applicable to other entities unless explicitly stated.

3. Applicable Laws and Standards

- Malaysian Anti-Corruption Commission Act 2009 (Amended 2018)
- Whistleblower Protection Act 2010
- Companies Act 2016
- Client compliance expectations

4. Definitions

- **Audit Committee:** Means the Audit Committee of Coffex Coffee comprised of the Heads of Human Resource Department, Compliance Department, Corporate Affairs Department, the CEO and the COO.
- **Bribery:** Offering, giving, receiving, or soliciting something of value as a means of influencing the actions of an individual holding a public or corporate position.
- **Corruption:** Abuse of entrusted power for private gain.
- **Facilitation Payment:** A small, unofficial payment made to expedite routine government actions (prohibited under this policy).
- **Donation:** Any charitable contributions and payments made to serve the community or any good cause that may not yield any return.
- **Sponsorship:** Providing financial or other forms of support to be an individual, group, event, or project in exchange for specific benefits such as visibility, exposure, branding, or promotion opportunities
- **Corporate Gift:** Something which is given by one organisation to another organisation or individuals, with the appointed representatives giving and accepting the gift.
- **Gratification:** Under the MACC Act means as follows: -
 - (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)

- **Conflict of Interest:** Means a situation (whether actual or potential), when a person's situation directly or indirectly, has the potential to influence or is perceived to influence their decision making or judgment.

5. Policy Commitments

5.1 Prohibition of All Forms of Corruption and Bribery.

Coffex Coffee strictly prohibits:

- Offering or receiving bribes and/or gratification in any form, directly or indirectly.
- Engaging third parties to act as a conduit for corrupt acts.
- Providing kickbacks or commission fees to secure business deals.
- Making facilitation payments or unofficial shortcuts with public officials, whether local or foreign.
- Making use of Coffex Coffee resources for personal benefit
- Favouritism, nepotism, cronyism, and other forms of unfair treatment
- Diverting of company's business opportunities to third parties
- Conflicts of interest which are undisclosed and / or hidden.
- Criminal breach of trust
- Other forms of corruption not stated above, which have the potential to bring harm or disrepute to Coffex Coffee

All employees and the Board of Directors are expected to avoid behavior or acts that may be interpreted as corrupt from time to time. Coffex Coffee's commitment to anti-corruption efforts also includes actions carried out abroad (outside of Malaysia).

5.2 Corporate Liability under Section 17A

We recognize that under Section 17A of the MACC Act, Coffex Coffee can be held criminally liable for corrupt acts committed by the Board of Directors or the employee. As such, the company shall form an Audit Committee which oversees and enforces adequate procedures to prevent corruption, including:

- Risk assessments
- Due diligence
- Training
- Monitoring
- Reporting mechanisms

The Audit Committee shall make report to the Board of Director to make decision on the Penalties for non-compliance including but not limited to the follows: -

- (a) Suspension
- (b) Termination;
- (c) Civil action, or
- (d) Referral and/report to the relevant authorities such as MACC.

5.3 Gifts, Hospitality, and Entertainment

Employees may not offer or accept gifts, hospitality, or entertainment that may be perceived to influence a business decision. Permissible items must be:

- Token in nature and of nominal value (e.g., corporate calendars, festive cookies)
- In line with local customs and ethical standards
- Disclosed and pre-approved where required by internal procedures

Any cash or cash-equivalent gifts is in the form of gift certificates, loans, commissions, coupon, discounts or any other related forms which the list is not exhausted are strictly forbidden.

For the avoidance of doubt, the nominal value of a gift shall not exceed RM250.00. Hospitality and entertainment shall not exceed RM500.00.

Gifts, hospitality, or entertainment received or given must be reported to the Finance Department. Gifts exceeding the nominal value must be approved by the Finance Department before they can be given or accepted.

5.4 Donations and Sponsorships

Charitable donations or sponsorships made in Coffex Coffee's name must be:

- Transparent,
- Not a means to conceal bribes,
- Pre-approved by management or Board of Directors, and
- Properly documented.

All charitable donations shall be come with a receipt with note where the charitable institution is approved by LHDN under subsection 44(6) of the Income Tax Act 1967, in case where the charitable donations is not approved under subsection 44(6) of the Income Tax Act 1967, the charitable donations shall be approved by Chief Operating Officer and Chief Executive Officer.

All sponsorship requests shall be directly reviewed by the Head of Department from respective department, for each sponsorship project, with final approval from the Chief Executive Officer.

To avoid any suspicion of corruption, Coffex treats its event sponsors on their merits. Coffex does not give its sponsors any special preference nor any favours which have the appearance of "quid pro quo". (This includes special discounts on equipment.)

5.5 Political Contributions

Coffex Coffee does not make political contributions to any parties, candidates, or election campaigns, whether in cash or kind. Employees must not use company resources for political activities. For clarity, this prohibition also applies to NGO's related to politicians and political parties.

5.6 TRUST Guidelines

Coffex Coffee is committed to implement the s. 17A MACC Act adequate procedures following the TRUST guidelines:

[T] – Top Level Commitment

[R] – Risk Assessment

[U] – Undertake Control Measures

[S] – Systematic Review, Monitoring and Enforcement

[T] – Training and Communication

The TRUST guidelines shall be part of the anti-corruption training content at Coffex Coffee.

The following represents a non-exhaustive map of the TRUST pillars to some of the company's internal controls:

- **Top Level Commitment (T)** – Declaration of conflicts of interest by directors and senior management; Attendance of company leadership at anti-corruption trainings.
- **Risk Assessment (R)** – Due diligence towards third parties, joint ventures, M&A, appointment of high-value consultants, and new hires (for director and senior management positions); Annual risk assessment on corruption and bribery.
- **Undertake Control Measures (U)** – Disallowing gifts, hospitality and entertainment; Approval of superior required for gifts beyond nominal value; Adoption of maker-checker system for issuance of payment
- **Systematic Review, Monitoring and Enforcement (S)** – Establishment of whistleblowing channel(s); Empowerment of HR team to investigate whistleblowing reports; and Authorization to take appropriate measures, including referring the matter to authorities in the event of criminal charges.
- **Training and Communication (T)** – Requirement of anti-corruption training for personnel of the company and its third-party vendors; Anti-corruption news included in the company's e-mail newsletter to staff and third parties; Establishment of anti-corruption policy and whistleblowing policy which are easily accessed by employees and third parties from the company's website.

6. Conflict of Interest

All employees must:

- Disclose any personal or financial interest in transactions involving Coffex Coffee (to be disclosed in the employees' annual review form)
- Refrain from making decisions where a conflict exists
- Avoid close relationships with competitors, suppliers, or clients that could lead to biased decisions

A **Conflict-of-Interest Declaration Form** must be completed where necessary and filed with the HR Department.

All members of the Board of Directors shall:

- Disclose any personal or financial interest in transactions involving Coffex Coffee
- Declare at the start of every Board meeting, whether any conflict of interest exists in relation to the agenda items of the meeting.
- Refrain from participating in the meeting for the discussion of the affected agenda items.
- Refrain from making decision where a conflict exists
- Avoid close relationship with competitors, suppliers, or clients that could lead to biased decisions

In the event, a Director is involved in conflict of interest directly or indirectly, the Director shall report to other members of the Board of Director, and an Audit Committee should form to determine whether the Director's interest is in conflict with Coffex Coffee.

In the event of any conflict of interest during investigation of whistleblowing reports or carrying out any other due diligence action, Coffex Coffee will enlist the assistance of external third parties to conduct such investigation impartially and fairly

7. Third-Party Due Diligence

Before entering into agreements with customers, suppliers, agents, dealers, distributors, contractors, and consultants, Coffex Coffee conducts:

- Background checks and/or require such third party's declaration
- Anti-bribery risk assessments
- Confirmation of compliance with MACC Act and this policy
- Awareness and implementation of anti-corruption best practices
- Past anti-corruption trainings undergone by the third party's team

We require all third parties to sign a **Supplier Code of Conduct** and provide written affirmation of their compliance with anti-bribery regulations. Third parties are expected to comply with this policy, and may also be required to demonstrate equivalent anti-corruption controls, which level of compliance is assessed by our office.

Due diligence will be required during joint ventures, M&A, or appointment of high value consultants / agents.

Additionally, due diligence is mandatory for appointment of senior management and director level positions, as part of the hiring process at Coffex Coffee.

8. Books, Records, and Financial Controls

Coffex Coffee maintains accurate and complete records of all transactions to:

- Prevent the concealment of corrupt payments
- Ensure traceability for audits and internal reviews
- Support legal and tax compliance

No undisclosed or off-the-book accounts are allowed under any circumstances.

The book keeping records shall be reviewed by the Financial Controller and approved by the Chief Operating Officer each month. Any red flags during this review process which raises suspicion of conflict of interest or corruption will be investigated accordingly.

The Audit Committee may, in line with auditing best practices, conduct random checks on the company's accounting records, contracts, and other documentation, for red flags.

9. Whistleblowing and Reporting Channels

Employees, partners, and stakeholders are encouraged to report suspected corruption via:

- Email to: ethics@coffexcoffee.com
- Direct reporting to the Head of HR or the Whistleblowing Committee.
- Confidential reports via internal suggestion box or Google form.

Reports can be made **anonymously**, and Coffex Coffee guarantees **protection against retaliation** in accordance with the **Whistleblower Protection Act 2010**. Any employees who attempt to retaliate against whistleblowing reports will be investigated and may be subject to disciplinary proceedings.

Whistleblowing reports will be handled by the Whistleblowing Committee, in the following manner to avoid conflict of interest:

- (a) Whistleblowing reports will be received and reviewed by members of the Whistleblowing Committee;
- (b) An independent investigator shall investigate the matter, and prepare a report of his/her findings together with evidence;
- (c) The matter will be given to HR department for a decision on the disciplinary action.
- (d) The HR department will report to the Board of Directors on any decision made for their final approval.

Whistleblowing protection may be limited in the event the whistleblower has participated in the wrongful acts as one of the perpetrators. For avoidance of doubt, Coffex Coffee encourages whistleblowing reports to be made at the earliest instance, to mitigate the impact of any wrongdoing.

Coffex Coffee reserves the right to hand over investigation of the whistleblowing reports to the authorities, such as the police force, and MACC, if criminal offences are disclosed. (**Refer s. 25 MACC Act.**)

Coffex Coffee promises to protect the identity of whistleblowers. Any intentional breach of the confidentiality of whistleblowers' identity will be considered for disciplinary action.

In the event the whistleblowing report discloses that no criminal offence has been committed, and only misconduct has taken place, Coffex Coffee shall, following **clause 54 of the Company's Handbook**, impose the appropriate disciplinary action against the parties involved, following the progressive procedures of corrective interview; verbal warnings; written warnings; final written warning; domestic inquiry; suspension; due inquiry; disciplinary action; and termination / dismissal.

10. Training and Awareness

Coffex Coffee provides mandatory anti-corruption training to:

- All new employees during onboarding
- Managers and staff in high-risk departments (e.g., Sales, Procurement, Logistics)
- Board of Directors
- Relevant third-party partners as needed

Annual refreshers are conducted to ensure updated knowledge of changes in legislation and business practices. In the event of doubt, Coffex Coffee may request for evidence of a person having undergone anti-corruption training. Anti-corruption training may be a requirement for new suppliers.

During anti-corruption trainings, at least a senior management or director of the company shall participate alongside the other employees.

All anti-corruption training sessions shall be documented, including training materials, attendance records and feedback.

11. Monitoring and Internal Controls

The Audit Committee of Coffex Coffee will:

- Conduct internal audits and spot-checks to detect red flags
- Review financial records and procurement processes periodically
- Assign the HR and Compliance Department to monitor implementation
- Report high-risk incidents to Management and, where required, to MACC

Breaches of this policy may lead to disciplinary action, contract termination, or criminal enforcement referral.

Coffex Coffee adopts a maker-checker approval system for issuance of payment.

12. Review and Revision

This policy is reviewed annually or whenever:

- Legislative changes occur
- Risk assessments highlight new exposures
- Recommendations are received from external auditors or clients

Any changes must be approved by the **Board of Directors** and communicated to all employees and relevant external stakeholders.

The review and revision of this policy shall take into consideration the TRUST guidelines, and new policies and guidelines issued by the government.

For the avoidance of doubt, the Board of Coffex Coffee shall receive an update at least every quarter on the latest legislative changes related to anti-corruption, notable cases and news incidents, and concerns raised by members of staff and third parties. Such update shall be delivered at the board meeting, but may be delivered by email or alternative means if there is no board meeting.

13. Policy Ownership

This Anti-Corruption and Anti-Bribery Policy is the sole property of **Coffex Coffee (M) Sdn Bhd**. Any replication or external use is strictly prohibited unless formally authorized by the company's Board of Directors.