

# GREEN PACKET ANTI- CORRUPTION MANUAL

Policies, Practices and Procedures

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## 1. COMMITMENT TO PREVENTION OF CORRUPTION

Green Packet Berhad and its group of companies (collectively “**Green Packet**”) are committed to acting professionally, fairly and with integrity in all our business dealings and in the discharge of our business relationships, wherever we operate. We are steadfast in conducting our business in an open, transparent, honest and ethical manner. In this respect, Green Packet adopts a zero-tolerance approach towards all forms of corruption and bribery. We will ensure full co-operation with enforcement agencies and competent authorities in the event of an investigation of corruption.

Green Packet’s Code of Ethics sets out the core principles of integrity expected by Green Packet. This Manual sets out Green Packet’s policy statements and elaborates on the core principles outlined in the Code of Ethics for purposes of providing guidance in relation to the manners to deal with improper solicitation, bribery and other corrupt activities and issues that may arise in the course of business in order to prevent acts of bribery and corruption.

This Manual provides readers with a basic introduction to how Green Packet combats bribery and corruption in line with our commitment to lawful, ethical and honest behaviour at all times. These guides are designed to prevent situations in which bribery and corrupt practices may bud and may sometime not provide definitive answers to all questions concerning bribery and corruption.

If you have any questions about this Manual or if you have doubts about any acts or situations arising in the course of business circumstances that you wish to seek clarification on, you should contact the Ethics Committee at [ethics@greenpacket.com](mailto:ethics@greenpacket.com) immediately.

Green Packet reserves the right to amend or delete any provision in this Manual as and when it deems necessary.

## 2. INTRODUCTION

### 2.1 Applicability

This Manual applies to all members of the Board of Directors (executive and non-executive) and employees of Green Packet (collectively, “**Personnel**”). All Personnel are required to strictly adhere to the provisions of this Manual in the course of their employment or engagement with Green Packet.

Further, all Personnel shall ensure that vendors, suppliers, contractors, sub-contractors, consultants, agents, representatives, joint venture partners and others who are performing work or services, for and on behalf of Green Packet (collectively, “**Business Partners**”), are informed of the requirements set out in this Manual and of the need for them to comply with the requirements set out in this Manual. Whenever there is any non-

compliance with this Manual by the Business Partners, Green Packet reserves the rights to terminate the agreement or arrangement with the Business Partners at any time.

## 2.2 Laws and regulations governing corruption

The main law governing corruption in Malaysia is the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”). The Penal Code also contains provisions relating to corruption. The regulatory body responsible for enforcement of the anti-corruption laws in Malaysia is the Malaysian Anti-Corruption Commission.

### (a) MACC Act

The offences under the MACC Act include the following:

#### (i) Section 16 – accepting gratification

This provision is worded in a general manner and is applicable to all Personnel in Green Packet’s daily business operations. It is an offence if you corruptly solicit or corruptly offer to any person any gratification as an inducement or reward for doing or forbearing to do an act.

#### (ii) Section 17 – giving or accepting gratification by agent

This provision is applicable to Personnel when acting as an agent in relation to Green Packet’s affairs or business or when dealing with third party agent.

It is an offence if you as an agent of Green Packet, corruptly accept or obtain, any gratification for any act in relation to Green Packet’s affairs or business. It is also an offence if you corruptly give, or agree to give or offer, any gratification, to any agent to influence his act in relation to his principal’s affairs or business.

#### (iii) Section 17A – offence by commercial organisation

This provision is applicable to commercial organisations. A commercial organisation commits an offence if any person associated with the commercial organisation performs a corrupt act.

#### (iv) Section 18 – intending to deceive principal by agent

This is applicable to all Personnel, including when acting as an agent of Green Packet. It is an offence if you use any receipt, account or other document that contains false or erroneous particulars with the intention to mislead Green Packet, or with the intention to mislead the principal of an agent whom you are dealing with.

(v) Section 20 – corruptly procuring the withdrawal of tender

This provision is applicable to all Personnel who are involved in procuring contracts. It is an offence if you offer any gratification to any person as an inducement or a reward for him to withdraw his tender. It is also an offence if you solicit, or accept any gratification as an inducement or a reward for you to withdraw your tender.

(vi) Section 21 – bribery of officer of public body

This provision is applicable to Green Packet Personnel who deal with officers of public body. It is an offence if you offer to an officer of any public body, any gratification as an inducement or reward for the purposes of influencing his actions in relation to his official duties.

(vii) Section 22 – bribery of foreign public officials

This provision is applicable to all Personnel who deal with foreign public official. It is an offence if you offer to any foreign public official any gratification as an inducement or reward for purposes of influencing his actions in relation to his official duties.

(b) Penal Code

The relevant provisions on corruption under the Penal Code are as follows:

(i) Section 162 – taking a gratification, by corrupt or illegal means, in order to influence a public servant.

This provision is applicable to all Personnel who accept gratification using corrupt or illegal means to influence any public servant.

(ii) Section 163 – taking a gratification, for the exercise of personal influence with a public servant.

This provision is applicable to all Personnel who accept gratification for purposes of him exercising his personal influence on any public servant.

(iii) Section 213 – taking gifts, etc., to screen an offender from punishment

This provision is applicable to all Personnel who are in position of authority and use this authority to receive gratification for purposes of concealing an offence or screening an offender from legal punishment. It is an offence to receive gifts for purposes of concealing an offence, or screening any person from legal punishment for any offence, or not proceeding against any person for the purpose of bringing him to legal punishment.

- (iv) Section 214 – offering gift or restoration of property in consideration of screening offender

This provision is applicable to all Personnel who offer gratification with the intention to conceal his or someone else's offence or to screen any offenders from legal punishment. It is an offence to offer or give gratification to any person for purposes of concealing an offence (whether your own offence or someone else's) or screening any person from legal punishment of any offence or influencing such person to not proceed against any person for the purpose of bringing him to legal punishment.

### 2.3 What is corruption?

(a) Meaning of corruption

Corruption generally means the act of soliciting or receiving, or offering or giving any gratification for the purpose of improperly influencing a business decision in relation to a dealing.

(b) Forms of gratification

Examples of gratification are as follows:

- Money, donation, gift, loan, fee, reward, valuable security.
- Any office, dignity, employment, contract of employment or services.
- Any payment, release, discharge or liquidation of any loan.
- Any valuable consideration of any kind, discount, commission, rebate, bonus.
- Any forbearance to demand for any money or money's worth.
- Any other service or favour of any description.
- Any offer, undertaking or promise of any gratification.

(c) Forms of corruption

Corruption may be in a variety of forms, including but not limited to:

- Bribery, where a person offers or gives, solicits or receives benefits (which may be in the form of corporate hospitality, entertainment or gifts) with the intention or knowledge that the benefit will be used to induce someone to perform a dishonest act.
- Embezzlement, where someone dishonestly appropriates money or other assets with which he has been entrusted with.
- Abuse of power, where someone abuses a position of trust for the purposes of illicit gain.

There are multiple other risk areas where corrupt elements may arise. These risk areas are dealt with in detail in Section 3 of this Manual.

## 2.4 Consequences of non-compliance

All Personnel must bear in mind that there are severe consequences of being involved in corrupt activities. The consequences generally come in two (2) forms, namely in the form of individual liability or corporate liability or both, depending on the specific circumstances of each of the acts. This means that not only would you be liable for your acts, but Green Packet would also be implicated.

Below are some examples of circumstances that attract individual liability and corporate liability respectively:

### (a) Individual liability of the Personnel

- (i) Direct involvement – any individual who is directly involved in committing the act will be liable.
- (ii) Indirect involvement – an individual may be liable where he has used another person to act on his behalf.
- (iii) Having authority – an individual, in a position of authority, who has expressly authorised the act or knew of the act and either consented to it or turned a blind eye to it.
- (iv) Aiding and abetting – an individual may also be liable if he aids and abets the commission of the act or where he has somehow facilitated the commission of the act.

### (b) Corporate liability of Green Packet

Green Packet may have to bear corporate liability in the following circumstances:

- (i) Through the act of a Personnel – if a Personnel committed the act within the course of his employment (regardless of his position).
- (ii) Through the act of its agents – if an individual or company has been appointed to act on Green Packet's behalf and such act is committed within the course of that appointment.
- (iii) Through the act of its related companies or Business Partners – Green Packet may be liable for the act committed by a subsidiary or associated company, joint venture or consortium partner or Business Partners.

- (iv) Turning a blind eye – where an individual in authority (such as the management of Green Packet) suspects the commission of an act in relation to a business transaction in which Green Packet is involved, but deliberately refrains from making further inquiries or taking preventive steps.

In the event you are suspected of any acts or behaviours that could amount to corruption, you may be subject to an internal investigation and disciplinary proceedings, if deemed necessary by Green Packet. Pursuant to the internal investigation and disciplinary proceedings, Green Packet is entitled to take disciplinary action or any other action deemed necessary against you.

Corrupt acts will also give rise to the following risks and negative implications:

(a) Risks to you:

- Criminal liability, fine and imprisonment.
- Civil liability and payment of compensation.
- Damage to reputation.
- Loss of employment.
- Loss of membership with professional association(s) which you are affiliated with.

(b) Risks to Green Packet:

- Criminal liability and fine.
- Civil liability and payment of compensation.
- Damage to reputation.
- Loss of business.
- Loss of business goodwill.
- Financial loss.
- Disqualification from obtaining projects or any other future business opportunities.

In the event any Personnel is convicted for any corruption offences, the following are the relevant punishments under the applicable laws:

(a) Under the MACC Act

The punishments for corruption offences under the MACC Act for general corruption offences, include the following:

- (i) imprisonment for a term not exceeding twenty (20) years; and
- (ii) a fine of not less than five (5) times the sum or value of the gratification which is the subject matter of the offence or Ringgit Malaysia Ten Thousand (RM10,000-00) only, whichever is the higher.

For offences giving rise to corporate liability, the punishments would also include the following:

- (i) imprisonment for a term not exceeding twenty (20) years; or
- (ii) a fine of not less than ten (10) times the sum or value of the gratification which is the subject matter of the offence or Ringgit Malaysia One Million (RM1,000,000-00) only, whichever is the higher; or
- (iii) both.

Note that where an offence is committed by a commercial organisation, a person –

- (i) who is its director, controller, officer or partner; or
- (ii) who is concerned in the management of its affairs,

at the time of the commission of the offence, is deemed to have committed the offence unless this presumption can be rebutted by proving that such person has not consented to the commission of the corrupt act and has taken steps to prevent the same.

(b) Under the Penal Code

The punishments for corruption offences under the Penal Code include the following:

- (i) imprisonment for terms ranging from one (1) year up to seven (7) years; or
- (ii) fine; or
- (iii) both.

## 2.5 Our expectation of you

In view of the above, it is imperative that you exercise due care and caution before committing any act that could amount to corruption. You are responsible for your own acts. As a Personnel, you are also responsible to uphold the good name and reputation of Green Packet.

For purposes of compliance, the following are expected of each of the Personnel:

(a) Board of Directors

- Promote corporate integrity and good corporate governance practices.
- Set a stern tone on the importance of good corporate governance practices and the non-tolerance towards unethical behaviour.
- Demonstrate support for the implementation and enforcement of this Manual.

- Demonstrate model behaviour and lead by example.
- Be watchful and be alert of signs of possible misconduct or inappropriate behaviour.
- Must not condone improper practices and abuse of power.
- Encourage the use of the whistleblowing channel of Green Packet and give assurance on whistleblowing protection.
- Take strict actions when required.

(b) Management team

- Ensure subordinates understand and comply with the law as well as the requirements in this Manual.
- Implement and enforce this Manual.
- Demonstrate model behaviour and lead by example.
- Be watchful and be alert of signs of possible misconduct or inappropriate behaviour.
- Provide adequate training and exposure on compliance requirements under this Manual.
- Must not condone improper practices and abuse of power.
- Encourage the use of the whistleblowing channel of Green Packet and give assurance on whistleblowing protection.
- Take strict actions when required.

(c) Personnel

- Take interest in and strictly comply with regulatory policies implemented by Green Packet.
- Must uphold honest and ethical behaviours at all times.
- Must not condone improper practices.
- Be watchful and be alert of signs of possible misconduct or inappropriate behaviour.

- Raise red flags to your immediate superior or Ethics Committee at [ethics@greenpacket.com](mailto:ethics@greenpacket.com) as soon as practicable.
- Report suspicious transactions or improper practices and misconduct via the whistleblowing channel of Green Packet.
- Ensure that the Business Partners are bound by contractual terms to comply with all relevant laws, including observing the following:
  - comply with this Manual and regulatory policies implemented by Green Packet.
  - not condone improper practices.
  - report suspicious transactions or improper practices and misconduct directly to the management team of Green Packet or via the whistleblowing channel of Green Packet.

### **3. RISK AREAS**

#### **3.1 Gift, entertainment and corporate hospitality**

##### **(a) Gift**

Green Packet adopts a no-gift policy. All Personnel (including family members), or agents acting on behalf of the Personnel and its family members are prohibited from, whether directly or indirectly:

- (i) Receiving gifts from Business Partners or any third parties that have dealings with Green Packet;
- (ii) Giving gifts to Business Partners or any third parties that have dealings with Green Packet.

By abiding to this rule, any conflict of interest or appearance of conflict of interest for either party in the ongoing or potential business dealing between Green Packet and the Business Partners or the public can be avoided. The reason why this is important is because gift can be seen as bribe that may tarnish the good name and reputation of Green Packet or violate anti-bribery and corruption laws.

It is the responsibility of all Personnel to inform Business Partners and the public involved in business dealings with Green Packet that Green Packet practises a no-gift policy and to request for their understanding and cooperation to comply with this policy.

Though the general rule is to not receive or provide any gifts, Green Packet is aware that the exchange of gifts can be a delicate matter as in certain cultures or business settings, gift giving is a central part of business etiquette. In view of this, the following are the limited circumstances in which the receipt and provision of gifts are permitted:

- (i) Exchange of gifts on a company-to-company level (eg.: Gifts exchanged between companies as part of official company visit / courtesy call, and the gift is treated as company asset).
- (ii) Gifts provided to external institutions or individuals in relation to official functions, events and celebrations (eg.: Commemorative gifts or door gifts offered to attendees of events).
- (iii) Gifts from Green Packet to its Personnel and/or family members in relation to an internally or externally recognised company function, event and celebration (eg.: Long service award).
- (iv) Token gifts of nominal value, typically bearing Green Packet's company logo or that are given out equally to members of the public, delegates, customers, exhibitions, trainings, trade shows, etc. and deemed as part of Green Packet's brand building or promotional activities (eg.: T-shirts, pens, mugs, diaries, calendars and other small promotional goodies).
- (v) Gifts to external parties who have no business dealings with Green Packet (eg.: Gifts given in kind to charitable organisations).

Further, in the event a Personnel is unable to reject a gift for fear of being disrespectful and causing embarrassment to the giver which may lead to severance of Green Packet's business ties with the giver, the Personnel may receive the gift on the condition that the receipt of the gift is reported to the Ethics Committee at [ethics@greenpacket.com](mailto:ethics@greenpacket.com) who should then decide whether or not to approve the receipt of the gift or to return the gift. If it is decided for the gift to be returned, the gift must be politely returned with a note of explanation of Green Packet's no-gift policy. Should it be decided that the gift can be accepted, the gift should be treated using one of the following manners:

- (i) To be donated to charity;
- (ii) To be used for departmental display;
- (iii) To be shared with others in the team / unit / department of the receiver;
- (iv) To be retained by the receiver, only if the gift is of nominal value.

Notwithstanding these exceptions, no Personnel is allowed to receive or provide gifts in the form of cash or its equivalent. In addition, even in the above exceptional circumstances, all Personnel are expected to exercise proper judgment in handling gift activities and behave in a manner consistent with the following principles:

- (i) Conscientiously maintain the highest degree of integrity;
  - (ii) Always exercise proper care and judgment;
  - (iii) Always avoid conflicts of interest or appearance of conflict; and
  - (iv) Refrain from taking advantage of your position or exercising your authority to further your own personal interest at the expense of Green Packet's interests.
- (b) Entertainment and corporate hospitality

Green Packet acknowledges that providing and receiving occasional entertainment and corporate hospitality of a reasonable and modest level is a legitimate way to build network and foster good business relationships.

Examples of entertainment include but are not limited to occasions such as going for drinks, attending parties, attending concerts and going for karaoke sessions whereas examples of corporate hospitality include but are not limited to hotel stays, transport arrangements, welcoming dinners, farewell dinners and gala dinners.

Given that entertainment and corporate hospitality are important to build goodwill in business relationships, all eligible Personnel are allowed to provide and accept entertainment and corporate hospitality through reasonable and proportionate acts.

All Personnel must always exercise proper care and judgment when providing and receiving entertainment and corporate hospitality. Note that the entertainment and corporate hospitality must not be carried out with a view to improperly cause undue influence on any party in exchange for some future benefit or result. It is of paramount importance to give due consideration to the following to avoid appearance of impropriety:

- (i) **Bona fide:** Can the entertainment and corporate hospitality be linked to any dishonest purpose or cause?
- (ii) **Integrity:** If the provision or receipt of entertainment and corporate hospitality be made known to others in Green Packet and the public, would it harm the reputation of Green Packet and cast doubt on the integrity of the person involved?

- (iii) **Proportionality and reasonableness:** Do the entertainment and corporate hospitality incur excessive cost and occur regularly and exceed the level of reasonableness?
- (iv) **Transparency:** Are the entertainment and corporate hospitality carried out in a covert manner?

If any of the above is answered in the affirmative, the relevant act of providing and receiving entertainment and corporate hospitality shall be ceased immediately and reported to the Ethics Committee for record purposes.

### 3.2 Donations, sponsorship and corporate social responsibilities (CSR)

Green Packet is a responsible corporate citizen and is committed to contributing to the well-being of the people and nation in countries where it operates. That said, it is important that all donations, sponsorships and CSR are made in a legitimate manner and adheres to the values that we subscribe to as a company.

#### (a) Donations and sponsorships

All Personnel must ensure that all donations and sponsorships are not used as a trickery to conceal bribery or to circumvent or avoid any of the integrity provisions of this Manual, particularly prohibition on bribery.

For all donations and sponsorships, it must be ensured that donations to charities or beneficiaries are not disguised as illegal payments to government officials and the charities or beneficiaries are not conduit to fund illegal activities. All donations and sponsorships must adhere to the following:

- (i) Ensure such contributions are allowed by applicable laws;
- (ii) Obtain all necessary internal and external authorisations;
- (iii) Select well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- (iv) Be accurately reflected in the company's accounting books and records; and
- (v) Not to be used as a means to cover up an undue payment or bribery.

Green Packet requires all Personnel to use good judgment and common sense in assessing the requests for donations and sponsorships. If you are in doubt, you should seek advice from the Ethics Committee before proceeding with the donations and sponsorships.

#### (b) Corporate social responsibilities (CSR)

Being a listed entity, we are committed to contribute to social activities that assist in nation building. As part of our commitment, Green Packet provides necessary assistance in appropriate circumstances and manners. All CSR requests must be carefully examined for legitimacy and propriety and not be made to improperly influence any business outcome.

Where there is CSR requests, the relevant Personnel must ensure that the proposed recipient is a legitimate organisation and appropriate steps must be taken to ascertain whether any public officials are affiliated with such organisations. If there are public officials involved, extra caution has to be exercised and the guidance of the Ethics Committee must be sought. In this respect, the CSR requests must not proceed without the approval of the Ethics Committee.

CSR requests that are determined to be legitimate and does not have any affiliations with any public officials must be carefully structured to ensure that the benefits reached its intended recipients.

If you are in doubt of whether a charitable organisation or social benefit is appropriate, consult the Ethics Committee for guidance before proceeding further.

### **3.3 Purchasing and procurement practices**

Any purchasing and procurement decisions must be made based solely on the best interest of Green Packet. Suppliers and vendors should win Green Packet's business based on objective and transparent assessment criteria such as product or service suitability, price, quality and delivery effectiveness.

For all purchasing and procurement made, it must be documented in the form of proper agreement and such agreement must clearly identify key points such as the services or products to be provided, the basis for payment, the applicable rate or fee and the due date for delivery. The payment agreed to must commensurate with the quality of the services or products provided.

Below are some of the features of sound procurement practices that all Personnel involved in procurement of one form or another must adhere to:

- (a) Providing a level playing field where all vendors are treated equally, and all are afforded the same information at the same time;
- (b) Ensuring confidentiality of the purchasing and procurement process so that there is no leakage of information;
- (c) Avoiding any conflict of interest and declare such conflict where relevant and take the appropriate steps to ensure there is no favouritism amongst suppliers and vendors and all are treated fairly;

- (d) Ensuring that the power to decide is not centralised on one individual so that there are checks and balances; and
- (e) Ensuring transparency in the purchasing and procurement process so that the processes are auditable, justifiable and can stand up to scrutiny by outsiders.

Where there is a tender process, strict procedures have to be observed by all Personnel to avoid appearance of impropriety and biasness. In the event of any conflicts of interest (or potential conflict) through relationships or friendships with employees of any of the tenderers, such conflicts or potential conflict must be declared to the Ethics Committee.

### **3.4 Facilitation payment**

Facilitation payments are payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset. It can manifest in any form of advantages with the intention to influence the selected group of people in their duties.

As facilitation payments constitute a form of bribery and corruption, Green Packet prohibits the acceptance or provision, whether directly or indirectly, facilitation payments by any Personnel regardless of whether such facilitation payments are for the benefit of the Personnel himself or any other person. All Personnel must not offer, promise, give, request, accept, or receive anything which might reasonably be regarded as facilitation payments.

If any Personnel receives a request for facilitation payments or is being offered facilitation payments, this must immediately be escalated to the Ethics Committee for appropriate actions to be taken.

### **3.5 Dealing with Business Partners or the public**

As an entity committed to prevent bribery and corruption, Green Packet's dealings with Business Partners or the public must be carried out with care, in such manner consistent with the values and principles that Green Packet advocates and adopts, and in compliance with all relevant laws and regulations.

It is Green Packet's expectation that all Business Partners acting for or on its behalf share the values, principles and ethical standards of Green Packet as being outsiders having dealings with Green Packet, their actions can implicate Green Packet legally and tarnish Green Packet's reputation. Green Packet also requires that the public that deals with Green Packets adhered to ethical conducts and practices.

Thus, before establishing any business relationship with these external parties, Green Packet is obligated to conduct appropriate due diligence to understand the business and

background of these prospective Business Partners before entering into any arrangements with them. This is to ascertain that Green Packet filters its Business Partners and engage and deals only with those that subscribe to acceptable standard of integrity in their business practices. No business dealings should be entered into with prospective Business Partners that are reasonably suspected of engaging in bribery and improper business practices unless those suspicions have been investigated and resolved satisfactorily.

As a way of ensuring that Green Packet only does business with Business Partners that share Green Packet's values, principles and ethical standards, the following must be complied with:

- Conduct due diligence to assess the integrity of Green Packet's prospective Business Partners.
- Make all Business Partners (prospective and existing ones) aware of Green Packet's compliance policies, particularly this Manual, communicate Green Packet's expectations on them and obtain their commitment to comply with the same.
- Continue to be aware of and periodically monitor third party performance and business conducts and practices to ensure ongoing compliance.

In the course of conducting due diligence, where there are red flags raised, these warrant further investigations and must be appropriately and sufficiently addressed before the engagement of the Business Partners can progress. Below sets out some of the common examples of red flags involving external parties:

- Inadequate credentials for the nature of the engagement or lack of an office or an established place of business;
- The transaction involves a country known for a high incidence of corrupt payments;
- Family, business or other "special" ties with the government or public officials.
- Objection to anti-corruption representations and warranties in formal agreements or negative response when told of such requirements.

Green Packet requires its Personnel to use good judgment and common sense in assessing the integrity and ethical business practices of external parties to ensure that Green Packet deals only with those who share common values as Green Packet. As a guideline to assist the Personnel in its assessment of prospective Business Partners, refer to the section on "Identifying red flags" and "Due Diligence" below for further guidance.

### **3.6 Dealings with public officials**

A public official includes without limitation, any federal and state government officers, officers of regulatory authority, officers of foreign embassy, member of Parliament, member of State Legislature, candidates for public office, officials of any political party and officials of state-owned enterprise.

Caution must be exercised when dealing with public officials as they hold positions of authority. Therefore, when handling public officials, you must avoid any acts or conducts that may give rise to appearance of conflict or impropriety. The standards of integrity held in respect of public officials shall be of a higher standard.

If you have any doubts of what can and cannot be done in relation to public officials, please refer to the Ethics Committee for advice and guidance.

### **3.7 Political contributions**

As a matter of Green Packet's general policy, Green Packet does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.

That said, however, Green Packet encourages all Personnel to participate in the political election process by exercising the duty to vote. All Personnel may choose to make personal political contributions as appropriate within the limits established by laws. All such contributions must be clearly established as a personal contribution by the relevant Personnel. Under no circumstances, however, will any Personnel be compensated or reimbursed by Green Packet for any personal political contribution made.

All Personnel are prohibited from the following conducts:

- Use their position within Green Packet to try to influence any other person to make political contributions or to support any politicians or political parties;
- Make any contribution or incur any expenditure using Green Packet's resources to benefit any political campaign, party or politician in any country
- Use any of Green Packet's facilities, equipment and resources for any political campaign or party functions.

### **3.8 Recruitment of employees**

Green Packet is committed to provide equal opportunities for any qualified and competent individual from various multicultural and multiracial background to be employed by Green Packet. Therefore, the recruitment of employees is based on approved selection criteria to ensure that not only the most qualified and suitable individuals are

employed. This is crucial to ensure that no element of corruption or foul play is involved in the hiring of employees.

In line with this, proper background checks are conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally. A more vigorous and detailed background check is conducted when hiring employees that would be responsible for management positions, as these individuals would be tasked with decision-making responsibilities.

#### **4. EVALUATION OF EXPOSURE**

##### **4.1 Identify red flags**

It is of paramount importance for all Personnel to evaluate Green Packet's exposure towards bribery and corruption when carrying out any actions on behalf of Green Packet. This is to enable all Personnel to identify the level of risks of their actions.

As such, the following sets out examples of suspicious circumstances relating to corruption which one should call out as red flags should you encounter them:

- Any Personnel knowingly deal with a Business Partner or public official with whom there is personal, business or family relationship.
- A prospective Business Partner is specifically recommended or insisted upon by an existing Business Partner or Personnel or public official.
- There is unexplained preference for a certain party when selecting a Business Partner.
- The prospective Business Partner has a poor business reputation.
- Bypassing the normal procurement process and procedure.
- Agreeing to contractual terms which are not favourable to Green Packet.
- There are promises of cash payments.
- There is pressure for payments to be made urgently or ahead of agreed payment schedules / milestones.
- Agreeing to make payments in sums exceeding the contract sum without justifications.
- There is abnormally high pay-out of commissions to a particular agency or representative.

- There are unsanctioned private meetings with prospective Business Partners immediately prior to the award of any contract or with existing Business Partners.
- Corporate hospitality, entertainment and lavish gifts are being offered to Green Packet Personnel in a covert manner.
- Any Personnel who avoids taking time off even if he has fallen ill, or during holidays and insists on dealing with specific Business Partners, himself.
- Making unexpected or illogical decisions when awarding contract or when negotiating business terms.
- There is abuse of power and arbitrary decision-making.
- Being evasive of independent assessments or checks on tendering or contracting process.
- Missing meeting minutes, documents or records regarding meetings or decisions.
- There is an apparent violation of Green Packet's procedures or guidelines.

#### 4.2 Due diligence

Besides identifying red flags, it is also crucial for Green Packet to carry out due diligence on prospective Business Partners as well as existing Business Partners (if necessary in light of changes in circumstances and risk factors) for purposes of assessing the levels of exposure of Green Packet towards commission of bribery and corruption once a new business relationship is established or where there are changes to existing business relationship.

A sample due diligence checklist comprising of questions for the assessment of exposure to and probability of commission of bribery and corruption by Green Packet is annexed to this Manual as **Appendix 1** for reference. The objective of the due diligence checklist is to enable Green Packet to assess such Business Partners that Green Packet would likely be involved with, in order to determine whether such Business Partners would expose Green Packet to risk of bribery and corruption.

Besides completing the due diligence checklist, it is necessary for Green Packet to incorporate standard integrity clauses into all agreements that Green Packet enters into with its Business Partners. These integrity clauses are required to ensure that Business Partners conduct themselves in a way that is consistent with the values and principles that Green Packet subscribes to. In addition, the integrity clauses would also enable Green Packet to terminate the agreement with the Business Partners in the event any violation of the integrity clauses takes place. These integrity clauses may be used for Business

Partners acting on Green Packet's behalf if there is a more than minor bribery risk identified.

A sample of integrity clauses which may be incorporated in contracts between Green Packet and Business Partners can be found in '**Appendix 2**' that is annexed to this Manual.

### **4.3 Risk assessment**

In line with Green Packet's commitment to prevent corruption, Green Packet acknowledges the need to conduct an organisation-wide risk assessment for purposes of identifying the risk areas in which Green Packet may be exposed to the danger of commission of bribery and corruption.

In this regard, Green Packet includes assessment of corruption risk as part of its annual risk assessment exercise. Our corruption risk assessments are carried out yearly to identify and assess risks of bribery and corruption, which may arise within Green Packet or from external factors, that may be detrimental to Green Packet.

Below are examples of the areas in which the risk assessment may be conducted on:

- (a) Business activities where there are loopholes that may be exploited for corruption and fraud activities;
- (b) Financial transactions which may be disguised as corrupted payments;
- (c) Business activities in countries or sectors that pose higher corruption risks;
- (d) Non-compliance of Business Partners acting on behalf of Green Packet relating to legal and regulatory requirements on anti-corruption; and
- (e) Business relationships with external parties in the supply chain that may expose GPB to risk of corruption.

Based on the outcome of the risk assessment, having identified the key factors that pose risk to Green Packet, appropriate processes and internal controls that are sanctioned by Green Packet's top-level management should be established to mitigate the specific corruption risks that Green Packet may be exposed to.

## **5. CONTROL MEASURES**

### **5.1 Record keeping**

In order to ensure smooth implementation of its business activities, Green Packet keeps accurate books, records and accounts to support its operations. Green Packet is committed to devise and maintain appropriate and sufficient internal controls (including

financial and non-financial controls) to ensure the accuracy of its books, records and accounts.

Green Packet understands the importance of having in place appropriate internal controls and accurate and up-to-date books, records and accounts that will serve as evidence underlying the business reason for the making of certain business decisions. These elements are vital as part of a robust anti-corruption compliance programme. This is so because accurate and up-to-date financial records would justify the making and receipt of payments to and from any Business Partners.

In order to ensure that Green Packet retain proper, complete and accurate records, it is important for all Personnel to observe, amongst others:

- (a) Submit all expenses (including claims relating to expenses spent on gifts, entertainment and corporate hospitality) incurred for Business Partners in accordance with the internal expenses policy and ensure that a reason is recorded for every expenditure;
- (b) Prepare and maintain all accounts, invoices and other records relating to dealings with Business Partners from time to time to ensure that they are up-to-date complete and accurate; and
- (c) Not to keep any accounts “off-book” with the intention to facilitate or conceal improper payments.

## **5.2 Reporting**

In line with Green Packet’s commitment to prevent corruption and create an open, transparent and honest work environment, we encourage all staff to report any concerns or suspicious behaviour or dealings, particularly any suspicions of bribery or corrupt behaviours, that they encounter.

If you suspect any Personnel to be engaging in corrupt practices, or if you are approached by any Business Partners who attempt to persuade you to engage in any unethical practices, you should immediately report it directly to our management team or you may make use of the whistleblowing channel. Please refer to the Whistleblowing Policy and Procedure for more details on the whistleblowing mechanism.

## **6. Systematic review, monitoring and enforcement**

### **6.1 Periodical reviews and continuous evaluation**

Green Packet conducts periodical reviews of this Manual. We are committed to review this Manual at least once every three years to assess the performance, efficiency and effectiveness of this Manual as a part of the anti-corruption programme that Green Packet

implements. The reviews should also investigate whether this Manual has been appropriately implemented and enforced.

The outcomes of the reviews conducted shall form the basis of any efforts to improve this Manual and the existing anti-corruption control measures that are in place within Green Packet. Continuous evaluations and improvements on Green Packet's anti-corruption compliance programme is important to Green Packet. Hence, an action plan indicating the remedial steps to address the shortcomings revealed through the reviews should be devised accordingly.

For purposes of reviewing the anti-corruption programme that Green Packet has put in place, including this Manual, Green Packet should plan, establish, implement and maintain a monitoring programme to determine the scope, frequency and methods for review. This is to ensure that the review of the anti-corruption programme would yield beneficial results that would assist Green Packet in improving its anti-corruption programme and closing any gaps in its effort to combat bribery and corruption.

## **6.2 Audit**

To ensure that Green Packet's anti-corruption compliance programme is up-to-date and relevant to existing laws and regulations, this Manual should be audited to ensure that the controls and measures put in place by Green Packet to prevent corruption and to operate in an ethical manner are still relevant. The Ethics Committee should conduct this audit and report the findings of the audit to the Audit Committee of the Board and top-level management of Green Packet for appropriate actions.

At least once every three years, an external audit by a qualified and independent third party should be considered. This is to enable Green Packet to obtain assurance that Green Packet is operating in compliance with its anti-corruption programme and particularly, this Manual.

## **6.3 Performance**

In enforcing Green Packet's anti-corruption programme, particularly this Manual, the Ethics Committee is responsible to monitor performance of all Personnel relating to the policies and procedures to combat bribery and corruption that Green Packet has adopted. This is to ensure that the Personnel understand and comply with the requirements of these policies and procedures whilst performing their roles and functions.

## **6.4 Disciplinary proceedings**

Where there is any non-compliance to this Manual, such non-compliance should be reported to the top-level management of Green Packet. Upon receiving such report, the top-level management should initiate disciplinary proceedings to investigate the report and determine whether an actual violation of this Manual has taken place.

Green Packet is committed to enforce the requirements of this Manual. As such, any failure to observe any of the provisions in this Manual and other compliance documents of Green Packet may result in disciplinary actions, including termination of employment and referral for criminal prosecution, depending on the circumstances.

Further details on the disciplinary procedures and actions which may be taken against misconducts such as corruption and bribery can be found in Chapter 10.0 and 11.0 of the Code of Ethics.

## **7. Training and communications**

### **7.1 Training**

Green Packet understands that adequate training to all Personnel and where relevant to our Business Partners is an essential part of an effective anti-corruption compliance programme. In this respect, we are committed to provide proper and periodical training to our Personnel and where required, our Business Partner to ensure holistic understanding of Green Packet's commitment towards prevention of corruption and strict compliance with the requirements under this Manual.

The Ethics Committee and the Human Resources Department are responsible for organising and coordinating trainings for the Personnel and where relevant the Business Partners. Records of trainings conducted as well as records of attendance of the targeted attendees at the trainings shall be properly kept.

### **7.2 Communications**

Besides training, Green Packet is aware that communications of Green Packet's commitment towards prevention of corruption and the measures that Green Packet takes in this respect to all Personnel and our Business Partners is also a crucial element that would contribute to the effectiveness of an anti-corruption compliance programme.

The Ethics Committee is responsible in ensuring that Green Packet's commitment towards prevention of corruption and this Manual in particular, are communicated timely and adequately to all Personnel and our Business Partners. In ensuring this, the following can be carried out:

- (a) Pasting a memo in visible places within the vicinity of Green Packet's office to inform all Personnel about this Manual and its requirements;
- (b) Providing a copy of this Manual to all new Personnel who joins the company;
- (c) Circulating the Manual and other compliance documents through email to ensure that all Personnel receive the same;

- (d) Publishing the Manual to Green Packet's website to ensure that its stance on anti-corruption is effectively communicated to all Personnel and Business Partners, as well as made available for the public's viewing;
- (e) Uploading the Manual to Green Packet's Intranet to ensure that it is always available for viewing and reading by the Personnel; and
- (f) Pasting the list of dos and don'ts in relation to bribery and corruption in visible areas within the vicinity of Green Packet's office.

*[End]*

APPENDIX 1

SAMPLE OF DUE DILIGENCE CHECKLIST

NO.	QUESTIONS	RESPONSE	
		YES	NO
(I)	<b>ASSESSMENT OF THIRD PARTY RISKS</b> - <i>To assess the Third Parties from various angles to identify and minimise the risk of entering into transaction with Third Parties who pose imminent risks leading to the commission of bribery and corruption.</i>		
	(A) <u>Organisation / Affiliations</u> - <i>To assess whether the Third Parties lack legitimacy, has unusual or suspicious features, or has links that pose risks to Green Packet.</i>		
1.	Green Packet has never had previous dealings with the Third Party / Parties		
2.	The Third Party / Parties is of high risk to Green Packet by having regard to factors such as: (a) its origin and location of business; (b) its background or profile; (c) nature of its business; and (d) any other information suggesting the existence of high risk.		
3.	The Third Party / Parties originates from a country identified to be of high risk due to such country being a jurisdiction known: (a) for high crime rates; and (b) to have inadequate laws in countering bribery and corruption.		
4.	The Third Party / Parties are one of the following entity types: joint venture, trust, other legal arrangement, club, society and charity.		
5.	The Third Party / Parties or its representative is dealing with Green Packet without any face-to-face encounter.		
6.	Green Packet or its appointed representative has not conducted a site visit to check whether the Third Party / Parties is a legitimate entity and operates as it described itself through brochures, website or other literature.		
7.	The Third Party / Parties specifically requested for discretionary authority to handle local / international matters alone.		
8.	The Third Party / Parties would likely be representing or otherwise acting on behalf of Green Packet before government entities or regulatory authorities.		
9.	Some aspects of the transaction do not fit in with the background and profile of the Third Party / Parties.		
10.	The Third Party / Parties has other unusual or suspicious profiles / characteristics / features.		

	<p>(B) <u>Integrity</u></p> <p>- <i>To assess whether there are indicators or signs that the Third Party / Parties is likely to participate in or is prone to committing corruption and bribery.</i></p>		
11.	The Third Party / Parties lacks public commitment to conduct business with integrity and to refrain from bribery and corruption in all its forms.		
12.	The Third Party / Parties lacks detailed compliance policies and procedures in the following: bribery and corruption risk areas (such as gifts and hospitality; political contributions; charitable contributions and sponsorships; facilitation payments; and conflict of interest management).		
13.	The Third Party / Parties lacks formalised reporting channels for whistleblowing, including the necessary policies and procedures to protect whistleblower.		
14.	The Third Party / Parties lacks record which demonstrates that it has communicated and trained its position on anti-bribery and anti-corruption to its personnel and directors.		
15.	<p>The Third Party / Parties lacks formalised contracts for its own external providers, where sales and/or government relations are concerned; and even if it has contracts in place, the contracts lack:</p> <p>(i) clauses on prohibition of the practice of bribery and corruption; or</p> <p>(ii) clauses for termination in the event that the external provider is found to have been involved in bribery and corruption.</p>		
16.	In the event that a country's regulations require foreign companies to engage a local agent, Green Packet has been asked, recommended, or directed by a government entity / public official to use this specific Third Party / Parties.		
17.	The Third Party / Parties has shown a reluctance to disclose information regarding its government interactions (such as expense records of government-facing employees; gifts and hospitality provided to government officials; or sponsorship of travel, club memberships or other benefits provided to public officials).		
	<p>(C) <u>Necessity and Competence</u></p> <p>- <i>To assess whether the Third Party / Parties is genuinely required by Green Packet or is a surplus and if it is genuinely required, whether it lacks the necessary competencies to fulfill its role.</i></p>		
18.	The Third Party / Parties is likely to perform a function that is not necessary, or which Green Packet has capacity to carry out on its own.		

19.	The Third Party / Parties lacks sufficient capability and experience in the relevant industry / sector to bring value to the operation, in proportion to the fees it charges.		
20.	Green Packet has been asked, recommended, or directed by an external party (such as the prospect or client) to use this specific Third Party / Parties.		
21.	The Third Party / Parties was the only candidate considered for this role.		
22.	The Third Party / Parties plans to use other individual / entity to perform services under the proposed agreement, instead of performing it themselves.		
<b>(II) ASSESSMENT OF TRANSACTION RISKS</b> - <i>To assess whether the transaction that Green Packet intends to enter into with the Third Party / Parties lacks legitimacy or has unusual or suspicious features.</i>		<b>YES</b>	<b>NO</b>
23.	The transaction requires that some payments be made in cash.		
24.	The source or destiny of funds related to the transaction is not known.		
25.	The transaction requires the use of payment terms which are unusual for Green Packet.		
26.	The Third Party / Parties has a tendency to / intends to bill for its services on an aggregate (lump sum) basis without providing detailed breakdown.		
27.	The Third Party / Parties or anyone associated with the transaction has asked Green Packet to make political or charitable contributions of any kind as a precursor for the award of the contract or as part of the ongoing contractual delivery terms.		
28.	The business or commercial rationale for the transaction is not entirely clear or obvious.		
29.	The transaction has other unusual or suspicious characteristics / features.		
<b>(III) ASSESSMENT OF CIRCUMSTANTIAL RISKS</b> - <i>To assess whether there are additional circumstances which appear unusual or suspicious and may require a higher degree of care from Green Packet.</i>		<b>YES</b>	<b>NO</b>
30.	The Third Party / Parties or parties associated with the transaction has / have raised issues and concerns that are not relevant to the transaction.		
31.	There are some aspects of the business relationships involved which are unusual or atypical to Green Packet's operation.		

**APPENDIX 2**

**SAMPLE OF INTEGRITY CLAUSES**

**1. Scope**

The sample of integrity clauses herein are applicable to all transaction agreements (“**Agreements**”), non-disclosure agreements (“**NDA**”) and memorandum of understanding (“**MoU**”) entered into between Green Packet Berhad (“**GPB**”) and its supplier / contractor / third party (“**Third Party**”), to ensure compliance with the provisions of the Malaysian Anti-Corruption Commission Act 2009 (“**MACCA**”) and the Guidelines on Adequate Procedures pursuant to subsection (5) of section 17A under the Malaysian Anti-Corruption Commission Act 2009 (“**Guidelines**”). This sample of integrity clauses set out clauses that should be inserted into Agreements, MoU and NDA to address issues relating to bribery and corruption.

**2. Integrity clauses for Agreements**

2.1 The following words are only meant to be used for the purpose of reading these guidelines and they should be changed in the actual agreement to reflect the terms used in the actual agreement:

- (a) **GPB** : to be changed to the reference to GPB as defined in the Agreements.
- (b) **Third Party** : to be changed to the name of the third party or any other reference as defined in the Agreement.

2.2 The integrity clauses are as follows:

No.	Subject matter	Integrity clauses	Notes
1	Definitions	<p>“gratification” shall have the same meaning as in the MACC Act.</p> <p>“relative” shall have the same meaning as in the MACCA.</p> <p>“MACC Act” means the Malaysian Anti-Corruption Commission Act 2009 and includes its subsidiary legislation and guidelines.</p>	To be inserted in the definitions section of the Agreement.
2	Obligations of the <b>Third Party</b>	<p>The <b>Third Party</b> shall, in <i>[providing goods / services]</i> pursuant to this Agreement:</p> <p>(a) act honestly and fairly;</p>	To be inserted in the section of the Agreement

		<p>(b) provide <b>GPB</b> with true and accurate information;</p> <p>(c) strictly comply with laws and regulations relating to anti-corruption including but not limited to the MACC Act and the Guidelines;</p> <p>(d) comply with <b>GPB's</b> position on anti-corruption, along with any guidelines on ethics and integrity communicated by <b>GPB</b> and made available in <b>GPB's</b> official website.</p> <p>(e) not offer or provide, directly or through any intermediaries, any bribe, gift, hospitality, entertainment, donation, consideration, reward, favour, any material or immaterial benefit or other gratification, commission, fee, brokerage or inducement to an employee, director or other representative of <b>GPB</b>, for the purpose of improperly influencing a business decision to act contrary to <b>GPB's</b> interest or for the purpose of obtaining any advantage in the implementation of a contract;</p> <p>(f) not solicit or accept, directly or through any intermediaries, any bribe, gift, hospitality, entertainment, donation, consideration, reward, favour, any material or immaterial benefit or other gratification, commission, fee, brokerage or inducement from an employee, director or other representative of <b>GPB</b>, for the purpose of being improperly influenced in making a business decision to act contrary to <b>GPB's</b> interest or for the purpose of conferring any undue or inappropriate advantage in the implementation of a contract;</p> <p>(g) not offer or provide any gratification which might be considered a bribe under</p>	<p>that contains obligations of the <b>Third Party</b>.</p>
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		<p>either local or international legislation to a government official, either in Malaysia or any other country;</p> <p>(h) not use improperly, for purposes of competition or personal gain, or pass on to others, any information which may be reasonably be regarded as confidential and is provided by <b>GPB</b> as part of the business relationship, including plans, technical proposals and business details including information contained or transmitted electronically;</p> <p>(i) not give any gratification to a public official, in order to expedite a process in relation to work carried out for <b>GPB</b>;</p> <p>(j) take all measures to prevent corrupt practices, unfair means and illegal activities at all times while carrying out its contractual obligations for or on behalf of <b>GPB</b>;</p> <p>(k) inform <b>GPB</b> if any Employees or director of the <b>Third Party</b> or any person acting on behalf of the <b>Third Party</b>, either directly or indirectly, is a relative of any Employees or director of <b>GPB</b>, or alternatively, if any Employees or director of <b>GPB</b> or their relative has any interest, financial or otherwise, in the <b>Third Party</b>;</p> <p>(l) not lend to or borrow any money from or enter into any monetary dealings or transactions, directly or indirectly with any Employees or director of <b>GPB</b>.</p> <p>(m) ensure that staff and other representatives of the company dealing with <b>GPB</b>, or acting on behalf of <b>GPB</b> in servicing a contract, are aware of the provisions above; and</p> <p>(n) immediately notify <b>GPB</b> in writing, if it is</p>	
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		aware of any breach of this provision, or if it becomes reasonably suspicious that this provision may have been breached.	
4	Investigation	<p>Where <b>GPB</b> has reasonable concerns regarding behaviour involving gratification on the part of the <b>Third Party</b>, <b>GPB</b> shall have the right to:</p> <p>(a) direct the <b>Third Party</b> to investigate the matter, and the <b>Third Party</b> shall carry out its investigations in the manner as directed by <b>GPB</b>; and/or</p> <p>(b) conduct its own investigation into the matter, and the <b>Third Party</b> shall provide all reasonable assistance, information and documentation to <b>GPB</b>, in respect of the conduct of investigations.</p>	To be inserted in the section of the Agreement that contains the right of <b>GPB</b> to conduct investigations .
5	Termination	<p>(1) Without prejudice to any other rights of <b>GPB</b>, if the <b>Third Party</b>, its employee(s), director(s) or agent(s) is convicted by a court of law for corrupt practices, unfair means and illegal activities in relation to this Agreement, or any other agreement that the <b>Third Party</b> may have with <b>GPB</b>, <b>GPB</b> shall be entitled to terminate this Agreement at any time, by giving immediate written notice to that effect to the <b>Third Party</b>.</p> <p>(2) The <b>Third Party</b> shall be liable for all losses, costs, damages and expenses (including any incidental costs and expenses) incurred by <b>GPB</b> arising from termination under <i>[clause 1 above]</i>.</p> <p>(3) For the avoidance of doubt, the parties hereby agree that the <b>Third Party</b> shall not be entitled to any claim from <b>GPB</b>, any form of losses including loss of profit, damages, claims or other items whatsoever upon termination under <i>[clause 1 above]</i>.</p>	To be inserted in the section of the Agreement that contains provisions on termination.

**3. The integrity clauses for NDA or MoU**

3.1 The integrity clauses are as follows:

1.	Compliance with laws	<p>Each party agrees that, in connection with this [NDA/MoU], it shall:</p> <p>(1) strictly comply with laws and regulations relating to anti-corruption including but not limited to the MACC Act;</p> <p>(2) not engage in any action or omission which may violate laws and regulations relating to anti-corruption including but not limited to the MACC Act throughout the term of this [NDA/MoU]; and</p> <p>(3) take all measures to prevent corrupt practices, unfair means and illegal activities at all times throughout the term of this [NDA/MoU].</p>	To replace the section of the [NDA/MoU] that contains provisions on compliance with laws.
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