



FRASER & NEAVE HOLDINGS BHD

(Company no. 004205-V)

CODE OF BUSINESS ETHICS & CONDUCT

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Contents	Page
A. Introduction	1
B. Fundamental Business Value.....	1
C. Integrity in the Company.....	2
1. Protection of Company assets.....	2
2. Confidential Information.....	2
3. Accuracy and Completeness of Accounting Records and Reports.....	2
D. Integrity in Our Workplace.....	2
1. Anti- Discrimination and Harassment	2
2. Health, Safety & Environment.....	3
E. Integrity in Our Marketplace.....	3
1. Product Quality.....	3
2. Anti -Competition	3
F. Integrity in Dealing with Others & Ethics in Business Activities	3
1. Stakeholders Trust & Respect.....	3
2. Anti-bribery and corruption.....	3,4
3. Conflict of interest.....	4
3.1 Financial or business interests.....	4,5
3.2 Positions outside the Company.....	5
3.3 Families and relatives.....	5
3.4 Gifts, meals and entertainment.....	6
4. Political Contributions	6
5. Fraud.....	6
G. Administration of Code.....	7
1. Distribution	7
1.1 Employees.....	7
1.2 Agents, consultants, government officials & government	7
1.3 Approvals.....	7
1.4 Awareness program	7
2. Monitoring Compliance	8
2.1 Employees compliance.....	8
2.2 Report Code violation	8
2.3 Investigations.....	9
3. Disciplinary actions	9
4. Business conduct inquiries	9
5. Annual Declaration	9,10
H. Frequency of Review	10
I. Glossary.....	10,11
Appendix 1	12

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CODE OF BUSINESS ETHICS & CONDUCT

A. Introduction

Since its establishment in 1883, Fraser & Neave practices have been governed by integrity, honesty, fair dealing and full compliance with all applicable laws. Fraser & Neave's employees have upheld and lived this commitment in their everyday responsibilities ever since, and Fraser & Neave's reputation remains one of the Company's most important assets today.

The Fraser & Neave Corporate Business Principles prescribe certain values and principles which it has committed. This Code of Business Conduct specifies and helps the continued implementation of the Corporate Business Principles by establishing certain non-negotiable minimum standards of behavior in key areas.

The nature of this Code is not meant to cover all possible situations that may occur. It is designed to provide a frame of reference against which to measure any activities. Employees should seek guidance when they are in doubt about the proper course in a given situation, as it is the ultimate responsibility of each employee to do the right thing, a responsibility that cannot be delegated.

Employee should always be guided by the following basic principles:

- avoid any conduct that could damage or risk Fraser & Neave or its reputation;
- act legally and honestly
- put the Company's interest ahead of personal or other interests

For the purpose of this Code, references to employees include employees, associates, officers and directors of Fraser & Neave Holdings Bhd and its subsidiaries.

B. Fundamental business value

Each employee at Fraser & Neave (F&N) has the responsibility to apply the fundamental principles, ie to act with integrity, respect and excellence in all aspects of its business practices.

Integrity: In all of our dealings with each other and with customers, suppliers, government officials and others, we act with integrity and honesty.

Respect: We conduct business with respect for the law and for the values of fairness and responsible stewardship. We follow the letter and spirit of the law in all of our activities.

Excellence: Our commitment to excellence in the quality of our people, our systems and our services is fundamental to the success of our business. We take pride in our focus on doing things right and finding ways to continuously improve our business practices.

C. Integrity in the Company

1. Protection of company assets

Employees shall safeguard and make only proper and efficient use of Fraser & Neave's property. All employees shall seek to protect Company's property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover intangible assets, including trademarks. Section 6.1.7, 6.1.8 and 6.1.9 of the F&N Fraud Control Policy outlines the measures to protect company's asset.

2. Confidential information

Confidential information consists of any information that is not or not yet public information. It includes (but not limited to) trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data.

Fraser & Neave's continued success depends on the use of its confidential information and its non-disclosure to third parties. Unless required by law or authorized by their management, employees shall not disclose confidential information or allow such disclosure. This obligation continues beyond the termination of employment. Furthermore employees must use best efforts to avoid unintentional disclosure by applying special care when storing or transmitting confidential information.

Fraser & Neave respects that third parties have a similar interest in protecting their confidential information. In case that third parties, such as joint venture partners, suppliers or customers, share with Fraser & Neave confidential information, such information shall be treated with the same care as if it was Fraser & Neave's confidential information. In that same spirit, employees shall protect confidential information that they have obtained in the course of their prior employment.

To the extent permitted under applicable law, the Company reserves the right to monitor and inspect how its assets are being used by employees, including inspection of all emails, data and files kept on Company network terminals.

3. Accuracy and completeness of accounting records and reports

The Company's accounting records are relied upon to produce reports to the Company's management, shareholders, creditors, governmental entities and others. All Company accounting records and reports produced from those records shall be kept and presented in accordance with the laws of each applicable jurisdiction and must accurately and fairly reflect in reasonable detail the Company's asset, liabilities, revenue and expenses.

D. Integrity in Our Workplace

1. Anti-discrimination and harassment

Fraser & Neave respects the personal dignity, privacy and personal rights of every employee and is committed to maintaining a workplace free from discrimination and harassment. Therefore, employees must not discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on the any of the above or any other reason. Employees who feel that their workplace does not comply with the above principles are encouraged to raise their concern or grievance with the Human Capital (HC) Department within the current available procedures, i.e. Sexual Harassment Policy ref no 01_V.1

2. Health, safety and environment

Fraser & Neave is committed to preventing accidents, injuries and illness related to work and to protect employees, contractors and others involved in the value chain while also protecting the environment where it may be affected by its activities.

E. Integrity in Our Marketplace

1. Product quality

Fraser & Neave represents a promise to our consumer that the product is safe and of high standard at all times.

2. Anti-competition

Fraser & Neave is ready to compete successfully in today's business environment and will do so in full compliance with all applicable antitrust, competition and fair dealing laws. Employees must at all-time adhere to commercial policy and prices will be set independently and will never be agreed formally or informally with competitors directly or indirectly.

F. Integrity in Dealing with Others & Ethics in Business Activities

1. Stakeholders trust & respect

Fraser & Neave places great value on our relationships with our stakeholders. We recognise the importance of listening to their concerns and responding with honesty and integrity. By working with them, we can continue to improve our performance and have a positive impact on society and the environment.

Our network of stakeholders includes consumers and suppliers, as well as governments, civil servants, academics and non-governmental organisations. Through collaboration and increased engagement, we are determined to build solid relationships based on mutual trust and respect.

2. Anti-bribery and corruption

Employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from government official /government employee, a third party, whether public or private. Employees must refrain from any activity or behavior that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

Employees should be aware that the offering or giving of improper benefits in order to influence the decision of the recipient, even if he or she is not a government official, may not only entail disciplinary sanctions but also result in criminal charges. Improper benefits may consist of anything of value for the recipient, including employment or consultancy contracts to closely related parties.

No cash or non-cash gift, entertainment or donation by the Company of anything of value about which an employee is uncertain should be given or received without the written approval of the Chief Executive Officer / Functional Head of the applicable Company Division.

Cash and non-cash payments by the Company of things of value to Company customers and suppliers for valid business purposes and promotional activities are not prohibited if they are:

- Designed to promote sale of the company's product or to enhance generally the business relationships between the Company and its suppliers and customers, and
- Legal and acceptable by local community standards and customs.

3. Conflicts of interest

The Company recognizes and respects the right of its employees to engage in outside financial activities so long as those activities are legal and do not impair, interfere or conflict with the conscientious performance of their Company duties and do not involve damage to or misuse of the Company's name, trademarks, products, property, reputation, influence, facilities, relationships, confidential information, assets or other resources.

In all business relationships with outside persons or organizations and in all personal business undertakings, employees of the Company are required to:

- Avoid personal transactions, situations or involvements in which their personal interests actually conflict with or have the appearance of conflicting with those of the Company.
- act in accordance with applicable laws and Company standards and policies including those contained in this Code, and
- Protect their own reputations and the property, rights, interests, responsibilities, confidential information and reputation of the Company.

While specific provision cannot be made for each situation involving a potential conflict of interest that might confront an employee, the following rules generally govern certain matters of particular concern to the Company. In any situation where a Chief Executive Officer/Functional Head is involved, an approval shall be obtained from such person's immediate superior. In dealing with matters not specifically covered below, the employee should be guided generally by the policies set forth in this Code and by his or her own conscience and common sense.

3.1 Financial or business interests

No employee shall have a direct or indirect financial or business interest in the business of any supplier, competitor or customer or shall accept any salary, fee, commission or other form of compensation or thing of value (other than non-lavish gifts of nominal value) from any supplier, competitor or customer of the Company unless the employee receives the prior written approval of the Chief Executive Officer /Functional Head to the assigned to the applicable Company division. The terms of the transaction should be no less favourable to the Company than are available to or from other customers or suppliers.

This rule does not prohibit the ownership of less than one –percent equity interest in a corporation or other business organization whose securities are widely held and actively traded, by employees:

- who are not officers of the company, or
- who, with respect to any Company supplier or customer, do not exercise discretion with respect to the Company’s business with such supplier or customer.
- for purposes of this paragraph, the term “officers “shall include elected and appointed officers of the Company (including officers of its division and subsidiaries).

3.2 Positions outside the company

No employee shall accept a position as an officer or director of or consultant to an outside business concern (except charitable, religious or public service organizations or family businesses which have no relationship of any kind with the Company) until the employee has first received approval in writing from the Chief Executive Officer of the Company to which the employee is assigned.

Once approved, the position shall be reviewed annually by the Human Capital Department and Chief Executive Officer to determine if such approval shall remain in effect. The employee shall supply all information requested to expedite the making of such determination.

If at any time a change occurs which might adversely affect the Company, the employee shall notify Human Capital Department immediately and approval shall be sought from the Chief Executive Officer.

3.3 Families and relatives

Immediate family members and partners of employees may be hired as employees or consultants only if the appointment is based on qualification, performance, skills and experience and provided that there is no direct or indirect reporting relationship between the employee and his or relative or partner.

These principles of fair employment will apply to all aspects of the employment, including compensation, promotions and transfers, as well as in case that the relationship develops after the respective employee has joined the Company. Provided that they are equally suited as other candidates, priority may be given to children of Fraser & Neave employees with respect of internships, training periods, employments during holidays and similar short-term assignments.

In the course of employment, where an employee marries another employee of the Company, or an employee of Service Provider/Supplier relating to his/her functions, or family member is an employee of the Company or employee of Service Provider/Supplier relating to his/her department and functions, he/she must immediately declare it to the Company. The Company reserves the right to transfer out or re-designate the employee if deemed necessary.

3.4 Gifts, meals & entertainment

Social amenities, entertainment and other courtesies which are not lavish may be extended to government officials, government employees and employees of the Company's actual or prospective customers and suppliers, but only to the extent appropriate and reasonable under applicable laws and customs and only for legitimate business purposes.

No employee shall give or offer to accept any third-party gifts taking the form any of the following, whatever the value involved.

- money
- loans
- kickbacks
- similar monetary advantages

Expenses incurred by the Company or an employee in connection with a cash or non-cash gift, entertainment or donation by the Company of anything of value shall be accurately and specifically designated as such in the Company's disbursement records and on the employee's expense reimbursement records, if applicable, and recorded in the Company's accounting records.

4. Political contribution

No political contribution (ie. such as funds, assets and gifts) shall be made by or on behalf of the Company.

5. Fraud

Employees must not engage in any fraud/ misappropriation either individually or involving other employees, shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and /or any other parties with a business relationship with the Group.

The term fraud or misappropriation refers to:

- Misappropriation of money, funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of company activities;
- Disclosing confidential and proprietary information to outside parties (including securities activities engaged in or contemplated by the Group);
- Accepting or seeking anything beyond the extent of appropriate and reasonable under applicable laws and customs from contractors, vendors, or persons providing services /materials to the Group.
- Destruction, removal, or inappropriate use of assets, information, records, furniture, fixtures, and equipment; and /or
- Any similar or related irregularity.

For further details, refer to FNHB Fraud Control Policy.

G. Administration of Code

1. Distribution

1.1 Employees

The Company has established a system for distribution of this Code at appropriate intervals to employees and for their knowledge of the receipt thereof. This system has been approved by the Audit Committee of the Board of Directors. The Human Capital Department shall ensure that every new employee receives a copy of the Code and acknowledges receipt on acceptance of a job offer. A copy of this acknowledgement shall be kept in the employee's personal file.

1.2 Agents, consultants, government officials and government employees

A copy of this Code shall be furnished to any agent, consultant, government official, government employee or any other party who is retained to perform services for the Company or on behalf of the Company as and when required. Copies of this Code shall also be given to each entity in which the Company has a twenty percent or greater economic interest in order to encourage such entity to observe the standards established by this Code.

1.3 Approvals

Each situation which requires approval under this Code shall be reviewed and approved in writing by the responsible Company managers described herein before any action is taken based upon that approval.

Oral approvals will be permitted only in extraordinary circumstances when there is insufficient time to obtain prior written approval. In such cases, a written confirmation memorandum shall be immediately prepared by the Chief Executive Officer having the authority to give such approval.

Copies of all approvals relating to this Code shall be retained in the files of each Chief Executive Officer/ Functional Head and shall be made available to the Company's internal audit and external auditors upon request.

1.4 Awareness Program

For new employees, Human Capital shall make presentation of the Code of Business Ethics & Conduct during orientation. For existing employees, awareness of any change in the Code will be communicated via email.

2. Monitoring Compliance

2.1 Employee Compliance

Each employee shall be alert to any action of omission in connection with his or her work which might constitute a violation of this Code, shall attempt to prevent Code violations and shall take prompt corrective action necessary to remedy and prevent any recurring violation of this Code.

Where personal corrective action is not possible or practical, the employee should immediately bring the matter to the attention of his or her supervisor or the Functional Head or Chief Executive Officer of the Company. Any failure to comply with this code may result in disciplinary action, including the possibility of dismissal and if warranted, legal proceedings or criminal sanctions.

2.2 Report Code Violations

Any irregularity or Code violation that is detected or suspected must be reported, employees who feel that their workplace does not comply with the Code are encouraged to raise their concerns in accordance via the following reporting mechanisms as appropriate:

- Email directly to noncompliance@fn.com.my for issues related to human capital, internal controls, risk and governance.
- Via the reporting mechanism as provided for in existing FNHB Group policies:
- Whistleblowing policy
- Sexual harassment policy
- Fraud Control policy

The Company's internal audit staff shall be continually alert to the requirement of this Code in the conduct of its auditing activities. Internal Audit staff shall also review the Company's policies and procedures pertaining to administration of this Code and recommend to Company's management appropriate improvements.

If in connection with their examination of the Company's financial statements, the Company's independent external auditors discover any apparent violation of this Code, they shall report the matter in writing, upon discovery, to the Head of Internal Audit.

The Head of Human Capital shall periodically report any violations of this Code and the corrective actions taken to the Chairman of the Board of Directors.

Any failure by an employee to report a Code violation in accordance with this Code section shall itself constitute a Code violation.

2.3 Investigations

When the Head of Human Capital and/or Head of Internal Audit receive reports of alleged or potential violation of this Code, they shall conduct such investigations and take such other action as they shall deem necessary and appropriate to prevent or remedy violations and to recommend appropriate corrective and disciplinary action to the offending employee's supervisor and to the Functional Head or Chief Executive Officer, where appropriate, in order to prevent recurring violations.

3. Disciplinary actions

Failure of any Company employee to comply with this Code may result in disciplinary action which, depending on the circumstances of the matter, may include reprimand, probation, suspension, demotion, salary reduction, bonus elimination or reduction or dismissal. Disciplinary action will also apply to supervisors, executives, senior executives, Functional Heads /Chief Executive Officers who, with respect to those employees reporting to them:

- know that conduct which is prohibited by this Code is contemplated by such employees and do nothing to prevent it: or
- Know that conduct which is prohibited by this Code has been engaged in by such employees and fail to take appropriate corrective action.

Violations of this Code are not the only basis for disciplinary action with respect to employees. The Company has additional policies and procedures governing employee conduct. Questions about these additional policies and procedures should be addressed to an employee's supervisor. In addition to the Company's disciplinary actions, some Code violations may be serious enough to result in civil or criminal fines and/or imprisonment.

4. Business conduct inquiries

Any questions regarding this Code, its meaning or its application to specific circumstances should be addressed to the Head of Human Capital who shall see that each of such inquiry receives prompt response. If the Head of Human Capital's initial response is not in writing, he shall immediately prepare a written record of the response, a copy of which shall be sent to the employee who made the inquiry. The Head of Human Capital may, from time to time, issue interpretive memoranda to Company employees with respect to issues arising under this Code.

Additional copies of this Code of Business Conduct are available through the office of the Head of Human Capital of Fraser & Neave Holdings Bhd.

5. Annual Declaration

In order to ensure the Code has been fully embedded within F&N's Group of Companies in Malaysia, and to facilitate good business practice and corporate governance, an annual Code of Business Ethics and Conduct declaration (refer Appendix 1) is compulsory to be completed by employees. Human Capital Business Partner (HCBP) will send out the declaration form annually which asks employees to disclose any relevant business interests, benefits, responsibilities outside F&N, relationship with professional advisors, vendors and relatives or business associates employed by F&N.

Nevertheless, **if there is any change or involvement in any of the above-mentioned elements prior to the annual declaration/ update; it is the onus of the employees to inform the Company within 30 calendar days.** Completed declarations are required to be submitted to the manager HCBP, who will review the information provided to ensure that employees are not exposed to any potential ethical issues. Information provided in the declaration will not be published and will be held securely by the HCBP.

H. Frequency of Review

The adequacy and relevance of this Code of Business Ethics & Conduct shall be reviewed on a regular basis by Human Capital and Risk Management Department and may from time to time recommend the proposed changes to Sustainability & Risk Management Committee and Board as it deems appropriate. Subsequently, the Code will be submitted to the Sustainability & Risk Management Committee for endorsement and recommendations to the Board of Directors for approval.

Based on the Malaysian Code On Corporate Governance (“MCCG”) Principle A Board Leadership And Effectiveness, Practice 3.1, the Code shall be published on Company’s website.

I. Glossary

As used in this Code of Business Ethics & Conduct, the terms included shall have the following meanings:

Accounting records means, whether kept manually or electronically, the general ledger, cash receipts journal, cash disbursements journal, cheque registers, purchase journal, inventory records, general ledger subsidiary records and the supporting documentation for entries made to the journals and ledgers. Such supporting documentation includes purchase orders, vendor and supplier invoices, load reports, shipping orders, bill of lading, customer invoices, and journal vouchers and supporting documentation for journal vouchers, cost accounting records, petty cash vouchers and employee expense reports.

Chief Financial Officer means the Chief Financial Officer of Fraser & Neave Holdings Bhd or other person specifically designated by the Chief Financial Officer of Fraser & Neave Holdings Bhd in writing to be responsible for assisting with the administration of the Code.

Company or Fraser & Neave means Fraser & Neave Holdings and its divisions and subsidiaries. A subsidiary of Fraser & Neave Holdings Bhd is a corporation more than 50% of the voting stock of which is owned directly or indirectly by Fraser & Neave Holdings Bhd or a partnership more than 50% of the equity interest of which is owned directly or indirectly by Fraser & Neave Holdings Bhd. The term Company does not include any business entity in which the Company (and its divisions and subsidiaries) owns 50% or less of the equity interest.

Code means this Code of Business Ethics & Conduct of the Company.

Direct or Indirect Financial or Business Interest includes but is not limited to any business or personal interest (including an interest as an owner, partner, stockholder, or holder of debt in excess of RM50,000) of any employee or a member of such employee's immediate family or any employment or consulting arrangement with any employee or member of such employee's immediate family.

Employee means all officers and employees of the Company.

Government official or government employee includes persons acting in an official capacity for or on behalf of the executive, legislative or judicial organs of Malaysia or any foreign state, whether federal or unitary, central or local, or any sub-departments, agencies or instrumentalities thereof.

Know or knowledge means with respect to a Code violation, actual knowledge of such a violation or the possession of information which leads one to believe that there is a high probability that such a violation has occurred or is likely to occur.

Lavish means, in relation to any gift or entertainment, excessive or extraordinary, giving consideration to all of the circumstances surrounding such gift or entertainment. A company employee who is providing or receiving a gift or entertainment on behalf of the Company should consider the gift or entertainment lavish if it is in excess of what is usual and customary, giving consideration to all the surrounding facts and circumstances. One test of "lavish" is when the cost of the gift or entertainment is in excess of the amount which the Company employee would normally spend on himself or herself, and his or her family or friends. Any gift which makes the recipient feel obligated to commence or continue a business relationship, repay the donor with future business or extend other favorable treatment should be considered lavish and therefore unacceptable.

Political contribution means any direct or indirect expenditures or contributions in cash, property or services or services rendered on behalf of the Company given to political parties, their affiliates or candidates for nomination or election to public office, as well as indirect assistance or support such as furnishing goods, transportation, or equipment, or purchasing tickets or subscriptions to political fund raising events.

Reasonable detail means such level of details and degree of assurance as would satisfy prudent persons in the conduct of their own affairs.

Appendix 1

Annual Acknowledgement & Declaration – Code of Business Ethics and Conduct

I, _____ an employee of
(company name), do hereby acknowledge that I have read the Code of Business Ethics and
Conduct in the intranet and hereby pledge to comply to the said Code.

This declaration confirms that any activities outside my employment does not impair, interfere
or conflict with my conscientious performance in the Company. I further confirm that I will not
misuse the Company’s name nor damage its reputation and will continue to observe the Code
and declare any conflict of interest as outlined under Clause 3 of Section F in the said Code :

- I have no “Conflict of Interest” to declare.
- I have the following “Conflict of Interest” to declare (please tick and specify, where applicable) :

Financial or business interests

Position outside the Company

Families and relatives

Signature & date

Appendix 1 (con't)

Annual Acknowledgement & Declaration – Code of Business Ethics and Conduct (cont'd)

Title / Department:

Reviewed by HC (where applicable)

Comments:

Reviewed By HCBP:

Approved By Head of Human Capital:

Name:

Name:

Date:

Date: