



# Anti-Bribery & Corruption Policy

*Version 1.0*

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## **Abbreviations**

ABCP/Policy	-	Anti-Bribery & Corruption Policy
ABCSOP	-	Anti-Bribery & Corruption Standard Operating Procedures
AC	-	Audit Committee
BOD	-	Board of Directors
CEO	-	Chief Executive Officer
CPI	-	Corruption Perception Index
CSR	-	Corporate Social Responsibility
Group/Company/PR-		Power Root Berhad
HOD	-	Heads of Departments/ Division
HRD	-	Human Resources Department
IAD	-	Internal Audit Department
KSRO	-	Key Sustainability & Risk Officer
MACC	-	Malaysian Anti-Corruption Committee
MD	-	Managing Director
PIC	-	Person In-Charge
SCP	-	Supply Chain Department
SRMC	-	Sustainability & Risk Management Committee

## ***Preface***

### **Policy Statement**

**PR adopts a zero tolerance policy against all forms of bribery and corruption.** The PR's Code of Conduct sets out PR's core principles on this matter. The document, namely PR's Anti-Bribery & Corruption Policy & SOP (hereinafter referred to as "ABCP" or "the Policy" and "ABCSOP" or "the SOP") will elaborate on these principles, by providing guidance to employees on how to deal with any improper solicitation, bribery and other corrupt activities and issues that may arise in the course of doing business.

### **Related Documents**

This Policy should be read together with the ABCSOP.

### **Getting Help**

Should any clarification and explanation be required, the employee should consult their immediate supervisor/HODs of the respective department/division who shall refer the matter to HRD and/ or IAD.

***"ALWAYS ASK WHENEVER IN DOUBT"***

### **Change Request**

For any amendments or changes that need to be made to this document, please forward the recommendations to the KSRO.

### **Document Creation Information**

This Policy was prepared by the KSRO, reviewed by SRMC, endorsed by AC and approved by the BOD.

## **Introduction**

This document is issued pursuant to subsection (5) of section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) (“MACC Act 2009”), as stated in the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“Amendment Act 2018”).

The provision of section 17A under MACC Act 2009 (Amendment Act 2018) establishes the principle of a criminal liability (corporate liability) for the corrupt practices of its employees and/ or any person(s) associated with the organisation in cases where such corrupt practices are carried out for the organisation’s benefit or advantage.

The implementation and operation of this Policy is established under the ABCSOP

### **1.0 Objectives of the Policy**

The principal objectives of this Policy are:

- 1.1** To signify/ indicate the Guidelines on Adequate Procedures as issued/ published by Malaysian Institute of Integrity pursuant to subsection (5) of section 17A under the MACC Act 2009 (Amendment Act 2018).
- 1.2** To ensure PR maintains proper records on the Guidelines on Adequate Procedures for proper reference and application.

### **2.0 Scope of the Policy**

#### **THIS POLICY IS APPLICABLE TO ALL OFFICERS AND EMPLOYEES OF THE GROUP**

All Business Associates acting on the Group’s behalf (including but not limited to, suppliers, contractors, sub-contractors, consultants, agents, representatives and others performing work or services for or on behalf of the Group) will have to comply with the principles, policies and procedures as established in this Policy when performing their work or services.

Associated companies of the Group and joint-venture companies in which the Company or its subsidiary(ies) is a non-controlling shareholder or not actively involved in the management are not required to comply with this policy although they are highly encouraged to adopt the principles, policies and procedures as established in this Policy.

### **3.0 Compliance with Laws and Regulations**

This Policy shall at all times comply with and be subject to the laws and regulations of Malaysia. In the unlikely event of any conflict or inconsistency between the provisions of this ABCP and the prevailing laws and regulations of Malaysia, the latter shall prevail.

The employees are required to report any suspicions on breaches of the Policy in accordance with PR's Whistle-blowing Policy. PR shall make a report to the relevant enforcement authority upon actual internal conviction of the offending employee i.e. breach of this policy, regulation or statutory law following the investigation and in line with the final decision made by the Audit Committee.

### **4.0 Infringement of the Policy**

Any infringement of this Policy shall constitute a serious misconduct or offence warranting disciplinary action against the offender.

### **5.0 Responsibility for the Policy**

The SRMC shall be the custodian of the Policy and shall be responsible for developing, recommending, communicating and reviewing the Policy.

### **6.0 Changes to the Policy**

- 6.1** Any changes to the Policy shall be approved by the Board unless the power to approve is delegated to the AC or MD/CEO.
- 6.2** The SRMC shall review the recommendation(s) for changes before submitting to the AC for endorsement and thereafter to the BOD for approval.

### **7.0 Validity and Review of the Policy**

- 7.1** The effective date of this Policy shall be immediately upon approval by the BOD.
- 7.2** This Policy shall be reviewed every three (3) years or as and when deemed necessary by the BOD, AC or Management of the Company.

## **The Five Core Principles of Anti-Bribery & Corruption**

### **1.0 Principle I – Top Level Commitment**

- 1.1** The top level management is primarily responsible for ensuring that PR:
- (i) practices the highest level of integrity and ethics;
  - (ii) complies fully with the applicable laws and regulatory requirements on anti-corruption; and
  - (iii) effectively manages the key corruption risks of the Company.
- 1.2** The top level management must be able to provide assurance to its internal and external stakeholders that PR is operating in compliance with its policies and any applicable regulatory and statutory requirements. This includes establishing the Company’s “tone from the top” (i.e. the Company’s general stance against corrupt practices in relation to its business activities) and spearheading the Company’s continuous efforts to improve and enhance the effectiveness of its corruption risks management framework, internal control system, review and monitoring, and training and communication processes.
- 1.3** Thus, for this purpose, PR shall carry out the following:
- (i) establish, maintain, and periodically review the anti-corruption compliance programme which includes clear policies and objectives that adequately address corruption risks;
  - (ii) promote a culture of integrity within the Company;
  - (iii) issue instructions guidelines on communicating the Company’s policies and commitments on anti-corruption to both internal and external parties;
  - (iv) encourage the use of any reporting (whistleblowing) channel in relation to any suspected and/ or real corruption incidents or inadequacies in the anti-corruption compliance programme;
  - (v) ensure that the lines of authority for personnel tasked with responsibility for overseeing the anti-corruption compliance programme are clear and appropriate; and

(vi) ensure that the results of any investigations, audits, reviews of risk assessment, control measures and performance are reported to all top level management, including the AC and BOD, and acted upon.

## **2.0 Principle II – Risk Assessment**

- 2.1 A corruption risk assessment should form the basis of PR's anti-corruption efforts. As such, PR shall conduct corruption risk assessments, periodically and when there is a change in law or circumstance(s) of the Group's business, to identify, analyse, assess and prioritise the internal and external corruption risks of the Company. This risk assessment shall be used to establish appropriate processes, systems and controls approved by the top level management to mitigate any specific corruption risks PR is exposed to.
- 2.2 For this purpose, it is recommended that a risk assessment is done every three (3) years, with intermittent assessments conducted as and when necessary. The assessment may include the following:
- (i) opportunities for anti-bribery and corruption and fraud activities resulting from weaknesses noted in the Company's governance framework and internal systems/procedures;
  - (ii) financial transactions that may disguise corrupt payments;
  - (iii) business activities that pose a higher corruption risk;
  - (iv) non-compliance of external parties acting on behalf of PR regarding legal and regulatory requirements related to anti-corruption. Note that, given the wide definition of an associated person, PR can be liable for the acts of such third parties; and
  - (v) relationships with third parties in its supply chain (e.g. agents, vendors, contractors, and suppliers) whose activities may likely expose PR to corruption.
- 2.3 The risk assessment for corruption can be done on a stand-alone basis. Nevertheless, for immediate compliance, the risk assessment on bribery and corruption has been incorporated into PR's Key Risk Registers.

### 3.0 Principle III: Undertake Control Measures

3.1 PR has put in place the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the Company in order to address any corruption risks arising from potential weaknesses in the Company's governance framework, processes and procedures. These should include the following items:

*(i) Due diligence*

PR has established key considerations or criterias for conducting due diligence on any relevant parties or personnel (such as employees, agents, vendors, contractors, suppliers and consultants etc.) prior to entering into any formal relationships. Methods may include background checks on the person or entity, a document verification process, or conducting interviews with the person to be appointed to a key role where a corruption risk has been identified.

*(ii) Reporting channel*

PR has:

(a) established an accessible and confidential trusted reporting channel (whistle-blowing channel), which may be used anonymously, for internal and external parties to raise concerns in relation to real or suspected corruption incidents or inadequacies of the anti-corruption programme. For PR, the reporting channel includes a dedicated email address;

(b) encouraged persons to report, in good faith, any suspected, attempted or actual corruption incidents;

(c) established a secure information management system to ensure the confidentiality of the whistle-blower's identity and the information reported; and

(d) prohibit retaliation against those making reports in good faith.

3.2 Furthermore, PR has established policies and procedures to cover the following areas:

(i) an anti-bribery and corruption policy;

(ii) conflicts of interest;

(iii) gifts, entertainment, sponsorship, hospitality and travel;

- (iv) donations and sponsorships, including political donations;
- (v) facilitation payments;
- (vi) financial controls, such as separation of duties and approving powers or multiple signatories for transactions;
- (vii) non-financial controls, such as a separation of duties and approving powers or an approval process;
- (vii) managing and improving upon any inadequacies in the anti corruption monitoring framework; and
- (viii) proper and complete record keeping for managing documentation related to the adequate procedures.

3.3 In this regard, the PR's policies shall be:

- (i) endorsed by top level management;
- (ii) kept up-to-date;
- (iii) publicly and/or easily available; and
- (iv) suitable for use where and when needed.

#### **4.0 Principle IV: Systematic Review, Monitoring And Enforcement**

- 4.1 The top level management shall ensure that regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced. Such reviews may take the form of an internal audit, or an audit carried out by an external party.
- 4.2 The reviews should form the basis of any efforts to improve the existing anti-corruption controls in place in PR.
- 4.3 For this purpose, PR shall consider the following:
  - (i) plan, establish, implement and maintain a monitoring programme, which covers the scope, frequency, and methods for review;
  - (ii) identify the competent person(s) and/or establish a compliance function to perform an internal audit, in relation to the PR's anticorruption measures;

- (iii) conduct continual evaluations and improvements on the PR's policies and procedures in relation to corruption;
- (iv) if necessary, consider an external audit by a qualified and independent third party at least once (1) every three (3) years to obtain assurance that PR is operating in compliance with its policies and procedures in relation to corruption;
- (v) monitor the performance of personnel in relation to any anti-corruption policies and procedures to ensure their understanding and compliance with PR's stance in their respective roles and functions; and
- (vi) conduct disciplinary proceedings against personnel found to be noncompliant to the programme.

## **5.0 Principle V: Training and Communication**

- 5.1 PR has developed and disseminated internal and external training and communications relevant to its anti-corruption process covering the following areas:
  - (i) policy;
  - (ii) training;
  - (iii) reporting channel; and
  - (iv) consequences of non-compliance.

### Communication of Policies

- 5.2 PR's anti-bribery and corruption policy shall be made publicly available, and shall also be appropriately communicated to all personnel and business associates.
- 5.3 When planning for strategies for communicating PR's position on anti-corruption, PR shall take into account what key points should be communicated, to whom they should be communicated, how they will be communicated, and the timeframe for conducting the communication plan. The Company shall also consider what languages the materials will be communicated in.

- 5.4 The communication of PR's policies may be conducted in a variety of formats and mediums. These may include, but are not limited to:
- (i) messages on the intranet or website;
  - (ii) emails, internal memos;
  - (iii) code of conduct and employee's handbooks;
  - (iv) video seminars or messages; and
  - (v) town-hall sessions.

### Training

- 5.5 PR shall provide its employees and business associates with adequate training to ensure their thorough understanding of the company's anti-bribery and corruption policy, especially in relation to their role within or outside PR.
- 5.6 The training may be conducted in a variety of formats, including but not limited to:
- (i) induction programs featuring anti-corruption elements;
  - (ii) role-specific training, which is tailored to corruption risks the position is exposed to; and
  - (iii) corporate training programs, seminars, and in-house training;