

# PROMISE OF INTEGRITY NEWSLETTER

Welcome to the 1st Promise of Integrity newsletter for 2017. In this edition, we will be highlighting the launch of this initiative that took place last year. Since then we have also kicked off our Supplier Chapter Workgroup and established our annual program roadmap including this Newsletter, Webinars and On-site Workshops/Events.

We are also pleased to bring you ethics best practices from our member companies and hope that you will find the content meaningful in helping with your quest to drive for uncompromising integrity.

If you have feedback or suggestions, please drop an email to any of the individuals below:

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## OUR PROMISE

On 16 August 2016, Intel Corporation, B. Braun, Keysight Technologies, Motorola Solutions, and Silterra collaborated in a 'Promise of Integrity' event to spearhead an initiative on ethics and integrity. This marked the beginning of a joint effort to lead the way in upholding the highest standards of integrity.

The five participating companies share the same belief, that a "strong culture of integrity is a bedrock of success for the business community," as expressed by Anna Maria Braun, Asia Pacific President of B. Braun. The 'Promise of Integrity' "will serve as a compass that guides the actions of our employees and business partners, ensuring consistent and steadfast integrity as we build trusted relationships in our business community," explains Robin Martin, Corporate Vice President of Intel.



*"Let's give them a compelling reason to invest in Malaysia – not just because we have a competitive labor force, but because we have such high ethical standards," said Robin Martin in his speech representing the five participating companies.*

At the heart of this collaboration, this pledge is a concrete expression to continually abide by the highest ethical business practices. In this leadership role, the companies aim to transform the local ecosystem by working with their supplier base and other stakeholders to proliferate best ethics practices. As Chan Keng Cheong, Vice President of Global Procurement & Materials at Keysight Technologies expresses, "This will create a conducive business environment, elevating the local ecosystem to compete globally."

Motorola Solutions, like its other partners in this endeavor, is "strongly committed to doing business the right way, both legally and ethically – with [their] customers, partners, colleagues, and with the world at large," says Dr. Hari Narayanan, Managing Director of Penang Operations.

Since establishing this platform at the event in August, the initiative has already attracted interest from companies seeking to join this effort. Firdaus Abdullah, CEO of Silterra extends a sincere invitation to the ecosystem, "Our hope is that others will join us and embrace this initiative that helps strengthen the pillars of a sustainable economy."



Leaders of the 5 companies with their signed 'Promise of Integrity' plaques at the event that drew participation from 90 supplier companies and industry partners. From left: Robin Martin (Intel), Anna Maria Braun (B. Braun), Chan Keng Cheong (Keysight), Dr. Hari Narayanan (Motorola Solutions), and Firdaus Abdullah (Silterra)

## PROMISE OF INTEGRITY

**ADOPT A POSITIVE CULTURE THAT UPHOLDS UNPARALLELED INTEGRITY TO CREATE A CONDUCTIVE BUSINESS ENVIRONMENT AND COMPLIANCE WITH CODES OF ETHICS**

**BE TRUTHFUL, FORTHRIGHT AND DEMONSTRATE HIGH ETHICAL STANDARDS IN ALL SITUATIONS**

**PROHIBIT CORRUPTION IN THE BUSINESS PLACE AND IN ALL RELATIONSHIPS**

**PROVIDE SECURE AND ACCESSIBLE CHANNEL THROUGH WHICH VIOLATIONS ARE REPORTED IN CONFIDENCE AND WITHOUT FEAR OF REPRISAL**

**ENSURE FAIR AND EQUAL OPPORTUNITY WITHIN OUR SUPPLY CHAIN ECOSYSTEM**





## B. BRAUN LAUNCHES CODE OF CONDUCT AND COMPLIANCE STANDARDS FOR SUPPLIERS

[www.bbraun.com](http://www.bbraun.com)

As B. Braun endeavours to continually fulfill our corporate vision to "Protect and Improve the Health of People around the World", we are increasingly engaging our extensive network of suppliers and partners, on whom we rely on to conduct our business.

In August 2016, we published a new B. Braun Code of Conduct, which set out the Compliance Standards for our Suppliers. We are determined to conduct our business with complete Transparency and Integrity at the highest levels. We have been proactive in communicating B. Braun's expectations and working closely with our suppliers and partners to accomplish this goal.

The new B. Braun Code of Conduct details our stance on topics such as 'Adherence to Applicable Laws and Regulations', 'Prohibition of Bribes, Kickbacks, Unlawful Payments & Other Corrupt Practices', 'Trade Compliance', 'Gifts & Entertainment', 'Intellectual Property' and how 'Confidential Information' should be handled.

Each supplier was asked to commit to our Code of Conduct by reading, cascading and upholding the standards set out in the document within their own organization, and return a signed copy as their pledge of commitment to B. Braun's Compliance Guidelines. Many encouraging responses have been received and to date, more than 400 suppliers have participated in this activity. B. Braun is pleased with this strong demonstration of commitment, which marks a positive step towards building a highly ethical supply chain with zero tolerance for corruption, for the business community.

### EACH SUPPLIER WAS ASKED TO COMMIT TO OUR CODE OF CONDUCT

In 2017, a second phase of the project will be implemented in which all potential new suppliers who wish to work with B. Braun will be required to sign-off the Code of Conduct document, as part of the supplier evaluation and selection process. Only suppliers who agree to comply with the requirements will be considered for future partnerships with B. Braun.



## INTEL: UNCOMPROMISING INTEGRITY VIA SETTING TONE AT THE TOP

[www.intel.my](http://www.intel.my)

What is "Tone at The Top"? Tone at the top refers to the ethical atmosphere that is created in the workplace by the organisation's leadership, according to The Association of Certified Fraud Examiners (ACFE).

The tone will trickle-down to all employees of the company. If the tone set by the leaders upholds ethics and integrity, employees will be more inclined to uphold those same values. However, if upper management focuses solely on the bottom line and appears unconcerned with ethics and integrity, employees will be more prone to not take it as a serious matter, as they may feel that ethical conduct is not a priority within the organisation. Employees pay close attention to the behavior and actions of their bosses, and they follow their lead. In short, employees will do what they witness their bosses doing. Hence, Intel strongly believe that setting a strong tone from the top defines an organization's culture and close attention to the behaviours and actions of their bosses, and they follow their lead. In short, employees will do what they witness their bosses doing. Hence, Intel strongly believes that setting a strong tone from the top defines an organisation's culture and is most important in driving for a higher level of ethics and integrity.

### EMPLOYEES WILL DO WHAT THEY WITNESS THEIR BOSSES DOING.

To set the right tone, those in top management positions in the company should communicate to employees what is expected of them and lead by example. At Intel, the tone starts with our CEO, Brian Krzanich where he re-emphasises the expectation for uncompromising integrity with his annual Code of Conduct letter to employees, and quoting from the 2017 letter, "As we embrace new challenges and increase our presence in rapidly changing markets, one thing that must never change is our unflagging commitment to our values and the highest

### ONE THING THAT MUST NEVER CHANGE IS OUR UNFLAGGING COMMITMENT TO OUR VALUES.

BRIAN KRZANICH,  
CEO, INTEL CORPORATION

ethical standards. These core values and standards are the foundation of the unique Intel culture that differentiates us, builds our brand, and inspires our customers and suppliers." A similar annual supplier expectation letter is also sent to independent contractors, consultants, suppliers and others who do business with Intel.



## KEYSIGHT: PUTTING INTEGRITY INTO ACTION

[www.keysight.com](http://www.keysight.com)

In accordance with Keysight's Procurement Policy, a Competitive Bid Request (CBR) must be carried out prior to supplier selection or purchase requisition, for transactions exceeding a predetermined limit.

The key objectives for the CBR are to:

- ensure that spends above a specified limit are carefully scrutinized;
- ensure that the best price for goods and services are obtained;
- allow suppliers a fair chance to bid for Keysight's procurement deals/contracts;
- ensure the competitiveness of our Keysight's preferred supplier base, as part of our company's supplier management strategy.

The CBR process specifies that a minimum of two (2) quotations from different suppliers are required to initiate the bidding process, which will be personally led by Keysight's Sourcing Managers. Additionally, all bidding or auction activities are conducted via an E-sourcing tool.

This provides an audit trail for negotiations and analysis, thus ensuring full transparency of the entire bidding activity and a fair supplier selection process.

The CBR is an important point-of-control that protects Keysight's interests and allows Keysight to meet Sarbanes-Oxley compliance requirements.

### ENSURING FULL TRANSPARENCY OF THE ENTIRE BIDDING ACTIVITY





## MOTOROLA SOLUTIONS: HOW TO CULTIVATE AND PRACTICE ETHICS AND INTEGRITY

[www.motorolasolutions.com](http://www.motorolasolutions.com)

It all starts from the top at Motorola Solutions. Right from our CEO, Greg Brown, down to every associate in the company, we at Motorola Solutions put ethics and integrity at the forefront with our customers, our partners, our colleagues and the world at large. We have long been synonymous with integrity and doing business the right way.

We hold ourselves to the highest ethical standards defining how we behave with the people and communities around us and encapsulate that within our Code of Business Conduct. Within this Code, related policies and resources help guide our decisions to do business the right way. On top of that every employee is accountable and personally responsible for compliance with this Code by understanding the letter and spirit of its guidance and applying sound personal judgement. Every employee can also report up to their management, a Business Conduct Champion, the Law Department, the Office of Ethics and Compliance or the EthicsLine.

Our Code of Business Conduct covers avoiding conflicts of interest when we do business with governments, business partners, handling gifts, entertainment and travel. We set clear guidelines around working with one another, with customers, with competitors and with communities. We also provide guidance on how to protect what is ours.

### OUR MANAGERS ARE EXPECTED TO PROMOTE OPEN AND HONEST TWO-WAY COMMUNICATION

Every manager is expected to lead by example and drive a culture of integrity and doing business the right way. Our managers are expected to promote open and honest two-way communication to ensure employees understand expectations and are comfortable seeking guidance when they have questions. With our business partners, we expect them to observe and uphold the same standards of conduct as

Company employees. We prohibit retaliation against any employee who reports in good faith a concern about illegal or unethical conduct and will not be tolerated.

To ensure that employees have access for help, the EthicsLine can be reached by phone, email or online - 24 hours a day, 7 days a week and full anonymity and confidentiality in all instances.



## EMBEDDING INTEGRITY IN SILTERRA'S PROCUREMENT SYSTEM

[www.silterra.com](http://www.silterra.com)

As with most big organisations, Silterra's procurement or purchasing system is very well defined and comprehensive. Understandably, the purchasing procedure is a controlled ISO document that also references more than 400 guidelines, specifications and procedures for both technical and operational requirements.

The procedure provides guidelines for the purchase of all goods and services for the company.

When a request is made by an end-user to procure something, design or drawings, technical or acceptance specifications, scopes of work or material & product specifications have to be submitted accordingly. This is to assist the internal buyer in preparing a Request for Quotation (RFQ) or Request For Proposal (RFP).

Some purchases will also need to abide by other settings like the Finance procedure for fixed assets and a QRB or Qualify Review Board that can pre-qualify a supplier.

An online Purchase Requisition or ePR System is used to effectively complement this internal procedure that end-users are required to use. A PR approval hierarchy governed by Finance processes the request prior to the generation of PO or purchase order to the supplier.

Suppliers or vendors must undergo assessment and be registered with Silterra in order to do business. This is done by completing the online application forms consisting of Vendor Validation, Maintenance application, Key Employee Relationship Declaration, Banned Substance Declaration and Non-Disclosure Agreement.

Vendor qualification by a Qualify Review Board (QRB) is necessary for those providing controlled materials as well as subcontracting activities or services.

Vendor evaluation is done periodically and a Supplier Management Performance Team is established for the purpose of evaluating the suppliers.

Upon commencement of a contract, a Supplier Assessment is carried out periodically to assess the performance of the vendors through Vendor Evaluation, Vendor Qualification and Supplier Performance Management (SPM) exercises which are similar to the assessments done during the process of submission to become a registered Silterra vendor.

Silterra works closely and coordinate with relevant internal parties (example QA and EHS departments) to promote environment, safety and hazardous substance awareness among vendors. We also work closely with vendors as well as all other relevant internal parties to make sure all purchased products or materials used in our product shall conform to applicable statutory and regulatory requirements.

Throughout the engagement of the supplier or vendor, Silterra builds a rapport by helping to improve their performance. This is done in many ways including giving updates on newer relevant technology, assistance in reducing errors or mistakes, cutting down on wastage, accommodating revised time-lines, etc.

Silterra has been developing local vendors since starting its operations in 2001. To date there are about 300 local vendors whose establishment and capability can be attributed to the local vendor development program carried out by Silterra to promote the wafer fabrication industry's supply chain and ecosystem.

Vendors are nurtured systematically so that they are tuned to the semiconductor wafer manufacturing processes and equipment and tool requirements. They have also been exposed to our strictly controlled procurement procedure where an almost zero tolerance of deviation and absolute compliance are the norm and standard.

### VENDORS ARE NURTURED SYSTEMATICALLY

Therefore, our vendors know through our deployed procurement system that the integrity part of the company's expectations from them are rooted in the conformity of the supplied goods or services according to the desired specifications or requirements as well as ever uncompromising on statutory regulations.



"B. Braun is honoured to collaborate with our industry partners to make a Promise of Integrity, which marks our uncompromising commitment to good corporate governance and the highest ethical standards. Through greater engagement with our partners and suppliers, we are determined to enhance our local supply chain to build a world-class business environment." — ANNA MARIA BRAUN, *President, Asia Pacific, B. Braun*

"I believe that integrity should be the foundation of any establishment. Committing to uncompromising integrity, not only within a company but throughout its supply chain, adds to the company's brand value and differentiates it in the marketplace. We, in the Integrity Alliance have committed to do just that. We role model and hold each other accountable to uphold a highly ethical culture. Together, we help to build an honest and ethical supply chain in the industry." — ROBIN MARTIN, *Corporate Vice President, Technology and Manufacturing Group*

"I would like to thank the Integrity Alliance Working Group Editorial Board for putting up the first Promise of Integrity Newsletter. This provides an additional platform for us to disseminate messages, updates on events and share best practices amongst our alliance team. In this first edition of Newsletter, I would like emphasize on the importance of Compliance to Policies and Regulations in an organization. The Key areas we should focus on are: (i) Awareness on Policies and Regulations, (ii) Effort to continuously enhance Compliance Robustness, (iii) Full Compliance at all times. I look forward to continuous collaboration with our partners to make supply chain management a key differentiator in the organization." — CHAN KENG CHEONG, *Vice President, Global Procurement & Materials, Keysight Technologies*

"A year after signing the Promise of Integrity, Motorola Solutions stays fully committed to the highest ethical standards and continues to provide companies with technology solutions that help increase efficiency, productivity and safety. While we stress on high performance and delivery, we cannot compromise on the right way to do business, both legally and ethically, with all our suppliers, partners and customers. Motorola Solutions, on a quarterly basis, re-evaluates the key metrics and constantly refreshes its expectations around Motorola Solutions' Code of Conduct. Hence, we are pleased to support this year's new introduction of the Suppliers Chapter with two nominations from our Global Procurement organization. This Chapter is part of the Promise of integrity. Together, we will stay true to the Promise of Integrity, the beacon of the highest ethical standards." — DR. HARI NARAYANAN, *Managing Director of Penang Operations, Motorola Solutions Malaysia*

"We believe and support this commitment to elevate business consciousness towards high standards of integrity and ethical practices. It is imperative that ethics and integrity must remain high on the priority list to create a healthy and competitive market. Our hope is that others will join us and embrace this initiative that helps strengthen the pillars of a sustainable economy." — FIRDAUS ABDULLAH, *CEO, Silterra Malaysia*

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