



Perbadanan Insurans Deposit Malaysia
Protecting Your Insurance And Deposits In Malaysia

SUPPLIER CODE OF CONDUCT



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| Ref No | | Version No | 1.0 |
| Initial Approved Date | 30 July 2012 | Last Reviewed Date | - |
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PIDM Corporate Values: The corporate values adopted by PIDM, financial stewardship, excellence and professionalism, respect and fairness, integrity and trustworthiness, communication and teamwork, serve as the overarching goals that suppliers to PIDM are expected to achieve.

Continuous Improvement: The provisions as set forth in this Code of Conduct provide the minimum standards expected of suppliers to PIDM. It is the expectation of PIDM that suppliers adhere to all laws, rules and regulations in which PIDM and the suppliers are operating, and strive to exceed industry best practices. PIDM recognises that reaching the standards established in this Code of Conduct is a dynamic rather than static process and encourages suppliers to continually improve their workplace conditions.

Monitoring and Evaluation: PIDM may conduct on-site evaluations and inspections of its supplier's facilities and those of their subcontractors to review their progress towards these principles. It is the expectation of PIDM that suppliers, at a minimum, have established clear goals toward meeting the standards set forth in this Code of Conduct. PIDM may monitor that milestones have been set and management systems have been put in place to ensure that the principles set out in this Code of Conduct have been met and failure to do so may impact the future ability of a supplier to do business with PIDM.

Supplier Relationships

The provisions of this Code of Conduct set forth the expectations of all suppliers with whom PIDM does business. PIDM expects that these principles apply to suppliers as well as all others with whom they do business including employees, subcontractors and other third-parties. PIDM expects that suppliers ensure that this Code of Conduct is communicated to the employees and subcontractors of all suppliers, and that it is done in a manner that is understood by all.

- (1) Promoting the Principles of this Code of Conduct: PIDM expects that its suppliers will establish and maintain appropriate management systems whose scope is related to the content of this Code of Conduct, and that they actively review, monitor and modify their management processes and business operations to ensure they align with the principles set forth in this Code of Conduct. All principles contained in this Code of Conduct are of equal importance independently of their order of appearance.



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- (2) Sub-contracting: PIDM expects that its suppliers encourage and work with their own suppliers and sub-contractors to ensure that they also strive to meet the principles of this Code of Conduct or equivalent set of principles.

Labour

- (3) Forced Labour: PIDM expects its suppliers to prohibit any use of forced, bonded or indentured labour or involuntary prison labour, and embrace employment practices consistent with the Malaysian labour and employment laws. All work, including overtime work, will be voluntary and workers should be free to leave upon reasonable notice. Suppliers should also not mandate that workers hand over government-issued identification; passports or work permits as a condition of employment.
- (4) Child Labour: The minimum admission to employment or work shall not be less than the age of allowed by the Malaysian labour law. Additionally, all young workers must be protected from performing any work that is likely to be hazardous or that may be harmful to the worker's health, physical, mental, social, spiritual or moral development.
- (5) Working Hours: PIDM expects its suppliers to comply with all applicable working hour requirements as established by local law, and should not exceed 60 hours per week, including overtime, except in emergency or unusual situations. Suppliers must ensure that all overtime work is voluntary and compensated at the prevailing overtime rates. Suppliers are encouraged to ensure that workers are provided with one day off in every seven-day week.
- (6) Compensation: PIDM expects its suppliers to comply, at a minimum, with all wage and hour laws and regulations, including those pertaining to minimum wages, overtime wages, piece rates, other elements of compensation and to provide legally mandated benefits

Human Rights

- (7) Harassment, Harsh or Inhumane Treatment: PIDM expects its suppliers to create and maintain an environment that treats all employees with dignity and respect and will



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not use any threats of violence, sexual exploitation or abuse, verbal or psychological harassment or abuse. No harsh or inhumane treatment coercion of any kind is tolerated, nor is there to be the threat of any such treatment.

- (8) Health and Safety: PIDM expects its suppliers to follow all relevant legislation, regulations and directives in Malaysia to ensure a safe and healthy workplace or any other location where production or work is undertaken and ensuring at a minimum, reasonable fire safety; emergency preparedness and response; industrial hygiene; occupational injury and illness and machine safeguarding.

Environment

- (9) Environmental: PIDM expects its suppliers to have an effective environmental policy and to comply with existing legislation and regulations regarding the protection of the environment. Suppliers should wherever possible support a precautionary approach to environmental matters, undertake initiatives to promote greater environmental responsibility and encourage the diffusion of environmentally friendly technologies implementing sound life-cycle practices.
- (10) Chemical and Hazardous Materials: Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.
- (11) Wastewater and Solid Waste: Wastewater and solid waste generated from operations and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.
- (12) Air Emissions: Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterised, monitored, controlled and treated as required prior to discharge.
- (13) Minimise Waste, Maximise Recycling: Waste of all types, including water and energy, are to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.



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Bribery and Corruption

- (14) Corruption: PIDM expects suppliers to adhere to the highest standard of moral and ethical conduct, to respect local laws and not engage in any form of corrupt practices, including extortion, fraud, or bribery, at a minimum.
- (15) Conflict of Interest: PIDM suppliers are expected to disclose to PIDM any situation that may appear as a conflict of interest, and disclose to PIDM if any PIDM official or professional under contract with PIDM may have an interest of any kind in the supplier's business or any kind of economic ties with the supplier.
- (16) Gifts and Hospitality: PIDM has a "zero tolerance" policy and does not accept any type of gift or any offer of hospitality beyond that of a representational nature. PIDM will not accept any recreational trips to sporting or cultural events, offers of holidays, transportation, or invitations to extravagant lunches or dinners. PIDM expects PIDM suppliers not to offer any benefit such as free goods or services or a work position to a PIDM staff member or a former PIDM staff member in order to facilitate the supplier's business with PIDM.

We encourage PIDM suppliers to communicate to us any actions taken to improve its business practices and to send us suggestions about how can PIDM best contribute to the implementation of the principles set out in this Code of Conduct.

Contacts:

Any questions related to this Code of Conduct can be addressed to the Chief Financial Officer.