

SUNWAY CONSTRUCTION GROUP BERHAD

# Anti-Bribery and Corruption Policy

*Version 1.0 (2019)*

Approved by Board of Directors  
7 January 2020

## SUNWAY CONSTRUCTION GROUP BERHAD

### ANTI-BRIBERY & CORRUPTION POLICY

#### CONTENTS

		Page
1	INTRODUCTION & PURPOSE	2
2	SCOPE	2
3	DEFINITIONS	3
4	POLICY STATEMENT	5
5	GIFTS, ENTERTAINMENT & HOSPITALITY	6
6	DONATIONS, SPONSORSHIPS & CORPORATE RESPONSIBILITY	8
7	POLITICAL CONTRIBUTIONS	9
8	FACILITATION PAYMENTS & KICKBACKS	10
9	MONEY LAUNDERING	10
10	DEALING WITH ASSOCIATES & THIRD PARTIES	11
11	DEALING WITH PUBLIC OFFICIALS	12
12	RECRUITMENT OF EMPLOYEES	12
13	WHISTLEBLOWING POLICY : RAISING A CONCERN OR COMPLAINT	13
14	TRAINING AND COMMUNICATIONS	14
15	RESPONSIBILITY FOR THE POLICY	14
16	SYSTEMATIC REVIEW & MONITORING	15
17	RECORD KEEPING	15
18	EFFECTIVE DATE	15

## **1. INTRODUCTION & PURPOSE**

- 1.1 **SUNWAY CONSTRUCTION GROUP BERHAD has adopted a ZERO TOLERANCE policy against all forms of bribery and corruption.** Sunway Construction Group Berhad (hereinafter referred to as “SCG” or “The Company”) is committed to conducting its business in accordance with all applicable laws, rules and regulations and the highest ethical standards. SCG’s Code of Conduct and Business Ethics (CCBE) sets out our core principles in this regard. This Anti- Bribery & Corruption Policy (hereinafter referred to as the “ABC Policy”) elaborates those principles.
- 1.2 The purpose of this ABC Policy is to provide guidance to **SCG** Employees and/or any person(s) associated with **SCG** (hereinafter referred to as “Associates” – as defined in Section 3) concerning how to deal with bribery and corruption and related issues that may arise in the course of business. It reiterates **SCG**’s commitment to full compliance by its Employees and Associates with the **Malaysian Anti-Corruption Commission (MACC) Act 2009 and the MACC (Amendment) Act 2018** and any other local anti-bribery or anti-corruption laws that may be applicable. This Policy complements and should be read in conjunction with our Code of Conduct and Business Ethics (CCBE) and our Whistle-blower Policy, copies of which can be obtained from our website at [www.sunwayconstruction.com.my](http://www.sunwayconstruction.com.my)

## **2 SCOPE**

- 2.1 This Policy applies to the SCG’s Employees and Associates and it reflects the standards to which SCG expects its Employees and Associates to adhere when acting on SCG’s behalf. Where appropriate, SCG’s Associates, partners, agents, vendors, suppliers, contractors, consultants and other third party service providers shall sign a separate agreement in order to undertake to comply with this Policy.
- 2.2 This Policy is intended to supplement all applicable laws, rules, and other internal policies and is not intended to supplant any local or international laws.

### 3 DEFINITIONS

<b>Associates</b>	Business associates, partners, agents, vendors, suppliers, contractors, consultants and any other third party service providers or persons who perform services for or on behalf of the Group.
<b>Bribery</b>	Act of giving, agreeing to give, promises or offers to any person any gratification (including payment of cash, gifts, or excessive entertainment, or an inducement of any kind offered or given to any person) with the intent (a) to obtain or retain business for the company ; or (b) to obtain or retain an advantage in the conduct of business for the company.
<b>Corruption</b>	Abuse of entrusted power for private gain.
<b>“Contractor” or “third party service provider”</b>	Entity or individual who provides, and receives payment for, services or goods related to any aspect of SCG ’s operations, and includes subcontractors.
<b>Employees</b>	All employees including directors of the company and its subsidiaries.
<b>Entertainment / Hospitality Expenses</b>	Meals, drinks, lodging, travel or other expenses given to or received from people who have, who may have facilitated the creation of a business relationship with the Group. This include expenses incurred by a prospective client, customer or business partner. Expenses can be a legitimate contribution to achieving a business outcome and also includes attendance at social, cultural or sporting events.
<b>Family Members</b>	Includes spouse(s), children (including step-children and adopted children), parents, step-parents, siblings, step-siblings, grandparents, grandchildren, in-laws, uncles, aunts, nieces, nephews, and first cousins, as well as other persons who are members of your household.
<b>Gifts</b>	Money, goods or services, which, if given appropriately, are a mark of friendship or appreciation. Gifts should be given without expectation of consideration or value in return.
<b>Money Laundering</b>	Process of introducing money, property or other assets derived from illegal and criminal activities into the legal financial and business

	cycle to give it a legitimate appearance. It is a process to clean 'dirty' money in order to disguise its criminal origin.
<b>Public Officials</b>	Includes officers to Public Bodies, candidates for public office, officials of any political parties and officials of any state-owned enterprises.
<b>Public Bodies<sup>1</sup></b>	Includes the Government of Malaysia, State Government, any local and statutory authority, national or state department, registered societies, registered sports bodies, company or subsidiary of any public bodies.

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<sup>1</sup> As defined in *Guidelines On Adequate Procedures Pursuant to Subsection (5) of 17A under the MACC Act 2009* issued by the Prime Minister's Department on 4 December 2018

## **4 POLICY STATEMENT**

- 4.1 **SUNWAY CONSTRUCTION GROUP BERHAD Group has adopted a ZERO TOLERANCE policy against all forms of bribery and corruption.** SCG Employees and Associates **MUST NOT** offer, promise or give a bribe to anyone, and **MUST NOT** request, agree to accept or take a bribe from anyone. Bribery is a crime and penalties can be severe including prison sentences and large financial penalties. Depending on the circumstances, these penalties can be applied to a company and its Employees and Associates or a combination of any of them. **All Employees are reminded that he/she will be subject to stern disciplinary action, including dismissal as well as civil and criminal liability if he/she is found in violation of this policy.**
- 4.2 SCG is committed to take all necessary measures to ensure that our businesses do not participate in corrupt activities and to implement adequate procedures effectively to comply with the provisions of Section 17A of the amended MACC Act 2009.
- 4.3 We recognize that local laws for SCG's businesses outside Malaysia may, in some instances, be less restrictive than the principles set forth in this Policy. SCG and its Associates will, nevertheless, be expected to comply with the principles set out in this Policy in respect of conduct in all jurisdictions where we operate, even where compliance with this Policy prohibits conduct that may otherwise be permitted by the local law of a particular jurisdiction. The principles and best practices standards set out in this Policy will be the prevailing criteria.

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## 5 GIFTS, ENTERTAINMENT AND HOSPITALITY

5.1 Gifts, Entertainment and Hospitality are usually assessed as high risk areas for bribery. The Sunway Construction Group Berhad has adopted a “**NO GIFT**” Policy whereby, subject only to certain narrow exceptions, SCG employees are prohibited from, directly or indirectly, receiving or providing gifts. SCG requires employees and directors to abide by this policy to avoid conflict of interest or the appearance of conflict of interest for either party in on-going or potential business dealings between SCG and external parties as gifts can be seen as a bribes that may tarnish SCG’s reputation or be in violation of anti-bribery and corruption laws.

However, the Group recognises that the exchange of business courtesies, such as modest gifts, hospitality and entertainment (including meals, invitations to attend promotional events or parties) particularly during festive periods is customary and legitimate to create goodwill, and/or strengthen business and commercial relationships. Such courtesies are allowed if they are not lavish, appropriate and reasonable in the light of accepted business practices of the relevant businesses that the Group operates in and is not intended to improperly influence the decisions of the person involved.

5.2 SCG’s Employees or Associates must not give or request favours or offer or accept gifts or any personal benefit or privilege of any kind with a value that could in any way influence (for example, by causing the person to act or fail to act in violation of a legal duty, by causing the person to abuse or misuse their position, by securing an improper advantage, contract or concession, etc.) the judgment of the recipients or a third party in their business dealings with or on behalf of SCG or any other party.

5.3 The basic rules on Gifts, Entertainment and Hospitality expenses<sup>2</sup> are :-

- **Bona fide**: Made for the right reason: if a gift, entertainment or hospitality, it should be given clearly as an act of appreciation, if travel expenses then for a bona fide business purpose.
- **No obligation**: The activity will not create any obligation or expectation on the recipient.
- **No undue influence**: The expenditure will not be seen as intended for, or capable of, achieving undue influence in relation to a business transaction or public policy engagement.
- **Made openly**: It will not be performed in secret and be undocumented – if it is, then the purpose becomes questionable.
- **Legality**: It is compliant with relevant laws.

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<sup>2</sup> Extracted from *Gifts & Hospitality - Global Anti-Bribery Guidance by Transparency International UK, 2018*

- **Accords with stakeholder perception:** The activity would not be viewed unfavourably by stakeholders were it made known to them.
- **Proportionate:** The value and nature of the expenditure is not disproportionate to the occasion.
- **Conforms to the recipient's rules:** The gift, hospitality or reimbursement of expenses will meet the rules or code of conduct of the recipient's organisation.
- **Infrequent:** The giving or receiving of gifts, entertainment and hospitality is not overly frequent between the giver and the recipient.
- **Documented:** The expense will be fully documented including purpose, approvals given and value.
- **Reviewed:** The records of entertainment and hospitality expenses and the effectiveness of the policy and procedures are reviewed by management.

5.4 When unsure, Employees and Associates should consult his/her Head of Department or Head of Business Unit (PCM) or contact within SCG, as applicable.

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## **6 DONATIONS, SPONSORSHIP & CORPORATE RESPONSIBILITIES (CSR)**

6.1 As a responsible corporate citizen, SCG is committed to contributing to the wellbeing of the people and nation in Malaysia and countries where it operates. It is however important that all donations and sponsorships are made in accordance with SCG policies and receive prior authorization by SCG Management or the Board.

6.2 Employees must ensure that all sponsorships and donations are not used as a subterfuge for bribery or used to circumvent or avoid any of the provisions of SCG's CCBE including in particular, the prohibition on bribery.

Employees of SCG needs to be certain that donations to local or foreign-based charities or beneficiaries are not disguised illegal payments or bribes to government officials, and must ensure that the charity does not act as a conduit to fund illegal activities in violation of international anti-money laundering, anti-terrorism and other applicable laws.

6.3 Generally, all sponsorships and donations must comply with the following:

- ensure such contributions are allowed by applicable laws;
- obtain all the necessary internal and external authorisations;
- be made to well established entities having an adequate organisational structure to guarantee proper administration of the funds;
- be accurately stated in the company's accounting books and records;
- not to be used as a means to cover up an illegal payment or bribery;

Examples of red flags to look out for are as follows:

- The proposed recipient /organisation has affiliations with a Public Official or their relatives are involved;
- The contribution is made on behalf of a Public Official;
- There is a risk of a perceived improper advantage for SCG;
- The proposed recipient is based in a high risk country, the request comes from a high risk country or the activity takes place in a high risk country.

6.4 Corporate Responsibility (CR)

6.4.1 As part of SCG's commitment to corporate responsibility and development, as a general principle, SCG provides such assistance in appropriate circumstances and in an appropriate manner. However, such requests must be carefully examined for legitimacy and not be made to improperly influence a business outcome.

- 6.4.2 The proposed recipient of assistance must be a legitimate organisation and appropriate due diligence must be conducted. Even requests determined to be legitimate must be carefully structured to ensure that the benefits reach their intended recipients. If you are in any doubt as to whether a charitable contribution or social benefit is appropriate, consult Group Brand Marketing and Communications (GBMC) Division and your Legal Department for assistance.

Detailed guidelines on **Sponsorship and Donations and CSR Policies** are further elaborated in the Group's **SSOP [FA 016- Donations and Contribution]** and **Code of Conduct and Business Ethics** in our website

- 6.5 SCG requires employees to use good judgment and common sense in assessing the requests for donations, sponsorships and CR. When in doubt as to whether a charitable contribution or social benefit is appropriate, employees should seek further advice from Finance Division and your Legal Department for assistance.

## **7 POLITICAL CONTRIBUTIONS**

- 7.1 As a matter of general policy, SCG does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office.
- 7.2 If any contribution is made, it must be permissible under applicable laws and must not be made with any promise or expectation of favourable treatment in return and must be accurately reflected in SCG's accounting records. Under no circumstances, however, will any employee be compensated or reimbursed in any way by the Company for a personal political contribution.

## **8 FACILITATION PAYMENTS & KICKBACKS**

- 8.1 “Facilitation Payments” is defined as payments made to secure or expedite the performance by a person performing a routine or administrative duty or function. “Kickbacks” are typically payments made in return for a business favour or advantage.
- 8.2 SCG prohibits all its Employees from making or accepting, facilitation payments or “kickbacks” of any kind. Associates must avoid any activity that might lead to a facilitation payment or kickback being made or accepted
- 8.3 Any request for a facilitation payment MUST be refused and the matter MUST be reported immediately to the Company through the Whistleblowing Policy and Procedures (as listed in Section 12 – “Whistleblowing: Raising a Concern or Complaint”).
- 8.4 All Employees are reminded that offering and/or receiving “facilitation payments” / “kickbacks” is a major misconduct as listed in the Acts of Misconduct in the SCG’s Disciplinary Policy & Procedures.

## **9 MONEY LAUNDERING**

- 9.1 SCG strongly objects to practices related to money laundering, including dealing in the proceeds of criminal activities.
- 9.2 To avoid violating anti-money laundering laws, Employees are expected to always conduct reasonable due diligence on customers and counterparty to understand the business and background of SCG’s prospective business customers and counterparties and to determine the origin and destination of money, property and services.

Detailed guidelines on Anti-Money Laundering Policy are further elaborated in the Anti-Money Laundering Policy.

## **10 DEALING WITH ASSOCIATES & THIRD PARTIES**

10.1 SCG's dealings with Associates and third parties, which include contractors, suppliers, agents, consultants, joint venture partners, introducers, intermediaries etc., must be carried out in compliance with all relevant laws and consistent with the values and principles of SCG's CCBE. As part of this commitment, all forms of bribery and corruption are unacceptable and must not be tolerated.

10.2 To help ensure that we only do business with Associates and third parties that share SCG's standards of integrity, we must do the following:

- Conduct reasonable due diligence, where practical and relevant, to assess the integrity of SCG's prospective business counterparties. Do not enter into any business dealings with any Associates and third party reasonably suspected of engaging in bribery and improper business practices.
- All third parties are made aware of the SCG's CCBE and this ABC Policy and our expectations of them.
- Appropriate background checks, where practical and relevant, should be conducted on the company, its directors and top management and this can be done through the due diligence process and procedures as established in your jurisdiction. The scope and extent of the due diligence required will vary depending upon the circumstances of each proposed transaction.
- SCG's Business Units (BUs) should also monitor significant Associates especially contractors and suppliers as part of their regular review of the performance of the Associates and third parties. SCG has the right to terminate their services in the event that these Associates third party pay bribes or act in a manner which is inconsistent with the CCBE and this ABC Policy.

## **11 DEALING WITH PUBLIC OFFICIALS**

11.1 SCG strives to build transparent and fair relationships with government agencies and public officials. SCG Employees and Associates must exercise caution when dealing with public officials and appropriate action must be taken to comply with applicable laws and regulations of bribery and corruption in Malaysia and in all countries in which the Group operates.

## **12 RECRUITMENT OF EMPLOYEES**

12.1 SCG, being a diversified conglomerate, provides equal opportunity for any qualified and competent individual to be employed by the company from various multicultural and multiracial background, sourced local and internationally.

The recruitment of employees should be based on approved selection criteria to ensure that only the most qualified and suitable individuals are employed. This is crucial to ensure that no element of corruption is involved in the hiring of employees.

In line with this, for all recruitments:

- Where applicable, proper background checks should be conducted in order to ensure that the potential employee has not been convicted in any bribery or corruption cases nationally or internationally;
- Offers of employment should not be given in exchange for or to reward any benefit received by SCG. The Company should not offer employment, procure and/or create an opening within the Group in exchange for a personal benefit or seek an unfair advantage in any business negotiation or as an inducement for future business.

### **13 WHISTLEBLOWING POLICY: RAISING A CONCERN OR COMPLAINT**

- 13.1 Our success in combating all forms of bribery and corruption hinges on our personal commitment to adhere to this Policy. Therefore, it is our responsibility to promptly report any suspected contraventions of this Policy.
- 13.2 If you have any suspicions or concerns regarding conduct to which this Policy applies, or if you become aware of any action in conflict with this Policy, you must report those concerns or actions to your line manager, internal audit, human resources or legal department, or report your concerns, confidentially, by following the procedure set out in the Whistleblowing Policy and Procedures made available via the Company's website [www.sunwayconstruction.com.my](http://www.sunwayconstruction.com.my).
- 13.3 Any SCG Employee who fails to report known or suspected violations may be subject to disciplinary action including termination of employment. In Malaysia, any person who knows and fails to report an act of giving and offering of bribes is committing an offence under Section 25 (1) and (2) of the MACC Act 2009.
- 13.4 Any report made in accordance with Section 13.2 will be treated with utmost confidentiality. No Employee or Associate acting in good faith will suffer adverse consequences to his employment or retaliation for reporting or for refusing to engage in prohibited conduct, even if such refusal results in loss of business opportunities to the Company or the Group.
- 13.5 If you believe that you have suffered any detrimental treatment as a result of refusing to take part in bribery, or because of reporting concerns under this policy in good faith, you should raise the matter by following the procedure set out in the Whistleblowing Policy and Procedures made available via the Company's website [www.sunwayconstruction.com.my](http://www.sunwayconstruction.com.my)

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## **14 TRAINING & COMMUNICATIONS**

- 14.1 SCG Employees and Associates will be provided with regular anti-corruption compliance training programmes to educate them about the requirements and obligations of anti-bribery and corruption laws and this Policy.
- 14.2 For successful compliance of this policy, the SCG Management Team will be responsible to ensure continuous efforts to communicate, train and educate all SCG Employees and associates.
- 14.3 Records pertaining to training, education and communication programmes of SCG Employees and associates are kept and maintained by the Human Resource Department for reference.

## **15 RESPONSIBILITY FOR THE POLICY**

- 15.1 This Policy is reviewed and approved by the Board of Directors and its Audit Committee and oversight of this Policy has been delegated to the Audit Committee, which monitors the effectiveness of and compliance with this Policy.
- 15.2 The Board of Directors and the SCG Management team set the tone at the top providing leadership and support for the Policy and take responsibility for its effectiveness within their business units. The SCG Management is responsible for the implementation and all communication and training activities to ensure every employee understood and complied with this Policy.

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## **16 SYSTEMATIC REVIEW & MONITORING**

- 16.1 SCG recognise that managing an anti-bribery and corruption programme is a continuous process and a systematic review and monitoring process is necessary to ensure its objectives are being met. The Audit Committee will be responsible for overseeing the process of reviewing the effectiveness and compliance to the anti-bribery and corruption programme and policy. The reviews may take the form of internal audits carried out by the Group Internal Audit Department (GIAD) or independent audits carried out by an external party, where necessary.
- 16.2 A review of the anti-bribery and corruption programme shall be included in GIAD's Audit Plan on a yearly basis. The scope of the review should include evaluations of the design, effectiveness and compliance and provide recommendations for improvements, where required to ensure that the programme and policy remain relevant and adequate.

## **17 RECORD KEEPING**

- 17.1 The Company and the respective business units will keep financial records and have appropriate internal controls in place which will evidence the business reasons for making payments to, and receiving payments from, any person.
- 17.2 Employees must ensure that all expense claims relating to hospitality, gifts or expenses incurred to Associates and/or any person are submitted in accordance with the Company's applicable policy and specifically record the reason for such expenditure. Employees shall further ensure that all expense claims shall comply with the terms and conditions of this policy.
- 17.3 All accounts, invoices, contracts and other documents and records relating to dealings with Associates and/or any person shall be prepared and maintained with strict accuracy and completeness.
- 17.4 All Associates are reminded that no records shall ever be kept "off-book" to facilitate or conceal improper payments. All record keeping and Document Management System shall be fully in-line with the respective SCG's Business Unit operating policies.



## **18 EFFECTIVE DATE**

18.1 The Policy is approved by the Board of Directors and effective as of **7 Jan 2020**.