

 <small>A subsidiary of Tenaga Nasional</small>	Document Type: POLICY	Procedure / Title: ANTI-BRIBERY POLICY	Document Number: TNB Genco ABMS-001	
	Document owner: COMPLIANCE & RISK MANAGEMENT DEPARTMENT TNB POWER GENERATION SDN. BHD.		Revision:	1
			Date published:	4 Sept 2023

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TITLE:

ANTI-BRIBERY POLICY

Document Number:

TNB Genco ABMS-001

Revision Number	Description	By	Verifier	Approver
0	Development of policy	CRMD-CF	CRMD	BARC
1	1st Revision	CRMD-CF	CRMD	BARC

Contents

- 1. Background 3
- 2. Objective 3
- 3. Scope..... 3
- 4. References 3
- 5. Definitions..... 4
- 6. Policy owner 6
- 7. Policy..... 6
- 8. Sanctions for non-compliance 10
- 9. Waiver..... 10
- 10. Review & Inspection 10

1. Background

The main item of legislation relevant to TNB Genco in the context of anti-bribery is the Malaysian Anti-Corruption Commission Act 2009 (“**MACCA**”). Specific offences under the Act include accepting gratification, corruptly procuring a withdrawal of tender, bribery of an officer of a public body, bribery of a foreign public official, and using office or position for gratification. Upon conviction of bribery-related offences, TNB Genco as a company may receive a significant fine and suffer lasting damage to its finances and reputation. In addition, the company’s directors and personnel may face fines, imprisonment or both. According to Section 17A of MACCA, Corporate Liability, a company may be liable for the corrupt practices of its employees and/or any person associated with the Company in cases where such corrupt practices are carried out for the Company’s benefit and advantages whether or not its senior management or its representatives are aware of such corruption act. This matter is therefore to be taken with the utmost seriousness by all parties involved in conducting the business of TNB Genco. Having a clear and unambiguous policy statement on TNB Genco’s position regarding bribery forms the cornerstone of an effective integrity management system.

This anti-bribery policy has been developed as part of TNB Genco Anti-Bribery Management System (ABMS) and in line with TNB Corporate Integrity Management System (TCIMS) and should be read in conjunction with TNB Genco Integrated Management System Manual (TNB GenCo IMS – HQ – Manual).

2. Objective

This policy sets out TNB Genco’s overall position on bribery in all its forms.

3. Scope

This policy is applicable to TNB Genco, the BOD and TNB Genco Personnel along with its Controlled Organisations including subsidiaries, their BODs and personnel also the BODs and personnel of Business Associates when they are acting on TNB Genco’s behalf.

4. References

- a) International Standard ISO 37001:2016 Anti-Bribery Management System (ABMS)
- b) TNB Genco Code of Ethics
- c) TNB Genco Conflicts of Interest policy
- d) TNB Genco Gifts, Hospitality and Related Benefits Policy
- e) TNB Integrity Pact Policy
- f) TNB Genco Whistleblowing Policy
- g) TNB Genco IMS Manual (Genco IMS- HQ – Manual)
- h) TCIMS (TNB Corporate Integrity Management System)

5. Definitions

The following definitions are included in this policy.

BARC	TNB Genco Board Audit and Risk Committee
BOD	The Board of Directors of TNB Genco and the Boards of its Controlled Organisations
Bribery	<p>Bribery is defined as any action which would be considered as an offence of giving or receiving ‘gratification’ under the Malaysian Anti-Corruption Commission Act 2009 (MACCA).</p> <p>In practice, this means offering, giving, receiving or soliciting something of value in an attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation.</p> <p>‘Gratification’ is defined in the MACCA to mean the following:</p> <ul style="list-style-type: none"> (a) <i>money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;</i> (b) <i>any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;</i> (c) <i>any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;</i> (d) <i>any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</i> (e) <i>any forbearance to demand any money or money’s worth or valuable thing;</i> (f) <i>any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and</i> (g) <i>any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</i> <p>Bribery may be ‘outbound’, where someone acting on behalf of TNB Genco attempts to influence the actions of someone external, such as a Government official or client decision-maker.</p> <p>It may also be ‘inbound’, where an external party is attempting to influence someone within TNB Genco such as a senior decision-maker or someone with access to confidential information.</p>
Business Associate	An external party with whom the organisation has, or plans to establish, some form of business relationship. This may include clients, customers, joint ventures, joint venture partners, consortium partners, outsourcing providers, contractors, consultants, subcontractors, suppliers, vendors, advisers, agents, distributors, representatives, intermediaries and investors. A Business Associate may also be referred to as a Third Party, particular if the associate is acting on behalf of the organisation.
CF	TNB Genco Compliance Function
Conflict of Interest	When a person’s own interests either influence, have the potential to influence, or are perceived to influence their decision making at TNB Genco.
Controlled Organisation	An entity where TNB Genco has the decision-making power over the organisation such that it has the right to appoint and remove the management. This would normally be where TNB Genco has the controlling interest (>50% of the voting

	share ownership), but it could be where there is an agreement in place that TNB Genco has the right to appoint the management, for example a joint venture where TNB Genco has the largest (but still <50%) allocation of the voting shares.
Corporate Gift	Something given from one organisation to another, with the representatives of each organisation giving and accepting the gift. Corporate gifts may also be promotional items given out equally to the general public at events, trade shows and exhibitions as a part of building the company's brand. The gifts are given transparently and openly. Corporate gifts normally bear the company name and logo. Examples of corporate gifts include items such as diaries, table calendars, pens, notepads, plaques, and festive gifts such as hampers, oranges and dates. See also <i>Personal Gift</i> below.
Corruption	The Transparency International definition is used for the TNB GenCco ABMS: 'The abuse of entrusted power for personal gain.' See the definition for 'bribery', which is the term used primarily in the TNB Genco ABMS.
CRMD	Compliance & Risk Management Department, TNB Genco
Exposed Position	A staff position identified as vulnerable to bribery through a risk assessment. Such positions may include any role involving: procurement or contract management; financial approvals; human resource; relations with government officials or government departments; sales; positions where negotiation with an external party is required; or other positions which the company has identified as vulnerable to bribery.
Facilitation Payment	A payment or other provision made personally to an individual in control of a process or decision. It is given to secure or expedite a routine or administrative duty or function.
Hospitality	The considerate care of guests, which may include refreshments, accommodation and entertainment at a restaurant, hotel, club, resort, convention, concert, sporting event or other venue such as company offices, with or without the personal presence of the host. Provision of travel may also be included, as may other services such as provision of guides, attendants and escorts; use of facilities such as a spa, golf course or ski resort with equipment included.
Integrity Pledge	A document signed by an individual, committing themselves to act with integrity as they conduct their duties at TNB Genco.
MD	Managing Director, TNB Genco.
Personal Gift	Something given from one individual to another, with the intention of creating or enhancing a personal relationship. The gifts are given in a private setting, without the knowledge or approval of the company management of one or both parties. Personal gifts may include cash, cash equivalents such as credit cards, bitcoin or savings accounts, electronic items, watches, luxury pens, property, vehicles, free fares, shares, interest free loans, lottery tickets, travel facilities, entertainment, services, club memberships, any forms of discount or commission, jewellery, decorations, souvenirs, vouchers or any other valuable items. See also <i>Corporate Gift</i> above.
REMACO	TNB REPAIR AND MAINTENANCE SDN. BHD.
The Management	TNB Genco Management

TNB Genco	TNB POWER GENERATION SDN. BHD. and its Controlled Organisation.
TNB Genco ABMS	TNB POWER GENERATION SDN. BHD. Anti-Bribery Management System (ABMS)
TNB Genco IMS Manual	TNB POWER GENERATION SDN. BHD. Integrated Management System Manual (TNB Genco IMS – HQ – Manual)
TNB Genco Personnel	All individuals directly contracted to the company and its Controlled Organisations on an employment basis, including permanent and temporary employees and directors.
Whistleblower	A person who discloses information on a person or organization engaged in or suspected of being involved in malpractice.

6. Policy owner

CRMD is the owner of this policy.

7. Policy

7.1 Anti-Bribery Policy

- a) Our policy is that bribery in all its forms related to TNB Genco’s activities is prohibited.
- b) Bribery may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment. TNB Genco Personnel and its Business Associates shall not therefore, whether directly or indirectly, offer, give, receive or solicit any item of value, in the attempt to illicitly influence the decisions or actions of a person a position of trust within an organisation, either for the intended benefit of TNB Genco or the persons involved in the transaction.
- c) The anti-bribery policy applies equally to its business dealings with commercial (‘private sector’) and government (‘public sector’) entities, and includes interactions with their directors, personnel, agents and other appointed representatives at all levels. Even the possible appearance of bribery is to be avoided, in particular when dealing with government officials.
- d) The anti-bribery policy applies to all countries worldwide, without exception and without regard to regional customs, local practices or competitive conditions.
- e) Therefore, TNB Genco does not permit Facilitation Payments even when they are customary under the circumstances.
- f) TNB Genco holds a ‘No Gifts’ Policy. However, there are certain exceptions. Gifts and hospitality are acceptable provided they (1) are limited, customary and lawful under the circumstances; and (2) do not have or are perceived to have (by either the giver or the receiver), any effect on actions or decisions. Specifically, with respect to gifts and hospitality, (a) there should be no expectation of any specific favour or improper advantages from the intended recipients; (b) the independent business judgment of the intended recipients must not be affected; (c) there must not be any corrupt / criminal intent involved; and (d) the giving out of the gift and hospitality must be done in an open and transparent manner. Further details are set out in the *Gifts, Hospitality and Related Benefits Policy*.
- g) It is TNB Genco’s policy that no employee or external party will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behaviour, even if such refusal may result in the company losing business or experiencing a delay in business operations.

- h) TNB Genco recognises the value of integrity in its personnel and directors. Personal integrity should be considered as a part of TNB Genco's approach to recruitment, training, performance evaluation, remuneration, and promotion.
- i) TNB Genco does not offer employment to prospective personnel in return for their having improperly favoured TNB Genco in a previous role.

7.2 Recognition of local and international legislation

- a) TNB Genco is committed to observing the laws and regulations which govern our operations in every country where we do business.
- b) Basic Prohibition: TNB Genco is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to the Malaysian Penal Code (revised 1977) (and its amendments), the Malaysian Anti-Corruption Commission Act 2009, (and its amendments), the Companies Act 2016 (Malaysia), the US Foreign Corrupt Practices Act 1977 (amended 1998), and the UK Bribery Act 2010. These laws prohibit bribery and mandate that companies establish and maintain accurate books and records and sufficient internal controls.

7.3 Business Associates

- a) TNB Genco may be held legally responsible for the actions of Business Associates acting on its behalf (commonly called a 'Third Party'). As such, care must be taken to ensure that such entities do not attempt to engage in bribery. If concerns about a Business Associate persist, TNB Genco must not engage or use the services of the entity.
- b) TNB Genco must ensure that all Business Associates acting on behalf of TNB Genco contractually agree to comply with this policy, particularly the Basic Prohibition in 7.2, and other relevant TNB Genco policies, which sets out TNB Genco's general position on integrity and business ethics.
- c) Due diligence should also be carried out with regards to any Business Associate intending to act on the company's behalf as an agent or in other representative roles, to ensure that the entity does not commit an act of bribery in the course of its work with TNB Genco. Due diligence should be based on a bribery risk assessment. Due diligence may include a search through relevant databases, checking for relationships with public officials, and documenting the reasons for choosing one particular Business Associate over another. The results of the due diligence process must be documented, retained for at least seven years and produced on request by the custodian of the process.

7.4 Responsibilities of TNB Genco Personnel

- a) This policy is applicable to all TNB Genco Personnel (including the directors of TNB Genco and its Controlled Organisations, and it seeks to impose specific responsibilities and obligations that are properly reflected in employment contracts, evaluations, incentives and promotional procedures and enforced through standard disciplinary measures.
- b) With respect to directors of TNB Genco and its Controlled Organisations, their specific roles include the following:
 - i. Promote good corporate governance practices relating to anti-bribery;
 - ii. Demonstrate support for the implementation and enforcement of this policy;
 - iii. Demonstrate model behaviour and lead by example by complying with this policy;

- iv. Be watchful and alert for signs of possible misconduct or inappropriate behaviour which may relate to bribery;
 - v. Not condone improper practices and to take stern actions when required;
 - vi. Promote the use of whistleblowing mechanisms within TNB Genco and give assurance on the protection of whistleblowers.
- c) All TNB Genco Personnel are responsible for understanding and complying with this policy. In particular, the role of all TNB Genco Personnel includes the following:
- i. Be familiar with applicable requirements and directives of the policy and communicate them to subordinates;
 - ii. Promptly record all transactions and payments accurately and in reasonable detail;
 - iii. Always raise suspicious transactions to immediate superiors for guidance on next course of action;
 - iv. Seek clarification from CRMD of any query about this policy or if there is a lack of understanding about the required action in a particular situation;
 - v. Be alert to indications or evidence of possible violations of this policy;
 - vi. Promptly report violations or suspected violations through appropriate channels;
 - vii. Participate in integrity and anti-bribery training as determined by the position.
- d) TNB Genco Personnel in a supervisory position have a particular responsibility to ensure that the TNB Genco ABMS requirements are applied and complied with within their department or function and to monitor compliance with the policy. They also must ensure that subordinates in 'Exposed Positions' attend relevant training.
- e) When dealing with external providers offering goods and services to the company, TNB Genco Personnel shall not:
- i. express unexplained or unjustifiable preference for certain parties;
 - ii. exert improper influence to obtain personal benefits from them.
- f) When dealing with external parties in a position to make a decision to TNB Genco's benefit (such as a Government official or client), TNB Genco Personnel shall not:
- i. offer, promise or make any attempt at dishonestly influencing the person's decision by directly or indirectly offer or make promise of corrupt payments, in cash or in kind;
 - ii. be involved in any discussions regarding business or employment opportunities, for their own personal benefit or for the benefit of the external party;
 - iii. otherwise abuse the decision-making and other delegated powers given by the senior management, in order to illicitly secure an outcome which would be to the commercial advantage to themselves and/or the company.

7.5 Staff declarations

- a) All new TNB Genco Personnel must sign an acknowledgement at the beginning of their employment that they have read and understand this policy and TNB Genco Code of Ethics for TNB Genco's general position on integrity and business ethics.
- b) All TNB Genco Personnel shall sign an Integrity Pledge on a **annual** basis.

- c) All TNB Genco Personnel shall declare any Conflicts of Interest, as stated in the *Conflicts of Interest Policy*.

7.6 Anti-bribery compliance function

- a) TNB Genco shall establish and maintain an anti-bribery compliance function, CRMD to oversee the management of the TNB Genco ABMS.
- b) CRMD shall be recognised as an independent authority within the company structure, equipped to act effectively against bribery and reports directly to the BARC.
- c) TNB Genco shall conduct regular risk assessments to identify the bribery risks affecting the business, set the company's anti-bribery objectives, and assess the effectiveness of the controls in achieving those objectives. This process will ensure the TNB Genco ABMS is appropriate for the purpose of the organisation and inform further improvements of the system.
- d) CRMD shall be resourced and staffed to a level in keeping with the size of TNB Genco, the risk given the business activities of TNB Genco and the scope of the TNB Genco ABMS. BARC shall ensure that appropriate resources are provided for effective operation of the TNB Genco ABMS and that the CRMD is staffed with persons who have the appropriate competence, status, authority and independence.
- e) CRMD shall provide advice and guidance to personnel on the anti-bribery management system and issues relating to bribery.
- f) CRMD shall take steps to ensure that appropriate monitoring, measurement, analysis and evaluation of the TNB Genco ABMS is performed.
- g) CRMD shall report on the performance of the TNB Genco ABMS to the BARC and the management regularly, including results of any investigations and audits.
- h) CRMD shall have clear terms of reference with a scope of work covering the TNB Genco ABMS and directly related matters.

7.7 Training

- a) TNB Genco shall endeavour to conduct a training and awareness programme for all TNB Genco Personnel on the company's position regarding anti-bribery, integrity and ethics.
- b) All TNB Genco Personnel shall complete the Integrity E-Learning training on an annual basis.

7.8 Reporting of policy violations

- a) TNB Genco shall establish and maintain suitable reporting ('whistleblowing') channels for receiving information regarding violations of this policy, and other matters of integrity provided in good faith by TNB Genco's Personnel and/or external parties.
- b) Personnel who, in the course of their activities relating to their employment at TNB Genco, encounter actual or suspected violations of this policy are required to report their concerns using one of the reporting channels.
- c) Reports made in good faith shall be addressed in a timely manner and without incurring fear of reprisal regardless of the outcome of any investigation.
- d) Retaliation in any form against TNB Genco Personnel where the person has, in good faith, reported a violation or possible violation of this policy is strictly prohibited. Any TNB Genco Personnel found to have deliberately acted against the interests of a person who has in good faith reported a violation or possible

violation of this policy shall be subjected to disciplinary proceedings including demotion, suspension, dismissal or other actions (including legal action) which TNB Genco may choose to take.

- e) See the *Whistleblowing Policy* for further information.

7.9 Non-compliance

- a) CRMD shall conduct regular audits to ensure compliance to this policy in accordance with the TNB Genco IMS Manual (Genco IMS- HQ – Manual). Such audits may be conducted internally by TNB Genco or externally by designated Business Associates. Audit documentation should include performance improvement action plans.
- b) Non-compliance as identified by the audit and any risk areas identified through this and other means shall be reported to the Management in a timely manner in accordance with the level of risk identified.

7.10 Continuous improvement

- a) In maintaining the TNB Genco ABMS, TNB Genco is committed to satisfy ISO 37001:2016 anti-bribery management system requirements.
- b) TNB Genco shall monitor the legal and regulatory regimes where it operates, and identify any changes to TNB Genco's business environment and risks in order to identify opportunities for improvements to the TNB Genco ABMS. A report shall be submitted to the BARC on a regular basis for the BARC to take appropriate action.
- c) CRMD shall conduct regular assessments of the TNB Genco ABMS as and when required, to ensure its scope, policies, procedures and controls match the bribery and other bribery-related risks faced by TNB Genco.
- d) TNB Genco endeavours to impact the business environment where it operates. This may include extending its integrity programme to non-Controlled Organisations, suppliers and contractors, seeking to work with companies who have a similar commitment and supporting initiatives in the private and public sectors which are likely to improve the integrity of its operating environment.

8. Sanctions for non-compliance

TNB Genco regards bribery as a serious matter and will apply sanctions in the event of violations of this policy. For TNB Genco Personnel, non-compliance may lead to disciplinary action, up to and including termination of employment. Further legal action may also be taken in the event that TNB Genco's interests have been harmed by the results on non-compliance by individuals and organisations.

9. Waiver

Any deviation or waiver from this policy must be approved either by MD or BARC.

10. Review & Inspection

CRMD will review the suitability of this policy from time to time.