

SEDC
SARAWAK



**SARAWAK
METRO** 



SARAWAK METRO SDN BHD

**CORPORATE OFFICE
LEGAL AND COMPANY SECRETARY
GOVERNANCE UNIT**

**PROCEDURE
Code of Business Ethics (COBE)**

1. PURPOSE

1. This Code of Business Ethics (COBE) emphasises the principles of good discipline, good conduct, and the adoption and application of the SMSB's core values that are critical to the success and well-being of SMSB to create a sustainable business environment with its Stakeholders.

2. SCOPE

1. This COBE is formulated in accordance with the requirements under Clause 3.6 of Sarawak Economic Development Corporation's Code of Business Ethics.
2. This COBE shall apply to all Board Member and Employees of SMSB subject to the exception stated hereto.
3. All associated persons such as contractors, subcontractors, consultants, agents, representatives who are performing works and services for or on behalf of SMSB and any other third parties who are doing business with SMSB are required to comply with this COBE in its relevant part when performing such works or services. Failure by a contractor, sub-contractor, consultant, agent, representative or other service provider to comply with the principles and standards set out in this COBE may result in the termination of the non-complying party's relationship.
4. Should this COBE in conflict with any laws, the said laws shall prevail to the extent of the inconsistency.

3. DEFINITIONS & ABBREVIATIONS

CODES	DEFINITIONS & ABBREVIATIONS
Board Member	Members of the Board of Directors of SMSB
Business Partners	A business partner may include but is not limited to suppliers, service providers, customers, agents and/or resellers, contractors, sub-contractors, vendors, consultants, representatives, joint venture partners and others acting for or on behalf of SMSB.
CEO	Chief Executive Officer, SMSB
Chairman	Chairman of the Board of Directors of SMSB
COBE	Code of Business Ethics
Director	Refer to the designated Director of each Directorate in SMSB
Employee	Any person, irrespective of his occupation, who has entered into contract of service with SMSB
HOD	Refer to the Head of Department of each Department / Unit in SMSB
Relative / Family Members	Husband or wife/wives, father, mother, brother, sister, grandfather, grandmother, father and mother in-law and legitimate children of the Board Member or Employee.
SEDC	Sarawak Economic Development Corporation
SMSB	Sarawak Metro Sdn Bhd

4. DEALINGS WITH EMPLOYEES

1. SMSB respect and treat each employee fairly and equally.

a) Respect for individual

- i. SMSB treat everyone with respect and fairness at all times. SMSB shall:
- Value the diversity of the individuals in SMSB.
 - Committed to keep sensitive personal information as private and confidential. Access to knowledge of the such information of the Employees will be limited to parties who need the information for legitimate and legal purpose only.

b) Harassment, Threat, and Violence

- i. SMSB will not tolerate any types of harassment, threat, and violence whether verbal, physical or visual. These actions or behaviours include but are not limited to derogatory comments based on gender, religion, racial or ethnic characteristics, physical attributes, spreading of malicious rumours or use of emails, voicemail or other forms of social media which can cause disharmony, disunity, feelings of enmity, hatred, prejudice or ill-will.
- ii. SMSB does not tolerate any forms of sexual harassment and emphasise compliance to Employee Handbook. Employees are encouraged to speak out if other employee's conduct makes them feel uncomfortable and to immediately report any form of harassment, threats, and violence when it occurs.

c) Safety, Health and Environment

- i. SMSB is responsible in maintaining a safe workplace to ensure business sustainability by adhering to the governing laws, regulation and best practices related to safety, health, and environment at the workplaces.
- ii. Employees are responsible to report accidents, injuries, and unsafe equipment, practices or conditions to their supervisor or other designated person immediately. SMSB is committed to keep its workplaces free from hazards.

d) Drugs, Alcohol and Prohibited Substances

- i. Employees is strictly prohibited from the use, possession, distribution or sale of illegal drugs, alcohol or prohibited substances while in the course of their employment. All employees are required to observe and comply with the requirements outlined in the Drug and Alcohol Policy.

e) Weapons

- i. Employees is strictly prohibited from possessing any weapons or illegal materials, imitation or otherwise including but not limited to firearms, explosive or sharp weapons in the course of employment.

f) Criminal Breach of Trust

- i. Employees shall not commit a criminal breach of trust in violation of whether in Malaysia or any country in which the business is conducted.

2. Criminal Activities and Wrongoings

- a) Employees shall at all times uphold the good name and reputation of SMSB during or after office work. Employees shall not engage or be involved in any behaviours or activities that may be categorised as tarnishing the image of SMSB or subversive or commit any criminal offence.
- b) If the Employee is found to be involved in any behaviours or activities that maybe categorized as subversive or commit any wrongdoing, criminal or otherwise that may be detrimental to the image and reputation of SMSB, the Employee shall be dealt with in accordance with the Employee Handbook and/or Industrial Relation Procedure and/or liable in the court of laws.

3. Equal Opportunity

- a) SMSB believes and shall on best endeavour provide equal employment opportunities for all applicants regardless of the race, ethnicity, religion, and gender.

4. Dress Etiquette

- a) Employees on duty shall always be properly attired as outlined in the Employee Handbook. An Employee must ensure that when dealing with the stakeholders or external party, he/she is not dressed in such a manner or wear clothing that may offend the stakeholders or external party or compromise any health and safety standards.

5. Leaving SMSB

- a) Employees must return all assets when leaving SMSB for any reason including retirement and any use of SMSB assets thereafter are not allowed.

5. DEALINGS WITH CUSTOMERS AND STAKEHOLDERS

1. SMSB shall:

a) Provide Quality Services

- i. Compliance to quality processes and safety requirements and commitments made to Customers and Stakeholders must be reasonably honoured are essential to maintain SMSB's valuable reputation. Employee may damage SMSB's good name and reputation if the Employee deliver services and performance that fail to live up to SMSB's standard of quality.

2. Confidentiality

- a) SMSB is committed to comply with applicable laws and regulations concerning the protection of personal data and sensitive information. Except when compelled by the law and/or in the ordinary course of its business, SMSB must not:
 - i. Disclose personal data or sensitive information to any unauthorised persons;
 - ii. Tamper with or intrude upon any voice, video, data, fax or any communication transmission;
 - iii. Install or permit anyone to install any device that enables someone to listen to, observe or determine that a communication has occurred.

6. DEALINGS WITH BUSINESS PARTNERS

1. SMSB practices integrity as a strong foundation and it is one of the core values where SMSB is committed to uphold.

a) Business with Third Parties

- i. The Employees of SMSB shall:
 - Uphold integrity and honesty in all actions and statements;
 - Demonstrate transparency and trustworthiness in carrying out all duties and responsibilities;
 - Exhibit sincerity in all interpersonal relationships;
 - Approach work with full dedication; and
 - Treat all Stakeholders with fairness.

2. Commissions, rates or fees paid to any business partners must be reasonable in relation to the value of the product or work that is actually being done.

b) Procurement Practices

- i. All Employees and business partners involve in the procurement processes need to uphold the basic principles of integrity, trust, honesty, fairness and transparency in the business dealings. Everyone involves in procurement process for SMSB must abide to the related governing policies and procedures.
- ii. Employees who handle procurement shall not have any conflict of interest in any procurement activities under his/her responsibility. Such Employees shall abstain from participating if such conflict exists.
- iii. All documents relating to procurement processes shall be documented, filed, and properly kept by the person responsible. Purchasing documents should clearly identify the services or products to be provided, the basis for payment, and the applicable price rate or fee. The amount of payment must commensurate with the services or products provided.

c) Raising Concerns/Complaints

- i. If any business partners wish to report any possible violation of the COBE, they may do so through the dedicated Whistleblowing channel.

7. DEALINGS WITH SHAREHOLDERS

1. SMSB is committed to protect shareholders' interest and deliver value. Our contact, handling and cooperation with shareholders shall be carried out in a professional manner.

8. OUR DEALINGS WITH COMMUNITIES

1. As part of its corporate citizenship culture, SMSB undertakes various Corporate Social Responsibility (CSR) programmes and initiatives to help the needy and under privileged. These programmes and initiatives are carried out with the aim of reaching out and giving back to the community.

a) Community Activities

- i. Employees must ensure that no conflict of interest be it actual or potential exists between his/her employment with SMSB and his/her duties in community affairs, whether elective or appointed. Employees must ensure that their outside activities do not interfere with their job performance.

b) Corporate Communication Management

- i. Contact and communication with the media is crucial to SMSB. It is therefore necessary that this relationship is handled in a professional manner.
- ii. If an Employee is approached by members of the media, he/she should immediately refer them to Corporate Communication Department. Only an official spokesperson duly appointed and authorised by SMSB has the authority to speak on behalf of SMSB at any occasion and on all platforms, both physical and virtual.
- iii. Similarly, any requests or queries from the media should also be forwarded to the Corporate Communication Department in order to ensure professional and consistent handling of the concerns.

9. DEALINGS WITH GOVERNMENTS AND PUBLIC OFFICIALS

1. It is important to build a transparent and fair relationship with government agencies and public officials.
2. SMSB must take special care to comply with all legal and contractual obligations in dealing with governments. The Federal and State governments have specific procurement policies, regulations, practices and procedures that have been established to protect the public interest and to ensure public fund are used wisely.
3. These laws would generally prohibit or put strict limits on gifts, excessive entertainment and hospitality to the government official that may be perceived as corrupt practices in accordance with the governing laws for example Pekeliling Perkhidmatan Bilangan 3 Tahun 1998, Garis Panduan Pemberian dan Penerimaan Hadiah di Dalam Perkhidmatan Awam, and Statutory Bodies (Conduct and Discipline) Ordinance.
4. When dealing with government officials, SMSB and its Employees are responsible to know and comply with applicable laws and regulations.

10. DEALINGS WITH SMBS'S ASSETS

SMSB and its Employees protects its assets and properties at all times, and use them in the best interest of the organisation.

1. Protecting SMSB's Assets

- a) As part of their job, Employees will have access to and use many types of assets. These assets may be tangible ranging from equipment and machine to computer hardware. It can also include intangible assets such as intellectual property and computer software.
- b) Employees are responsible for the protection of all assets used in carrying out SMSB's business as outlined in the Employee Handbook.

- c) Employees must take reasonable steps to prevent theft, loss, abuse, misuse, waste, or damage to such assets regardless of condition or value and return to SMSB upon cessation of employment.
- d) Employees must also use these resources only for legitimate business purposes and must also ensure that their use of any assets is properly authorised.
- e) Employees are prohibited to use assets to conduct outside business activities that may materially benefit them or engage in any unethical or illegal activities and also prohibited to borrow, loan, or dispose the assets without proper authorization.

i. Customers, Stakeholders or Business Partners Assets

- In the same way, SMSB is responsible for all Customers, Stakeholders or business partners' assets entrusted under its care and custody. SMSB should treat this asset as its own, and not to damage, deface or remove any or for personal use unless authorised to do so.

ii. ICT Resources and Facilities

- Employees should comply with applicable internal ICT policies, procedures and guidelines and should use all ICT resources and facilities provided by SMSB only for approved purposes and should not use or misuse for personal gain or in furtherance of personal interest.
- Access provided by SMSB shall be used in an appropriate manner. Employees are prohibited from sharing their ID access and passwords with others. Employees should also not engage in any electronic communications or social media that contains offensive comments about religious, race, excessive politics, gender, age, national origin, disability, offensive, disruptive, derogatory, defamatory, harassing, pornographic, obscene, or otherwise vulgar remarks that could create a situation of disharmony.
- Employees should not alter any data in ICT systems unless they are authorised to do so in writing and/or it is within their job scope.
- Employees must ensure that any software used is licensed and comply with the internal policies and the applicable rules and regulations.
- This provision also applicable to those customers, stakeholders or business partners who are accessible to ICT resources and facilities.

iii. Proprietary and Confidential Information

- Employees must also ensure to keep in complete secrecy all confidential information and proprietary information entrusted in them, and not use or attempt to use any such information in any manner which may or is likely to injure or cause loss, either directly or indirectly to SMSB.
- Employees should be responsible to know what information is proprietary and confidential and to obtain clarification when in doubt. This obligation continues even after leaving SMSB. The use of the SMSB's information for personal gain is strictly prohibited. In particular, Employees or business partners should not trade SMSB's information or conduct "information brokering" with any parties.

- The restriction as stated above shall continue to apply after the termination or cessation of employment or contract with SMSB.
- Any unlawful or unauthorised disclosure of proprietary or confidential information may result in tarnishing the image of SMSB.

2. Accuracy and Reliability of SMSB's Records

- Employees are required to provide honest, accurate recording and reporting of information in order to make responsible business decisions. This includes data such as quality, safety, and personnel records, as well as all financial records.
- Employees are responsible for the proper expenditure of the funds including expenses and should ensure that the transaction is genuine and properly documented when spending or committing the funds and that SMSB receives appropriate value in return.
- This is also applicable to all stakeholders or business partners who are accessible to SMSB's records.

3. Recording and Retaining Business Communications

- All business records and communications should be clear, truthful and accurate. This applies to communications of all kinds, including e-mails and "informal" notes or memorandums.

4. Sharing of Information

- SMSB allows sharing of documents, information and knowledge with SEDC, other subsidiaries under SEDC, government agencies, companies or organisations provided that the information and knowledge shared are not regarded as proprietary information and not detrimental to or adversely affecting SMSB's business and competitive advantage.

5. Dealing with Personal Data

- The Personal Data Protection Act 2010 (PDPA) regulates the processing of personal data in regards to commercial transaction. The PDPA requires compliance with the following seven personal data protection principles:
 - General Principle:** Use Personal Data only for the purpose it was given or for compliance with legal obligations. Consent is required if use for a different purpose or if sensitive personal data is being processed. Processing is defined as collecting, recording, holding or storing the personal data or carrying out any operation or set of operations on the personal data including outsourced process.
 - Notice and Choice Principle:** Consistent with the concept of fair use, a data user must notify the individual of the nature of the Personal Data being processed, the purposes for which it is collected and further processed and the data subject's right to request access to and correction of Personal Data, etc. Notification can be in electronic form as long as the individual can record and keep a copy.
 - Disclosure Principle:** Limit disclosure of the Personal Data to the purpose which the data subject had been informed of at the time of collection and for which the data subject had consented. A list of disclosures made to third parties must be maintained.
 - Security Principle:** Take practical steps to safeguard Personal Data from loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction.

- v. **Retention Principle:** Do not retain Personal Data for longer than is necessary for the fulfillment of the purpose.
 - vi. **Data Integrity Principle:** Take reasonable steps to ensure that the Personal Data is accurate, complete, not misleading and kept up-to-date by having regard to the purpose, including any directly related purpose, for which the Personal Data was collected and further processed.
 - vii. **Access Principle:** Give a data subject access to his Personal Data held by the data user and ability to correct that Personal Data where it is inaccurate, incomplete, misleading or not up-to-date.
- b) Personal data relates directly or indirectly to a data subject, who is identified or identifiable from that information or from that and other information in the possession of a data user, including any sensitive personal data and expression of opinion about the data subject. For example: name, identity card number, date of birth, mobile number and etc.
 - c) In the case where personal data processing is outsourced to a third party, known as the data processor, it is the responsibility of the data user to ensure that the data processor provides sufficient guarantees to protect the personal data from any loss, misuse, modification, unauthorised or accidental access or disclosure, alteration or destruction.
 - d) The PDPA affects the personal data life cycle management process from the point personal data is collected, used, stored and destroyed. The PDPA applies to customers, employees and third party service providers' personal data.

11. CONFLICT OF INTEREST

SMSB operate and make business decisions based on the best interests of SMSB. SMSB expects everyone to be free from actual or potential conflicts of interest.

1. General Considerations

- a) Decisions and actions must not be motivated by personal interest, considerations or relationships. Relationships with prospective or existing customers and business partners, competitors or regulators must not affect his/her/their independent and sound judgment on behalf of SMSB.
- b) Conflict of interest will arise where his/her/their ability to perform his/her/their duties effectively and impartially is potentially impaired by an outside appointment, relationship or activity. Employees should not take improper advantage of their positions or of information obtained in the course of their employment.
- c) Employees are expected to exercise precautionary discretions in avoiding any conflict of interest and to act in a manner consistent by giving our full-time services to SMSB. On occasions, however, the question of whether or not conflict of interest exists may be less clear and open to interpretation. Whenever such a case arises, employees should consult their Director or Head of Department.

2. Outside Employment

Employees are required to refer and comply with Employee Handbook regarding outside employment.

- a) Notwithstanding to the generality of the above, Employees may be allowed to:

- i. Perform community service or serving on boards of non-profit or community organizations, as long as the activities are not to the disadvantage of SMSB and should not affect his/her/their job performance. However, if such organisation has any relationship or might expect financial or other support from SMSB, he/she must obtain prior approval of the Chief Executive Officer.
 - ii. Receive honorariums for lectures/speeches delivered or expert advice rendered in our capacity as experts in certain fields. All invitations for our services must be approved by the Chief Executive Officer. Strategic Human Resource shall have the discretion to seek clarification on the amount of honorariums received, if deemed necessary.
 - iii. Serve on behalf as an officer or Board Member at a company or organisation that represents and reflects the interest of SMSB.
- b) Employees are not allowed to:
 - i. Accept outside directorships or become partners in entities, which are either listed on SMSB's list of authorised business partners or panel of any tier that have any form of business dealings with SMSB directly or indirectly.

3. Ownership of Equity or Beneficial Interest in Related Companies

- a) Employees are not allowed, either directly or indirectly, e.g., through their family as proxy, holding shares or other forms of beneficial interest in:
 - i. Privately owned entities which derive the major part of their income from contractual or other business arrangements with SMSB;
 - ii. Privately owned entities which are listed in SMSB's list of authorised business partners or panel of any tier, even if the entities concerned do not derive most of their income directly or indirectly from contractual or other business arrangements with SMSB;
 - iii. Privately owned entities supplying materials, equipment, property and/or services to SMSB whether directly or indirectly.
- b) Notwithstanding, the above ruling does not apply to shares held by employees in publicly quoted companies, which have a business relationship with SMSB, either directly or through a subsidiary.
- c) However, in such case, if there is any possibility that such a holding could cause conflict with his/her duty as an employee, he/she should bring the matter to the immediate attention of the Chief Executive Officer in writing.

4. Personal Relationship

- a) The potential for conflict of interest also exists if any person with whom the Employee has a romantic, intimate relationship or relative to the employee also works at SMSB and/or is in a reporting relationship to the Employee. This may also create opportunities for favoritism or bias.
- b) Accordingly, Employees are not allowed to be in the same Directorate and/or should not directly or indirectly supervise or be in a position to influence the hiring, work assignments or assessments of such persons that they have relationship with. Any relocation of such person must have written permission from the Chief Executive Officer.

5. Political Activities

- a) An officer is prohibited from taking an active part in political activities or wearing any emblem of a political party during working hours with SMSB or within office premises.

6. Borrow or Lend Money

- a) Employees are prohibited to borrow money from any person including customers, stakeholders and business partner of SMSB or stand as a surety to any borrower, or in any manner place themselves under a financial obligation to any person who is directly or indirectly subject to his/her official authority or with whom he/she have or likely to have official dealings.
- b) Employees shall not lend money at interest, whether with or without security to any person including customers, stakeholders and business partner of SMSB. Placing of money on fixed deposit or into an account in any financial institution or co-operative society or in bonds issued by the Government shall not be regarded as lending money at interest.
- c) This Policy does not prevent the Employees from borrowing from or lending money to family members or friends in a personal capacity and not in contravention of business ethics.
- d) In any event, Employees must not put SMSB in a pecuniary embarrassment that might tarnish the good name of SMSB.

7. Serious Pecuniary Indebtedness

- a) Serious pecuniary indebtedness means the state of an Employees's indebtedness which, having regard to the amount of debts incurred by him/her, has actually caused serious financial hardship to himself/herself. Employees shall not in any manner whatsoever cause himself to be in a serious pecuniary indebtedness.

12. MONEY LAUNDERING

- 1. Section 3 of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 defines money laundering offences such as engaging, acquiring, receiving, possessing, disguising, transferring, converting, exchanging, carrying, disposing, concealing, removing from or bringing to Malaysia or to impede the establishment of the true nature, origin, location, movement, disposition, title of, rights with respect to, or ownership of directly or indirectly, the proceeds of an unlawful activity or instrumentalities.
- 2. Money laundering is a very serious crime and the laws governing this type of crime can have extra territorial effect, i.e. the application of the law is extended beyond local borders. The penalties for breaching anti-money laundering legislation are severe and can include imprisonment, fines, and extradition in foreign jurisdictions.
- 3. For the purpose of this provision “money laundering” occurs when the criminal origin or nature of money or assets is hidden in legitimate business dealings when legitimate funds are used to support criminal activities and terrorism.
- 4. Employees must understand the business and background of any prospective third party that wants to conduct business with SMSB. Due diligence needs to be carried out in order to understand the business and background of such party to determine the services and the origin and destination of money and property of such party.

5. Any suspicious incidents of money laundering transactions needs to be reported to Strategic Human Resource vide the dedicated whistleblowing channel. Employees is discourage to investigate any case of money laundering personally as this may be harmful to Employee or hamper any official investigation that may be carried out.

13. RULES ABOUT GIFTS, ENTERTAINMENT AND CORPORATE HOSPITALITY

1. SMSB prohibits the use of gifts, entertainment and corporate hospitality to unethically influence business decisions. Employees must comply with the requirements of Employee Handbook and Anti-Bribery and Corruption Policies and other applicable laws and regulations concerning these subjects.

14. FIGHTING BRIBERY AND CORRUPTION

1. SMSB aspires to achieve a zero-tolerance toward corruption with a top-down approach.
2. SMSB, Employees, Customers and its Business Partners are expected to comply with the Integrity Pact, Anti-Bribery and Corruption Policies, the Malaysian Anti- Corruption Commission Act 2009 (MACC Act 2009) and any other anti-bribery and anti-corruption laws and regulations, national and international and treaties of the countries where SMSB conduct its business.

15. WHISTLEBLOWING POLICY & REPORTING

1. SMSB is committed to whistle-blowing initiative by introducing a safe and acceptable platform for Employees, Customers, Stakeholders, Business Partners and Public to channel concern about integrity or misconduct through the dedicated Whistleblowing channel.

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