



Value-Added Industries (M) Sdn. Bhd.
Zero Corruption Program

Prepared by

**The
Management**

Revision 2
February 2022

Business Code of Ethics

1.0 Zero Corruption Programme

In the pursuit of our business objectives, we believe that honesty and integrity provide the best foundations for our company, which is committed to the highest standards of ethical and moral practice. Integrity is a commitment to always doing what is right, and preventing wrong-doing when we encounter it. Commitment comes from the top down, with our Managing Director takes personal responsibility for implementing our policies Our Company is guided by a spirit of honesty and integrity. It upholds these values and strives to instill them both in our own company culture and in our relationship with stakeholders, customers, employees, vendors and external communities.

We are committed to:

1. Fair, honest and transparent conduct of business
2. Never offering bribes, whether directly or indirectly, to gain a business advantage
3. Never accepting bribes, whether directly or indirectly, to gain a business advantage
4. Full and consistent support to zero corruption program

These policies apply globally to the management and employees of Value-Added Industries Sdn Bhd and its affiliated companies. The general principles and prohibition also apply to consultants and other third parties working on behalf of Value-Added Industries (M) Sdn. Bhd., as well as suppliers, partners and others we do business with.

1.0 Zero Corruption Programme

Benefits of an anti-corruption program:

- A good reputation and record of integrity will enhance business opportunities
- With a good anti-corruption program in place, Value-Added Industries and its associates will be better protected against legal penalties, loss of license and blacklisting.
- A business with high ethical standards is a good place to work and will encourage a good working relationships and high morale.
- Saving money that might otherwise be squandered on bribes, gifts and inducements.

Risk of corruption:

- Corruption is illegal in many countries, and a criminal offence that carries high penalties or risk of imprisonment
- Bribery creates unfair competition, damages innovation and undermines integrity.
- Bribery taints business and brings the inevitable loss of reputation and even blacklisting in some organizations.
- Business decisions that have been influenced by bribery often yield poor results.

Management Commitment

3.0 Committed to Zero Corruption Program

Based on Value-Added Industries risk assessment, an anti-bribery program is being established and implemented globally to the management and employees of Value-Added Industries and its affiliated companies. The general principles also apply to other third parties working on behalf of Value-Added Industries Sdn Bhd, as well as suppliers, partners and others we do business with. Furthermore, Value-Added Industries pledges to conduct business that is always free from corruption and in accordance with the Anti-Corruption Principles for Corporations in Malaysia. Value-Added Industries is committed to working with its business partners, regulators and law enforcement agencies to create a business environment that is free from corruption..

Business Dealing with Good Ethics

4.0 Specific forms of bribery

4.1 Political contributions

A political contribution is a contribution, financial or in kind made to a politician or a political campaign or a political party. Examples include providing gifts or service, allowing employees to work at a political campaign or function, or paying for campaign expenses. Political contribution can be legitimate if supporting documents or financial reports are provided to support the democratic process. And contributions to industry associates or fees for membership in organizations that serve business interests are not considered to be political contributions.

Political Contributions Policy

- Value-Added Industries may make company political contribution in the future to legitimate and transparent political party

Reference: Political Contributions procedure

4.2 Charitable Contributions/ Donations

Taking part in charity activities and company donations are part of Value-Added Industries' commitment to society and a way to carry out social responsibility. Donations include anything of value donated that can be in cash or in kind, such as goods or services. Fees for membership in social and charitable organization are considered donations.

Charitable & Donations Policy

- Donations must be transparent.
- Donations to private accounts or in cash are not permitted.
- Donations should always be given to a charitable organization and not to an individual.

Reference: Charitable & Donations procedure

4.3 Sponsorship

Sponsorship unlike charitable contributions is made for business objectives and usually for brand and reputation management purposes. Sponsorship can be made in cash or in kind but the sponsorship should bring real, measurable benefits to the business. Sponsorship activities can take place in the areas of sports, education and culture. Sponsorship can be subject to kickbacks; funds can be steered for corrupt purpose to “front” charitable purposes, sporting or philanthropic organizations or used to create undue influence such as sponsoring a favored cause of a decision maker or customers. Therefore, every request is to be thoroughly scrutinised.

Sponsorship Policy

- All worldwide sponsoring activities must be approved by the Board of Directors.

Reference: Sponsorships procedure

4.4 Facilitation Payments

Facilitation payments are small bribes made to secure or expedite the performance of routine official action (such as processing government papers, issuing licenses or permits, clearing goods through customs or obtaining adequate police protection etc.) to which the company is entitled. Facilitation payments are illegal in most countries. Facilitation payments are typically demanded by low level and low income officials in exchange for providing services to which one is legally entitled without such payments.

Facilitation Payments Policy

- Value-Added Industries prohibit payments for facilitation action.

Reference: Facilitation Payments procedure

4.5 Gifts, Hospitality and Expenses

Reasonable gift and entertainment offered openly in the normal course of business to promote good relations and mark special occasions are not bribes. However, an expensive gift or the offer of lavish entertainment may be perceived as a bribe under local law and can all be used as bribes, if made with the deliberate intention of improperly gaining business advantage and perhaps preparing the way for more extensive bribery.

4.5.1 Gifts

A gift or a present is the transfer of something without the expectation of receiving something in return. Although gift-giving might involve an expectation of reciprocity, a gift is meant to be free.

Gifts Policy

- Giving or accepting non-monetary personal gifts is allowed without pre-approval if it is of nominal value and complies with the Company obligatory guidance.
- Value-Added Industries does not accept gifts which are given regularly and often.
- Valuable items received as gifts will be returned, or dispose of as agreed by management
Nominal value - means small enough that they could not be seen as an attempt to induce someone to misuse their position,

4.5.2 Hospitality and Entertainment

Hospitality is the relationship between guest and host, or the act or practice of being hospitable. Specifically, this includes the reception and entertainment of guests, visitors, or strangers, at resorts, membership clubs, conventions, attractions, special events, and other services for travelers and tourists.

Hospitality and Entertainment Policy

- Entertainment and meals must serve a legitimate business purpose and should not include spouses or other guests of the invitee.
- Company obligatory guidance must be satisfied
- Do not give or accept lavish or frequent entertainment which is not hosted.

4.5.3 Business Travel Expenses

Business travel is the practice of people traveling for purposes related to their work and travel. Subsistence expenses describe the cost of spending on business travel, meals, hotels, sundry items etc. There may be occasions when Value-Added Industries wants to invite customers to a particular business event. Equally, Value-Added Industries may be invited to an event by a customer. Therefore, an obligatory guidance must be in place to prevent the risk of bribery.

Business Travel Expenses Policy

- Company obligatory guidance is satisfied
- The business travel expenses serves a legitimate business purpose

Reference: Gifts, Hospitality and Expenses procedure

4.6 Agents and other Intermediaries

Agents and other intermediaries describe individuals who have a close relationship with the company such as advisers, consultants and distributors. Value-Added Industries prohibits agents and other intermediaries to act on their own and commit bribery. Value-Added Industries is committed to not giving or accepting bribes and will protect the company by enabling a swift severance from an agent if they commit a bribery offence.

Agent and other intermediaries Policy

- To eliminate integrity risks derived from agents and intermediaries making payments for services

Reference: Agents and other Intermediaries procedure

Compliance Helpdesk

Value-Added Industries is committed to complying with all applicable laws, regulations and other requirements as well as Value-Added Industries Business Code of Ethics. In the pursuit of our business objectives, Value-Added Industries believes that honesty and integrity provide the best foundations for our company, which is committed to high standards of ethical and moral practice. The intention of this Code is to safeguard the Company's tradition of strong moral and ethical standard of conduct. Value-Added Industries expects every employee, supplier, agent, subcontractor, vendor, customer and other stakeholder to comply with this non-negotiable code. If you require any further information regarding compliance issues, please consult our management via email lbg@lbg.my or phone on +603 - 6120 1133. In the event that you come across any incidences of non-compliance by a Value-Added Industries employee, please raise your concern directly with Value-Added Industries via:



Drop Box



Phone Number
+603 - 6120 1133



Email
lbg@lbg.my



letter
Lot 16434, Jalan 4,
Taman Perindustrian Selayang,
68100 Batu Caves, Selangor, Malaysia.

Upon receipt of such a report, we will conduct an investigation internally and revert to you as quickly as possible. You may voice your concerns in complete privacy and confidence, and be assured that they will be discretely and comprehensively followed up.

Consequence of misconduct

Value-Added Industries have no tolerance for compliance violation. We must have a strong process for dealing with those who violate this non-negotiable code. Non-compliance means disobeying the laws, behaving in non-accordance with the policies of Value-Added Industries and following processes laid down for the enforcement of those policies. Any violation will be treated as an extremely serious matter, with one or more of the following sanctions being applied:

- Written warning
- Demotion
- Immediate dismissal without notice
- Termination of contract (with external parties)