

**ILB GROUP BERHAD**  
**COMPANY NO.199101019353 (229690-K)**  
**(FORMERLY KNOWN AS INTEGRATED LOGISTICS BERHAD)**  
**ANTI-BRIBERY AND CORRUPTION POLICY**

**POLICY STATEMENT**

ILB Group Berhad (Formerly known as Integrated Logistics Berhad) (hereinafter referred to as ILB or the Company) is committed to apply the highest standards of ethical conduct and integrity in our business activities. Every employee and individual acting on the Company's behalf is responsible for maintaining our reputation and for conducting our Company's business honestly and professionally.

This Anti-Bribery and Corruption Policy applies to all the Company's business dealings and operations.

Our Company takes has a zero-tolerance approach to bribery and corruption; and is committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate. Therefore, it is important that the Company comply with and conduct our business in accordance to the laws of the Guidelines on Adequate Procedures pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009.

**REFERENCE**

This Policy should be read in conjunction with the Company's internal policies as follows;

- Anti-Bribery and Corruption Code of Conduct
- Whistleblowing Policy

**PURPOSE**

The purpose of this Anti-Bribery and Corruption Policy ("ABC Policy" and/ or "this Policy") is:

- To set out the Company's responsibilities, and the responsibilities of those working for or with the Company in observing and upholding the Company's position, on bribery and corruption.
- To foster the growth of a business environment that is free of corruption.
- To provide guidance on how to raise concerns when there is a breach to this Policy.

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**PURPOSE (CONT'D)**

- To ensure that the Company has adequate procedures in place to prevent and detect bribery and corruption;
- To provide information and guidance to those working for or with the Company on how to recognize and deal with potential bribery and corruption issues; and
- To protect the Company against the possible penalties and repercussions resulting from acts of bribery and corruption or being associated with such behaviour.

**APPLICATION**

This Policy is applicable to anyone who is employed by or work at ILB (whether permanent, fixed-term or temporary basis), directors (executive and non-executive), company secretaries and committee members of ILB (together, "**Personnel**"). It is also applicable to contractors, sub-contractors, consultants, agents, and service providers of any kind performing work or services, for or on behalf of ILB (together, "**Business Partners / Associates**").

The Company considers that the rules set out in this Policy represent good business ethical practices that transcend national boundaries. Should local regulations be less restrictive than the provisions in this Policy, the Anti-Bribery and Corruption Policy shall prevail. If local regulations however are more restrictive than the provisions in this Policy, the more restrictive local regulations shall prevail.

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**DEFINITIONS**

<b>Abbreviation</b>	<b>Description</b>
<b>ABC Policy</b>	Anti-Bribery and Corruption Policy
<b>Board</b>	Board of Directors (executive and non-executive)
<b>Business Partners / Associates</b>	Contractors, sub-contractors, suppliers, consultants, agents, and service providers of any kind, performing work or services, engaged by or on behalf of ILB
<b>Donation</b>	Voluntary contributions in the form of money or goods which are made for charitable purposes
<b>Entertainment and Hospitality</b>	Comprises of expenses incurred for provision of food, drink, travel, accommodation or recreation of any kind, by a party to another party.
<b>Gift</b>	In the form of cash and non-cash, free fares, shares, lottery tickets, club membership, any form of commission, hampers, jewellery, decorative items and any items that is given by a party to another party
<b>ILB (“the Company”)</b>	ILB Group Berhad (Formerly known as Integrated Logistics Berhad) and its subsidiaries
<b>Management</b>	Personnel in supervisory roles
<b>Personnel</b>	Anyone who is employed by or work at ILB (whether permanent, fixed-term or temporary basis), company secretaries and committee members of ILB
<b>Public Official</b>	<ul style="list-style-type: none"> <li>▪ Any person holding a legislative, administrative or judicial office of a country;</li> <li>▪ Government, state, province or municipality, whether appointed or elected;</li> <li>▪ Any person exercising a public function for a country, government, state, province or municipality, including for a government agency, board, commission, corporation or other body or authority;</li> <li>▪ Any official or agent of a public international organization; or</li> <li>▪ Any political party or official of a political party or a candidate for public office.</li> </ul>
<b>Sponsorship</b>	<ul style="list-style-type: none"> <li>▪ Supporting people, organisations or events through money, goods or services with the purpose of promoting one’s own communication and marketing objectives. The objective of sponsorship is to raise awareness about one’s own company</li> </ul>

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**RESPONSIBILITY**

**1. Management's Responsibilities**

The Company's Management have the following responsibilities with regards to anti-bribery and corruption risk management:

- Maintain oversight of and approve the Company's Anti Bribery and Corruption Code of Conduct and Policy.
- Seek the views of the external auditor, the individual with responsibility for compliance and others regarding the topic of corruption and the effectiveness of the anti-bribery and corruption program.
- Ensure that the adequate and appropriate resources are allocated.
- Uphold the highest ethical standards of business conduct.
- Encourage ethical decision-making and rewarding integrity.
- Be a role model and lead by example.
- Ensure that employees are given the opportunity and guidance to understand the ABC Policy and other applicable policies.
- Create a positive and transparent environment where employees are comfortable raising questions and concerns.
- Ensure those who raise genuine concerns do not suffer retaliation.

**2. Employees' Responsibilities**

The Company's employees have the following responsibilities with regards to anti-bribery and corruption risk management:

- Familiarise and comply with the Company's ABC Policy and other applicable policies.
- Annual acknowledgement of ABC compliance and attend regular ABC training.
- Assist Business Partners / Associates to understand the practicality of the Company's ABC Policy.
- Raise questions and voice concerns in cases when there is a suspected violation of laws or internal policies.
- Pressure or demands due to business conditions are never an excuse for operating outside the law or behaving inconsistent to the Company's policies and values.

**3. Responsibilities of Business Partners / Associates**

Business Partners / Associates can have a direct impact on the Company's business through their behaviour and actions. As such, the Company would like to work with Business Partners / Associates who share the same ethical values and commitments.

Business Partners / Associates who work for and on behalf of ILB are expected to act in the way that is consistent with ILB's ABC Policy. The Company will assess the suitability of its Business Partners / Associates through background checks, assessing their financial stability and risk profiling prior to appointment.

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## **WHAT IS BRIBERY?**

Bribery is defined as:

- I. **Promises, offers or gifts of “anything of value”** (financial or non-financial), whether directly or indirectly, with the intention to induce or reward a person to act or refrain from acting in relation to the performance of that person’s duty; or
- II. **Requests, agrees to receive or accepts “anything of value”** (financial or non-financial), whether directly or indirectly, with the intention to induce improper performance in relation to the person’s duty.

### **What constitute “Anything of Value”?**

The Anti-Bribery and Corruption laws and regulations prohibit the giving or receiving of “anything of value” in order to obtain or retain business, or receiving / providing an undue advantage in the conduct of business, which includes, but are not limited to, the following:

- Financial value - cash and cash equivalent (e.g. stocks, bonds, equities, discounts, gift vouchers, loans, advances).
- Extravagant hospitality, gifts or entertainment (e.g. luxury holidays / travels received from a supplier).
- Contracts or business opportunities (e.g. promising and offering contractual business opportunities to Third Parties without going through the appropriate processes).

## **UNDERSTANDING CORRUPTION**

Corruption relates to the offer, promise, donation, acceptance or solicitation of an undue advantage of any value (financial or non-financial), directly or indirectly, whatever the location, in violation of applicable laws, to encourage or reward a person for acting or not acting within the scope of his / her functions.

An act of corruption may be direct or indirect, be committed by or with public officers or private individuals, directly by a company manager or employee or via an intermediary. Further details are provided below.

### **Direct / Indirect Corruption**

**Direct corruption** happens when the act is directly committed by the person looking for a favour. This is in the case of direct exchange between the corrupting party and the corrupt person.

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**Indirect corruption** is when the act is committed by an intermediary on behalf of the person benefiting from the undue advantage, including if the beneficiary of the advantage is unaware that an act of corruption has been committed.

Both types of corruption are strictly prohibited. A company may be prosecuted for indirect corruption, even if it was unaware of the acts of corruption committed by the intermediary. It is essential, therefore, to ensure that intermediaries that represent the Company are selected carefully, and undertake to comply with the ILB's Anti-Bribery and Corruption Code of Conduct.

### **FACILITATION PAYMENTS AND KICKBACKS**

Facilitation payments are typically small payments made to secure or expedite the performance of a routine or necessary action to which the payer is entitled, legally or otherwise (e.g. influencing the timing of process or issuing of permits). In Malaysia, facilitation payment is illegal. It is seen as a form of corruption. Regardless of whether it is legal in any other country, facilitation payment is strictly prohibited under this Policy.

Our Personnel and Business Partners / Associates is prohibited either directly or indirectly offer, promise or give any form of facilitation payment to any Public Officials for any purposes. However, there are certain exceptional situations or circumstances where you are faced with having to make facilitation payments, in order to protect your life, limb or liberty. In a dangerous situation like this, you are allowed to make payment, but you must immediately report to your Head of Department / Division or Human Resource Department. Making facilitation in such a situation is the only exception which can be used as a defense when faced with allegations of bribery and corruption.

### **CORRUPTION RISK ASSESSMENT**

The Board of Directors believe that the Company's risk assessment must be effective and embedded at all levels of the organisation to intermittently assess corruption risks when necessary, i.e. an annual risk assessment on corruption risk, and other reasonable cause for suspicion, for example, upon:

- opportunity corruption and fraud activities arising from weaknesses in the organisation's governance framework;
- suspicious financial transactions indicating disguised corrupt payments;
- presence of business activities in countries / sectors with high corruption risk;
- significant change in the business landscape; and
- potential non-compliance of Business Partners / Associates acting on behalf of ILB with regards to legal and regulatory requirements related to anti-corruption.

The risk assessment must identify internal and external sources of information which will assist in categorising the bribery and corruption risks to the Company.

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**CONFLICT OF INTEREST**

Conflicts of interest may arise where the private interests of an individual or his / her close relatives, friends or business contacts diverge from those of the Company to which the individual belongs. The risk in such a situation is that the judgement of the individual is inappropriately influenced when making decisions in his or her professional capacity. The impact on such an individual's ability to decide what is best for the Company can be significant. If not properly addressed or managed, the conflicts of interest between the private interests and professional duties of an individual may result in corruption.

One should avoid situations and positions where a personal relationship and / or personal benefit influences and impairs his / her ability to perform the professional obligations and responsibilities at ILB.

A possible conflict of interest may arise when a person:

- Has a financial interest and possess controlling rights in a supplier, competitor or customer when the person is involved in ILB's decision making relating to, or of relevance, to the supplier, competitor or customer;
- Engages in activities that compete with, or perceived to compete with ILB's interest; or
- Allows business decisions to be influenced, or appear to be influenced, by personal or family interests.

Any actual or potential conflicts of interest are to be fully disclosed to appropriate management and / or Board of Directors and where such circumstances are permitted by management and / or the Board of Directors to continue, shall not be deemed a breach of this Policy.

**GIFTS, ENTERTAINMENT AND HOSPITALITY**

**“No Gift” Policy**

ILB has adopted a “No Gift” Policy whereby, subject only to certain narrow exceptions, ILB's employees and directors (executive and non-executive), family members or intermediaries acting for or on behalf of ILB's employees, directors or their family members are prohibited from, directly or indirectly, receiving or providing gifts.

The Company requires all Personnel to abide by this Policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealing between ILB and external parties as a gift can be seen as a bribe that may tarnish ILB's reputation or be in violation of anti-bribery and corruption laws.

It is the responsibility of employees and directors to inform external parties involved in any business dealings with the Company that the Company practices a “No Gift” Policy and to request the external party's understanding for and adherence with this Policy.

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**GIFTS, ENTERTAINMENT AND HOSPITALITY (CONT'D)**

**“No Gift” Policy (Cont’d)**

Although generally ILB practices a “No Gift” Policy, there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:

- corporate gifts of nominal / appropriate value;
- festive or ceremonial gifts of appropriate value during festive seasons or other ceremonial occasions;
- gifts given during invitation to speak at conferences or work-related conferences.

The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return.

**Entertainment and Hospitality**

Corporate entertainment and hospitality are generally defined as “corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation”.

ILB recognises that the occasional acceptance of an appropriate level of entertainment and hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for all Personnel to exercise proper care and judgement before accepting the entertainment and hospitality. This is not only to safeguard the Company’s reputation, but also to protect the Personnel from allegations of impropriety or undue influence.

The acceptance of corporate entertainment and hospitality (other than refreshments offered in meetings held at business premises) requires prior approval from the respective Head of Departments. The Personnel should only accept corporate hospitality if it is ethically, morally, and socially.

If entertainment and hospitality have its intent or purpose an attempt to secure a business advantage or influence a decision (e.g. by creating a sense of obligation) then it must be declined.

In cases where the Personnel have any doubts on the appropriateness of a corporate entertainment and hospitality offered by an external party, they should either decline the offer or consult with their respective Head of Department first (subsequently to seek Chief Executive Officer’s approval at the advice of Head of Department, if deemed necessary).



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## **CHARITABLE DONATIONS AND SPONSORSHIPS**

ILB permits corporate donations and sponsorships which seek to improve the image of our Company and establish cordial relations with our communities or the general public as this forms a part of our business.

Good judgement has to be exercised in assessing the request of sponsorships or donations. ILB must be certain of the intent and purpose of any donations or sponsorships given.

The following are general guidelines when contemplating a donation or sponsorship:

- Each case of sponsorship and each donation must be in line with applicable laws.
- Sponsorship and donations must not be used to obtain any dishonest advantage for the Company or serve any dishonest purpose.
- Sponsorships and donations must always take place in a transparent manner. (documentation must include recipient identity, purpose, reasons for sponsorship / donation).
- Be appropriate in value and not create the impression that the recipient is expected to return the favour or to act in a certain way because of the favour.
- Sponsorship and donations must not damage the Company's image.
- Payments made into private bank accounts are not permitted.

Any charitable contribution, sponsorships and corporate social responsibility activities should be reviewed by the respective Head of Departments and approved by the Board.

Such activities, if incurred, must be accurately stated and documented in ILB's accounting books and records. When in doubt, ILB's Personnel should seek further advice from the Finance Department.

The Company will conduct a due diligence exercise to ensure that the recipient of any charitable contribution or sponsorship is a legitimate and, in the case of a charity (if required under local laws) registered charity. The recipient will be required to provide a receipt for the contribution, and confirmation of what the funds will be used for.

## **POLITICAL DONATIONS**

The Company does not make charitable donation or sponsorship to any political association or parties. In undertaking any such unauthorised activity, all Personnel will be deemed to be acting in their personal capacity or that of their own corporate organisation and not on behalf of the Company.

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## **DUE DILIGENCE**

### **Due Diligence for Business Partners / Associates**

ILB will establish business relationships only with bona fide and reputable external parties. The purpose of carrying out the due diligence procedures are to serve as a guide to the Personnel in making a decision whether to on-boarding / continuing the relationship with any Business Partners / Associates.

The Company's dealings with external parties must be carried out in compliance with all relevant laws and consistent with the values and principles of the Company's Code of Conduct. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated.

ILB's Personnel is to carry out proper due diligence process and comply with all applicable standard operating procedures before on-boarding any Business Partners / Associates. This include informing them of the Company's Anti-Bribery and Corruption Policy and with effect from the date of this Policy, all Business Partners / Associates are to complete and submit a ***Business Partners / Associates Declaration Form*** prior to being approved as ILB's service provider.

Any Business Partner / Associate acting directly or indirectly on behalf of ILB, who engages in bribery or any other form of corruption, will be permanently disqualified from future assignments. Any existing contractual relationship with this Business Partner / Associate will also be terminated.

### **Internal Due Diligence for Recruitment**

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

### **Financial and Non-Financial Controls**

ILB adopts clear separation of duties for all job functions either financial or non-financial related within the Company. Designated Personnel for preparing, verifying and approving each transaction / activity was documented in written procedures (i.e. Accounting Policies and Procedures and Approved Authority Limit) and communicated to all of ILB's Personnel for adherence.

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**Financial and Non-Financial Controls (Cont'd)**

For non-financial related activities, there must be at least two-layers of checking i.e. maker and checker. Nonetheless, in most circumstances, the non-financial related functions will have three layers of checking.

For financial related activities, ILB had since adopted three layers of checking which comprises of the maker, checker and approver. For disbursements and payments, ILB strictly adopts multiple signatories to further mitigate any corruption risk.

**RECORD-KEEPING AND DOCUMENTATIONS**

The Company's respective Divisions / Departments must retain for at least seven (7) years, all records, operational work documents, other documents, and transactions to enable the Company to comply with any requests from the relevant authorities.

It is the Company's goal to maintain accurate and precise records in order to be transparent. At ILB, we ensure that we will not:

- Falsify, omit, misstate, alter or conceal any information or otherwise misrepresent the facts on a company record;
- Encourage or allow anyone else to compromise the accuracy and integrity of our records;
- Intentionally make a false or misleading entry in a record, report, file or claim; and
- Engage in any scheme to defraud anyone.

All our financial books and records must accurately reflect and disclose the business rationale, purpose, substance and legality of all our local and cross-border transactions, payments and expenses, gifts and entertainment received or given to ILB's Personnel and others.

**RAISING A CONCERN**

All Personnel have the responsibility for helping detect, prevent and report instances of bribery and any other suspicious activity or wrongdoing. ILB is absolutely committed to ensure a safe, reliable, and confidential way of reporting any suspicious activity.

Therefore, it is vital that the Company's Personnel and Business Partners / Associates adhere and comply with this Policy and act as the Company's first line of defence by raising concerns with regards to bribery and corruption when detected.

In cases where a Personnel suspect, or reasonably believe that this Policy has been, or is being breached, he / she has an obligation to report his / her concerns through the designated reporting channels set out in the Company's **Whistleblowing Policy** ([https://www.ilb.com.my/Attachments/whistle\\_blowing\\_policy.pdf](https://www.ilb.com.my/Attachments/whistle_blowing_policy.pdf)).

All concerns reported will be taken seriously, treated in confidential manner and investigated immediately.

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**RAISING A CONCERN (Cont'd)**

The whistleblower's anonymity will be protected unless the disclosure is required by law pursuant to an investigation or legislation. Any retaliation directed against anyone making such report will not be tolerated.

All reports shall be made in good faith and the report must be legitimate. Anyone who makes any malicious, scandalous or vexatious report, and particularly if they persist with such untrue allegations, they will be subjected to the Company's disciplinary actions.

**TRAINING AND COMMUNICATION**

This Policy is a public document which will be communicated to all our Personnel and Business Partners / Associates. Our Personnel and Business Partners / Associates are to read and understand ILB's position on anti-bribery and anti-corruption.

Training on this Policy forms part of the induction process for all new employees. All existing employees will receive regular, relevant training on how to implement and adhere to this Policy.

The Company acts with due care before engaging with new Business Partners / Associates and ensure that they acknowledge ILB's commitment on prohibiting bribery / corruption activities within the Company.

**MONITORING AND REVIEW**

The Company's Chief Risk Officer will monitor the effectiveness and review the implementation of this Policy regularly considering its suitability, adequacy and effectiveness.

ILB will conduct regular audits to monitor, review, improve and assess performance, efficiency and effectiveness of ongoing anti-bribery and anti-corruption efforts by the Company. Such audits may be conducted internally by the Company or by an external consultant. The results of any audit, risk assessment, review of control measures and performance shall be reported to the Audit Committee and acted upon accordingly.

All Personnel are responsible for the success of this Policy and should ensure they use it to disclose any suspected misconduct.

Our Personnel is encouraged to raise any concerns or inadequacies in the anti-bribery and corruption program to the Chief Risk Officer.

This Policy will be reviewed periodically and may be amended at any time. All Personnel will be fully informed of any material revisions to this Policy.

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**ENFORCEMENT FOR NON-COMPLIANCE**

Non-compliance and violation of this ABC Policy may be subjected to disciplinary actions (e.g. reprimands, demotions, formal warnings, dismissal or termination of employment contract) and / or any legal proceedings.

ILB will have the right to exercise an audit or inspection on Business Partners / Associates who are alleged or reported to be in non-compliance with the Company's ABC Policy. In cases where any of the Company's Business Partners / Associates dealing with ILB are found to have breached any ABC laws or regulations or the Company's ABC Policy, such breach may result in termination of contract(s) and if required, subject to legal proceedings.