

# **ELK-DESA RESOURCES BERHAD**

## **Code of Ethics and Conduct**

### **1. Applicability**

- 1.1. It is the policy of ELK-Desa Resources Berhad (“the Company”) that the employees and Board members of the Company and its subsidiaries (“ELK-Desa”) should observe the highest standards of integrity in their conduct and do the right thing – follow the law, act honourably, and treat co-workers with courtesy and respect.
- 1.2. We expect all our employees and Board members to know and follow the following Code of Ethics and Conduct (“Code”) which we believe will help ELK-Desa in reaching its goal through honourable conduct. Failure to do so can result in disciplinary action, including termination of employment. Any departure from this Code for directors or executive officers must be approved by our Board.
- 1.3. All Directors of ELK-Desa must also observe the Company Directors’ Code of Ethics established by the Companies Commission of Malaysia.
- 1.4. If you have any question or concern about this Code or believe that someone may be violating it, or if you want to remain anonymous, you can make a report of a suspected violation or concern through the Company’s Whistleblowing channel.

### **2. Setting the Tone at the Top**

- 2.1. Management has the added responsibility for establishing, via their actions, the importance of this Code. It is believed that ethical behaviour is the product of clear and direct communication of behavioural expectations, which must be demonstrated from the top and proven by example. In another word, it is our actions that matters.
- 2.2. To make our Code work, Management must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate actions to deal with such issues. Management should not view employees’ ethics concerns as threats or challenges to their authority, but rather as another encouraged form of internal communication to prevent mistakes or wrongdoings.

### **3. Trust and Credibility**

- 3.1. Our business is dependent on the trust and confidence we earn from our employees, customers, and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity, and reaching company goals solely through honourable conduct.

### **4. Avoid Conflicts of Interest**

- 4.1. All of us should avoid conflicts of interest and circumstances that reasonably present the appearance of a conflict.
- 4.2. Determining whether a conflict of interest exists is not always easy to do. Employees or Board members with a conflict of interest question should seek advice from Management and Company Secretary respectively before engaging in any activity, transaction or relationship that might potentially give rise to a conflict of interest situation.
- 4.3. When considering a course of action, ask yourself whether the action you are considering could create an incentive for you, or appear to others to create an incentive for you, to benefit yourself, your friends or family, or an associated

business at the expense of ELK-Desa. If the answer is “yes,” the action you are considering is likely to create a conflict of interest situation, and you should avoid it.

## **5. Ensure Financial Integrity and Responsibility**

- 5.1. Ensure that money is appropriately spent, our financial records are complete and accurate, and our internal controls are honoured.
- 5.2. If your job involves the financial recording of our transactions, make sure that you’re familiar with all relevant policies, including those relating to revenue recognition.
- 5.3. Never interfere with the auditing of financial records. Similarly, never falsify any company record or account. Always lend your assistance to the internal audit function and always provide true information.
- 5.4. If you suspect or observe any irregularities relating to financial integrity or fiscal responsibility, no matter how small, immediately report them to the Whistleblowing Channel.

## **6. Cultural and Workplace Harmony**

- 6.1. ELK-Desa has taken affirmative action and is committed to create a harmonious environment of workplace free of discrimination of all types of abusive, offensive, or harassing behaviour. Every employee will be treated with dignity and respect and there is equal employment opportunity disregard of race, religion, culture, and gender. Any employee who feels harassed or discriminated against should report the incident to the Management or to the Human Resources Department.

## **7. Obey the Law**

- 7.1. We are committed to comply with laws, rules, and regulations in wherever jurisdiction we do business. Further, employees and Board members must understand the company policies, laws, rules, and regulations that apply to our specific roles. A few specific laws are easy to violate unintentionally and so are worth pointing out here. If we are unsure of whether a contemplated action is permitted by law or Company policy, we should seek the advice from the Company Secretary. We are responsible for preventing violations of law and for speaking up if we see possible violations.

### *7.2. Trade Controls*

As our business is regulated by various Malaysian laws, rules and regulations such as the Hire Purchase Act and the Personal Data Protection Act, you should work with the management to ensure that the transaction stays within the bounds of the applicable laws.

### *7.3. Insider Trading*

Do not use non-public information to buy or sell shares in the Company to gain personal advantage, or to pass it along to others so that they may do so. That could constitute the crime of insider trading.

- 7.4. Familiarize yourself with the laws and the risks of insider trading, such as:

- prohibition on market manipulation of the Company shares
- periodic blackout windows when you may not trade the Company shares

## **8. Corruption**

We pledge not to bribe anybody nor accept bribe from anyone, at any time, for any reason.

### *8.1. Integrity*

All employees should fulfil their work with integrity and respect toward our stakeholders. Employees are prohibited from accepting gifts from any third parties who liaising with ELK-Desa for the benefit of said party. Employees are all expected to avoid any personal, financial or other interests that may interfere with the quality of work.

### *8.2. Business Courtesies*

Most business courtesies offered to us in the course of our employment are because of our positions at ELK-Desa. Although we may not use our position to obtain business courtesies, we must never ask for them. We may accept occasional meals, refreshments, entertainment, gifts (as described in item 8.3) and similar unsolicited business courtesies that are customary and conform to reasonable ethical or cultural practices of the marketplace provided these courtesies are not inappropriately lavish or excessive, not frequent from the same person or entity, not create the appearance of an attempt to influence business decisions.

### *8.3. No Gift Policy*

ELK-Desa is committed to conduct its business in the highest standard of integrity and good governance. The objectives of the No Gift Policy are to avoid any actual or perceived conflict of interest in any business dealings and decision making, and demonstrate our commitment to provide equal treatment to all individuals or organisations that we deal with.

In this regard, employees of ELK-Desa shall not solicit or receive any gifts from current or potential vendors, customers and any external parties, either directly or indirectly. However, the exception to the No Gift Policy should only be limited to flowers, fruits and gifts with promotional intention (i.e. items bearing the promoter's brand/logo, items given at a public event openly without discrimination).

This policy helps ELK-Desa to uphold ethical work and business relationships, and to avoid any conflicts of interest.

## **9. Professionalism**

9.1. Employees must show integrity and professionalism in every aspect of conduct, including matters involving absenteeism, tardiness, and dress code compliance. Personal appearance should project the company's commitment to professionalism.

## **10. Care for physical environment**

10.1. Employees should treat company property and their physical environment with respect and care.

## **11. Disciplinary Actions**

11.1. Employees who repeatedly or deliberately fail to follow this Code of Ethics and Conduct will meet an appropriate disciplinary action.

11.2. Following a clear warning, employees who persistently show indecorous behaviour may face demotion, reprimand, detraction of benefits, suspension, or termination.

11.3. Legal actions may be taken in cases of theft, embezzlement, corruption, and other unlawful actions.

## **12. Our Pledge**

- 12.1. We rely on one another's good judgment to uphold a high standard of integrity for ourselves and our company. We expect all Board members and employees to be guided by the Code of Ethics and Conduct and the Employees Handbook respectively, as well as the spirit of this Code.

First Adopted on 24 May, 2018

Last Updated on 18 February, 2022

You may report your concern through the Company's Whistleblowing Channels as follows:

- Online Reporting <http://www.we-care.my>
- Phone Hotline 1-700-81-5333
- Email Reporting [elk-desa@we-care.my](mailto:elk-desa@we-care.my)
- Written letter P. O. Box 10891, 50728 Kuala Lumpur