

# CODE OF BUSINESS ETHICS



SYARIKAT BEKALAN AIR SELANGOR SDN. BHD.



## FOREWORD MESSAGE

Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) strives daily to fulfill our vision as the leading provider in quality clean water in Malaysia. As we all know, our responsibility is to effectively and efficiently operate, distribute, and improve the water supply management and distribution services to our consumers in the State of Selangor, and Federal Territories of Kuala Lumpur and Putrajaya. As such, high ethical standards are regarded as a hallmark of excellence in our consumers' service since we are challenged to do the right things on a daily basis.

Our Code of Business Ethics, which was adopted in 2007, provided a framework for our standards of conduct in addition to our policies, directives, and standards. It is established as a set of principles to guide our conduct in relations with our stakeholders among others consumers, vendors, suppliers, contractors, and the community in which we operate in.

Our Code of Ethics is a living document that will change to meet the needs of SYABAS and our business. I believe we all want to do a good job and add value to our Organisation by serving our stakeholders with integrity.

These principles should preserve the integrity of these relationships and assist in maintaining the highest level of public confidence in the impartial and principled operation of our business besides increasing our awareness of key ethical issues, serving as a guide in decision-making; encouraging all of us to seek advice and clarify where to go for assistance; addressing misconduct and related concerns; and building trust within the Company and our community in which we operate in.

A handwritten signature in black ink, appearing to read 'Tan Sri Rozali Ismail'. The signature is fluid and cursive, with a small flourish at the end.

Tan Sri Rozali Ismail  
Executive Chairman

## PREAMBLE

Our aim is to conduct our business to the highest ethical standards possible. We will do this because we know that by conducting our affairs with integrity we will:

- Be more successful;
- Have a higher level of public respect and improve our brand;
- Provide enhanced goods and services;
- Make better use of our resources;
- Have a happier, confident and more productive workforce; and
- Make an even better contribution to the ethical health of the Nation.

## 1.0 CODE OF BUSINESS ETHICS

### 1.1 Statement of Policy

We believe that the principles of honesty, ethical practices, integrity, transparency and fairness are the cornerstones of a respectable and successful business. These principles are the foundation of our Organisation's philosophy and values. They are vital elements for establishing trust in our relationships with stakeholders. It is important for SYABAS that all concerned know, understand, and use their best endeavours to abide by and apply these principles.

SYABAS is committed to uphold and be guided by the six (6) principles of business ethics and as such, we will strive to instil these principles and values within our Organisation's culture. We will achieve this through management taking the lead role consciously applying the principles when formulating policies, managing operations and in our relationships with others. The six (6) principles are:

- Honesty and transparency in business dealings and adherence to the laws of the land;
- Consciousness of our responsibilities towards customers, business partners, the community, the environment and our Nation;
- Respecting the dignity of and compassion to fellow human beings;
- Moderation and fairness in business dealings;
- Reliability, dependability and loyalty; and
- Commitment and creativity in business-building.

Through the application of these principles we will use our best endeavours to make a positive impact in enhancing the standards of integrity and thus contribute to the National Agenda.

## **1.2 Statement of Objectives**

The objectives of our Ethics Statement are:

- a. To raise awareness, and provide guidance to management and employees on the Organisation's ethical position when solving problems, during the decision making process and when implementing decisions and strategies;
- b. To stimulate awareness on ethical issues and practices encountered in daily business operations, and to uphold values such as competency, trust, transparency, truthfulness, honesty and being just in all dealings;
- c. To promote high standards of ethical practice based on honesty and integrity throughout the Organisation and by ensuring compliance by individuals and groups within the Organisation;
- d. To establish a framework and guidance for the ethical behaviour required of every individual in the Organisation; and
- e. To share clear and realistic objectives between; the leadership, management, and other employees in implementing the code of ethics and clients' charter, celebrating best practices and making high ethical standards an integral part of the culture of the Organisation.

### 1.3 Scope and application

The scope and application of this Statement of Business Ethics will extend throughout the Organisation at all levels and shall apply to everyone and every facet of working life and activities.

1.3.1 This statement outlines the Organisation's approach and expectations when dealing with our members, suppliers, employees, government, society and the environment.

1.3.2 The Organisation's required ethical practice extends to the conduct of directors, officers, managers, employees and other stakeholders in the following areas:

- a. Corporate Governance
- b. The operations of our business;
- c. The management of our people;
- d. The management of our resources;
- e. The management of information; and
- f. The management of external relationships.

1.3.3 We shall pay particular attention to the ethical ways in which we:

- a. Promote and market our products and services;
- b. Ensure the avoidance of misleading others by design or default;
- c. Protect the intellectual property rights of others; and
- d. Use information technology.

## 2.0 OUR RESPONSIBILITIES

We believe that stakeholders' acceptance of social responsibilities is integral to long-term business prosperity and therefore we will strive to achieve the highest level of integrity in our relationships with our communities modelling good corporate citizenship.

### 2.1 Our members and customers

We are committed to:

- a. Preserve the integrity of our services, ensuring high quality and timely delivery at fair prices. We will use our best endeavours to ensure that we do not compromise on the quality of our services. Should there be any error on our part; immediate action will be taken to remedy the situation to ensure the satisfaction of our clients and customers; and
- b. Ensure a professional, speedy, and courteous response to our members and customers inquiries and complaints. We will openly undertake to rectify errors and omissions.

### 2.2 Our Suppliers

We are committed to ensuring that:

- a. At every stage of our dealings with suppliers, we act according to the principles of fair and ethical trading. We will use our purchasing power fairly and pay promptly;

- b. We will not solicit for or accept any form of gratification of any kind. If hospitality is offered it can be accepted providing it is not perceived to be an inducement. When in doubt, management and employees should ask the following questions:
- Could such hospitality, be perceived by a third party, as an inducement?;
  - Will such hospitality influence my decision to favour this supplier over others?;
  - Would such hospitality, if made public, cause me or my Organisation embarrassment?; and
- c. The working conditions and methods of our suppliers meet with internationally accepted ethical standards. We will not do business with Organisations who engage in the following practices:
- Using forced or slave labour;
  - Using child labour;
  - Abusing and/or using cruel and inhumane treatment of staff;
  - Use stolen, counterfeit and or pirated goods; and
  - Ignoring or breaking the laws of the land.

### **2.3 Our employees**

We see all our employees as valuable contributing partners in our Organisation.

### 2.3.1 We look to our employees to:

- Commit themselves to the Organisation with a high work ethics;
- Abide by the letter and spirit of this Statement of Ethics;
- Seek to advance their skills and knowledge;
- Support the aims and objectives of the Organisation and each other; and,
- Offer ideas and suggestions for the enhancement of the Organisation and the ways in which our ethical standards are applied.

### 2.3.2 Our policy is to provide for our employees:

- A safe and clean working environment;
- Respect for their religious obligations;
- An Organisational culture of honesty, fairness and concern for others;
- Respect for personal privacy and the need for family life;
- Fair remuneration and conditions of service;
- Respect, care and compassion;
- Opportunities for professional growth;
- Equality of opportunity in recruitment and preferment using as criteria; the competence of the person for the job/role and function;
- Work that challenges and support that enables growth; and

- A disciplinary code of conduct that reflects the Organisation's values and clarifies the responsibilities and entitlements of our employees.

### 2.3.3 We will not tolerate:

- Any form of sexual, physical, or mental harassment or physical or mental bullying by any employee or other member of the Organisation; or
- Any form of personal denigration or humiliation.

Our aim is to attract, develop, motivate, and retain the most competent and committed people by having:

- Competitive and transparent remuneration and benefits packages;
- Opportunities for career and personal enhancement;
- A work environment that supports honesty, integrity and mutual respect; and
- A commitment to help each other strive for excellence.

## 2.4 The Government

### 2.4.1 We will:

- Strive to develop and maintain sound and ethically professional relationships with the government, its agencies and officers;

- Support the government’s policy to develop our nation’s reputation for integrity in business, professional, social and family life; and
- Not engage in corrupting the government, its agencies or officials by any means. No form of inducement or gratification will be given or promised to, solicited from or received from, government officials as a means to find favour for any business or transactions that the Organisation may be involved in.

## **2.5 Our Society**

We are committed to making a positive difference in society and we will always have before us the goal of contributing to the improvement in the quality of life of our community. We will encourage and support employees to participate in projects and initiatives to meet this commitment.

## **2.6 The Environment**

We believe in building a sustainable future. To this end, we will use our best endeavours to:

- Work with our suppliers to ensure that the products and services, which are supplied, are delivered and disposed of in a socially and environmentally responsible manner;
- Use utilities in a responsible and efficient manner; and
- Dispose of waste in the proper manner using, where possible, recycling facilities.

## **3.0 OUR ETHICAL STAND**

### **3.1 Advertising and Promotion**

We believe in promoting our services in an accurate and truthful manner. All advertising, publicity and promotional activities will be carried out with the principles of honesty, integrity, and transparency. We shall use our best endeavours to avoid using images or language which might cause hurt, distress, or embarrassment to others.

### **3.2 Competition**

We are committed to fair and ethical competition. Any proposals or contract negotiations must contain statements and representations which are accurate, truthful, free from obfuscation, verifiable and viable according to the ability of our Organisation.

We will not:

Attempt to prevent anyone from competing with our Organisation.

- Do anything to threaten our competitors or attempt to prevent them from competing with us; and
- Make denigrating inaccurate or misleading statements about competitors.

### **3.3 Inducements**

We will not offer, promise, solicit for or accept gifts, hospitality or other inducements, either directly or indirectly, overtly or covertly which encourage or reward a decision. SYABAS will not tolerate nor engage in any form of bribery.

No employee may demand, receive, promise or offer any gift or form of gratification, which may be construed as a bribe or form of inducement. Employees who violate this policy will be subject to disciplinary action as well as potential criminal prosecution.

We will ensure that our suppliers / business partners are aware of our firm stand on inducements; a circular containing this policy is issued at the start of each business relationship.

### **3.4 Intellectual Property and Copyright Protection**

We will use its best endeavours to respect and protect the intellectual property and copyright of others. To this end we shall not:

- Use or allow to be used pirated or counterfeit goods or materials;
- Copy or cause to have copied text that is protected by the copyright laws;
- Use electronic information systems for anything other than legitimate purposes; and
- Take the appropriate steps to protect our own intellectual property assets.

### **3.5 Asset Management**

We will use our best endeavours to manage our assets in a responsible and careful manner. This includes:

- Using equipment and machinery according to the manufacturer's instructions;

- Ensuring that all required licences, approvals, and insurance policies are in place and current;
- Ensuring that equipment and machinery is serviced according to the manufacturer's instructions;
- Keeping accurate records and inventories of our assets;
- Keeping our accommodation and facilities in good order; and
- Ensuring appropriate security and care of our assets.

### **3.6 Resource Management**

We will use our best endeavours to manage our resources in a responsible and ethical manner. This includes:

- Transparency and ethical conduct in all financial transactions;
- Prudent use of financial and other resources;
- Accurate accounting and record keeping;
- Keeping up-to-date inventories;
- Best ethical procurement procedures based on value-for-money criterion;
- Ethical debt recovery procedures; and
- Auditing of accounts by bona fide professional accountants.

We will not:

- Purchase or trade in assets of dubious ethical provenance; or
- Allow our resources to be used for illegal or unethical purposes

### **3.7 Declarations of Interest**

All officers and employees of SYABAS are required to declare an interest and withdraw from any decision making process where they have or potentially have a conflict of interest.

## **4.0 THE ETHICS OFFICER**

4.1 The organisation designates Encik Ismail bin Rusmin to be the Ethics Officer.

4.2 The functions and responsibilities of the Ethics Officer include:

- a. Ensuring that all employees and management are aware of the Company's ethical policies and procedures;
- b. Assisting the management in enhancing an ethical culture within the Organisation by developing appropriate procedures and systems;
- c. Receiving queries from, and assisting in clarifying ethical issues and dilemmas faced by employees within the Organisation;
- d. Identifying questionable practices within the Organisation and bringing these concerns before the Board of Directors;
- e. Assisting in developing and implementing the concept of an Ethics and Integrity Committee that would act independently in the Organisation;
- f. Helping other staff to resolve ethical and moral dilemmas related to their work;
- g. Making written periodic reports on the Organisation's integrity record to the Board of Directors; and
- h. Bringing to the attention of the Board of Directors and all staff examples of best ethical practice.

## 5.0 POLICY AND PROCEDURAL COMPLIANCE

Where there are established laws, regulations and rules with regard to ethical practices, SYABAS will use its best endeavours to ensure that they are complied with without fear or favour. Managers and supervisors will be held responsible and accountable for ensuring the application of the ethical principles and procedures.

The Organisation expects all staff to work collaboratively to uphold SYABAS ethical policies and practices. No employee will be sanctioned for any loss of business as a result of maintaining SYABAS ethical principles. However, violations of the policies and ethical procedures will result in appropriate disciplinary action being taken.

When in doubt about the probity or morality of an action, employees should try to resolve the matter first by asking themselves the following questions:

1. Will my action or decision be against the law?;
2. Will my action or decision be in breach of my religion's codes of conduct?;
3. Will my action or decision be in breach of policy, procedures or standing orders?;
4. Will my action or decision be an affront to my own conscience?; and
5. Would I be proud to have my actions or decision publicly reported and/or shown to my family?

Secondly, if still in doubt as to the right course of action, employees and management should discuss with and seek guidance from the Ethics Officer. All such discussions will be held in confidence and be privileged.

SYABAS will use its best endeavours to ensure that this statement of Business Ethics forms part of the curriculum of any learning programmes arranged for our staff. All new hires will have their attention drawn to the statement and steps will be taken to ensure that they know and understand their ethical obligations.

## **6.0 REPORTING VIOLATIONS**

All staffs are encouraged to report any observed or suspected misconduct, malpractices, breaches of trust or other violations of the Organisation's ethical policies and procedures. Reporting should use one or more of the following processes:

1. Write to the Ethics Officer either by name or anonymously; and/or
2. Orally advise the Ethics Officer of the issues of concern.

SYABAS is committed to ensure that there is a follow-up to any reports of observed or suspected violation. This will be conducted by the Ethics Officer who will make a confidential report to the Disciplinary Committee. The Disciplinary Committee shall decide on the appropriate course of action. No form of retribution will be made against any person who reports in good faith any known or suspected violations, misconduct, malpractices, and breaches of trust. However, SYABAS will not tolerate any instances of malicious, vindictive, or baseless accusations against another person(s).

The Ethics Officer is under a strict mandate to ensure confidentiality and the protection of an employee reporting any observed or suspected misconduct, malpractices, breaches of trust or other violations of the Organisation's ethical policies and procedures. The Ethics Officer may only release the name of the person with that person's written consent.

## **7.0 REVIEW**

This Statement of Business Ethics will be reviewed periodically by the Disciplinary Committee for the Board approval and updated as and when necessary to ensure that it remains current and relevant in addressing any ethical issues that may arise within the Organisation.

The Ethics Officer shall submit annually a compliance report to the Board.

# NOTES

## 1. HARASSMENT

Harassment can take a number of forms. SYABAS will not tolerate harassment on the basis of sex, race, skin colour, religion, national origin, age, disability, or any other classification protected by law. Any person who commits such a violation will be subject to disciplinary action that could result in termination.

Harassment includes verbal, physical, and visual conduct that creates an intimidating, offensive, or hostile work environment or that interferes with work performance or that causes distress to others, such as:

- Derogatory comments relating to an employee's sex, race, skin colour, religion, national origin, age or physical or intellectual impairment;
- Derogatory and/or sexually-oriented images including; posters, photographs, cartoons, drawings or gestures relating to an employee's sex, race, colour, religion, national origin, age, impairment or any other basis protected by law;
- Physical misconduct such as assault, unwanted touching, blocking normal movement or interfering with work because of an employee's sex, race, colour, religion, national origin, age or impairment;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favours;

- Sending letters or emails that cause distress and anxiety or that impugn the character of another person; and
- Retaliation for having reported or threatened to report harassment.

It is the duty for any employee who believes he or she has witnessed or has been subjected to harassment of any kind must promptly report the offending conduct to the Ethics Officer.

## **2. DISCIPLINARY ACTION**

It is the duty of employees to acquaint themselves with the disciplinary code of conduct and procedures.

It is the duty of SYABAS to make available to all staff the disciplinary code of conduct and procedures.

## **3. INFORMATION TECHNOLOGY**

In this statement information technology is taken to include:

- Telephonic systems including facsimiles, hand-phones, and fixed lines;
- Document copying equipment;
- Computer equipment and applied software; and
- The Internet.

#### **4. ASSET MANAGEMENT – INVENTORIES AND PORTFOLIOS**

Furniture and equipment inventories will include:

- Details of ethical acquisition;
- Details of location; and
- Details of ethical disposal.

Portfolios will include:

- A record of any other assets owned by the Organisation;  
and
- Records of any acquisitions and disposals and the reasons.

#### **5. COMPETENCE**

We define competence in three ways:

- a. Functional competence, i.e. the skills required to do a job efficiently and effectively;
- b. The underpinning knowledge and understanding required to do a job; and
- c. Leverage competence, i.e. the personal qualities required to do a job efficiently and effectively.

## 6. GIFTING

As a general principle, the giving and receiving of gifts is not allowed. However there are some exceptions to this as follows:

a. Receiving gifts:

- Small items of a memento nature, i.e., inscribed pens or low value promotional material;
- Gifts that it would be discourteous to refuse; and
- Gifts to the Organisation to further its work.

b. Giving gifts:

- Tokens of appreciation or as a memento to important visitors;
- Small items of a promotional nature, i.e. diaries; and
- Tokens of appreciation to person(s) who have made a significant contribution to the advancement or work of the Organisation.

Gifts may only be given or approved to be given by designated officers of the Company. Gifts that have been accepted because it would be discourteous to refuse must be lodged with the Ethics Officer.

As determined by the Board of Directors, any such gift shall be given to a charity if appropriate, and if not, sold and the proceeds given to a charity. The Board of Directors may, if they so determine, keep the gift as an item of decoration at the Company's premises. A gift accepted by an individual is done so on behalf of the Organisation and not in their personal capacity.

## **7. HOSPITALITY**

There will be occasions where it is necessary to provide and or receive hospitality on behalf of the Organisation. Hospitality is taken to mean, for example:

- A full meal; and/or
- Tickets or access to a sporting, conference, or entertainment event.

Under no circumstances will an officer or an employee of the Company accept any other type of hospitality. Offers of hospitality that do not fall into the accepted categories should be reported to the Ethics Officer. An officer or employee who is doubtful about whether or not to accept a gift or form of hospitality should discuss the matter with the Ethics Officer.

## **8. EXEMPTIONS**

Only in very exceptional circumstances may these procedures and rules be waived and then only at the discretion of the Board of Directors. A record should be kept of the exemption and the reasons for it being approved or not.

## 9. THE SIX ETHICAL FILTERS

1. Will my action or decision be against the law?
2. Will my action or decision be in breach of my religion's codes of ethical conduct?
3. Will my action or decision be in breach of Parliamentary protocol, procedures or standing orders?
4. Will my action or decision be an affront to my own conscience?
5. Would I be proud to have my actions and words publicly reported?
6. Will my action or decision be in the interests of or for the greatest good for the greatest number?