

1 PURPOSE

This document is the property of City Facilities Management Group of Companies (Asia) which includes the following:

No.	Country	Company Name
1.	Malaysia	City Facilities Management Sdn Bhd
2.	Singapore	City Facilities Management (SGP) Pte. Ltd.
3.	Hong Kong	City Facilities Management (HKG) Limited
4.	Macau	City FM (Macau) Limited

This policy is in place to ensure that goods purchased are manufactured and provided in a responsible way. Ethical Sourcing gives due regard to worker welfare, health and safety and environmental impact.

This policy is in place to ensure that City Facilities Management Group of Companies (Asia) and its related bodies corporate (collectively “**City FM**”) team members and suppliers:

- a) source products in an ethical and responsible manner;
- b) have clear guidelines on what it means to source ethically;
- c) collaborate closely to improve working conditions and environmental impacts within City FM’s supply chain; and
- d) are proactive in protecting corporate and brand reputation.

2 POLICY

City FM will implement the process and requirements detailed in the Ethical Sourcing Policy for key suppliers of City FM.

3 ETHICAL SOURCING SUPPLIER REQUIREMENTS

3.1 Supplier Requirements

In the event that key suppliers are unable to demonstrate a commitment to City FM’s Ethical Sourcing Policy, City FM reserves the right to terminate the supply arrangement.

The elements of Ethical Sourcing Supplier Requirements are categorised as either Zero Tolerance, Critical or Significant.

Suppliers must comply with the legal requirements of the countries they operate in addition to all elements of this Ethical Sourcing Policy.

3.2 Categories

a) Zero Tolerance Items

Items	Descriptions
Forced / Bonded Labor	<ul style="list-style-type: none"> Suppliers shall not use forced, bonded or involuntary labor. Employment shall be freely chosen. Workers will not be required to lodge deposits or identity papers with suppliers. Workers shall be free to leave their employment after reasonable notice has been given.
Child Labor	<ul style="list-style-type: none"> Suppliers shall not use child labor. “Child Labor” is defined as work that deprives children of their childhood, the opportunity to attend school and fulfil their potential and that is harmful to their physical and mental development. Suppliers must be able to verify the age of all employees to ensure no Child Labor is used. Definition of Child Labor should be referring to local and/or country definitions.
Illegal Labor	<ul style="list-style-type: none"> Suppliers shall not use illegal labor. Suppliers must be able to verify the legal entitlement of their employees to work in the country of employment. Suppliers should be able to provide relevant records showing that their employees are legally entitled to work in the country.

b) Critical Items

Items	Descriptions
Wages and Benefits	<ul style="list-style-type: none"> Wages and benefits paid for a standard week must meet as a minimum country or industry standards, whichever is the higher. All workers must be provided with written and understandable information about their employment conditions in respect to wages, before they enter employment, and about the particulars of their wages for the pay period concerned each time that are paid. All disciplinary measures shall be recorded.
Working Hours	<ul style="list-style-type: none"> Working Hours must comply with the applicable labor laws or industry standards, whichever affords greater protections. Overtime shall be voluntary and compensated as prescribed by labor laws.

c) Significant Items

Items	Descriptions
Freedom of Association	<ul style="list-style-type: none"> Suppliers acknowledge that workers and contractors have the right to join, or not to join, a union. This is called freedom of association. Workers cannot be pressured by a union or by their employer to make a decision about joining, not joining, or leaving a union. The freedom of association also extends to employers, allowing them to choose whether or not to join an employer association.
Working Conditions	<ul style="list-style-type: none"> Plant and systems of work are safe and without risk to health will be provided.

	<ul style="list-style-type: none"> • Suppliers will provide workers with a safe and clean working environment taking into consideration the prevailing knowledge of the industry and of any specific hazards. • Workers shall receive adequate, recorded training to perform their jobs in a safe manner. • Personal protective equipment shall be supplied, and workers trained in its use. • Safeguards on machinery must meet or exceed local laws. • Where suppliers provide worker accommodation, it shall be clean, safe and meet the basic needs of workers.
Discrimination	There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
Regular Employment	<ul style="list-style-type: none"> • To every extent possible, worked performed must be on the basis of recognized employment relationship established through labor law and practice. • Employees who have a regular employment relationship with their employer are afforded a number of obligations from their employer relating to labor and social security laws and regulations. These obligations shall not be avoided through the use of labor-only contracting, sub-contracting, home-working arrangements, fixed term contracts or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment.
Harsh or Inhumane Treatment	Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
Business Integrity	Suppliers shall engage professional business ethics in all dealings. Suppliers shall not engage in bribery or corruption and provide transparent documentation and records.
Sub-Contracting	Suppliers shall ensure that all sub-contractors and suppliers providing material or labor in the manufacture of goods for City FM has an ethical sourcing programme which aligns to this policy.
Environment	<ul style="list-style-type: none"> • Suppliers must comply with local and/or country environmental laws and regulations. • Suppliers shall strive to comply with international standards on environmental protection
Protect Information	Suppliers must protect City FM confidential information and act to prevent its misuse, theft, fraud or improper disclosure. Suppliers must take all due care in handling, discussing or transmitting sensitive or confidential information that could affect City FM, its employees, its customers, the business community or the public.
Avoid Conflicts of Interest	Suppliers must avoid any interaction with City FM employee that may conflict, or appear to conflict, with the employee's ability to act in the best interests of City FM.
Fair Competition	Suppliers will be committed to vigorous, lawful, straightforward and ethical competition and must ensure that their business practices fully comply with the competition laws wherever they do business.

4 POLICY IN PRACTICE

Suppliers are required to adhere to the requirements detailed in clause 3.0, Ethical Sourcing Supplier Requirements.

City FM will seek information regarding from the suppliers indicating whether each supplier adheres to the requirements detailed in clause 3.0. City FM will then determine whether a supplier is Approved, Conditionally Approved or Not Approved.

- a) **Approved**
A supplier is approved by City FM if it meets the requirements for each of Zero Tolerance, Critical and Significant items as detailed in clause 3.0. Approval status is granted for a two-year period.
- b) **Conditionally Approved**
A supplier is granted Conditional Approval if it has failed to meet all the requirements detailed in clause 3.0, provided that none of these breaches include any elements listed under Zero Tolerance items of clause 3.0.

Where Conditional Approval is granted, the supplier must provide a corrective action plan that is agreed to by City FM. The corrective action plan must be communicated to City FM within 30 days of receiving the request from City FM.

A follow-up review by City FM is required within 3 months if the breaches have occurred under the Critical items of clause 3.0. Otherwise a follow-up review by City FM is required within 12 months.

- c) **Not Approved**
A supplier is Not Approved if it breaches any of element listed under the Zero Tolerance items of clause 3.0.

The supplier must provide a corrective action plan that is agreed to by City FM.

The corrective action plan must be communicated to City within 14 days of receiving the request from City FM and a follow up review is required within 30 days.

5 DOCUMENT CONTROL

Approval

	Title	Name	Date
Administrator	Head of HR – MYS, SGP & HK	N/A	1 June 2020
Approver	Regional Director – Asia	Mark Bradley	1 June 2020

Version History

The following table lists the changes made to this Policy:

Version	Date	Amended By	Brief Summary of Changes