



Supplier Code of Conduct (SCOC)

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Version Control/Change History

Version	Originator	Date of Issuance	Remarks	Summary of Changes
1.0	Strategic Management Department	20 July 2017	Original Creation - Vendor Code of Conduct (VCOC)	
CPD/SCOC/2024/01	Centralised Procurement Department	1 November 2024	Revised Version – Supplier Code of Conduct (SCOC)	Revised to incorporate and refine the following elements, as approved by the Chief Services Officer. a) Key principles b) BNM's rights c) Expectations of Ethical Conduct and Integrity d) Expectations of Protection of Assets and Intellectual Property e) Expectations of Workplace Culture and Behaviour f) Expectations of Cybersecurity and Physical Security g) Expectations of Environment and Sustainability h) Expectations of Business Continuity i) Whistleblowing and Reporting of the Potential Breach Administrative changes to reflect: a) Replacement of the term 'Vendor' with 'Supplier' b) Replacement of the term 'the Bank' with 'BNM' c) Removal of the Vendor's Pledge of Integrity attachment d) Change of email from enquiries_vcoc@bnm.gov.my to supplier.support@bnm.gov.my

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1. Foreword

Bank Negara Malaysia (BNM) is committed to the highest standard of integrity and excellence in promoting monetary and financial system stability and safeguarding the wellbeing of the nation. In delivering its mandates, BNM is held accountable by strong governance and high ethical standards in its dealings with suppliers. BNM conducts its business activities with integrity and in full compliance with prevailing laws and regulations.

The Supplier Code of Conduct (SCOC) outlines BNM's expectation on the set of standards on business and ethical practices and professional conduct expected of all suppliers engaged in providing goods and services to BNM. The SCOC applies to all suppliers and to any person(s) appointed by them in any capacity to deliver goods or perform any part of the services, including their employees, agents, suppliers, and sub-contractors ('their representatives').

This SCOC will be reviewed periodically to ensure that it remains current and relevant. Any enquiries relating to this SCOC can be directed to supplier.support@bnm.gov.my. This SCOC supersedes any previous versions of the Vendor Code of Conduct (VCOC) issued by BNM.

2. Key Principles

BNM expects the supplier to adhere to the following principles:

- (i) comply with all laws and regulations applicable in the countries in which it operates;
- (ii) comply with applicable BNM policies and requirements;
- (iii) protect confidentiality of information including personal data, and non-disclosure to unauthorised parties; and
- (iv) uphold the highest standard of integrity and business ethics.

Implementing Our Requirements

BNM acknowledges the diversity of its suppliers and expects different approaches to the way this SCOC is implemented. Thus, depending on the nature and value of the contract, BNM may request specific requirements and controls as evidence of how our key principles are implemented. These requirements, if any, will be specified in the contract.

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3. Expectations of Ethical Conduct and Integrity

BNM is committed to the highest standard of integrity and business ethics. In maintaining these commitments, BNM requires its suppliers to adhere to the following standards:

3.1. Compliance with Applicable Laws and Regulations

- (i) Suppliers shall comply with all applicable laws, rules and regulations in respective country and the country where they operate in while conducting business with BNM.
- (ii) Suppliers shall obtain all necessary licences and permits to conduct the activities for which they have been contracted by BNM.

3.2. Compliance with BNM Policies and Requirements

- (i) Suppliers shall comply with BNM's security policies, including information security (customer data, business documents), physical security (access to buildings, surveillance systems, security personnel, and other controls to prevent unauthorised access or theft), personnel security (background checks and security clearances), and cyber security requirements that are applicable for the business engagements with BNM.

3.3. Anti-Bribery and Anti-Corruption

- (i) BNM has zero tolerance for bribery, corruption and unethical business conducts.
- (ii) Suppliers shall uphold the highest standards of integrity in all business interactions with BNM.
- (iii) Suppliers shall not engage in any form of commercial bribery, nor directly or indirectly offer to provide, seek or accept any form of bribery or anything of value in order to gain any benefits, improper advantage or influence for them, BNM (including BNM's staff, key management personnel or their close family members) or any third party.

3.4. Managing Conflict of Interest

- (i) Suppliers shall promptly disclose to BNM as soon as they become aware of any conflict of interest and manage any actual, potential, or perceived conflicts of interest arising from the contractual obligations to supply goods and services to BNM.

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- (ii) Suppliers shall take active steps to declare and manage any actual, potential or perceived conflict of interest arising from its relationship or the relationship of its key shareholders, board of directors or senior management including their close family members with BNM staff, key management personnel or their close family members.¹
- (iii) Suppliers shall not be associated, or involved in any way, directly or indirectly, with the preparation of the design, specifications or other documents used as part of any procurement selection for which the supplier is submitting a proposal.

3.5. Offering of Gifts or Entertainment

- (i) Suppliers shall not offer to provide, seek or accept any form of bribery, gift, entertainment or anything of value to obtain improper advantage or influence for them, BNM (including BNM's staff, key management personnel or their close family members) or any third party.

3.6. Forming of Cartels or Price Fixing

- (i) Suppliers shall not form a cartel or engage in price fixing, bid rigging or other practices that manipulate pricing or bid outcomes in a manner that harms fair competition.

3.7. Misrepresentation

- (i) Suppliers shall not misrepresent their capabilities to BNM in order to gain procurement contract(s) with BNM.
- (ii) In securing contracts with other organisations, suppliers are prohibited from misrepresenting their capabilities in delivering goods/services to BNM.

4. Expectations of Protection of Assets and Intellectual Property

4.1. Confidentiality Obligation and Data Protection

- (i) Suppliers shall comply with all applicable laws and BNM's policies on data protection, including personal data.
- (ii) Suppliers shall treat with confidentiality all information related to business and affairs of BNM which is not generally available to the public.

¹ Close family members is defined as parent, spouse, siblings and their spouse, in-laws, or children and their spouse. Children include adopted or stepchildren.

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- (iii) Suppliers shall not disclose or share any of confidential information with a third party outside the requirements defined in the agreement with BNM, without obtaining BNM's prior written approval, unless required by law.
- (iv) Suppliers shall maintain confidentiality of information even after the termination or expiration of the contractual relationship with BNM.
- (v) Suppliers shall ensure that they have appropriate systems, policies and controls in place to protect BNM's confidential information and prevent any information leakage.
- (vi) Suppliers shall not access BNM's information technology environment and infrastructure and transfer any information without obtaining BNM's prior written approval.
- (vii) Suppliers shall not use or seek to use information gained in connection with the agreement with BNM for financial or non-financial gain, or for any other purpose other than what the information was provided for.

4.2. Protection of Intellectual Property

- (i) Suppliers shall comply with the intellectual property (IP) rights of BNM and all other third parties. Suppliers shall manage all such transfers to or from BNM, in a manner that protects BNM's IP rights. BNM views infringement of its IP seriously and will take legal action to protect its IP's rights.
- (ii) Suppliers shall use software and information technology that have been legitimately acquired and licensed, while providing services to BNM. Such software and information technology must be used in accordance with their terms of use or license.
- (iii) Suppliers shall comply with BNM's information and security policies and procedures to ensure maintenance and protection of the confidentiality, security and privacy of BNM's assets and information.
- (iv) Should the suppliers or their representative(s) be given permission to use BNM's resources such as systems and emails, they shall ensure that it is to be used exclusively for BNM's official business. BNM strictly prohibits the suppliers from using BNM's resources for any unauthorised, illegal or malicious acts.
- (v) Suppliers shall not plagiarise information from BNM or from other sources in delivering their services to BNM and shall provide proper citations or references of its sources of information to avoid concerns over plagiarism.

4.3. Restriction on the Publication of Materials and Use of BNM's Name, Logo or Branding

- (i) Suppliers shall not publish in any form BNM's confidential information or material without obtaining BNM's prior written approval. If BNM's prior approval for the publication has been obtained, suppliers shall provide proper citations and references to BNM for the material / content owned by

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BNM.

- (ii) Suppliers shall not use or refer to BNM's name, logo, or branding in any form and for any purpose without obtaining BNM's prior written approval.

4.4. Restriction on Making Public Statement(s) and Giving of Reference

- (i) Suppliers shall not circulate any public statement on anything relating to the business or affairs of BNM.
- (ii) Upon a supplier's request and on a case-to-case basis, subject to BNM's discretion and written approval, BNM may provide reference(s) to the supplier or their representative(s).

5. Expectations of Cybersecurity and Physical Security

5.1. Cybersecurity

In providing information technology-related functions or services that involve the transmission, processing, storage or handling of confidential information that includes cloud computing software, platform and infrastructure service providers, BNM expects its suppliers to:

- (i) Put in place robust data protection and cybersecurity measures in place to safeguard sensitive information. This includes measures to prevent data breaches, protect against cyber threats, and ensure data recovery in case of a breach.
- (ii) Provide appropriate training to their employees and subcontractors, ensure their compliance to requirements on data privacy and cyber security, adopt appropriate security practices.
- (iii) Protect any data or information obtained from BNM, or BNM's systems that the suppliers have been granted access to from unauthorised access or breaches, abuse and malware, and maintain a high level of confidentiality, integrity, and availability.
- (iv) Limit the access to BNM systems to authorised users only and promptly remove the access when no longer applicable.
- (v) Conduct adequate vulnerability assessment that includes, as a minimum, an up-to-date asset inventory, penetration tests, patch management and obsolescence planning.
- (vi) Maintain an up-to-date network diagram with BNM's approval for changes, segregate web, application, and database environments, use secure communication protocols for wireless networks, deploy and regularly review firewalls and intrusion prevention systems.
- (vii) Ensure that systems are hardened and provide audit trails for activities, review security audit logs regularly and address threats promptly.

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- (viii) Establish appropriate Incident Response Plan (IRP) and document specific procedures that govern response to security incidents.
- (ix) Obtain BNM's approval before implementing cloud services and ensure physical and environmental security controls for cloud infrastructure, applications, and data.

5.2. Physical Security and Access

- (i) Suppliers and their representatives shall comply with BNM's security policies and procedures while operating in any of BNM's premises.
- (ii) Suppliers shall provide sufficient information for BNM to perform security vetting of their representative and comply with all reasonable requests for further documents or information.
- (iii) Suppliers and their representatives shall display BNM's security pass while on BNM's premises. Suppliers are only permitted to access areas for which they have been authorised to access and which are necessary for the performance of their work or services.

6. Expectations of Workplace Culture and Behaviour



6.1. Professional Workplace Culture and Behaviour

- (i) Suppliers and their representative(s) shall behave and dress in a professional manner during their dealings with BNM and while in BNM's premises.
- (ii) BNM will not tolerate any substance abuse on its premises or during the performance of the suppliers' contractual obligations.
- (iii) Suppliers shall responsibly use BNM's infrastructures and facilities, always avoid wastage and damage of BNM's assets.

6.2. Health and Safety

- (i) Suppliers shall comply with all applicable workplace health and safety laws and regulations.
- (ii) Suppliers shall take all reasonable precautions to maintain the health and safety of all employees, other employees and members of the public whilst performing the services for BNM.
- (iii) Suppliers shall take reasonable efforts to ensure that they and their representative(s) are not involved in human right abuses, forced or involuntary labour, child labour or other modern slavery practices.

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7. Expectations of Environment and Sustainability

BNM is committed to continue reducing the carbon footprint in its own operations towards supporting Malaysia’s commitment to achieve net zero greenhouse gas (GHG) emissions by 2050. In fulfilling this commitment, BNM expects its suppliers to:

- 7.1. Comply with all environmental laws and regulations when conducting business activities.
- 7.2. Maintain and update all required environmental approvals, permits and registration.
- 7.3. Have continuous improvement plan to implement environmental friendly technologies and processes that reduce the environmental footprint.
- 7.4. Practise efficient utilisation and responsible use of resources such as water and energy to reduce consumption, minimise environmental impact and support the reduction in GHG emissions.

8. Expectations of Business Continuity

- 8.1. Suppliers shall establish effective business continuity plans in proportion to their service criticality to BNM. These plans shall encompass risk assessments, disaster recovery procedures, and contingency plans.
- 8.2. Suppliers shall identify, assess, and mitigate risks that could disrupt their operations and the delivery of goods/services to BNM. This includes risks related to natural disasters, supply chain disruptions, cybersecurity threats, and other potential business interruptions.
- 8.3. Suppliers shall maintain and regularly test on the Business Continuity Plan (BCP), including Disaster Recovery Plan (DRP) and its backup facilities to ensure business continuity in the event of disaster.
- 8.4. Suppliers shall report any incidents that could impact their business continuity and potentially affect BNM, including details of the incident, impact assessment, and proposed remedial actions.

9. BNM'S Rights

BNM reserves the following rights to ensure and enforce supplier's compliance with this SCOC:

9.1. Supplier Selection and Evaluation

- (i) BNM will evaluate suppliers' compliance with the SCOC during selection, onboarding, or any other time during their relationship with BNM. This evaluation may include periodic assessments to ensure ongoing compliance.
- (ii) Suppliers may need to affirm compliance with this SCOC and provide relevant documentation, if required.
- (iii) BNM, may from time to time, requires its suppliers to provide attestation of compliance with SCOC and expects its suppliers to promptly respond to any information requests from BNM.
- (iv) The extent of due diligence activities undertaken by BNM in relation to suppliers' compliance with SCOC will be informed by the value, scope and the risk of procurement.

9.2. Audits and Corrective Actions

- (i) Depending on the type of goods / services supplied to BNM, BNM may require its suppliers to complete evidence-based assessments or allow on-site audits to monitor compliance.
- (ii) If necessary, BNM may ask its suppliers to take specific corrective actions to address compliance issues. BNM expects its suppliers to cooperate with BNM in any investigation it may conduct and provide relevant information to facilitate BNM's investigation into allegations of inappropriate or unethical behaviour involving BNM's employees or the suppliers' representatives.
- (iii) BNM expects its suppliers to promptly address breaches or misconduct that may lead to consequence management actions by BNM and take remedial steps as required by BNM.

9.3. Violations and Termination

- (i) Suppliers shall ensure that it complies with this SCOC and report any violation to BNM.
- (ii) BNM reserves the right to take actions on its suppliers for breaching the SCOC.

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- (iii) In the event of non-compliance, BNM may give its suppliers an opportunity to respond with proposed corrective actions, unless the violation is severe or incurable, or there is violation of law or regulations.
- (iv) BNM may require its suppliers to substitute any representative(s) who breaches the SCOC or behaves in a manner that is unlawful or inconsistent with the SCOC. The replacement representative must be equipped with equal or better skills and knowledge and must be agreed in writing by BNM.
- (v) As provided in the contractual agreement, if there is a violation of law or regulations, BNM may suspend or terminate its relationship and may report the matter to the relevant Law Enforcement Authority.

9.4. Order of Precedence

- (i) This SCOC is not meant to, and does not, supersede any applicable law or regulations, or any terms and conditions of contract between BNM and its suppliers.
- (ii) To the extent there is any conflict between this SCOC and any applicable laws or regulations, or terms and conditions of the contract signed between BNM and the supplier, the applicable laws or regulations, or terms and conditions of the contract prevails.
- (iii) The expectations outlined in this SCOC do not supersede or alter the supplier's legal or other contractual obligations.

9.5. Revision or Changes to the SCOC

BNM reserves the right to revise or change the requirements in this SCOC.

10. Whistleblowing and Reporting of the Potential Breach

10.1. BNM strives to conduct its business with integrity, competence and professionalism while achieving the highest level of effectiveness and excellence. To uphold this aspiration, BNM must detect and deal with improper conduct. One way of detecting this is through whistleblowers.

10.2. For any disclosure of improper conduct or breach (potential or actual) of this SCOC, suppliers may report in confidence to any of the relevant designated person through the communication channels as per the link here:

<https://www.bnm.gov.my/whistleblowing-policy>.

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- 10.3. All information will be treated with the utmost discretion. The identity of the reporting party or whistleblower(s) will be treated with the strictest confidentiality at all times.
- 10.4. BNM will evaluate all concerns received and will conduct the appropriate investigations accordingly. In some cases, BNM may report the questionable breach to the relevant Law Enforcement Authorities.
- 10.5. BNM will not tolerate any retaliation taken by its employees, or suppliers or its representative(s) against any individual for reporting in good faith questionable behaviour or possible violation of the SCOC.

--End--