

**CENTRAL SUGARS  
REFINERY SDN BHD  
AND ITS SUBSIDIARIES  
("CSR")**

**ANTI-BRIBERY AND  
ANTI-CORRUPTION  
("ABAC") MANUAL**



# CSR ANTI-BRIBERY AND ANTI-CORRUPTION MANUAL

To:	All Employees		
Date:	1 June 2020	Ref. No.	CSR_ABAC/001
Matter:	CSR Anti-Bribery and Anti-Corruption Manual		
Version	1.0		

# CSR ABAC COMMITMENT

We, at Central Sugars Refinery Sdn Bhd and its subsidiaries (hereinafter referred to as “**CSR**”) are committed to uphold and maintain the highest standard of integrity and ethics in conducting our business and day-to-day operations. We do not condone bribery and corruption activities and we adopt a strictly zero-tolerance policy against such unlawful and unethical conducts.

In order to ensure that our business operations and transactions are open, transparent and honest, we would like to draw all Employees’ and our Business Partners’ attention to the following Anti-Bribery and Anti-Corruption Manual. It is the duty of all Employees and Business Partners acting for and on behalf of CSR to strictly adhere to and abide by the provisions as set out in this Anti-Bribery and Anti-Corruption Manual.

# TABLE OF CONTENT

	<b>CONTENT</b>	<b>PAGE NUMBER</b>
	<b>CSR ABAC COMMITMENT</b>	<b>3</b>
<b>SECTION 1</b>	<b>INTRODUCTION</b>	<b>6</b>
<b>SECTION 2</b>	<b>SCOPE AND APPLICATION</b>	<b>12</b>
<b>SECTION 3</b>	<b>DESIGNATED OFFICER AND INVESTIGATION COMMITTEE</b>	<b>14</b>
<b>SECTION 4</b>	<b>DUTIES AND RESPONSIBILITIES OF EMPLOYEES AND BUSINESS PARTNERS</b>	<b>18</b>
<b>SECTION 5</b>	<b>ANTI-BRIBERY AND ANTI-CORRUPTION POLICY</b>	<b>20</b>
<b>SECTION 6</b>	<b>GIFT, ENTERTAINMENT &amp; HOSPITALITY</b>	<b>23</b>
<b>SECTION 7</b>	<b>FACILITATION PAYMENTS</b>	<b>39</b>
<b>SECTION 8</b>	<b>SPONSORSHIPS, DONATIONS AND CHARITABLE CONTRIBUTIONS</b>	<b>41</b>
<b>SECTION 9</b>	<b>DEALINGS WITH THIRD PARTIES</b>	<b>45</b>
<b>SECTION 10</b>	<b>DEALINGS WITH PUBLIC OFFICIALS</b>	<b>52</b>
<b>SECTION 11</b>	<b>CONFLICT OF INTEREST</b>	<b>53</b>
<b>SECTION 12</b>	<b>MONEY LAUNDERING</b>	<b>58</b>
<b>SECTION 13</b>	<b>RECORD-KEEPING</b>	<b>60</b>
<b>SECTION 14</b>	<b>RECRUITMENT POLICY</b>	<b>61</b>
<b>SECTION 15</b>	<b>SUPPORT LETTER</b>	<b>62</b>

<b>SECTION 16</b>	<b>WHISTLEBLOWING POLICY</b>	<b>63</b>
<b>SECTION 17</b>	<b>DAWN RAID GUIDELINES</b>	<b>69</b>
<b>SECTION 18</b>	<b>TRAINING AND AWARENESS</b>	<b>79</b>
<b>SECTION 19</b>	<b>CONTINUOUS IMPROVEMENT</b>	<b>80</b>
<b>SECTION 20</b>	<b>OWNERSHIP</b>	<b>81</b>
<b>SECTION 21</b>	<b>RECOGNITION OF LOCAL AND INTERNATIONAL LAWS</b>	<b>82</b>
<b>APPENDIX I</b>	<b>DUE DILIGENCE CHECKLIST IN RESPECT OF THIRD PARTIES</b>	
<b>APPENDIX II</b>	<b>WRITTEN DECLARATION BY THIRD PARTIES</b>	
<b>APPENDIX III</b>	<b>STAFF DECLARATION FORM</b>	
<b>APPENDIX IV</b>	<b>TRAINING PARTICIPATION CONFIRMATION</b>	

## SECTION 1: INTRODUCTION

Bribery and corruption are illegal activities which present significant risk to the business as well as to the social, economic and political scenes. As part of CSR's core objectives to foster an anti-bribery and anti-corruption culture within the company, CSR has prepared this Anti-Bribery and Anti-Corruption Manual ("**ABAC Manual**") as a guidance to Employees and its Business Partners on how to deal with improper solicitations, bribes and other corrupt activities and issues that may arise during the course of business.

This ABAC Manual aims to set out the parameters to prevent the occurrence of bribery and corrupt practices within CSR. It is not intended to be an exhaustive guideline and does not offer definitive solutions to every corruption and bribery situation. If you do not understand any part of this ABAC Manual and / or are uncertain as to how it is applicable to you, you should seek advice from the Senior Management or the Designated Officer appointed for this purpose.

This ABAC Manual adheres to the Malaysian Anti-Corruption Commission Act 2009 ("**MACC Act 2009**") and is guided by the Guidelines Policy on Adequate Procedures issued pursuant to section 17A (5) of the MACC Act 2009. Where applicable, this ABAC Manual should also be read together with other policies and procedures that may be issued by CSR from time to time.

Employees should familiarise themselves and shall strictly abide by the provisions of this ABAC Manual. Non-compliance of this ABAC Manual may constitute a misconduct which may be subject to disciplinary action(s).

## 1.1 OBJECTIVES

The objectives of this ABAC Manual are, amongst others, to:

- To ensure that CSR's business is conducted with integrity and in a transparent, honest and fair manner;
- To foster an anti-bribery and anti-corruption culture within CSR and to protect CSR and its Board of Directors and Senior Management from bribery and corruption risks;
- To uphold high level of professionalism and personal values in all business transactions and decisions;
- To establish procedures designed to detect, prevent and eliminate bribery and corruption practices within CSR;
- To raise awareness among all Employees on bribery and corruption issues;
- To provide guidance on how to recognise and overcome bribery and corruption issues;
- To maintain confidence in CSR's integrity and ethics within the community; and
- To comply with the anti-bribery and anti-corruption laws, guidelines and initiatives led by the Government and the authorities.

## 1.2 DEFINITIONS & ABBREVIATIONS

“**ABAC**” means this Anti-Bribery and Anti-Corruption.

“**ABAC Manual**” means this Anti-Bribery and Anti-Corruption Manual.

“**Affiliates**” means with respect to any person (which for the purposes of this definition shall include individuals and all legal entities), any other person directly or indirectly controlling, controlled by, or under common control with such person where “control” means the possession of the power, directly or indirectly, to direct or to cause the direction of the management and policies of a person, whether through ownership of voting securities or equity interests, through common directors, trustees or officers, by contract or otherwise.

“**BOD**” or “**Board of Directors**” or **Directors (Executive and Non-Executive)** means the Board of Directors of CSR.

“**Business Partners**” means Affiliates, related companies, joint venture partners, business partners and all contractors, sub-contractors, consultants, agents, representatives and any third party who performs work or services for or on behalf of CSR.

“**CSR**” or “**Company**” or “**We**” means Central Sugars Refinery Sdn Bhd and its subsidiaries, including but not limited to Central Sugars Refinery (Padang Terap) Sdn Bhd.

“**Designated Officer**” means the person appointed by the Board of Directors to oversee, implement and enforce the ABAC Manual.

“**Employee(s)**” or “**You**” for the purpose of this ABAC Manual, means any person under the employment of CSR, including part-time or full-time, on a permanent basis or contractual or temporary basis, local or foreign and includes the Directors (Executive and Non-Executive) and Senior Management of CSR.

“**Gratification**” shall have the same meaning as defined in the MACC Act 2009 and may include, but not limited to: (i) money, donation, gift, loan, fee, reward, valuable security, or any items of monetary value; (ii) any property or immovable property of monetary value; (iii) offer of employment or



contract, or a lucrative office or position; and (iv) any favours or undertaking or promise which may or may not be of monetary value.

**“Gift and Hospitality Register”** means a document for the purpose of recording the receipt of gift and hospitality which shall be prepared by the Designated Officer in a manner as he or she deems fit.

**“MACC”** means the Malaysian Anti-Corruption Commission.

**“MACC Act 2009”** means the Malaysian Anti-Corruption Commission Act 2009.

**“Senior Management”** means the high-level executives of CSR but does not include the Board of Directors.

**“Talian Etika”** means a channel to disclose or raise concerns on bribery, unethical behaviour, malpractice, illegal act or failure to comply with this ABAC Manual.

## 1.3 THE MACC ACT 2009

1.3.1 Bribery or corruption is a punishable offence under the Malaysian Anti-Corruption Commission Act 2009 (“**MACC Act**”). The main offences as prescribed by the MACC Act 2009 are as follows: -

- a. Soliciting or receiving gratification (s16 and s17(a));
- b. Offering / giving gratification (s17(b));
- c. Offering / giving gratification to an agent or being an agent with the intention to deceive the principal with false claims (s18); and
- d. Using office or position for gratification (s23).

1.3.2 Gratification, as defined under the MACC Act, includes, but not limited to:

- money, donation, gift, loan, fee, reward, valuable security, or any items of monetary value;
- any property or immovable property with monetary value;
- offer of employment or contract, or a lucrative office or position; and
- any favours or undertaking or promise which may or may not be of monetary value.

1.3.3 An individual who is found to have engaged in any of the conduct set out in paragraph 1.3.1 above would be liable for a criminal offence and subject to penalties under the MACC Act 2009.

1.3.4 With the introduction of Section 17A of MACC Act 2009, a commercial organisation (for example, CSR) is also deemed to have committed a bribery offence if a person associated with the commercial organisation, such as its director, employee, agent, business partner gives, agrees to give, promises or offers to any person any gratification, whether for the benefit of that person or another person with the intent to retain a business advantage or to gain business for the commercial organisation.

- 1.3.5 If the commercial organisation is found to be guilty, the management of the commercial organisation such as a director, controller, officer or partner or who is concerned with the management (for example, the Board of Directors, Chief Executive Officer and Managing Director and Senior Management of CSR) is deemed to have committed that offence. He or she may be subject to a financial penalty or jail term or both, unless he or she can prove that the offence was committed without his or her consent or connivance and that he or she has exercised due diligence in preventing the commission of that offence.
- 1.3.6 The penalties for offences of bribery and corruption for commercial organisations include the imposition of a substantial fine of not less than 10 times the sum or value of gratification or RM1 million, whichever is higher, and / or up to 20 years of imprisonment.
- 1.3.7 It is therefore imperative for everyone to fully understand the risks and severities of bribery and corruption offences and to ensure that all business affairs are conducted in a fair, transparent and bribery-free manner.

**Examples:**

Scenario	Who is liable?
1. If an Employee accepts a bribe.	<ul style="list-style-type: none"> <li>Employee</li> </ul>
2. If an Employee gives or offers a bribe to a third party in order to secure a contract for CSR.	<ul style="list-style-type: none"> <li>Employee</li> <li>CSR, BOD and Senior Management</li> </ul>
3. If an Employee <b>attempts</b> to give a bribe to a public official but did not actually do so.	<ul style="list-style-type: none"> <li>Employee</li> <li>CSR, BOD and Senior Management</li> </ul>
3. If a supplier of CSR gives or offers a bribe to a third party in order to perform a service for CSR.	<ul style="list-style-type: none"> <li>Supplier</li> <li>CSR, BOD and Senior Management</li> </ul>
4. If a supplier of CSR <b>attempts</b> to give a bribe to third party in order to perform a service for CSR but did not actually give.	<ul style="list-style-type: none"> <li>Supplier</li> <li>CSR, BOD and Senior Management</li> </ul>

## SECTION 2: SCOPE AND APPLICATION

### 2.1 **Board of Directors, Senior Management and Employees of CSR**

2.1.1 This ABAC Manual is intended to apply to each and every employee of CSR and its subsidiaries, whether part-time or full-time, on a permanent basis or contractual or temporary basis, local or foreign and includes the Directors (Executive and Non-Executive) and Senior Management of CSR. For the purposes of this ABAC Manual, the aforementioned shall hereinafter be collectively referred to as “**Employees**”.

### 2.2 **Business Partners of CSR**

2.2.1 This ABAC Manual is also applicable to all Business Partners of CSR, whether it is an Affiliate of CSR, related company, joint venture partner, business partner, contractor, sub-contractor, consultant, agent, representative or any third party who performs work or services for or on behalf of CSR.

2.2.2 In the event there is any inconsistencies between the laws and this ABAC Manual, you should comply with the law. If you perceive that any policy in this ABAC Manual is inconsistent with the law in your jurisdiction, you should immediately consult the relevant personnel within your jurisdiction for clarification, rather than disregard this ABAC Manual without prior consultation.

### 2.3 **Revision to this ABAC Manual**

2.3.1 We will continually monitor the adequacy and effectiveness of this ABAC Manual through feedback received from our Employees and Business Partners. Therefore, this ABAC Manual may be subject to review or revision from time to time.

2.3.2 Should you have any request for review or revision, you may submit your written request to the Designated Officer at [csrabac@central-sugars.com.my](mailto:csrabac@central-sugars.com.my).

## 2.4 Validity of this ABAC Manual

2.4.1 This ABAC Manual shall be effective immediately upon the approval of the Board of Directors of CSR.

## 2.5 Interpretation of this ABAC Manual

2.5.1 This ABAC Manual shall be read together with all existing applicable laws and internal policies (such as Employee Handbook) in place.

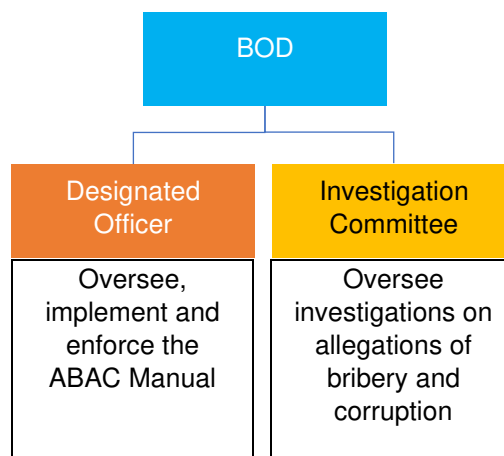
2.5.2 This ABAC Manual serves as a guidance and it is not meant to be exhaustive. In the event that there is any conflicts or discrepancies between this ABAC Manual and the applicable laws, the applicable laws shall always prevail.

2.5.3 All capitalised terms used in this ABAC Manual have been defined in Section 1.2.

## 2.6 Concerns about this ABAC Manual

2.6.1 If you have any concerns regarding any provisions of this ABAC Manual, or if you have any queries regarding the same, you should not hesitate to contact the Senior Management or the Designated Officer directly.

## 2.7 Governance Structure Pursuant to this ABAC Manual



## SECTION 3: DESIGNATED OFFICER AND INVESTIGATION COMMITTEE

### 3.1 DESIGNATED OFFICER

#### 3.1.1 Appointment of Designated Officer

3.1.1.1 The Designated Officer shall be appointed by the Board of Directors, who shall oversee, implement and enforce the compliance of this ABAC Manual.

3.1.1.2 The Designated Officer shall report directly to the Board of Directors from time to time regarding the implementation of this ABAC Manual.

3.1.1.3 The Designated Officer can be contacted at [csrabc@central-sugars.com.my](mailto:csrabc@central-sugars.com.my).

#### 3.1.2 Removal

3.1.2.1 The Designated Officer shall be so appointed until and unless:

- a. The Designated Officer ceases to be an employee of CSR; or
- b. The Board of Directors is of the view that the Designated Officer is, for whatever reason, no longer capable of serving or is unfit as a Designated Officer.

#### 3.1.3 Powers, Duties and Responsibilities

3.1.3.1 The Designated Officer shall have the following powers, duties and responsibilities:

##### *Allegations or Complaints of Bribery and Corrupt Activities*

- To receive, evaluate and consider all allegations or complaints made regarding any bribery or corrupt activities involving CSR;
- To commence, conduct and execute investigations in the manner provided by this ABAC Manual;

- To appoint personnel within CSR as he or she deems fit to assist in the investigation or to be part of the investigation team;
- To appoint external counsel or consultants to be part of the investigation team;
- To consider whether to set up an Investigation Committee in consultation with the Board of Directors;
- To appoint members of the Investigation Committee subject to the approval of the Board of Directors;

*Provisions and Application of ABAC Manual*

- To administer and implement this ABAC Manual;
- To advocate compliance with this ABAC Manual;
- To provide guidance and clarification regarding the provisions of this ABAC Manual;
- To receive feedback and proposals to amend and revise this ABAC Manual from Employees, Business Partners or external counsel;
- To seek the approval of the Board of Directors to amend, revise, revoke this ABAC Manual;
- To appoint personnel within CSR or external consultant as he or she deems fit to assist in the implementation / ensuring compliance with this ABAC Manual; and
- Any other powers and duties as may be considered necessary and appropriate by the Board of Directors.

## **3.2 INVESTIGATION COMMITTEE**

### **3.2.1 Appointment**

3.2.1.1 To ensure the effective enforcement of this ABAC Manual, the Designated Officer shall in consultation with the Board of Directors, set up an Investigation Committee on an ad-hoc basis to commence, conduct and execute investigations, where appropriate, on allegations of bribery and corruption. The Investigation Committee's composition, jurisdiction and scope will depend on the nature and severity of the allegation.

3.2.1.2 The Designated Officer shall have the discretion to appoint the members of the Investigation Committee as he or she deems fit including but not limited to external lawyers or consultants, subject to the approval by the Board of Directors.

3.2.1.3 There shall be a chairperson within the Investigation Committee who shall administer the discussions among the Investigation Committee. The Designated Officer shall be responsible for meeting minutes and ensuring that all discussions are properly documented.

3.2.1.4 The person (including the Designated Officer), who is, or whose division or Employees are subject to the investigation shall not be part of the Investigation Committee for the purpose of the investigation. If the Designated Officer is not available to be part of the Investigation Committee pursuant to this, then there shall be a replacement for the Designated Officer to carry out the duties of the Designated Officer and any such replacement shall be appointed by the Board of Directors.

### **3.2.2 Duties and Responsibilities**

3.2.2.1 The main duties and responsibilities of the Investigation Committee shall be as follows:

- a. To commence, conduct and execute investigations;
- b. Consider and evaluate the adequacy of the evidence to conclude the investigation; and



- c. Prepare a report on the findings of the investigation and propose appropriate recommendations to the Board of Directors.

### 3.3 FINDINGS BY THE INVESTIGATION COMMITTEE

3.3.1 The findings and recommendations by the Investigation Committee shall be presented to the Board of Directors whereby the Board of Directors shall decide on the next appropriate course of action.

3.3.2 The Designated Officer shall document and record all decisions and discussions of the Investigation Committee in the form of minutes of meeting. The minutes of meeting shall be reviewed and approved by the chairman of the Investigation Committee before it is disseminated to the rest of the members of the Investigation Committee.

#### Process of Investigation



## **SECTION 4: DUTIES AND RESPONSIBILITIES OF EMPLOYEES AND BUSINESS PARTNERS**

### **4.1 YOUR DUTIES AND RESPONSIBILITIES**

4.1.1 All Employees and Business Partners acting for or on behalf of CSR are required to carry out the responsibilities and obligations as set out in the provisions of the ABAC Manual and at all times work closely and cooperate with CSR to eliminate and prevent any bribery or corrupt activities from taking place within CSR.

4.1.2 Your duties and responsibilities are, amongst others: -

- Read and understand this ABAC Manual;
- If you are an Employee, submit the written declaration that you have read, understood and agreed to abide by this ABAC Manual, as set out in Appendix III of this ABAC Manual;
- If you are a Business Partner, submit the written declaration that you have read, understood and agreed to abide by this ABAC Manual, as set out in Appendix II of this ABAC Manual;
- Constantly refer to this ABAC Manual as a guide when carrying out your functions or services for or on behalf of CSR in the day-to-day business operations;
- Adhere to all the requirements as set out in the provisions of this ABAC Manual;
- Participate and cooperate with CSR in any of its bribery risk assessment processes;
- Participate and attend all trainings conducted by CSR and appointed counsel or consultants;
- Not engage in any activities which may violate this ABAC Manual or act in any manner which may put CSR at risk;

- Do not hesitate to seek for clarification or guidance from the Senior Management or the Designated Officer if you have any questions regarding the provisions of this ABAC Manual; and
- Do not hesitate to report any unlawful activities which are in violation of this ABAC Manual or when you have good reasons to believe that the unlawful activities are in violation of this ABAC Manual.

## **4.2 CONSEQUENCES OF POLICY VIOLATIONS**

4.2.1 If you are an Employee of CSR, and you have violated this ABAC Manual, or where CSR has good reasons to believe that you have violated any provisions within this ABAC Manual, you will be subject to disciplinary action(s). Such disciplinary action(s) may result in dismissal.

4.2.2 If you are a Business Partner of CSR, and CSR has good reasons to believe that you have violated any provisions within this ABAC Manual, CSR shall have the right to terminate its contract / agreement / services with you with immediate effect. In this regard, you agree that CSR shall not be liable to you for any losses or damages including consequential losses or damages as may be incurred by you as a result of such termination.

## **SECTION 5: ANTI-BRIBERY AND ANTI-CORRUPTION POLICY**

5.1 CSR adopts a zero-tolerance policy towards bribery and corruption activities. Therefore, as an Employee or a Business Partner of CSR who performs services or acts on behalf of CSR, you are prohibited from all forms of bribery and corruption and shall refrain from, whether directly or indirectly, giving bribe and / or receiving any bribe from, any personnel, official, agent, individual of any government, commercial entity, or individual in connection with the business or activities of CSR.

5.2 As a measure to combat and prevent bribery and corrupt practices, CSR requires all Employees to, prior to engaging into any business transaction, conduct due diligence on all personnel, official, agent, individual, whether of government or commercial entity, Business Partners, projects and major business activities including sponsorships, donations, and charitable funding. Such due diligence shall be conducted in line with this ABAC Manual and further details can be found in Section 9 - Dealings With Third Parties of this ABAC Manual.

### **5.3 WHAT IS CORRUPTION?**

5.3.1 Corruption is the misuse of entrusted power where a person takes advantage of his or her position for a private or personal gain. Corruption erodes trusts and is an unlawful, dishonest and deceptive behavior which will not be condoned by CSR.

5.3.2 Corruption can take any form, anywhere at any time and can involve anyone. It can take place where the offer for bribe or giving of a bribe is made through a third party or an intermediary.

5.3.3 Bribery is a common form of corruption.

### **5.4 WHAT IS BRIBERY?**

5.4.1 Bribery is the act of giving and offering to give, any gratifications with the intent to gain any benefit or advantage, whether on behalf of CSR or otherwise, or any gratifications received or solicited in exchange for granting a benefit or advantage on behalf of CSR.

## Examples of gratifications\*



*Please note that this is a non-exhaustive list.*

### 5.5 EXAMPLES OF CORRUPTION:

#### Example 1:

A supplier bought a Rolex watch for an employee as a gift for awarding the supply and sales contract to the supplier.

#### Example 2:

A company employs a public official's son to influence the award of contracts from the said public official.

#### Example 3:

An employee hinted to the supplier that the employee hoped to bring the employee's whole family for a trip to America. The next day, the supplier bought first-class flight tickets to America together with paid accommodation for the employee and the employee's family. The employee then awarded a contract to the supplier.

## 5.6 COMMON GRATIFICATIONS

### a. **Gifts, Entertainment, Hospitality**

- When a person gives or offers to give any gifts, entertainment or extend any hospitality in return for a personal gain, business advantage or to influence a business decision.
- Detailed explanation of what constitutes gifts, entertainment and hospitality is stipulated in Section 6.

### b. **Facilitation Payment**

- When a person gives a payment or fees to secure or expedite the performance of a routine or necessary action (such as, licence application, business certifications, approval etc.).

### c. **Sponsorship and Donation**

- When a person sponsors, donates, or offers to sponsor or donate as a disguise for payment or reward to the recipient, so as to obtain business advantage or to influence a business decision.

### d. **Conflict of Interest**

- When a person's interest is conflicted as he or she is acting in regard to another interest which he or she has other than the company's interest.

### e. **Kickbacks**

- A form of bribery in which a commission or other remuneration is paid in exchange for an advantage or other services rendered. For example, a payment from the supplier (giver of bribe) after an award of contract where the supplier gives the bribe by kicking part of the contract fee back to the employee (recipient of bribe), either directly or indirectly through an agent or intermediary.

## SECTION 6: GIFT, ENTERTAINMENT & HOSPITALITY

### 6.1 GENERAL GUIDE ON GIFT

- 6.1.1 Gifts may be seen as a bribe or a form of gratification that may trigger risks for bribery and corruption.
- 6.1.2 Gifts is defined as anything in the form of goods or services, including anything that can be of any value to the person receiving it (however minimal the value), such as but not limited to festive hampers, vouchers, gift cards, coupons, or tickets for any entertainment purposes.
- 6.1.3 As part of efforts to ensure that CSR's business is conducted with integrity and in a transparent, honest and fair manner, all Employees of CSR including their family members are prohibited from directly or indirectly, at any time or at anywhere, giving and receiving gifts, save for certain limited exceptions as stipulated below.
- 6.1.4 You are advised to consult the Senior Management or the Designated Officer if you are faced with a situation where you have been offered or have received a gift or someone has solicited a gift from you.

#### Examples of Gifts\*



\* Please note that this is a non-exhaustive list.

## 6.2 GIVING GIFTS

6.2.1 Generally, all Employees of CSR and Business Partners acting on behalf of CSR including their family members are prohibited from giving or offering to give any gifts to any third party for whatever reason and at any time, unless with the approval of the Senior Management or Designated Officer pursuant to Section 6.7.2 below OR it falls under any of the following:

- a. Corporate or festive gifts, the value of which is not more than RM500 per item;
- b. Commemorative gifts, the value of which is not more than RM5,000 per item and provided that it is accompanied with CSR's logo or brand; and
- c. Token gifts of nominal value bearing CSR's logo or brand that are normally given out to members of the public and not limited only to Employees or Business Partners;

provided always that the above is within CSR's ordinary course of business and none of the giving or offering to give shall be for the purpose of influencing a business decision or obtaining a business or personal benefit.

6.2.2 All details and expenses incurred to provide the gifts must be properly kept, documented and recorded by the respective division / department for accounts and audit purposes.

6.2.3 In addition to Section 6.2.1, if prior approval of the Senior Management or Designated Officer is, for whatever reason, unable to be obtained or it becomes difficult or impractical to obtain the prior approval of the Senior Management or Designated Officer, you shall immediately submit Appendix V and declare to the Senior Management or Designated Officer at the earliest opportunity and explain the reason why prior approval could not be obtained.



**Limited circumstances where the giving or offering to give Gifts are permissible:**



**Example of DOs & DON'Ts for giving or offering to give gifts**

**Example 1:**

**The Employee wants to buy a gift for the public official with the intention to secure or expedite the licence application that the Employee is applying for or on behalf of CSR. The gift costs approximately RM150.**

**SHOULD DO**

As a matter of good practice, the Employee should not buy the hamper to secure or expedite the licence application because this amounts to corruption even though the value of the hamper is below RM500.

**SHOULD NOT DO**

The Employee buys the hamper as a gift for the public official with the intention to secure or facilitate or expedite the licence application that the Employee is applying for or on behalf of CSR and since the hamper is only RM150 only (Note: All public officials are not allowed to receive any gift in their official capacity).

### Example 2:

**Business Partner of CSR told the Employee of CSR that the Business Partner would buy CSR's product if the Employees bought him a Rolex watch.**

#### **SHOULD DO**

The Employee should politely decline and immediately inform the Senior Management or the Designated Officer of the incident.

#### **SHOULD NOT DO**

The Employee buys the Rolex watch for the Business Partner because the Employee wants to meet sales target for CSR.

### Example 3:

**The Employee or agent bought a gift for a public official with the intention to secure or expedite a business permit on behalf of CSR. The Employee asked his wife to deliver the gift to the public official's wife during a high-tea meet-up.**

#### **SHOULD DO**

The Employee or agent should not give the gift to the public official because this amounts to corruption.

#### **SHOULD NOT DO**

The Employee or agent gives the gift to the public official's wife through his wife because he or she thinks that the gift will not be seen as a direct gift from the Employee to the public official.

## 6.3 RECEIVING GIFTS

- 6.3.1 Subject to Section 6.3.2 below, all Employees of CSR including their family members are prohibited from receiving gifts or soliciting gifts from any third party or Business Partners of CSR.

- 6.3.2 Generally, gifts are considered acceptable only if: -
- a. The acceptance of which does not influence the Employee's work performance and judgment; and
  - b. The nature and value of the gift is not outside CSR's ordinary course of business, for example fruits, flowers, token gifts / festive gifts with an approximate / actual value of less than RM500 is acceptable provided also that it is shared amongst team members or placed in a common area / pantry for consumption.
- 6.3.3 Any gift of cash or cash value (e.g. vouchers, gift cards, coupons, shares) is strictly prohibited.
- 6.3.4 Any gift received by CSR and / or its Employees within Section 6.3.2 should be recorded in the Gift and Hospitality Register.
- 6.3.5 Any gift received by CSR and/or its Employees that is above the threshold of RM500 or outside Section 6.3.2 must be returned to the third party together with a thank you note and a polite explanation about CSR's ABAC Manual, unless approval is obtained from the Senior Management or Designated Officer by submitting the form in Appendix V.
- 6.3.6 In the event the third party insists on giving the gift or if the Employee is unable to return or decline the gift, the Employee must declare to the Senior Management or Designated Officer by submitting the form in Appendix V, who will then in turn decide the best way to deal with the gift and any subsequent actions that may be required.

**Limited circumstances where the receiving or accepting of Gifts are permissible:**



**Example 1:**

**Supplier bought a watch and gave it to the Employee with the intention to influence the Employee to award a contract to the Supplier.**

<b><u>SHOULD DO</u></b>	<b><u>SHOULD NOT DO</u></b>
<p>The Employee should politely reject the gift together with a thank you note and explain to the supplier that it is against CSR's ABAC Manual to accept any gifts from the supplier.</p>	<p>The Employee accepts the gift and awards the contract to the Supplier.</p>

**Example 2:**

**Supplier bought a hamper which costs RM1,000 and delivered the hamper to the Employee's house.**

**SHOULD DO**

The Employee should return the hamper and politely reject the hamper together with a thank you note and explain to the supplier that it is against CSR's ABAC Manual to accept any gifts from the supplier.

If the Supplier refuses to take the hamper back, the Employee should fill up Appendix V and submit it to the Senior Management / Designated Officer.

**SHOULD NOT DO**

The Employee accepts the hamper because it was delivered to the Employee's house since no one else would know except for the Employee.

**Example 3:**

**Supplier bought an expensive handbag for the Employee's wife as a gift with the intention to secure a contract from the Employee.**

**SHOULD DO**

The Employee should return or request the wife to return the handbag and politely reject together with a thank you note and explain to the supplier that it is against CSR's ABAC Manual to accept any gifts from the supplier especially when it is for the purpose of influencing a business decision.

**SHOULD NOT DO**

The Employee allowed the wife to accept the handbag because the gift was given to the wife and not to the Employee.

#### Example 4:

**Business Partner of CSR bought AEON vouchers in the sum of RM200 as a Hari Raya gift to the Employee. When the Employee returns the AEON vouchers to the Business Partner and explains that this is a violation of CSR's ABAC Manual, the Business Partners declined taking back the AEON vouchers and insisted that the Employee accepts it.**

#### **SHOULD DO**

The Employee should record the details of the incident and record in the Gift and Hospitality Register with the Senior Management / Designated Officer. Alternatively, and as a good practice, the Employee can politely decline the AEON vouchers or hand it over to the Senior Management / Designated Officer, who will decide on the appropriate steps.

#### **SHOULD NOT DO**

Since the Business Partner has insisted and since RM200 does not seem to be a big amount, the Employee decided to accept it but does not fill up the Gift and Hospitality Register.

## **6.4 HOSPITALITY AND ENTERTAINMENT**

6.4.1 Bribery need not necessarily involve money, gifts or anything of large value. It may include meals, free lodging, free travels, discounts, rebates or any advantages provided to the recipient, with the intention to obtain a business advantage or to influence a business decision.

6.4.2 There is no prohibition for the Employees of CSR to extend legitimate, appropriate and justifiable hospitality and entertainment to its customers or any third parties in the course of discharging their duties and functions or when conducting marketing activities or business for and on behalf of CSR.

### **6.4.3 What is Hospitality?**

- Hospitality generally includes dining, concerts, event tickets, paid holidays, memberships, or invitation for events.

#### 6.4.4 What is Entertainment?

- Entertainment generally includes movies, karaoke, golf, spa, massage.

6.4.5 Whilst it may be commonly considered a legitimate contribution to a good business relationship to provide and receive an appropriate level of hospitality and entertainment in the normal course of business, it is important to note that it may sometimes create a negative impression or perception if observed or known by others regardless of the motives behind providing such hospitality and entertainment.

6.4.6 Generally, solicitation or receipt of hospitality and entertainment for the purpose of obtaining or in anticipation of a business advantage could be seen as a form of corruption.

6.4.7 Therefore, CSR requires all Employees and all Business Partners acting on its behalf and their family members to, at all times, exercise good and reasonable judgment and care before accepting or providing such hospitality and entertainment, particularly from or to parties engaged in a tender or competitive bidding exercise.

6.4.8 Any act of such nature, whether provided directly or indirectly through an intermediary or family member, may still be construed as an act of bribery.

#### **ACCEPTABLE**

- Modest, transparent and proportionate to the set of circumstances
- Not to influence a business decision, but as a legitimate gesture of goodwill
- Proper recording of the expenses incurred, and proper approval is obtained

#### **NOT ACCEPTABLE**

- To influence a business decision
- Contain a direct or indirect suggestion, hint, implication that a benefit is gained in return for providing the hospitality / entertainment
- Affects business judgment
- Lavish, excessive, unreasonable, uncommon and disproportionate

to the set of circumstances, for whatever reasons

- That may tarnish the reputation of CSR
- Contains illegal activity or otherwise breach any laws

whether local or foreign

## 6.5 PROVIDING HOSPITALITY AND ENTERTAINMENT

6.5.1 CSR understands that providing hospitality through corporate events, sporting events or other public events may be a legitimate way to network and build good business relationships.

6.5.2 Be that as it may, the Employees of CSR and Business Partners acting on behalf of CSR must still exercise good and reasonable care to protect CSR's reputation against any allegations of conflict of interest, impropriety or bribery when such hospitality could influence or be perceived as influencing a business decision.

6.5.3 There should always be an open and transparent criterion to determine the type of hospitality suitable for the guests to be invited to such corporate hospitality organised by CSR.

6.5.4 Certain CSR Employees are allowed to offer meals and hospitality to the Business Partners and any other parties engaged with CSR for, among others, the following situations or circumstances:

- (i) It is related to the business and activities of CSR;
- (ii) It is not for spouses, family members and other non-business guests;
- (iii) The cost of the meal and hospitality does NOT exceed the thresholds as per the table below:



<b>JOB GRADE</b>	<b>PER EVENT</b>
A1 (Senior General Manager)	RM5,000
A1 (General Manager) – A2 (Assistant General Manager)	RM2,000
B1 (Senior Manager) – B2 (Manager)	RM500
C1 (Assistant Manager) and below	RM300

- (iv) If the cost of the meal and hospitality exceeds the threshold in Section 6.5.4(iii) above, prior approval must be obtained from the Senior Management / Designated Officer pursuant to Section 6.7.2 below;

provided that all hospitality and entertainment must not be for the purpose of influencing a business decision or obtaining a business or personal advantage.

- 6.5.5 In addition to Section 6.5.4(iv), if the prior approval of the Senior Management or Designated Officer is, for whatever reason, unable to be obtained or it becomes difficult or impractical to obtain the prior approval of the Senior Management or Designated Officer, you shall immediately declare to the Senior Management or Designated Officer at the earliest opportunity and explain the reason why prior approval could not be obtained.
- 6.5.6 All details and expenses incurred for such hospitality shall be duly recorded and properly kept by the respective division or department for accounts and audit purposes.
- 6.5.7 Employees and Business Partners acting on behalf of CSR should be aware that there are international anti-bribery and corruption laws that impose strict restrictions on the value of hospitality and entertainment to be offered to a third party, more so when it relates to a public official, for example, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977 and the Australian Criminal Code Act 1995.

**Limited circumstances where the giving or offering hospitality / entertainment are permissible:**



**Example 1:**

**Employee of CSR wants to invite a Business Partner for a lavish dinner which costs about RM6,000 with the intention to influence a business decision.**

**SHOULD DO**

The Employee should not invite the Business Partner for the dinner because the dinner is for the intention to influence a business decision and it is above the threshold allowed.

**SHOULD NOT DO**

The Employee proceeded with the lavish dinner because the Employee wants to secure a business for CSR.

## Example 2:

**Employee of CSR sends an invite to a Business Partner to attend CSR's office for a product-launch event.**

### **SHOULD DO**

The Employee should record all details about the expenses incurred for the event and must be satisfied that it was not a biased decision for inviting the Business Partner. The Employee should also fill up and execute the form in Appendix V.

### **SHOULD NOT DO**

The Employee invites the Business Partner only for the purpose of influencing a business decision.

## **6.6 ACCEPTING HOSPITALITY AND ENTERTAINMENT**

- 6.6.1 Solicitation or receipt of hospitality and entertainment that are excessive, inappropriate, unlawful, unreasonable, uncommon and disproportionate to the set of circumstances or which is outside the ordinary course of business of CSR or for the purpose or in anticipation of influencing a business decision, is strictly prohibited. In this regard, the Employee must politely decline the hospitality and / or entertainment offered together with a thank-you note to explain that this may be a violation of CSR's ABAC Manual.
- 6.6.2 CSR understands that occasional acceptance of an appropriate level of corporate hospitality given in the normal course of business may be required. All Employees of CSR must exercise good and reasonable care in deciding whether to accept a corporate hospitality or entertainment from a Business Partner. All corporate hospitality and entertainment must be declared to the Designated Officer pursuant to Section 6.7 below.
- 6.6.3 Generally, hospitality and entertainment are considered acceptable if: -
- a. The acceptance of which does not influence the Employee's work performance and judgment; and

- b. The nature and value of the hospitality and entertainment is not outside CSR's ordinary course of business and has an approximate / actual value of less than RM500.

6.6.4 Any hospitality received by CSR and / or its Employees should be recorded in the Gift and Hospitality Register.

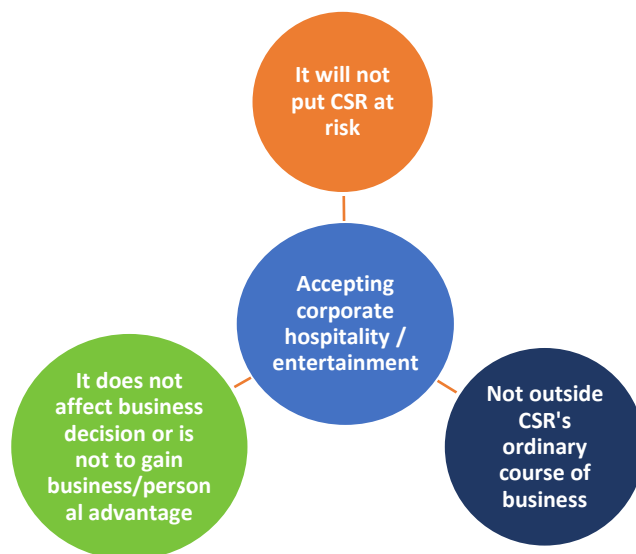
6.6.5 In the event there is any doubt as to the appropriateness of a hospitality and entertainment offered, the Employee should either decline politely or consult the Senior Management / the Designated Officer for advice.

**Example 1:**

**A Business Partner offered to pay for a first-class flight ticket from Malaysia to America to attend a party organised by the Business Partner.**

<u>SHOULD DO</u>	<u>SHOULD NOT DO</u>
The Employee should not accept the invitation and should provide a thank-you note and explain that this may be a violation of CSR's ABAC Manual.	The Employee accepted the hospitality because the Employee has never been to America.

**Limited circumstances where the accepting hospitality / entertainment are permissible:**



## 6.7 GIFT, ENTERTAINMENT & HOSPITALITY REPORTING AND RECORD-KEEPING

6.7.1 All gifts, entertainment and / or hospitality **received** by the Employees should be recorded in the Gift and Hospitality Register.

6.7.2 All details and expenses incurred for **providing or giving** gifts, entertainment and / or hospitality shall be duly recorded and properly kept by the respective division or department for accounts and audit purposes. For gifts that are outside the parameters outlined in this ABAC Manual, the Employee must obtain prior approval from the Senior Management or Designated Officer by submitting the form in Appendix V.

6.7.3 In the event that an Employee **provides or gives** a gift, entertainment and/or hospitality which is outside the parameters outlined in this ABAC Manual, the Employee must obtain prior approval from the Senior Management or Designated Officer by submitting the form in Appendix V.

6.7.4 If the prior approval of the Senior Management or Designated Officer is, for whatever reason, unable to be obtained or it becomes difficult or impractical to obtain the prior approval of the Senior Management or Designated Officer, you shall immediately declare to the Senior Management or Designated Officer at the earliest opportunity and explain the reason why prior approval could not be obtained.

## 6.8 WHEN TO DECLINE?

6.8.1 Generally, all gifts, hospitality or entertainment should be politely declined when:

- The offer is inappropriate or excessive to the set of circumstances or it is outside CSR's ordinary course of business;
- There is a potential risk of conflict of interest; and
- It will put CSR's reputation at risk.

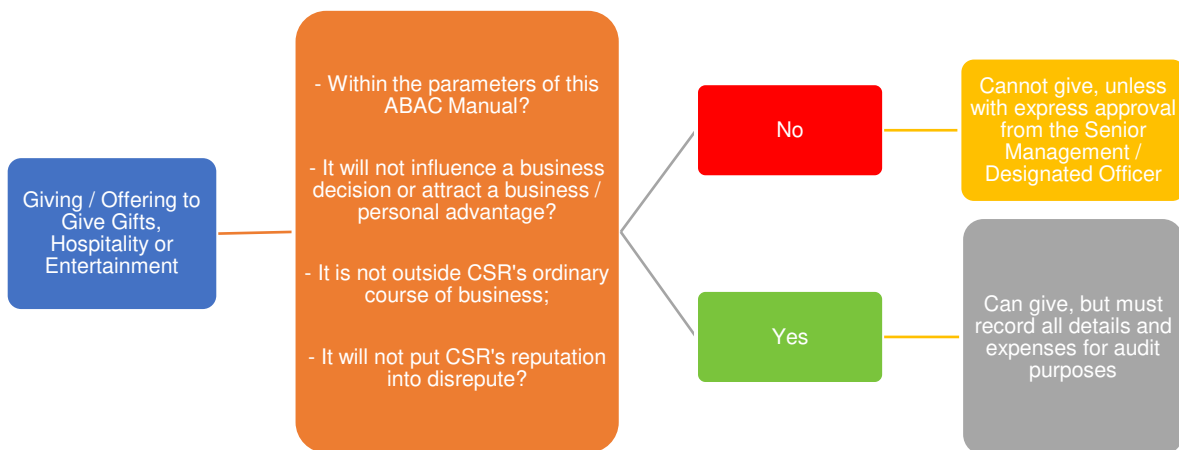
## 6.9 WHAT IF THERE IS AN IMPLICATION?

6.9.1 In the event you have good reasons to believe that you are or have been subject to unfair treatment as a result of your refusal to accept a bribe, you

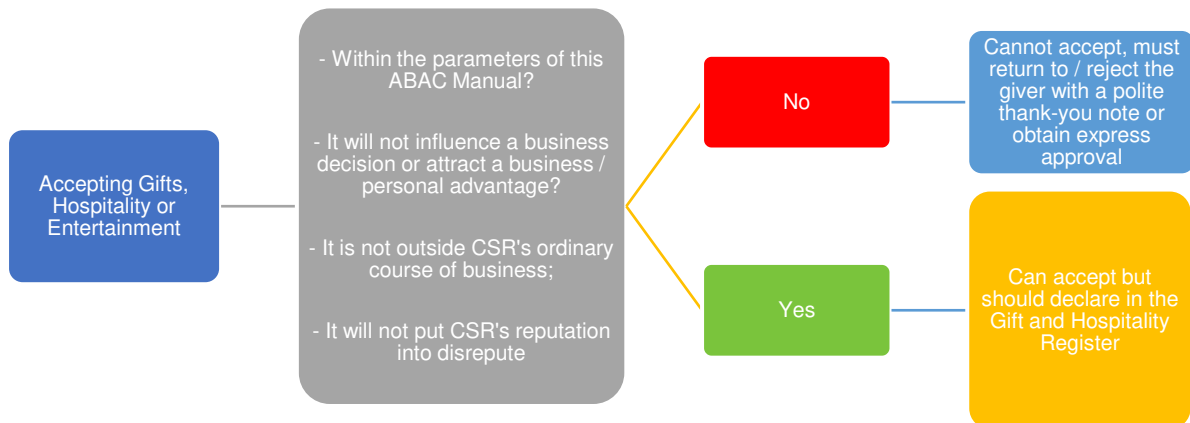
should inform your Senior Management or the Designated Officer immediately.

6.9.2 In this instance, the Designated Officer and/or CSR shall take the necessary steps to investigate and will endeavor to ensure that no one suffers from any detrimental treatment as a result of her or his refusal to accept a bribe.

**To give or not to give**



**To accept or not to accept**



## SECTION 7: FACILITATION PAYMENTS

### 7.1 WHAT IS FACILITATION PAYMENT?

- Facilitation payment is a payment made with the intention to secure or expedite the performance of a routine or an administrative process.

7.2 Giving, offering to give, soliciting, and / or accepting facilitation payments are strictly prohibited as it may be seen as a form of bribery.

7.3 Employees and Business Partners acting on behalf of CSR shall not promise or offer, or agree to give or offer, or make, directly or indirectly, any facilitation payments to any person including public officials.

7.4 If an Employee or Business Partner acting on behalf of CSR faces a request from public officials and/or government officials for facilitation payments to be made, the Employee or Business Partner should decline such request to the extent practicable and immediately report the request to the Senior Management or the Designated Officer.

7.5 If any such facilitation payments are made under coercion or against the will of the Employee, the Employee should also immediately report such payments to the Senior Management or the Designated Officer.

#### Example 1:

**A Public Official is taking more than 3 months to process a licence application. The Employee pays a small fee of RM100 to expedite the process so that the licence application can be processed sooner.**

#### SHOULD DO

The Employee should not pay the small fee of RM100 as it amounts to a facilitation payment which is illegal.

#### SHOULD NOT DO

The Employee pays the RM100 to expedite the process because if the Employee does not get the licence on time, his / her performance bonus will be affected.

**Example 2:**

**The Public Official visited CSR’s office for a schedule inspection associated with a grant of certificate or licence. The Public Official suggests that if CSR pays the Public Official a small fee for “Teh-Tarik” or “Angpow”, the Public Official will immediately grant the certificate or licence.**

**SHOULD DO**

The Employee should not offer any payment to the Public Official as it amounts to a facilitation payment which is illegal

**SHOULD NOT DO**

The Employee pays RM100 to the Public Official to guarantee the grant of certificate.



## SECTION 8: SPONSORSHIPS, DONATIONS AND CHARITABLE CONTRIBUTIONS

### 8.1 SPONSORSHIPS, DONATIONS AND CHARITABLE CONTRIBUTIONS

8.1.1 All donations, sponsorships and charitable contributions by CSR must not be used as a medium to cover up or disguise an undue payment or bribery.

8.1.2 Any sponsorships, donations and charitable contributions must comply with the following: -

- It must not be in violation of any laws including foreign laws;
- It must be done with a bona fide purpose;
- It must not be for the purposes of influencing a business decision;
- It will not cause CSR to be in a position of conflict of interest or put CSR's reputation at risk;
- The decision for donating or sponsoring was done in a fair and transparent manner;
- Appropriate due diligence has been conducted on the recipient and there are no red-flags;
- The recipient is a legitimate organisation;
- The details are accurately recorded and stated in CSR's accounting books and records; and
- It is not done on behalf of public officials and/or their family members.

8.1.3 Employees are expected to exercise good judgment and common sense in assessing the request for sponsorship or donations, and when in doubt, Employees should seek advice from their Senior Management to determine the authenticity of such requests.

## 8.2 APPROVAL LIMITS / BUDGETS

8.2.1 In addition to the above, any sponsorships, donations and charitable contributions must also be done in accordance with the approval limits based on CSR's policies from time to time. CSR Management Delegated Authority ("MDA") effective 1 July 2020 stipulates the following: -

Board of Directors	•Above RM1,000,000
Executive Chairman	•Up to RM1,000,000 per year
Managing Director and Chief Executive Officer	•Up to RM500,000 per year
Head of Department	•Up to RM2,500 or sugar up to 1 MT (max up to RM25,000 or 10MT per year)

## 8.3 DUE DILIGENCE CHECKLIST

8.3.1 Before a contribution, donation or charitable sponsorships are made, the Employee must first conduct a proper due diligence check to ensure that all payments are legitimate and there are no red flags.

8.3.2 Examples of red flags which employees should look out for are as follows:

- The proposed recipient / organisation is not a legitimate organisation;
- The political affiliations of the proposed recipient /organisation or their relatives or associated person(s) suggest that CSR may be perceived as having an improper advantage;
- The contribution is made on behalf of, or to a public official;
- There is a risk that CSR may be perceived as having an improper advantage after the payment is made; and

- The proposed recipient is based in a high-risk country and/or the request comes from a high-risk country. In determining if the proposed recipient is based on a high-risk country, Employees should refer to the Transparency International's Corruption Index.

## **8.4 POLITICAL ACTIVITIES OR CONTRIBUTIONS**

- 8.4.1 CSR may, in certain circumstances, make or offer monetary or in-kind political contributions to political parties, politicians or candidates for parliamentary or state seats in election provided that such provisions are within the limits permissible by the laws and regulations and it is scrutinised by the Designated Officer and approved by the Board of Directors without the intention of influencing any person to act improperly or as a reward for having acted improperly.
- 8.4.2 Political contributions should not be frequently provided or offered to the same recipient politician and political parties.
- 8.4.3 All requests from recipient political parties and politicians for political contributions must be scrutinised by the Designated Officer and must be approved by the Board of Directors.
- 8.4.4 If any political contribution is made, it must be accurately reflected in CSR's books and records and it must not be made or offered with any promise or expectation of any benefits in return.
- 8.4.5 CSR considers that registering and voting, contributing financially to the political party or candidate of one's choice, keeping informed on political matters, serving in civic bodies, and campaigning and officeholding at local, state, and national levels are important rights and responsibilities of the citizens of a democracy.
- 8.4.6 All Employees are encouraged to participate in the political election process by voting. However, Employees engaging in political activities are expected to do so as private citizens and not as representatives of CSR. Personal, lawful, political contributions and decisions to make or not to make contributions will not influence compensation, job security or opportunities for advancement. Any personal political contributions will also not be reimbursed by CSR.

- 8.4.7 Employees are prohibited from using their position in CSR to influence any business associates in making political contributions or giving support to any politicians and parties.

## SECTION 9: DEALINGS WITH THIRD PARTIES

### 9.1 THIRD PARTIES

9.1.1 CSR regularly deals with external third parties, including but not limited to customers, suppliers, agents, consultants, joint venture partners, Business Partners and intermediaries on business dealings (**'Third Parties'**).

9.1.2 CSR condemns any form of bribery and corruption and all external parties having business dealings with CSR shall exercise caution and avoid bribery or corrupt practices which may negatively affect the reputation of the CSR.

9.1.3 All Third Parties having business relationships with CSR, shall not offer or provide, directly or indirectly, to the Employees, any form of bribe, gift, reward, consideration, favour or advantage. Any person who has encountered any offer or received any such improper benefits shall immediately report the same to the relevant Senior Management or Designated Officer.

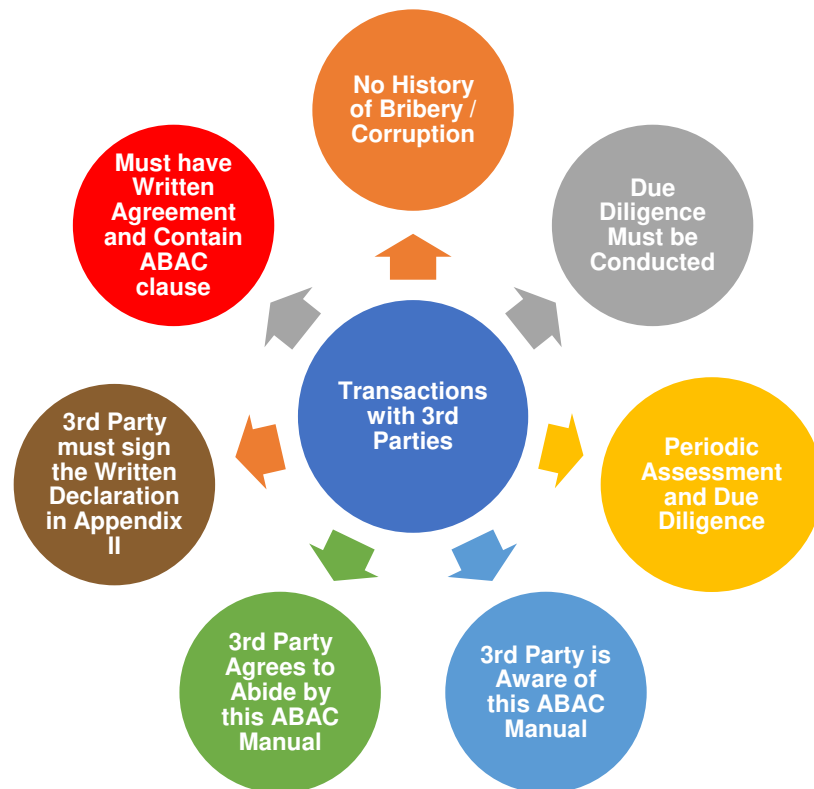
9.1.4 CSR requires all Employees to use good judgment and care when assessing the integrity of the Third Parties.

9.1.5 In order to ensure that CSR only conduct business with Third Parties that share the same standard of integrity, the Employees shall do, amongst others, the following: -

- Conduct due diligence on the Third Parties prior to the business transaction;
- Refrain from entering into any business relationship with Third Parties who have a reputation of engaging and / or are reasonably suspected of engaging in bribery or improper business practices;
- Periodically monitor and continue to be aware of the Third Parties' standard of business;
- Make Third Parties be aware of this ABAC Manual prior to engaging in any business dealings;

- Ensure that there is written agreement or document setting out the scope of agreement;
- Ensure that the agreement or document shall contain anti-bribery and anti-corruption provisions;
- Ensure that the third Parties execute the Declaration at Appendix II, stating as follows:
  - That the Third Party agrees to comply with CSR's ABAC Manual;
  - That the Third Party will make a declaration in relation to any past convictions or investigations, inquiry or any enforcement proceedings for any actual or suspected breach in relation to anti-bribery and anti-corruption matters;
  - That the Third Party will undertake to promptly inform CSR of any breach or alleged/suspected breach of applicable anti-bribery laws;
  - That the provisions in Appendix II shall form part of the terms and conditions of the appointment / contract of service between CSR and the Third Party; and
  - That the Third Party acknowledges that in the event the Third Party breaches any of the terms and conditions of the appointment / contract of service including the terms in this ABAC Manual, CSR shall have the right to terminate or suspend the appointment / contract of service.

## Key Considerations for Entering into a Business Transaction with a Third Party



### 9.2 CONDUCTING DUE DILIGENCE ON THIRD PARTIES

- 9.2.1 Employees should conduct a suitable due diligence exercise to assess the integrity of prospective business counterparties and to understand the business and background of the prospective business counterparties.
- 9.2.2 Employees shall assess accordingly with careful judgment, and not enter into any business dealings with any Third Parties who have a reputation of engaging and / or may reasonably be suspected of engaging in any bribery or improper business practices, save and unless the suspicions are investigated and resolved prior to any formal business arrangements.
- 9.2.3 There is no limitation to the methods or mechanisms used by the Employees to conduct the due diligence so long as it is appropriate, reasonable and in compliance with the law.
- 9.2.4 However, in order to provide guidance to its Employee, CSR has prepared a detailed due diligence checklist on the Third Party which can be found in

Appendix I of this ABAC Manual. All Employees shall conduct due diligence on Third Parties in accordance with this checklist and shall keep a record of the same in the file.



### 9.3 PERIODIC ASSESSMENT ON THIRD PARTIES

9.3.1 Employees shall continue to monitor and periodically conduct assessments on Third Parties (regardless of whether it has a long-established business relationship) to ensure that the Third Parties are not engaged in bribery and corrupt activities which may negatively impact CSR’s reputation.

### 9.4 RED-FLAGS:

9.4.1 If at any point, during the due diligence exercise or in the business dealings, there are issues of conflict of interest or “red-flags” are raised in respect of suspected corrupt practices, CSR should take steps to sufficiently investigate and address the issues identified before the parties progress with further engagement of business.

9.4.2 Examples of “red-flags” involving Third Parties:

- Transactions involving a high-risk country;
- Background information of the Third Parties is unknown or unverified;



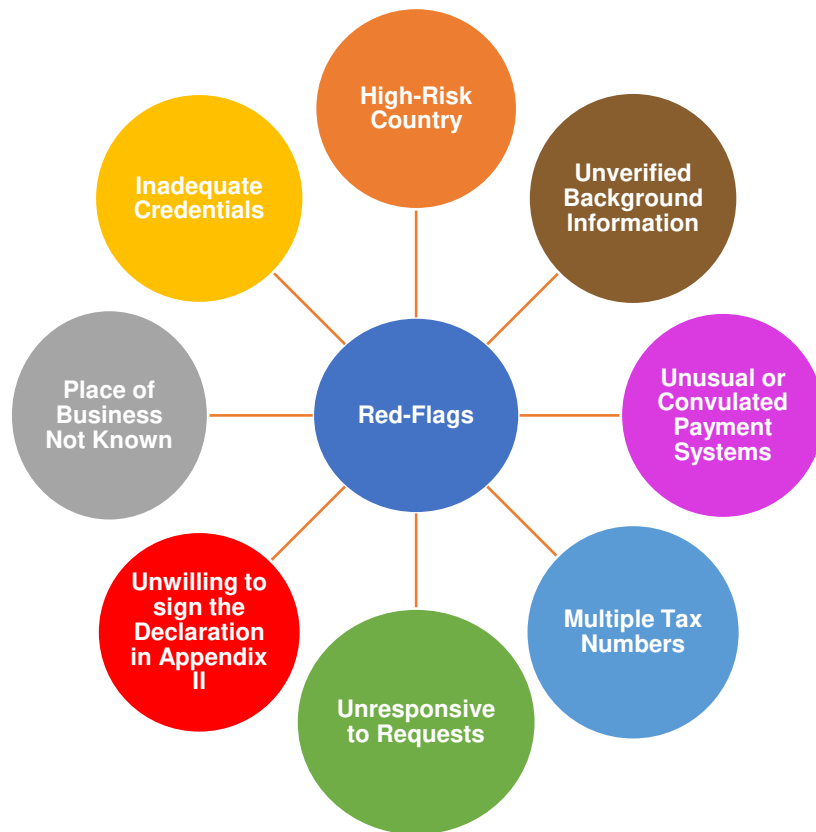
- Inadequate credentials or capabilities for the nature of engagement;
- Lack of established place of business;
- Objection to anti-bribery representations or warranties or negative response when told of such requirements;
- Unusual or convoluted payment arrangements such as payment in cash or payment to a third-party account;
- Refusal to provide business information when requested;
- Unresponsive / difficult to reach; or
- Refusal to sign the Declaration at Appendix II.

9.4.3 The most common and effective way of resolving a red flag would be to contact the Third Parties directly. The Third Party should be responsive and willing to discuss the measures taken by the Third Party in overcoming corruption issues.

9.4.4 If all identified red flags are sufficiently mitigated or resolved, then the engagement of business may proceed, however the Employees must first be satisfied that all due diligence options available have been maximized and exhausted.

9.4.5 Employees should seek advice from their Senior Management or Designated Officer if Employees require clarification or guidance.

## **Red-Flags To Consider:**



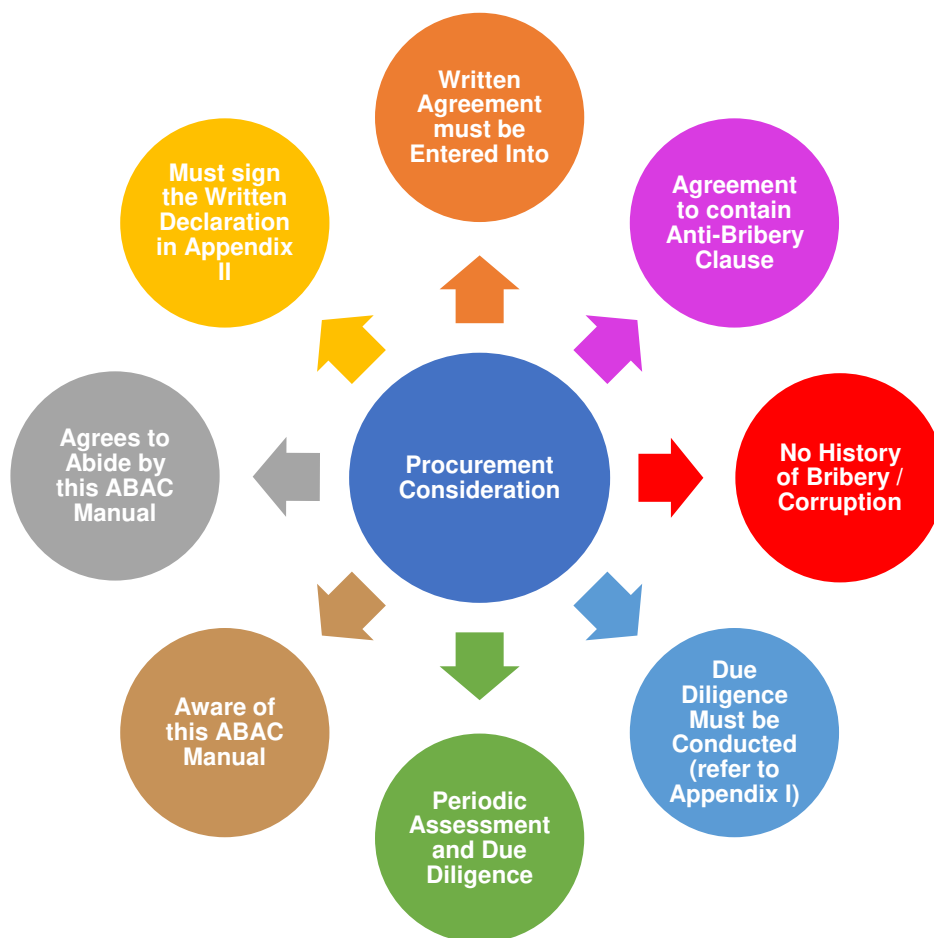
## **9.5 PROCUREMENT CONSIDERATIONS**

9.5.1 In all procurement exercises, Employees must ensure that all activities conducted are in accordance with the procurement policies and procedures, among others, conduct the following: -

- Conduct a Due Diligence Checklist pursuant to Appendix I;
- Conduct a suitable background screening;
- All information provided (including payment details, business address, nature of business, place of business) has been verified;
- There is an established place of business;
- Proper written agreements are entered into and reviewed by legal counsel or advisor;

- Ensure that all commercial written agreements shall contain a clause on anti-bribery and anti-corruption;
- Ensure that there are no red flags;
- All contractors and suppliers are made aware of this ABAC Manual; and
- All contractors and suppliers shall sign the Declaration at Appendix II.

### **Considerations During Procurement Process**



## SECTION 10: DEALINGS WITH PUBLIC OFFICIALS

- 10.1 Public Official, including or Government Official means individuals with a public official function or acting in a public official capacity, officials of any political party, and officials of state-owned enterprises including their immediate family members such as his or her parents, siblings, spouse, children, spouse's parents, in laws ("**Public Officials**").
- 10.2 Employees and Business Partners acting on behalf of CSR shall exercise the utmost caution in dealing with Public Officials whether in Malaysia or in any other jurisdictions. It should be noted that punishment for corruption and bribery of public officials may be more stringent in other jurisdictions.
- 10.3 In dealing with Public Officials, the Employees and Business Partners acting on behalf of CSR are:
- a. prohibited from paying for non-business travel and hospitality for any Public Officials and/or their families and/or associated person;
  - b. required to comply with the local anti-corruption laws; and
  - c. required to ensure that all documentations pertaining to the gift, or hospitality or entertainment are properly recorded and stored.
- 10.4 Any business relationships, or business-related hospitalities of Public Officials are subject to the approval of at least one member of the Board of Directors, and due care and judgment should be exercised by the Employee or the Board of Directors to confirm that there is no conflict of interest. It is unethical and illegal to provide entertainment or benefits in exchange for any present or future benefit or result.
- 10.5 The Board of Directors and Employees of CSR who are involved with the CSR's operations should consult with the relevant legal counsel for advice on applicable laws, especially laws regarding corrupt practices under foreign law (e.g. the US Foreign Corrupt Practices Act and the UK Bribery Act) and are expected to comply with those laws.

# SECTION 11: CONFLICT OF INTEREST

## 11.1 WHEN DOES CONFLICT OF INTEREST ARISE?

11.1.1 A conflict of interest arises when a personal, professional or financial interest interferes with a person's carrying out of his or her duty, or it could influence the person's ability to make decisions objectively.

11.1.2 Conflict of interest often carries a negative perception that the person who has a conflicting interest is incapable of acting impartially or in the best interest of CSR. Therefore, in order to protect the reputation of the Company and to comply with legal obligations, CSR requires all Employees to avoid actual or apparent conflict of interest and to disclose or declare any such conflicts.

11.1.3 Below are some of the examples of potential conflict of interests. The list is not exhaustive and is meant to be a guide only. Employees are encouraged to seek clarification from the Senior Management or Designated Officer if there are any questions regarding the same:

- **Family members and close personal relationships: -**

- contracting with a business that is owned, related and / or managed by a family member;
- providing donations or sponsorship where the recipient is or is connected to a family member;

- **Public Officials / Government Officials**

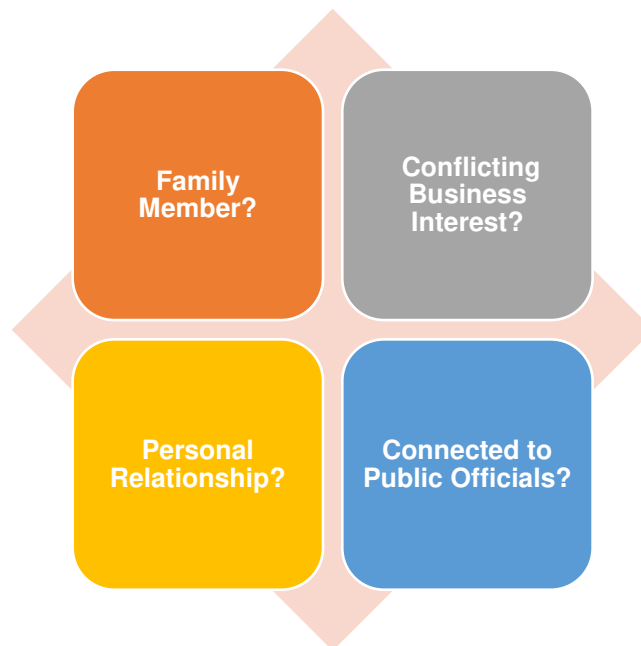
- Contracting with a business that is owned, related and / or managed by a public official or a public official's family members;
- Providing donations or sponsorships on behalf of Public Officials;
- Providing donations or sponsorships where the recipient is or is connected to a family member of the public official;

- Entering into a transaction with a public official who is a family member;

- **Third Parties / Business Partners**

- Enter into business dealings with a Third Party / Business Partner where the Employee holds an interest (financially or otherwise) in the Third Party's / Business Partner's business; and
- Providing donations or sponsorships where the Employee receives a gain in return.

**When Might There be a Conflict of Interest?**



**Example 1:**

**The Employee is working in CSR's procurement department.**

**The Employee's husband owns a company selling computer accessories. The Employee's husband has been selling and supplying computer accessories to CSR. The Employee is aware of this but did not declare or disclose to anyone in CSR.**

**SHOULD DO**

As a matter of good practice, the Employee should inform CSR and because there is a conflict of interest.

Although the Employee did not abuse her position, but she should still declare and disclose to the Senior Management / Designated Officer because the conflict of interest may put CSR's reputation at risk.

**SHOULD NOT DO**

The Employee continues to keep this a secret because she did not abuse her position and since CSR does not regularly buy computer accessories.

**Example 2:**

**CSR is considering hiring a job candidate to be a senior sales executive. The job candidate held himself out to be someone who has had many years of experience in sales.**

**The job candidate is the Employee's best friend and the Employee is aware that the job candidate in fact does not have any work experience and is therefore not qualified to be a senior sales executive.**

**However, the Employee did not inform CSR that: -**

- 1. The Employee's best friend is not qualified;**
- 2. The person whom CSR is considering hiring is the Employee's best friend.**

**SHOULD DO**

Here, there is a clear conflict of interest and there is a potential misrepresentation.

As an Employee of CSR, the Employee should act in the best interests of CSR and should immediately inform CSR that the job candidate is the Employee's best friend and that the Employee is aware that the best friend does not have any work experience prior to this.

**SHOULD NOT DO**

The Employee does not tell anyone about the fact that the job candidate is the Employee's best friend and that the job candidate does not have any work experience prior to this.

**Example 3:**

**The Employee's sister owns a kindergarten. As part of CSR's corporate social responsibility, the Employee recommended that CSR to donate some monies to the kindergarten owned by the Employee's sister.**

**SHOULD DO**

There is a conflict of interest here. The Employee should disclose to CSR that the kindergarten is owned by the Employee's sister.

**SHOULD NOT DO**

Since it is for charity and it is for a good cause, there is no need to complicate the matter by disclosing to CSR that the kindergarten is owned by the Employee's sister.



## 11.2 DECLARATION OF CONFLICT OF INTEREST

11.2.1 When Employee believes or reasonably believes that there is a conflict of interest which may potentially negatively impact CSR's reputation or which will cause the Employee to act against the interest of CSR, the Employee shall immediately make a declaration to the Senior Management or Designated Officer.

11.2.2 Employees may use the following examples as a guide in deciding whether there is a conflict of interest: -

- *Will I or my family member personally benefit from this business transaction?*
- *Will my judgment be affected if I am involved in this business transaction, as a result of my relationship with the counterparty?*
- *Am I acting in contrary to CSR's best interests?*
- *Am I putting CSR's reputation at risk?*

**If the answers to any of the above is YES,** then you might have a conflict of interest situation.

## SECTION 12: MONEY LAUNDERING

12.1 Money laundering is a serious offence in Malaysia, and it is currently governed under the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001.

12.2 Any person who is found guilty of this offence may be subject to imprisonment for up to 15 years or a fine of not less than five times the value of the proceeds of the unlawful activity, or RM15 million, whichever is higher.

### 12.3 WHAT IS MONEY LAUNDERING?

- It is a process of converting cash or property derived from criminal activities through a legitimate business dealing. The Bank Negara of Malaysia explained it to be a process *“to clean ‘dirty money’ in order to disguise its criminal origin”*.

12.4 In all efforts to eliminate and prevent any money laundering activities within CSR, including dealings in the proceeds of criminal activities, CSR requires all Employees to conduct periodic due diligence to understand the business and background of CSR’s Business Partners to determine the origin and destination of money, property and services. This is notwithstanding that the Business Partner has had a long-standing business relationship with CSR, is a related company of CSR, or is a well-reputed company.

12.5 Examples of red flags are:

- Unusual or convoluted payment arrangements such as payment in cash, payment to a third party or through an intermediary, or cross-border payments;
- Background / Identity information cannot be verified;
- No established place of business;
- Use of multiple tax numbers;
- Use of multiple accounts or foreign or offshore accounts;

- Large cash transactions with no history of prior business experience;
- Avoidance of personal contact without good reasons; or
- Unexplained urgency, requests for short cuts or changes to the transactions at last minute.

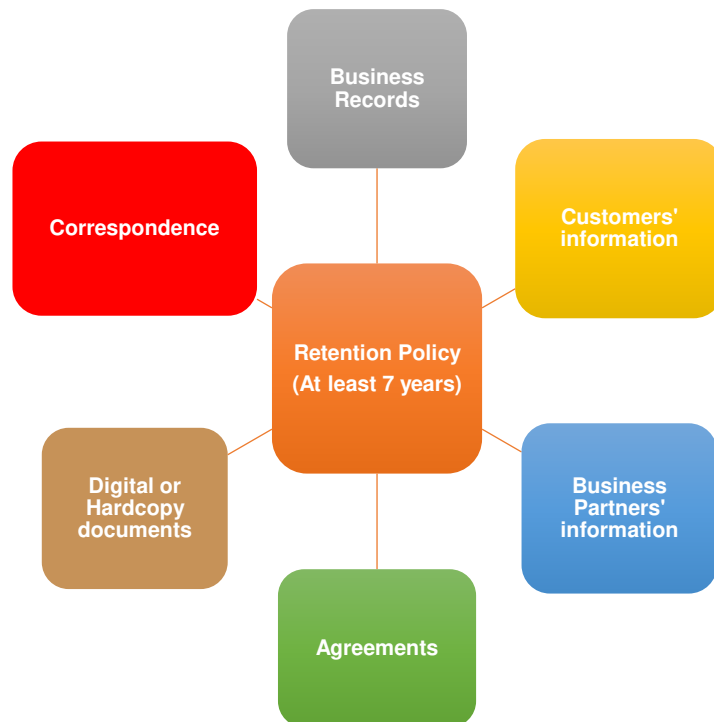
12.6 The above list is not exhaustive. Employees are encouraged to seek advice or guidance from the Senior Management or Designated Officer if they have any questions.

## SECTION 13 RECORD-KEEPING

13.1 All divisions / departments in CSR are required to maintain written/digital records as evidence that due diligence has taken place and any risk of corruption identified have been carefully considered and resolved as practicably as possible including documentations on expenses or records of gifts, entertainments and hospitalities.

### 13.2 Retention Policy

- As a general rule, CSR shall exercise discretion on the retention of written/digital records of operational work documents, transactional documents, customer's identification documents, business correspondence, and security documents for at least seven (7) years after the termination and/or conclusion of the business relationship to enable CSR to comply with any requests from the relevant authorities.



## SECTION 14: RECRUITMENT POLICY

- 14.1 CSR places considerable importance on the background screening of its candidates and potential employees shall be selected based on the approved selection criteria, and to ensure that no elements of corruption are involved in the hiring process.
- 14.2 Background checks should be conducted on potential employees to ensure that the employees have not been previously convicted of bribery related offences.
- 14.3 Potential employees who would be responsible for managerial duties, with decision-making obligations will be put against an integrity assessment higher than regular employees to ensure that all persons at the management level share CSR's core ethical values.
- 14.4 Employees should make a written declaration in Appendix III that he or she has read this ABAC Manual and agrees to abide by this ABAC Manual:
- 14.4.1 For existing Employees, the written declaration in Appendix III shall be submitted no later than **seven (7) days** from the date of this ABAC Manual; and
- 14.4.2 For future and new Employees, the written declaration in Appendix III shall be submitted no later than **seven (7) days** from the date of commencement of employment or the date of the letter of offer / appointment / employment agreement.

## SECTION 15: SUPPORT LETTER

### 15.1 WHAT IS SUPPORT LETTER?

- A request made by a person (who may have some power or influence) to provide special privileges or opportunities to an individual or company.
- It may be in written or oral forms such as letters, text messages, emails, notes, phone calls and face-to-face communications.

#### A. Receiving Support Letter

15.2 In awarding contracts including employment contracts or entering into any business transactions, CSR does not rely on any form of support letters but will only award contracts or enter into business transactions based on merits.

15.3 As an Employee, if you received support letters, you should immediately report to the Senior Management or the Designated Officer. You should not, under any circumstances, act based on the support letter.

#### B. Giving / Issuing Support Letter

15.4 CSR does not and will not give or issue any forms of support letters to anyone. Any request for the giving or issuing of support letters shall be immediately notified to the Senior Management or the Designated Officer.

## SECTION 16: WHISTLEBLOWING POLICY

### 16.1 WHISTLEBLOWING

16.1.1 Sometimes, corruption or bribery activities go undetected because information is not provided by the people who know about these activities. Hence, it is important to come forward and give information when there is a genuine suspicion that someone is involved in a bribery activity.

16.1.2 In encouraging whistleblowing, the lawmakers have introduced the Whistleblower Protection Act 2010, providing safe avenues and protections to the whistle-blowers. Pursuant to the Whistleblower Protection Act 2010, whistleblowers' identities shall be protected.

#### 16.1.3 WHO IS WHISTLEBLOWER?

- Any person can be a whistleblower. Generally, a whistleblower is a person who reports improper conducts or suspected improper conducts. Such improper conducts are, for example:

- Breach of a legal requirement;
- Illegal, unethical or immoral conduct;
- Corruption or bribery;
- Gross misconduct;
- Potential breach of trust; or
- Breach of confidentiality.

16.1.4 CSR strongly encourages its Employees to disclose any information or raise a concern if someone within CSR or the Business Partners of CSR are suspected, or reasonably suspected to be committing any bribery or corrupt activities.

16.1.5 In doing so, CSR has prepared this Whistleblowing policy, to encourage and provide guidance to its Employees as to how to raise these concerns.

### 16.2 REPORTING A CONCERN

16.2.1 CSR practices an open-door policy and Employees are encouraged to come forward to disclose or report any concerns of suspected wrongful behaviour.

- 16.2.2 It may be a situation where you have been offered a bribe and under certain circumstances, you may feel that rejecting the bribe from the offeror may subject you to negative repercussions. It could also be a situation where you reasonably suspect that an Employee who is a close colleague of yours has received a bribe from a Business Partner.
- 16.2.3 In such instances, you should not hesitate to report such misconduct to CSR via its Talian Etika at [1-800-88-0892](tel:1-800-88-0892) or email at [etika@kpmg.com.my](mailto:etika@kpmg.com.my).

### 16.3 PROTECTION PROVIDED

- 16.3.1 When you come forward to make a report or a disclosure (“**Disclosure**”), the Disclosure will be reviewed by the Board of Directors only. Thereafter and upon the instructions of the Board of Directors, the Designated Officer will commence investigation. Depending on the severity of the Disclosure, the Designated Officer may set up an Investigation Committee. Where necessary, CSR may notify the competent authority, such as, but not limited to, the MACC or the Royal Malaysia Police.
- 16.3.2 Be that as it may, CSR understands that you may have concerns about the repercussions on you in the event you are known to be the whistleblower.
- 16.3.3 Rest assured that CSR will make every effort to ensure that your identity and the details of the reporting are kept private and confidential. CSR will not tolerate any retaliation or victimisation against you. Any person who engages in retaliation or victimisation will be subject to disciplinary action, including termination of employment.
- 16.3.4 In addition, CSR is committed to provide you the protection as outlined in the Whistleblower Protection Act 2010:-
- Confidentiality of identity
  - Immunity from civil and criminal liability for disclosures made;
  - Protection from detrimental action.
- 16.3.5 Whilst CSR endeavours to provide protections to you, there are instances where CSR might be unable to control situations where you have informed or discussed with others of the Disclosure.



16.3.6 This policy applies where a Disclosure is made in good faith and is not frivolous or not intended to cause annoyance.



## 16.4 HOW DO I MAKE A DISCLOSURE?

16.4.1 Disclosures shall only be made in good faith when there is a serious and reasonable concern that an Employee or Business Partners of CSR have conducted unlawfully and in violation of this ABAC Manual.

16.4.2 Prior to making Disclosure, you should consider the following: -

- Have I seen or heard something that caused me to believe that there was bribery or corrupt activity?
- Was I acting out of biasness or was there some evidence to show that there was bribery or corrupt activity?

16.4.3 If you are satisfied that there is a reasonable suspicion or that an Employee or a Business Partner of CSR are committing or have committed bribery or any other unlawful activities, then you may take the following steps:-

- Where practical, you should make such Disclosure in writing;

- In your Disclosure, you should set out a description of the misconduct, and supporting evidence, if any;
- You should identify the person committing the misconduct;
- You should not reveal this to anyone who is not involved in the investigation; and
- You should provide your contact details in order to assist with further investigations or clarification that may be necessary.
- You should submit your Disclosure only to CSR's Talian Etika at 1-800-88-0892 or email at etika@kpmg.com.my.

### **What to Include in the Disclosure?**

<input type="checkbox"/>	<b>Full Description of the Alleged Bribery / Corrupt Activities</b>
<input type="checkbox"/>	<b>Name and Details of the Alleged Person</b>
<input type="checkbox"/>	<b>As Detailed as Possible: When, Where, What, How</b>
<input type="checkbox"/>	<b>Supporting Evidence</b>
<input type="checkbox"/>	<b>Should be in Writing</b>
<input type="checkbox"/>	<b>Should not be Disclosed to Anyone Else</b>
<input type="checkbox"/>	<b>Provide Your Name and Contact Details</b>

## **16.5 AFTER RECEIVING THE DISCLOSURE**

16.5.1 Upon receiving the Disclosure, CSR will provide an acknowledgment in writing within forty-eight (48) hours from the time of receipt of the Disclosure.

16.5.2 In certain situations, subject to the seriousness of the matter, CSR may engage external consultants to assist with the investigation or competent authorities may be notified of the same. Regardless, the identity of the

whistleblower shall be protected and the disclosure of the identity of the whistleblower shall only be made to the relevant external consultants or, in the case of competent authorities, the relevant officers only.

16.5.3 During this time, an Investigation Committee will also be set-up to carry out the investigation. The Investigation Committee will then report their findings to the Board of Directors, who will then decide on the next course of action.

16.5.4 Where applicable, CSR will inform the whistleblower of the progression of the investigation or findings. However, there may be certain sensitive information or confidential information which CSR may not be in the position to disclose to the whistle-blower during the course of the investigation.

## **16.6 WHAT IF THE DISCLOSURE IS FRIVOLOUS OR MADE WITH BAD FAITH?**

16.6.1 It is important that a whistleblowing report or Disclosure is made with good faith and that it is not frivolous or made with bad faith.

16.6.2 This is because the effort and time will be unnecessarily spent if the alleged misconduct is one that was made out of bias or personal vendetta. Furthermore, it may be a criminal offence if a person intentionally makes a disclosure knowing or believing that any material statements in the disclosure are false or untrue.

16.6.3 The Whistleblower Protection Act 2010 provides that whistleblower protection will not be accorded in the event that:

- the whistleblower report is made with bad faith and / or frivolous;
- the whistleblower knows the information given is false or untrue;
- the reporting was made to avoid disciplinary action;
- principally questions the merits of the government policy;
- the whistle-blower has participated in the alleged misconduct; and
- the disclosure of improper conduct contains information specifically prohibited under the Official Secrets Act 1972.

## Summary of Process



## SECTION 17: DAWN RAID GUIDELINES

### 17.1 WHAT IS A DAWN RAID INSPECTION?

- 17.1.1 It is an unannounced inspection by any competent authorities made in the course of investigations into alleged offences, including bribery offences.
- 17.1.2 A dawn raid can often be a stressful experience - it is therefore important to know how to handle a dawn raid and have an effective response procedure in place. With proper procedures in place, the impact of the dawn raid can be managed appropriately and professionally.
- 17.1.3 CSR is committed to provide full cooperation to all competent authorities in the event of a dawn raid. Therefore, CSR requires all Employees to remain calm and follow the instructions and procedures in place in order to assist the competent authorities and CSR.
- 17.1.4 CSR has prepared the following instructions and procedures to follow when facing a dawn raid. These instructions and procedures should be strictly followed where applicable.
- 17.1.5 It is important that during the dawn raid, the competent authority is not obstructed or disrupted from carrying out its duties as the competent authority may view any such conduct as uncooperative behaviour.

### 17.2 RESPONSIBLE PERSON

- 17.2.1 CSR shall have two persons to represent CSR in case of a dawn raid inspection ("**Responsible Persons**"). In the event that one of the Responsible Persons is not available, the other should take control of the matter.
- 17.2.2 It is the responsibility of the Responsible Person to ensure that:
- The contact information and details of Responsible Person are updated from time to time;
  - The Responsible Person shall be the main contact person between CSR and the competent authority;

- The Responsible Person shall assist the competent authority with the investigations;
- The Responsible Person shall immediately take steps to contact the external legal counsel in the event of such an inspection by the competent authority.

### 17.3 DAWN RAID INSPECTION AT CSR'S PREMISES BY MACC

17.3.1 MACC as a competent authority is empowered under the MACC Act 2009 to conduct dawn raid inspections on premises. They can:

- Enter into the premises and seal the premises;
- Conduct searches;
- Examine and take copies of the books and other records related to the business, regardless of the nature of such information, whether it is in hardcopy, softcopy, digital or otherwise;
- Interview any person and ask questions;
- Search any such person and for the purpose of such search, detain such person;
- Break open, examine and search any article, container or receptable;
- Remove by force any obstruction to such entry, search, seizure or removal.

17.3.2 When MACC officers arrive at the premises, they will usually go to the reception, identify themselves and request to meet with a senior manager. It is important the receptionist has clear instructions on how to proceed and whom they should alert.

17.3.3 The **FIRST STEPS** to be taken are as follows: -

- a. The receptionist should immediately inform the Responsible Person of the MACC officers' presence;

- b. The receptionist should inform the MACC officers promptly that the Responsible Person is on his way and courteously request that the MACC officers to wait at the reception area;
- c. Where possible, the Responsible Person should immediately arrive at the reception to meet with the MACC Officers. In the event the MACC officers view any delay to be an uncooperative behaviour on the part of CSR, this may result in CSR being fined for failure to cooperate.

**The Receptionist Should:**



**17.4 SUGGESTED MEASURES FOR THE RESPONSIBLE PERSON**

17.4.1 When the Responsible Person first meets with the MACC officers, the Responsible Person shall direct the MACC officers to an available meeting room in the office. Then, the Responsible Person shall politely and courteously: -

- Request for a verification of the identification of the MACC officers;
- Request for a verification of the warrant;
- Study the warrant and understand the scope, the validity and key terms, if any;

- Request to make a copy of the identification documents of the MACC officers and the warrant for records;
- Find out the scope of the inspection, for example, how many locations are subject to the raid, the number of persons needed at each location, etc;
- Request for some background information which prompted the dawn raid inspection, for example, any alleged infringement of the law.

**When The MACC Officers First Arrive, The Responsible Person Should:**

- Verify the Identity of MACC Officers
- Verify and Read the Warrant
- Understand the Scope of Search / Inspection
- Makes Copies of the Identity and Warrant
- Politely Ask for Background Information
- Remain Calm and Cooperative

***Appointed Person to Assist the MACC Officers***

- 17.4.2 Upon verification, the Responsible Person shall appoint one person to accompany each of the MACC officers when they are conducting the inspection.
- 17.4.3 The appointed person (“**Appointed Person**”) shall not, disrupt the MACC officers from carrying out their duties. Any disruptions or obstructions caused may be perceived as an uncooperative behaviour.
- 17.4.4 The Appointed Person accompanying the MACC officer shall always record and take notes of the whole process. At no point should the MACC officers be left alone.



## ***Administrator***

- 17.4.5 The Responsible Person shall also appoint an administrator (“**Administrator**”) to assist with the administrative matters such as directing the Employees (whose workspace may be subject to searches by the MACC Officers) to a room.
- 17.4.6 The Administrator should ensure that all Employees remain calm during this time and explain to the Employees that they should always keep the dawn raid by MACC confidential.

## ***Contact External Counsel and Management***

- 17.4.7 The Responsible Person shall then immediately contact the external counsel, who shall then advise the Responsible Person on how quickly they can arrive at the premises.
- 17.4.8 In the meantime, where possible, the Responsible Person shall politely request the MACC officers to wait for the arrival of the external counsel. However, please be aware that the MACC officers are not obliged to comply with such a request.

## ***Setting Aside of Rooms***

- 17.4.9 There shall be a room set aside for the collection of documents or papers that the MACC officer wish to read or make copies of. Such room should not have any other documents or archives and should be sealed. No person shall enter the room apart from the MACC officers, the Responsible Person, the external counsel or other authorised personnel.
- 17.4.10 There shall also be a room set aside for external lawyers and Employees of CSR to retreat during the carrying out of the inspection by the MACC officers.

**After Verification and Understanding the Situation, the Responsible Person Should:**



***Inspection, Searches or Seizures***

- 17.4.11 Where applicable, an agreed approach with the MACC officers by which the inspection or search or seizure can be done with the least interference with the day-to-day operation of the business should be made.
- 17.4.12 It may be the case that the MACC officers will request for clarification on the general layout of the building, the business areas and the IT systems. The Appointed Person should provide such clarification and assistance to the MACC officers. It should also be explained to the MACC officers that the MACC officers should confine their queries to the Appointed Person or the Designated Officer only.
- 17.4.13 When the MACC officers conduct the inspection at the premises, the Appointed Person shall accompany MACC officers. It is important that the MACC officers should not be left alone and be allowed to roam around the premises. At the same time, the Appointed Person should take detailed notes of the whole process.
- 17.4.14 However, the appointed person should not cause any obstructions to the MACC officers as this could amount to a criminal offence. Should there be any confusion, the appointed person should politely request that the MACC officers to get speak to the Responsible Person for clarification.
- 17.4.15 At all times, the Responsible Person and others Appointed Person shall endeavour to cooperate with the MACC officers and shall not give any false information or conceal any information from the MACC officers.

## **During Inspection, the Appointed Person Should:**

Accompany the MACC Officers

Do not Leave the MACC Officers Alone

Record the Whole Process in Writing

Cooperate and DO NOT Obstruct the MACC Officers

Be Polite and Courteous

Remain Calm and Cooperative

### ***Documents and Other Materials***

- 17.4.16 The MACC officers may request for documents or materials to be produced and they may wish to read or make copies of these documents or materials.
- 17.4.17 The MACC Officers may also want to do imaging of the computer servers, laptops, tablets, mobile devices, USB sticks, CD-ROMs, DVDs, external hard disks, e-mail accounts.
- 17.4.18 In this regard, any such documents or materials or digital devices as may be request by the MACC officers shall be provided to the MACC officers. If the Responsible Person does not have access to any such documents or materials or digital devices, the Responsible Person shall politely inform the MACC officers that the MACC officers will be supplied with such documents or materials or digital devices later.
- 17.4.19 The MACC officers have the power to inspect or seize such documents or materials or digital devices: -
- Books, documents, records, accounts or data;
  - Movable properties;
  - Money, shares, securities, stocks, debentures or any chose-in-action;
  - laptops, tablets, mobile devices, USB sticks, CD-ROMs, DVDs, external hard disks, e-mail accounts.

- 17.4.20 It is also important that no documents or materials (physical or digital) should be removed or deleted at this juncture.
- 17.4.21 The Responsible Person shall identify the documents and materials and digital devices that the MACC officers wish to read or make copies of or access, particularly to identify if there is any confidential information or excluded information which is not within scope of inspection.
- 17.4.22 Where possible, the Responsible Person shall politely inform the MACC officers that some documents or materials or information may be confidential in nature. The MACC officers may then keep these documents or materials or information in a separate seal.
- 17.4.23 The MACC officers may also ask questions and request for factual replies. In this instance, it should be politely explained to the MACC officers that only the Responsible Person or authorised person of CSR are allowed to provide responses to the MACC officers on behalf of CSR.
- 17.4.24 After the inspection, the Responsible Person should ask the MACC officers if they have completed the inspection and whether they will be returning the following day to complete it.
- 17.4.25 The MACC officers will provide an inventory of all the documents or materials or digital devices they have inspected or seized. The Responsible Person must:
- Read the document carefully;
  - Make notes of any statements to which the Responsible Person disagrees;
  - Request politely to make any corrections or deletions;
  - If the request for correction or deletion is rejected, the Responsible Person may politely decline to sign the document;
  - The Responsible Person should only sign the document if he or she is satisfied that all information in the document is accurate.

### ***Searches on Person / Detainment***

- 17.4.26 In the event the MACC officers are satisfied that a search on a person and / or detainment of such person is necessary, the MACC officers have the

power to do so under the MACC Act. In this regard, the Appointed Person should take note of the process.

**The Responsible Person Should, After the Inspection:**

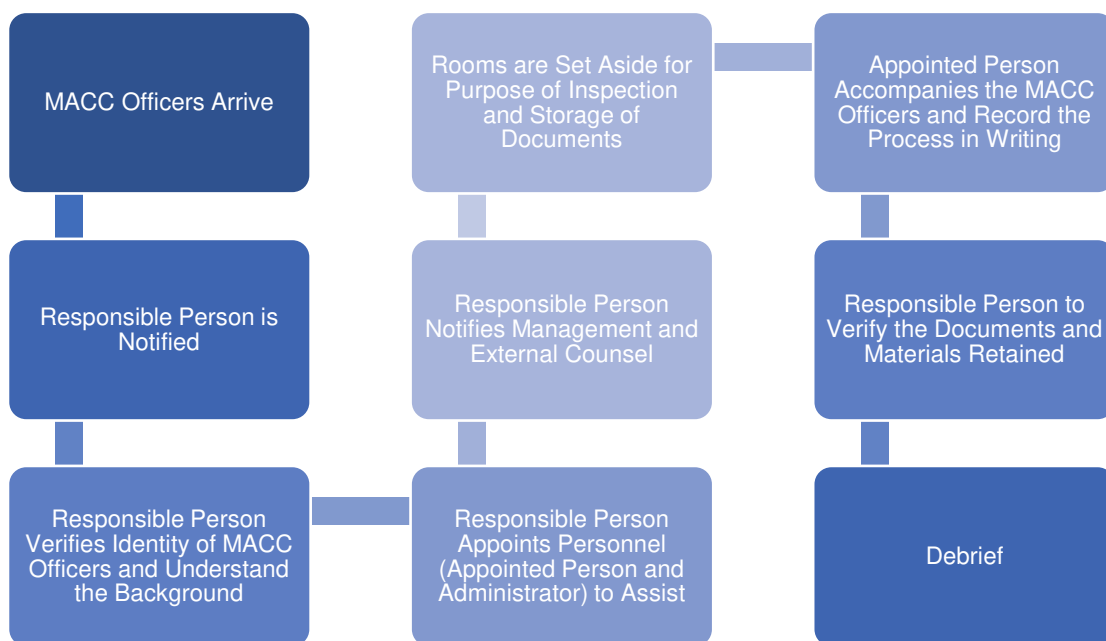
- Identify the Documents and Materials Retained by MACC Officers
- Review the Inventory Checklist
- Only Sign if Verified and Accurate
- Cooperate and DO NOT Obstruct the MACC Officers
- Be Polite and Courteous
- Remain Calm and Cooperative

**17.5 DE-BRIEFING**

- 17.5.1 After the MACC officers leave the premises, there should be a de-briefing session. The appointed person shall share their notes with the Responsible Person and authorised person only and no one else.
- 17.5.2 It is a good practice to prepare a written report detailing the inspection. All information relating to the dawn raid shall be kept confidential and all parties involved should be reminded of the obligation to keep the process private and confidential and shall not reveal to any third party including the Employees.
- 17.5.3 It is also advisable to have a strategy meeting with external counsel and the management to discuss the next steps, such as:
  - Whether there is a need to provide further explanation or document;
  - Whether there will be a follow-up by the MACC;

- Suspend any routine document and material destruction policy;
- Identify if there are any suspected activities or involvement by the Employees or Business Partners which led to the dawn raid;
- If there are any such suspected activities by Employees or Business Partners, immediately suspend such activities of the relevant Employees or Business Partners for the time being;
- Provide an explanation to the Employees and assure the Employees that the business will not be affected and that everyone should remain calm;
- Seek advice on any reporting obligations.

**Summary of Process and Key Things to Look Out for:**



## SECTION 18 – TRAINING AND AWARENESS

- 18.1 CSR will from time to time provide training on this ABAC Manual for all Employees, in accordance with the level of bribery risk that the Employee is subject to, based on his or her position and job responsibilities.
- 18.2 The training programme delivered will be appropriate to the set of circumstances. Where necessary and applicable, specific trainings may be provided to those individuals who are exposed to high-risk functions, informing them of the types of situations they are likely to face and how to deal with such situations.
- 18.3 All existing Employees may be required to make a declaration on their commitment to adhere and uphold this ABAC Manual with such frequency as may be necessary based on the discretion of CSR.
- 18.4 It is also mandatory for all new Employees to undergo training as part of the Employee's induction process. All trainings completed by the Employee will be documented by the People Division.
- 18.5 If an Employee unreasonably refuses or fails to attend any of the training, disciplinary action may be imposed on such Employee.
- 18.6 To verify that all Employees have attended and completed the training, a copy of the Training Participation Confirmation in Appendix IV will be issued to the Employees.
- 18.7 CSR may also require its Business Partners to attend any such trainings as it may deem fit.

## SECTION 19 – CONTINUOUS IMPROVEMENT

### Corruption Risk Assessment

- 19.1 CSR will also periodically conduct risk assessment on all personnel and its business processes to identify and assess the corruption risks that CSR is exposed to, and to improve its ABAC compliance program.
- 19.2 CSR will, from time to time, conduct review of this ABAC Manual and may revise some of the provisions herein.

### Audits

- 19.3 Where necessary, CSR may undertake independent and external assessments of this ABAC Manual, to ensure that this ABAC Manual is effective and is always in compliance with the current applicable laws.



## **SECTION 20 – OWNERSHIP**

This ABAC Manual was prepared by CSR in order to provide guidance to all its Employees and Business Partners. The ABAC Manual shall at all times remain under the ownership of CSR and no others.

This ABAC Manual shall only be distributed outside of CSR with the express approval by the Designated Officer.

## **SECTION 21 – RECOGNITION OF LOCAL AND INTERNATIONAL LAWS**

- 21.1 Anti-Bribery and Anti-Corruption laws exist in most countries around the world. CSR is committed to conduct its business in compliance with all laws, including foreign laws where it does its business.
- 21.2 Where applicable and necessary, CSR shall consult external foreign legal counsel on compliance with all such foreign laws in line with CSR's commitment to conduct its business with the highest standard of integrity and transparency.

## APPENDIX I

### Due diligence Checklist in respect of Third Parties

To mark YES or NO on the Due Diligence Checklist below. If you have answered YES to any of the statements below, you must be satisfied that the relevant information/explanation/justification is procured and documented, before engaging with the third party.

No.	Due Diligence Checklist	Yes	No
<b>Relationship with the third party:</b>			
1.	There are concerns or evidence of corruption (convictions) in respect of the third party		
2.	There has been difficulty in obtaining the required information from the third party		
3.	There are allegations of corruption activities against the third party or any of its employees		
4.	The third party does not have its own anti-corruption/code of conduct/anti-fraud/compliance programme		
5.	The third party does not have its own due diligence procedure in place for the sourcing of customers and procurement of vendors or subcontractors.		
6.	The value of the contract secured by the third party is proportionate to the services/products provided.		
7.	The third party is not charging a fair market price for their services (a company paying bribes may often charge more for its services in order to create a slush fund to pay bribes)		
8.	The third party is being associated with disreputable suppliers/ subcontractors etc.		
9.	Where the third party is a public official:		
	(i) The third party has political affiliations or their relatives are involved in the organisation;		
	(ii) The contribution is made on behalf of a public official;		
	(iii) There is a risk which CSR may be perceived as having an improper advantage;		
	(iv) The third party is based in a high-risk country, the request comes from a high-risk country.		

## APPENDIX II

### Written Declaration by all Third Parties

1. The following anti-corruption and anti-bribery notice is addressed to all contractors/ vendors/ suppliers/ solicitors/ agents/ consultants/ joint venture partners/ introducers/ government intermediaries (collectively referred to as “**Business Partner**”) of Central Sugars Refinery Sdn Bhd (“**CSR**”).
2. By entering into a contract of service or any type of agreement with CSR, you acknowledge that you have been notified of and the need for compliance with CSR’s Anti-Bribery and Anti-Corruption Manual (“**ABAC Manual**”) and its relevant procedures.
3. As a Business Partner to CSR, you are committed to the anti-corruption principles under CSR’s ABAC Manual.
4. By accepting any contracts of service and being a Business Partner with CSR, you commit to declare to CSR any past convictions of, or investigations, inquiry or any enforcement proceeding by the relevant authorities for any actual or suspected breach in relation to anti-bribery or anti-corruption regulations, and to report any actual or suspected breach as soon as it is reasonably practicable to the CSR (where permitted under the law).
5. By signing off this notice, you undertake to promptly inform CSR of any breach and/ or alleged/ suspected breach of the requirements set out in CSR’s ABAC Manual and cooperate with CSR in any investigation of such breach involving CSR’s Employees.
6. You acknowledge that the provisions set out in this notice shall form part of the terms and conditions of the appointment and/ or contract of service between CSR and you.
7. You further acknowledge that CSR has the right to suspend or terminate the appointment and / or contract of service and disqualify you from tendering for future contracts/ jobs if you are found to have breached the requirements or any other terms and conditions implemented by CSR pursuant to the appointment and / or contract of service.

**Signature of Authorised Person** : \_\_\_\_\_

**Name of Business Partners’  
Authorised Person** : \_\_\_\_\_

**Name of Company** : \_\_\_\_\_

**Date** : \_\_\_\_\_

## APPENDIX III

### Employee Declaration Form

I, \_\_\_\_\_, hereby declare that I have read and understand CSR's Anti-Bribery and Anti-Corruption Manual and agree to be bound by the terms and provisions set out in the same.

---

Name:

Title:

## APPENDIX IV

### Training Participation Confirmation

Congratulations Mr/Ms/Mrs. \_\_\_\_\_ on completing the training with CSR!

Name of Training:

Date of Training:

Venue:

Conducted by:

Thank you.

\_\_\_\_\_  
Name:

Title:

**APPENDIX V**  
**Specific Approval for Hospitalitys / Gifts Pursuant to Sections**  
**6.2.1, 6.3.5 and 6.5.4(iv)**

<b>Record of Benefits – Hospitalitys / Gifts</b>	
Name of the Company / Employee / Agent / Representative who RECEIVED the benefit	
Name of the Company / Employee / Agent / Representative who PROVIDED the benefit	
Date of benefit conferred	
Value of the benefit	
Reason for providing / accepting the benefit	
Approval by Designated Officer / Senior Management (to be filled up by the Designated Officer / Senior Management)	<b>YES / NO</b>
Any other relevant details regarding the benefit	

**Any supporting documents attached? YES / NO**  
**Please sign and date this record.**

\_\_\_\_\_  
**Signature & Name:**

\_\_\_\_\_  
**Signature of Designated Officer / Senior Management / Board of Directors <sup>(1)</sup> :**

\_\_\_\_\_  
**Date:**

\_\_\_\_\_  
**Date:**

**Note:**

**1) For Hospitalitys/Gifts involving Public Officials, approval is required from at least one (1) Board of Directors.**

