



DRB-HICOM BERHAD

(203430-W)

VENDOR CODE OF CONDUCT (VCOC)

1 st Issued	18 September 2018
Revised	30 November 2020

1. Introduction

DRB-HICOM Berhad (“DRB-HICOM” or “Company”) has established conduct standards for its business relationships that reflect our shared values of excellence, decorum, teamwork, integrity, innovation, quality, as well as transparency. All companies under the DRB-HICOM Group are expected to ensure that its vendors share and embrace this commitment to regulatory compliance.

2. Scope

The VCOC applies to all Vendors supplying goods and services to DRB-HICOM Group of Companies.

3. Vendor Responsibility & Compliance to VCOC

3.1 While vendors are independent entities from DRB-HICOM, the business practices and actions of a vendor, when conducting business with or on behalf of the Company, may significantly affect and reflect our Company. Therefore, DRB-HICOM expects all vendors and their employees, agents and subcontractors to abide by our high ethical standards set forth in this Vendor Code of Conduct (“VCOC”) guidelines, while conducting business with us or on our behalf.

3.2 As reflected in the DRB-HICOM's VCOC, the Company is committed to high standards of integrity and sustainability. DRB-HICOM has a “zero tolerance” policy when it comes to unethical business behaviour, such as bribery, corruption, and forced labour. We expect all of our vendors to adhere to similar standards and to conduct their business ethically.

3.3 As vendors of DRB-HICOM, you must comply with all applicable laws and regulations, the requirements set out in this VCOC and your respective contractual obligations to us.

3.4 DRB-HICOM may take necessary and appropriate action for breaches of the VCOC, which may include but is not limited to debarment and preclusion from proposing for any work for DRB-HICOM for a pre-determined period. In addition, all legal rights of DRB-HICOM are reserved notwithstanding any action undertaken by DRB-HICOM in respect of this clause.

4. VCOC Main Principles

This VCOC defines the main principles underlying your business activities as one of our vendors. The following three (3) principles ensure sustainable development in our supply chain:

- a. Environment
- b. Social
- c. Governance & Ethics



The main principles in the DRB-HICOM Sustainable Supply Chain

4.1 Environment

(a) Safety, Health and Environmental

- (i) Vendors shall be responsible for the safety of all persons who may be affected by their activities and shall comply with the Company's safety regulations and procedures.
- (ii) Vendors shall ensure that all works undertaken comply with all the safety, health and environmental regulations and guidelines of Malaysia.
- (iii) Vendors shall comply all applicable Local Authority requirements and regulations, with all permits and records obtained, kept and properly recorded.
- (iv) Vendors are encouraged to supply less environmentally- and socially-damaging products which consider all phases of the products lifecycle i.e. production, transportation, maintenance and disposal.
- (v) DRB-HICOM encourages vendors to institute effective environmental management systems which details the process of managing their environmental impacts and implement as appropriate.

4.2 Social

(a) Professional Conduct

- (i) Vendors shall respect the personal dignity, privacy and rights of each individual.
- (ii) Vendors shall not engage or be involved in any type of harassment and violence.

- (iii) Vendor shall not commit prohibitive behaviour including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.
- (iv) Vendors shall not engage or be involved in any activities that may be categorized as a crime that is punishable under Malaysian law.

(b) Wages & Working Hours

Vendors shall ensure that their employees are fairly compensated and that, at a minimum, they comply with all applicable wage and hour laws, or industry standard.

(c) Labour standards and protection

- (i) Vendors shall ensure fair labour conditions, and that all immigration regulations in Malaysia are adhered to with respect to the employment and work permits of their employees.
- (ii) Vendors shall ensure fair labour condition for their employees, and compliance to all relevant laws and regulations including but not limiting to prohibition of human trafficking, child labour, forced labour, bonded labour, indentured labour, involuntary prison labour, slavery or human trafficking.
- (iii) In hiring and practices such as promotions, rewards, and access to training, vendors shall not engage in discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status.

(d) Community Engagement

Vendors are encouraged to help foster social and economic development and contribute to the sustainability of the communities in which it operates.

(e) Working and Living Conditions

- (i) Where applicable, DRB-HICOM expects all vendors to comply with The Workers' Minimum Standards of Housing and Amenities Act 446 (Amendment) 2019. The act has been extended to all employment sectors providing housing and accommodation for workers, and also seeks to improve the Guidelines for Foreign Workers Accommodation 2018 by the Department of Labour of Peninsular Malaysia (JTKSM). This covers the minimum standard

accommodation space, basic facilities for workers' accommodation and elements of security and hygiene.

- (ii) Vendors are to provide a safe and healthy work environment. Adequate steps shall be taken to minimise the causes of hazards inherent in the working environment and establish a hygienic work environment.

(f) Responsible Sourcing of Materials

- (i) DRB-HICOM expects all vendors to obtain materials with full deliberation and care to avoid the sourcing or usage of materials which are unlawful or obtained through unethical or unacceptable means (such as sourcing of conflict minerals* or manufactured by using slave, forced or child labour). DRB-HICOM expects our suppliers to undertake similar measures with their own suppliers to ensure elimination of conflict materials across the supply chain.

**Minerals originated from conflict regions that directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses*

4.4 Governance & Ethics

(a) Anti-Bribery & Corruption

- (i) DRB-HICOM expects all vendors to have anti-bribery and corruption policies in place within their organisations or part of their work ethos which are consistent with DRB-HICOM Anti-Bribery & Anti-Corruption (ABAC) policy.
- (ii) Vendors must conduct business in ethical manner.
- (iii) Vendors shall not engage or be involved in any forms of bribery or corruption. The offer of a bribe or other inducement to any person with the view to influence the placing of the order/contract will result in the instant rejection of any purchase /tender.
- (iv) Vendors shall comply with all applicable laws and regulations and to avoid practices which may charge under bribery, corruption and prohibited business practices.

(b) Intellectual Property Rights

Data of any kind, such as sketches, drawings, models and the likes shall be returned to DRB-HICOM as soon as they are no longer necessary for the completion of works.

(c) Maintain Accountability

Vendors shall maintain full accountability for services rendered / goods supplied and honour their commitments on a timely basis and in accordance with their obligations under the specific agreements and undertaking with DRB-HICOM.

(d) Gift & Entertainment

- (i) Vendors are not permitted to offer or sponsor any social entertainment or personal trips to employees.
- (ii) During a tender / RFQ process, Vendors shall refrain from entertaining or treating any DRB-HICOM's employees or their family members who involved in the evaluation such as providing special invitation to events or offering a vacation.

(e) Fair Dealings & Integrity

- (i) Vendors shall conduct all procurement and business relationships with honesty, integrity, respect and fair manner.
- (ii) Vendors shall endeavour to deal fairly and should not take unfair advantage of anyone through the manipulation, concealment, abuse of privileged information, misrepresentation of material fact or any other unfair business practices.

(f) Honest Representation

- (i) Vendors shall provide honest and open representation of their organisation, its qualifications, experience and capabilities.
- (ii) Vendors shall disclose accurate references of previous work or engagements which they have undertaken.

(g) Conflict of Interest

- (i) Vendors shall declare any potential or actual conflicts of interest to DRB-HICOM even if it happens after the appointment, and/or to immediately address the conflict as soon as it is known.
- (ii) If in doubt, vendors shall highlight the conflict to DRB-HICOM immediately.
- (iii) Vendors shall disclose if any of DRB-HICOM employee or family members has an interest in the vendor's business.

(h) Confidentiality of Information & Data Protection

- (i) Vendors must undertake that all confidential information shall not be disclosed, given access to, procured, gathered, collected, received or handled by any third party without written consent from the company.

- (ii) Vendors shall not make use the DRB-HICOM employee's name or the company name for publicity purposes without the written consent of the employee or company.

5.0 Two-way Engagement

DRB-HICOM looks forward to hold regular engagement sessions with its vendors in order to achieve compliance to this VCOC and to understand vendors' concerns. Should vendors have difficulties in implementing the principles of the VCOC, DRB-HICOM is willing to work with them towards achieving full compliance.

6.0 Self-Monitoring & Self-Assessment

Suppliers are responsible for self-monitoring their compliance with this VCOC. DRB-HICOM may ask the vendor to assess their compliance by answering the on-line VCOC self-assessment questionnaires.

If and when any situation arises that causes the supplier to operate in violation of this VCOC, supplier should inform DRB-HICOM key contact as soon as possible. Suppliers are expected to cooperate fully in any investigation.

7.0 On-Site Audits

DRB-HICOM and/or an authorized third party acting on our behalf may verify compliance to the VCOC on site.

8.0 Reporting of Improper Activities / Whistle Blowing

Any irregular business dealings between vendors and employees or any third party must be reported directly through the following contacts:

- Toll Free Number : 1800-88-2005

- Fax Number : 03-20528959

- Whistle Blower Email : whistleblowing@drb-hicom.com

Vendor Acknowledgement

I/We confirm that I/we have read the Vendor Code of Conduct and agree to abide by the code.

Name :

Designation :

Company :

Date :

Signature & Company Stamp