

## Malaysia Airports Vendor Code of Ethics

### 1. INTRODUCTION

Malaysia Airports is committed to uphold principles of integrity, accountability and fairness in its procurement activities. Similarly, Malaysia Airports expects its Vendors to embrace the commitment to these principles as set out in this Vendor Code of Ethics.

The Vendor Code of Ethics outlines Malaysia Airports' minimum expectations and requirements for Vendors to adhere to when conducting business with or on behalf of Malaysia Airports. All Vendors of Malaysia Airports must comply with all applicable laws and regulations, the requirements set out in this Vendor Code of Ethics and its contractual obligations to Malaysia Airports.

This Vendor Code of Ethics is intended to complement Malaysia Airports Code of Ethics and Conduct, Malaysia Airports Procurement Manual, Procurement Code of Ethics and Malaysia Airports' other policies.

### 2. SCOPE

The Vendor Code of Ethics applies to all Malaysia Airports' Vendors including its principals, Employees, sub-contractors and agents.

### 3. DEFINITIONS

The following terms are used in this Vendor Code of Ethics and shall have the following meanings:

**Bribe** means an inducement or reward (financial or otherwise) offered, given or received, directly or indirectly in order to secure an undue or improper result, award, decision, benefit or advantage of any kind.

**Cartel** means an arrangement between Vendors to fix prices or to share the market between them.

**Conflict of interest** means a situation in which an individual has competing professional or personal interests that may interfere or potentially interfere with the individual's objectivity to fulfill his or her duties impartially.

**Employee** means all directors, officers and employees under the employment of Malaysia Airports or Vendor (as the context requires), including persons who are on contract, secondment, apprenticeship, attachment whether remunerated or otherwise.

**Facilitation payments** means payments made to secure or expedite the performance by a person performing a routine or administrative duty or function.

**Family member** means the Employee's:

- i. Spouse(s);
- ii. Parents (including step and adopted parents);
- iii. Children (including step and adopted children);
- iv. Siblings (including step and adopted siblings);
- v. Grandparents;
- vi. Grandchildren;
- vii. In-laws (including step and adopted in-laws);
- viii. Sons and daughters-in-law;
- ix. Parents (including step and adopted parents) of sons and daughters-in-law;
- x. Siblings (including step and adopted siblings) of the Employee's spouse;
- xi. Uncles, aunts, nephews, nieces or first cousins; and
- xii. Any person who is a member of the Employee's household.

**Gifts** mean anything of value that an individual gives or receives either directly or in kind including but not limited to, goods or services, promotional products, entertainment, such as meals, travel or tickets to events, gratuities, discounts or personal favours that are intended to influence or reward an individual or entity.

**KLIA** means KL International Airport (Terminal 1 and Terminal 2).

**Kickback** means a portion of the value of a contract demanded as a bribe by a person for securing the contract.

**Malaysia Airports** means Malaysia Airports Holdings Berhad, and its subsidiaries, affiliates or related companies.

**Vendor** means any person or entity that supplies goods and/or services to Malaysia Airports, including those already appointed by Malaysia Airports and who intend to enter into or has a contract with Malaysia Airports. Vendors shall include contractors, service providers and consultants, and their respective principals, employees, sub-contractors and agents.

#### **4. VENDOR'S RESPONSIBILITY**

It is the Vendor's responsibility to:

- i. understand and comply with this Vendor Code of Ethics;
- ii. educate its Employees, sub-contractors and agents on the requirements of the Vendor Code of Ethics;
- iii. monitor its compliance, as well as that of its employees, sub-contractors and agents, with the principles of the Vendor Code of Ethics; and
- iv. report any violation of the Vendor Code of Ethics to the Whistleblowing Independent Committee of Malaysia Airports.

#### **5. PRINCIPLES OF THIS CODE**

##### **5.1 Ethical Business Practices**

- 5.1.1 Vendors must at all times comply with all applicable laws and regulations concerning bribery, corruption, fraud, money laundering, and any other prohibited business practices.
- 5.1.2 Vendors must never offer, pay, solicit or accept any bribes, kickbacks, facilitation payments or other incentives either directly or through intermediaries in order to obtain an unfair or improper advantage or to obtain or retain business for any transaction with or involving Malaysia Airports.
- 5.1.3 Vendors must at all times comply with, and shall ensure its Employee comply with, the provisions in the Malaysia Airports Group Procurement and Procurement Code of Ethics.
- 5.1.4 Vendors are required to ensure its sub-contractors, sub-vendors and agents sign and comply with Malaysia Airports' Integrity Pact to prevent corrupt practices in the supply chain.

##### **5.2 Compliance with Labour Law**

- 5.2.1 Vendors shall comply and shall cause his sub-contractors including 'labour only' sub-contractors to comply with all the requirements of the Employment Act 1955, Employment (Restriction) Act 1968, Employees Provident Fund Act 1991, the Industrial Relations Act 1967 and any other law relating to the employment of workmen, or any subsequent modification or re-enactment thereof. Provided that the Vendor shall not be entitled to any claim for additional costs and payments whatsoever in respect of his compliance with this clause.

- 5.2.2 The Law governs the terms and conditions of employment, such as working hours, holidays and rest periods, wages, overtime, and other employment conditions.

### **5.3 Environmental Management System**

- 5.3.1 MAHB is committed in supporting the aspect of sustainable of environmental, society, culture and product within KLIA surrounding. MAHB is fully committed to operating and developing the airport while minimizing or preventing, where possible, the impact from airport operations on the environment and the local communities.
- 5.3.2 Vendors are required to comply with all applicable laws, regulations and permits to operate, relating to environmental matters in support of the environmental-friendly and sustainability efforts.
- 5.3.3 Vendors are expected to operate in an environmentally responsible manner and strive, as far as practical, to manage and minimize negative environmental impact including to minimise the use of energy, water & waste, recycling practices at Malaysia Airports' premises and KLIA surrounding, proper disposal of hazardous materials, use of non-toxic chemicals and responsible use of natural resources.
- 5.3.4 Vendors shall have a system for managing compliance and minimising environmental impact to achieve compatibility between the economic considerations, conservation of the environment and protection of the social and cultural heritage of Malaysia that can be affected or influenced by current and future activities of KLIA.

### **5.4 Occupational, Safety & Health**

- 5.4.1 Vendors shall at all time observe and comply with all the prevailing laws and regulations relating to safety now and thereafter in force and shall bear all costs connected with the compliance of the requirement.
- 5.4.2 Vendor shall ensure full compliance with all Malaysia Airports' Occupational, Safety & Health (OSH) Guidelines as follows:
- Occupational Health and Safety Policy
  - Occupational Safety and Health Guidelines
  - Environmental Policy
  - Environmental Protection Policy
  - Stop-Work Policy
  - Policy on Prevention and Eradication of Drug and Alcohol Abuse in the Workplace
  - No Smoking Policy

- 5.4.3 Vendors shall be responsible to take safety precautions to eliminate danger, accidents and injury to health at work to its Employees, the public, and property of others, including providing its Employees with appropriate workplace health and safety information and training.

## **5.5 Conflict of Interest**

- 5.5.1 Vendors must avoid any Conflict of interest and are expected to promptly report to Malaysia Airports of any actual, potential or apparent Conflict of interest situations.
- 5.5.2 Vendors shall disclose to Malaysia Airports if any Malaysia Airports' Employee or family member has an interest of any kind in the Vendor's business or any kind of economic ties with the Vendor.
- 5.5.3 Vendors are prohibited from offering or providing gifts to Malaysia Airports Employees and their family members where such gifts may, or may appear to, influence or compromise the decision of the relevant employee.
- 5.5.4 Vendors shall disclose in writing details of former Employees of Malaysia Airports who joined them either prior to the award of or in the performance of a contract which the former Malaysia Airports Employee :
- (a) was directly concerned with;
  - (b) personally participated in; and/or
  - (c) had under his or her active consideration during the period of his or her employment with Malaysia Airports.

## **5.6 Fair Competition**

- 5.6.1 Vendors shall conduct their business in line with fair competition and in accordance with all applicable anti-competition laws.
- 5.6.2 Vendors shall not conspire, collude or form a Cartel either directly or indirectly with other Vendors for the purpose of reducing or eliminating competition during the submission of RFP/Tender/Quotation to Malaysia Airports.
- 5.6.3 Vendors are expected to quote a price that reflects the true value of their products, services and works.

## **5.7 Compliance with Laws**

- 5.7.1 Vendors must comply with all applicable laws and regulations of the countries in which it operates its business, including, but not limited to, any laws relating to employment, environment and health and safety which includes but are not limited to Occupational Safety and Health Act, 1994; Malaysian Civil Aviation Act and its Regulations; Malaysian Aviation Commission Act and its Regulations, International Civil Aviation Organisation standards, , Annex 14 and Annex 16 to the Convention of International Civil Aviation.
- 5.7.2 Vendors are expected to keep abreast of developments and changes in the relevant laws and regulations to ensure continuous compliance.

## **5.8 Honest Representation**

- 5.8.1 Vendors shall provide an honest disclosure of their organisation, its experiences, qualifications, capabilities and financial status.
- 5.8.2 Vendors shall submit genuine and impartial references on their previous engagements and work done.

## **5.9 Commitment**

- 5.9.1 Vendors shall not submit RFP/Tenders/Quotations without firm commitment to proceed with the contract.
- 5.9.2 Vendors are expected to take full responsibility and accountability for services rendered or goods provided and honour their commitments in accordance with their obligations under the agreements or contracts with Malaysia Airports.
- 5.9.3 Vendors are encouraged to strive for continuous improvement and to apply best practices in order to enhance the quality of delivery of products, services and works to Malaysia Airport

## 6. BREACH OF THE VENDOR CODE

In the event the Vendor or any of its employees fail to or are suspected to have failed to comply with or breach any provision of this Vendor Code of Ethics, or are found, investigated, charged or convicted for any breach of any such provision or any applicable laws, Malaysia Airports may take action depending on the nature and seriousness of the breach. Such actions include:

- Issuance of written warnings – continued non-compliance by the Vendor or its Employees will lead to more severe actions;
- Penalties or any contractual or legal remedies under the law;
- Forfeiture of the bid security, performance bond and/or any other guarantees or securities provided by the Vendor to MAHB;
- Immediate revocation of any award or termination of any contract without recourse;
- Suspension from participating in any current or future procurement processes by Malaysia Airports ; and/or
- Blacklisting, whereby Vendors are not allowed to participate in or are disqualified from participating in any current or future procurement processes by Malaysia Airports.

## 7. RAISING CONCERNS

Vendors are obligated to promptly report any actual or suspected non-compliance or violations of laws, this Vendor Code of Ethics and/or any contractual obligations with Malaysia Airports. This includes non-compliance or violations by any Employee or agent acting on behalf of either the Vendor or Malaysia Airports.

All such concerns can be reported confidentially using any of the available channels:

Hotline : 019-659 2263

E-mail : [wic\\_secretariat@malaysiaairports.com.my](mailto:wic_secretariat@malaysiaairports.com.my)

Mail : Chairman, Whistleblowing Independent Committee  
Malaysia Airports Holdings Berhad  
Malaysia Airports Corporate Office  
Persiaran Korporat KLIA  
64000 KLIA, Sepang  
Selangor  
(attention: WIC Secretariat, Corporate Integrity Unit)

Alternatively, the individual or Vendor may contact any member of the Whistleblowing Independent Committee (WIC) or the WIC Secretariat directly to raise their concern. The list of WIC members and WIC Secretariat together with their contact details shall be provided separately.

Malaysia Airports will maintain confidentiality of the identity of the individual or Vendor who raises the concern to the extent possible.

Malaysia Airports will not tolerate any retribution or retaliation taken by its Employees or Vendors against any individual or Vendor who has, in good faith, reported questionable behaviour or any actual or suspected non-compliance or violation of laws, this Vendor Code of Ethics and/or any contractual obligations with Malaysia Airports.