

**SOLAR DISTRICT COOLING GROUP BERHAD**  
Registration No. 202301015665 (1509587-U)  
(Incorporated in Malaysia)

**WHISTLEBLOWING POLICY**

**1. INTRODUCTION**

This policy is intended to address the employees of Solar District Cooling Group Berhad (“**the Company**”) and its subsidiary(ies) (“**the Group**”).

The Group has a commitment to high legal, ethical and moral standards and its Whistleblowing Policy (“**Policy**”). All members of staff are expected to share this commitment aligning with the Group’s **Code of Conduct & Ethics**. This Policy is established to facilitate the development of anti-fraud, safety and health procedures which will aid in the investigation of malpractices and related offences.

This Policy is intended to provide a direction and a procedure to help the employees and stakeholders who find themselves having to deal with suspected cases of any known theft, fraud, corruption or wrongdoings. These documents provide a framework for a response and advice and information on various aspects and implications of an investigation.

If an employee raises a genuine concern under this Policy, he or she will not be at risk of losing their job, nor will they suffer any form of detriment as a result. As long as the employee is acting in good faith and in accordance with this Policy, it does not matter if they are mistaken.

**2. OBJECTIVES**

The objectives of the establishment of Policy are as follows:-

- (i) To ensure the Company’s business is conducted in compliance with the law
- (ii) To promote and cultivate an environment of honesty and integrity
- (iii) To enhance the employees’ awareness of the Company’s stand on illegal, unethical and dishonest acts and the consequences of such acts
- (iv) To create employees’ awareness of their roles, rights and responsibilities pertaining to illegal, unethical and dishonest acts

**3. SCOPE OF POLICY**

This Policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, suppliers, and/or any other parties with a business relationship with the Company. Any investigative activities required will be conducted without regard to any person’s relationship to the Company, position or length of service.

**4. WHISTLEBLOWER**

- (i) A person or entity making a protected disclosure is commonly referred to as a whistleblower. Whistleblowers provide initial information related to a reasonable belief that an improper governmental or governance activity has occurred. The motivation of a whistleblower is irrelevant to the consideration of the validity of the allegations.
- (ii) The whistleblower’s role is as a reporting party. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action that may be warranted. They do not have a right to participate in any investigative activities other than as requested by investigators.

- (iii) However, the intentional filing of a false report, whether orally or in writing is itself considered an improper act which the Group has the right to act upon.

## **5. SAFEGUARDS**

- (i) In order for the whistleblower to be protected under the Policy; the whistleblower must disclose his/her name, NRIC number and contact details. The disclosure must at least have details of person(s) involved, nature of allegation, when and where the incident took place as well as supporting evidence, if any.
- (ii) Whistleblowers are protected against being dismissed or penalised by the Group, and the Group will consider mitigating circumstances if the whistleblower him/herself is involved in the activity that he/she reports.
- (iii) A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or an ensuing investigation.

## **6. HARASSMENT OR VICTIMISATION**

- (i) Harassment or victimisation for reporting concerns under this Policy will not be tolerated.
- (ii) Complete protection will be given to whistleblower against any unfair practice not limited to retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or including any direct or indirect use of authority to obstruct the whistleblower's rights to continue to perform his/her duties including making further disclosure.

## **7. CONFIDENTIALITY**

- (i) Every effort will be made to treat the whistleblower's identity with appropriate regard for confidentiality. The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of law and the investigation.
- (ii) The Group gives the assurance that it will not reveal the identity of the whistleblower to any third party not involved in the investigation or prosecution of the matter. The whistleblower making the allegation will retain anonymity to all other employees and public unless he or she agrees otherwise. Where concerns cannot be resolved without revealing the identity of the employee raising the concern (i.e. if the evidence is required in court), a dialogue will be carried out with the employee concerned as to whether and how the matter can be proceeded.
- (iii) The only exception to this assurance relates to an overriding legal obligation to breach confidentiality. The Group is obligated to reveal confidential information relating to a whistleblowing report if ordered to do so by a court of law.
- (iv) The Group's assurance of confidentiality can only be completely effective if the whistleblower likewise maintains confidentiality.

## **8. ANONYMOUS ALLEGATIONS**

This Policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to:

- (i) The seriousness of the issue raised;
- (ii) The credibility of the concern; and
- (iii) The likelihood of confirming the allegation from attributable sources.

## 9. IMPROPRIETY CONDUCT

It is important to note that in determining whether to report impropriety conduct, harm is not only measured in terms of monetary value lost, or damage to a particular business or project, but harm may also be done to the integrity and reputation of the Group itself.

This Policy covers:-

- Any dishonest or fraudulent act.
- Forgery or alteration of any document or account belonging to the Company.
- Forgery or alteration of a cheque, bank draft, or any financial document.
- Misappropriation of 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 securities activities.
- Disclosing to other persons the securities activities engaged in or contemplated by the Company.
- Breach of the Group's **Code of Conduct & Ethics** or **Anti-Bribery and Corruption Policy**; or non-compliance with the Group's policies and procedures.
- Destruction or disappearance of records and assets.
- Auditing matters including disclosures or subversions of any internal or external audit process.
- Failure to comply with a legal or regulatory requirements.
- Breach of confidentiality.
- Miscarriage of justice.
- Sexual assault, sexual harassment, including mild annoyances.
- Conduct of unfair competition internally or externally, by using of an individual's position or opportunity arising from/available within the Group and that the gains/advantages of the individual are conditional on the losses of others, where the gains/advantages are made in ways which are illegitimate or unjust.
- Dangers to health and safety of employees or the public or the environment.
- Concealment of any or a combination of the above.

## 10. REPORTING PROCEDURE

If an employee discovers or suspects impropriety conduct, he or she should consider the following:-

- (i) Raising it initially with their Head of Department ("**HOD**"). If an employee feels that they are unable to raise a particular with their HOD, for whatever reason, they should raise the matter with the Human Resources Executive ("**HR**") or Chief Executive Officer / Managing Director / Executive Director ("**CEO / MD / ED**"). This may be done orally or in writing. An employee should specify outset if they wish the matter to be treated in confidence so that appropriate arrangements can be made; or
- (ii) Whistleblow it to the Audit and Risk Management Committee ("**ARMC**") Chairman via email at [whistleblower@sdcm.my](mailto:whistleblower@sdcm.my). This service is strictly confidential and the whistleblower will not be asked to give their name if they do not want to.

Once an employee has informed the Company on his or her concern, the concern raised will be examined and the Company will assess what action should be taken and this may involve below, but are not limited to:-

- Conduct an internal enquiry or a more formal investigation.
- The employee will be told who is handling the matter, how they can contact him/her and whether any further assistance may be needed.

- The employee will need to make a declaration at the outset if he/she has any personal interest in the matter.

If the employee's concern falls more properly within the grievance procedure, then they will be advised of this.

## **11. PROTECTING THE EMPLOYEE**

The Company will not tolerate harassment or victimisation of anyone raising a genuine concern under the Policy. If an employee requests that their identity to be protected, all possible steps will be taken to prevent the employee's identity becoming known. If the concern is unable to be resolved without revealing the employee's identity (e.g. if the employee's evidence is needed in court), the Company will discuss with the employee on the best way to proceed with the matter. Legal assistance may be provided where necessary and at the sole discretion of the management.

### **(i) Investigation Subjects**

- (a) A subject is a person who is the focus of investigative fact finding either by virtue of an allegation made or evidence gathered during the course of an investigation. The decision to conduct an investigation is not an accusation; it is to be treated as a neutral fact-finding process. The outcome of the investigation may or may not support a conclusion that an improper act was committed and, if so, by whom.
- (b) The identity of a subject should be maintained in confidence to the extent possible given the legitimate needs of law and the investigation.
- (c) Subjects have a duty to cooperate with investigators to the extent that their cooperation will not compromise self-incrimination protections under the law. Subjects have a right to consult with a person or persons of their choice. This may involve representation, including legal representation.

### **(ii) Initial Inquiries**

Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation.

### **(iii) Further Inquiries**

- (a) The amount of contact between the whistleblower and the investigator will depend on the nature of the issue and the clarity of information provided.
- (b) Further information may be sought from or provided to the person reporting the concern.
- (c) If an investigation leads the investigator to conclude that a crime has probably been committed, the results of the investigation shall be reported to the police or other appropriate law enforcement agency.
- (d) If an investigation leads the investigator to conclude that the suspect has engaged in conduct that may be a violation of the Group's **Code of Conduct & Ethics**, the results of the investigation shall be reported to the HR or CEO / MD / ED or the Board in accordance with the applicable procedures for company conduct and the administration of discipline. Any charges of misconduct brought as a result of an investigation under this Policy shall comply with established disciplinary procedures.
- (e) Consultation with the ARMC and/or Legal Officer is required before negotiating or entering into any restitution agreement resulting from the findings of an investigation.

## **12. DUTIES AND RESPONSIBILITIES OF THE ARMC**

- (i) The ARMC is committed to investigate and address all cases of reported misconduct. The ARMC shall:
  - (a) Receive and filter complaints;
  - (b) Determine actions to be taken;
  - (c) Assign investigations;
  - (d) Ensure closures and conclusion;
  - (e) Report to the Board for further action; and
  - (f) Report to the relevant authorities.
- (ii) The ARMC Chairman shall determine the channel for investigation and follow-up action. In order to ensure independence to the inquiry, the ARMC shall assign the Head of Internal Audit as the investigator, unless for reasons of conflict of interest, inadequate competence, or enhancing corporate governance, may form an Investigation Committee if deemed necessary.
- (iii) The investigator shall determine the resources required to complete the investigation within a time set.
- (iv) The ARMC shall delegate the authority to the investigator on unrestricted access to the Group's records and premises, whether owned or rented, without prior knowledge or consent of any person who have custody of any such records when it is within the scope of the investigation.
- (v) The whistleblower may seek follow-up information about an investigation of a report or any consequent action taken. Subject to legal limitation, the whistleblower will be kept informed of the final outcome of the investigation.

## **13. MONITORING AND PERIODIC REVIEW OF POLICY**

- (i) The ARMC is responsible for the interpretation and supervision of the enforcement of this Policy.
- (ii) The Group must diligently monitor these procedures to ensure that they meet the objectives of relevant legislations and remain effective for the Group, and, if necessary, implement changes subject to the approval of the Board.
- (iii) This Policy shall be reviewed annually by the Board.

This Policy was adopted by the Board on 20 September 2023.

**END**