



SKYWORLD DEVELOPMENT BERHAD
SUPPLY CHAIN POLICY

18 July 2024

1.0 Introduction and Objectives

- 1.1 SkyWorld Development Berhad ("**SkyWorld**" or "**Company**") and its subsidiaries (collectively the "**Group**") are committed to upholding high standards of environmental, social and governance responsibility ("**ESG**") throughout our supply chain. As a property developer, procurement plays an important role in providing the necessary inputs for the Group's business model, ranging from daily administrative needs to the materials required for completion of property developments, which are crucial to ensure the competitiveness of the SkyWorld brand.
- 1.2 The purpose of this Supply Chain Policy ("**Policy**") is to ensure:
 - a. The Group's supplier and sourcing commitments and expectations, as well as other ESG policy positions, are effectively communicated to all employees, subsidiaries and suppliers;
 - b. Sustainable and ethical practices are upheld during the procurement of goods and services throughout our operations, and when conducting business with or on behalf of the SkyWorld Group;
 - c. Compliance with all applicable local laws and regulations;
 - d. Availability of a safe channel for reporting Policy violations; and
 - e. Transparency and accountability among suppliers.

2.0 Policy Scope

- 2.1 This Policy applies to all subsidiaries of SkyWorld Development Berhad and their suppliers. Suppliers are defined as any entity, be it a supplier, vendor, contractor, consultant, business partner, associate, distributor, agent, licensee, manufacturer, sub-contractor or other third party, that has been engaged by SkyWorld to provide a product or service for the Group or its subsidiaries.
- 2.2 All suppliers, as well as their employees and suppliers providing said product or service, are expected to adhere to the commitments outlined in this Policy.

3.0 Supplier and Sourcing Commitments

- 3.1 We are committed to responsible management of our environmental impact from our supply chain on the following areas:
 - a. **Energy Use:** Optimising energy efficiency and promoting the use of renewable energy sources to reduce our overall energy consumption.
 - b. **Climate Change Impact:** Minimising our carbon footprint and greenhouse gas ("GHG") emissions through sustainable practices and innovations.
 - c. **Water Use:** Implementing water conservation measures and ensuring the sustainable use of water resources.
 - d. **Biodiversity Impacts:** Protecting and enhancing biodiversity by avoiding practices that harm ecosystems and promoting habitat conservation.
 - e. **Environmental Issues:** Addressing environmental concerns proactively and reducing the environmental impact of our operations and supply chain.

- f. **Pollution:** Preventing pollution by adhering to stringent waste management and emission control practices.
- g. **Waste Management:** Reducing, reusing, and recycling waste materials to minimise landfill use and promote a circular economy.
- h. **Resource Use:** Ensuring the sustainable use of resources and sourcing materials responsibly to mitigate environmental impact.

3.2 We are committed go beyond legal compliance to uphold the following labour and human rights practices in our operations:

- a. **Child Labor Prevention:** Prohibiting the use of child labour in any part of our supply chain.
- b. **Forced Labor Prevention:** Ensuring that all work is voluntary and that employees are not subject to forced or compulsory labour.
- c. **Non-Discrimination and Equal Opportunities:** Promoting diversity and inclusion, ensuring equal opportunities for all employees and suppliers.
- d. **Freedom of Association and Collective Bargaining:** Supporting the right to freedom of association and collective bargaining.
- e. **Working Hours:** Committing to the elimination of excessive working hours and ensuring fair working conditions.
- f. **Living Wage:** Ensuring that all employees are paid a minimum or living wage that meets their basic needs.
- g. **Health and Safety Standards:** Maintaining high health and safety standards to protect the well-being of all employees and workers within our supply chain.

3.3 We are committed to ensure that our suppliers comply with all applicable local laws and regulations, including but not limited to:

- a. **Bribery, Corruption and Kickbacks:** Suppliers shall not give, offer, promise, receive or solicit any bribe, gift, reward, consideration, gratification, favour or any other undue advantage, of any financial or non-financial value, either directly or indirectly, as an inducement or reward for a person to do or not do an act in relation to the performance of that person's duties.
- b. **Money Laundering and Terrorist Financing:** Suppliers must implement and maintain procedures to prevent the use of their operations for money laundering and terrorist financing activities, including cooperating with the Group's due diligence exercise to determine the origin and destination of money, property and services.
- c. **Anti-Competitive Practices:** Suppliers are expected to compete fairly and ensure a fair and open market by not engaging in anti-competitive practices such as collusion, price fixing, bid rigging, or market allocation.
- d. **Obstruction of Justice:** Suppliers must fully cooperate with any lawful investigations and must not engage in any activities that could obstruct justice, such as destroying, altering, or concealing evidence, providing false statements, or interfering with investigations or legal proceedings.

3.4 We are committed to ensure effective supply chain management through the implementation of the following measures:

- a. **Supplier Communication:** Communicating this policy to all relevant supplier staff to ensure understanding and compliance
- b. **Supplier Training:** Offering training on social and environmental issues to enhance supplier knowledge and performance.
- c. **Supplier Mentoring:** Providing mentoring, secondments, and sharing best practices to support supplier development and improvement.
- d. **Supplier Impact Reduction:** Encouraging and supporting suppliers in reducing their environmental and social impact.
- e. **Supplier Due Diligence:** Conducting comprehensive risk assessments regarding environmental and social practices of new and existing suppliers to identify high-risk areas and take appropriate actions to mitigate risks.
- f. **Supplier Monitoring and Auditing:** Conducting regular physical inspections and audits to assess supplier compliance.
- g. **Supply Chain Disclosure:** Reporting the number or proportion of suppliers monitored or audited, and detailing actions taken in response to any non-compliance.

4.0 Reporting of Policy Non-Compliance

- 4.1 Any violations of this policy should be reported to whistleblower@skyworld.my in accordance with SkyWorld's Whistleblowing Policy. Reports can be made anonymously, and the confidentiality of the reporter's identity is assured.
- 4.2 Whistleblowers are protected against reprisal or retaliation, and are immune from disciplinary action, provided that the report is made in good faith, without providing false or misleading information, is not made with malicious intent or ill will, is not frivolous or vexatious, and is not made for personal gain or agenda.

5.0 Policy Review and Approval

- 5.1 This Policy will be reviewed annually to ensure it remains relevant and effective. Updates will be made as necessary to reflect changes in regulations, industry standards, and company practices.
- 5.2 This Policy has been reviewed and approved for adoption by the Board of Directors on 18 July 2024.

=== THE END ===