



Global Compact
Network
Malaysia & Brunei

Advancing Climate Action Through Supply Chain Engagement At EcoWorld

A Case Study of

ECOWORLD
CREATING TOMORROW & BEYOND



Knowledge Partner:

PRME Principles for Responsible
Management Education
CHAPTER **ASEAN+**



MONASH
University
MALAYSIA



Company At A Glance

- Industry: Property Development
- Founded: 2013
- Headquarters: Kuala Lumpur, Malaysia
- Employees: Over 1,000 employees

Eco World Development Group Berhad (EcoWorld) is a leading Malaysian property developer with projects across Klang Valley, Iskandar Malaysia, Penang, and Negeri Sembilan. With sustainability embedded as a core value, EcoWorld is proactively addressing the challenges of Scope 3 emissions, the indirect greenhouse gas (GHG) emissions that occur across a company's value chain, including those from suppliers, outsourced services, transportation, and construction materials. The Group engages its supply chain partners through strategic collaboration and structured capacity-building initiatives, including the adoption of the PROGRESS tool as a practical mechanism to support supply chain partners in the early stages of their sustainability journey.

The Challenge

Tackling Complexity in Supply Chain Emissions

EcoWorld recognises that Scope 3 emissions represent the most significant portion of its carbon footprint, making engagement with supply chain partners essential for meaningful climate action. However, initial outreach was met with resistance due to limited awareness and understanding of ESG principles. This experience highlighted the broader need for capacity building within the supply chain to ensure effective sustainability progress, in line with EcoWorld's Climate Change Policy and Net Zero by 2050 Roadmap.

The Action

How EcoWorld Built Supplier Capacity for Climate Action

EcoWorld launched a structured initiative centred around climate maturity assessments, targeted capacity building, and continuous engagement. The initiative focused on four key components:

1. Establishing a Shared Direction

EcoWorld's Leadership, led by its CEO, Dato' Chang Khim Wah, hosted a high-level dialogue with key supply chain partners. The session communicated the urgency of climate action and the Group's commitment to support its partners through the transition. It served as a foundational moment that aligned expectations and emphasised collaboration, reinforcing the message that all parties need to walk together in the journey to net zero.



2. Climate Maturity Assessment

To understand where suppliers stood in their climate journey, EcoWorld partnered with UN Global Compact Network Malaysia & Brunei (UNGCMYB) and Alliance Bank to roll out the PROGRESS tool. The tool serves as a diagnostic platform that assesses climate maturity across three areas: governance, GHG emissions, and the integration of climate-related objectives into business strategy. The assessment provided a baseline and revealed that over 80% of participating suppliers were at the "Laggard" or "Beginner" stages.



3. Targeted Workshops for Practical Action

Based on the diagnostic findings, EcoWorld worked with UNGCMYB and Alliance Bank to implement workshops tailored to its suppliers' needs, with a focus on those at the "Laggard" or "Beginner" stages. These sessions translated ESG concepts into practical steps, focusing on climate governance, emissions reduction, and business strategy alignment.

4. Driving Continuous Improvement

After the workshops, 40 companies conducted a reassessment. The results were encouraging: 75% had improved to "Intermediate" or higher levels. This showed tangible progress and helped build momentum for further improvements. EcoWorld's Green Council and Sustainability Committee played a hands-on role in supplier engagement through regular guidance and follow-ups, providing open channels for questions to build trust and help overcome implementation hurdles.

Enablers For Sustainability Performance And Impact

Behind EcoWorld's climate supply chain initiative were a series of enablers that formed the foundation for implementation and stakeholder buy-in, laying the groundwork for long-term impact.



Leadership & Culture

CEO-led supplier dialogue and senior leader engagement established direction and secured stakeholder buy-in.



Strategy

Alignment with the EcoWorld's Climate Change Policy and Net Zero Roadmap to reinforce its significance for long-term business continuity and risk management.



Process

Structured approach guided suppliers through assessment, training, and follow up – supported by data-informed interventions.



Resources

The initiative was primarily driven by internal investment, complemented by support from Alliance Bank, which sponsored the delivery of supplier workshops.



Governance

The Sustainability Committee along with the Climate Change Policy and Net Zero Roadmap ensured accountability and alignment.



People

Strong internal support from the Green Council and Sustainability Committee, as well as hands-on involvement by EcoWorld's senior leadership and direct engagement with the top management of supply chain partners, encouraged active participation and built supplier trust and commitment.



ESG Data

Baseline and reassessment data from PROGRESS guided action and tracked progress.



Digital Transformation

The PROGRESS tool enabled structured diagnostics, scoring, and improvement planning for suppliers.



Supply Chain & Procurement

100% of active suppliers were assessed, and over 50 companies attended workshops, advancing collective climate action.



Partnerships

UNGCMYB delivered tailored capacity-building programmes while Alliance Bank incentivised SME improvements with preferential financing rates.

Overcoming Barriers

While EcoWorld's supply chain climate initiative achieved meaningful progress, the journey was not without its challenges. These obstacles highlighted the importance of clear communication, ongoing support, and culturally sensitive engagement to ensure no companies within the supply chain were left behind.

1. Lack of ESG Awareness & Understanding

The issues of limited awareness and understanding of sustainability and ESG concepts, particularly in data collection and reporting, were overcome through targeted workshops. Hands-on training in data management equipped suppliers with the necessary knowledge and skills to produce accurate reports and strengthen sustainability initiatives across the supply chain.

2. Inhibition in Asking Questions

Cultural norms often discourage Malaysian suppliers from asking questions or acknowledging gaps in understanding, which can limit collaboration and learning. EcoWorld addressed this by fostering a supportive, non-judgmental environment that encouraged open dialogue and follow-up inquiries. This empowers suppliers to pursue guidance without hesitation, leading to stronger partnerships and improved knowledge-sharing.

3. Digital Literacy & Cross-Functional Knowledge Gaps

Some suppliers struggled to navigate the PROGRESS platform and often lacked the cross-functional knowledge to complete the assessments accurately. EcoWorld provided regular engagement, clear guidance, and ongoing support, which are essential in supporting supply chain partners throughout the transition.

Impacts & Results

1. Shifting Mindsets

Suppliers moved from initial resistance to active participation, showing greater awareness and commitment to ESG expectations.

2. Enhanced Alignment with Sustainability Targets

- 50 companies attending engagement workshops
- 100% active suppliers completed the sustainability assessments

These efforts strengthened supplier alignment and capacity, an important step forward in advancing EcoWorld's sustainability journey and achieving its Net-Zero aspiration.

3. Improved Climate Maturity

Following the workshops:

- 40 companies voluntarily undertook a reassessment
- 75% achieved Intermediate, Advanced & Leader levels in climate maturity

This marks a notable leap from their initial assessments, where none of these suppliers were above the "Beginner" level in climate maturity.

4. Strengthened Financial Resilience

Through this programme, EcoWorld connected their supply chain partners with Alliance Bank, providing them access to both financial support and expert guidance. The bank serves as a valuable resource, helping partners better understand and navigate the requirements for securing preferential financing rates and other available financial solutions.

Key Lessons Learned

1. Early and Effective Engagement is Critical

Engaging supply chain partners at an early stage, with well-structured communication and involving all relevant persons-in-charge (PICs), accelerated understanding, reduced uncertainty, and strengthened alignment. Early involvement ensures smoother implementation and more time for capacity building.

2. Leadership Sets the Tone

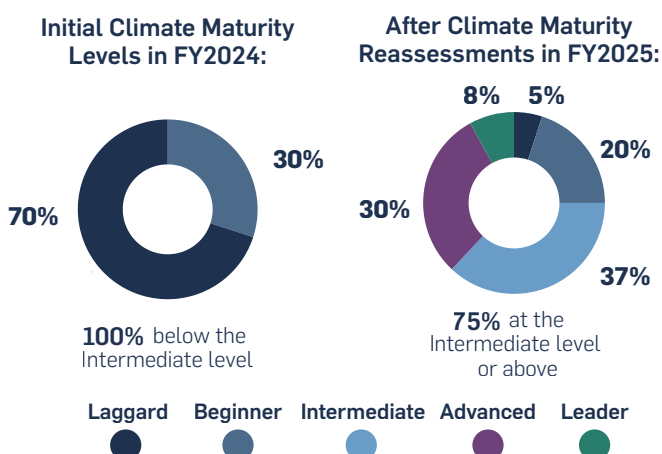
Active engagement from senior leaders and department heads reinforced organisational commitment and built supplier confidence.

3. Start with Support, Not Demands

Stakeholders are more inclined to act when they feel supported and understand the benefits of sustainability. Providing upfront guidance, tools, and structured resources helped foster trust, drive engagement, and build lasting commitment across the supply chain.

4. Strategic Partnerships Accelerate Impact

Collaborating with partners like UNGCMYB and Alliance Bank brought in external expertise, credibility, and incentives. These partnerships boosted supplier motivation and improved programme outcomes, underscoring the importance of collaboration in addressing sustainability challenges.



5. Long-Term Commitment for Sustained Impact

Supplier engagement is not a one-time exercise. By committing to annual reassessments and continuous engagement, EcoWorld aims to maintain momentum, track progress, and support companies in its supply chain to advance along their sustainability journey.

EcoWorld has been a participant of the UN Global Compact since 2021, with ongoing involvement in key programmes, including:

- **Climate Ambition Accelerator Programme (2021, 2022 & 2023)**
- **Business and Human Rights Accelerator Programme (2023)**

UNGCMYB played a vital role as EcoWorld's strategic knowledge partner, delivering tailored capacity-building initiatives and practical tools to elevate climate maturity across EcoWorld's supply chain.



True climate action begins when every link in the chain moves forward together. By empowering our supply chain partners, we are not only building resilience - we are setting the course for a more responsible and sustainable ecosystem that is climate-ready for the future.



Liew Tian Wei,
Chairperson of EcoWorld's Green Council



THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.



LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.



ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

The Ten Principles of the United Nations Global Compact are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

ABOUT UN GLOBAL COMPACT NETWORK MALAYSIA & BRUNEI

United Nations Global Compact (UNGC) is a strategic policy initiative for businesses that are committed to take actions to advance broader societal goals. UN Global Compact Network Malaysia & Brunei (UNGCMYB), the official country network of UNGC, is the leading advocate for business sustainability action in Malaysia and Brunei. We empower both corporates and SMEs through value-creating initiatives across learning, connections, and enablers to Forward Faster a collective sustainable future. We support Malaysian and Bruneian companies in aligning with the Ten Principles and contributing meaningfully to the Sustainable Development Goals (SDGs), while providing access to partnerships, tools and knowledge sharing to advance responsible business practices.

Talk to us about joining us or visit our website at www.ungcmlyb.org



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