



Anti-Bribery and Corruption Policy (ABC Policy)

**Prepared by:
Integrity & Risk Management Unit (IRMU)**

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1.0 INTRODUCTION

- 1.1 The objective of this Anti-Bribery and Corruption Policy (hereinafter referred to as the “ABC Policy”) is to serve as a guideline to Sarawak Economic Development Corporation (hereinafter referred to as “SEDC”) to deal with gratification by way of improper solicitation, bribery and other corrupt activities, receiving and providing gifts, giving and receiving entertainment, corporate hospitality, political contributions, facilitation payment, corporate social responsibility, sponsorships, donations and matters that may arise in the course of its business.
- 1.2 This ABC Policy is not intended to provide definitive answers to all questions on corruption and bribery but rather to provide the basic introduction as to how SEDC deals and combats corruption issues and bribery.
- 1.3 This ABC Policy is applicable to all Members of the Board, Senior Management, officers and employees of SEDC except as otherwise stated in this ABC Policy. All associated persons such as contractors, subcontractors, consultants, agents, entrepreneurs, representatives who are performing works and services for or on behalf of SEDC and any other third parties who may come into contact in the course of doing business with SEDC are required to comply with this ABC Policy in its relevant part when performing such works or services.
- 1.4 Engaging in corrupt practices or bribery can have severe consequences for all parties be it the SEDC, its employees, associated persons and any third parties. Employees may face disciplinary action which amounting to dismissal and legal action, associated persons and third parties may face legal proceedings which lead to fines and sentence to imprisonment whilst SEDC may face serious damage to its reputation in the public market worldwide, financial losses, and disbarment from business as well as other negative consequences.
- 1.5 This ABC Policy will supersede any other existing policies (if any) relating to corruption and bribery. If this Policy conflict with any laws on corruption and bribery that are enforceable, the said law shall prevail and one shall comply with the said law.
- 1.6 This ABC Policy is applicable to all SEDC Subsidiary Companies subject to their adoption and modification whenever relevant.

2.0 DEFINITION

Associated Person means any directors, partners and employees of the commercial organisation; and any person who perform works or services for or on behalf of the commercial organization.

Board Member means any person occupying the position of director of a corporation.

Employee means any person, irrespective of his occupation, who has entered into a contract of service with SEDC.

Family members mean husband or wife/wives, father, mother, brother, sister, grandfather, grandmother, father and mother in-law and legitimate children of the employee.

Children shall also include stepchildren and legitimate adopted children.

Gratification as per Section 3 of Malaysian Anti-Corruption Commission Act (MACC) Act 2009 means:

- (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;
- (d) any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) any forbearance to demand any money or money's worth or valuable thing;
- (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
- (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).

Public Official means any person holding, acting in or exercising the functions of a public office.

Third Party(ies) means 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 SEDC 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.

3.0 POLICY STATEMENT

SEDC 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) Establishing Anti-Bribery Management System (ABMS) and continuously improving its implementation to ensure compliance with ABMS requirements.
- e) Encouraging staff and public to report any suspicious corruption activities by providing suitable channel of communication and ensuring information is treated appropriately.
- f) Upholding the values of transparency and good governance within the organisation.
- g) Establishing an independent body to be responsible for anti-corruption compliance of the corporation.
- h) Subjecting all staff who do not comply with this anti-corruption policy to disciplinary actions in accordance with the Statutory Bodies (Conduct and Discipline) Ordinance, 2004 and shall report the alleged misconducts to relevant authorities.

4.0 NO GIFT POLICY

- 4.1 SEDC shall include and adopt in this ABC Policy, the “No Gift Policy”. SEDC’s Board Members, senior management, employees and family members or associated persons or any person who performs services for or on behalf of SEDC is prohibited from directly or indirectly receiving or providing gifts.
- 4.2 SEDC requires its Board Members and employees to abide by this ABC Policy and to avoid any conflict of interest or the appearance of conflict of interest for either party in an on-going or potential business dealing between SEDC and third parties. Gift can be seen as a bribe that may tarnish SEDC’s reputation or be in violation of this ABC Policy and the Malaysian Anti-Corruption Commission (MACC) Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018.
- 4.3 A conflict of interest arises in a situation in which an individual is in a position to take advantage of his or her role in SEDC for his or her personal benefit, including the benefit of his or her family members and friends. This would undermine the duties of good faith, fidelity, diligence and integrity as expected by SEDC from its directors and employees in the performance of their duties and obligations.
- 4.4 It is the responsibility of each Board Members and employees to inform the third parties who are involved in any business dealings with SEDC of this “No Gift Policy” and to request the third parties’ understanding and adherence with this ABC Policy.

Providing Gifts

- 4.5 Generally employees are not allowed to provide gifts to third parties with the exception of the Chairman, General Manager and any other officers as approved by the Corporation.

Receiving Gifts

- 4.6 SEDC 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 SEDC’s “No Gift Policy”, some third parties may still insist in providing gifts to SEDC’s directors, employees and/or their family members in certain situations which do not fall within the general exceptions.
- 4.7 Although the general principle is to immediately refuse or return such gifts but accepting a gift on behalf of SEDC is allowed only in very limited circumstances, whereby when refusing such gift is likely to seriously offend and may severe SEDC’s business relationship with the third parties. In this

situation, the gift must be politely returned with a note of explanation about SEDC's "No Gift Policy".

- 4.8 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 in some countries 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.
- 4.9 All employees of SEDC are expected to immediately record the acceptance of gift worth above RM500.00 in the Gift Declaration Form (GDF) for submission to Head of Division/Unit who will then decide whether to approve the acceptance of the gift or require it to be returned. The GDF is attached herewith as **Appendix A**.
- 4.10 All Board Members 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.
- 4.11 In any event of conflict of interest, the Head of Division/Unit must not approve the acceptance of such gift and must politely return such gift with a note of explanation about SEDC's No Gift Policy.
- 4.12 The Head of Division/Unit may approve the acceptance of the said gift but must determine the treatment of the gift whether to:
 - a) Donate the gift to charity; or
 - b) Hold it for display in the Division/Unit; or
 - c) Share it with other employees in the Division/Unit; or
 - d) Permit it to be retained by the employee. In doing so, the Head of Division/Unit is expected to exercise due care and proper judgment considering pertinent circumstance including the character of the gift, its purpose, the position/seniority of the person providing the gift, the business context, reciprocity, applicable laws and cultural norms.

Exceptions to the No Gift Policy

- 4.13 Although generally SEDC 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) 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

- b) Gifts from SEDC to external institutions or individuals in relation to SEDC's official functions, events and celebrations (e.g. commemorative gifts or door gifts offered to all guests attending the event); or
- c) Gifts from SEDC to its directors 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 director's/employee's service to the company); or
- d) Token gifts of nominal value normally bearing SEDC'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 SEDC's brand building or promotional activities; and
- e) Gifts to third parties who have no business dealings with SEDC (e.g. monetary gifts or gifts in-kind to charitable organisations).

4.14 Even in the above exceptional circumstances, directors 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 SEDC; and
- e) Comply with all applicable laws, rules, regulations and SEDC's policies and procedures;

4.15 The giving of gifts is not prohibited if the following requirements are met:

- a) Not done with the intention of influencing a third party to obtain or retain business or a business advantage or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- b) Complies with relevant laws enforceable;

- c) Not a cash or a cash equivalent such as vouchers, discounts, coupons, commissions, shares, etc;
- d) Considering the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
- e) Given openly, not secretly.

5.0 ENTERTAINMENT

- 5.1 SEDC recognises that providing and receiving modest entertainment is a legitimate way of building business relationships and a common practice within the business environment to foster good business relationship with external clients. As such, eligible employees are allowed to entertain external clients 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

- 5.2 Board Members 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.
- 5.3 Board Members and employees are strictly prohibited from providing or offering to provide entertainment with a view to improperly 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.

Receiving Entertainment

- 5.4 SEDC 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.
- 5.5 However, it is important for Board Members 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 SEDC's reputation, but also to protect directors and employees from allegations of impropriety or undue influence.

6.0 CORPORATE HOSPITALITY

- 6.1 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”.
- 6.2 Corporate events and activities include but are not limited to sporting events, gala dinners, concerts or activity-based events.
- 6.3 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 illegitimate forms of corporate hospitality. The question is whether there is any intention to influence or be perceived to influence the improper outcome of a business decision by providing the corporate hospitality.
- 6.4 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.
- 6.5 Corporate hospitality arrangements/activities should conform to the following basic principles:
 - (a) Transparency, 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 commensurate with the recipient's 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, where the intention to offer and/or provide the corporate hospitality is done with good and legal intention.

Providing Corporate Hospitality

- 6.6 SEDC recognises that providing corporate hospitality to its stakeholders be it through corporate events, sporting events or other public events, is a legitimate way to network and build goodwill in business relationships.
- 6.7 While providing corporate hospitality reflects SEDC'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 SEDC'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 expenditures.
- 6.8 All expenses incurred to provide the corporate hospitality must be properly documented, receipted and recorded.

Receiving Corporate Hospitality

- 6.9 As a general principle, SEDC strictly prohibits Board Members and employees from soliciting corporate hospitality nor are they allowed to accept hospitality that is excessive, 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.
- 6.10 Notwithstanding the above, SEDC recognises 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 Members and employees to exercise due care and proper judgement before accepting the hospitality. This is not only to safeguard SEDC's reputation, but also to protect Board Members and employees from allegations of impropriety or undue influence.

7.0 DEALING WITH PUBLIC OFFICIALS

- 7.1 Board Members and employees of SEDC must exercise caution when dealing with public officials including foreign public officials. SEDC does not make any contributions to public officials except in accordance with the law and with written approval or authorisation of the Chairman or General Manager. 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 must commensurate with the official designation of the public official and not his personal capacity.

7.2 In dealing with public officials or foreign public officials, Board Members and employees of SEDC must not:

- (a) Circumvent any laws or policies with regards to gifts, entertainment and corporate hospitality even if it means that SEDC might lose out on business opportunities;
- (b) Be too familiar with certain public officials or local customs which he/she are familiar with;
- (c) Approve any request by public official to transfer the 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 public official is against SEDC'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 SEDC; and
- (f) Conceal, alter, destroy or otherwise modify any documentation that relates to entertainment or corporate hospitality to public officials.

8.0 CORPORATE SOCIAL RESPONSIBILITY (CSR), SPONSORSHIPS AND DONATIONS

- 8.1 SEDC, being a responsible corporate citizen, is committed to cultivate a strong relationship with the local communities by contributing to the well-being of the people and nation. However, it is important that all CSR, sponsorships and donations are made in accordance with SEDC policies and duly approved by the Board or Management Committee where applicable.
- 8.2 As part of SEDC'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.

- 8.3 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.

9.0 POLITICAL CONTRIBUTIONS

SEDC 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 General Manager. Board Members and employees shall be deemed to be acting in their own personal capacity and not on behalf of the Corporation in the event that they had contributed to any political parties or candidates without any appropriate authorisation or approval.

10.0 FACILITATION PAYMENT

Facilitation payment is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. Offering, promising or requesting 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.

SEDC prohibits accepting or obtaining, either directly or indirectly, facilitation payments from any person for the benefit of the employee himself or for any other person who is subject to the SCOB. The reason underlying this prohibition is that facilitation payment is seen as a form of bribery and corruption.

All persons subject to the SCOB must not offer, promise, give, request, accept or receive anything which might reasonably be regarded as a facilitation payment. If you receive a request or if you are offered facilitation payments, you must report it to your Head of Department.

11.0 DEALING WITH THIRD PARTIES

11.1 SEDC 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 the SCOB.

11.2 As part of this commitment, all forms of bribery and corruption are unacceptable and will not be tolerated. SEDC expects that all third parties acting for or on its behalf to share the corporation's values and ethical

standards as their actions can implicate SEDC legally and tarnish the corporation's reputation.

11.3 Therefore, where we engage third parties, such as contractors, agents, intermediaries or joint venture partners, we are obligated to conduct appropriate counterparty due diligence to understand the business and background of SEDC'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.

11.4 To help ensure that we only do business with third parties that share SEDC standards of integrity, we must do the following:

- Conduct due diligence to assess the integrity of SEDC'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.
- All third parties are made aware of the SCOB and ABC Policy and our expectations of them.
- Continue to be aware of and to periodically monitor third party performance and business practices to ensure ongoing compliance.

12.0 WHISTLEBLOWING POLICY

SEDC 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 be also be protected against detrimental action for having made the disclosure, to the extent reasonably practicable.

Further details can be found at SEDC Whistleblowing Policy at <https://www.sedc.com.my/integrity-complaints>.

13.0 RESPONSIBILITIES

- 13.1 All Board Members and employees of SEDC must ensure that they have read, understood and comply with this ABC Policy and are required to avoid any activity that might lead to or suggest a breach of this Policy. All Board Members and employees are responsible for the prevention, detection and reporting of any bribery and other forms of corruption in the corporation.
- 13.2 An employee must as soon as possible notify the Head of Division/Unit or the Integrity Officer (IO) should he/she suspects or believes that a breach of this Policy has occurred or may occur in the future.

14.0 RECORD KEEPING

SEDC 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 third parties.

15.0 PROCEDURAL MATTERS

15.1 How to Raise a Concern or Complaint

All Board Members and 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 the IO while the Board Members to consult with the Secretary of the Board.

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

It is important that the employee knows where to refer to should they be the victim of corruption or bribery. The employee should notify the Head of Division/Unit or the IO 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 the Corporation.

15.3 Protection

- (a) Employees who refuse to accept or offer a bribe or those who raise concerns or complaints or report another employee's wrongdoings are sometimes worried about possible repercussions. SEDC

encourages openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

- (b) SEDC 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 Policy in good faith. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.
- (c) An employee who believes that he/she suffered any detrimental treatment as a result of refusing to take part in corruption or bribery or because of reporting concerns under this Policy in good faith, should raise the matter with the Director of Human Resource and Administration Division or the Head of Division/Unit or the IO or follow the procedure as laid out under the Whistleblowing Policy of the Corporation.

16.0 TRAINING AND COMMUNICATION

- 16.1 SEDC shall ensure that all new Board Members, employees, associates and third parties shall be well informed of this ABC Policy while the existing employees will receive regular and relevant training on how to implement and adhere to this ABC Policy.
- 16.2 The corporation's zero-tolerance approach to corruption and bribery should be communicated to all agents, suppliers, contractors, sub-contractors, consultants, entrepreneurs and business partners at the outset of the corporation's business relationship with them and as appropriate thereafter. Wherever possible, all third parties should be sent a copy of this ABC Policy at the outset of the business relationship.

17.0 FURTHER CLARIFICATIONS

Should you require further clarification with regards to this ABC Policy, depending on the subject concerned, you may consult the IO or alternatively you can email any queries to integrity@sedc.my. For lodgement of complaints or seeking protection under Whistleblowing Policy, you may refer to IO or Head of Integrity and Risk Management Unit.

18.0 REVIEW AND UPDATE

The ABC Policy is subject to a review every five (5) years and will be updated and revised accordingly. Amendments to the policy will be tabled to the SEDC Board. Notwithstanding the periodic review, amendments to the policy can be made anytime, as and when required.

Changes or amendments to the policy will be tracked using the Revision History Sheet. Refer **Appendix B**.

Appendix A

GIFT DECLARATION FORM (GDF)

To be filled and submitted to Integrity & Risk Management Unit (IRMU) within five (5) working days after receiving the gift or item worth above RM500.00.

Declaration made by recipient:

No.	Particular	Remarks
1	Date offered:	
2	Offered by:	
3	Contact no.:	
4	Description of gift and brand:	
5	Estimated value (RM):	

Signature of employee:

I confirm that the information I have provided is true and correct.

Name:	Post:
Signature:	Date:

Comments by Chairman/ General Manager/ Deputy General Manager/ Director/ Head/ Authorised Officer (*delete whichever is not applicable):

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Name:	Post:
Signature:	Date:

APPENDIX B

Revision History Sheet		
Date	Subject	Remarks