



# **TNB FUEL SERVICES SDN. BHD.**

## **SUPPLIER CODE OF CONDUCT AND STANDARDS OF ENGAGEMENT**

Revision 1 | 1<sup>st</sup> October 2016

# Table of Contents

**Introduction**.....3

**Supplier Code of Conduct**.....4

**Supplier Standards of Engagement**.....6

**Breach of Code**.....8

**More Information**.....9

## Introduction

TNB Fuel Services Sdn Bhd is committed to maintaining the quality of our relationships with our suppliers, service providers, agents, brokers, vendors, and vendors' contractors and subcontractors, including bidders and companies seeking to sell goods and services to TNBF (collectively "Suppliers") by acting honestly and ethically.

As reflected in TNB's corporate Shared Values, procurement principles and TNB Procurement Code of Conduct, TNBF is always committed to high standards of integrity in its business dealings with the Suppliers. TNBF has a "zero tolerance" policy when it comes to unethical business behaviour, such as bribery, corruption and embezzlement.

TNBF expects the same commitment from our Suppliers to adhere to similar standards and to conduct their business ethically. The Suppliers must comply with all applicable laws and regulations, the requirements set out in this TNBF Supplier Code of Conduct and Standards of Engagement and the Suppliers' contractual obligations to TNBF.

This TNBF Supplier Code of Conduct and Standards of Engagement outlines the minimum standards for TNB Suppliers and sets forth the principles and standards of conduct that TNBF expects the Suppliers to meet during the provision of goods and services to the TNBF. To encourage compliance with this standards, Suppliers shall ensure that the TNBF Supplier Code of Conduct and Standards of Engagement is shared with all individuals assigned to perform work for or on behalf of TNBF and that all related tasks are executed by individuals with the skills and expertise necessary to uphold the principles and meet the standards specified.

# Supplier Code of Conduct

## Ethical Business Conduct

TNBF expects Suppliers to conduct their business in an ethical manner and act with integrity.

Corruption, extortion and embezzlement are prohibited. Suppliers shall not pay or accept bribes or participate in other form of illegal inducements in business relationships with TNBF. The Suppliers shall comply with applicable laws and regulations concerning bribery, corruption, fraud and any other prohibited business practices.

## Compliance

TNBF Suppliers must follow all relevant national and local laws and regulations, including those related to labour, health and safety, and the environment. Suppliers are expected to inform TNBF should there be any significant breaches, allegations of non-compliance or investigation into non-compliance by authorities related to any goods or services that such Supplier provides to TNBF that may materially affect a Supplier's ability to provide goods or services to TNBF.

## Conflicts of Interest

Suppliers must avoid real conflicts of interest or the appearance of conflicts of interest in business transactions and relationships involving TNBF. A conflict of interest exists when private interests — financial or otherwise — interfere with TNBF's interests.

Suppliers shall declare potential conflict of interest to TNBF.

## Anti-Competitive Practices

Suppliers shall not engage in procurement practices that are anti-competitive.

## No-Gift Policy

TNBF practices no-gift policy. Hence, suppliers are prohibited from offering any gifts and entertainment or other hospitality invitations that could create the appearance of improper influence.

Integrity has always been the key value to TNBF in conducting its businesses. In line with this practice:

- TNBF staff **SHALL NOT ACCEPT OR GIVE** personal gifts from or to external parties with business interest or in the course of any official duties with TNBF.
- TNBF Suppliers **ARE NOT ALLOWED TO OFFER OR GIVE** any gift to TNBF staff.

This policy is based on TNB's Code of Ethics and the existing regulations to avoid any conflicts of interest or negative perceptions involving any parties in any business transactions.

### **Suppliers' Commitment**

Suppliers shall not submit tenders/pre-qualifications without firm intention, conviction and/or capacity to proceed with a contract.

### **Health and Safety**

Suppliers are responsible for upholding a safe and healthy work environment and shall comply with all laws, regulations and rules governing employee occupational health and safety in the jurisdiction where they operate.

### **Environment and Sustainability**

TNBF is committed to minimising the impact of its operations, and those of its Suppliers, on the environment. Hence, Suppliers shall operate in an environmentally responsible and efficient manner to minimise adverse impacts on the environment. Suppliers are encouraged to conserve natural resources, to engage in reuse and recycling programs, and where possible, to avoid the use of hazardous materials. Suppliers shall also reduce their environmental footprint through minimising their use of natural resources and the environmental impact of their activities.

### **Good Cooperation**

Suppliers shall endeavour to maintain business relationships based on open and good communication, respect, trust and adopt a non-adversarial approach to dispute resolution.

### **External Communication**

Suppliers are prohibited from engaging in any communication representing TNBF's opinion in any forum or platform without prior written approval from TNBF.

## **Supplier Standards of Engagement**

### **Pre-Qualification**

In principle, Suppliers participating in TNBF commodity procurement must be pre-qualified. The Pre-qualification arrangements provide a list of suppliers who meet certain TNBF criteria. Essentially, it's a 'list' of suppliers who satisfy certain key selection criteria relating to their interest and capability in supplying particular goods and/or services to TNBF.

The intent of pre-qualification is to give TNBF confidence that suppliers invited to bid in tenders have some relevant capability. It reduces the risk for TNBF carrying out procurement activity and minimises the administrative burden of repeatedly approaching the open market for each individual procurement requirement.

### **Pre-Qualification Process**

TNBF pre-qualification exercise is conducted periodically and shall be advertised in the newspapers/ TNB website and any other appropriate channels from time to time.

Submission of pre-qualification is on a daily basis (excluding public holidays and days involving company's events) or on any specified time to be appropriately determined by TNBF.

When establishing a pre-qualification requirement, TNBF will inform the market of:

- the categories of goods and services sought;
- application requirements;
- the selection criteria of the pre-qualification;
- any other information deemed necessary to secure reliable suppliers.

### **Procurement Process**

In principle, TNBF practices tenders by invitation to the pre-qualified suppliers only. Generally, TNBF uses a competitive tendering process that enables pre-qualified suppliers to compete for TNBF's business.

In general, TNBF does not accept unsolicited offers which are in contradiction to the scope of tenders being floated.

## **Formal Contract**

Prior to providing any required goods and/or services, TNBF requires all Suppliers to be formally contracted by formal Letter of Awards, Agreements, Contracts and Purchase Orders.

## **Post-Award**

- All pre-qualification and tendering results are final and binding.
- Generally, no appeal would be entertained upon notification of results.
- Non-conformances by successful bidder may lead to termination of contract and blacklisting according to TNBF policy.

## **Guidance and Advisory**

TNBF only provides guidance and advisory services to interested Suppliers and is not accountable to the final result of any pre-qualification and tender exercises as such result will be decided by the respective internal technical evaluation committees and authorities, in accordance with TNBF Procurement Policy and Procedures.

TNBF does not appoint any third parties, agents or consultants to advise and provide guidance to interested suppliers on TNBF pre-qualification and procurement process.

## **Other General Engagements**

- All local discussions are to be conducted at TNB or TNBF premises, or any other venues officially designated.
- Suppliers attending discussions and meetings shall be qualified and authorized to act on behalf of the entity each represents.
- TNBF correspondence letters do not constitute a Letter of Intent, Letter of Award or Contract offer from TNBF.

## **Breach of Code**

Suppliers who have committed a breach of the Code shall be subjected to the following action:

- Penalties or any contractual or legal remedies under the law;
- Immediate termination of contract;
- Blacklisted by TNBF and shall be precluded from procurement and tendering for any work in the supply chain for a specified period.



## More Information

For more information and update, please visit TNBF website at [www.tnbfuel.com](http://www.tnbfuel.com)