



**SUNWAY BERHAD**

# **SUSTAINABLE PROCUREMENT POLICY**

Process Owner: Group Sustainability & Group Procurement Departments

Intended Users: Sunway Group - All Users

Last Updated: 28 May 2021

COMMITTED TO  
**SUSTAINABLE DEVELOPMENT GOALS**



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## 1. PURPOSE

1.1. Sunway Group has adopted the 17 United Nations Sustainable Development Goals (UNSDGs) and the Group is committed to establish a best practice approach to sustainable procurement. In line with our commitment, we have developed a Sustainable Procurement Policy. This policy shall cover all employees of Sunway Group. This Policy is also applicable to the following external parties; including but not limited to Sunway Group's suppliers<sup>1</sup>.

## 2. GUIDING PRINCIPLES

2.1. The supplier selection process will favor suppliers that adopt sustainability practices in their organisation based on the following categories:

### a) Environmental

- i Minimizes environmental footprint of the goods and services over the life cycle (e.g. choosing products and services that have lower adverse impacts associated with any stage in their production, use or disposal.)
- ii Environmental footprint includes but not limited to climate change, energy use, water use and biodiversity.
- iii Provides goods and services that are certified with eco labels<sup>2</sup>.
- iv Introduces take-back service<sup>3</sup> at the products' end of life.

### b) Social

- i Provides non-discriminatory, healthy and safe environment to the employees.
- ii Supports the right to freedom of association and collective bargaining.
- iii Provides goods and services that are certified with social labels<sup>2</sup>.
- iv Prohibits slavery and use of forced or child labor across supply chain<sup>4</sup>.
- v Zero tolerance on supplier violation of Employment Act 1955<sup>5</sup>.

Suppliers are advised to make a declaration if they are aware that their products consist of hazardous components and/or materials (e.g. chemicals, toxic, require special handling of waste)

**Notes:****1. Supplier**

Organization or person that provides a product or service used in the supply chain of the reporting organizations. A supplier is further characterized by a genuine direct or indirect commercial relationship with the organization.

Examples of suppliers can include, but are not limited to:

- a) **Brokers:** Persons or organizations that buy and sell products, services, or assets for others, including contracting agencies that supply labour.
- b) **Banking and Financial Services:** Economic services provided by the finance industry.
- c) **Consultants:** Persons or organizations that provide expert advice and services on a legally recognized professional and commercial basis. Consultants are legally recognized as self-employed or are legally recognized as employees of another organization.
- d) **Contractors:** Persons or organizations working onsite or offsite on behalf of an organization. A contractor can contract their own workers directly, or contract subcontractors or independent contractors.
- e) **Dealer:** Person who buys and sells goods.
- f) **Distributors:** Persons or organizations that supply products to others.
- g) **Franchisees or licensees:** Persons or organizations that are granted a franchise or license by the reporting organization. Franchises and licenses permit specified commercial activities, such as the production and sale of a product.
- h) **Home workers:** Persons at home or in other premises of their choice, other than the workplace of the employer, who perform work for remuneration and which results in a product or service as specified by the employer, irrespective of who provided the equipment, materials or other inputs used.
- i) **Independent contractors:** Persons or organizations working for an organization, a contractor, or a sub-contractor.
- j) **Manufacturers:** Persons or organizations that make products for sale.
- k) **Marketing:** Persons or organizations that promote and sell products or services, including market research and advertising.
- l) **Primary producers:** Persons or organizations that grow, harvest, or extract raw materials.
- m) **Retailer:** Person or business that sells goods to the public in relatively small quantities for use or consumption rather than for resale.
- n) **Service Provider:** Organization, business or individual which offers service to others.
- o) **Sub-contractors:** Persons or organizations working onsite or offsite on behalf of an organization that have a direct contractual relationship with a contractor or sub-contractor, but not necessarily with the organization. A sub-contractor can contract their own workers directly or contract independent contractors.
- p) **Trader:** Person or business that buys and sells goods.

- q) Wholesalers: Persons or organizations that sell products in large quantities to be retailed by others.

**2. Eco Label & Social Label**

Voluntary method of environmental performance certification and labelling that is practised around the world. An ecolabel identifies products or services proven environmentally preferable overall, within a specific product or service category, while social label focuses in social standards.

**3. Take-back service**

Programs allowing customer to return product to the supplier / vendor to be managed responsibly such as being recycled.

**4. Supply chain**

Sequence of activities or parties that provides products or services to an organisation.

**5. Employment Act 1955**

- a) Wages are defined under the Employment Act 1955 as “basic wages and all other payments in cash payable to an employee for work done in respect of his contract of service”
- b) The Malaysian Employment Act defines the workweek as 48 hours, with a maximum of eight working hours per day and six working days per week. (For more information, please refer to the Malaysia Employment Act 1955)