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MANUFACTURER :

- Plate Type Heat Exchanger
- Plate Type Condenser
- Plate Type Evaporator



Document No. PR-HRM-13-R0

Document title: **ANTI-BRIBERY AND CORRUPTION POLICY**

0	New Issue	HR 15 / 09 / 2020	TAKEBAYASHI 15 / 09 / 2020
Rev.	Description	Prepared by	Approved by

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1. Introduction

HISAKAWORKS S.E.A. SDN BHD (“HISAKA”), is committed to operate business with integrity, honesty, fairness and transparency. This Anti-Bribery and Corruption Policy (“Policy”) represents the company’s commitment in **zero tolerance** to bribery and corruption based on all applicable laws in performing business activity.

1.1. Purpose and Scope

1.1.1. The objectives of this Policy are to:

- a. Set out the minimum standards of conduct in respect of bribery and corruption for directors and employees;
- b. Provide high level guiding principles on how to address bribery and corruption risks and issues which may arise in the business activities of HISAKA;
- c. Ensure that directors, employees and any third parties acting on behalf of HISAKA such as suppliers who provides raw materials, goods and services to HISAKA (“Associated Persons” or “AP”) understand:
 - i. their responsibilities in ensuring compliance with this Policy;
 - ii. the consequences of non-compliance with this Policy and best practices to avoid potential or actual bribery, corruption, Conflict of Interest and unethical conduct; and
 - iii. the relevant laws and regulations relating to bribery and corruption in Malaysia.

1.1.2. This Policy applies to directors, employees (including contract staff and part-time workers) as well as any AP acting for or on behalf of HISAKA.

1.1.3. The Anti-Bribery and Corruption (“AB&C”) statement applies to all countries worldwide, without exceptions and without regard to regional customs, local practices or competitive conditions.

1.2. Key Principles

This Policy sets out the guiding principles for HISAKA to address and manage bribery and corruption risks in all its dealings within and outside HISAKA. Compliance to this Policy is mandatory and HISAKA, its directors, employees and those representing HISAKA (where applicable) are to strictly comply with the following principles:

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- 1.2.1. Bribery and corruption in all its forms in relation to HISAKA's business activities is prohibited;
- 1.2.2. Directors, employees and AP shall not, 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 in a position of trust within an organisation, either for the intended benefit of the Group or the persons involved in the transaction;
- 1.2.3. The engagement of AP and dealings with Customer and Third Parties must not be for the purpose of inducing or gaining an unfair or unethical business advantage, or influencing a government or regulatory decision for HISAKA or for personal gain;
- 1.2.4. HISAKA adopts a 'No Gift Policy' whereby the giving and receiving of gifts, including donations and sponsorships, whether directly or indirectly with the intention to bribe, to gain an unfair or unethical business advantage, or for personal gain is strictly prohibited;
- 1.2.5. Actual or potential Conflict of Interest which could result in actual or potential bribery and corruption risk to HISAKA is prohibited; and
- 1.2.6. Employees are strongly encouraged to report any potential or known bribery or corruption incidents via the established Internal Reporting System.

1.3. **Update and Review**

- 1.3.1. The review of this Policy is to be performed once every three (3) years or as and when material changes are to be made.

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2. Definitions

Common Terms	Description
AB&C	Anti-Bribery and Corruption
AB&C Policy	Refers to HISAKA's Anti-Bribery and Corruption Policy
Associated Person ("AP")	<p>A person is associated with HISAKA if the person is a partner or agent of HISAKA or if the person performs services for or on behalf of HISAKA.</p> <p>AP among others includes business partners, joint venture partners, suppliers, distributors, brokers, professional advisors, service providers and other intermediaries.</p>
Bribery	<p>When an individual (directly or indirectly) promises, offers, gives or seeks, accepts or receives a payment or favor (monetary or otherwise) to influence a business outcome or to confer an unfair or unethical business advantage.</p> <p>Bribery may take the form of anything of value, such as money, goods, services, property, privilege, employment position or preferential treatment.</p>
Conflict of Interest	Direct or indirect engagement in any business activity that competes or conflicts with HISAKA's interests.
Corruption	An abuse of entrusted power for the advantage of HISAKA or personal gain and may include bribery. Corruption may also take the form of nepotism, embezzlement or any acts related to abuse of power.
Customer	An individual or a legal entity that is, or intends to become, HISAKA's customer.
Director(s)	Refers to the Board of Directors of HISAKA.
Donation(s)	Payments of cash or in-kind that is given out of goodwill, where the primary purpose is to contribute to the broader community in line with HISAKA's corporate responsibility goals.
Employee(s)	A person employed on a permanent, part-time or contract basis by HISAKA. This can include full time positions, part time positions, graduate scheme places, internships, work experience placements, apprenticeships, contract based roles and any other job position that HISAKA may offer.

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Common Terms	Description
Entertainment	Hospitality provided to or received from another party without any payment in return, and cannot be transferred or resold to another party.
Facilitation Payment	Unofficial payments made to any Third Party or Government Officials in order to secure or expedite the performance of a routine or necessary action to which the payer is legally entitled.
Personal Gain	In the context of this Policy, personal gain includes an advantage or benefit for that person or another person from acts of bribery and corruption.
Gift(s)	An item of value that may be given to or received from another party without any payment in return.
Government Official(s)	<p>Includes any person who is a member, an officer, an employee or a servant of a public body, and includes a member of administration, a member of Parliament, State Legislative Assembly, a judge of the Courts in Malaysia, and any person receiving any remuneration from public funds, and, where the public body is a corporation sole, includes the person who is incorporated as such.</p> <p>Public body includes:</p> <ol style="list-style-type: none"> a. the Government of Malaysia; b. the Government of a State; c. any local authority and any other statutory authority; d. any department, service or undertaking of the Government of Malaysia, the Government of a State, or a local authority; e. any society registered under subsection 7 (1) of the Societies Act 1966 [Act 335]; f. any branch of a registered society established under section 12 of the Societies Act 1966; g. any sports body registered under section 17 of the Sports Development Act 1997 [Act 576]; h. any co-operative society registered under section 7 of the Co-operative Societies Act 1993 [Act 503]; i. any trade union registered under section 12 of the Trade Unions act 1959 [Act 262]; j. any youth society registered under section 9 of the Youth Societies and Youth Development Act 2007 [Act 668]; k. any company and subsidiary company over which or in which any public body as is referred to in paragraph (a), (b), (c), (d), (e), (f), (g), (h), (i) or (j) has controlling power or interest; or

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Common Terms	Description
	1. Any society, union, organisation or body as the Minister may prescribe from time to time by order published in the Gazette.
Responsible Persons	Refers to the Bribery and Corruption Prevention Committee (“BCPC”) and the Heads of Department (“HOD”).
Sponsorships	Payments of cash or in-kind as an act to support an event, activity, or organisation.
Third Party(ies)	A person (other than AP and Customer) who has official dealings/business relationship with HISAKA, including Government Officials, regulators and other parties which this Policy may be extended to cover in circumstances relating to bribery and corruption.

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3. Roles and Responsibilities

- 3.1. The Board of Directors has a duty and responsibility to formulate and oversee the Policy to address bribery and corruption risks is established, maintained and periodically reviewed.
- 3.2. The Bribery and Corruption Prevention Committee (“BCPC”) is comprised of resident directors and General Managers, and is responsible for monitoring the compliance status in accordance with this Policy and to report to the Board on a regular basis.
- 3.3. Respective Heads of Department (“HOD”) are responsible to provide their employees with AB&C training to understand the requirements of this Policy.
- 3.4. Responsible Person of all levels shall ensure that their employees are aware of and understand this Policy and obtain adequate and regular training sessions.
- 3.5. All employees are required to certify in writing that they have read, understood and will comply with the Policy. A copy of this declaration will be documented and retained by the Human Resources Department for the duration of the personnel’s employment.
- 3.6. The directors and Managing Director reserve the right to request information regarding an employee’s assets in the event that the employee is implicated in any bribery and corruption related accusation or incident.

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4. Bribery and Corruption Risk Assessment

- 4.1. HISAKA will perform bribery and corruption risk assessment to identify, analyse and assess the internal and external bribery and corruption risks of the organisation. The risk assessment results will determine the appropriate processes and controls to mitigate the identified bribery and corruption risks.
- 4.2. The bribery and corruption risk assessment is required to be carried out at least once (1) every three years. The risk assessment matrix, approach and methodology should commensurate with the size, nature and complexity of the organisation.

(Refer to Appendix A for Risk Assessment Matrix and Methodology, and Risk Assessment Results.)

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5. Specific Requirements to Address Bribery and Corruption

5.1. Facilitation Payments

- 5.1.1. HISAKA prohibits any form of offering, giving or accepting of improper payments such as bribes or kickbacks in exchange for business favors, information and favorable treatment.
- 5.1.2. No employee will suffer demotion, penalty or other adverse consequences for refusing to pay or receive bribes or other illicit behavior, even if such refusal may result in the company losing business or experiencing a delay in business operations.
- 5.1.3. In exceptional circumstances, where a payment is made under duress as a direct result of violence or threats to the personal safety of HISAKA employees, the incident must be immediately reported to relevant immediate supervisor, HOD, and/or BCPC for deliberation. Any such incidents must subsequently be reported to the Board.

5.2. Dealings with Government Official

- 5.2.1. Any giving of kickbacks or gratuities to Government Officials is prohibited.
- 5.2.2. Bribery and corruption risk is typically higher in this regard as the Government Officials may abuse their position or exercise influence over governmental policies and procedures. Due care and diligence must be exercised at all times when dealing with Government Officials.

5.3. Dealings with Associated Person

- 5.3.1. Directors, employees and those representing HISAKA (where applicable), when dealing with AP, must not be for the purpose to induce or to gain an unfair or unethical business advantage, or to influence a government or regulatory decision for the business advantage or for personal gain.
- 5.3.2. Due diligence and assessment must be carried out on AP to determine the level of bribery and corruption risk as set out in the Purchasing Procedure document.

5.4. Dealings with Customer

- 5.4.1. Directors, employees and those representing HISAKA (where applicable), when dealing with Customer, must strictly adhere to the key principles as stated in Section 1.2 of this Policy.

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5.5. Gifts and Entertainment

- 5.5.1. HISAKA adopts a ‘No Gift Policy’ whereby the giving and receiving of gifts, whether directly or indirectly with the intention to bribe, to gain an unfair or unethical business advantage, or for personal gain is strictly prohibited.
- 5.5.2. HISAKA prohibits employees from soliciting or receiving entertainment. However, giving or offering of entertainment is allowed as set out in Section 14: “Entertainment Allowance” of the Compensation and Benefits Policy. The entertainment provided shall not have the element or intent or bribe or which may give rise to such perception, whether directly or indirectly, which could influence a business decisions.

5.6. Donations and Sponsorships

- 5.6.1. HISAKA does not offer and receive donations and sponsorships to and from any Third Parties or AP.

5.7. Hiring and Employment

- 5.7.1. HISAKA does not offer any form of employment opportunities, whether permanent or temporary in nature, which is used as an inducement to obtain or retain an unfair or unethical advantage in business or for personal gain.
- 5.7.2. The offering of employment opportunities or similar offers, are only permissible when it is genuine, fulfill legitimate business needs and the candidate selection and approval process is in line with procedures laid out in the Manpower Requisition Process Flow Policy.
- 5.7.3. Any hiring decisions which could give rise to direct, indirect or potential Conflict of Interest must be avoided.

5.8. Conflict of Interest

- 5.8.1. HISAKA prohibits employees from using their office position, confidential information, assets and other resources for their personal gain or for the advantage of their family or relatives, which could give rise to actual or potential Conflict of Interest.
- 5.8.2. Directors and employees shall not:
 - a. Accept or receive personal benefits arising from their position, role or employment capacity; and

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- b. Not handle matters on behalf of HISAKA in situations where they have an interest that conflicts with HISAKA or its various stakeholders.
- 5.8.3. Directors and employees who become aware of any potential or actual Conflict of Interest is required to report the incident via the established Internal Reporting System.

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6. Monitoring and Enforcement

- 6.1. Regular monitoring shall be carried out in accordance with this Policy. The monitoring will cover an annual internal audit by BCPC to evaluate the status of compliance in relation to AB&C. Such audits may include inspection of documents arising from entertainment reimbursement to ensure the expenditures are genuine transactions and are incurred for the purpose of HISAKA's business activities.
- 6.2. In order to enhance the AB&C monitoring system, BCPC will hold regular meetings to discuss on bribery and corruption related matters and to provide recommendations for any improvement required to address the gaps identified during the internal audits.
- 6.3. BCPC may engage with external parties (i.e. legal consultants or lawyers) to carry out external audits in relation to bribery and corruption.
- 6.4. Employees are strongly recommended to report any potential or known bribery or corruption incidents via the established Internal Reporting System. HISAKA is committed to ensuring that employees can report their concerns in complete confidence. Retaliation, in any form, against a 'whistleblower' is strictly prohibited, where the report was made in 'good faith'.
- 6.5. All records to demonstrate adherence to the provisions of this Policy are required to be complete and accurate, and properly stored for a period of three (3) years so they are readily available for review when required.

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7. Training

- 7.1. All employees are required to attend and complete AB&C training, which will be provided by the respective HODs.
- 7.2. The objective of the AB&C training is carried out to ensure all employees comply with the requirements as set out in this Policy and the Malaysian Anti-Corruption Commission (“MACC”) Act 2009.
- 7.3. The training materials and records of the attendance list shall be retained for a period of five (5) years.

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Appendix A

A.1 Risk Assessment Matrix & Methodology

LIKELIHOOD (L)	EXAMPLE	Rating
MOST LIKELY	THE MOST LIKELY RESULT OF THE HAZARD / EVENT BEING REALIZED	5
POSSIBLE	HAS A GOOD CHANCE OF OCCURRING AND IS NOT UNUSUAL	4
CONCEIVABLE	MIGHT BE OCCUR AT SOMETIME IN FUTURE	3
REMOTE	HAS NOT BEEN KNOWN TO OCCUR AFTER MANY YEARS	2
INCONCEIVABLE	IS PRACTICALLY IMPOSSIBLE AND HAS NEVER OCCURRED	1

LIKELIHOOD (L)	SEVERITY (S)				
	1	2	3	4	5
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5

SEVERITY (S)	EXAMPLE	RATING
CATASTROPHIC	NUMEROUS FATALITIES, IRRECOVERABLE PROPERTY DAMAGE AND PRODUCTIVITY	5
FATAL	APPROXIMATELY ONE SINGLE FATALITY MAJOR PROPERTY DAMAGE IF HAZARD IS REALIZED	4
SERIOUS	NON-FATAL INJURY, BUT PERMANENT DISABILITY	3
MINOR	DISABLING BUT NOT PERMANENT INJURY	2
NEGLECTIBLE	MINOR ABRASIONS, BRUISES, CUTS, FIRST AID TYPE INJURY	1

RISK	DESCRIPTION	ACTION
15-25	HIGH	A HIGH risk requires immediate action to control the hazard as detailed in the hierarchy of control. Actions taken must be documented on the risk assessment form including date for completion.
5-14	MEDIUM	A MEDIUM risk requires a planned approach to controlling the hazard and applies temporary measure if required. Actions taken must be documented on the risk assessment form including date for completion.
1-4	LOW	A risk identified as LOW may be considered as acceptable and further reduction may not be necessary. However, if the risk can be resolved quickly and efficiently, control measure should be implemented and recorded.

A.2 Risk Assessment Results

1. Risk & Opportunity Identification				2. Risk Analysis					3. Risk Control	
No	Work Activity	Risk & Opportunity	Which can cause / effect	Existing Risk Control (if any)	Likelihood	Severity	Risk	Risk Level	Recommended Control Measures	PIC (Due Date/Status)
1	Market/ competitive Issues	The risk of give / Receive bribery may be high	Loss of trust from customers and decrease in sales	NIL	3	3	9	M	Enhance monitoring system in accordance with ABCP	BCPC
2	Culture/Social	The awareness of local & foreign workers to requirement of MACC are still relatively low	Do not comply to ABCP	Briefing and training	3	3	9	M	Obtain better advice from legal organization or Expertise knowledge company	BCPC
3	Contracts with third parties related to HISAKA	Awareness of supplier & subcontractor to MACC may be low	Concerns about both cost competitiveness and low quality to products and service	NIL	2	2	4	L	NIL	NIL
4	Economics	If the market situation is not so active, the risk of give/receive of bribery may be high due to tough competition	Concerns about both cost competitiveness and low quality to products and service	NIL	2	2	4	L	NIL	NIL
5	Global Issues	The differences of Anti Bribery and corruption regulations and business culture in each countries	Misundersand the regulation of other countries	NIL	2	2	4	L	NIL	NIL
6	Leadership issue	Delegation of responsibility & authority of leader based on ABCP	Clearer management in executing appointed representative	Briefing and training	2	2	4	L	NIL	NIL
7	Hiring and Employment	The risk arising from certain employment or directorship hiring, whether for a senior position or internship, with a motive to gain unfair or unethical business interest or political connections, instead of addressing genuine resource needs.	Hiring an individual to gain unfair business interest that could result in prosecution, litigation, hefty penalties or fines if caught by regulators.	There is segregation of duties in the hiring and employment process in the following manner: a. 'Manpower Requisition Form' (with job description) is approved by the General Manager; b. Interview Assessment is carried out by the Hiring Manager; and c. Reference check is performed by the HR personnel.	3	4	12	M	NIL	NIL
8	Acquiring of Certification	The risk arising from bribing the certification provider (American Society of Mechanical Engineers ("ASME")) to obtain license for the purpose of business operation.	Providing kickbacks to certification provider for the purpose of expediting the licence approval that could result in prosecution, litigation, hefty penalties or fines if caught by regulators.	There is an AB&C Policy in place and employees are required to attend the annual AB&C training.	3	4	12	M	NIL	NIL