

**PNB**



**PNB GROUP ORGANISATIONAL  
ANTI-CORRUPTION PLAN  
(OACP) 2022 - 2024**



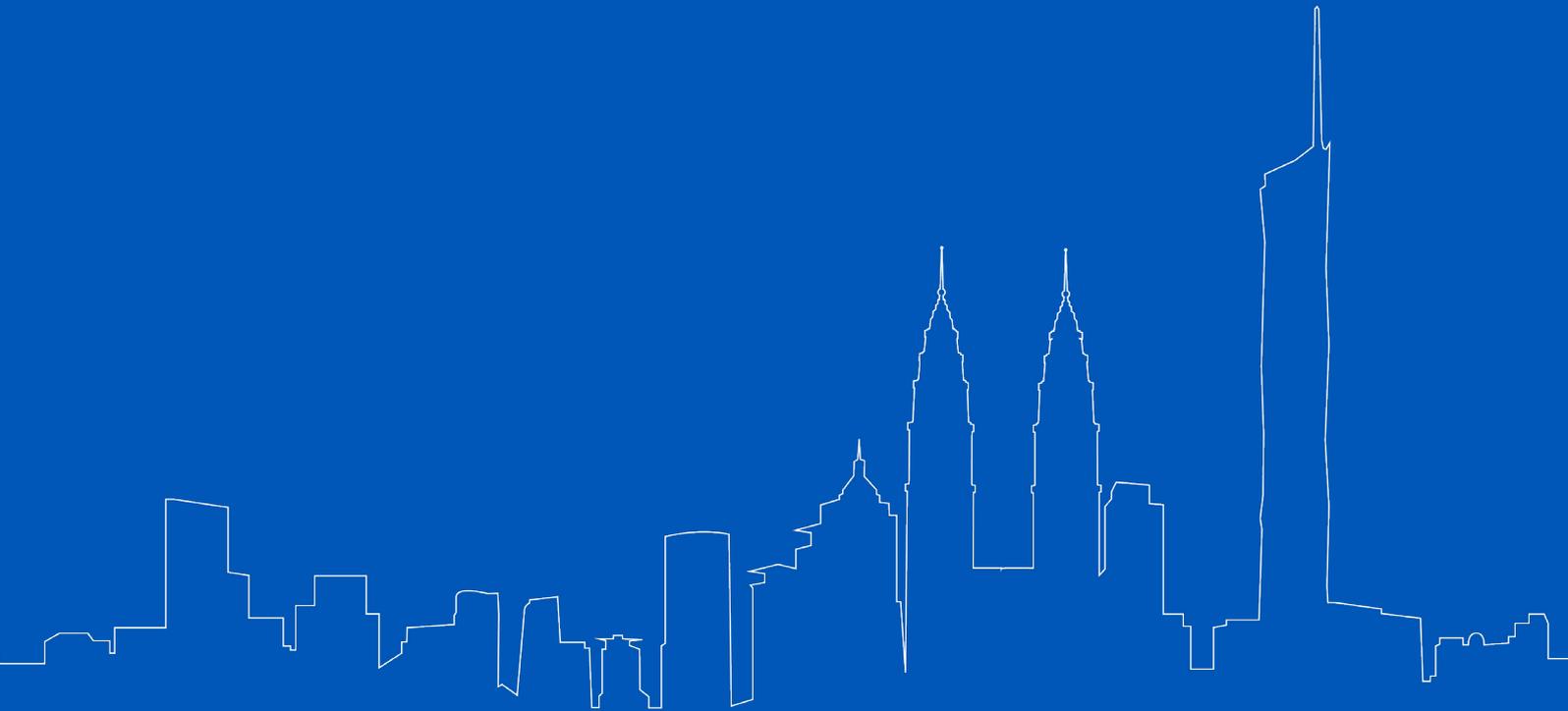
# TABLE OF CONTENTS

	Page
<b>LEADERSHIP MANDATE</b>	4
by YABhg Tun Arifin Zakaria Group Chairman, Permodalan Nasional Berhad	
<b>STATEMENT OF COMMITMENT</b>	5
by Encik Ahmad Zulqarnain Onn President & Group Chief Executive, Permodalan Nasional Berhad	
<b>ABBREVIATIONS AND DEFINITIONS</b>	6
<b>CHAPTER 1: INTRODUCTION</b>	8
1.1 Background	
1.2 Potential Issues and Challenges	
1.3 Data Analysis	
1.4 Corruption Risk Management	
1.5 Priority Areas	
<b>CHAPTER 2: SCENARIO PLANNING</b>	14
2.1 Future Anti-Corruption Scenario	
2.2 Common Visions and Fears	
2.3 Emerging Opportunities	
<b>CHAPTER 3: OACP FRAMEWORK</b>	18
3.1 The Need for a Framework	
3.2 Vision, Mission and Shared Values	
3.3 Strategic Goals	
3.4 Strategies & Initiatives	
<b>CHAPTER 4: IMPLEMENTATION, MONITORING &amp; EVALUATION</b>	30
4.1 Implementation Framework	
4.2 Monitoring and Evaluation	
<b>CHAPTER 5: CONCLUSION</b>	32
<b>REFERENCES</b>	33

## ABBREVIATIONS AND DEFINITIONS

For this document, the following abbreviations and definitions apply:

Abbreviations	Definitions
ABC	Anti-Bribery and Anti-Corruption
ABMS	Anti-Bribery Management Systems
ASNB	Amanah Saham Nasional Berhad (Company No. 197901003200 (47457-V))
BCC	Compliance Committee of PNB Group of the BOD
BOD	Board of Directors of PNB
BSD	Business Solution Department, ASNB
BU	Business Unit
CHRO	Chief Human Resource Officer
CIGO	Chief Integrity Officer
CoBE	Code of Business Ethics of PNB Group
COSEC	Company Secretary Department
CRM	Corruption Risk Management
CRO	Chief Risk Officer
CSO	Chief Strategy Officer
HROAD	Human Resource Operation & Administration Department
IAD	Internal Assurance Department
IT	Information Technology
MACC	Malaysian Anti-Corruption Commission
MACA	Malaysian Anti-Corruption Academy
MCC	Management Compliance Committee of PNB
MWBC	Management Whistleblowing Committee
NACP	National Anti-Corruption Plan
OACP	Organisational Anti-Corruption Plan of PNB Group
PGCE	President and Group Chief Executive of PNB
PNB	Permodalan Nasional Berhad (Company No. 197801001190 (38218-X))
PNB Group	PNB and/or the following entities: (a) ASNB; (b) Pelaburan Hartanah Nasional Berhad (Company No. 175967-W); (c) PNB Merdeka Ventures Sdn Bhd. (Company No. 517991-A); (d) PNB Research Institute Sdn. Bhd. (Company No. 198501007000 (139442-U)); and (e) Any other company and/or entity sanctioned by the BOD.
Top-Level-Management	Comprising senior management and BOD of PNB Group.



# CHAPTER 1: INTRODUCTION

## CHAPTER 1: INTRODUCTION

### 1.1 Background

PNB was established on 17 March 1978, as one of Malaysia's leading asset managers that has the expertise to manage an array of investment portfolios with the objective to provide competitive returns to unit holders. This can be achieved by maintaining high levels of professionalism, discipline and prudence in formulating investment strategies with full support from the internal and external stakeholders to ensure consistency in performing investment and fund management functions.

The vision of PNB Group is to be a Distinctive World-Class Investment House with the mission to enhance the economic wealth of the Bumiputera community and all Malaysians. The business activities of PNB Group which are highly regulated, comprise a well-diversified portfolio with investments across asset classes and geographies, represent the wealth of corporate Malaysia and ranges from asset management, property management, unit trust operations, real estate investment trust management and ancillary services.

In upholding good corporate governance, various efforts and initiatives have been established by PNB which among others include the recent establishment of Sustainability Framework in response to the change in global investment landscape. Its aspirations are underpinned by three ESG pillars i.e. Environment, Social and Governance where 10 ESG commitments have been identified including three under the Governance pillar. Additionally, PNB has established Stewardship Framework which also promotes good governance and outlines the following four key areas:

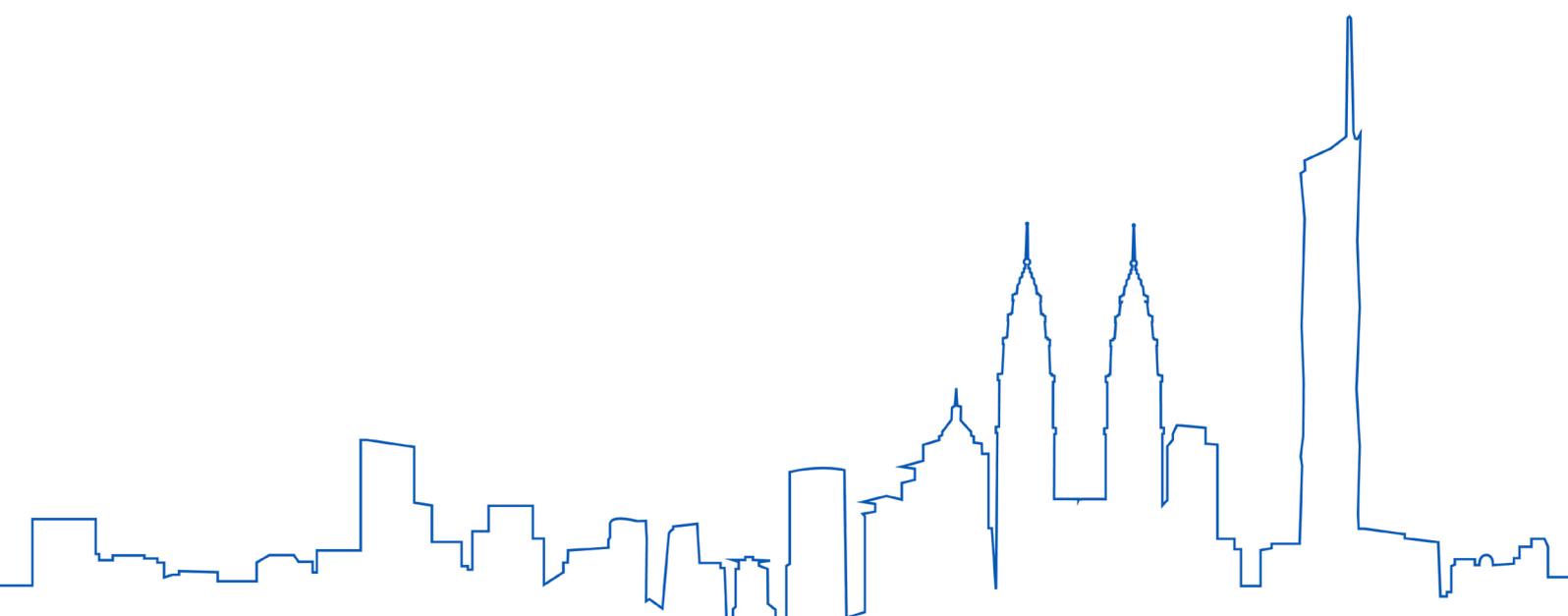
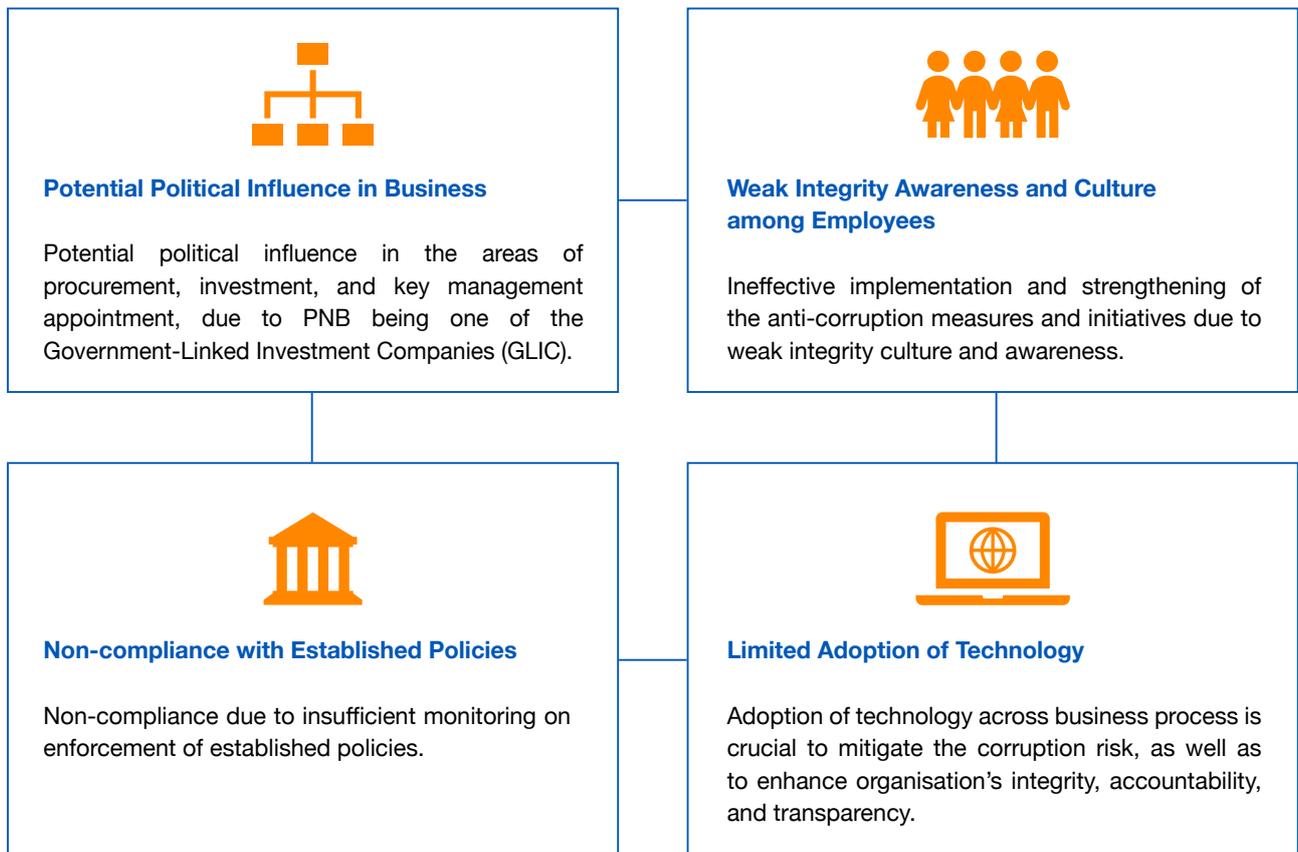
- Best-practice Board governance
- Sustainable returns through organisational health
- Value-adding partner to investee companies and co-investors
- Disciplined capital deployment with high performance expectations

In assisting PNB Group to achieve its vision and embrace its anti-bribery and anti-corruption principle of "A Bribery-Corruption Free Business Environment", this OACP is established with the following objectives:

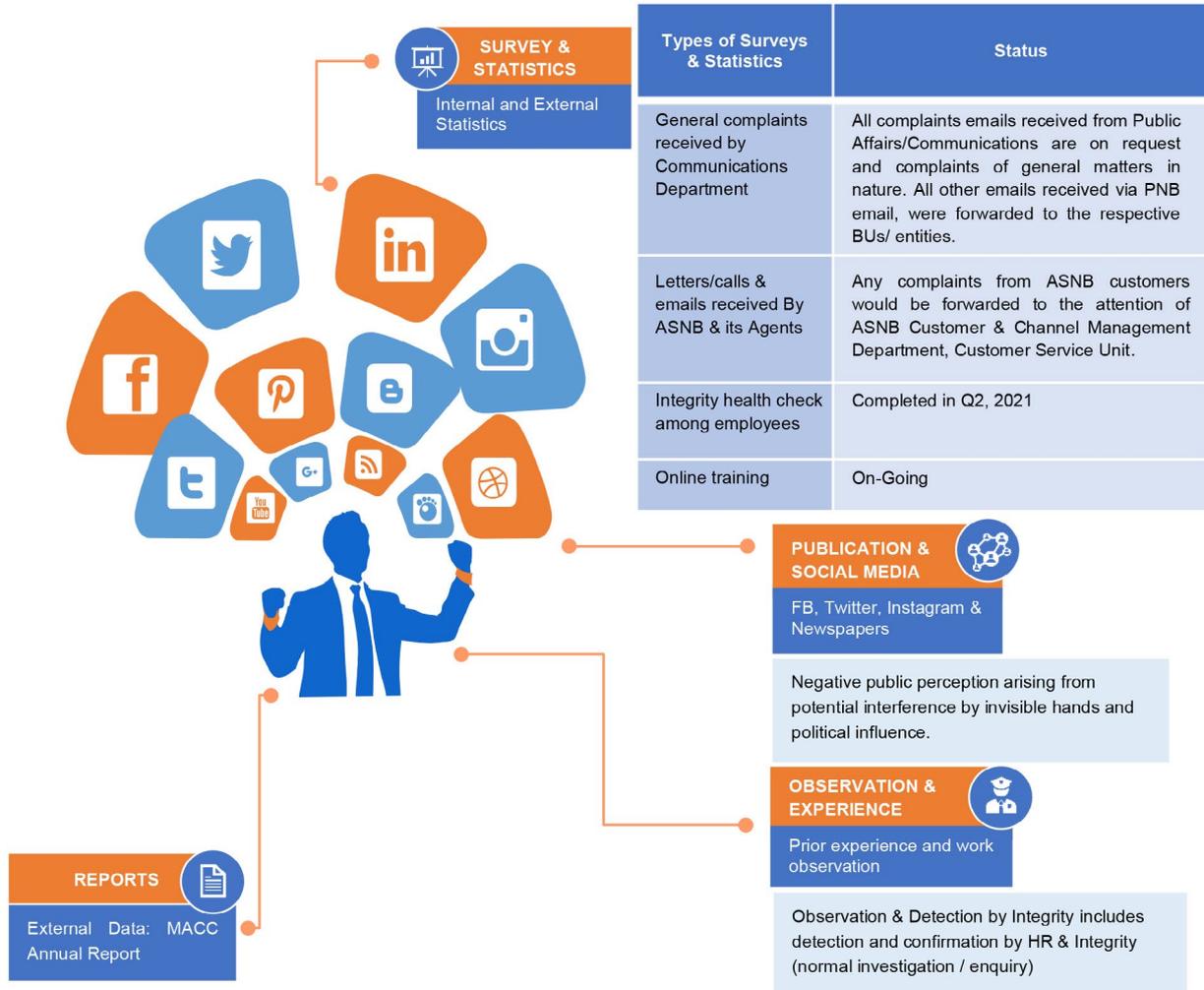
- To identify weaknesses within the existing controls that may present opportunities for corrupt practices to occur.
- To establish a method that best suits to manage, handle, enforce, evaluate as well as to improve anti-corruption measures effectively.
- To help PNB Group implement reasonable and proportionate measures designed to prevent, detect, and respond to bribery and comply with anti-bribery laws, and voluntary commitments applicable to its activities.
- To assist in mitigating the corruption risks faced by PNB Group.
- To demonstrate to the stakeholders that PNB Group has adequate anti-corruption measures and initiatives in place.
- To ensure the performance of business activities in PNB Group is in line with the OACP strategy and goal towards a Bribery-Corruption Free Business Environment.
- To promote better corporate governance and legal compliance.

## 1.2 Potential Issues and Challenges

Among the potential issues and challenges that may be encountered by PNB Group in fighting against corruption are depicted in the following diagram:

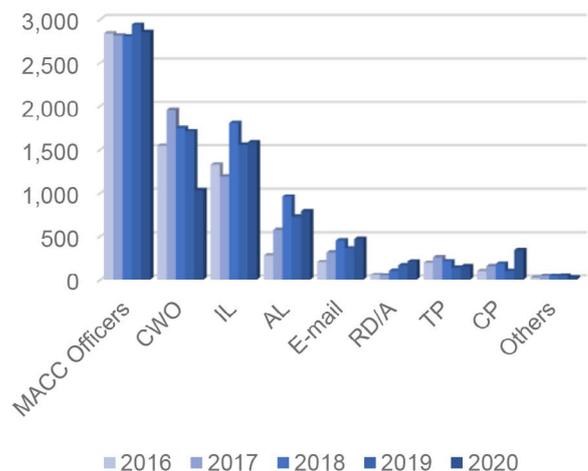


### 1.3 Data Analysis



Information Received by MACC for the Year 2016 - 2020

Category	2016	2017	2018	2019	2020
MACC officers	2,836	2,812	2,802	2,936	2,852
Complainant walks into office (CWO)	1,539	1,953	1,748	1,706	1,030
Individual letters (IL)	1,325	1,188	1,803	1,551	1,584
Anonymous letters (AL)	278	573	956	726	785
E-mail	201	311	450	360	467
Referred by department/agency (RD/A)	53	49	102	163	209
Telephone (TP)	191	257	212	136	153
Complaints Portal (CP)	100	153	179	100	338
Others	22	41	41	46	22
<b>Total</b>	<b>6,551</b>	<b>7,348</b>	<b>8,293</b>	<b>7,724</b>	<b>7,440</b>



\* Source: MACC Annual Report

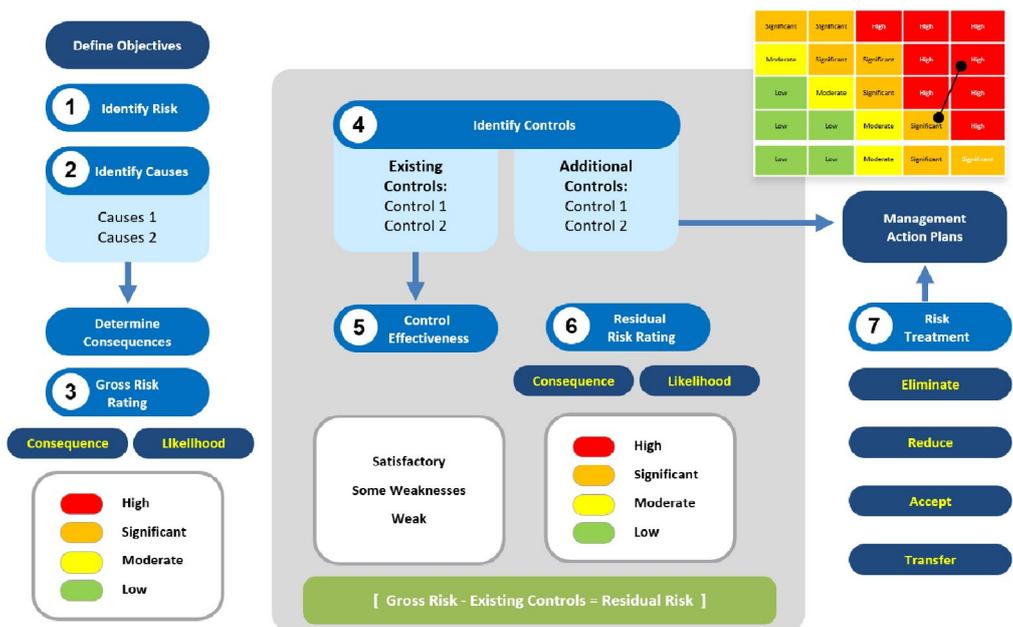


### 1.4 Corruption Risk Management

PNB Group has implemented CRM as one of the efforts in mitigating the corruption risk within the organisation by identifying weaknesses that may expose opportunities and chances for corruption to happen. Corruption risk has been identified by BUs using the prescribed corruption risk register form which is aligned with the enterprise risk register.

Consequently, each of the corruption risk was addressed with inclusion of several identified initiatives which include strengthening the existing controls, enhancement in monitoring the operationalisation of policies and procedures, establishment of new controls and introducing new methods to detect corruption or misconduct that may cause a particular risk. These identified initiatives have been compiled and adopted as part of the anti-corruption efforts outlined in this OACP.

Below is the illustration of the CRM process which provides a framework for BUs in PNB Group in identifying risk factors and treatments, and embedding prevention as part of the efforts to fight corruption:



\* **Note:** CRM process adapted from National Centre for Governance, Integrity and Anti-Corruption (GIACC) with certain modifications made to be in line with the Enterprise Risk Management of PNB.

## 1.5 Priority Areas

1.5.1 The following priority areas which are adopted by PNB Group in formulating the OACP Framework are based on the five principles of Adequate Procedures:



### Top Level Commitment

Top level management is responsible for ensuring PNB Group practices the highest levels of integrity and ethics, complies with laws and regulatory requirements related to the prevention of corruption, and effectively manages the key corruption risks.



### Risk Assessment

To conduct corruption risk assessment periodically and when there is a change in laws or circumstances of the business to identify, analyse, assess, and prioritise the internal and external corruption risks.



### Undertake Control Measures

To ensure appropriate controls and contingency measures are in place, to address any corruption risk arising from weaknesses in the governance framework, processes and procedures.



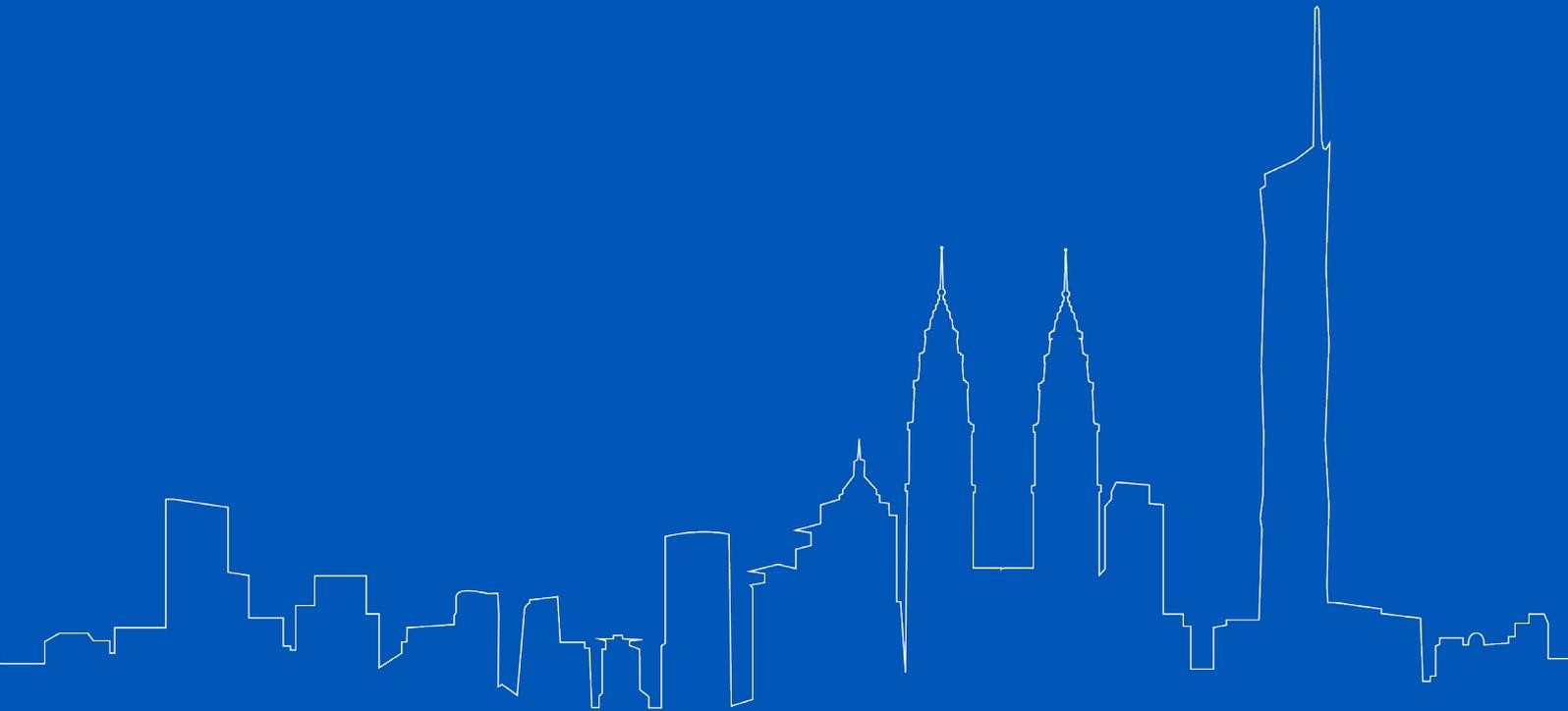
### Systematic Review, Monitoring & Enforcement

To ensure regular reviews are conducted to assess the performance, efficiency and effectiveness of the anti-corruption programme, and ensure the programme is enforced.



### Training & Communication

To develop and disseminate internal and external trainings, and communications relevant to its anti-corruption management system, in proportion to its operation, which cover the policy, training, reporting channel and consequences of non-compliance.



## CHAPTER 2: SCENARIO PLANNING

## CHAPTER 2: SCENARIO PLANNING

Scenario planning is the strategic planning method used to make flexible long-term plans. The method assumes what the future is going to be and how the business environment will change over time. It identifies a specific set of uncertainties of what might happen in the future of the business.

### 2.1 Future Anti-Corruption Scenario

Below are some of the anti-corruption scenarios that are seen to have a major impact on the strengthening of governance and organisational efforts to fight corruption.



\* Source: National Anti-Corruption Plan (NACP) 2019 - 2023



## 2.2 Common Visions and Fears

The future anti-corruption scenarios provide common insights, i.e. visions and fears, whereby the following illustration highlights the shared characteristics of all four scenarios.



\* Source: National Anti-Corruption Plan (NACP) 2019 - 2023

## 2.3 Emerging Opportunities

From the above four scenarios, several opportunities that are relevant to the business of PNB Group in strengthening our anti-corruption initiatives have been identified as follows:



### Implementation of ABMS

Effective implementation of ABMS and related standards will help reduce the risk of bribery. Stakeholders' confidence will increase in relation to good practices and internationally recognised anti-bribery controls that have been implemented.



### Governance Reform

Policies and good practices in organisations are indicators of transparency and accountability. Therefore, policy reform in terms of contents or practices for better implementation is very important, as it can regain public confidence in the organisation. This, among others, includes compliance with the environmental, social and governance (ESG) requirements.



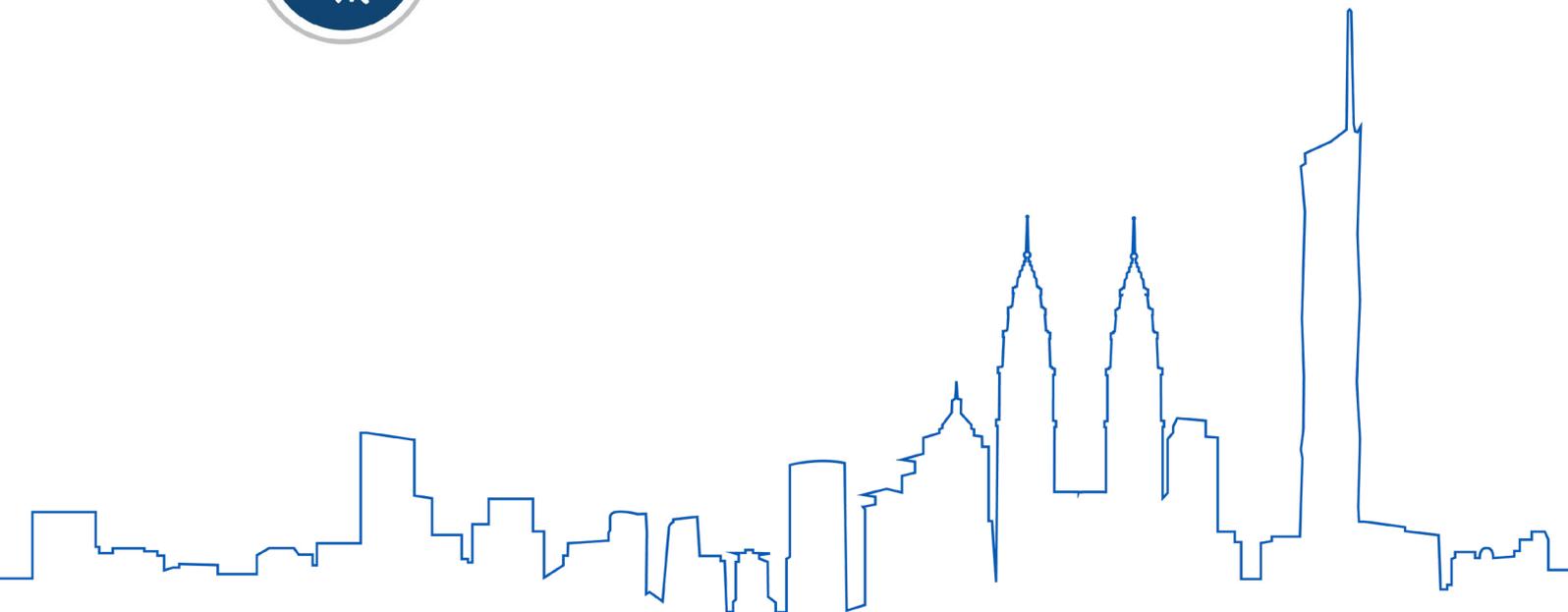
### Use of Technology-based Systems

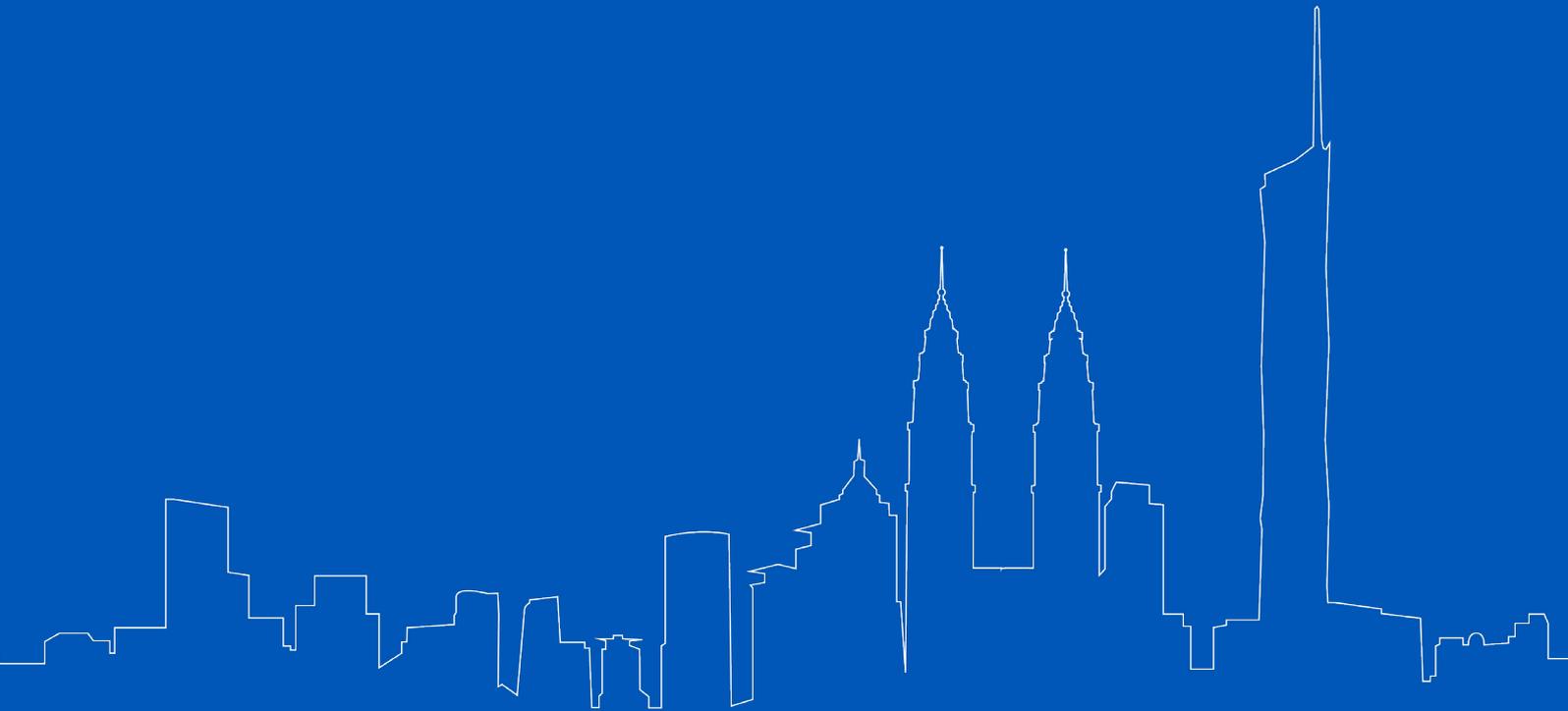
The use of the latest technology in the procurement process can optimise the process as well as strategic outreach. Continuous and systematic use of technology will drive the improvement of processes, data and leads to savings of organisational financial resources.



### Comprehensive Training System

To promote good governance through a comprehensive training model on ethics, governance and best practices.





## CHAPTER 3: OACP FRAMEWORK

## CHAPTER 3: OACP FRAMEWORK

### 3.1 The Need for a Framework

PNB Group has set a clear goal to achieve its vision to support the direction towards corruption-free business environment with establishment and implementation of sustainable anti-corruption efforts. Therefore, OACP which has been developed will be able to drive towards transparency by applying the principles of integrity and accountability in all systems and procedures at PNB Group.

The implementation and enforcement of this initiative will be able to increase the level of transparency and integrity of PNB Group, as well as the positive perception of our stakeholders. Hence, this OACP has outlined a comprehensive framework in the fight against corruption.

VISION				
<ul style="list-style-type: none"> <li>• To be a Distinctive World-Class Investment House</li> <li>• To adopt a Bribery-Corruption Free Business Environment</li> </ul>				
MISSION				
To enhance the economic wealth of the Bumiputera community and all Malaysians, for the prosperity of the nation.				
STRATEGIC GOALS				
<p><b>Diversification</b></p> <p>Continuing our diversification efforts across all asset classes and geographies.</p>	<p><b>Value Creation</b></p> <p>Increasing the value of our Strategic and Core Companies.</p>	<p><b>Risk Management</b></p> <p>Enhancing our approach to risk management and undertaking key initiatives to establish a strong risk culture.</p>	<p><b>Organisational Transformation</b></p> <p>Improving our core systems and enhancing services to unit holders through accelerated digital initiatives.</p>	
PRIORITY AREAS				
Top Level Commitment	Risk Assessment	Undertake Control Measures	Systematic Review, Monitoring and Enforcement	Training & Communication
STRATEGIES				
Provide assurance to the internal and external stakeholders that the organisation is operating in compliance with applicable regulatory requirements, internal policies and procedures	Conduct corruption risk assessment periodically, and identify, analyse, assess and prioritise the internal and external corruption risks of the organisation	Establish the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the organisation.	Conduct regular reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme, and its enforcement.	Develop and disseminate internal and external training and communications relevant to its anti-corruption management system.

## 3.2 Vision, Mission and Shared Values

### 3.2.1 Vision & Mission



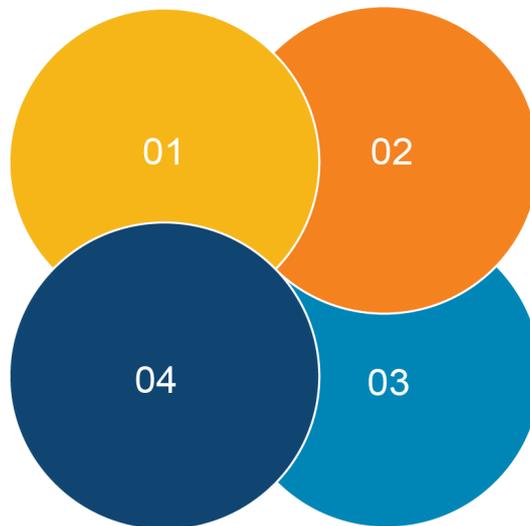
### 3.2.2 Shared Values

#### PRUDENCE

We exercise prudence and do not compromise on integrity in safeguarding the wealth of our unit holders

#### COLLABORATIVE

We cultivate a culture of collaboration, mutual respect, and empowerment in achieving our shared aspirations

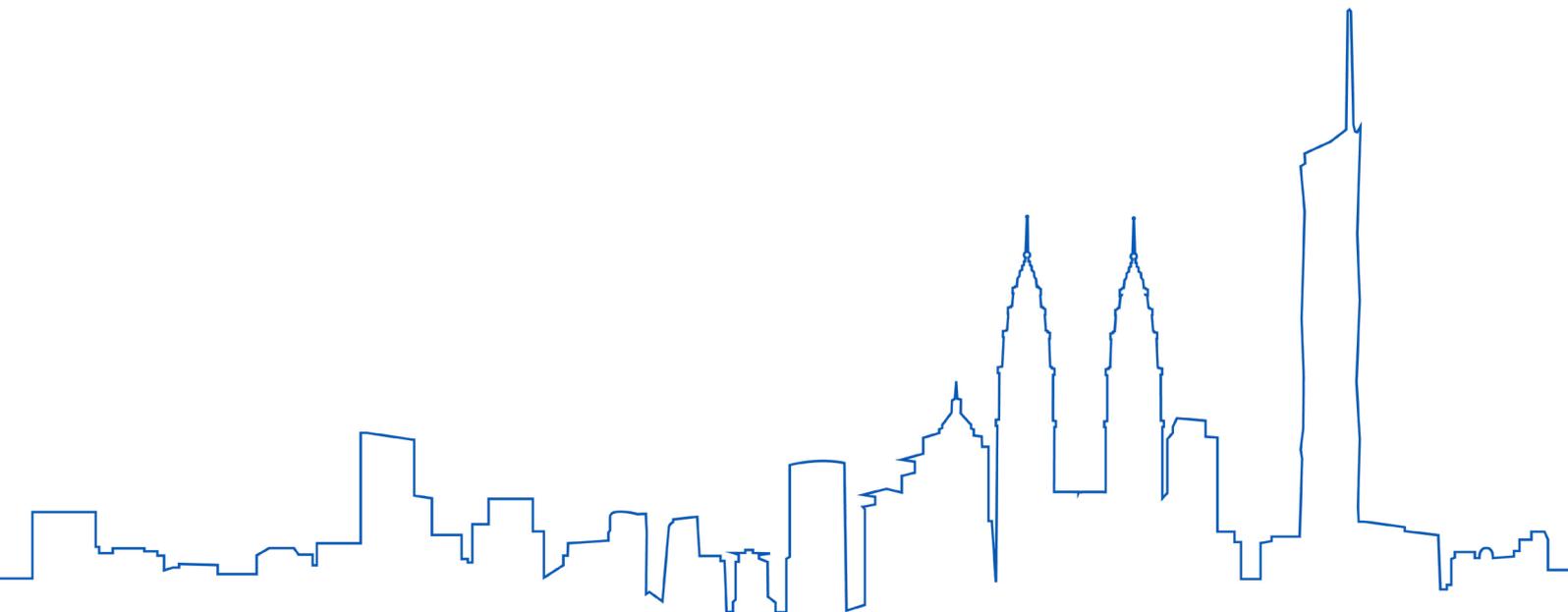


#### ADAPTABILITY

We strive to develop adaptability and nimble ways of working to suit the constantly changing environment

#### EXCELLENCE

We continually strive to achieve excellence through competent execution of our mandate



### 3.3 Strategic Goals

Each “Focus 4” key areas delineate detailed objectives, with tangible targets in place:



#### **Diversification**

Continuing our diversification efforts across all asset classes and geographies.



#### **Value Creation**

Increasing the value of our Strategic and Core Companies.



#### **Risk Management**

Enhancing our approach to risk management and undertaking key initiatives to establish a strong risk culture.



#### **Organisational Transformation**

Improving our core systems and enhancing services to unit holders through accelerated digital initiatives.

3.4 Strategies & Initiatives



## PRIORITY AREA 1: TOP LEVEL COMMITMENT

Strategy 1: Provide assurance to the internal and external stakeholders that the organisation is operating in compliance with applicable regulatory requirements, internal policies and procedures.

Objective		Initiatives / Action Plans		Responsibility	Milestone
1.1	Establishment of Strategic Plan Focus 4.	1.1.1	To review the Strategic Plan for 2020-2022 i.e. "Focus 4", to ensure it strategic initiatives are streamlined with the OACP, and to incorporate OACP elements in future Strategic Plan of PNB Group.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• Head of BUs</li> </ul>	Q4,2022
1.2	Establishment of Statement of Compliance with the Malaysian Code for Institutional Investors.	1.2.1	To maintain, and periodically review the Statement of Compliance with the Malaysian Code for Institutional Investors, SC's Guidelines or Corporate Governance and/or other guidelines, guides, circulars issued by regulatory bodies or governance body.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• Head of BUs</li> </ul>	Continuous Initiative
1.3	Establishment of PNB Stewardship & Sustainability Framework.	1.3.1	To maintain and periodically review the PNB Stewardship and Sustainability Framework and Voting Guidelines and enhance the policy where applicable.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• Head of BUs</li> </ul>	Continuous Initiative
1.4	Establishment of OACP	1.4.1	To authorise and endorse the OACP.	<ul style="list-style-type: none"> <li>• BOD</li> </ul>	Q1,2022
1.5	Appointment of a person to assist the top-level management to manage corruption risk through the ABC program.	1.5.1	To appoint designated Chief Integrity Officer to manage the anti-corruption programme with proper and sufficient resources, including people with the right experience and capacity to carry out the intended role.	<ul style="list-style-type: none"> <li>• BOD</li> </ul>	Q1,2020
1.6	Establishment and Implementation of Integrity Charter and Framework.	1.6.1	To implement and periodically review the Integrity Charter and Framework as part of continuous efforts in ensuring full compliance with the provisions under applicable rules and regulations and its associated guidelines and procedures.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• ClgO</li> </ul>	Continuous Initiative
1.7	Establishment and Implementation of ABC Policies.	1.7.1	To maintain and periodically review the ABC policies including but not limited to the following: <ol style="list-style-type: none"> <li>ABC Policy Statement;</li> <li>Code of Business Ethics;</li> <li>Whistleblowing Policy and Terms of Reference of MWBC; and</li> <li>Procurement Integrity Pact and Due Diligence Process.</li> </ol>	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• ClgO</li> </ul>	Continuous Initiative

Objective		Initiatives / Action Plans		Responsibility	Milestone
1.8	Establishment and certification of ISO 37001 ABMS.	1.8.1	To establish and implement adequate procedures including ISO37001:2016 ABMS programme and effective system for managing and monitoring risks relating to corruption.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• ClgO</li> </ul>	Continuous Initiative
1.9	Promoting and strengthening the integrity culture among stakeholders of PNB Group.	1.9.1	To appoint integrity representatives in every BUs, with stipulated functions in the job description of the relevant employees.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• Head of BUs</li> </ul>	Q4, 2021
		1.9.2	To hold a regular and structured training and awareness programs, to raise awareness on integrity and anti-corruption including but not limited to Integrity, Risk, Audit and Compliance (IRAC) Week.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• ClgO/ Compliance Officer</li> <li>• CRO</li> <li>• Head of IAD</li> </ul>	Continuous Initiative
1.10	Recognition and reward PNB Group employees.	1.10.1	To establish, maintain and periodically review iRAC or any other relevant reward system for PNB Group employees who contribute to the success of governance function.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• PGCE</li> <li>• ClgO/ Compliance Officer</li> <li>• CHRO</li> <li>• CRO</li> <li>• Head of IAD</li> </ul>	Continuous Initiative
		1.10.2	To establish, maintain and periodically review the Annual iRAC Award as to recognise and reward individuals / departments / leaders who demonstrate integrity and good governance behaviours.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• CHRO</li> <li>• CRO</li> <li>• Head of IAD</li> <li>• Head of BUs</li> </ul>	Continuous Initiative



## PRIORITY AREA 2: RISK ASSESSMENT

Strategy 2: Conduct corruption risk assessment periodically, and identify, analyse, assess and prioritise the internal and external corruption risks of the organisation.

Objective		Initiatives / Action Plans		Responsibility	Milestone
2.1	Establishment of CRM	2.1.1	To conduct and continuously review Corruption Risk Assessment of each BUs within the PNB Group.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• Head of BUs</li> </ul>	Continuous Initiative
		2.1.2	To establish and implement the automation of CRM through integration with Enterprise Risk Management System.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• Head of BUs</li> </ul>	Q3, 2022
		2.1.3	To establish proper written guideline or procedure for conducting the CRM.	<ul style="list-style-type: none"> <li>• ClgO</li> </ul>	Q4, 2022
2.2	Monitoring of corruption risks on implementation of controls in corruption prevention.	2.2.1	To constantly monitor the progress of the action plans identified by respective BUs, based on the Corruption Risk Register.	<ul style="list-style-type: none"> <li>• Head of BUs</li> <li>• ClgO</li> <li>• Head of IAD</li> </ul>	Continuous Initiative
2.3	Minimising the risk of corruption in the new business.	2.3.1	To implement appropriate evaluation process on relevant business proposals, in line with the related policies and procedures including due diligence process to determine the risk rating of the third parties.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• Head of BUs</li> </ul>	Continuous Initiative
2.4	Reporting to the Top-Level Management on the result of the CRM.	2.4.1	To report the results of CRM to the appropriate Top-Level Management with the action plans included.	<ul style="list-style-type: none"> <li>• BOD</li> <li>• Head of BUs</li> <li>• ClgO</li> </ul>	Continuous Initiative



## PRIORITY AREA 3: UNDERTAKE CONTROL MEASURES

Strategy 3: Establish the appropriate controls and contingency measures which are reasonable and proportionate to the nature and size of the organisation.

Objective		Initiatives / Action Plans		Responsibility	Milestone
3.1	Establishment of key considerations or criteria for conducting due diligence.	3.1.1	To conduct due diligence using the established prescribed format on any relevant parties or personnel including as BOD, new hire, agents, vendors, contractors, suppliers, and consultants, prior before entering into any formalised relationships.	• Head of BUs	Continuous Initiative
3.2	Establishment of accessible and confidential trusted reporting channel, i.e. whistleblowing channel.	3.2.1	To maintain, monitor and take appropriate actions on the complaints submitted by the internal / external parties, to raise their concerns about real or suspected corruption incidents.	• ClgO • MWBC	Continuous Initiative
3.3	Maintaining high standards in PNB's corporate governance.	3.3.1	To implement the PNB Stewardship Framework.	• Head of Relevant BUs	Continuous Initiative
		3.3.2	To implement the PNB ESG Framework.	• Head of BUs	Continuous Initiative
		3.3.3	To adopt the ESG standards based on SC's Guidance Note on Managing ESG Risks for Fund Management Companies.	• Head of Relevant BUs	Continuous Initiative
3.4	Strengthening the integrity culture among stakeholders of PNB Group.	3.4.1	To implement the various integrity declarations for the execution of respective stakeholders of PNB Group.	• ClgO • Head of BUs	Continuous Initiative
		3.4.2	To implement the newly revised Conflict-of-Interest Policy.	• ClgO / Compliance Officer • CHRO • Head of BUs	Continuous Initiative
3.5	Establishment of policies and procedures relating to corruption prevention.	3.5.1	To establish the Policy on Managing External Influences and Support Letters.	• ClgO	Q4, 2022
3.6	Strengthening the policies and procedures relating to corruption prevention.	3.6.1	To review and revise the existing No Gift Policy which may include, among others, donation acceptance.	• ClgO / Compliance Officer • CHRO	Q4, 2022

Objective		Initiatives / Action Plans		Responsibility	Milestone
3.7	Providing clarity on the rules of conduct and the required training and awareness programme.	3.7.1	To monitor and review the enforcement of PNB's Code of Conduct and enhance the policy where applicable.	• CHRO	Continuous Initiative
		3.7.2	To monitor and review the training and awareness programme particularly on disciplinary action to be taken for violations of the company's policies and procedures.	• CHRO	Continuous Initiative
3.8	Strengthening the internal system in preventing corruption in recruitment process.	3.8.1	To establish new policy on the recruitment of family members within the organisation.	• CHRO	Q4, 2022
3.9	Strengthening the operations of ASNB Agents in accordance with the established benchmarks.	3.9.1	To conduct regular monitoring and review on the performance of ASNB agents via the established scorecard to ensure their compliance with the relevant policies and procedures.	• Head of Customer & Channel Management	Continuous Initiative
3.10	Enhancing the internal system relating to reducing waste and misuse of assets.	3.10.1	To enhance the existing policy or process in relation to the misuse of company's assets and resources.	• CHRO • Head of Relevant BUs	Continuous Initiative
		3.10.2	To continuously monitor and review the use of company's assets and resources with proper procedures.	• CHRO • Head of BUs	Continuous Initiative
3.11	Strengthening the internal system relating to sponsorship and donation activities.	3.11.1	To review and enhance the Principles in Guiding Community Upliftment Programmes and proposal on Zakat Corporate Social Responsibility (CSR) Framework.	• Head of Sustainability • Head of Shariah Management	Continuous Initiative
3.12	Strengthening the internal system that support the prevention of corruption in procurement activities.	3.12.1	To monitor and review the appointment of qualified service provider or consultant, based on the required criteria upon tender evaluation.	• Head of BUs • Head of Procurement Department	Continuous Initiative
		3.12.2	To ensure proper documentation on formal service contracts / maintenance agreement with third parties, as to ensure compliance with the policies and procedures relating to procurement and ABC.	• Head of BUs	Continuous Initiative

## PRIORITY AREA 4: SYSTEMATIC REVIEW, MONITORING AND ENFORCEMENT

Strategy 4: Conduct regular reviews to assess the performance, efficiency and effectiveness of the anti-corruption programme, and its enforcement.

Objective		Initiatives / Action Plans		Responsibility	Milestone
4.1	Establishment of Annual Review Plan for the Anti-Corruption Programme.	4.1.1	To regularly review the anti-corruption programme by the internal auditor, in ensuring conformance to the requirements of internal policies and procedures, as well as the respective regulators and international standards, and in enhancing the processes where applicable.	<ul style="list-style-type: none"> <li>• Head of IAD</li> <li>• ClgO / Compliance Officer</li> </ul>	Continuous Initiative
		4.1.2	To regularly review the anti-corruption programme by a qualified and independent party, i.e. external auditor, to be aligned with best practices and enhance the processes where applicable.	<ul style="list-style-type: none"> <li>• ClgO</li> </ul>	Continuous Initiative
4.2	Strengthening and enhancing the internal control system.	4.2.1	To conduct gap analysis and benchmarking exercise, to identify any areas of improvement for the anti-corruption programme by an external subject matter expert.	<ul style="list-style-type: none"> <li>• ClgO</li> </ul>	Continuous Initiative
4.3	Monitoring of anti-corruption programme.	4.3.1	To monitor all BUs on the adoption of necessary initiatives, including continuous evaluation and improvement of relevant policies and procedures, in ensuring the programme is running as planned.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• Head of BUs</li> </ul>	Continuous Initiative
4.4	Enforcement of anti-corruption programme.	4.4.1	To establish consequence management framework for any non-compliance including but not limited to disciplinary action.	<ul style="list-style-type: none"> <li>• ClgO</li> <li>• CHRO</li> </ul>	Continuous Initiative

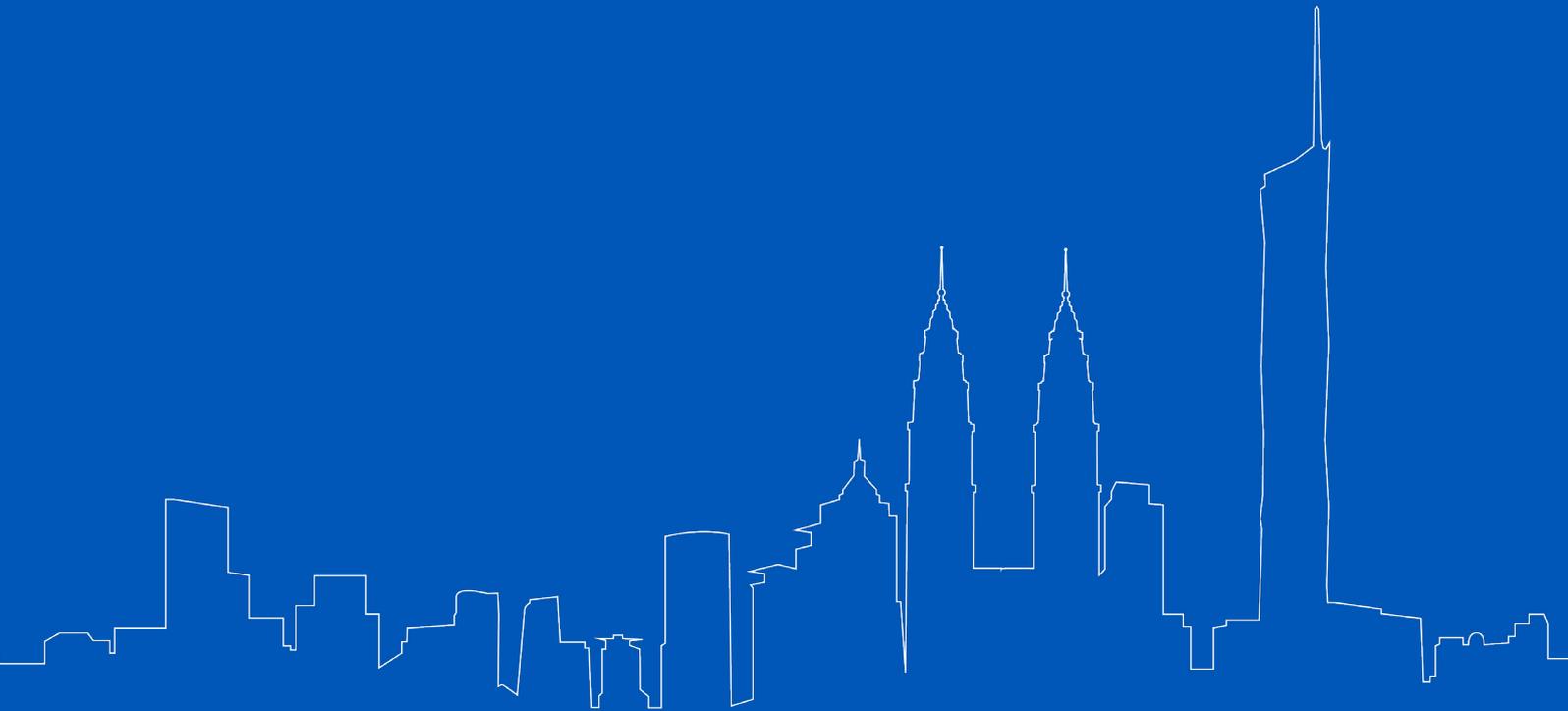


## PRIORITY AREA 5: TRAINING & COMMUNICATION

Strategy 5: Develop and disseminate internal and external training and communications relevant to its anti-corruption management system.

Objective		Initiatives / Action Plans	Responsibility	Milestone	
5.1	Providing adequate training in strengthening and enhancing integrity and transparency culture within PNB Group.	5.1.1	To conduct integrity awareness programme for the BOD, employees and business associates, on the ABC policies via: <ol style="list-style-type: none"> <li>Intranet;</li> <li>Survey &amp; quizzes;</li> <li>Corporate training program, seminar and in-house courses;</li> <li>Induction Day (new hire); and</li> <li>iRAC week.</li> </ol>	• ClgO	Continuous Initiative
		5.1.2	To establish Integrity Training Module for all employees of PNB Group.	• ClgO	Q2, 2022
		5.1.3	To conduct in-house Certified Integrity Officer programme in collaboration with MACC Academy for identified employees of PNB Group.	• ClgO • CHRO	Q4, 2022
5.2	Communication of ABC policies.	5.2.1	To send consistent and frequent reminders of the ABC policies to all employees of PNB Group via email blasts.	• ClgO	Continuous Initiative
		5.2.2	To communicate the ABC policies to business associates with a strong emphasis of the organisation's stand on cultivating a culture of integrity.	• ClgO • Head of BUs	Continuous Initiative





## **CHAPTER 4: IMPLEMENTATION, MONITORING AND EVALUATION**

## CHAPTER 4: IMPLEMENTATION, MONITORING AND EVALUATION

### 4.1 Implementation Framework

- PNB has implemented three lines of defence model for the management of all risk classes, including integrity-related and corruption risk.
- This model is essential for the effective operation and implementation of the Integrity Charter and Framework.



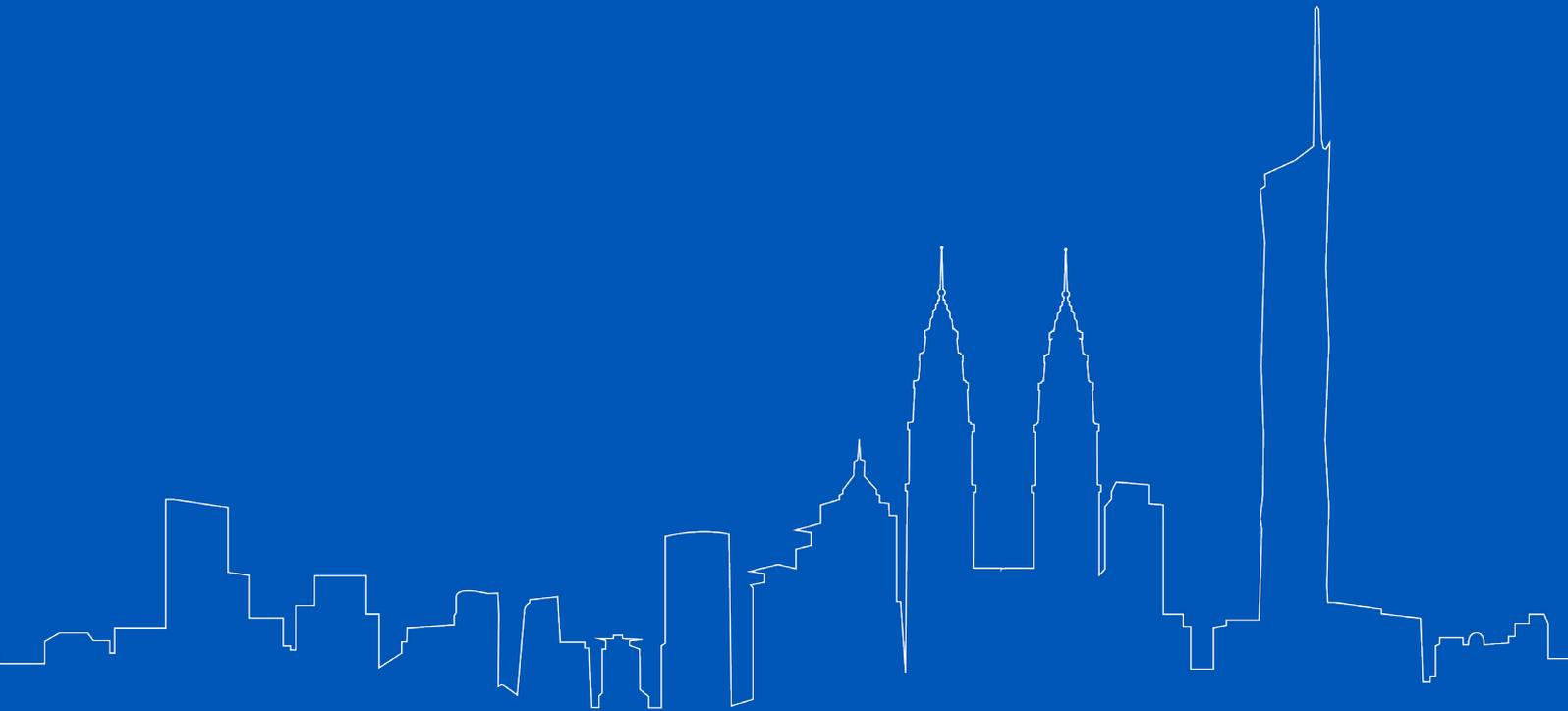
The model distinguishes among the following functions:

- Functions that own and manages corruption risk (**First Line of defence**)
- Functions that oversee corruption risks and controls (**Second Line of defence**)
- Functions that provide independent assurance to Senior Management and the BOD (**Third Line of defence**)

### 4.2 Monitoring and Evaluation

In monitoring and evaluating the OACP, the following modes are adopted:





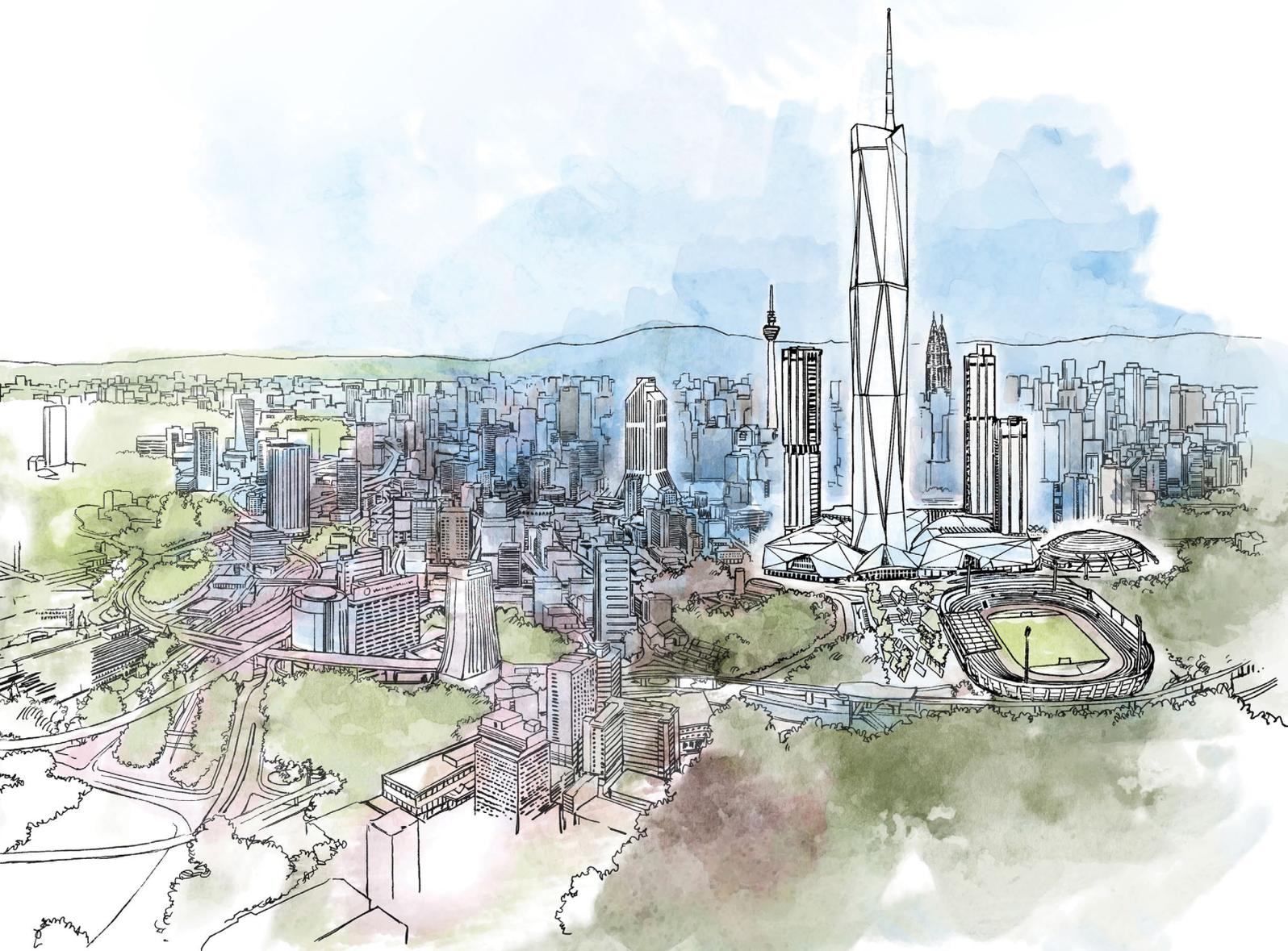
## **CHAPTER 5: CONCLUSION**

## CHAPTER 5: CONCLUSION

The achievement of the various initiatives in this OACP will highly depend on the commitment of PNB's leadership, support and participation from members at all levels in PNB Group. Other crucial factors that contribute to this success are strong policies and procedures, effective communication, strong compliance and integrity culture, and capable and adequate resources.

All leaders at every level shall demonstrate “tone from the top” i.e. PNB's stance against the use of corrupt practices in relation to the business activities and spearhead the efforts to improve upon the effectiveness of the corruption risk management framework, internal control system, review and monitoring, and training and communication. They shall be able to mobilise and inspire their subordinates towards realising the objectives of the OACP.

Effective communication is one of the effective strategies for building integrity culture in all activities undertaken by an organisation. Hence, all initiatives described in this OACP are expected to assist PNB Group in mitigating the potential risk of corruption that may arise and it will be reviewed and enhanced, if required, depending on its relevancy and outcome of the implementation plans.



## REFERENCES

**Organisational Anti-Corruption Plan of PNB Group is guided by the following regulations related to integrity:**

1. National Anti-Corruption Plan (NACP) 2019 - 2023, Prime Minister's Department.
2. Guideline for the Management of Integrity and Governance Unit (IGU), Malaysian Anti-Corruption Commission.
3. MACC Act Section 17A Adequate Procedures Best Practice Handbook
4. A Guide to Developing an Anti-Corruption Plan for Organisation - National Centre for Governance, Integrity and Anti-Corruption (GIACC)
5. Strategic Plan of Integrity and Governance Unit (IGU) 2019 - 2021 by Malaysian Anti-Corruption Commission (MACC).
6. Malaysian Anti-Corruption Commission Act (MACC) 2009.
7. Malaysian Anti-Corruption Commission (Amendment) Act 2018.
8. ISO 37001:2016 Anti-Bribery Management System (ABMS).
9. Guidelines on Adequate Procedures published by the Prime Minister's Office of Malaysia.
10. Government Transformation Plan 2.0 (GTP 2.0), Prime Minister's Department, 2012.

**PNB**

