



## **VENDOR CODE OF BUSINESS CONDUCT**

**FEBRUARY 2024**



## **SIME'S VENDOR CODE OF BUSINESS CONDUCT**

At Sime, our success is not only measured by the results we achieve, but also how we achieve them. Behaving in an ethical manner is our responsibility and as such, the conduct of our Vendors are important to Sime. Therefore, it is vital that a specific Vendor Code of Business Conduct ("Vendor COBC") be established to provide guidance to the Vendors on the required standards of behaviour when conducting work for Sime. The standards of behaviour are derived from the Group's Core Values and Business Principles.

In this handbook, the expressions "The Group" and "Sime" are used interchangeably to refer to Sime Darby Berhad Group Companies in general. Similarly the words "we", "our" and "us" are also used to refer to Sime Darby Berhad Group Companies including all of its Directors and Employee



## **SIME'S CORE VALUES**

### **Act with Integrity**

- Doing the right thing, even when no one is watching.
- Being responsible and accountable for our words and actions.
- Communicating with honesty, transparency and openness.

### **Care for All**

- Understanding and listening with curiosity and empathy.
- Respecting everyone and embracing differences.
- Championing well-being, safety and sustainability.

### **Win Together**

- Putting relationship first, within and beyond our organisation and working together to achieve great outcomes.
- Being bold in our ambitions and delivering them with passion.
- Striving to continuously improve by proactively seeking and giving constructive feedback.



## **SIME'S BUSINESS PRINCIPLES**

The Group's foundation is built on the Core Values, which guide our actions and the way we conduct our business. This is applied in our Business Principles:

### **Health, Safety and Environment**

Health and safety are important to our Employees and the communities where we operate.

We ensure our business operations are sustainable, by proactively addressing environmental challenges and respecting fundamental human rights, without sacrificing long-term economic value creation.

### **Compliance**

Complying with all laws and regulations in the countries that we operate.

### **Working with Local Communities**

Engaging with and contributing to local communities in a socially responsible manner wherever we operate, without compromising the benefits of any particular stakeholder.

### **Fair Business Practices**

Ensuring that we promote fair business practices and compete in an ethical manner.

**PURPOSE**

**SCOPE**

**GENERAL  
PRINCIPLES OF  
THE VENDOR COBC**

**RESPONSIBILITY  
AND COMPLIANCE  
WITH THE VENDOR COBC**



## **1. PURPOSE**

The Vendor COBC handbook provides guidance on the standards of behaviour required from all Vendors of Sime.

## **2. SCOPE**

This Vendor COBC applies to:

- All Vendors of the Group when conducting work for the Group.
- All Vendor's subsidiaries, affiliates and all other parties that they have appointed to conduct work for the Group.

## **3. GENERAL PRINCIPLES OF THE VENDOR COBC**

This Vendor COBC outlines the standards of behaviour required from the Vendors in relation to labour & human rights, environment, safety & health and ethics & management practices.

The Vendor COBC is not an exhaustive document and does not address every possible situation. Vendors are obliged to familiarise themselves with and adhere to all applicable policies, procedures, laws and regulations of the countries in which they operate.

When there is a conflict between the provisions of this handbook and any other regulatory and legislative provisions, the stricter provisions shall apply. However, if the local custom or practice conflicts with this handbook, Vendors are required to comply with the Vendor COBC.

If there is any ambiguity or doubts with regards to the above, Vendors shall consult the party in the Group whom they are contracting with for clarification and guidance.

## **4. RESPONSIBILITY AND COMPLIANCE WITH THE VENDOR COBC**

Vendors are required to:

- Understand and comply with the Vendor COBC.
- Disseminate, educate and verify compliance of their Employees, subsidiaries, affiliates and all other parties that they have appointed to conduct work for the Group, to this Vendor COBC.

Vendors shall read and declare compliance with the Vendor COBC via the Vendor Letter of Declaration ("VLOD"). Through this pledge, the Vendor commits that all its operations are subject to the provisions contained in this Vendor COBC. Depending on the business needs, further requirements may be imposed on the Vendors through a separate agreement or terms and conditions.



Vendor shall maintain accurate and complete records pertaining to the performance of the services. The Group reserves the right to audit the Vendor's records relating to its performance as set out in the third party agreements to permit ongoing assessment of risk.

Violation of the Vendor COBC may jeopardise the Vendor's business relationship with the Group. Vendors may be subjected to appropriate action(s) by the Group which may include suspension, termination up to and including blacklisting. Violation of the Vendor COBC that is related to criminal acts or such that is governed and regulated by law may result in prosecution after referral to the appropriate authorities.



# LABOUR AND HUMAN RIGHTS

## 5. LABOUR & HUMAN RIGHTS

The Group is committed to ensuring an ethical business conduct that protects the rights of Employees and workers in our operations. When conducting work for the Group, Vendors, their subsidiaries, affiliates and all other parties that they have appointed to conduct work for the Group are required to uphold respect for human rights including labour rights as outlined in our Human Rights Charter<sup>1</sup>, by treating their Employees and workers with respect, trust, honesty and dignity, and by providing a fair and ethical workplace. Vendors are also encouraged to have similar commitments within their own business practices.

In the course of conducting work for the Group, Vendors are required to demonstrate the following standards of behaviours, where applicable:

### 5.1 Equal Opportunity and Non-Discrimination

We promote diversity and inclusion and will not tolerate any form of discrimination. Vendors are encouraged to provide equal opportunities to all of its Employees to ensure that employment-related decisions are based on relevant qualifications, merit, performance and other job-related factors and in compliance with all applicable laws and regulations. Vendors shall not discriminate against any Employee based on personal characteristics, such as gender, race, disability, nationality, religion, age or sexual orientation unless specific laws or regulations expressly provide for selection according to specific criteria.

### 5.2 Elimination of Harassment & Violence

Vendors are required to promote an environment where all forms of harassment and abuse are eliminated. The actions or behaviours of harassment and violence include (but not limited to):

- Derogatory comments based on gender, racial or ethnic characteristics, and unwelcomed sexual advances.
- Spreading of malicious rumours.
- Use of any forms of communication channels such as emails, voicemail or social media to transmit derogatory or discriminatory material.

### 5.3 Illegal Substances

The Group strictly prohibits the use or transfer of illegal drugs or other illegal substances in its workplace. Vendors shall ensure that such acts are not conducted by its Employees, while performing work for the Group.

<sup>1</sup>Sime's Human Rights Charter is available on our website at [www.sime.com](http://www.sime.com)

## 5.4 Criminal Activities

Vendors shall ensure that none of its Employees assigned to conduct work for the Group are engaged or involved in any behaviour or activities that may be categorised as subversive or commit any wrongdoing, criminal or otherwise that is punishable under the laws of the countries where they operate. This may include (but not limited to) the use of business dealings/ transactions with the Group as a cover up for their criminal, subversive and act of wrongdoings.

## 5.5 Reasonable Wages, Benefits & Working Hours

Vendors shall provide fair and reasonable employment conditions for its Employees, in particular, those assigned to perform work for the Group. Such employment conditions include, but not limited to:

- Providing fair wage and benefits to its Employees based on the legally determined minimum wage that promotes productivity targets, and ensuring overtime work is compensated statutorily.
- Complying with legal requirements on reasonable working hours, including on holiday and leave entitlements.

## 5.6 Freedom of Association & Rights to Collective Bargaining

We respect the rights of Employees to join and form organisations of their own choice and to bargain collectively. Vendors are encouraged to grant its Employees the right to Freedom Association and Collective Bargaining in accordance with all applicable laws and regulations. In the absence of formal representation, Vendors are encouraged to provide alternative means of Employee engagement and grievance remedy.

## 5.7 Eradication of Exploitation

We endeavour to eradicate all forms of bonded and forced labour, slavery, human trafficking and sexual exploitation by implementing International Labour Organisation (ILO) core labour standards and conventions. When supplying labour to perform work for the Group, Vendors shall refrain from using or facilitating any of the following activities:

- Employees are not charged with recruitment fees for the purpose of restricting free movement.
- Employees' original identification documents, passports or work permits are not retained involuntarily by Vendors.
- Payment of Employees' salaries are not withheld or delayed beyond the extent permitted by applicable laws and regulations in the countries where the Vendors operate.



In addition, the Vendors shall ensure that recruitment of Employees is done via legitimate recruitment agencies, which are properly licensed to operate under applicable laws.

## **5.8 Abolishment of Child Labour & Protecting the Rights of Children**

We seek to promote the well-being of children and safeguard them from any form of maltreatment or exploitation, including but not limited to child sex tourism, child trafficking, and child pornography. As such, Vendors shall not employ anyone under the age of 18 or the applicable minimum legal age in the countries they operate, unless in vocational and/ or formal and structured apprenticeship, educational and training programmes.

## **5.9 Respecting Community Rights & the Rights of Indigenous and Vulnerable People**

We uphold the process of Free, Prior and Informed Consent and recognise that, in addition to applicable laws and permits tied to the land, the indigenous people and local communities have the right to give or withhold their consents to proposed projects that may affect the lands they customarily own, occupy or otherwise use.

Vendors must respect the land rights of these communities affected by their operations in adherence to this process. These communities shall be consulted to clarify the rights or claims which come along with the land titles, so that harmony can be maintained. When dealing with these communities on behalf of the Group, Vendors shall consult the party in the Group whom they are contracting with on any required decision making or actions to be taken.

Vendors are also required to protect and respect the rights of vulnerable people such as marginalised groups, persons of different abilities and refugees.

## **ENVIRONMENT, SAFETY & HEALTH**

## **6. ENVIRONMENT, SAFETY & HEALTH**

The Group strives to provide a safe, secure and healthy working environment to our Employees and workers in our operations to support the wellbeing of our communities. Vendors are required to create and maintain safe working environment and to comply with the Environmental and Occupational Safety and Health laws and regulations of the countries where they operate.

In the course of conducting work for the Group, Vendors are required to demonstrate the following standards of behaviours, where applicable:

### **6.1 Workplace Environment**

Vendors shall provide a safe and healthy working environment for its Employees in order to prevent accident and minimise risks. As such, their Employees shall be provided with free and adequate protective equipment and tools to undertake their tasks safely. Any reports on unsafe equipment and tools, hazardous conditions and accidents must be acted upon immediately.

Vendors shall also ensure that their Employees use the protective equipment and tools that are provided to them, including those provided by the Group.

### **6.2 Decent Working & Living Conditions**

Vendors shall ensure the working and living conditions for its Employees are decent, by providing access to basic needs such as (but not limited to) clean toilet and bathroom facilities, potable water, sanitary food preparation and storage facilities, adequate lighting, ventilation, and reasonable personal space. Company-provided accommodations shall be safe and sanitary, besides being constructed and maintained according to all applicable laws and regulations.

### **6.3 Emergency Preparedness**

Vendors shall be prepared in handling emergency situations and adequately provide its Employees with all the necessary health and safety information, equipment and facilities. Vendors shall ensure that:

- Written health and safety information, hazardous materials safety data sheets and warning signage are available, displayed and communicated in appropriate languages and forms that are understood by its Employees.
- Employees are adequately trained on safe working practices, accident procedures and emergency evacuation procedures.



- Employees are granted access to first aid equipment, medical facilities, fire exits, as well as fire-fighting and safety equipment.

#### **6.4 Environmental Protection**

Vendors are required to minimise health and environmental risk by utilising natural resources responsibly and reducing waste and emissions, where practicable. Vendors shall implement measures to prevent pollution and ensure that hazardous materials do not come into contact with the environment or are incorrectly handled or disposed.

Vendors shall also ensure that the Group's procedures regarding environmental protection are followed and in the absence of such procedures, they shall comply with the applicable laws and regulations pertaining to health and environment.



# ETHICS & MANAGEMENT PRACTICES

## **7. ETHICS & MANAGEMENT PRACTICES**

Vendors are required to conduct their businesses in accordance with the standards of ethical behaviour prescribed in this Vendor COBC and in accordance with all applicable laws and regulations.

In the course of conducting work for the Group, Vendors are required to demonstrate the following standards of behaviours, where applicable.

### **7.1 Avoiding Conflicts of Interests**

A conflict of interest arises when there is a personal interest that could be seen to have the potential to interfere with the objectivity in performing duties or exercising judgement.

Vendors must not use their positions, official working hours, the Group's resources and assets for their personal gain or for the advantage of those they are associated with.

Vendors shall avoid conflicts of interests when dealing with the Group. Vendors who find themselves in a situation of conflict whether actual or potential are required to disclose it to the Group.

#### **7.1.1 Dealings with the Group**

In the event that the Vendor is related to any of the Group's Directors or Employees or their family members who has any substantial financial interest in a Vendor's business, the Vendor shall disclose such information to the party in the Group whom the Vendor is contracting with, except in the case where the Vendor is a public listed company and such financial interest is less than 5% in equity.

#### **7.1.2 Dealings with a Director or Employee of the Group**

Vendors may have personal dealings with any of the Group's Directors or Employees or their family members. However, in such cases, Vendors shall ensure that these dealings are on an arms-length basis e.g. sales/ purchases with terms which are not more favourable than those offered to the public.

#### **7.1.3 Family Members and Close Personal Relationships**

Any Vendor's Director or Employee who has a family relation or close personal relationship to a Director or employee of the Group must disclose such relationship to the party in the Group whom the Vendor is contracting with in order to ensure that their appointment as a Vendor will not be partly or fully determined, influenced or supervised by the said Director or employee of the Group. The Vendor shall fairly compete for any job awards based on their qualification, performance, skills, experience, pricing and other commercial offerings.



## 7.14 Anti-Money Laundering and Anti-Terrorism Financing

Vendors are required to comply with any anti-money laundering and anti-terrorism financing acts in all countries in which they operate. Vendors shall not be involved in money laundering activities, either directly or indirectly. Such activities include colluding with any of the Group's Employees to transfer or obtain illegal funds and using their work with the Group as a cover up for their illegal activities and money laundering transactions.

Other activities may include, but not limited to the following:





- Payments made in currencies that differ from invoices;
- Attempts to make payment in cash or cash equivalent (out of normal business practice);
- Payments made by third parties that are not parties to the contract; and
- Payments to or accounts of third parties that are not parties to the contract.



## CONTACT US

## 8. CONTACT US

Vendors who may have concerns about any actual or potential violations of the applicable laws and regulations including any provisions of this Vendor COBC, by any Director or employee of the Group, anyone conducting work for the Group, or acting on behalf of the Group, shall report the matter to the Group using the following reporting channels:

	<p>Whistleblowing e-Form at  <a href="https://www.sime.com/sustainability/governance/?tab=whistleblowing">https://www.sime.com/sustainability/governance/?tab=whistleblowing</a></p>
	<p>Emails:          Whistleblowing Unit: <a href="mailto:whistleblowing@sime.com">whistleblowing@sime.com</a>          Senior Independent Director: <a href="mailto:seniordirector@sime.com">seniordirector@sime.com</a></p>
	<p>Telephone:</p> <p>Malaysian Office Hours;          GMT +8 Hours:</p> <p>Toll-free Line          (Available for Malaysia only): 1800 18 5008</p> <p>Mobile for calls, instant messages, WhatsApp, WeChat          (Available for all countries): (+60)19 2688 295</p>
	<p>Letters to Whistleblowing Unit at:</p> <p>Sime Darby Berhad,          P.O. Box 03187          47500, Subang Jaya,          Selangor, Malaysia.</p>

## DEFINITIONS

The definitions of the key terms used in this Vendor COBC are as follows:

TERMS	DESCRIPTIONS
Anti-corruption Laws	Laws that prohibit the offer of money, goods or services to a person in order to persuade him to perform an action, in many cases illegal, in the interests of the person offering the bribe.
Anti-money laundering and anti-terrorism financing Laws	Anti-money laundering and anti-terrorism financing laws are designed to help prevent legitimate businesses from being used by criminals for this purpose, and to assist law enforcement agencies to trace and recover criminal assets and terrorist funding.
Anti-trust Laws	Laws intended to promote free competition in the market place by outlawing monopolies.
Assets	Tangible or intangible resources controlled by the enterprise as a result of past transactions or event and from which future economic benefits are expected to flow to the enterprise. Such resources shall include buildings, sites, equipment, tools, supplies, communication facilities, funds, accounts, computer programmes, information, technology, documents, patents, trademarks, copyrights, know-how and other resources or property of the Group.
Breach	Behaviour that results in any form of disciplinary action against a person or persons.
Bribery	A bribe is an inducement or reward (financial or otherwise) offered, promised or given, directly or indirectly, in order to gain any improper commercial, contractual, regulatory, personal or other advantage.
Business Partner	Any party with which the Group has a commercial relationship with but is not in a position to exercise a significant or controlling influence over, such as customers, Joint Ventures (non-controlling interest) and business alliances.

TERMS	DESCRIPTIONS
Cash Equivalent	An asset, such as property or stock, that has a realisable cash value equivalent to a specific sum of money, or an asset that is easily convertible to cash, for example, a Treasury bill.
Competitors	Competitors are persons or entities that render the same or very similar services or supply the same or similar products as the Group in any one or a number of business environments.
Confidential Information	<p>a. Any information in any form whatsoever not generally known, and propriety to the Group including but not limited to information relating to their processes, operations, trade, products, research, development, manufacture, purchasing, business, business prospects, transactions, affairs, activities, know-how, Intellectual Property, accounting, finance, planning, operations, customers data, engineering, marketing, merchandising and selling, proprietary trade information, payroll figures, personal data of Employees, customers' list, records, agreements and information, technical and other related information, and any books, accounts and records kept by the Group for the purpose of its business;</p> <p>b. All information disclosed to a Director or an employee or to which the Director or employee obtains access during his/ her tenure which he/ she has reason or ought to have reason to believe to be confidential information, shall be presumed to be confidential information and shall include (but shall not be limited to) price lists, business methods, customer history, records, information and inventions; and</p> <p>c. Any such information as described in (a) and (b) above which relate to any of the Group's suppliers, agents, distributors and customers.</p>
Connected Persons	<p>Connected Persons include the following:</p> <p>a. A family member of that business partner or official, including his/ her spouse, parent, child (including adopted child and stepchild), brother, sister and the spouse of his/ her child, brother or sister;</p>

TERMS	DESCRIPTIONS
	<ul style="list-style-type: none"> <li>b. A body corporate which is associated with that business partner or official;</li> <li>c. A trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which that business partner or official or a member of his/her family is a beneficiary; or</li> <li>d. A partner of that business partner or official or a partner of a person connected with that business partner or official.</li> </ul>
Contract	An agreement that legally obliges a party to do, or not to do, a certain thing. Examples of contracts include sales and purchase contracts, service contracts and others.
Counterparties	Joint Ventures (controlling interest), Consultants, agents, contractors and goods/ service providers of the Group who have direct dealings with the Group.
Customers	Customers are persons or entities to which the Group provides products or render services to and includes potential customers.
Directors	Directors include all independent and non-independent Directors, executive and non-executive Directors shall also include alternate or substitute Directors.
Employees	Employees shall encompass all personnel including senior management, managers, executives and non-executives under the employment of the Vendor. This also covers temporary staff, interns and/ or any third party that the Vendor assigned to perform work for Sime.
Ethics	Refers to standards of conduct, which indicate how to behave, based on moral duties and virtues arising from principles of right and wrong. Ethics involve two aspects namely the ability

TERMS	DESCRIPTIONS
	to distinguish right from wrong and the commitment to do what is right.
Family Members	Shall include the Director's or employee's spouse, parent, child (including adopted child and step child), brother, sister and the spouse of his/her child, brother or sister.
Fraud	A false representation of a matter of fact, whether by words or by conduct, by false or misleading allegation, or by concealment of what should have been disclosed, that deceive or is intended to deceive another person.
Free, Prior and Informed Consent	The principle that a community has the right to give or withhold its consent to proposed projects that may affect the lands they customarily own, occupy or otherwise use. It implies informed, non-coercive negotiations between investors, companies or governments and indigenous peoples prior to the development and establishment of oil palm estates, timber plantations or other enterprises on their customary lands. This principle means that those who wish to use the customary lands belonging to indigenous or local communities must enter into negotiations with them.
Government Officials	Government Officials are defined broadly to include officers or Employees acting on behalf of a government or public body or agency. It could also refer to officers or Employees of a government international organisation, such as the United Nations. It also includes political officials or Employees of political parties or candidates for political office.
Harassment	Any direct or indirect action, conduct or behaviour which any individual or group of individuals finds abusive, humiliating, intimidating or hostile, whether verbal, physical or visual.
Intellectual Property	Proprietary business or technical information of value protected by patent, trademark, copyright, or trade secret laws.
Money-laundering	Money laundering is the process of hiding the true nature or source of illegally obtained funds (such as from the drug trade or terrorist activities) and passing it surreptitiously through

TERMS	DESCRIPTIONS
	legitimate business channels by means of bank deposits, investments, or transfers from one place (or person) to another.
Political Party	A group of people organised to acquire and exercise political power.
Proprietary Information	Proprietary Information is information held by a person or entity concerning the know-how, trade secrets or other information of any kind, whether in printed or electronic format, including but not limited to Intellectual Property rights, technical information, business processes, sales forecasts, marketing strategies, customer lists or potential customer information, financial records or operations which is regarded as being confidential in nature (whether or not labelled as confidential) and belongs to and owned by the Group.
Vendors	Vendors include suppliers, consultants, agents, contractors and goods/ service providers (each a “Vendor”) of the Group who have direct dealings with the Group.