



# **ORGANISATIONAL ANTI-CORRUPTION PLAN (OACP)**

**2020 - 2024**

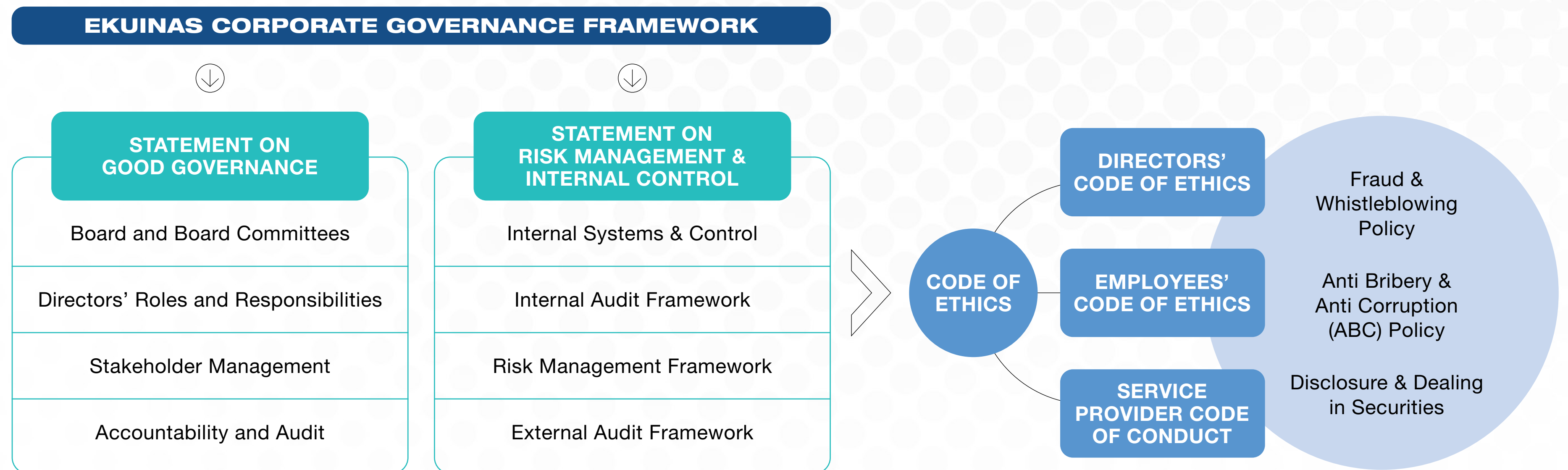
# INTRODUCTION

Since Ekuinas' inception, the Board of Directors and Senior Management have been persistent in ensuring the highest standards of governance and integrity within the company and advocating the same to all portfolio companies.

This is achieved through the formalisation of the Corporate Governance Framework, Code of Ethics and the Fraud Prevention Policy (revised to be the Anti-Bribery & Anti Corruption Policy) since 2010 which promote good governance and directly reduce the risks of corruption in the company and its portfolio companies.

These framework and principles are embedded in the implementation of the governance initiatives within the investment value creation plan and Corporate Governance and Risk Management's (CGRM) roles and responsibilities to advocate good governance, integrity and provide assurance on internal controls. With the launch of the National Anti-Corruption Plan (NACP), Ekuinas continues to support and implement all the relevant initiatives in sustaining its Governance and Integrity culture.

This Organisational Anti-Corruption Plan (OACP), which is under initiative 6.2.1 of the NACP, was formulated to provide a fundamental, high level anti-corruption plan that aims to ensure the organisation has clear objectives and framework, identified key areas of concerns and set priorities on initiatives to be implemented to curb issues and potential risks regarding governance, integrity and corruption within the organisation. The strategies within this OACP were also formulated based on the direction provided in the Guidelines on Adequate Procedures, issued by the Prime Minister's Department pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act).



# THE NATIONAL ANTI-CORRUPTION PLAN

## MISSION



- To uphold the rule of law
- To improve government efficiency, transparency and accountability through good governance
- To create a clean business environment

## GOALS



- Provide efficient and responsive service
- Ensure accountability and credibility of judiciary, public prosecutors and law enforcement agencies
- Build business integrity

## PRIORITY AREAS & STRATEGIES



### POLITICAL GOVERNANCE

Strengthening political integrity and accountability

### PUBLIC SECTOR ADMINISTRATION

Strengthening the effectiveness of public service delivery

### PUBLIC PROCUREMENT

Increasing the efficiency and the transparency in public procurement

### LEGAL AND JUDICIAL

Enhancing the credibility of the legal and judicial system

### LAW ENFORCEMENT

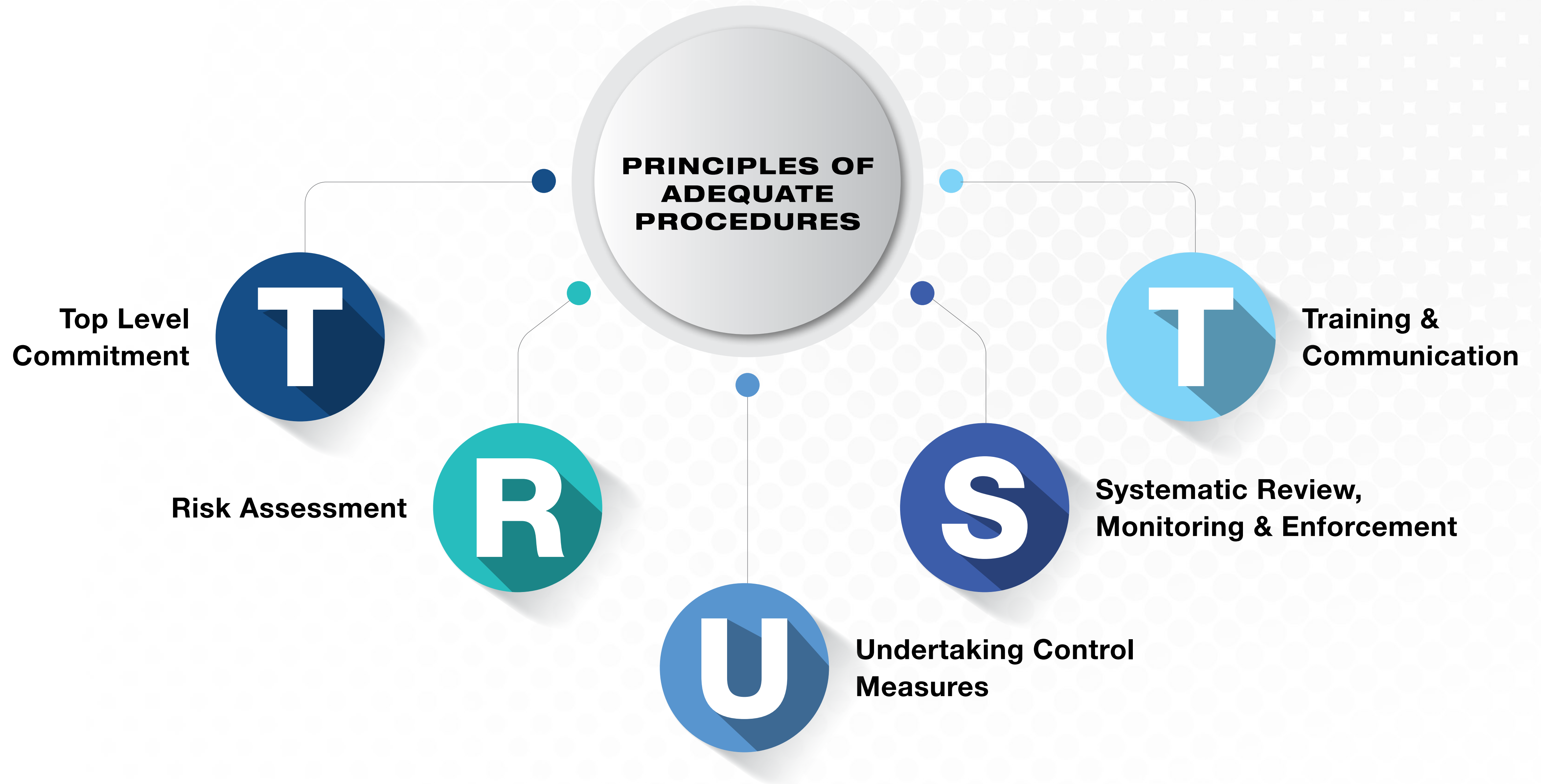
Institutionalising the credibility of law enforcement agencies

### CORPORATE GOVERNANCE

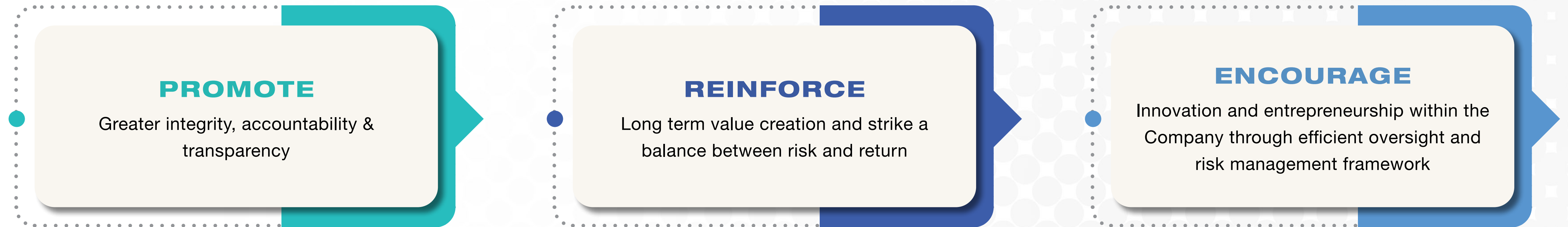
Inculcating good governance in a corporate entity



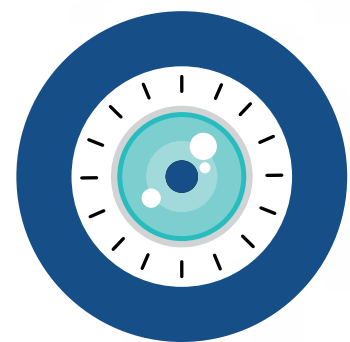
# GUIDELINES ON ADEQUATE PROCEDURES – SECTION 17A OF MACC ACT



# OBJECTIVES OF THE OACP

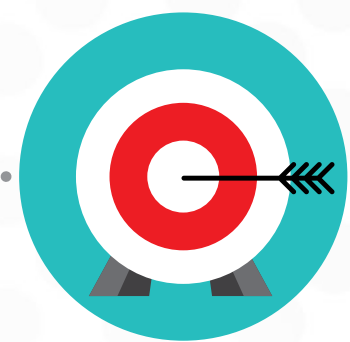


## OACP FRAMEWORK



### VISION

To be a world-class private equity company that practices the highest standard of governance and integrity



### MISSION

To sustain and strengthen Ekuinas' Governance and Integrity Culture



### OBJECTIVES

To inculcate an integrity culture free from corruption and bribery  
To create clear priorities on anti-corruption strategies and initiatives  
To improve governance & integrity measures at portfolio companies

# FOCUS AREAS AND STRATEGIES

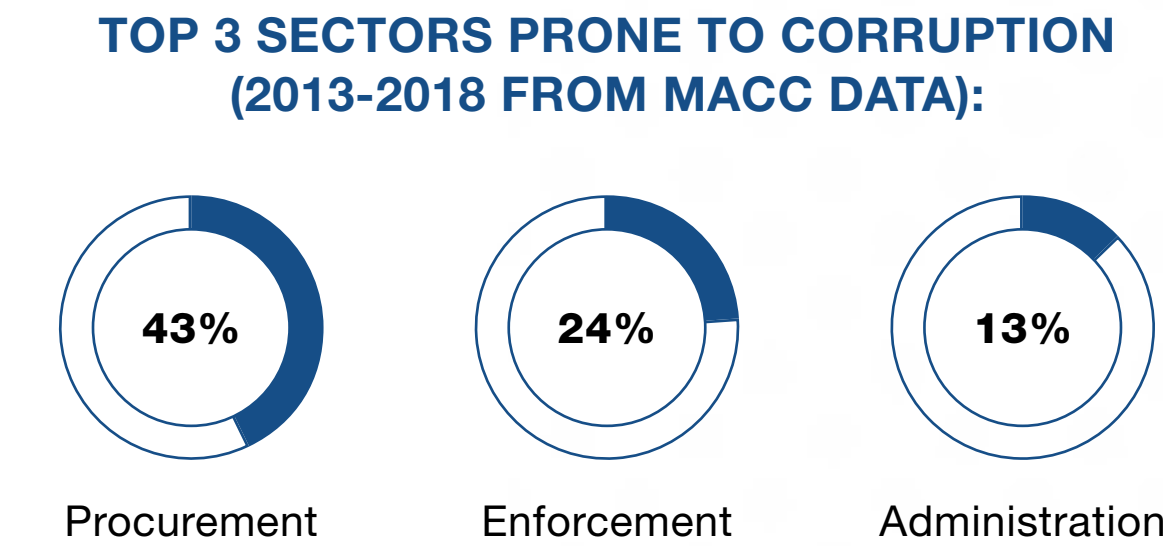
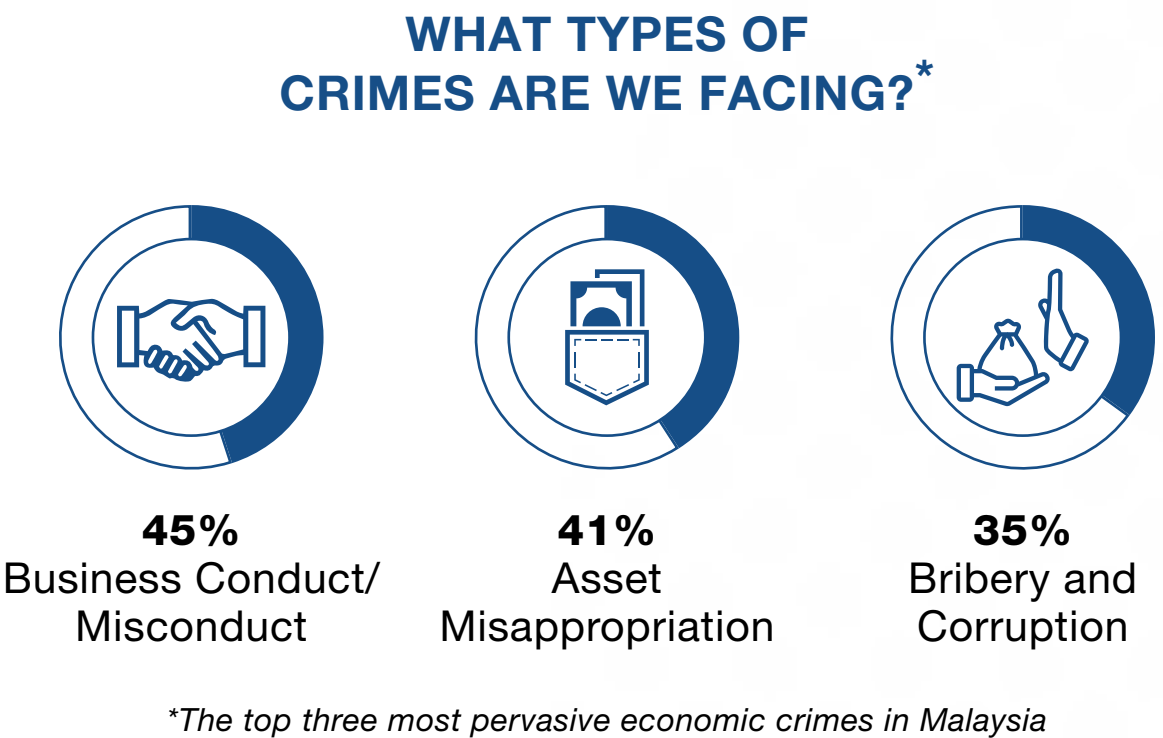
Through the risk management processes and data collection, Ekuinas has identified three (3) focus areas that may be susceptible to corruption and bribery and the common root causes.

## EKUINAS’ RISKS (COMPANY)

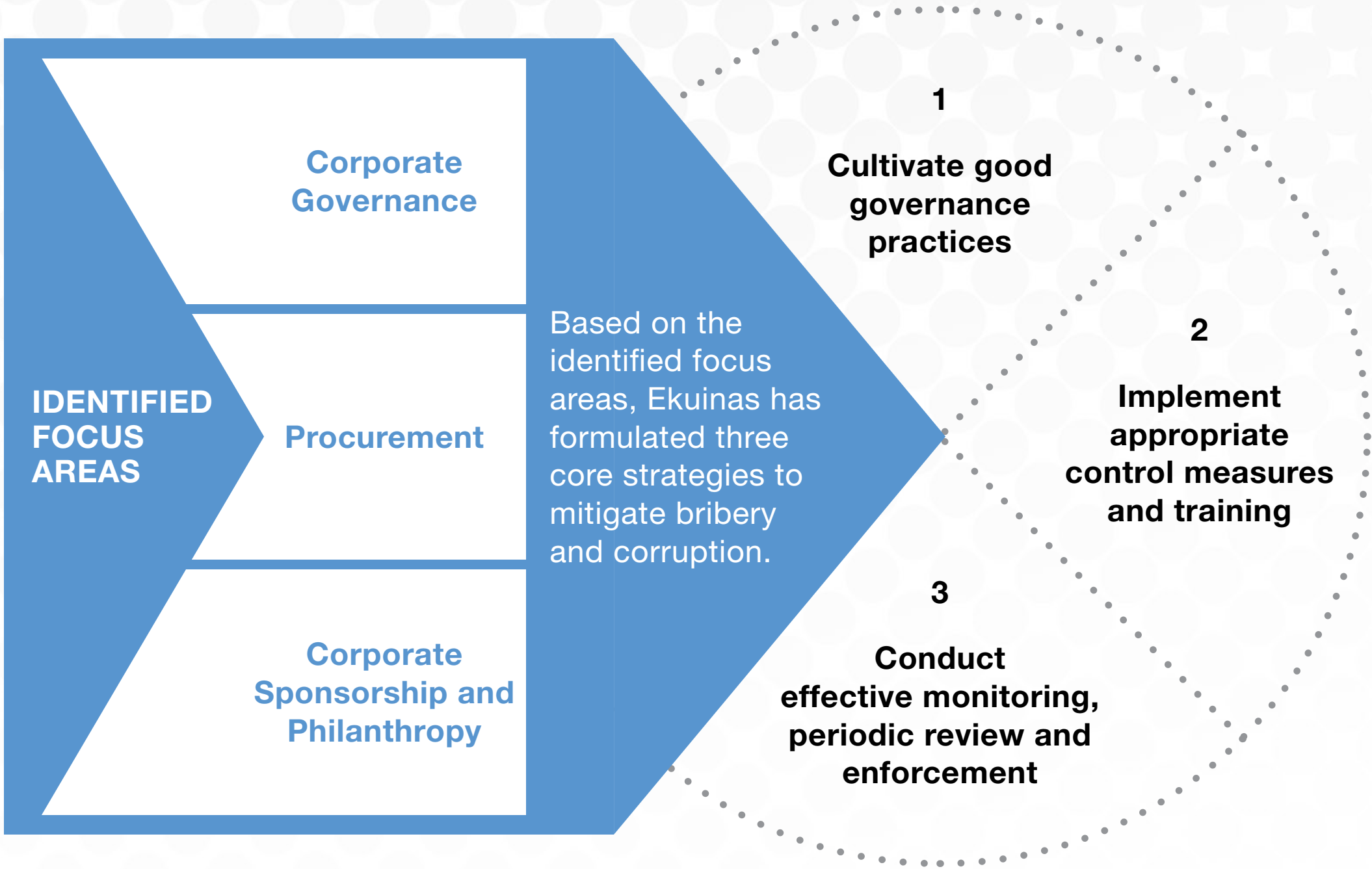
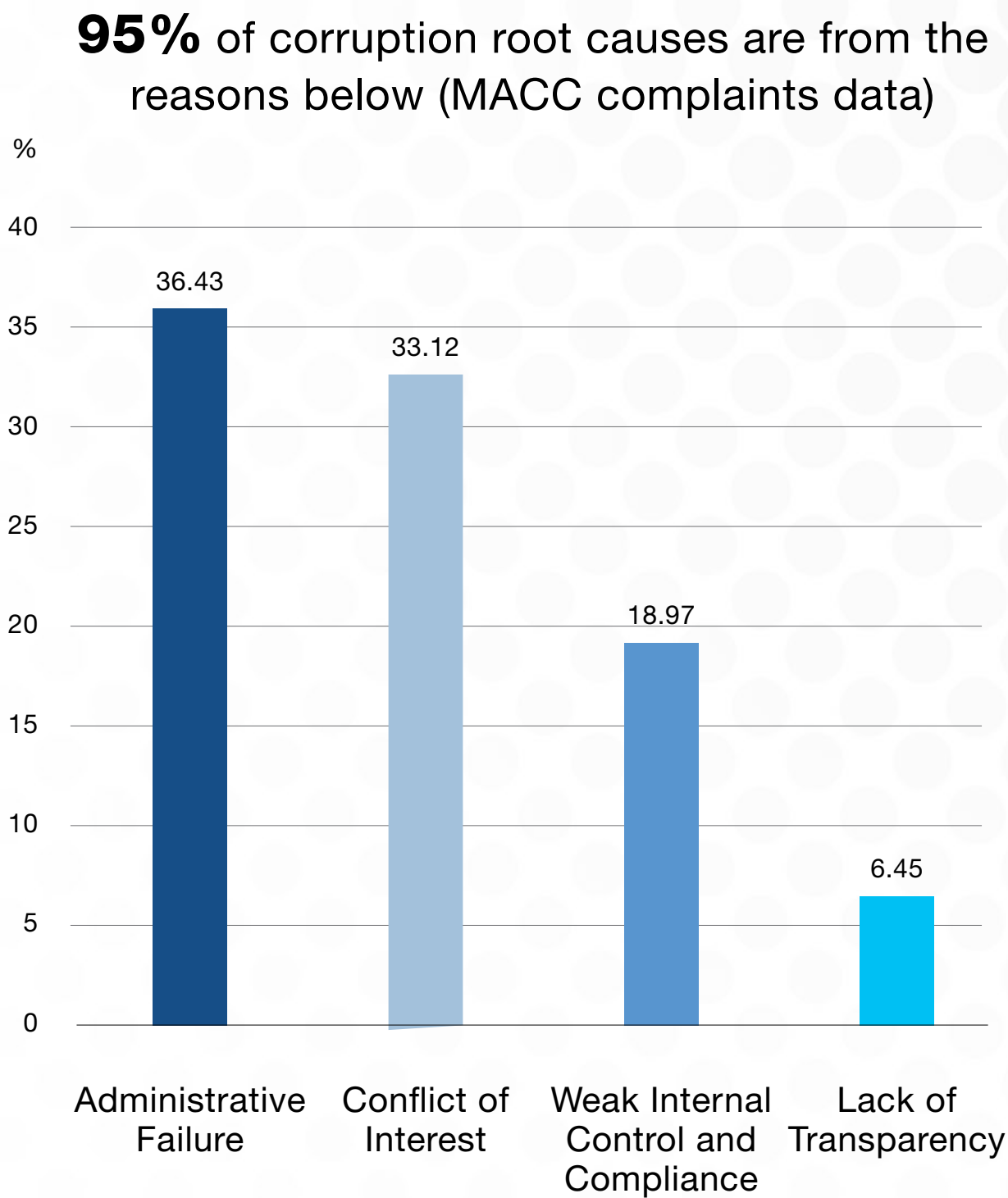
STRATEGIC	DIRECT INVESTMENT	OUTSOURCED PROGRAMME	OPERATIONAL
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## PORTFOLIO COMPANIES’ RISKS

STRATEGIC AND MARKET	BUSINESS & FINANCIAL	STRATEGIC VALUE CREATION	EXECUTION
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Source: PwC Economic Crime and Fraud Survey 2018, NACP 2019-2023

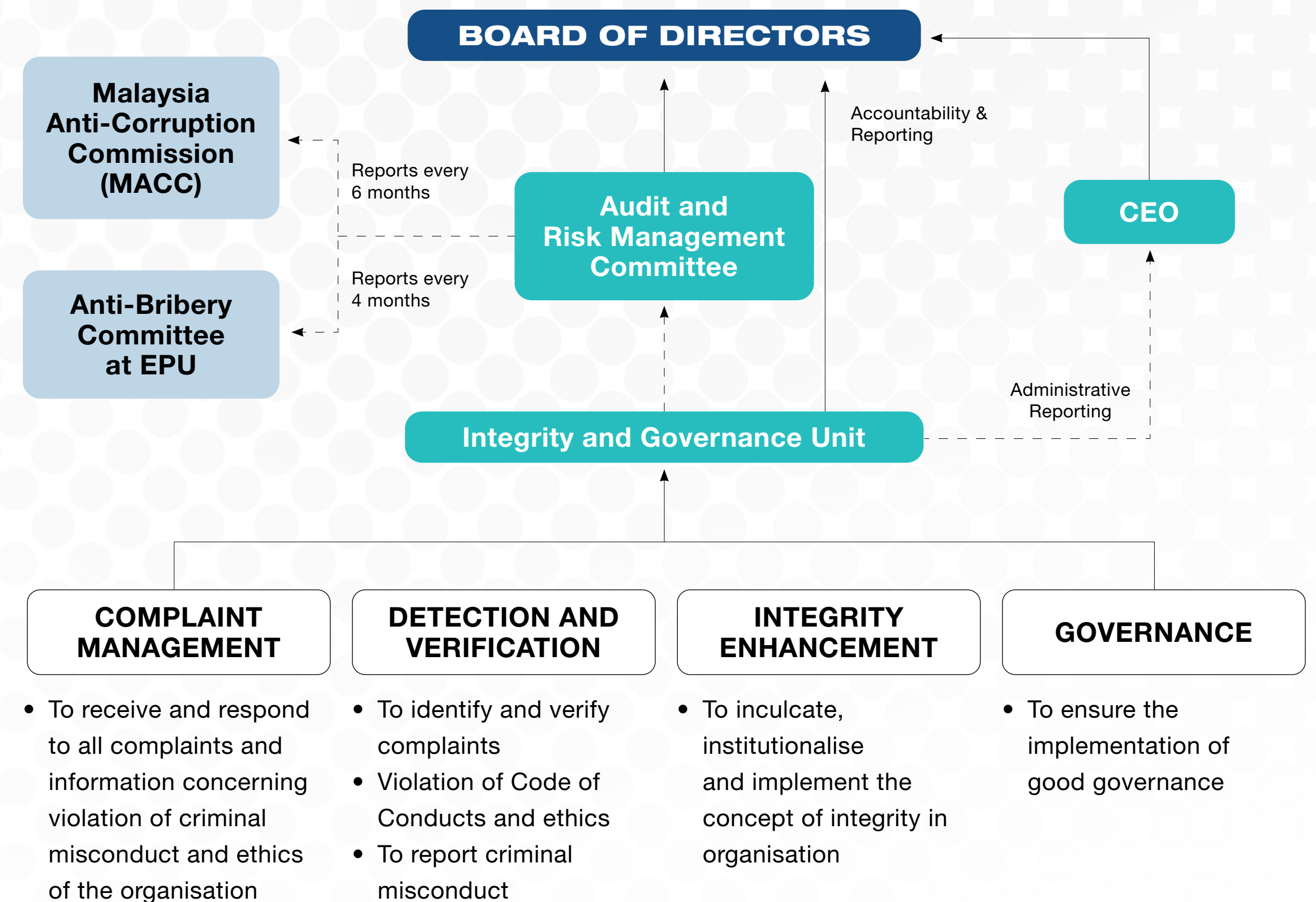
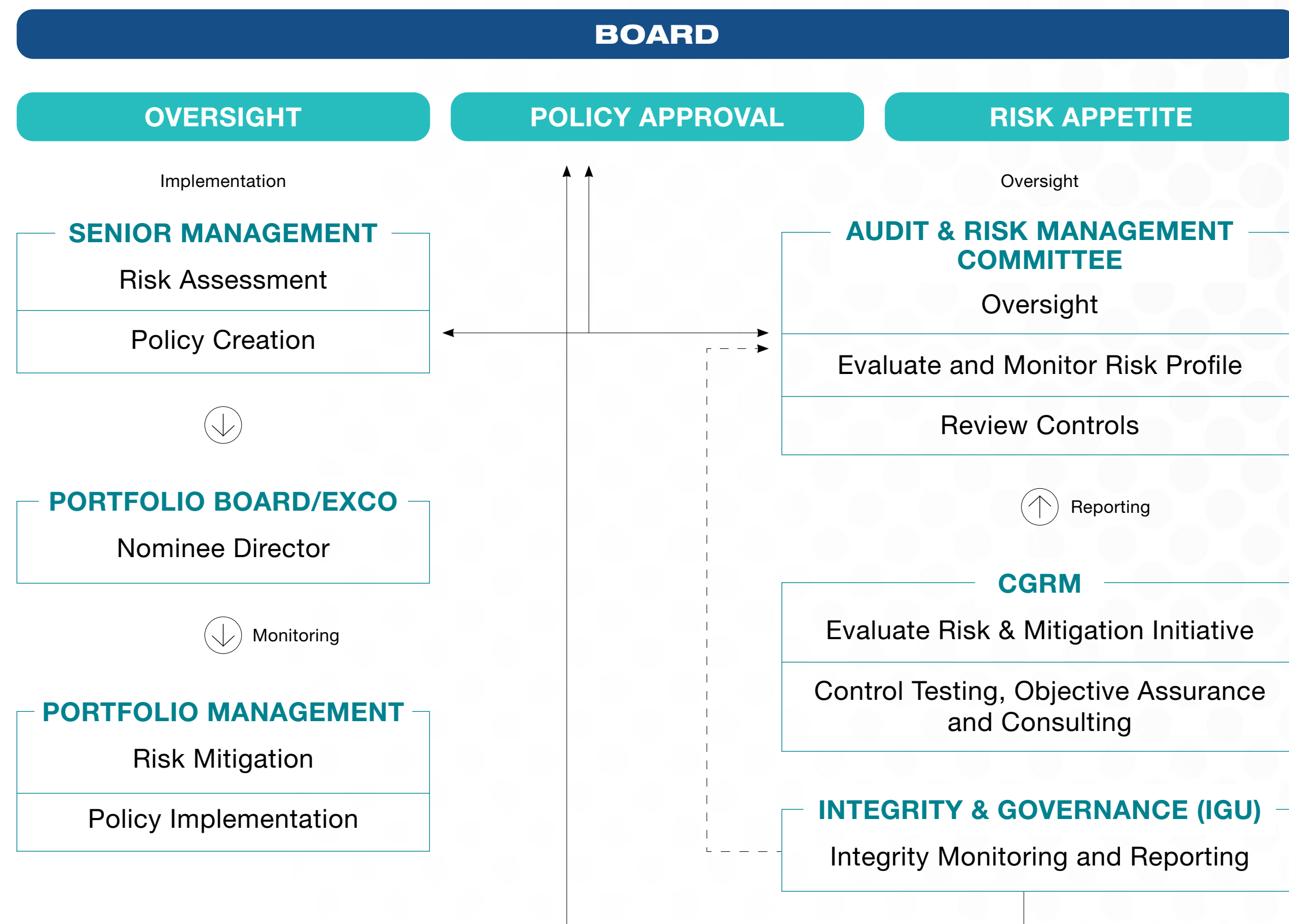




# ANTI-CORRUPTION & ANTI-BRIBERY RISK MANAGEMENT AND GOVERNANCE STRUCTURE

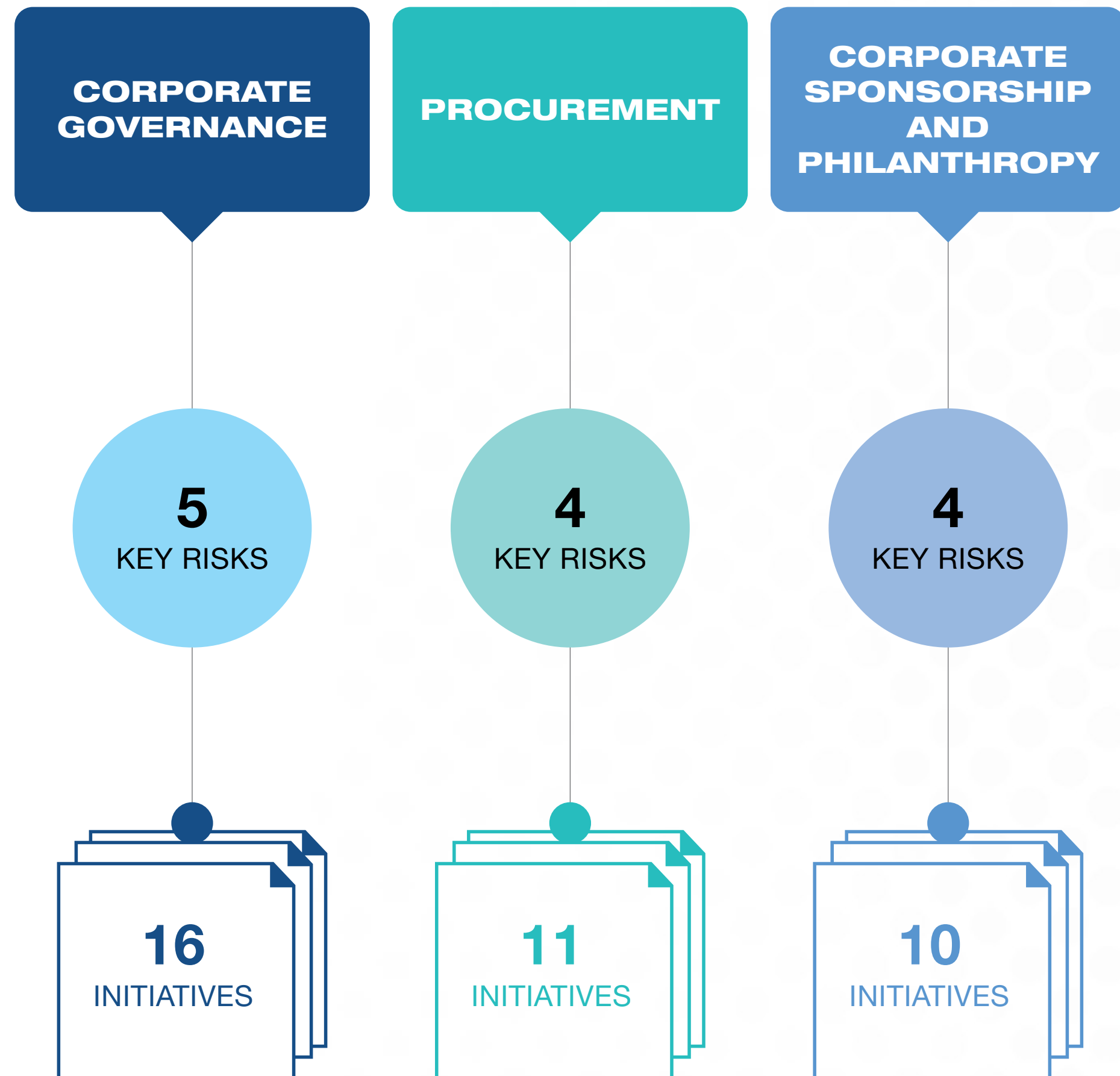
The risk management and internal controls system and structure at Ekuinas was formalised since 2010 and has been strengthened throughout the years. This is to ensure risk management practices address fraud and corruption risk effectively, risk exposures are evaluated and internal controls issues are highlighted resolved. This oversight and reporting framework provides the foundation in ensuring good governance and mitigate fraud, corruption and bribery risks by carrying out all the necessary initiatives.

In line with the Prime Minister's instruction in 2018, an Integrity and Governance Unit was created within CGRM and reports directly to the Board of Directors on governance and integrity matters.



# KEY INITIATIVES UNDER THE OACP

Within the three focus areas for OACP implementation, 13 key risks were identified and 37 initiatives have been undertaken and/or planned.



These initiatives cover the areas at both Ekuinas and all of its portfolio companies for the period 2020 – 2024. Several key anti-corruption and anti-bribery measures that were implemented and cascaded down to all the portfolio companies are as follows:



## CODE OF ETHICS (COE)

The COE was formalised and adopted for the Directors and Employees to encourage high standard of conduct that is associated with ethical business practices. Yearly declaration is made **COMPULSORY** at Ekuinas.



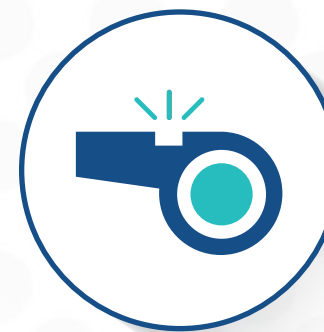
## ANTI-BRIBERY & ANTI-CORRUPTION (ABC)

Proper care and judgement is required prior to accepting gifts and entertainment. Donation to political party, facilitation payment or liability through agents are **PROHIBITED**.



## LIMITS OF AUTHORITY

Approved Limits of Authority are imposed on the Management to minimise any risk of abuse of power.



## WHISTLEBLOWING POLICY

Any misconduct can be **REPORTED** through several channels as published on Ekuinas' website.



## ANTI-FRAUD

Board and Management are committed to prevent and detect fraud through a robust **INTERNAL CONTROL** system. We have mechanisms in place to assess risk, implement control activities, and monitoring.



## SERVICE PROVIDER CODE OF CONDUCT

Service Providers must understand and acknowledge that they will act with integrity, honesty and accountability. Corruption & Bribery is a big **NO**.



# IMPLEMENTATION OF EKUINAS' ORGANISATIONAL ANTI-CORRUPTION PLAN

A list of the 37 initiatives under the OACP are as per the following table. These initiatives would be reviewed and assessed on a periodic basis to gauge the effectiveness of the OACP and to ensure all implementation would meet the objectives of mitigating potential risks of bribery and corruption in the organisation.

FOCUS AREA	CORPORATE GOVERNANCE			
STRATEGY 1	CULTIVATE GOOD GOVERNANCE PRACTICES			
OBJECTIVE	Establish adequate structure and policies to advocate good governance			
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"> <li>- Abuse of power for personal advantage</li> <li>- Higher probability of corporate crimes and fraud</li> <li>- Conflict of Interests</li> <li>- Unclear accountability and responsibilities</li> <li>- Unscrupulous action goes unchecked</li> </ul>	1. Establishment of an appropriate governing body/committee responsible for overall monitoring and direction and its terms of reference (e.g. Integrity and Governance Committee, EXCO at portfolio companies, etc).	CGRM LEGAL	Ongoing for new investment	
	2. Formalisation of Anti-Bribery and Anti-Corruption policy, Code of Ethics/Code of Conduct and gift, entertainment and business courtesies policy and guidelines relevant to section 17A MACC Act.	IGU	2019 – 2020  Ongoing for new investment	
	3. Implement appropriate policies and procedures on declaration of interest and related party transactions.	CGRM FINANCE	Completed	
	4. Establish a Limits of Authority framework and template which is comprehensive, clearly defined and commensurate to each delegated position.	CGRM INVESTMENT	Implemented	
	5. Identify and assign an individual/function with adequate resource and competence to be responsible for all anti-corruption and compliance matters (e.g. creation of a separate IGU unit or integrity and compliance person in HR/Legal).	HR CGRM	Ongoing	

IMPLEMENTATION OF EKUINAS’ ORGANISATIONAL ANTI-CORRUPTION PLAN

FOCUS AREA	CORPORATE GOVERNANCE			
STRATEGY 2	IMPLEMENT APPROPRIATE CONTROL MEASURES AND TRAINING			
OBJECTIVE	To address weaknesses and minimise risks in the organisation’s processes and operations			
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"><li>- Abuse of power for personal advantage</li><li>- Higher probability of corporate crimes and fraud</li><li>- Conflict of Interests</li><li>- Unclear accountability and responsibilities Unscrupulous action goes unchecked</li></ul>	1. Set appropriate criteria and strengthen process for conducting due diligence on any relevant parties or personnel prior to entering into any formalised relationships.	CGRM	Ongoing	
		INVESTMENT	(Portfolio)	
		HR		
	2. Ensure complete declaration and acknowledgement of Employees and Service Provider for the respective Code of Ethics/ Code of Conduct.	IGU	2021 – 2024	
	3. Promote and communicate the Whistleblowing Policy and channels to all relevant stakeholders and public via inclusion of Ekuinas whistleblowing channel in portfolio companies’ policy and correspondence.	IGU	Ongoing	
	4. Conduct periodic trainings to ensure management and employees familiarise with the issue of corruption, bribery and the provisions within Section 17A of the MACC act.	IGU	2021 – 2024	
	5. Integrity Officer and IGU staff to pursue and complete the Certified Integrity Officer (CeIO) module and certification.	IGU	2021 – 2022	
	6. Conduct a yearly exercise and schedule reminders to obtain updates from all staff on their interests disclosure information.	IGU	2021 – 2024	
FOCUS AREA	CORPORATE GOVERNANCE			
STRATEGY 3	CONDUCT EFFECTIVE MONITORING, PERIODIC REVIEW AND ENFORCEMENT			
OBJECTIVE	To ensure the anti-corruption programmes are effective and improved on a periodic basis			
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"><li>- Abuse of power for personal advantage</li><li>- Higher probability of corporate crimes and fraud</li><li>- Conflict of Interests</li><li>- Unclear accountability and responsibilities Unscrupulous action goes unchecked</li></ul>	1. Review key processes to obtain assurance that the internal controls are in place, sufficient and effective.	CGRM	Ongoing	
	2. Conduct continual evaluations and improvements on the organisation's policies and procedures in relation to corruption and integrity.	CGRM	2022	
		HR/LEGAL		
	3. Undertake an effectiveness survey on integrity programme at employees, management and board levels.	IGU	2022	
	4. Provide periodic reporting on governance and integrity matters to the Board and MACC via the quarterly integrity and governance report.	IGU	Ongoing	
	5. Undertake a comprehensive re-assessment of the bribery and corruption risks which covers areas with high risk for corruption; and compliance assessment of actions by third parties. (Every 3 years).	CGRM	2024	



IMPLEMENTATION OF EKUINAS’ ORGANISATIONAL ANTI-CORRUPTION PLAN

FOCUS AREA	PROCUREMENT			
STRATEGY 1	CULTIVATE GOOD GOVERNANCE PRACTICES			
OBJECTIVE	Establish adequate structure and policies to advocate good governance			
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"><li>- Documentation manipulation and fabrication</li><li>- Misappropriation of asset for personal benefit</li><li>- Incompetent or non-cost effective vendors being selected</li><li>- Inefficiencies and higher transaction costs</li></ul>	1. Review and strengthen the procurement process at Ekuinas and respective Portfolio Companies through formalisation and periodic review of Procurement Policy and SOP.	CGRM	Ongoing	
	2. Ensure clear segregation of duties for procuring, receiving, inventory management and payment.	FINANCE	Implemented	
		CGRM		
	3. To introduce and implement standardisation of documentation for procurement especially at portfolio companies to ensure all transactions are sufficiently recorded and maintained.	CGRM	2021 – 2022	
	4. Establish a Vendor/Service Provider selection criteria/process and performance assessment mechanism.	CGRM	Ongoing for Portfolio Companies	
	5. To include a specific clause in contract/agreement or purchase documentation with vendors and agents regarding the company’s anti-bribery stand and liability for the act of agents.	CGRM LEGAL	2021 – 2022	
FOCUS AREA	PROCUREMENT			
STRATEGY 2	IMPLEMENT APPROPRIATE CONTROL MEASURES AND TRAINING			
OBJECTIVE	To address weaknesses and minimise risks in the organisation’s processes and operations			
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<ul style="list-style-type: none"><li>- Documentation manipulation and fabrication</li><li>- Misappropriation of asset for personal benefit</li><li>- Incompetent or non-cost effective vendors being selected</li><li>- Inefficiencies and higher transaction costs</li></ul>	1. Ensure selection of service provider is in accordance with the established method, approval level and the Code of Conduct has been shared and acknowledged by the appointed vendor.	HOD	Ongoing	
	2. Encourage service providers to report any wrong doings or misconduct through the channels available.	IGU	Ongoing	
	3. Continuous trainings and reminders on policies and procedures to be provided to Employees.	CGRM	Ongoing	
		HR		
	4. Make the declaration on potential conflict of interest compulsory for personnel involved in the vendor selection process.	CGRM	Ongoing	

IMPLEMENTATION OF EKUINAS’ ORGANISATIONAL ANTI-CORRUPTION PLAN

FOCUS AREA	PROCUREMENT		
STRATEGY 3	CONDUCT EFFECTIVE MONITORING, PERIODIC REVIEW AND ENFORCEMENT		
OBJECTIVE	To ensure the anti-corruption programmes are effective and improved on a periodic basis		
RISK	INITIATIVE	LEAD	PERIOD
	1. Review and enhance the Procurement Policy and Standard Operating Procedures every 3-5 years.	CGRM	2022
	2. Periodic audit and review on procurement process.	CGRM	Annually
FOCUS AREA	CORPORATE SPONSORSHIP AND PHILANTHROPY		
STRATEGY 1	CULTIVATE GOOD GOVERNANCE PRACTICES		
OBJECTIVE	Establish adequate structure and policies to advocate good governance		
RISK	INITIATIVE	LEAD	PERIOD
<ul style="list-style-type: none"><li>- Donation, sponsorship and CSR used to hide bribe and corruption</li><li>- Manipulation during assessment/selection</li><li>- Misuse of CSR funding</li><li>- Sponsorship/Contribution channelled to ineligible recipients</li><li>- Involvement of NGOs and monetary distribution is sensitive and may lead to questionable actions</li></ul>	1. Propose specific categories of sponsorship and philanthropy activities that are allowed and the framework for the programmes.	CSR	Ongoing
		IGU	
	2. Create a dedicated CSR committee and/or clear authority level to approve donation, sponsorship and CSR expenses.	BOD	Implemented
	3. Formalise the process to monitor the sponsorship and philanthropy spending and utilisation of budget.	FINANCE	Implemented
		CGRM	
	4. Prohibit contribution or excessive donation to parties with potential conflict of interests (e.g. politically linked NGOs, customers, government agency etc.).	IGU	Ongoing



IMPLEMENTATION OF EKUINAS’ ORGANISATIONAL ANTI-CORRUPTION PLAN

FOCUS AREA		CORPORATE SPONSORSHIP AND PHILANTHROPY		
STRATEGY 2		IMPLEMENT APPROPRIATE CONTROL MEASURES AND TRAINING		
OBJECTIVE		To address weaknesses and minimise risks in the organisation’s processes and operations		
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"><li>- Donation, sponsorship and CSR used to hide bribe and corruption</li><li>- Manipulation during assessment/ selection</li><li>- Misuse of CSR funding</li></ul>	1. Adequate assessment performed prior to selection of beneficiaries and stringent mechanism adopted to avoid leaking of information that may affect the selection process.	CSR	Ongoing	
		CGRM		
	2. Ensure that budgets and programme proposals are approved according to the LOA.	FINANCE	Ongoing	
		CGRM		
	3. Payments to consultants and beneficiaries are made after completion of deliverables/requirements with supporting documents enclosed e.g. management letter, quotations, signed approvals	CSR	Ongoing	
		FINANCE		
FOCUS AREA		CORPORATE SPONSORSHIP AND PHILANTHROPY		
STRATEGY 3		CONDUCT EFFECTIVE MONITORING, PERIODIC REVIEW AND ENFORCEMENT		
OBJECTIVE		To ensure the anti-corruption programmes are effective and improved on a periodic basis		
RISK	INITIATIVE	LEAD	PERIOD	
<ul style="list-style-type: none"><li>- Sponsorship/Contribution channelled to ineligible recipients</li><li>- Involvement of NGOs and monetary distribution is sensitive and may lead to questionable actions</li></ul>	1. Perform spot checks on transactions categorised as donation, marketing expenses and contribution particularly to individuals on a yearly basis.	CGRM	2021 – 2024	
	2. Conduct audit/review of contribution utilisation by beneficiaries.	CSR	Ongoing	
		CGRM		
	3. Review the selection process and completeness of documentation for sponsorship and CSR programmes.	CGRM	Ongoing	