

POLICY ON SUSTAINABILITY (UCSI GROUP)

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Responsibility

Policy Owner:	UCSI GROUP – GROUP SUSTAINABILITY OFFICE
Managed by:	INTERNAL AUDIT OFFICE

INTRODUCTION

This POLICY is developed to support the implementation of UCSI Group's strategic objective, while taking into account the ORGANISATION's corporate governance and social responsibility, environmental care, and ORGANISATION's requirement for economic efficiency, and its aim to be a leading ORGANISATION in sustainability practices.

The ORGANISATION embraces and promotes ESG (Environment, Social, and Governance) and continually improve and set higher standards in these three vital areas.

Environment: It focuses on environmental impact, including its carbon emissions, energy efficiency, waste management practices, water consumption, and efforts to mitigate pollution and environmental degradation.

Social: The social dimension is assessed on how it treats its employees, customers, suppliers, and the communities it operates in. Factors considered include labour practices, diversity and inclusion policies, employee health and safety, and community engagement efforts.

Governance: The board of directors and top management organise and align their internal structures, policies, and practices which encompasses areas such as board diversity, ethical business practices, and overall corporate governance.

The ORGANISATION adopts ESG policies, sets specific targets and commitments, and integrate ESG considerations into the broader corporate social responsibility (CSR) strategies for its long-term success and resilience.

Purpose

The purpose of this POLICY is to systemize ORGANISATION's approaches to sustainability. The POLICY should help to regulate, collaborate activities and foster partnerships related to sustainability in all UCSI Group's subsidiaries, departments and relevant entities (APPENDIX 1).

Tasks

The tasks of this POLICY are:

- To establish general principles that provide the basis for establishing goals, objectives and practices in the sphere of sustainability, as well as for evaluating the efficiency of the relevant activities and practices.
- To identify key sustainability activity areas of the ORGANISATION.
- To establish common directions for ORGANISATION activities for each of the identified areas.
- To establish general sustainability reporting principles and framework.

Scope

- This POLICY covers all UCSI Group's employees of all divisions and subsidiary entities.
- Clauses of the POLICY become obligatory for subsidiaries and relevant entities.
- Organisational, administrative, and local normative documents should not contradict this POLICY.

Terms of Validity and Procedure for Review and Amendment

- This POLICY is effective with the approval of the top management of the ORGANISATION.
- Amendments to the POLICY are introduced and could be initiated by the discretion of top management of the ORGANISATION.

POLICY

1.0 Terms and Definition

This POLICY uses the following terms with respective definitions:

SUSTAINABLE DEVELOPMENT — the development of the society that meets the needs of the present without compromising the ability of future generations to meet their own need (Brundtland Commission Report, 1987)

SUSTAINABLE DEVELOPMENT OF THE ORGANISATION — the development of the ORGANISATION aimed at the increase of its economic efficiency and profitability while actively engaging its stakeholders in implementing practices and activities that support the ORGANISATION's governance and commitment towards social enhancement, economic growth and environmental care.

STAKEHOLDERS — People or the persons, ORGANISATIONS and communities including the future generation, that currently affect and are being or will be affected by the activities of the ORGANISATION, and the environment that is directly impacted as a result of consumption of its resources in producing products, services and activities related to the ORGANISATION's operation.

ENVIRONMENT — aggregate of the components of natural environment, living and non-living, and the biodiverse species in the planet.

SUSTAINABILITY REPORTING (NON-FINANCIAL REPORTING) — Publication of systematic reporting on the issues covered in this POLICY and of the concern of the ORGANISATION's stakeholders that also reflects the sustainable practices and activities of the ORGANISATION.

CORPORATE ETHICS — aggregate of ethical principles and norms guiding the ORGANISATION in its activities.

TOP MANAGEMENT OF THE ORGANISATION — Founder and CEO of UCSI Group, Group Officers Directors of the subsidiary entities.

2.0 Designations and Abbreviations

ACCA+E – Awareness, Comprehension, Commitment, Action + Evaluation

CSOs – Civil Society ORGANISATIONS

HPPS - Harmonious, Prosperous, Progressive and Sustainable

NGOs – Non-Governmental ORGANISATIONS

SDGs – Sustainable Development Goals

UNDHR - United Nations Declaration of Human Rights

3.0 General Principles of Sustainability Activities of the ORGANISATION

At UCSI, we believe in having good and healthy well-being, and living in a prosperous, thriving and peaceful nation that cares for today's and the future generation, local and global. Therefore, our approach to sustainability practices and activities is founded on national priorities and aspiration, and international vision and collaboration for a better world for all.

The ORGANISATION's four general principles that guide our commitment and expectations for implementation of these activities are adopted for socio and economic transformation for national and global priorities. The requirements for these principles, **Harmonious, Prosperous, Progressive and Sustainable (HPPS)** are outlined below:

- **Harmonious** – Satisfying the basic needs and socio-cultural-spiritual components, improving quality of life, and restoration and conservation of biodiversity.
- **Prosperous** – Thriving for equitable income distribution and access to employment, fair share of earnings, sharing of surplus, and being innovatively driven in thriving for economic efficiency and green economy.
- **Progressive** – Taking engaging roles and responsibilities in contributing towards meeting the present and future needs of the society and the environment.
- **Sustainable** – Running actionable sustainable activities by continuously creating AWARENESS, facilitating in-depth COMPREHENSION, developing COMMITMENT, implementing ACTION, and conducting EVALUATION on the performance and efficiency of the process and activities (ACCA+E).

In its response to Malaysia's national aspiration through the National Principles or Rukun Negara coined in August 1970, the ORGANISATION's attribute its commitment and achievement in fulfilling these four principles to its founding pillar, "Glory to God". The ORGANISATION also pledges to align the implementation of these principles to UN Global Goal's theme, "Leave No One Behind", fitting to one of its core values, "Compassion" represented by the letter "C" in its acronym "UCSI" (Universalism, Compassion, Sustainability and Integrity).

These principles are to be lived out and strategically implemented corporately by all staff and students consistent to UCSI Group's sustainability theme, "Together we shape the future".

4.0 Sustainability POLICY of the ORGANISATION

This POLICY focuses on governance, social and environmental care. All sustainability practices and activities conducted based on this POLICY are to be reported once a year.

4.1 Governance

Governance provides the institutional framework and mechanisms needed to ensure that sustainability policies are developed, implemented, and monitored effectively, fostering the transition towards a more sustainable future.

4.1.1 The Top Management sets goals, targets, and guidelines for promoting sustainable development across various sectors and ensures that sustainability policies are implemented effectively and enforced. It establishes regulations, standards, and compliance mechanisms to monitor and control activities that may impact the environment, social well-being, or economic stability.

4.1.2 It facilitates coordination and integration of sustainability policies across different sectors and levels of management and ensures that environmental, social, and economic considerations are considered holistically and that policies are coherent and complementary rather than conflicting.

4.1.3 A Core Team – Sustainability Oversight Task Force - is created with the clear objectives to drive sustainability performance for the ORGANISATION. It ensures sustainability principles and practices in operations, e.g. staff recruitment, procurement, risk management, are embedded, and continually monitors and assesses its performance in the light of ESG (Environmental, Social and Governance) and sustainability.

4.1.4 Procurement

The acquisition of goods and services for the ORGANISATION is carried out in a transparent and competitive environment to guarantee fair and reasonable prices while considering the impact to the environment and society. The responsibility for purchasing activities lies with both the Procurement Department and the employees of academic and administrative departments. These activities encompass the obligation to maintain proper transaction documentation, uphold fiscal responsibility, exhibit ethical behaviour, comply with federal and state government regulations, and adhere to university by-laws and policies.

By supporting local suppliers, the university contributes to local economic growth and reduces carbon emissions associated with long-distance transportation.

Procurement Department offers assistance to the community in the ORGANISATION in the selection, acquisition, utilisation, and disposal of goods and services through the following approaches:

- A) Maximising the purchasing power of the university by prioritising strategic sourcing and obtaining the best value.
- B) Capitalising on their expertise in contract negotiations and supplier management to benefit the university.
- C) Streamlining processes and investing in new technologies to enhance administrative efficiencies.
- D) Ensuring that all purchases align with applicable university by-laws, laws, regulations, codes, and ordinances.
- E) Minimising risk exposure while maintaining flexibility in procurement activities.
- F) Minimising the environmental footprint by considering selecting eco-friendly suppliers that also promote fair labour practices and production under ethical conditions.

4.1.5 Investment

The ORGANISATION invests merely in its own development and expansion. It would have a well-structured plan that outlines clear objectives and principles for making investment decisions. It considers organisational financial goals, risk tolerance, and time horizon which would include assessing risk tolerance, and keeping costs low. It also endeavours to minimise environmental and biodiversity impact and at the same time encourage work opportunities to a diverse community to promote equality.

If there is partnership, it invest in companies with strong sustainability principles and alignment with sustainable development goals. It would exclude industries with negative impacts and favours those making positive contributions to sustainability.

4.2 Social

This segment provides one point of reference for all stakeholders of the ORGANISATION on POLICY related to the social aspect of the ORGANISATION's sustainability. The stakeholders include its employees, students and student bodies, corporate clients, business partners, i.e. companies, government, non-governmental ORGANISATIONS (NGOs) and civil society ORGANISATIONS (CSOs).

As an ORGANISATION, UCSI Group respects the human rights of all stakeholders and expects mutual collaborations to mutually promote harmony, justice and human rights as described in the United Nations Declaration of Human Rights (UNDHR) and consistent to National Principles.

4.2.1 Equal opportunities

The ORGANISATION promotes fairness, non-discrimination, and equal opportunities within its organization's workforce. It aims to create an inclusive and diverse workplace where all employees are treated with respect and given the same opportunities for career growth and success, regardless of their gender, race, ethnicity, age, disability or sexual orientation.

Students, regardless of their gender, background, race, or sexual orientation, are granted equal and unbiased access to higher education solely based on their individual merits, talents, and capabilities.

4.2.2 Engagement with Employees and Students

In enhancing harmony and conducive work place and learning environment for sustainability, all staff and students are to:

- A) Complete an induction session in creating their awareness on sustainability, either face-to-face or on-line.
- B) Advocate justice, fairness, respect, transparency and integrity in all aspects of governance, management and performance.
- C) Resolve contentions and differences through constructive engagement, always seeking for beneficial outcomes for the ORGANISATION and its UCSI learning institutions and stakeholders.
- D) Use words that motivate and build others, refraining from words and actions that offend, insult, humiliate or intimidate others, including false, obscene, harassing or hateful comments to or about the ORGANISATION, its learning institutions and stakeholders.
- E) Respect and promote diversity and equal opportunity for all, rejecting any form of racial/religious discrimination, bigotry, extremism, unjustified acts causing harm to any individual or group, including any actions that can disrupt cooperation and cohesion at all levels and in all its manifestations.
- G) Respect all rights and standards for employees and students.

In cases where an employee or a student is reported to go against any of the stipulated points, the relevant management staff may proceed with evaluating the report and conducting appropriate action following the norms and procedures of the employee's department or student's learning institution disciplinary body.

4.2.3 Engagement with Corporate Clients and Business Partners

The ORGANISATION expects mutual support with its corporate clients and business partners to:

- A) Contribute to social, economic and the environment progress as part of their business or ORGANISATIONal performance.
- B) Respect all labour standards and avoid violation to any of them.
- C) Provide a safe and healthy work environment.
- D) Commit to achieve progression of their sustainability commitments.
- E) Prevent any adverse negative impact to the society, economy and the environment.
- F) Collaborate actively in contributing towards sustainability for a better future.

The ORGANISATION will review its corporate clients and business partners' commitment to sustainability through its intentional engaging with them on sustainability activities and matters. In cases where our clients and partners do not meet the required obligations for sustainability, cause or contribute to adverse social and environmental impacts, and the ongoing engagement with the ORGANISATION on sustainability practices does not lead to improvements over time, the ORGANISATION may review the relationship on the basis of pre-determined criteria.

4.2.4 Engagement with Local and International Communities

The ORGANISATION believes in working together for long term for positive societal transformation and environmental restoration and preservation. In its engagement with national and international communities, the ORGANISATION commits to:

- A) Promote sustainability implementation such as using the ACCA framework in an attainable time frame at the national, regional and international level.
- B) Cooperate with businesses, governments, high learning institutions, NGOs and CSOs in tackling the world's most pressing needs as outlined by SDGs and in genuinely practising, SDGs' slogan, "Leave no One Behind".
- C) Encourage sustainability partners to align their CSR projects' to SDG targets and indicators and to register their SDG projects and report outcomes at UNDP's SDG portal.
- D) Partner with appropriate agencies in producing high quality research output and data compilation to support Malaysia's SDGs voluntary reporting to the United Nation's annual High Level Political Forum in New York.
- E) Share its resources to support sustainability activities and programmes of its local and international partners.
- F) Align the ORGANISATION's businesses to follow the principles of UN Global Compact

4.3 Environment

4.3.1 Green Practices

- A) Organising all event by the ORGANISATION's subsidiaries and its relevant entities in compliance with the ORGANISATION's Green Certification, and with the encouragement to fulfill the Bronze, Silver or Gold Award requirements.
- B) Designing, building, operating and maintaining the ORGANISATION's buildings are to be environmental friendly and in accordance to local conditions and standards, while thriving to set a bench mark for best practices.
- C) Continuing to secure and develop responsible sourcing standards that upholds the well-being of mankind and other living creatures in the eco-system
- D) Practicing 5Rs – Rethink, Refuse, Recycle, Reduce and Reuse, turning recyclables and wastes into resources, and thriving for zero waste to landfill.
- E) Leading regenerative projects on degraded land, deforested areas and agriculturally cultivated areas.
- F) Becoming water positive by leading and developing water stewardship programmes.
- G) Leading regenerative projects to clean polluted waters and protect life below water, and preventing pollutants from going to the oceans.
- H) Sourcing renewable and recycled materials with a positive environmental impact.
- I) Promoting sustainable forest management to eliminate forest degradation and deforestation. Using innovative approaches to forest management, protection, restoration and regeneration.
- J) Engaging community within and outside the ORGANISATION to partner in planning and implementation of environmental care and protection programs via volunteerism, life-long learning courses and as an experiential learning component of any subjects

4.3.2 Green Requirements for Running Events and Meetings

The ORGANISATION commits to reduce its carbon footprint by taking a firm action against climate change. Genuine to this intention, the ORGANISATION will reinforce on all subsidiaries and relevant entities running an environmental friendly or Green Events and Meetings within its premises and, as much as possible, when running a joined program outside its premises. These requirements and registration are accessible via UCSI Group's Sustainability website, "Guide to UCSI Green Event and Meeting".

For Consumerism Behaviour, the basic sustainability requirements are:

1. No single used plastic products for serving food and drinks.
2. Biodegradable straws and stirrers are allowed, but no plastic straws and stirrers.
3. Healthy diet or diet preferences are taken into consideration when choosing and serving meals and drinks, e.g. vegetarian, halal, allergies, etc.
4. Beverage and water are served from dispensers and individually packed bottled water are avoided as much as possible.
5. Whenever possible, washable or recyclable service ware and serving dishes are used .
6. All unnecessary lights and electric items are switched off, and air-conditioners are set at minimum 22 Celsius to prevent energy wastage.

For Communication and Printed Materials, the basic sustainability requirements are:

1. As much as possible, all announcements and updates, and registration for the event are done via email or electronic.
2. Agendas are displayed electronically or printed out and displayed at a common place rather than distributed.
3. All paper handouts are printed double-sided printing and all leftover paper copies are recycled after the event.
4. All event or meeting materials are archived in digital form.
5. All banners are encouraged to be reused or recycled, and printing of dates on the banner is avoided as much as possible.

The ORGANISATION commits for a regular evaluation on its overall performance in this area, and will progressively thrive for best practices by setting yearly targets and indicators in meeting its in-house mandatory Green Event and Meeting requirements. In paving for a bolder climate action, the ORGANISATION engages and give incentives to event and meeting organizers to conduct best Green practices as stipulated by its guidelines for Gold, Silver or Bronze Green Awards. Guidelines for best practices for Green Event and Meeting:

Planning committees are briefed on sustainable practices prior to the event.

1. Team ensures that items that are unused after the event are segregated for recycling and waste are thrown away properly.
2. Go entirely paperless by using projector, white board, laptops or tablets, smartphones.
3. Any paper used is printed on recycled content paper and include logos that encourage participants to recycle their paper.
4. Encourage participants to bring their own water bottles or cups.
5. Use dispenser for sauce, sugar, etc.
6. Decorations or event props are items that are recycled or re-purpose.
7. As much as possible, give away food scrap (non-meat) to UCSI compost project instead of throwing it to General Waste bin.
8. As much as possible, corporate gifts or give-aways are locally made, sustainable in nature or are of experience-based.
9. Packaging used are reusable, recyclable or biodegradable.

5. Sustainability Reporting

All ORGANISATION's subsidiaries and departments are to submit their report to UCSI Group Sustainability Office once a year, in December. The reporting templates are designed for reporting these clusters:

- 1) Campus Operations
- 2) Project and Event
- 3) Social
- 4) Academic
- 5) Research

The Sustainability Oversight Task Force is responsible to review the progress and suggest on improvement and give support to enhance progress. Annual report on the ORGANISATION's sustainability and SDGs progress and programmes will be submitted to UCSI Group top management.

The ORGANISATION's report will include the compilation of the mentioned above four clusters, and mapping them as closely as possible to ACCA+E framework and HPPS principles.

All UCSI subsidiaries, i.e. Education, Consulting, Property, Hospitality and Medical, and Group divisions, i.e. Finance, Human Resource, Logistic Management, Legal, Computer Services, Property and Corporate Affairs are responsible to work with their teams to develop and execute their own implementation and to support existing SDG related projects or develop a new one based on their team's interest, capability and capacity.

1. UCSI Group Holdings Sdn. Bhd.
2. UCSI Education Sdn. Bhd.
3. Sekolah Sri UCSI Sdn. Bhd.
4. UCSI Child Development Centre Sdn. Bhd.
5. UCSI International School Sdn. Bhd.
6. UCSI College Sdn. Bhd.
7. UCSI Academy Sdn Bhd.
8. UCSI Computech Sdn. Bhd.
9. UCSI Consulting Group Sdn. Bhd.
10. UniComms International Sdn Bhd.
11. UCSI Extension Sdn. Bhd.
12. Laurent Bleu Sdn. Bhd.
13. UCSI Peterson Properties Sdn. Bhd.
14. UCSI Campio Builders Sdn. Bhd.
15. UCSI 1 Card Sdn. Bhd.
16. UCSI Poll Research Centre Sdn. Bhd.
17. UCSI Hotels Sdn. Bhd.
18. Synergistic Education Sdn Bhd.
19. UCSI Hospital Sdn. Bhd.
20. NCR Travel Sdn. Bhd.
21. In-house Food Tenants
22. Laundry Service Provider
23. On Campus Bookstore
24. DOTS