



**TOKIO MARINE**  
**INSURANCE GROUP**

**TOKIO MARINE INSURANS (MALAYSIA) BERHAD**

**SUSTAINABLE  
SOURCING POLICY**

# CONTENTS

1. PURPOSE.....	3
2. GUIDING PRINCIPLES.....	3
3. REFERENCE.....	4
4. APPENDIX: SUPPLIER ESG QUESTIONNAIRE.....	6

## 1. PURPOSE

- 1.1 Tokio Marine Insurans (Malaysia) Berhad (“TMM”) is committed to sustainable sourcing. In line with our commitment, we have developed a Sustainable Sourcing Policy (“Policy”). This Policy shall cover all employees of TMM and applies to all stakeholder affected by our sourcing activities, including but not limited to TMM’s suppliers<sup>1</sup>.
- 1.2 We firmly believe that integration of sustainable sourcing principles into our business throughout the value chain, aligns to the Tokio Marine Group’s commitment in addressing social issues, protecting customers and local communities as the core of all our activities to create a better society.

## 2. GUIDING PRINCIPLES

- 2.1 The supplier selection process will favour 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).
  - Environmental footprint includes but not limited to climate change, energy use, water use and biodiversity.
- ii. Provides goods and services that are certified with eco labels<sup>2</sup>.
- iii. Introduces take-back service<sup>3</sup> at the products’ end of life.
- iv. Compliance to all environmental legislations, including but not limited to the Environmental Quality Act 1974.

### 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>. Prohibits slavery and use of forced or child labour across supply chain<sup>4</sup>.
- iv. Provides fair and reasonable employment conditions, fair wage and benefits as well as reasonable working hours for its employees in compliance to Malaysian laws and regulations, including but not limited to the Employment Act 1955 and any other local and national legislations.

**c) Governance**

- i. Zero-tolerance approach towards corruption and bribery; upholding all prevailing anti-corruption laws and regulations to prevent any form of corruption and bribery within our supply chain.
- ii. Prohibits the use of gifts, entertainment, and travel to influence business decisions.
- iii. Comply with all applicable anti-money laundering laws and regulations.

2.2 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).

**3. REFERENCE**

This policy shall be read in conjunction with the following policies and procedures:

- a) TMIM Procurement Policy
- b) TMIM Compliance Manual
- c) TMIM Code of Conduct
- d) TMIM Fraud and Business Abuse Prevention Policy
- e) TMIM Anti-Bribery and Corruption Policy
- f) TMIM Outsourcing Policy

**Notes:****<sup>1</sup>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 / Independent 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) Manufacturers: Persons or organizations that make products for sale.
- j) Marketing: Persons or organizations that promote and sell products or services, including market research and advertising.
- k) Primary producers: Persons or organizations that grow, harvest, or extract raw materials.
- l) Retailer: Person or business that sells goods to the public in relatively small quantities for use or consumption rather than for resale.
- m) Service Provider: Organization, business or individual which offers service to others.
- n) Trader: Person or business that buys and sells goods.
- o) Wholesalers: Persons or organizations that sell products in large quantities to be retailed by others.

### <sup>2</sup>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 on social standards.

### <sup>3</sup>Take-back service

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

### <sup>4</sup>Supply chain

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

**APPENDIX: SUPPLIER ESG (ENVIRONMENT, SOCIAL, GOVERNANCE) QUESTIONNAIRE**

- The following questions are intended to be a starting point to help us to understand our supplier's commitment towards ESG and overall Sustainability.
- Hence, these questions to be incorporated into existing documents and processes, where applicable.

Please fill out all questions below to the best of your ability.

Background Information	
Company Name:	Date of Incorporation:
Number of Employees:	Nature of Business:
Contact Name:	Title:
Contact Email:	Contact Number:
Environment	
<p>1. Are your company's products and services designed, sourced and manufactured with due consideration of resource (i.e. energy, water, raw materials) efficiency, climate change impacts and biodiversity conservation?</p> <p>Yes <input type="checkbox"/>      No <input type="checkbox"/>      No, but planning to <input type="checkbox"/></p> <p>Remarks (if No):</p>	
<p>2. Can your company's products be recycled, reused or discarded in a manner that is safe to the environment?</p> <p>Yes <input type="checkbox"/>      No <input type="checkbox"/>      No, but planning to <input type="checkbox"/></p> <p>Remarks (if No):</p>	
<p>3. Is your company providing 'take back' services for recycling purposes to support a circular economy?</p> <p>Yes <input type="checkbox"/>      No <input type="checkbox"/>      No, but planning to <input type="checkbox"/></p> <p>Remarks (if No):</p>	

### Social

1. Is your company practicing forced labour, forced child labour and other unethical business practices?

Yes  No

Remarks (if Yes):

2. Is your company treating staff fairly in compliance with the prevailing Employment Law?

Yes  No

Remarks (if No):

### Governance

1. Does your company have any history of fines imposed by any enforcement agencies or regulatory bodies on matters relating to the environment, human rights and/or labour laws, including any outstanding legal or regulatory cases?

Yes  No

Remarks (if Yes):

2. Is there a Sustainability Policy in place in your company?

Yes  No  No, but planning to

Remarks (if No):

3. Is there an Employee and/or Supplier Code of Conduct in your company?

Yes  No  No, but planning to

Remarks (if No):