

SEDC
SARAWAK

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SARAWAK METRO SDN BHD

CORPORATE OFFICE
LEGAL AND COMPANY SECRETARY
GOVERNANCE UNIT

POLICY
Anti-Bribery and Corruption Policies

1. PURPOSE

This Anti-Bribery and Corruption Policies (“ABC Policy”) serve as a guideline to SMSB to deal with gratification by way of improper solicitation, bribery, and other corrupt activities, receiving and providing gifts, giving, and receiving entertainment, corporate hospitality, facilitation payment, corporate social responsibility, sponsorships, donations and matters that may arise in the course of its business.

2. SCOPE

1. This ABC Policy is formulated in accordance with the requirements under Clause 1.6 of SEDC’s Anti-Bribery and Corruption Policy.
2. This ABC Policy shall apply to all Board Member and Employees of SMSB subject to the exception stated in this ABC Policy.
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 ABC Policy in its relevant part when performing such works or services.
4. This ABC Policy shall supersede any other existing policies (if any) relating to corruption and bribery. Should this Policy in conflict with any laws on corruption and bribery, the said laws shall prevail to the extent of the inconsistency.

3. ABBREVIATIONS AND DEFINITIONS

ABBREVIATIONS	DEFINITIONS
Associated Person	Directors, partners, and employees of the commercial organisation and any person who perform works or services for or on behalf of SMSB
ABC Policy	Anti-Bribery and Corruption Policies
Board Member	Members of the Board of Directors of SMSB
Children	Shall also include stepchildren and legitimate adopted children
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
Family members	Husband or wife/wives, father, mother, brother, sister, grandfather, grandmother, father and mother in-law and legitimate children of the employee.
Gratification	As per Section 3 of Malaysian Anti-Corruption Commission Act (MACC) Act 2009 means: <ol style="list-style-type: none">(a) money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable, financial benefit, or any other similar advantage;(b) any office, dignity, employment, contract of employment or services, and agreement to give employment or render services in any capacity;(c) any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;

ABBREVIATIONS	DEFINITIONS
	<p>(d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;</p> <p>(e) any forbearance to demand any money or money's worth or valuable thing;</p> <p>(f) any other service or favour of any description, including protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary, civil, or criminal nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and</p> <p>(g) any offer, undertaking or promise, whether conditional or unconditional, of any gratification within the meaning of any of the preceding paragraphs (a) to (f).</p>
Public Official	Any person holding, acting in or exercising the functions of a public office.
Third Party(ies)	Any individual or organisation that an employee or associates can come into contact during the course of his/her work or engagement for or with SMSB including but not limited to, the existing or potential customers, suppliers, consultants, agents and its representatives, contractors, external companies and any other stakeholders with whom a business relationship, whether current, prospective or historic exists.
SEDC	Sarawak Economic Development Corporation
SMSB	Sarawak Metro Sdn Bhd

4. POLICY STATEMENT

1. SMSB is committed to comply with all regulatory conditions and anti-corruption standard requirement by:
 - a) Creating a corruption-free business environment and zero tolerance towards corruption.
 - b) Complying with laws, regulations, and guidelines against corruption practices.
 - c) Upholding anti-corruption principles in all business dealings and interactions with external parties, including business associates, government agencies and stakeholders.
 - d) Encouraging staff and the public to report any suspicious corruption activities by providing suitable channel of communication and ensuring information is treated appropriately.
 - e) Upholding the values of transparency and good governance within the organisation.
 - f) Establishing an independent body to be responsible for anti-corruption compliance of SMSB.

5. NO GIFT POLICY

1. SMSB shall include and adopt the "No Gift Policy" in this ABC Policy. In pursuant to the requirements spelt out under this ABC Policy, Board Members, employees and associated persons or any person who performs services for or on behalf of SMSB is **strongly discouraged** from directly or indirectly receiving or providing gifts.
2. It is the responsibility of each employees including Board Members to inform the third parties who are involved in any business dealings with SMSB of this "No Gift Policy" and to request the third parties' understanding and adherence with this ABC Policy.

Providing Gifts

3. Save for exception stated in sub-clause 11 below, generally employees and board members are not allowed to provide gifts to third parties with the aforesaid exception and supported with a proper justification.

Receiving Gifts

4. SMSB is very much aware that the exchange of gifts can be a very delicate matter where, in certain cultures or situations, gift giving is a central part of business etiquette. Despite acknowledging SMSB's "No Gift Policy", some third parties may still insist on providing gifts to Board Member, Employees and/or their family members in certain situations which do not fall within the general exceptions.
5. Although the general principle is to immediately refuse or return such gifts but accepting a gift on behalf of SMSB is allowed only in very limited circumstances, whereby when refusing such gift is likely to seriously offend and may severe SMSB's business relationship and/or good rapport with the third parties. In this situation, the gift must be politely returned with a note of explanation about SMSB's "No Gift Policy".
6. As a guidance, the test to be applied is whether in all the circumstances the gift is reasonable and justifiable rather than lavish and extraordinary, bearing in mind that what may normally be viewed as small or insignificant can be of significant value to another. The intention behind the gift should always be considered and nothing should be specifically expected or demanded in return or reciprocal.
7. All employees of SMSB are expected to immediately record the acceptance of gift in the Gift Declaration Form ("GDF") accordingly. Once completed, the original copy of the GDF to be submitted to SHR for verification/record keeping purposes and copy of the same shall be maintained by the respective Department.

Important: In the event of doubt, the employees are advised to consult Strategic Human Resources Department or Legal & Company Secretary Department for guidance on the submission of GDF.

8. All Board Member when faced with this situation of accepting gift from third parties are required to inform the Secretary of the Board as soon as reasonably practicable to seek advice and for further action.
9. In the event of actual or potential conflict of interest, the Employees/Director/HOD/Board Members must not accept such gift and must politely return such gift with a note of explanation about SMSB's No Gift Policy.
10. The GDF reviewer may approve the acceptance of the said gift but must determine the treatment of the gift whether to:
 - a) Donate the gift to charity;
 - b) Hold it for display in the office;
 - c) Share it with other employees within the office; or
 - d) Permit it to be retained by the employee. Before arriving to this particular decision, the GDF reviewer must exercise due care and proper judgment pertinent to the overall circumstances/possibilities including the character/values of the gift, its purpose, the position/seniority of the person receiving/providing the gift, the business context, reciprocity, applicable laws and cultural norms.

Exceptions to the No Gift Policy

11. Although generally SMSB practices a “No Gift Policy,” there are certain exceptions to the general rule whereby the receiving and provision of gifts are permitted in the following situations:
 - a) Board Member and Employees may receive and offer gifts in the form of perishable goods or items such as beverages, confectionary, food, flowers and fruits as appreciative token of modest value during festive seasons or in conjunction with SMSB’s business or official functions, events, celebrations, working trips and meetings.
 - b) Exchange of gifts at the company-to-company level (e.g. gifts exchanged between companies as part of an official company’s visit/courtesy call and thereafter the said gift is treated as Company’s property); or
 - c) Gifts receive, provided or exchange between external institutions or individuals in relation to SMSB’s official functions, events and celebrations (e.g. commemorative gifts e.g. souvenirs / corporate merchandise or door gifts offered to attendees of the event); or
 - d) Gifts from SMSB to its Board Member and/or Employees and/or their family members in relation to an internal or externally recognised company’s function, event and celebration (e.g. in recognition of Board Member’s/Employee’s service to SMSB);
 - e) Token gifts of nominal value normally bearing SMSB’s logo (e.g. face masks, t-shirts, pens, diaries, calendars and other small promotional items) that are given out equally to members of the public, delegates, customers, partners and key stakeholders attending events such as conferences, exhibitions, training, trade shows etc. and deemed as part of the SMSB’s brand building or promotional activities; and
 - f) Gifts provided to non-profitable third parties/entities who have no present or potential business dealings with SMSB (e.g. monetary gifts or gifts in-kind to charitable organizations, religious institutions).
12. Even in the above exceptional circumstances, Board Member and Employees are expected to:
 - a) Exercise proper care and judgment in handling gift activities;
 - b) Conscientiously maintain highest degree of integrity;
 - c) Avoid any conflict of interest;
 - d) Refrain from taking advantage of position or exercising authority to further own personal interest at the expense of SMSB; and
 - e) Comply with all applicable laws, rules, regulations and SMSB’s policies and procedures.

6. ENTERTAINMENT

1. SMSB recognises that providing and receiving modest entertainment is a legitimate way of building business relationships / industry networking and a common practice within the business environment to foster good business relationship with external parties. As such, certain employees or officers as approved by SMSB are allowed to entertain external parties through a reasonable act of hospitality as part of business networking as well as a measure of goodwill towards the existing or potential business partners.

Providing Entertainment

2. Board Member and Employees should always exercise proper care and judgement when providing entertainment to third parties especially when it involves public officials to ensure compliance with the Malaysian Anti-Bribery and Corruption laws.
3. In any event, Board Member and Employees are strongly discouraged from providing or offering to provide entertainment should it may potentially cause undue influence on any party in exchange for some future benefit or result. Any acts of this nature, whether provided directly or indirectly through an intermediary, may be construed as an act of bribery and corruption.
4. Under limited circumstances, Board Member and Employees may offer entertainment to a third parties provided that such meals and modest entertainment are related to SMSB's business or official functions, events, celebrations, working trips and meetings and **reciprocity is not expected**.
5. All expenses incurred to provide entertainment must be properly documented, receipted, and recorded.

Receiving Entertainment

6. SMSB recognises that the occasional acceptance of a reasonable and modest level of entertainment provided by third parties in the normal course of business is a legitimate way to network and build good business relationships.
7. However, it is important for Board Member and Employees to exercise due care and proper judgement before accepting entertainment offered or provided by a third party. This is not only to safeguard SMSB's reputation, but also to protect Board Member and Employees from allegations of impropriety or undue influence.
8. Under limited circumstances, Board Member and Employees may at the formal invitation of a third parties accept meals and modest entertainment at the host's expense that are related to SMSB's business or official functions, events, celebrations, working trips and meetings and **reciprocity is not expected**.

7. CORPORATE HOSPITALITY

1. Corporate hospitality is generally defined as "corporate events or activities organised by an organisation which involves the entertainment of employees and third parties for the benefit of that organisation".
2. Examples of corporate events and activities include but are not limited to sporting events, gala dinners, concerts, or activity-based events.
3. Corporate hospitality is recognised as a legitimate way to network and build goodwill in business relationships. However, there is a fine line between what is considered to be legitimate against potentially illegitimate forms of corporate hospitality. In this regard, Board Member and Employees must evaluate whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.
4. Corporate hospitality would be illegitimate in the following situations:
 - a) If it provides an advantage to another person if offered; or
 - b) If it is given with the intention of inducing the person to perform a relevant function improperly;
or

- c) If there is knowledge that acceptance of the advantage would in itself be improper performance.
5. Corporate hospitality arrangements/activities should conform to the following basic principles:
- a) **Transparency** i.e. in that all corporate hospitality is reported and written approval is obtained, all records of which are properly kept;
 - b) **Proportionality** i.e. the corporate hospitality must not be too excessive. In addition, the corporate hospitality must be conducted using official capacity and not provided in his/her personal capacity;
 - c) **Reasonableness** in ensuring that the corporate hospitality is not lavish; and
 - d) **Bona fide** i.e. where the intention to offer and/or provide the corporate hospitality is done with good and legal intention.

Providing Corporate Hospitality

- 6. SMSB recognises that providing corporate hospitality to the third parties be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
- 7. While providing corporate hospitality to the stakeholders e.g. ministries, authorities, shareholder etc reflects SMSB's courtesy and goodwill, every Employee must exercise proper care and reasonable due diligence, particularly when the arrangements involve public officials. This is to protect the SMSB's reputation against any allegations of impropriety or the perception of bribery especially when the arrangements could influence or be perceived to influence the outcome of a business decision and are not reasonable and bona fide.
- 8. Under limited circumstances, Board Member and Employees may offer modest corporate hospitality to a third parties provided that such modest corporate hospitality are related to SMSB's business or official functions, events, celebrations, working trips and meetings and **reciprocity is not expected**.
- 9. All expenses incurred to provide corporate hospitality must be properly documented, receipted, and recorded.

Receiving Corporate Hospitality

- 10. As a general principle, SMSB strictly prohibits its Board Member and Employees from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, lavish, inappropriate, illegal or given in response to, in anticipation of, or to influence a favourable business decision for example, from parties engaged in the procurement process i.e. in a tender or competitive bidding exercise.
- 11. Notwithstanding the above, SMSB recognizes that the occasional acceptance of an appropriate level of hospitality given in the normal course of business is usually a legitimate contribution to building good business relationships. However, it is important for Board Member and Employees to exercise due care and proper judgement before accepting the hospitality. This is not only to safeguard SMSB's reputation, but also to protect Board Member and Employees from allegations of impropriety or undue influence.
- 12. Under limited circumstances, Board Member and Employees may at the formal invitation of a third parties accept modest corporate hospitality at the host's expense that are related to SMSB's business or official functions, events, celebrations, working trips and meetings and **reciprocity is not expected**.

8. DEALING WITH PUBLIC OFFICIALS

1. Board Member and Employees of SMSB must exercise caution when dealing with public officials including foreign public officials. Generally, SMSB does not make any contributions to public officials except in accordance with the laws and with written approval or authorisation of the CEO. In the event approval has been obtained for providing gift or entertainment or corporate hospitality to any public officials or foreign public officials, one must ensure that the gift or entertainment or corporate hospitality is not excessive and lavish, and commensurate with the official designation of the public official and not his personal capacity.
2. In dealing with public officials or foreign public officials, Board Member and Employees of SMSB must not:
 - (a) Circumvent any laws or policies with regard to gifts, entertainment and corporate hospitality even if it means that SMSB might lose out on business opportunities;
 - (b) Be too close with certain public officials;
 - (c) Approve any request by public official to transfer any gift or entertainment or corporate hospitality to his/her family members or friends that are not authorised to accept such gift. In this situation, the Public Official need to be told that the transfer of gift or entertainment to third party other than the said Public Officials is prohibited by SMSB's policy;
 - (d) Offer to provide gift, entertainment or corporate hospitality that are illegal or unduly dangerous, indecent, sexually oriented or disrespectful;
 - (e) Exceed the monetary threshold as specify in the approved policy of SMSB; and
 - (f) Conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality to the Public Officials.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

1. SMSB is committed to cultivate a strong relationship with the local communities by contributing to the well-being of the people, State and nation. However, it is important that all CSR, sponsorships, and donations are made in accordance with the approved authorization and applicable policies.
2. As part of SMSB's commitment to CSR, it shall provide such assistance in appropriate circumstances and in appropriate manner. However, such requests must be carefully examined for legitimacy, and not to be made to improperly influence a business outcome.
3. Additionally, the proposed recipient must be a legitimate organisation and appropriate due diligence shall be conducted in particular to ascertain whether any Public Officials are affiliated with the organisation.

10. POLITICAL CONTRIBUTIONS

1. SMSB does not make any contributions or donations whether in the form of monetary or in kind to political parties, political party officials or candidates for political office except in accordance with the laws and with the written authorisation of the Chairman. Board Members and Employees shall be deemed to be acting in their own personal capacity and not on behalf of SMSB in the event that they had contributed to any political parties or candidates without any appropriate authorisation or approval.

11. FACILITATION PAYMENT

1. Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. The act of offering or promising facilitation payments is just as prohibited as actually paying or receiving facilitation payments. Facilitation payments need not involve cash or other financial asset; it can be any sort of advantage with the intention to influence them in their duties.
2. SMSB prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the Board Member or Employee himself or for any other person. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.
3. All persons subject to this ABC Policy must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. Any request or offer of facilitation payment must be immediately reported.

12. DEALING WITH THIRD PARTIES

1. SMSB dealings with third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers/government intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of SMSB.
2. As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. SMSB expects that all third parties acting for or on its behalf to share the SMSB's values and ethical standards as their actions can implicate SMSB legally and also tarnish its reputation.
3. Therefore, where SMSB engage third parties, such as contractors, agents, intermediaries, or joint venture partners, SMSB are obligated to conduct appropriate counterparty due diligence to understand the business and background of SMSB's prospective business counterparties before entering into any arrangements with them to ensure that we are dealing with counterparties that subscribe to acceptable standard of integrity in the conduct of their business.
4. To ensure that SMSB deals with third parties that share similar standards of integrity, SMSB shall conduct the following:
 - a) Conduct due diligence to assess the integrity of SMSB's prospective business counterparties. Do not enter into any business dealings with any third party reasonably suspected of engaging in bribery and improper business practices unless those suspicions are investigated and resolved.
 - b) All third parties are made aware of the ABC Policy and SMSB expectations.
 - c) Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

13. RECORD KEEPING

1. All must ensure and keep all financial records, all expenses and claims relating to entertainment, gifts and have appropriate internal controls in place which will be the evidence for any payments made to a third parties.

14. WHISTLEBLOWING PROCEDURE

1. SMSB encourages openness and transparency in its commitment to the highest standard of integrity and accountability. If an employee makes a report or disclosure about any actual or perceived bribery or corruption in good faith, belief without malicious intent, that a breach or violation as aforesaid may have occurred or may about to occur, the employee will be accorded protection of confidentiality, to the extent reasonably practicable, notwithstanding that, after investigation, it is shown that the employee has mistaken. In addition, employees who whistle blow internally will also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

15. PROCEDURAL MATTERS

How to Raise a Concern or Complaint

1. All Employees are encouraged to raise concern or complaint about any issue or suspicion of malpractice at the earliest possible stage. If in doubt as to whether such a particular act constitutes bribery or corruption, or should there be any queries, the Employees should raise the queries or issues with SHR. While the Board Member to consult with the Secretary of the Board.

What to do if an Employee is the Victim of Corruption or Bribery

2. It is important that the Board Member or Employee knows where to refer to should they be the victim of corruption or bribery. The Employee should notify SHR via the dedicated whistleblowing channel as soon as possible if the employee or another employee is offered a bribe by a third party or believe that another employee is a victim of another form of unlawful activity when acting on behalf of or in association with SMSB.

Protection

3. In most cases, Board Member or Employees who refuse to accept or offer a bribe or those who raise concerns or complaints or report another person wrongdoings are worried about possible repercussions. Rest assured that SMSB encourages openness and will support anyone who raises genuine concerns in good faith under this ABC Policy, even if they turn out to be mistaken.
4. SMSB is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in corruption or bribery or because of reporting concerns under this ABC Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern.

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