

BUILDING A CULTURE OF INTEGRITY – ADJUSTING TO OUR WORKING ENVIRONMENT

ZALEENA ABD GHANI

Head,

Enterprise Ethics & Integrity Unit

Group Legal, Compliance &

Company Secretary

Integrity : Definition and Concept

Originally from Latin word

INTEGRITAS =

Soundness, Health, Unimpaired Condition

Integrity.

Integrity is a concept of consistency of actions, values, methods, measures, & principles, expectations, & outcomes. It can be regarded as the opposite of hypocrisy.

Integrity
@ Heart

Integrity is

TM INTEGRITY
DOY The key to making
life & business easier

Trustworthy

Life
Made
Easier™



TM INTEGRITY
DOY The key to making
life & business easier

Amanah

Hidup
Lebih
Mudah™



Hidup
Lebih
Mudah™



Integrity
@ Heart

Integrity is

TM INTEGRITY
DOY The key to making
life & business easier

Honesty

Life
Made
Easier™



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DOY The key to making
life & business easier

Kejujuran

Hidup
Lebih
Mudah™



Hidup
Lebih
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Integrity is

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life & business easier

Transparency

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Made
Easier™



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Ketelusan

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Integrity is

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life & business easier

Honour

Life
Made
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life & business easier

Kehormatan

Hidup
Lebih
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Integrity is

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Accountability

Life
Made
Easier™



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Akauntabiliti

Hidup
Lebih
Mudah™



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Integrity is

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Responsibility

Life
Made
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life & business easier

Tanggungjawab

Hidup
Lebih
Mudah™



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Integrity In Islam

- ***Siddiq*** - ***Benar***
- ***Amanah*** - ***Kejujuran***
- ***Tabligh*** - ***Menyampaikan***
- ***Fatanah*** - ***Kebijaksanaan***

INTEGRITY is doing
the right thing even
when no one is looking

Integrity
@ Heart

Why is **INTEGRITY** Important?

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Lebih
Mudah™



THE FALL OF THE VENICE OF THE EAST





Indahnya
Islam



**PEMANSUHAN KESULTANAN UTMANIYYAH
1 NOVEMBER 1922**

HARI INI DALAM SEJARAH

Corruption in business: the cost

- Corruption adds up to **10% to the total cost** of doing business globally, and **up to 25% to the cost** of procurement contracts in developing countries.*
- In 2012 the cost of private sector corruption was over **US\$500 billion** in 105 developing countries. This **excludes** public sector corruption.**
- **27% of US companies** experienced procurement fraud in 2013***
- **61% of companies in Malaysia do not have adequate procedures** to combat bribery & corruption.****

Sources:

* WEF, 'Good Business Is Clean Business'

** The Costs of Corruption, CSIS, Jan 2014

*** PWC Global Economic Crime Survey 2014

**** KPMG Fraud, Bribery & Corruption Survey 2013



Calculate this.....

RM2,000/month = per hour?

$$\text{RM2,000} \div 24 \text{ days} \div 8 \text{ hours} = \text{RM10.42}$$

If an employee skip work for 2 hours/day = per year?

$$\text{RM10.42} \times 2 \text{ hours} \times 24 \text{ days} \times 12 \text{ months} = \text{RM6,001.92}$$

Total cost wrongly paid to 1 employee

$$\text{RM6,001.92} \times 30 \text{ years} = \text{RM180,057.60}$$

Total cost wrongly paid with an estimate of 1000 case

$$\text{RM180,057.60} \times 1000 = \text{RM180,057,600.00}$$

ZTE Malaysia tries to bribe a Telco Employee with a box of chocolates filled with cash?

Malaysian Wireless, 4 June 2014

10 syarikat awam Malaysia paling telus pada 2014

- 1 Telekom Malaysia Bhd
- 2 Bursa Malaysia Bhd
- 3 CIMB Group Holdings Bhd
- 4 Malayan Banking Bhd
- 5 Axiata Group Bhd
- 6 Malaysia Airport Holdings Bhd
- 7 LPI Capital Bhd
- 8 UMW Holdings Bhd
- 9 Public Bank Bhd
- 10 Media Prima Bhd



“
Kemajuan yang dicatatkan dari segi skor itu juga **menunjukkan syarikat di negara ini terus meningkatkan amalan dan ketelusan dalam mematuhi standard yang tinggi dan ketat**”

Rita Benoy Bushon,
Ketua Pegawai
Eksekutif MSWG

Telekom Malaysia making integrity a cornerstone of its operations

Telekom Malaysia Bhd (TM) is a signatory of the Anti-COR NKRA's Corporate Integrity Pledge (CIP) and has been making great strides in promoting corporate integrity in its organisation. From this perspective, TM is exemplifying what ought to be happening with the organisations that have signed CIPs with the Government.

The establishment of TM's Enterprise Ethics and Integrity Unit (EEIU) in February 2013 is testament of TM's firm commitment in enhancing and strengthening its corporate governance and business ethics, as well as inculcating ethical behaviour among the workforce and representatives of the Company.

TM has two arms looking into ethics and integrity. EEIU focuses on increasing education and raising awareness in all stakeholders. Staff are segmented and provided training on a needs basis. For example, staff with close working relationships with Government and regulatory authorities will receive training that is different, although similar in principle, from other staff. The other

arm consists of the Special Affairs Unit (SAU), focusing on investigation with regard to any allegation of malpractice and corruption, headed by a senior officer seconded from the Malaysian Anti-Corruption Commission.

TM has been getting more proactive in engaging with its business partners and making them aware of its rigorous Code of Business Ethics. For the organisation, this means saying 'no' to obvious attempts at bribery, e.g. 'facilitation' payments, but it also means saying 'no' to more subtle gifts such as hampers during the festive seasons.

Aligned with its objective of having regular and effective dissemination of knowledge and understanding on these matters, TM has initiated an exclusive program known as the 'TM Integrity Fellows'. The TM Integrity Fellows comprise approximately 200 employees from various divisions in TM, which include Top Management, Senior Management, Head of States (State Vice Presidents and State General Managers) as well as other employees. These Integrity Fellows become the resource persons on all matters related to ethics

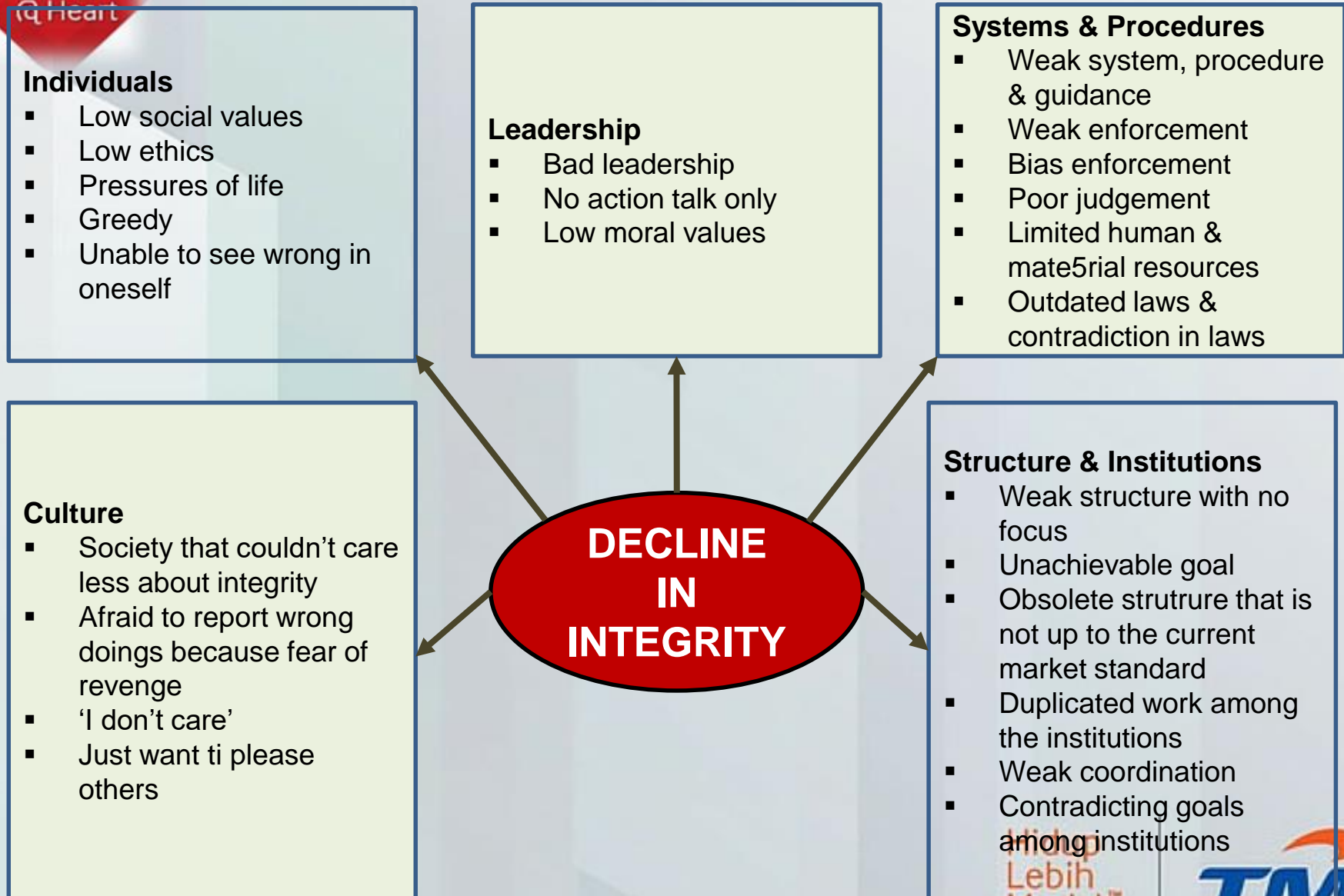
and integrity and will also conduct awareness programmes and events at their respective divisions.

Integrity is a journey in TM. Along the journey, it is highly expected that all TM employees embed integrity in their hearts and consequently build a culture where integrity is a key part of their lives.

TM sees Integrity, Transparency and Accountability as three pillars that uphold the standards of its employees' behavior and conduct within the organisation. The highest level of integrity and ethics is maintained through rigorous awareness, internalisation and enforcement efforts. Committed to upholding high integrity, governance and transparency in its business operations, TM is taking a further step of conducting a staff survey based on Transparency International's Global Corruption Barometer survey to assess their perceptions on integrity, and will use the findings as a baseline to measure the effectiveness of its activities.



What are the factors that affect integrity?



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What do we do to strengthen INTEGRITY best practices....

Hidup
Lebih
Mudah™



The controls.....

**Laws &
Regulations**

Religion

Governance

Rules & Practices

Policies

CULTURE

THE 6 KEY PRINCIPLES TO ENSURE “ADEQUATE PROCEDURES”



MONITORING & REVIEW



PROPORTIONATE
PROCEDURES



TOP
LEADERSHIP
COMMITMENT



RISK
ASSESSMENT



DUE DILIGENCE



COMMUNICATION
(INCL. TRAINING)



TM INTEGRITY COMPLIANCE FRAMEWORK



Ethics & Integrity Practices Are Embedded Within The Divisions

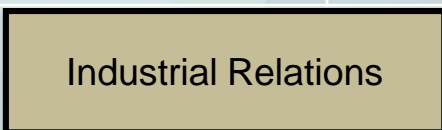
Central Function	Business Function	Line of Business	Subsidiaries
Group Human Capital Mgmt Group Finance Group Procurement Group Strategy Group Legal Compliance Group Internal Audit Group Brand & Communication GCEO & Chairman's Office	Info Tech & Network Tech	Consumer SME Enterprise Government Global & Wholesale New Media Support Business VADS Berhad	TSSSB GITN TMRO ACASIA FIBERAIL FIBRECOMM TMFA MKL MMU MCSB TMIM TAB TMR&D GTC Global Inneonusa



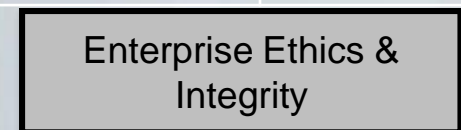
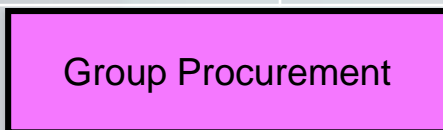
GROUP INTERNAL AUDIT

SUPPORT BUSINESS

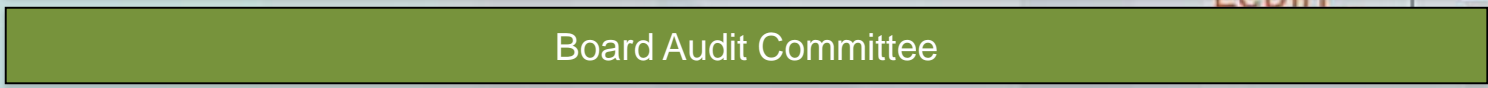
GROUP BUS. ASSURANCE



GROUP HUMAN CAPITAL MANAGEMENT

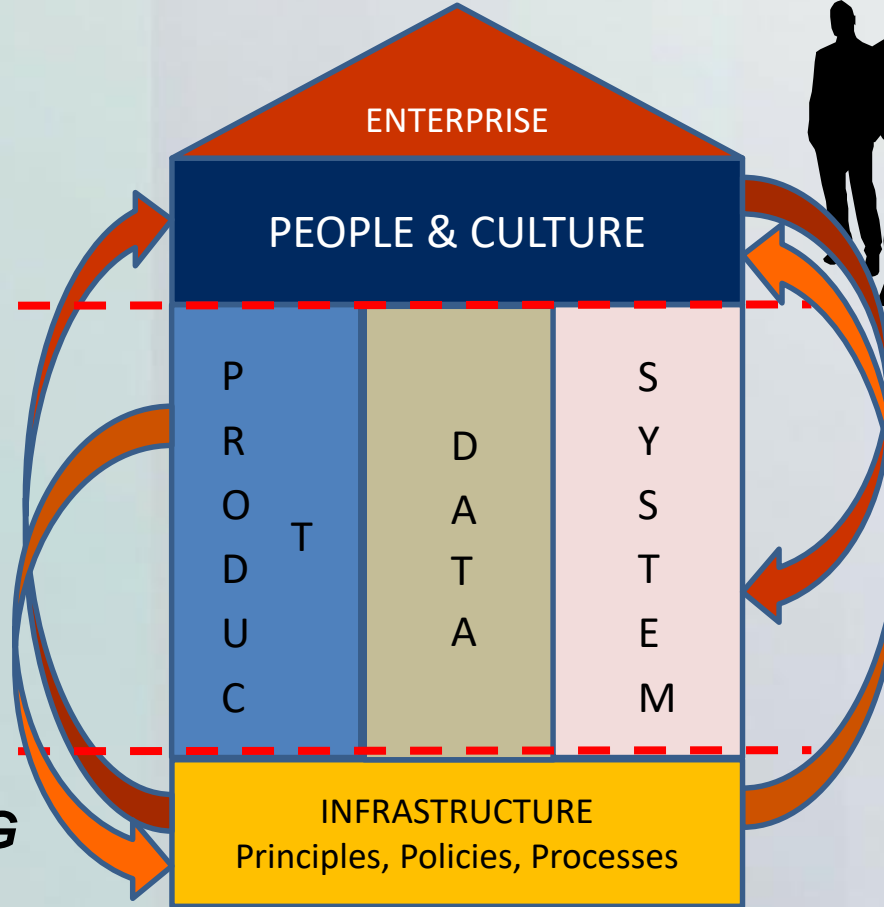


GROUP LEGAL COMPLIANCE & COMPANY SECRETARIAL



Our ethics & integrity focus...

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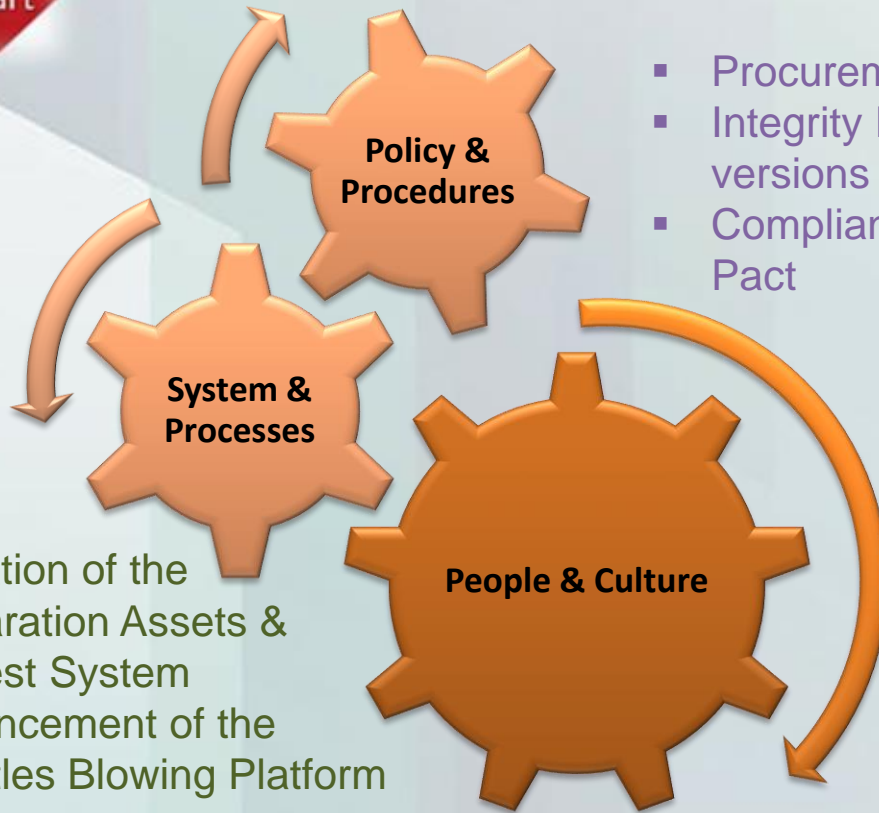
Accountable
Responsive
Reliable
Transparent

*Highest
Standard of
Ethical Behavior
& Integrity*



Best Practice Initiatives - Framework

Integrity
@ Heart



- Procurement Ethics Review & Amendment
- Integrity Pact Review & Enhancement – customized versions for multiple contracts
- Compliance Check on Implementation of Integrity Pact

- EEIU & Integrity Fellows Turun Padang
- Key & Strategic Suppliers Engagement Sessions
- Resellers & Channel Partners Engagement Sessions
- Support Business' Suppliers Engagement
- Ethics & Integrity E-Learning for Management
- CBE E-Learning for TM Employees (Round 2)

- Migration of the Declaration Assets & Interest System
- Enhancement of the Whistles Blowing Platform
- Internal & External Communication – email, SUS Portal, website. EIRP
- Declaration of Assets & Interest 2014
- Integrity Fellows Batch 4
- Integrity Fellows Circle
- Critical segments Engagement – TM Government & GFTN
- Engagement with PT VADS – roll out DOA 2016
- Engagement with Inneonusa, GTC, PI – roll out DOA 2016

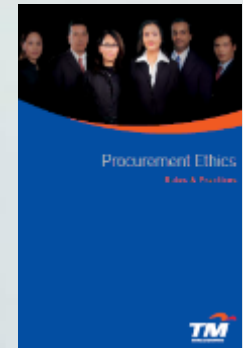
Hidup
Luhur
Mudah



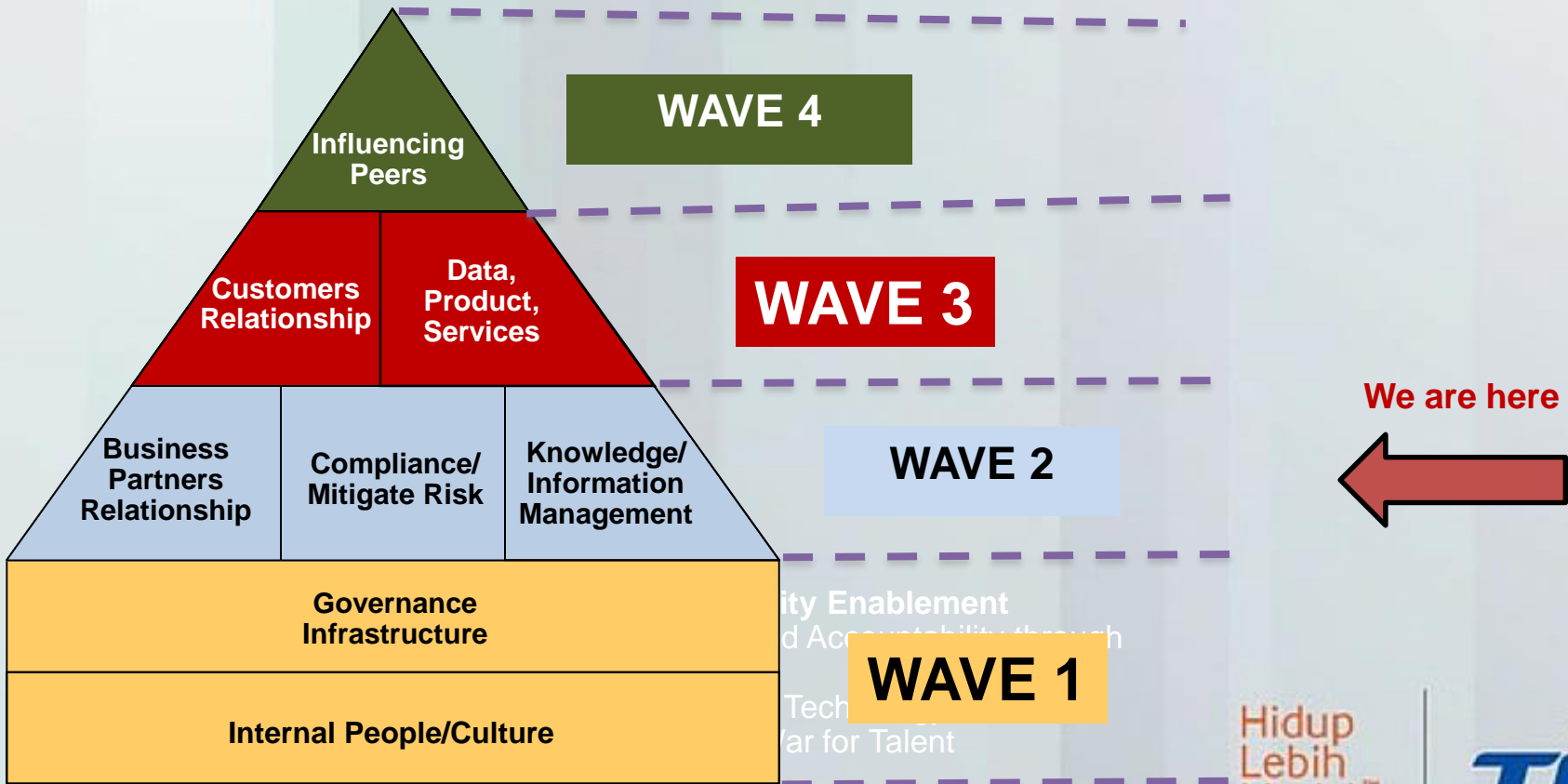
TM' s KEY MILESTONES

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1. Kristal Values, 2002
2. TM Code of Business Ethics, 2004
3. Procurement Ethics, 2006
4. Whistle Blowing Channel
5. Secondment of MACC Officer within Special Affairs Unit, since 2009
6. TM CBE E-Learning, 2010
7. Corporate Integrity Pledge, 2011
8. Rakan Integriti with Institut Integriti Malaysia, 2011
9. Integrity Pact, 2012
- 10. TM Tender Evaluation Centre, December 2012**
11. Establishment of EEIU February 2013
12. Establishment of Ethics & Integrity Management Committee, 2013
13. Up Close with DS Chairman June 2013
- 14. Project Giveaway July 2013**
15. Integrity Week, January 2014
- 16. Anti Corruption Guide, April 2014**
17. Ethics & Integrity Resource Portal, June 2014
- 18. Integrity Fellows, August 2014**
19. TM Business Integrity Survey, 2014



Several initiatives have been identified for TM to address the areas to strengthen integrity practices



Integrity Enablement
and Accountability through
Tech
for Talent

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Mudah™



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What's in the news....

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Alcatel Malaysia made at least 17 improper payments from 2004 to 2006 to employees of **Telekom Malaysia**, the state-run telecommunications company, for “**non-public information relating to ongoing tender offers,**” the company admitted.”

Bloomberg, 27 December 2012

Dua Pengurus GITN Sdn Bhd didakwa rasuah dan palsukan dokumen

Seorang Pengurus Jualan syarikat GITN Sdn Bhd didakwa atas empat pertuduhan menerima suapan berjumlah RM259,250.00 daripada syarikat Numix Engineering Sdn Bhd antara bulan April hingga Januari 2011. Rasuah bertujuan membantu syarikat berkenaan mendapatkan jualan pemasangan rangkaian internet tanpa wayar VSAT Ku Band.

Seorang lagi didakwa memalsukan lapan invoice milik syarikat HMN Global Enterprise bertajuk 'Maintenance Services For KU Band VSAT Remote Terminal Equipment' dengan niat supaya kesemua invoice tersebut digunakan untuk menipu Pengarah Urusan syarikat Numix Engineering Sdn Bhd

Former Telekom Manager Claims Trial to RM822,000 CBT Charges

The Sun Daily, 11 November 2014

SPRM tahan 7 kontraktor TM dipercayai kemuka tuntutan palsu



Oleh Tuty Haryanti Ahmad Rodzi
tuty@bh.com.my

Tweet

Like Share 3.4K

G+1



SEBAHAGIAN daripada tujuh pekerja kontraktor dibawa ke Mahkamah Seremban 2 hari ini atas kesalahan membuat tuntutan palsu. - Foto Hazreen Mohamad

2 pekerja TM antara 10 ditahan SPRM Selangor

 Tweet

 Like  Share 1.3K

 G+1  0



SHAH ALAM: Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) Selangor menahan 10 individu, termasuk dua pekerja Telekom Malaysia Bhd (TM) bagi membantu siasatan kes memberi sogokan bagi melindungi pemasangan kabel dan peralatan tidak sah di lokasi lurang atau 'manhole' milik syarikat itu.

SHAH ALAM: Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) Selangor menahan 10 individu, termasuk dua pekerja Telekom Malaysia Bhd (TM) bagi membantu siasatan kes memberi sogokan bagi melindungi pemasangan kabel dan peralatan tidak sah di lokasi lurang atau 'manhole' milik syarikat itu.

Pengarah SPRM Selangor, Datuk Simi Abdul Ghani, berkata kesemua lelaki terbabit berusia antara 22 dan 57 tahun ditahan di sekitar kawasan Subang Jaya malam tadi.

Beliau berkata selain dua pekerja TM, lapan yang ditahan adalah pekerja syarikat kontraktor yang terlibat dalam kerja-kerja pemasangan kabel.

"SPRM Selangor menahan mereka apabila seorang daripada kontraktor cuba membayar wang sogokan agar tidak diambil tindakan atas perbuatan mereka menceroboh serta menggunakan kemudahan dan aset TM secara tidak sah.

"Difahamkan kegiatan menggunakan kemudahan dan aset itu menyebabkan TM rugi berjuta ringgit," katanya dalam satu kenyataan di sini hari ini.

Simi berkata kesemua individu terbabit kini direman selama empat hari bermula hari ini bagi membantu siasatan mengikut Seksyen 17 (b) Akta SPRM 2009.

Seksyen itu memperuntukkan hukuman denda lima kali ganda nilai suapan atau RM10,000 atau mana yang lebih tinggi dan penjara sehingga 20 tahun, jika sabit kesalahan. - BERNAMA

ZTE Malaysia tries to bribe a Telco Employee with a box of chocolates filled with cash?

Malaysian Wireless, 4 June 2014

TALIAN ETIKA

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Thank you