

POLICY

DRB-HICOM

DRB-HICOM BERHAD

(203430-W)

GROUP PROCUREMENT POLICY

GROUP PROCUREMENT DEPARTMENT

1. PROCEDURES

Sustainability

DRB-HICOM is committed to adopting a procurement approach that supports the principles of sustainability. During the procurement life cycle, DRB-HICOM will commit to reducing consumption of resources and minimise waste, including:

- Encouraging the adoption of eco-friendly, energy-efficient products
- Encouraging or preferring eco-friendly products which are more power efficient.
- Selecting energy, fuel and water efficient products.
- Preferring to purchase from a source which is less polluting or uses clean technology.
- Considering the provision of re-usable products and recycling as part of the project planning process, including the consideration of whole of life costs and disposal considerations.
- Buying recycled or partially recycled products to optimize consumption and stimulate demand for recycled products.
- Encouraging vendors to adopt good environmental practices.

Sustainability requires all employees to conduct purchasing and contracting activities, in a resource efficient manner. Before buying any products or services, a number of questions should be considered:

- Is the product or service required?
- Can the need be met in another way?
- Is a suitable product available elsewhere in the organization?
- Can the requirement be met by renting or sharing rather than purchasing?
- Is the quantity requested essential?
- Can the product serve any useful purpose after its initial use?

If it is essential to purchase, choose less environmentally and socially damaging products. Consider all phases of the product lifecycle – production, transportation, maintenance and disposal when determining its cost and environmental impact. Look at the Supplier's policies and practices.

- Fit for purpose, provide value for money
- Energy and resource efficient
- Minimum use of virgin materials
- Non-polluting
- Durable, easily upgraded and repairable
- Minimum packaging
- Reusable and Recyclable

Use environmentally preferable goods, services and processes. Those that have a lesser or reduced impact on the environment over the life cycle of the goods and services, when compared with competing goods or services serving the same purpose.

Environmental performance considerations include:

- The reduction of greenhouse gas emissions and air contaminants
- Improved energy and water efficiency
- Reduced ozone depleting substances
- Reduced waste and support reuse and recycling
- The use of renewable resources
- Reduced hazardous waste
- Reduced toxic and hazardous substances

The best way to help the environment is to minimise consumption.

Green Procurement Program:

Products, Services and Processes are selected to promote the four 'R' strategies, i.e.,

- RETHINK requirements - to reduce environmental impact
- REDUCE material consumption
- RECYCLE material/ waste
- REDUCE energy consumption