

Standard Terms and Conditions of Purchase

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PNB
Permodalan Nasional Berhad

Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X)) (“PNB”) and any other related companies and/or associate companies of PNB whose accounts and services are consolidated with PNB and/or such other companies which PNB may add and notify to the vendor in writing from time to time as specified in the purchase order (collectively, the “Company” or “we” or “our” or “us”)

Standard Terms And Conditions Of Purchase

SUBJECT TO AGREEMENT (IF APPLICABLE)

The Company, only purchases goods, rights to use and services ("Deliverables") based on the terms and conditions stated herein ("Terms") and also subject to the relevant agreement and any other documents (if applicable). If you choose to accept our order, then such order will be based on these Terms and other documents/agreements to formalise the appointment of the vendor ("Agreement") (if applicable).

If you wish to reject our order and subsequently make a counter-offer, then you MUST therefore reply to the Company in writing explicitly and clearly indicating such rejection. All proposed counter-offer shall be made in writing and saved in the SAP Ariba's system managed by the Company ("System") and are also subject to prior written acceptance by the Company. Any counter-offer shall only be approved by the authorised signatory(ies) of the Company. Such acceptance of these Terms or proposed counter-offer must be communicated through the System, email or pre-paid post (subject to written confirmation by both parties).

A reference to any written documentation between the parties may include any writing/documentation made in/generated from the System.

Any approval by the Company in the System shall be deemed as if the authorised signatory(ies) of the Company has given approval for any such decision.

1 The Contract

- 1.1 The complete agreement between the parties shall comprise of the purchase order, integrity declaration form, these Terms and the Agreement (if applicable) (collectively as "Documents"). These Documents shall be read together and in the event of any conflict between these Documents, the Agreement shall take precedence followed by the purchase order and lastly these Terms.
- 1.2 You shall indemnify and keep the Company indemnified against any loss, costs, expenses, demands or liability, whether direct or indirect, arising of any breach of these Terms. For the avoidance of doubt, such indemnity shall be effective irrespective of whether legal proceedings have been instituted, or whether any settlement or compromise has been reached.
- 1.3 The Company is not contractually bound until a formal order in writing has been produced and accepted through the System; or signed by the authorised signatory(ies) of the Company; or when we accept the Deliverables, subject to formal order acknowledgement being provided later SUBJECT ALWAYS to the entry and execution of the Agreement.

2 Price

- 2.1 The price of the Deliverables will be as stated in the purchase order and, unless otherwise stated, will be:
 - 2.1.1 exclusive of any applicable taxes (which will be payable by the Company subject to receipt of a valid invoice);

- 2.1.2 inclusive of all charges for packaging, packing, shipping, carriage, insurance and delivery, commissioning or performance of the Deliverables to or at the delivery address, and of any duties or levies other than Sales Services Tax ("SST");
- 2.1.3 payable in RM (Ringgit Malaysia) or any other foreign currency based on the requirement of the Deliverables (if applicable); and
- 2.1.4 for a fixed duration.
- 2.2 The Company will be entitled to any discount for prompt payment, bulk purchase or the like normally granted by you in comparable circumstances, of which the final contract price or cost shall be formalised in writing in the Agreement.
- 2.3 If the Company requests from you any supplies of maintenance, training, spare parts, consumables or other goods, transfer of intellectual property rights or services in order to fully benefit from the Deliverables, as stated in the Documents (if any) ("Follow-on Deliverables"), you therefore agree to provide the Follow-on Deliverables to the Company, following satisfactory completion of the performance of your contractual obligations as described in the Documents ("Performance"), at fair and reasonable prices.

3 Payment

- 3.1 Invoices for the Deliverables may be sent to the Company on, or after, satisfactory completion of the Performance. Each invoice must refer to the purchase order number. The Company shall have the right to withhold payment if the Company is not satisfied with the Performance.
- 3.2 Unless otherwise stated in any of the Documents, the Company will pay the contract price within thirty (30) days from the Company's receipt of an undisputed invoice.

4 Specifications

- 4.1 If the Company orders goods, the order is deemed to include the supply of all relevant documentation and certification, and commissioning of those goods (if any), unless stated otherwise. If the Company orders services, such services include the complete performance of those services including any employee instruction, manuals, explanations or certifications (if necessary), unless stated otherwise in writing by the Company. Any such order whether services or goods shall include any legal and/or intellectual property rights necessary to use those goods or services for their intended purposes (as per Section 6.3 of these Terms).
- 4.2 The quantity, quality and description of the Deliverables will be as specified in the purchase order and these Terms or as agreed in writing by both parties in the Agreement and subject to any representations stated in Section 6.1 of these Terms.
- 4.3 You have the sole responsibility for complying with all applicable regulations and other legal and regulatory requirements concerning performance of the Documents and for ensuring that the Company shall be in compliance likewise, to be able to fully utilise the Deliverables.
- 4.4 The Company shall be allowed to inspect any Deliverables during (including inspection of your premises for) the manufacturing process and storage, so long as the Company requests for an inspection by giving prior written notice to you. If, as a result of the inspection, the Company is not satisfied with the quality of the goods or the standards of their manufacture, storage or handling does not conform with the provisions of the Agreement you will take such steps as are necessary to ensure compliance. If thereafter the Company is still not satisfied with the result, then the Company reserves its right to cancel the Agreement immediately and without imposition of penalty.

- 4.5 If, before the Performance has occurred, in the relevant respect, the Company notifies you in writing of any change in desired specification (including as to quality and time frame) you will respond as follows;
- (i) If the change would reduce your costs, the contract price will be reduced to fairly reflect that saving. If the change would increase your costs, you shall notify us promptly in writing, of a proposed revision of the contract price fairly and proportionately reflecting any such unavoidable increase in price and both parties will then use reasonable efforts to agree on the revised terms in full, including contract price, variations to the Agreement of which will not take effect until such revised terms is mutually agreed in writing by the parties.
 - (ii) If the change would for any reason be unachievable, you shall notify the Company promptly in writing, with reasons: again, both parties will then use reasonable efforts to reach a mutually acceptable variations to the Agreement in writing.

In the event that you fail to respond in accordance with Sections 4.5(i) or 4.5(ii) above, our proposed change will be deemed to have been accepted, and the Agreement will be deemed to have been varied with immediate effect to reflect the requested specification change with no price increase. What amounts to "prompt" notice for this purpose will depend on feasibility for you and urgency for the Company, but not in any case later than forty eight (48) hours (excluding hours of days which are Saturdays, Sundays or are recognised public holidays in Malaysia) from our notice of proposed change. In no event whatsoever will the Company be liable to you in respect of any variation in the contract price as you could not reasonably have been expected to avoid. The contract price will not under any circumstances be increased except with the express written agreement of the Company.

- 4.6 The Company may from time to time, request the information on how the Deliverables were performed and/or supplied, as well as all relevant activities of any of your suppliers or sub-contractors. You will meet such request as soon as reasonably possible, and will keep records adequate for that purpose until after completion of the Performance. Without limitation, these records must provide full traceability for all goods comprised in, or used in making, any Deliverables, which shall, in any respect be safety-critical. Your supplier or sub-contractors must also demonstrate compliance with all quality and performance standards, as well as legal or regulatory requirements of their respective contracts and applicable laws.
- 4.7 You shall comply with any reasonable requirements that the Company may impose with regards to the packaging and packing of any of the Deliverables, and as to the information to be displayed on the packaging or included on the dispatch documentation. Subject to that, you will ensure that all packaging, packing, labelling and documentation is such as to ensure full compliance with legal requirements/regulations of the Documents and applicable laws.

5 Delivery and risk

- 5.1 Any goods will be delivered to, and any services performed at, the address and on the date stated in the Documents.
- 5.2 If the Company requires a change in the date or delivery address after ordering through the System, the Company will give you reasonable written notice of the details of the same.
- 5.3 The date of delivery of any Deliverables or rights to use, and the performance of any services, will be of the essence of the purchase order.
- 5.4 A packing note quoting the number of the Deliverables must accompany each delivery or consignment of goods and must be displayed prominently (if applicable).

- 5.5 Where Deliverables are to be supplied in instalments, the Agreement shall still be treated as a single contract. If you fail to deliver or perform any instalment, the Company may at its discretion, treat the whole Documents as repudiated, subject to provisions contained therein.
- 5.6 The Company may reject any Deliverables which are not fully in compliance with the Agreement. Acceptance does not occur until the Company has had a reasonable time to inspect or consider the Deliverables following supply thereof and, in the case of latent defect, a reasonable time after the defect becomes apparent.
- 5.7 The Company will not be bound to return to you any packaging or packing material, but if any relevant requirement for packaging recycling applies, you will collect the materials back from the Company as soon as reasonably practicable, free of charge upon written request by the Company.
- 5.8 If any Deliverables are not supplied on or by the agreed date then, in addition to any other remedies available to us, the Company (subject also to the Agreement) will be entitled to deduct one percent (1%) of the overall contract price for those Deliverables, for every day's delay.
- 5.9 Risk of damage to or loss of the Deliverables shall pass to the Company after delivery.
- 5.10 Subject to any other provisions in the Agreement to the contrary, the property and ownership of any Deliverables will pass to the Company on delivery unless the Company has paid in whole or in part for the Deliverables in advance. In that case it will pass to the Company as soon as the goods have (or, if Deliverables are being assembled for us, each successive component of the Deliverables has) been sent to the Company.
- 5.11 If the Company supplies any articles or materials to you, for modification or copying, then those articles or materials must be kept confidential and secure and the Company can enter your premises at any time with prior written notice to you, to ensure that those articles or materials are being well kept. While those articles are in your custody, you must not use, copy or disseminate them, electronically or otherwise, except for the sole purpose of performance of the Agreement. The Company retains copyright and any other available intellectual property rights in any plans, design drawings, computer programs, compilations of data or specifications which we supply to you. You shall indemnify and keep the Company indemnified against any loss, costs, expenses, demands or liability, whether direct or indirect, arising out of any breach of this Section 5.11 by you.
- 5.12 If any Performance occurs on our premises, then this Section 5.12 shall apply. You will ensure that best industry standards are adopted for the health and safety both of your personnel and of any other individuals affected by your actions. The Company may refuse or terminate access to any individual from the Company's premises. Your personnel must, while on our premises, comply with our reasonable requirements as to security, health and safety regulations. You will be responsible to us on a full indemnity basis for all damage and injury caused by your employees.
- 5.13 Any goods, articles or materials provided by the Company to you on an issue basis will remain as the Company's absolute property, and shall be subject to Section 5.11. You are not to part with possession of the goods, articles or materials, unless with our express prior written consent stating otherwise.

6 Warranties and liability

- 6.1 In addition to the representation and warranties provided by you in the Agreement (if any), you promise that:
- 6.1.1 the quantity, quality, description and specification for the Deliverables will be those set out in the purchase order, having regard to the standards reasonably to be expected in the market for that kind of Deliverables;
- 6.1.2 any Deliverables will be free from defects in materials and workmanship;

- 6.1.3 any Deliverables will comply with all statutory requirements and regulations, and with all normally applicable quality standards, relating to their sale or supply;
- 6.1.4 all claims made by you about any Deliverables, and those contained in your advertising and promotional material, are correct and can be relied upon;
- 6.1.5 any Deliverables will be performed by appropriately qualified and trained personnel; and
- 6.1.6 neither the sale and supply of any Deliverable, nor its proper use by us for our intended purpose, will breach any property rights in or about that Deliverable, including intellectual property rights, of any other person.
- 6.2 All warranties, conditions and other terms implied by law in our favour will apply to any Deliverables acquired from you.
- 6.3 It is your responsibility to find out from the Company the purposes that we acquire the Deliverables (including any applicable deadline affecting us). You warrant that the Deliverables will be suitable for those intended purposes.
- 6.4 You will indemnify and keep indemnified the Company immediately upon our written demand against any and all cost, claim, expense or liability arising from any risk for which you are responsible under the Agreement.
- 6.5 If you fail to comply with any obligation under the Agreement we will be entitled, at our discretion, to reject any Deliverable and you will not be entitled to receive payment for that Deliverable.
- 6.6 If any Deliverables do not comply with all the requirements in the Agreement, the Company can demand that you repair them or supply replacement goods within seven (7) days or, at our sole discretion, we can reject the Deliverables and demand the repayment of any sum already paid for them.
- 6.7 The Company will not be liable to you for any delay or failure to perform any of our obligations under the Agreement if the delay or failure was due to a cause beyond our reasonable control.
- 6.8 If any Deliverables or rights of use were bought or obtained by you from a third party then any benefits or indemnities that you hold from that other party, in respect of those items, will be held on trust for and on behalf of the Company
- 6.9 You will insure yourselves, and keep insured until the Performance is complete, against all normal insurance risks relevant to your work for or with us, on terms and for amounts consistent with normal business prudence. You will demonstrate to us the terms and currency of any such insurance on request.

7 Termination

- 7.1 If Deliverables have been offered by you as, or if they are, standard or stock items, the Company may at its discretion, by giving written notice to you, at any time prior to the acceptance by the Company, cancel the order. Any other commitment of the Company to receive and pay for the Deliverables may also be terminated. We will be bound to reimburse to you for all irrecoverable costs incurred, or unavoidably committed, by you up to the point of termination.
- 7.2 In addition to any termination or suspension rights as set out in the Agreement (if any), the Company may suspend performance of, or cancel, or terminate the Agreement at any time, without any liability to you if:
 - 7.2.1 you make any voluntary arrangement with your creditors;
 - 7.2.2 (being an individual or firm) you become bankrupt;
 - 7.2.3 (being a company) you become subject to an administration order or go into liquidation;

- 7.2.4 any third party takes possession of, or enforces rights over, any of your property or assets under any form of security;
 - 7.2.5 you stop or threaten to stop carrying on business;
 - 7.2.6 you suffer any process equivalent to any of these, in any jurisdiction; or
 - 7.2.7 you fail to improve your performance within reasonable time as specified by the Company despite having been notified by the Company
- 7.3 Any right of cancellation or suspension under this Section is additional to any rights available to us under the Agreement or law .

8 Enforcement

- 8.1 You will keep strictly confidential all information about us or our customers, and use that information only for the Performance, in good faith, of your contractual obligations to us. By way of illustration only, you may not use such information to help our competitors, poach our staff or disparage our reputation. This restriction does not apply to information which was already known to the public. The confidentiality obligation shall survive termination of the Documents.
- 8.2 You shall not assign or transfer any of the right and/or the obligation for the Performance to any third party without the prior written consent of the Company. You shall take full responsibility towards any action made by your sub-contractor and shall not be relieved of any of your obligations under these Terms.
- 8.3 You will procure that none of your associates (i.e any parties who deal with you in respect of the Deliverables) behaves in a way which, had the behaviour been yours, would have breached the Documents.
- 8.4 No waiver by us of any breach of the Agreement by you will be considered as a waiver of any subsequent breach of the same or any other provision, or as a release of the provision which you breached. No delay by the Company in enforcement, and no toleration shown by us, shall imply any waiver or compromise of our rights.
- 8.5 If any provision of these Terms is held by competent authority to be invalid or unenforceable in whole or in part the validity of the other Terms and of the remainder of the provision as well as the other Documents (including the Agreement) will not be affected. Each provision is severable from the other.
- 8.6 Any written notice under these Terms will be deemed to have been sufficiently served if posted by pre-paid official postal service, or if sent by fax then on receipt of successful answerback, or if sent by e-mail (but in this case only on evidence of successful transmission and only if the parties have regularly communicated on Agreement matters by e-mail).
- 8.7 In the event you:
 - 8.7.1 commit fraud or false payment claim;
 - 8.7.2 commit or attempt to commit unethical conduct (i.e. bribery, insider information and false information);
 - 8.7.3 fail to improve your performance within reasonable time as specified by the Company despite having been notified by the Company;
 - 8.7.4 reject the appointment letter or purchase order without any valid reason; or
 - 8.7.5 make any voluntary arrangement with the creditors or became bankrupt,

the Company may at its discretion at any time, terminate or, suspend any ongoing contract, institute any legal action against you or blacklist you from any future engagements with the Company. These Terms shall be governed by the laws of Malaysia, and you agree to submit to the exclusive jurisdiction of the courts of Malaysia.

PNB GROUP ANTI-BRIBERY AND ANTI-CORRUPTION POLICY STATEMENT



PNB

Permodalan Nasional Berhad

Version: 3/2022

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INTRODUCTION

1. Introduction

- 1.1 Permodalan Nasional Berhad (Company No. 197801001190 (38218-X)) (“PNB”) and its group of companies (collectively, “PNB Group”) are committed to applying the highest standards of integrity and ethical conduct in all our business activities and operations. Fighting bribery and corruption is the responsibility of everyone in the organisation and setting the standard for anti-bribery and anti-corruption is part of the responsibilities of the Board of Directors, senior management, and employees of PNB Group.
- 1.2 PNB Group adopts a **Bribery-Corruption Free Business Environment** from any forms of bribery and corruption and takes a stern stance against such acts.
- 1.3 Hence, it is important that the PNB Group complies with and conducts its business in accordance with requirements of all applicable laws, rules and regulations as well as relevant internal policies and procedures.

APPLICATION

2. Application

- 2.1 This PNB Group Anti-Bribery and Corruption Policy Statement (“PNB Group ABC Statement”) shall be read together with the Integrity Charter and Framework of PNB Group, Code of Business Ethics of PNB Group, Whistleblowing Policy of PNB Group, PNB Employee Handbook, and all the internal policies and procedures relating to PNB Group.
- 2.2 This PNB Group ABC Statement is applicable to its Board of Directors and members of the committees of the Board of Directors (collectively known as “Board”), senior management, employees of PNB Group, whether permanent or temporary, stakeholders of PNB Group, as well as its business counterparties (collectively, “Representatives”). It is not intended to provide definitive answers to all questions regarding bribery and corruption, but rather to provide its Representatives with a basic introduction on how PNB Group combats bribery and corruption in furtherance of the PNB Group’s commitment to lawful and ethical behaviour at all times.
- 2.3 In the event of any inconsistency or conflict between the terms of this PNB Group ABC Statement and the law, the law shall prevail. If you perceive that a provision in this PNB Group ABC Statement conflicts with the law in the local jurisdiction where your business operates, you should consult with your Head of Department/Division, Human Capital Division or Integrity Department of PNB.
- 2.4 PNB Group will abide by Malaysian Anti-Corruption Act 2009 (“MACC Act”) and any applicable laws in respect of countering bribery and corruption in all jurisdictions in which PNB Group operates or conducts its business. This includes, and is not confined to, those countries where PNB Group has offices. Additionally, as a licensed institution by the Securities Commission Malaysia (“SC”), PNB will abide by the provisions of the Capital Markets and Services Act 2007 (“CMSA”), the relevant guidelines issued by the SC and all laws in which PNB Group operates or conducts its business.
- 2.5 It is important to remember that even if the country in which an act of bribery takes place does not have anti-bribery laws, the MACC Act and the laws of another country in which PNB Group operates or conducts its business may still apply. Bribery and corruption (or even the perception or an allegation of it):
 - (i) will damage PNB Group’s reputation; and/or
 - (ii) could cost PNB Group significant amounts of money both in respect of potential fines and the time spent in dealing with such issues and may lead to serious penalties on individual members of PNB Group including imprisonment and fines, or even the forfeiture of critical operating licenses and permits.

FAILURE TO COMPLY WITH THIS PNB GROUP ABC STATEMENT

3. Failure To Comply With This PNB Group ABC Statement

3.1 Engaging in bribery or corrupt practices can have severe consequences for you and PNB Group. You may face dismissal, fines and imprisonment, and PNB Group may face damage to reputation, financial loss and disbarment from business and other negative consequences. As for business counterparties, they may face termination, discontinuation, suspension of, or withdrawal from any business relationship.



OUR COMMITMENTS

4. Our Commitments

4.1 PNB Group is committed to:

- (i) upholding anti-bribery laws and securities laws that apply to PNB Group, including without limitation, the MACC Act as well as the CMSA;
- (ii) not offering bribes or condoning the offering of bribes on PNB Group's behalf;
- (iii) not accepting bribes, or agreeing to them being accepted on PNB Group's behalf;
- (iv) maintaining accurate books and records for all business dealings;
- (v) making sure that PNB Group's Representatives are aware of and abide by PNB Group's values and policies;
- (vi) complying with the regulatory requirements including satisfying the Anti-bribery Management System ("ABMS"), and internal policies and procedures with regards to bribery and corruption;
- (vii) avoiding doing business with or affiliating PNB Group with others who do not accept PNB Group's values and policies, and who may harm PNB Group's reputation;
- (viii) performing ongoing monitoring of and auditing compliance with these principles;
- (ix) encouraging raising of concerns via the established whistleblowing channels and as per the Whistleblowing Policy of PNB Group;
- (x) performing continual improvement of its policies and procedures pertaining to bribery and corruption matters including its ABMS; and
- (xi) establishing and maintaining the authority and independence of the anti-bribery compliance function which is positioned independently from business units in the organisation and reports directly to the Board of Directors.

WAIVER AND REVIEW OF PNB GROUP ABC STATEMENT

5. Waiver and Review of PNB Group ABC Statement

- 5.1 This PNB Group ABC Statement shall be reviewed every three years and/or updated when any key changes or modifications are required to ensure its relevance, adequacy and compliance with the requirements of all applicable laws. Any deviation or waiver from this PNB Group ABC Statement must be approved either by the Board, or Compliance Committee of the PNB Group of the Board of Directors of PNB.

PNB

LABOUR RIGHTS POLICY



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1. ABOUT THIS DOCUMENT

1.1. Background

Employee wellbeing is at the heart of Permodalan Nasional Berhad (Registration No. 197801001190 (38218-X)) (“PNB” or “we” or “our”) in fostering a healthy and productive workforce engine in its own operations and of its Investee Companies. As a fund management company as well as a major institutional investor, we are committed to upholding the labour rights of employees to ensure the business sustainability of our Investee Companies.

The PNB Labour Rights Policy (“Policy”) is in line with internationally recognised principles and standards, including but not limited to the International Labour Organisation Standards (ILO), United Nations Global Compact (UNGC), United Nations Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, United Nations’ Principles for Responsible Investing (UNPRI), United Nations Sustainable Development Goals (UNSDG), and Global Reporting Initiative (GRI) Reporting Standards. In addition, it is also in line with local laws and regulations such as the Employment Act 1955 of Malaysia.

1.2. Scope

This Policy is applicable to PNB Investee Companies (both domestic and international) and External Fund Managers (collectively, “Companies”). This Policy will also apply to PNB Group¹, the entities that we own, and the facilities that we manage.

2. STATEMENT OF PURPOSE

The purpose of this Policy is to affirm our belief that Companies should effectively manage issues and policies around labour rights, as it has a profound impact on the strength, productivity and wellbeing of the workforce, as well as long-term value to shareholders.

PNB will undertake an active stewardship approach in line with our Stewardship Framework² on labour rights, guided by the escalation matrix³, via various activism touchpoints.

¹ PNB Group shall refer to Amanah Saham Nasional Berhad (“ASNB”), Pelaburan Hartanah Nasional Berhad (“PHNB”), PNB Merdeka Ventures Sdn Berhad (“PNBMV”), PNB Research Institute Sdn Bhd (“PNBRI”), and any other company or entity sanctioned by the Board of Directors of PNB.

² PNB Stewardship Framework showcases PNB’s stewardship philosophy and expectations for its Investee Companies, the investing public and the general market. PNB Stewardship Framework among others guides PNB in playing its role as an active shareholder to create value and improve the performance of its Investee Companies.

³ The escalation matrix provides clarity on PNB’s approach mechanisms with Investee Companies through various activism touchpoints. Further information on PNB escalation matrix can be found on PNB official website.

3. KEY MATERIAL ISSUES

3.1. Definition

PNB has defined six Key Material Issues (“Key Material Issues”) to be the pillar of our Policy. The expectations outlined in Section 4 of this Policy will refer to the Key Material Issues as follows:

No	Key Material Issues	Definition
1	Forced & Child Labour	All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily
2	Fair Wages & Benefits	Compliance with the Employment Act 1955 of Malaysia and the practice of Flexible Working Arrangement (FWA), where employees are given access to greater scheduling freedom in how they fulfill the obligations, where suitable
3	Diversity & Inclusion	Access to equal rewards, resources, and opportunities for all employees regardless of race, sex, color, national or social origin, ethnicity, religion, age, disability and political opinion
4	Freedom of Association	Respect the right to organise and form groups for the purpose of collective bargaining and social dialogue in a healthy and fair way
5	Safety & Health	Protection of the physical, mental and emotional well-being of all employees through a healthy occupational and environmental setting
6	Upskilling & Education	Access to training, upskilling and continuous development to boost efficiency and create a productive workforce

3.2. PNB Statements on the Key Material Issues

No	Key Material Issues	Statement
1	Forced & Child Labour	“We are against all forms of forced labour and child labour, including modern slavery, bonded labour, and human trafficking. We expect the Companies to align with ILO conventions and the Children and Young Persons (Employment) Act 1966 of Malaysia, which states, among others, that the minimum age for employment should not be less than fifteen (15) years old.”
2	Fair Wages & Benefits	“We encourage the Companies to pay reasonable remuneration in line with the type of work done and expect Companies to comply with the Employment Act 1955 of Malaysia in providing employee benefits such as sufficient rest days, medical & insurance coverage to protect workers’ well-being. The Companies are also encouraged to implement a FWA in their organisation, where suitable.”
3	Diversity & Inclusion	“We expect Companies to allow equal access, rewards and resources to their employees, and to eliminate workplace discrimination. We are supportive of fair representation in the workplace in the aspects of, but not limited to, gender, age, religion, disability and nationality.”
4	Freedom of Association	“We expect Companies to respect workers’ right to freely associate and form groups for collective action. We believe social dialogue is necessary to empower employees to voice out and protect their interests in a healthy and fair way.”
5	Safety & Health	“We expect the Companies to provide safe working conditions and to nurture a healthy working environment by promoting wellness in the workplace. We believe that the physical, mental and emotional well-being of employees is essential to an organisation’s productivity to generate sustainable returns in the long run.”
6	Upskilling & Education	“We expect the Companies to provide basic work training, upskilling and continuous development to create a productive workforce. As a strong advocate of education, PNB believes that continuous learning is the key to a more productive Malaysian society.”

4. EXPECTATIONS

To implement this Policy, PNB outlines its core expectations that serve as minimum considerations that are applicable within the scope of this Policy pursuant to Section 1.2. In addition, best practices are drawn as additional considerations for PNB, PNB Group and the Companies, in line with international best practices.

4.1. Core Expectations

No	Expectations	Description	Key Questions
1	Strategy	To highlight labour rights issues in policy and strategy , taking into account emerging standards and best practices.	How do you consider labour rights issue in developing your company's policy and strategy?
2	Assessment	To review performance on Key Material Issues periodically and determine areas for improvement and apply action plans to address those areas.	How do you review your labour rights performance related to Key Material Issues? What are your action plans to address these Key Material Issues?
3	Grievance mechanism	Develop a formal grievance mechanism for employees to communicate and report on matters relating to any of the Key Material Issues. Safeguards should be in place for whistleblowers .	What channels are available for your ' employees and suppliers to report labour rights issues and how do you ensure they are aware of these channels? What are the safeguards in place to safeguard whistleblowers?
4	Policy	Establish a clear labour rights policy to reflect the commitment to comply with the Key Material Issues.	Have you developed a labour rights policy? How does your policy consider the Key Material Issues?
Timeline: The Companies to comply with these core expectations and to establish or refine its labour rights policy, two (2) years from the establishment of this Policy			

4.2. Best Practices

No	Expectations	Description	Key Questions
1	Assessment	Develop a mechanism to assess (internal or third-party expert) the company's policy and control of the Key Material Issues.	What mechanism is in place to assess the policies and control of the Key Material Issues? Do you have a resolution mechanism in place? Have you considered an external third party assessment?
		Establish relevant tools and infrastructure to enable and assist the implementation of initiatives relating to managing Key Material Issues on labour rights.	Do you have relevant tools and infrastructure to assist the implementation of initiatives on Key Material Issues on labour rights?
2	Engagement	Establish an internal process to work with third parties to advocate for sustainable practices, increasing awareness and a better understanding of labour rights.	Do you engage with policymakers and relevant stakeholders with regard to labour rights?
3	Due diligence	Identify, address and monitor exposures and labour rights related risks on Key Material Issues throughout the value chain, including incorporating these considerations throughout the procurement decision-making process.	Is social risk one of the considerations in choosing suppliers? If so, what system is in place to ensure suppliers meet the expectations on Key Material Issues?

5. CONCLUSION

We believe companies that are successful in managing labour rights are in a better position to generate sustainable returns through increased overall productivity and well-being. As one of the largest fund management companies in Malaysia, PNB will continue to encourage the Companies to have robust policies and disclosures, in line with this Policy.

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