



**TENAGA  
NASIONAL BERHAD**

**CORPORATE  
INTEGRITY PLEDGE  
BY  
TENAGA NASIONAL BERHAD**

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# Explanatory Note

**T**he Corporate Integrity Pledge sets out principles for corporations to adopt to demonstrate their commitment toward creating a business environment that is fair, transparent and free from corruption.

The principles are intended to act as guidance on areas that corporations can focus on to play their role in contributing toward anti-corruption efforts in Malaysia, in line with the objectives of the National Key Result Area of “Fighting Corruption” under the Government Transformation Programme, introduced by the Prime Minister, YAB Dato’ Sri Mohd Najib bin Tun Abdul Razak.

The Corporate Integrity Pledge (2011) represents a key nexus between reforms taking place in the public sector and the continued improvements taking place in the private sector, to drive the nation’s progress towards becoming a developed nation.

## **Corporate Integrity Principles For Tenaga Nasional Berhad (TNB)**

A company shall strive to create a Malaysian business environment that is free from corruption through the following actions:

### **1. COMMITTING to promoting values of integrity, transparency and good governance**

- 1.1 To prohibit bribery and corruption in any form, whether direct or indirect, in the business place and in all business relationships, including with suppliers, contractors, customers and other third parties;
- 1.2 To ensure full compliance with codes of ethics at all times;
- 1.3 To create a positive culture that upholds integrity in order to create a conducive business environment;
- 1.4 To recognize and reward those with high integrity and ethics; and
- 1.5 To enhance a secure and accessible channel through which employees and others may report violations in confidence and without risk of reprisal.

### **2. STRENGTHENING internal systems that support corruption prevention**

- 2.1 To develop an anti-corruption programme that articulates values, policies and procedures to be used to prevent corruption from occurring in all business activities;
- 2.2 To improve existing systems and procedures to prevent any corrupt practices;
- 2.3 To include corruption prevention, ethics and integrity as areas for training and development for management, employees and staff; and
- 2.4 To have regular internal audit to prevent misuse of funds and assets.

**3. COMPLY with rules and regulations relating to fighting corruption**

- 3.1 To ensure that all laws and company policies and procedures relating to fighting corruption are strictly complied with; and
- 3.2 To ensure that the good governance is practiced, checks and balances put in place, and business is conducted with transparency and accountability to avoid conflicts of interest, abuses of power and misconduct.

**4. FIGHTING any form of corrupt practice**

- 4.1 Zero tolerance against any employee, staff or other person involved in corruption in relation to the business, regardless of position and status; and
- 4.2 To report any corrupt practice that occurs in the business place to the appropriate authority.

**5. SUPPORTING corruption prevention initiatives by the Malaysian Government and Malaysian Anti-Corruption Commission (MACC)**

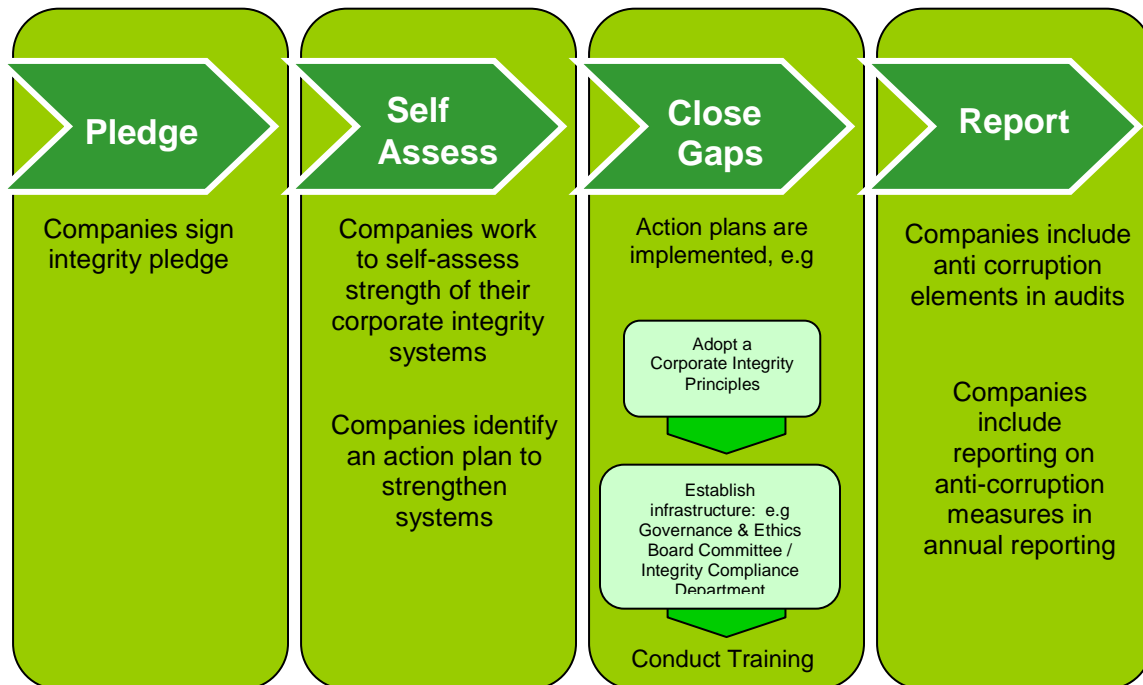
- 5.1 To support anti-corruption efforts by the Government and MACC;
- 5.2 To provide full cooperation with the authorities, regulators and MACC and in relation to corruption detection, prevention and enforcement of laws against corruption;
- 5.3 To organize continuous anti-corruption programmes through the establishment of special committee named Governance and Ethics Board Committee and/or Integrity Compliance Department;
- 5.4 To maintain close relationship with the authorities and MACC; and
- 5.5 To conduct continuous training modules on corruption prevention, ethics and integrity.

# Appendix 1 – Pledge to uphold the Principles

## The Corporate Integrity Pledge – the Principles in Action

The Principles are more than a statement of mere intent; by signing the Corporate Integrity Pledge to uphold the Principles, companies are voluntarily taking the first step in a longer-term programme to create an effective system to increase integrity in the Malaysian corporate sector through practicing good governance, including anti-corruption measures.

The longer-term programme is intended to see companies gradually moving toward self-assessment, identifying gaps and action plans to close them and eventually reporting on anti-corruption measures, in line with the UN Reporting Guidance on the 10<sup>th</sup> Principle under the Global Compact. A brief outline of the roadmap towards this is set out below:



## **Impact of signing the Corporate Integrity Pledge**

Companies can signal their commitment to:

- a high standard of governance, transparency and accountability; and
- contributing toward of improving the business environment in Malaysia,

to their investors and other stakeholders, by pledging to uphold the Principles in their business operations, using the attached format of the TNB's Corporate Integrity Pledge.

It is important to note that this pledge is a tool to be used by companies themselves, on a voluntary basis, to improve the quality of their governance mechanisms and the level of integrity of their business operations; it is in the long run to be given force through self-reporting by the company, to meet the demands of its stakeholders. The signing of the pledge by a company and the inclusion of any company's name in a list of signatories does not in any way imply any certification, review or assessment has been conducted by Malaysian Institute of Integrity or any of the regulatory authorities or other parties collaborating on this tool to vouch for the integrity of the signatory.

## TNB's Corporate Integrity Pledge

### *Recognising that:*

- The TNB's Corporate Integrity Principles, as may be amended or revised from time to time, are principles to which companies in Malaysia should commit, to promote integrity, transparency and good governance in all aspects of its operations;
- To conduct business free from corruption and in accordance with the TNB's Corporate Integrity Principles is to ultimately act in the best interests of the Company and its shareholders, as corruption destroys shareholder value, undermines the confidence of investors, and is the antithesis of sustainable growth.

### *The Company hereby pledges that it shall:*

- not, through any of its employees, representatives or agents, commit any corruption offence under any law, such as the MACC Act 2009 or Penal Code;
- not conduct any business practices or activities that would require or encourage any of its employees, representatives or agents to commit such offences; and
- work together with its business partners, regulators and law enforcement agencies to create a business environment that is free from corruption,
- uphold the TNB's Corporate Integrity Principles in Malaysia in the conduct of its business and in its interactions with its business partners and the Government; and
- shall take strict action against any party who tarnishes the integrity and the company's image.

**DATO' SRI CHE KHALIB BIN MOHAMAD NOH** )  
For and on behalf of Tenaga Nasional Berhad )

**DATO' SRI CHE KHALIB BIN MOHAMAD NOH**  
**President /Chief Executive Officer**

Date : 26<sup>th</sup> JULY 2011