



DIGITAL NASIONAL BERHAD

Supplier Code of Conduct

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DIGITAL NASIONAL BERHAD ('DNB')

SUPPLIER CODE OF CONDUCT

1. Objective

- 1.1. DNB commits to conduct its operations responsibly, ethically in line with all applicable laws and regulations in Malaysia, including all Malaysian anti-bribery and anti-corruption laws and, the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act").
- 1.2. This Supplier Code of Conduct ("Code") shall apply to all suppliers, vendors, contractors, consultants or agents of DNB and to any person(s) appointed by them in any capacity to deliver the goods or perform any part of the services ("Supplier"), including their employees, agents, suppliers or sub-contractors ("Supplier's representative"). DNB expects its Supplier(s) to comply with this Code when engaging and in conducting business with DNB.
- 1.3. This Code serves to convey and provide a clear statement of DNB's expectation from all its Suppliers in all procurement dealings.
- 1.4. This Code outlines the minimum practices and professional conduct expected from Suppliers during their course of business and work with DNB. The Suppliers must not only adhere to these minimum standards but are also encouraged to exceed these standards.
- 1.5. DNB may amend and add to this Code at any time and from time to time. Its Suppliers are bound by such amendments and additions as notified to them from time to time. DNB may also require its Suppliers to comply with DNB's policies, procedures and directions as notified to them from time to time.

2. Ambit of the Code

- 2.1. This Code shall apply to all Suppliers and shall be in addition to all agreements or contracts between DNB and the Supplier.
- 2.2. "Supplier" refers to a person or organisation engaged to provide products/ services to DNB, and includes, without limitation, business associates, prospective Suppliers, contractors, sub-contractors, dealers, parents or subsidiaries of the Suppliers and their respective personnel, officers, directors, representatives, agents, contractors, service providers, and any other entities acting on the Suppliers' behalf.
- 2.3. DNB may amend, delete, or otherwise revise this Code any time and from time to time as it sees fit. The Supplier is bound by such amendments published from time and time.

- 2.4. The Supplier's acknowledgment of this Code is a pre-requisite in every Purchase Order, contract or agreement to supply with DNB. Through the acceptance of any Purchase Order, contract or agreement for supply with DNB, the Supplier is deemed to commit that its business operations are consistent with the provisions contained in this Code.
- 2.5. Should there be any issue or inquiry, the Supplier is advised to immediately consult the DNB Integrity and Governance Unit at igu@digital-nasional.com.my.

3. Definitions

- 3.1. "Bribery" means any form of corruption or gratification that entails an inducement or reward accepted, obtained, attempted to be obtained, promised or received, solicited, given, or offered, to improperly gain any advantage or influence. Gratification is defined in the MACC Act to mean:
- a. Money, donation, gift, loan, fee, reward, valuable security, property or interest in property, whether movable or immovable, financial benefit, or any other similar advantage;
 - b. Any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;
 - c. Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
 - d. Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
 - e. Any forbearance to demand any money or money's worth or valuable thing;
 - f. Any other service or favour of any description, including protection from any penalty or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the forbearance from the exercise of any right or any official power of duty and
 - g. Any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

- 3.2. “Corruption” means an act of giving or receiving of any bribe or gratification or reward in the form of cash or in-kind for performing a task in relation to his/ her job function or activity.
- 3.3. “Conflict of interest” means when a person’s own interest either influences or has potential to influence that person’s decision making.
- 3.4. “Facilitation payment” means any rewards or incentives used to secure or hasten the completion of a normal task that one person is required to carry out as part of their regular obligations and responsibilities.
- 3.5. “Hospitality” includes the following advantages that may be given to any person or organisation including their family members and Supplier:
- a. entertainment
 - b. meals and drinks; and
 - c. travel and/or accommodation (whether or not packaged with conferences, seminars, study trip or other benefits).
- 3.6. “Kickback” means any unauthorised payment or commission given in exchange for advancing a transaction, project, or business.
- 3.7. “Public officials” refers to an officer or employee of:
- a. any government (including civil servants, local government and armed forces) or government agency;
 - b. regulatory, statutory, or administrative body; or
- company or business entity in which a governmental body has an ownership interest or over which such governmental body may, directly or indirectly, exercise a dominant influence (i.e. state owner commercial enterprises), whether local or foreign, or anyone receiving remuneration from public funds.

4. Business Practices

4.1. Legal Compliance

- 4.1.1. Supplier shall comply with all applicable laws and regulations including, but not limited to, MACC Act and regulations, DNB’s policies and this Code in conducting its business with DNB.

- 4.1.2. Supplier shall ensure that it has obtained all necessary approvals to conduct its business including, but not limited to, any required licenses, permits, approvals and/or permissions from the relevant authorities before conducting the business with DNB.
- 4.1.3. Supplier shall not take any action or engage in any conduct that would violate or cause DNB to violate any prevailing anti-bribery or anti-corruption laws or regulations.
- 4.1.4. DNB will only do business with Suppliers who obey the laws of the country in which they operate, and the principles expressed in the ABAC Policy and this Code. DNB will not do or continue to do business with any Supplier who breaches this provision, whether intentionally or otherwise.
- 4.1.5. In respect of any Purchase Order, contract or agreement to supply entered into with DNB, the Supplier is to ensure that its subcontracting counterparty, if any, is made aware and agrees to comply with the provisions herein.

4.2. Anti-Bribery and Anti-Corruption Policy

- 4.2.1. DNB does not condone bribery or corruption in any form or guise, and thus Supplier is expected to and shall commit to upholding the highest standards of professional integrity and ethical conduct in conducting its business.
- 4.2.2. Supplier shall never offer a bribe or kickback in any form to DNB Personnel, their families or nominees, in an attempt to influence the decisions or actions of DNB or DNB Personnel, whether for the benefit of the Supplier, DNB, or any persons involved in the transaction.
- 4.2.3. Supplier shall never directly or indirectly offer, promise, give, solicit or accept or agree to accept or attempt to obtain anything that might be regarded as a facilitation payment in any form.
- 4.2.4. Supplier shall never offer a bribe, kickback or engage in any corrupt activity or improperly influence anyone (including but not limited to a Public or Government Official) to seek or retain business advantage for and/or on behalf of DNB and will make committed efforts to transact in a fair and transparent manner.
- 4.2.5. During any procurement process, Suppliers are strictly prohibited from directly or indirectly offering gifts, entertainment, travel or any form of gratification to DNB Personnel or their families or their nominees which may give rise to the perception of an attempt to influence the decision in question.

- 4.2.6. Supplier must report in writing to DNB Integrity and Governance Unit or as provided in Item 9 (Reporting Channel / Whistleblowing) below if DNB or any DNB Personnel demand for bribery, or gratification or corrupt activities. All information will be promptly reported to the appropriate channels and will be handled with the utmost discretion. The identity of the concerned reporting party will be treated with the strictest confidentiality at all times.

4.3. Gift

- 4.3.1. DNB adopts a strict “No Gift Policy”.
- 4.3.2. Supplier must not give or offer to give, or receive or accept, any gifts, entertainment, corporate hospitality or other incentives to/ from DNB, DNB Personnel, or their family members or nominees unless otherwise allowed within the parameters of the DNB Gifts & Entertainment Policy.

4.4. Anti-Money Laundering

- 4.4.1. Money laundering offences occur when a person becomes involved in any act or conduct which entails proceeds of unlawful activities. This is provided for in the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001; and DNB is committed to abiding by the provisions in that statute.
- 4.4.2. DNB prohibits any involvement in money laundering activities either directly or indirectly, including dealing with the proceeds of unlawful activities.
- 4.4.3. Supplier must report any suspicious transaction, or any money laundering concerns to DNB Integrity and Governance Unit or as provided in Item 9 (Reporting Channel / Whistleblowing) below and comply with the prevailing laws in relation to such transactions.

4.5. Anti-Trust and Competition Laws

- 4.5.1. Supplier shall comply with all prevailing competition/ anti-trust laws and regulations to ensure a free and open marketplace.
- 4.5.2. Supplier must not engage in anti-competitive or unethical conduct to compete in the market which includes but not limited to:

- a. collusive behaviour,
- b. tying or linking arrangements,
- c. misuse of market power,
- d. refusal to supply,
- e. allocating/ dividing up products, markets, territories, or customer,
- f. fixing prices or terms relating to pricing,
- g. rig bids or colluding on bid quotes, and
- h. adopting strategies to boycott/ exclude a competitor from the market.

4.6. Data Privacy and Confidentiality

- 4.6.1. Suppliers are expected to safeguard DNB resources which include intellectual property, company technology, trade secrets and other confidential, proprietary or sensitive information while performing work for DNB. The use of DNB resources without proper approval or for anything other than performing work for DNB is strictly prohibited.
- 4.6.2. Supplier shall keep all information, personal or business, relating to DNB or DNB Personnel, or received from DNB or gathered on behalf of DNB, whether in physical or digital form, confidential. Supplier shall take all reasonable measures to protect the confidentiality of these information.
- 4.6.3. Supplier shall comply with the Malaysian's Personal Data Protection Act 2010 with respect to all personal data handled, kept, or processed by Supplier.
- 4.6.4. Supplier shall not reproduce copyrighted software, documentation or other materials, nor transfer, publish, use or disclose it other than in the ordinary course of business or as directed or authorised by DNB.
- 4.6.5. Any breach or violation of any DNB's provisions concerning data protection and privacy or applicable personal data protection laws or regulations shall be deemed as a violation of this Code for which appropriate action may be taken against the Supplier.

4.7. Supplier Information

- 4.7.1. Supplier must ensure that information shared with DNB is honest, accurate, up to date and complete. The Supplier shall keep DNB promptly updated in writing whenever of any changes to the information shared with DNB.
- 4.7.2. Supplier shall not make any misrepresentation including misrepresentation on its capabilities in the services rendered or goods delivered to DNB, for the purpose of securing procurement with DNB.
- 4.7.3. Supplier shall also disclose, if requested, accurate references of previous work undertaken. Where references of previous work undertaken cannot be disclosed due to confidentiality obligations, the Supplier shall reasonably endeavour to obtain the appropriate permissions and shall at a minimum disclose such information without breaching such obligations of confidentiality.
- 4.7.4. Supplier shall not make or circulate public statements that refer to DNB or its business or affairs or disclose its relationship with DNB, including using DNB's name for publicity or marketing purposes, without DNB's written consent.

4.8. Financial Integrity

- 4.8.1. Supplier shall not have any false or inaccurate entries in the accounting books or records relating to DNB.
- 4.8.2. Supplier must ensure all business records and documents are prepared accurately, up to date, and complete.

4.9. Conflict of Interest

- 4.9.1. Supplier is expected to prevent and/or immediately disclose in writing any actual or potential conflict of interest to DNB Integrity and Governance Unit or as provided in Item 9 (Reporting Channel / Whistleblowing) below.

4.10. Dealing with Public or Government Officials

- 4.10.1. Supplier must always ensure that all dealings or interactions with public or government officials are conducted in compliance with the ABAC Policy, any applicable law, rules and regulations.
- 4.10.2. Supplier is strictly prohibited from any acts of bribery and corruption in all interactions with such officials.
- 4.10.3. DNB expects its Supplier to refrain from improperly influencing such officials for the purpose of gaining business advantage and to ensure that all engagements are conducted in a fair and transparent manner.
- 4.10.4. DNB acknowledges the right of the Supplier to engage in individual political activities. Any Supplier must, however, make it clear that such opinions or actions are solely their own and do not reflect that of the DNB.

4.11. Protection of Assets

- 4.11.1. Suppliers are expected to safeguard DNB resources which include property and assets, while performing work for DNB.
- 4.11.2. Supplier shall not cause any damage to property whether belonging to DNB or DNB Personnel or any other Supplier located within the premises of DNB.
- 4.11.3. Abuse or misuse of properties that may be assigned to Supplier is a violation of this Code.

5. Labour Standards

5.1. Compliance with Labour Laws and Prohibition of Forced Labour

- 5.1.1. Supplier shall adhere with the applicable laws and regulations relating to labour and employment, particularly the Employment Act 1955 and its regulations.
- 5.1.2. Where migrant workers are employed, Supplier shall ensure that the workers:
 - i. are documented and recruited legally and ethically in line with applicable laws and regulations in the country which DNB operates,
 - ii. are provided with adequate information regarding their terms of employment in their national languages; and

- iii. enjoy their right to keep all personal documents including their own passports.
- 5.1.3. Supplier shall comply with rules and regulations of employment that respect workers and, at a minimum, safeguard their rights under applicable national and international labour and social security laws. Supplier shall ensure that their workers are provided with a valid employment contract clearly outlining the terms and conditions including on wages and other benefits.
- 5.1.4. Supplier shall ensure that all overtime work is voluntary and compensated at the prevailing overtime rates. Compensation paid to workers shall comply with all applicable wage laws and regulations, including those relating to minimum wages, overtime hours and legally mandated benefits.
- 5.1.5. Supplier's employees should be allowed at least one day off per seven-day week.
- 5.1.6. Supplier shall comply with the applicable laws on slavery, forced labour, and human trafficking, and shall not use forced labour, which consists of any work or service, not voluntarily performed, that is exacted from an individual under threat of force or penalty, and includes any kind of involuntary or compulsory labour.

5.2. Wages and Benefits

- 5.2.1. Every employee has a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income. Discretionary income refers to income remaining after deduction of taxes, social security charges and basic living costs.
- 5.2.2. Deductions from regular contracted wages shall not be permitted, except those deductions which:
 - i. are mandated by law; and/or
 - ii. are in accordance with the prescribed procedures under the law.
- 5.2.3. All wages and compensation are to be paid in a timely manner.

5.3. Prohibition of Child Labour

- 5.3.1. Supplier shall ensure that no underage labour/ child labour is used in the production or distribution of its goods or services. The term "child" refers to any person under the age of 15 years (or such other age where 16 the law of

the country dictates), or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is higher.

5.4. Non-discrimination

- 5.4.1. Supplier should aim to provide an environment free of discrimination and harassment, where all individuals are treated with respect and dignity, can contribute fully, and have equal opportunities. Suppliers shall not discriminate in its hiring and employment practices.
- 5.4.2. Suppliers shall treat all employees with respect and shall not use corporal punishment, threats of violence or other forms of physical coercion or harassment.

5.5. Freedom of Association

- 5.5.1. Suppliers shall recognize their employees' rights to join or refuse to join labour unions or associations and to bargain collectively as permitted by law.
- 5.5.2. Suppliers have the right to establish favourable employment conditions and to maintain open communication and direct engagement between workers and management as a mean to resolve workplace and compensation issues and promoting positive employee relations that make employees view third-party representation as unnecessary.

6. Health and Safety

- 6.1. Supplier shall comply with DNB's policies, procedures and requirements along with all prevailing health and safety laws, regulations, requirements and establish and maintain a safe and healthy working environment at all times.
- 6.2. Supplier shall have systems to prevent, detect and respond to potential risks to the safety, health and security of all employees/workers.
- 6.3. Suppliers shall identify and assess likely and potential emergency situations in the workplace and minimize their impact by implementing emergency plans and response procedures.

7. Environment

- 7.1. Supplier shall comply with all prevailing environmental laws, regulations, and standards.
- 7.2. Suppliers are encouraged to operate in an environmentally responsible manner by practising environmental practices such as minimization of waste, recycling, use of non-toxic chemicals, ethical sourcing, adoption of environmentally friendly technologies, responsible use of water and energy and pollution prevention.
- 7.3. Supplier is responsible for managing, measuring and minimizing the environmental impact of its products, services and facilities.

8. Communication and Documentation

- 8.1. Suppliers are responsible for communicating the requirements of the Code to their respective personnel, including but not limited to their employees, contractors, sub-contractors, agents, supply line counterparties and/or any service providers, including the provision of language translations, as necessary.
- 8.2. In case of discrepancies between the English version of this Code and any translation, the English version shall prevail.
- 8.3. Supplier is responsible for maintaining records to demonstrate compliance to the applicable laws and this Code, as and when requested by DNB.
- 8.4. Suppliers may be asked to permit inspections of their sites and for verification purposes in line with this Code. DNB reserves the right to audit the Supplier on a random basis to monitor compliance with this Code.

9. Reporting Channel / Whistleblowing

- 9.1. Supplier shall promptly report to DNB Integrity and Governance Unit of any actual or suspected violations of applicable laws or this Code involving DNB, DNB Personnel, Business Associate, Supplier or anyone connected with DNB.
- 9.2. Whistle-blowers may report in confidence via email to whistleblowing@digital-nasional.com.my
- 9.3. DNB is committed to protect, within reasons and means, anyone who reports or raises a concern in good faith, and those who participate in or conduct an investigation, from retaliation.

10. Consequences of Non-Compliance

- 10.1. Any non-compliance of this Code may result in action being taken against the Supplier, in addition to any contractual or legal remedies.
- 10.2. The actions applied will depend on the nature and severity of the non-compliance, which may include but not restricted to, immediate termination of the Supplier's contract with DNB, reporting to the relevant authorities, disqualifying the Supplier from participation in any procurement exercise, or accountability for any loss suffered by DNB as a result of such non-compliance by the Supplier.

11. Compliance to the Code

11.1. Control and Maintenance

- 11.1.1. To facilitate the monitoring of Supplier's compliance to this Code, Supplier shall:
 - a. develop, maintain and keep updated all necessary documentation to support compliance with the standards stated herein;
 - b. provide DNB with access to all relevant records and documentations, upon DNB's request;
 - c. allow DNB to conduct background review on the Supplier's employees and management;
 - d. allow DNB to conduct interviews with the Supplier's employees and management separately to assess compliance with the standard described herein;
 - e. allow DNB to conduct announced and unannounced site visits of Supplier's locations; and
 - f. respond promptly to reasonably inquiries from DNB in relation to the implementation of the Code.
- 11.1.2. Supplier shall have a process or system in place for timely correction of any deficiencies or violations identified by such an assessment.
- 11.1.3. Supplier shall monitor their own business activities, conduct periodic internal review, inspections, and audits to ensure compliance to this Code.

11.2. Due Diligence

11.2.1. DNB shall have the right, from time to time, whenever deem reasonably appropriate, to perform due diligence on Supplier during normal business hours.

11.2.2. DNB also have the authority to conduct due diligence or background review or interview on the Supplier before entering into any Purchase Order, contract or agreement for supply.

This Code may be attached to the contract executed between DNB and Supplier or signed separately. In case of the latter, Supplier shall confirm its acceptance to this Code by signing as required by DNB.