

Sunway Berhad

DONATIONS, SPONSORSHIPS AND CORPORATE RESPONSIBILITY POLICY

BY

GROUP BRAND MARKETING AND COMMUNICATIONS

(Strictly for Internal Reference of Sunway Group)

Effective date: 1/6/2020

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I. Purpose

This section encompasses the principle regarding donations and contributions within Sunway Group. As a responsible corporate citizen, Sunway Group always seeks avenues in which it can contribute to the community through three areas, one of which is via its social responsibility programmes.

Be it through monetary contributions or in-kind, the Sunway Group has always worked towards benefiting the community. The other two areas that Sunway contributes back to the community are through healthcare and education.

Sunway Group Brand Marketing and Communications department (GBMC) plays an important role in organising these donations/contributions to various Non-Governmental and Government Organisations.

Sunway Group strongly believes that donations/contributions made to these organisations are worthwhile because the Group seeks to:

- Improve the lives of the community in which it serves
- Build good relationships/ rapport with members of the community
- Position the Group as a good corporate citizen in the eyes of the community as well as the government

II. Scope

This covers all donations of cash, services or donations in-kind, to individuals, organisations or other bodies but excludes scholarships under the Education division.

All donations, sponsorships and contributions activities referred to in this Policy must comply with the principles laid out in the Anti-Bribery and Corruption Policy and the Anti-Money Laundering Policy of Sunway Berhad Group .

III. Definitions

“Non-Governmental Organisation” or NGO is defined as an organisation in Malaysia which is not operated or conducted primarily for profit and is:

- A hospital;
- A public or benevolent institution/organisation;
- A university or other educational institution;
- A public authority or society engaged solely in research or other work connected with the causes, prevention or cure of disease in human beings;

- A Government - assisted institution engaged in socio - economic research;
- A technical or vocational training institution; or
- A society registered with the Registrar of Societies.

IV. Responsibilities

- Overall responsibilities

GBMC department and Sunway Group Tax should be jointly responsible for administering and complying with this Sunway standard operating procedure (SSOP).

- Interpretations

GBMC department, in consultation with relevant parties, if required, shall be responsible to provide clarity to this SSOP in the event of ambiguity.

- Exceptions

Any exception, waiver or deviation from the requirements of this SSOP requires the approval of GBMC department.

V. Best Practice

- Set a strategy and specify criteria for making donations and/or contributions and/or sponsorships. Ad-hoc proposals that fall outside the strategy and do not meet the criteria should be reviewed by the respective manager and/ or Head of Department.
- Notify employees and relevant third parties of the company's conflicts of interest policy and provide guidance on avoiding and managing conflicts arising from contributions and sponsorships.
- Conduct risk-based due diligence on all intended recipients. Check for red flags such as past integrity issues, a pre-existing or potential business relationship with the company or an affiliation with a public official.
- Assess the legitimacy, capability and financial viability of the recipient organisation.
- Set approval thresholds for donations and sponsorships of different values and/or risk levels.
- Document donations and/or contributions and/or sponsorships according to their size, nature and level of risk. This documentation will be used to determine the required approvals, monitoring and post-completion review and reporting.

- Monitor all donations and/or contributions and/or sponsorships to ensure that they have been used for their intended purpose. Conduct checks to ensure all donations comply with this policy.
- Record all donations and/or contributions and/or sponsorships accurately for internal audit.

Publish this policy for donations and/or contributions and/or sponsorships and disclose the donations and/or contributions and/or sponsorships made on a regular basis.

1. Introduction

Charitable donations and/or contributions and/or sponsorships are usually assessed as high risk areas for various forms of bribery, money laundering and any other corruption related activities. There should be an adequate control in place to ensure that all such payments for donations, contributions or sponsorships are made in full compliance with applicable laws and regulations, together with Sunway's anti-bribery and corruption and anti-money laundering policies.

Therefore, the purpose of this policy is to:

- Provide guidance for the strategy of making donations and sponsorships to ensure all proposals fit within the strategy and meet the established criteria.
- Provide guidance on the conduct of due diligence on all proposed recipients to check whether they are affiliated with public officials or existing or potential customers, among other anti-bribery red flags.
- Establish proper controls, including approval thresholds and counter-signatures, to counter the risk of kickbacks.

2. Objectives

In fulfilling its corporate citizenship, Sunway manages its businesses ethically in accordance with its Code of Conduct & Business Ethics, and positively contributes to social good, and to programmes, which benefit its customers, employees, shareholders and other stakeholders.

Donations and/or cash contributions by the Company are part of its Corporate Responsibility (CR) efforts, which are undertaken to meet one or all of the following objectives:

- Garner positive and/or favourable support of its stakeholders as well as serve their expectations and/or needs;
- Contribute resources - people, money, products and services - to support the communities in which it operates;
- Support the national agenda by supporting key propellers of growth to include overall capacity, skills, ICT infrastructure and capabilities, and talent development.
- Ensure all donations and/or cash contributions are allowed by applicable bylaws of Malaysia
- Be made to established entities having an adequate organisational structure to guarantee proper administration of the funds
- Strictly prohibited to use as a means to cover up an undue payment or bribery

3. Overall Policy

Policy on Donation and Contributions

Ad-hoc donations or charity contributions in cash and kind can be considered by Sunway within acceptable limits of authority and disbursement; but only to support institutions, platforms and individuals undertaking community or stakeholder initiatives in the areas of Education, Healthcare, and Community Enrichment. All requests for donations must be channelled through Sunway Group Brand Marketing and Communications (GBMC) department.

Exception of this policy can be taken within the prescribed limit on the amount of funds and subject to:

- prior written approval of the BU Heads/ Functional Heads;
- the direct authority of the BU Heads/ Functional Heads, EXCO or Chairman;
- special considerations due to out-of-scope requests from Government authorities, related agencies or members of the royal families.
- Sunway does not make donations for political causes or any politically affiliated institutions. However, to meet the obligatory requirements as a conglomerate, Sunway does contribute to events organised by political parties especially those concerning industry/policy issues with key regulatory bodies, with private sector involvement.

4. Procedure to Handle a Donation Request

Applicant's Request for Proposed Donation/Contribution

The proposal for a donation/contribution may originate from GBMC or from a Business Unit (BU). All proposals for donations or contributions must be accompanied by the completed Application Form for Donations or Contributions. The duly completed Application Form for Donations or Contributions is to be approved by the respective parties and Managing Director/ CEO before forwarding it to GBMC.

Reason(s) to justify the donations or contributions is (are) required to be specified in the Application Form for Donations or Contributions. Reasons may include, amongst others, as follows:

- I. Improve the lives of the community in which it serves.
- II. Build good relationships/rapport with relevant members of the community.
- III. Position the group and Sunway brand as a good corporate citizen in the eyes of the community as well as the government.

If the donation or contribution amount is RM50,000 or more, GBMC will then consult with the Deputy Chairman of Sunway Group to evaluate the benefits derived from giving the donations/contributions, as indicated in the Application Form for Donations or Contributions. If satisfactory, the proposal for donations/contributions will then be tabled to the Group EXCO for approval.

5. Donations versus Business Value

- While the primary objective of all ad-hoc donations is to meet the social obligations of the organisation, it is important to evaluate the requests for donations in terms of the value (tangible or intangible) to the overall business.
- **ALWAYS ASK** - Will the donation add value in terms of providing Sunway with brand visibility, social equity, exclusivity, goodwill, media exposure, new partnership opportunities, impact, and perception to the brand?
- Any donations, which are linked to business and commercial interests or carry business and commercial weight, will be channelled through the relevant business units. Business Units must evaluate and submit recommendations for endorsement to Sunway Group Brand Marketing and Communications (GBMC) department.
- BUs may use the checklist to evaluate ad-hoc donation requests.
- BUs are required to fill up the ad-hoc donation request form and submit to GBMC for endorsement.
- All requests must be submitted to GBMC at least three weeks before the event. Valid reasons need to be presented for any request lesser than three weeks.

Priority for donation and contributions

- Registered societies, organisations or charitable and non-governmental organisations and/or institutions with tax exemption status.
- Organisations that benefit the sick, elderly, underprivileged, disabled and/or disadvantaged.
- Organisations that encourage higher learning and/or promote intellectual activities.
- Activities that enable Sunway to play its part as a responsible corporate citizen.

6. Consideration for Donations & Contributions

Acceptable list

- Regulatory Authorities / Bodies
- National organisations
- Charities and non-governmental organisations
- Public services organisations
- Schools and institutions of higher education (*Only education and charitable community-related projects*)

Unacceptable list

- Privileged organisations with access to alternative sources of funding
- Politically-affiliated institutions or groups
- Well-networked organisations
- Organisations with independent CR flagship programmes
- Organisations which are not aligned to Sunway CR guidelines
- Institutions/programmes/initiatives, which are/were supported by competitors
- Programmes that serve religious objectives or are averse to cultural and ethnic diversity
- Groups or organisations which suffer from reputational issues and/or are associated with legal proceedings or other with controversial personalities issues
- Corporate organisations that serve and/or act as a middle party to any charitable organisations and/or NGOs.
- Activities which may cause physical harm (examples: motorcycle expeditions, extreme sports)

7. Types of Sponsorship

CATEGORY	OBJECTIVE
Goodwill Sponsorships (Can be exceptions i.e. outside the areas defined by the guidelines. Minor impact on business)	To respect existing stakeholder relationships and/or build new networks while meeting various business objectives.
Media Sponsorships (Strictly as per the areas defined i.e. Education, Healthcare and Community Enrichment programmes, with some measurable impact on core business)	To nurture media relationships, especially the media which have continually supported Sunway events and initiatives through positive and consistent coverage.
Community-driven Sponsorships (Strictly as per the areas defined i.e. Education, Healthcare and Community Enrichment programmes, with some measurable impact on core business)	To support various stakeholder communities to include institutions for the disadvantaged and underprivileged groups, etc.

8. Criteria for Selection

Checklist / considerations for evaluation of donation and contribution request

- Did you receive the request in writing, from an approved, legal and credible institution or source?
- Did the request come from an institution endorsed/approved by a Governmental body?
- Does the request for donation meet the objectives and the guidelines defined?
- Does the request allow enough time to process the application and secure necessary approvals?
- Does the institution fall under the broad categories as defined in this guidelines document?
- Is there a reason or necessity to make an exception and do you need additional time to process the request?
- Have you in the past six months approved a donation to or sponsorship appeal from the requesting institution? If yes, for sustainability of the cause, does it merit an exception?

Note: The evaluation and selection forms part and parcel of due diligence required on the intended recipients/beneficiaries.

9. Limits of Authority (LOA)

Amount	Approving authority
For amounts up to RM50,000.00	Sunway BU Heads/ Functional Heads
For amounts more than RM50,000.00	Sunway EXCO

* Company Secretary to seek approval from BOD as per Bursa guidelines

The BUs must exercise prudence when evaluating and approving charitable donations. The LOA, as defined in the policy document, of approving departments/individuals should be adhered to at all times.

LOA Explanatory Notes:

LOA has been kept at two tiers for simplification purposes and ease of process.

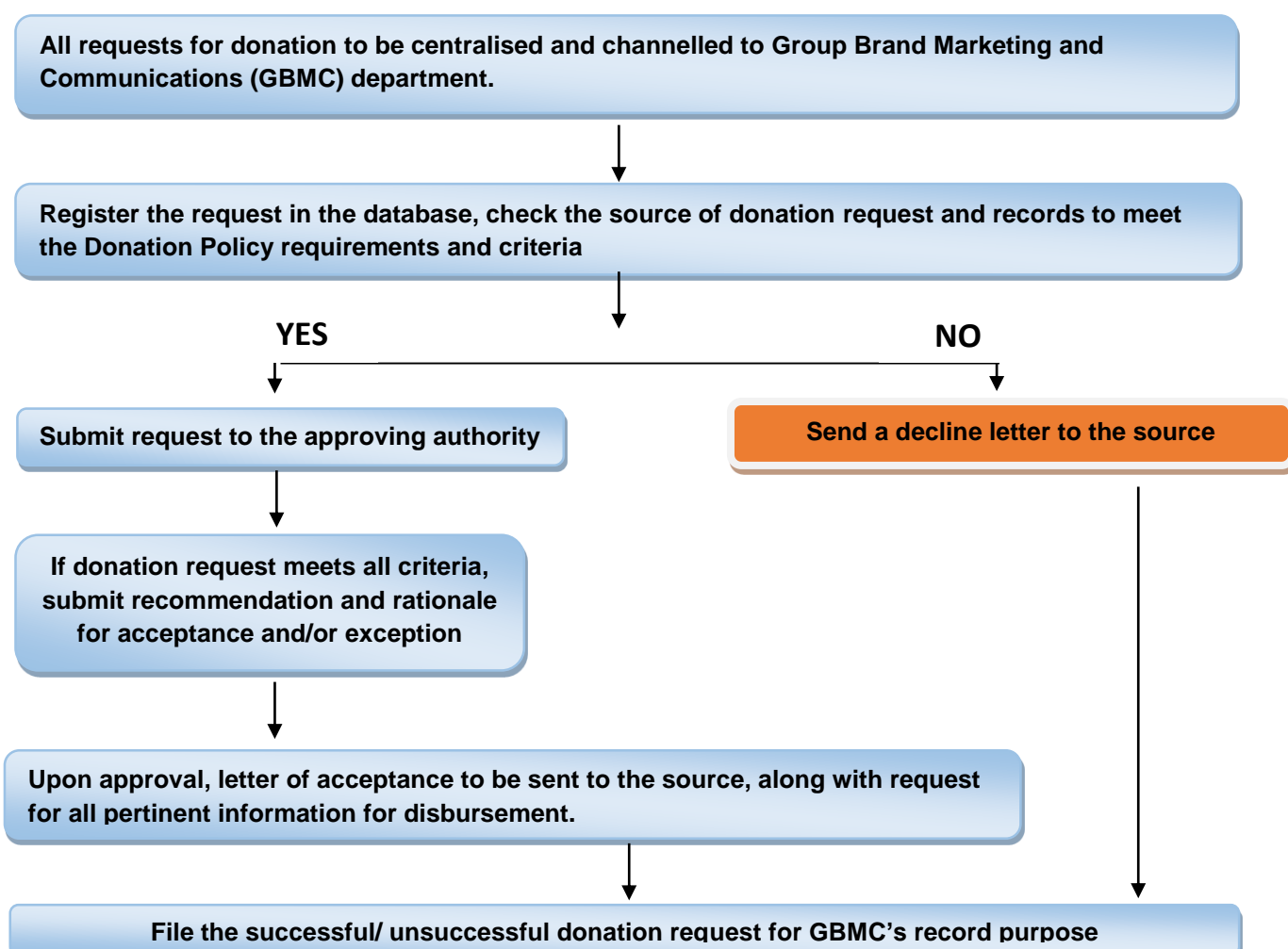
- As defined in the table, the approval authority can exercise his and/or her LOA according to the budget allocated for this purpose in a year.
- For any particular one request, the donation can be made or granted in either cash, in-kind or both provided that the amount is within the approver's limit and budget and made under one single request only.
- The above LOA for approval is strictly for donations, contributions and/or sponsorships and not for business related activities. CR related requests should be centralised at GBMC and Business or Branding related opportunities to either Marketing or respective Divisional Heads.

10. Checklist for Evaluation

- Checklist of information that shall be requested and furnished in order to conduct an evaluation
- Official name, business/NGO registration number, address and contact details of the organisation on an official letterhead
- Names and contact details of the officials of the organisation
- Details of the organisation's credentials/track record of projects
- Project details e.g. objectives, budget, timeline, location/venue

- Details of relevant market research, if any
- Details of other sponsoring organisations/partners, if any
- If an event, details of media exposure and media partners, if any
- Profile of the audience and expected viewing numbers
- Extent/level of sponsorship sought and sponsorship amount
- Details of benefits to the sponsoring organisations
- Tax exemption approval number/letter of approval from the Inland Revenue Board

11. Approval/ Declining Process



12. Monitoring and Reporting

- Donations must not be considered as arbitrary contributions, but as sustainable efforts to meet CR objectives.
- Sunway must represent itself through a nominee, for participation in the donated cause, to demonstrate sincerity as well as commitment beyond cash contribution.
- The donation recipient must be asked to submit a Management Synopsis on the cause supported by Sunway donation, along with details of branding and representation as well as credit opportunities provided to Sunway.
- All BUs to submit all donations and/or contributions requests to GBMC for tracking purpose every six months, to ensure Sunway maintains sustainable interest in the causes supported.
- Showcase and publish the causes and/or initiatives supported by Sunway through:
 - Sustainability Reports
 - Annual Reports
 - Media Coverage
 - Stakeholder dialogues, forums and conferences

13. Corporate Responsibility

Community Programmes

Proposals for community programmes must be submitted to and approved by ~~Sunway~~ Group Brand Marketing and Communications (GBMC) department.

GBMC will ensure that:

- All programmes adhere to the Company's CR framework
 - Education
 - Healthcare
 - Community Enrichment
- There is integration of messaging and no duplication of efforts
- All CR programmes must take into account the following key factors:
 - **Sustainability:** Sunway's CR goals are long term and not subject to frequent change.

- **Focus:** CR key deliverables should ride on Sunway's existing strength, competencies and infrastructure to strengthen and enhance the Company's position in the market and / or communities that Sunway built / locations that Sunway has presence.
 - **Participation:** Employee involvement is a cornerstone of Sunway CR initiatives. All community programmes should encourage employee participation, generate teamwork and instil a sense of responsibility amongst staff towards the various communities that they serve.
 - **Support:** It is important that all CR programmes and messages enhance Sunway's corporate image and not deflect from the Company's overall positioning. They should incorporate Sunway brand values.
- All community projects must use the Sunway logo and the “#sunwayforgood” logo for their programme communications either in media statements, advertisements, brochures or flyers. The design, look and feel of the internal collateral must be reviewed by the Branding Unit of GBMC before it is produced and distributed.
 - Supporting CR collaterals may be obtained from GBMC to be used at the programme location. All items borrowed must be returned after use. If items are damaged, the department responsible must reimburse for replacements.
 - Organisers of community programmes involving donations or monetary contributions to charitable organisations are required to check if donations to them will qualify for tax exemption.

14. Tax Exemptions

- Check with the relevant organisation if it has tax exemption status.
- Obtain an authorised receipt that clearly identifies Sunway as the donor or contributor:
 - Receipts for contributions by cash should be made to: “Sunway Berhad” or otherwise advised by Sunway Group Finance division.
 - Receipts for contributions in-kind, functions and advertisements should be made to “Sunway Berhad” or otherwise advised by Sunway Group Finance division.
- Ensure that the obtained receipt has a serial number.
- Forward all receipts to the Group Tax department (Finance division).

15. Index References

Short Form	Full Text
BU	Business Unit
F&A Head	Finance and Administration Head
CEO	Chief Executive Office
GBMC	Group Brand Marketing and Communications
PCM	Profit Centre Manager
BOD	Board of Directors
CR	Corporate Responsibility
SSOP	Sunway standard operating procedure

16. Approval

Done by:
Kishen Alex Raj
Reviewed by:
Bernard Paul
Ho Sheng Yueh
Ong Pang Yen
Tan Kim Aun
Ho Sheng Yueh
Yee Meng Haw
Tan Poh Chan

17. Appendices

a) Donations / Sponsorship form

GROUP BRAND MARKETING AND COMMUNICATIONS Application for Donation/Sponsorship Form



Date issued : xx/xx/2021

REF : GBMC/2021/00001

Details of Event		
Event Name :		
Event Date & Time :		
Event Venue :		
Officiating VIP :		
Details of Donation / Sponsorship Request (Organiser's information)		
Requestor's Name (name of Organisation) :		
Contact Person :		
Contact Number :		
Type of Organisation :	<input type="checkbox"/> Ministry / Government	<input type="checkbox"/> Educational Institution
<input type="checkbox"/> Government Association	<input type="checkbox"/> Community Association	<input type="checkbox"/> NGO
<input type="checkbox"/> Others :		
Details of request :		
Target Audience :		
Target Reach :	C	
Amount requested :		
Cheque payable to :		
Charge to :		
Tax Exemption Approval No.(if applicable) :		
Evaluation from Sunway's perspective		
Which of Sunway's target audience does this proposal reach?		
<input type="checkbox"/> Ministry / Government	<input type="checkbox"/> Students / Children	<input type="checkbox"/> Community
<input type="checkbox"/> Property related	<input type="checkbox"/> NGO	<input type="checkbox"/> None
<input type="checkbox"/> Others :		

GROUP BRAND MARKETING AND COMMUNICATIONS

Application for Donation/Sponsorship Form

Which of the following fit Sunway's Corporate Responsibility policy?				
<input type="checkbox"/> Education	<input type="checkbox"/> Healthcare	<input type="checkbox"/> Community Enrichment		
Publicity Opportunities				
<input type="checkbox"/> Media Coverage	<input type="checkbox"/> Logo Placement	<input type="checkbox"/> Advertisement Space		
<input type="checkbox"/> Others : _____		<input type="checkbox"/> None		
Approvals (below RM50,000 sponsorship/donation request)				
	Name	Designation	Signature	Date
Prepared by				
Reviewed by				
1 st Approval (BU Head)				
Reviewed by GBMC				
2 nd Approval (GBMC)				
Endorsed by Deputy Chairman Sunway Berhad (only for above RM50,000)	Date presented & approved : - N/A -	Verified by (name & designation)	Signature	
Approved by Sunway Group EXCO (only for above RM50,000)	Date presented & approved : - N/A -	Verified by (name & designation)	Signature	
Approval for Payment (For Finance Use)				

b) Donations / Sponsorship Checklist

GROUP BRAND MARKETING AND COMMUNICATIONS Checklist for Donation/Sponsorship



Please complete wherever necessary.

1	• Did the request come from an approved, legal and credible institution or source?	Y / N
2	• Did the request come from an institution endorsed/approved by a Governmental body?	Y / N
3	If yes, which Governmental body endorsed this request?	
4	• Have you in the past six months approved a donation to or sponsorship appeal from the requesting institution?	Y / N
5	• If yes, for sustainability of the cause, does it merit an exception?	Y / N
Did the request come with		
6	• Details of the organisation's credentials/track record of projects	Y / N
7	• Details of relevant market research.	Y / N
8	If yes, what are the market research obtained? _____ _____	
9	• Details of other sponsoring organisations/partners, if any	
10	• Details of benefits to Sunway with this donation/sponsorship.	

c) Template – Letter of Acceptance

The letter must indicate the following:

- Organisation's name and the contribution amount
- Description (but not value) of non-cash contributions, if any
- Positive statement of acknowledgement for approaching Sunway
- Request for receipts or tax benefit statements for record purposes, if applicable
- Details of Sunway Brand Guidelines etc.
- A Statement of Support, acknowledging the Objectives of the Cause

<On Sunway Letterhead>

<Date>

<Salutation><First Name><Last Name>

<Designation>

<Company Name>

<Full Address>

Dear <Last Name>,

Subject: Acceptance of your request for Donation to support <name of the cause / event etc.>

We would like to thank you for giving us the opportunity to support your <name of the cause or event>, which is in keeping with our corporate responsibility framework and policy. Such initiatives bring about positive change and support community development towards sustainable results.

We are happy to consider a contribution of <RM Amount><(in words)>, and a **cheque no. <12345>** towards this amount has been issued and enclosed with this letter. Kindly provide us with an acknowledgement receipt for our records.

Thank you once again. For any additional information or clarifications, please feel free to contact me at **<Email and Contact Number>**.

Yours sincerely,

<Full Name>and<Designation>

d) **Template – Letter of Decline**

<On Sunway Letterhead>

<Date>

<Salutation><First Name><Last Name>

<Designation>

<Company Name>

<Full Address>

Dear <Last Name>,

Subject: Your request for Donation to support <name of the cause / event etc.>

We would like to thank you for giving us the opportunity to support your <name of the cause or event>, which in our view is a commendable contribution to the <xx groups/ society / industry>

Please be informed that Sunway has a sustainable Corporate Responsibility framework and in keeping with our policies, we welcome special Donation / Sponsorship requests for any worthy causes / events to support <Education and Community Development.>

Unfortunately, we are unable to honour /accept your request for donation in this instance. However, we welcome any other proposal/s which you may have, that complements our priority areas, as stated above. We will be happy to substantiate your efforts for a meaningful cause /event.

Thank you once again for writing to us. For any additional information or clarifications, please feel free to contact me at <Email and Contact Number>.

Yours sincerely,

EMAIL

We refer to <name> proposal on the above matter.

Thank you for reaching out to the Sunway Group. After deliberation, we have to respectfully decline this request as it is not aligned with Sunway 's focus at this moment and our current commitment in a number of Corporate Sustainability projects are focused on Education. Nevertheless, we thank you for your kind interest in our organisation and take this opportunity in wishing you all the best in your endeavours.

Thank you.

e) **Template – Report**

All parties receiving the donation must be requested to submit a receipt for record purposes. For event sponsorships, the receiving organisation(s) must submit a post-event report for good governance purposes. Such information should be requested in view of specific requirements, which might be helpful when drafting an Annual Report or Sustainability Report. The Report must follow the prescribed format as below.

- 250 Word Description of the Project / Event / Cause [recipient of the Donation / Sponsorship]
- 100 Word Profile of the Parent Organisation / Supporting Organisations / Participating Members / Organisations etc.
- Statement of Undertaking – How was the Donation / Sponsorship amount put to use?
- Sunway Logo Placements – Images and Brief Descriptions (if applicable)
- Media Coverage on the Event (if applicable)
- Sunway Spokespersons' Presentation – with Audience Feedback, Comments, Media Requests etc. (if applicable)
- Way Forward – Will the event / cause / project be sustainable? If yes, will Sunway be presented an opportunity to support? Special requests etc.