

Supply Chain Management

Raising standards in our supply chain to positively influence social equality and environmental protection.

Impact & Financial Assessment

Responsible supply chain practices reduce risks related to sourcing and distribution. Poor supply chain management may lead to ethical concerns, legal issues, and disruptions in the procurement process.

CelcomDigi's mid-term target is to collaborate to reduce emissions in supply chains. Achieving this goal would require additional resources, and there could be potential disruptions to the supply chain. CelcomDigi has various initiatives in place to manage its supply chain responsibly. All suppliers and business partners are required to comply with its Business Partner Conduct Principles. They are mandated to sign the Agreement of Responsible Business Conduct (ABC) to comply with CelcomDigi's standards in the areas of Health, Safety, and Security (HSS), ethical conduct, human rights, and environmental management. They are also encouraged to act in accordance with CelcomDigi's Code of Conduct and human rights principles.

Overview

CelcomDigi is committed to responsible supply chain management to ensure the sustainability and ethical integrity of our procurement processes. We work closely with our suppliers to promote fair labour practices, environmental stewardship, and compliance with applicable laws and standards.

CelcomDigi Berhad

[Registration No. 199701009694(425190-X)]

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Policies & Guidelines

- Business Partner Conduct Principles
- Agreement of Responsible Business Conduct
- Sustainability Policy
- Procurement Policy & Manual
- Business Partner Management Policy & Manual

Our Response

- Implemented a holistic governance approach for our business partners via due diligence and compliance measures
- Dedicated resources for ongoing risk-based compliance monitoring and testing across our business value chain
- Developed supplier relationship and post-contract management framework
- Optimised procurement processes, negotiated favourable contracts and minimised supply chain risk
- Employed technology solutions such as supply chain management systems and analytics tools
- Integrated sustainability considerations into all aspects of supply chain management, from procurement and sourcing to supplier relationships and performance evaluation
- Provisioned an independent integrity hotline for reporting of any misconduct or human right violations
- Establishing a panel of business partners to reduce reliance on a single business partner
- Conducting extensive business training and inspections for all tiers, to raise health and safety standards and promote responsible business practices

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How do we implement the Business Partner Management Policy and Manual?

To manage the compliance of Business Partners, CelcomDigi:

- Conduct risk-based due diligence of prospective Business Partners prior to engagement to assess whether they may entail an unacceptable risk
- Consider if there are relevant mitigation actions available that may bring potentially unacceptable risks down to an acceptable level
- Conduct risk-based monitoring of the Business Partners' compliance with the BPCP throughout the lifetime of the engagement
- Perform periodic re-assessments of Business Partners and annual assessment of overall landscape and risks associated with business partner categories

The Governance, Risk and Compliance (GRC) Committee shall always be consulted in advance of a decision to engage with any Business Partner that may pose a significant risk to CelcomDigi.

Incident notification, handling, investigation & follow-up

Serious non-compliance incidents by Business Partner and/or in any part of their supply chain include:

- Health, Safety and Security, as well as Environment (e.g., oil spill) related incidents
- Child Labour, Underage Labour, and Forced Labour
- Incidents related to Prohibited Business Practices e.g., Corruption, bribery or attempted bribery, fraud, etc
- Privacy and cybersecurity related incidents e.g., data breach, hacking, etc.

All non-compliance incidents shall be reported and escalated by the concerned informant (through observations, inspections, audits, etc) to the relevant contract owner and responsible line, expert function, and policy owners within 24 hours. The Supply Chain Sustainability function is responsible for overseeing that the incidents reported are handled satisfactorily by gathering relevant team members, such as contract owner and risk expert, and deciding the next course of action in terms of incident follow-up, potential investigation, and closure of corrective and preventive actions.

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