



# **Kuok Group Singapore ESG Policy**



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## Introduction

Kuok Group Singapore (the “Group”) is an investment holding company with diverse and global operations in digital infrastructure, maritime, and real estate sectors. As an established leader in these fields, we are committed to protecting the environment, ensuring the wellbeing of our employees and of society, and managing responsibly and transparently in all areas of our operations. At Kuok Group Singapore, we recognise that our actions today shape the future for generations to come.

To that end, our objectives are:

- to align with the international sustainable development agenda and the UN Sustainability Development Goals (SDGs); and
- to strive to detect and mitigate risks and seize opportunities across our business operations that are presented by our changing climate and needs of our stakeholders.

The Group has consistently operated as an ethical and responsible company, in accordance with our five Core Values: Integrity, Effort, Unity, Compassion, and Gratitude.

The Group has been a driving force in fostering sustainable development among its people, societies, and local communities. We have achieved this by channelling capital towards initiatives that generate positive impacts for our stakeholders, nurturing innovation within the sectors in which we operate, and delivering products and services through our various Business Units (“BUs”).

The purpose of this policy is to communicate our aspirations and demonstrate the Group’s firm commitment to integrating our Environmental, Social, and Governance (ESG) material priorities into our business practices.

This policy is supplemented by existing group-wide and BU-specific policies.



## Scope

The Group believes that integrating sustainability and ESG commitments across the Group, globally, will create long-term value and will allow The Group and its BUs to contribute meaningfully to the wellbeing of our stakeholders and the environment.

Our ESG policy applies to the entire Kuok Group Singapore, including its corporate functions and BUs. The Group operates the following BUs:

Allgreen	A leading real estate group in Asia with a diversified portfolio of real estate across residential, retail, commercial, serviced apartments, and hotels.
K2	A premier provider of hyperscale data centres
PCL	A global shipping services and maritime supply chain solutions provider
POSH	A leading offshore marine services provider, supporting upstream oil and gas and renewable energy operations
PaxOcean	A premier shipyards' group that supports the marine and offshore industry in newbuilding, fabrication, recycling, repairs and conversion of conventional and renewable energy assets

The BUs are responsible for implementing their own ESG goals and objectives in accordance with this and other applicable Group policies, to address their unique risks, material priorities, and business-specific requirements. Each of the Group's BUs have reviewed and agreed to this Policy.

## Roles & Responsibilities / Sustainability Governance

Kuok Group Singapore's Board of Directors is responsible for the Group's sustainability progress and strategy and approves its material priorities and ESG policies. The Board has oversight of the Group's progress towards ESG goals, and oversees risk management systems and controls, including those related to ESG risks.

The Group Sustainability Council, which consists of select Kuok Group Singapore Board members and senior management of the Group, steers the Group's sustainability strategy, including the review and approval of ESG-related targets, strategy, policies, and initiatives. ESG policies are also reviewed by the Audit and Risk Committee, where they are related to governance and risk management.

Group Sustainability, which resides within the Group's Executive Office, supports the Group Sustainability Council, through the formulation and coordination of ESG targets, strategy, and initiatives. ESG Leads have been appointed across BUs and corporate functions to advise on Group-wide ESG strategy, as well as formulate and execute ESG strategy on the business unit or corporate function level, under the guidance of their respective CEO or function head, as the case may be.



## Group-wide ESG Policy Statement

**We are committed to protecting the environment, ensuring the wellbeing of our employees and of society, and managing responsibly and transparently in all areas of our operations.**

These commitments form the three strategic pillars of Kuok Group Singapore’s commitment to ESG principles. Within each pillar are four material priorities that the Group has identified after engaging the full breadth of the Group’s stakeholders in a materiality assessment exercise.

The following are the Group’s material ESG priorities:

<b>Protecting the Environment</b>	<b>Ensuring the Wellbeing of Our Employees and of Society</b>	<b>Managing Responsibly and Transparently</b>
<ul style="list-style-type: none"><li>• Energy &amp; GHG Emissions</li><li>• Water Use &amp; Management</li><li>• Hazardous Waste Generation &amp; Management</li><li>• Pollution Management (Noise, Air and Water)</li></ul>	<ul style="list-style-type: none"><li>• Employee’s Health, Safety and Wellbeing</li><li>• Fair and Transparent Employee Practices</li><li>• Future-Proofing our workforce</li><li>• Positive Community Impact</li></ul>	<ul style="list-style-type: none"><li>• Fair and Ethical Business Practices</li><li>• Suppliers’ Compliance to Kuok Group Singapore’s Ethical Standards</li><li>• Digitalisation and Innovation</li><li>• Cybersecurity and Data Privacy</li></ul>



## Focus Areas

### **Protecting the Environment**

At Kuok Group Singapore, we acknowledge the critical need to address the environmental impact of our operations, by promoting sustainable development in line with the nationally determined contributions of countries in which our BUs operate and ensuring they are run in an environmentally responsible manner.

In this regard, we focus on four key areas: (1) energy and emissions; (2) water management; (3) hazardous waste management; and (4) pollution management.

Group-wide environmental objectives are in turn, the following:

1. Reduce carbon emissions and build climate resilience to achieve long-term commitment of net zero carbon emissions by 2050.
2. Ensure minimal damage to the ecosystem and health of local communities resulting from our operations by reducing the impact caused by excessive loud noises, harmful gases or fumes, and water pollution.
3. Achieve zero oil spills in our operations. As part of our comprehensive spill risk management approach, the Group conducts regular assessments to evaluate and mitigate the risk of spills and provides spill management training to relevant parties involved.
4. Adopt industry best practices to optimise energy efficiency, implement appropriate water conservation efforts, hazardous waste treatment procedures, and pollution management programs where applicable.
5. Adhere to relevant legal and regulatory obligations, adopt applicable local and industry best practices in new developments and existing properties under management.
6. Incorporate climate change considerations in procurement processes and promote the use of products and materials that have low or zero carbon emissions and are energy efficient.
7. Conduct regular monitoring, recording, and review of environmental performance to be reported in the Group's annual sustainability report to remain accountable to progress against targets.

Given the diversity of our BUs, implementation of this policy is handled on a business unit level, and it is the core responsibility of the representatives of each company to integrate these objectives into their operational practices.



Kuok Group Singapore has the following expectations of its BUs:

1. Establish decarbonisation targets aligned with the Group's commitment to be net zero by 2050.
2. Conduct comprehensive climate risk assessment and report climate-related risks and opportunities in line with the Task Force on Climate-related Financial Disclosure (TCFD) recommendations in anticipation of more stringent regulatory requirements for listed and non-listed companies.
3. Incorporate environmental sustainability goals in the performance appraisal of senior management.

Business units are strongly encouraged to adopt these guidelines:

1. Regularly monitor, review, and report on related sustainability metrics in line with international reporting standards (e.g., GRI, SASB, ISSB, EU CSRD, GRESB, depending on what is most appropriate for each BU).
2. Proactively assess and manage the environmental impact of their activities, products, and services (e.g., ISO 14001 certification and related standards for environmental management).
3. Increase the use of renewable energy (e.g., solar, wind, hydropower, renewable fuels) from credible sources and parties, via renewable energy certificates (RECs) and power purchase agreements (PPAs) where available.

Kuok Group Singapore's commitments to its internal and external stakeholders include:

1. ESG capacity building via regular training for employees on sustainability.
2. Collaborating and innovating with business partners to enhance carbon emissions reduction.
3. Partnering with government agencies and industry to build knowledge and foster innovation to mitigate the impact of climate change (e.g. Coastal Sustainability Alliance).



## **Ensuring the Wellbeing of Employees and of Society**

Creating a safe, vibrant, diverse, and inclusive workplace where our employees can realize their full capabilities is a top priority for Kuok Group Singapore. We strive to foster equal opportunity, prioritize employee well-being, maintain a safe working environment, and invest in the training and development of our employees. We are also committed to making a positive impact and creating value in the communities in which we operate.

Our labour practices are guided by the United Nations (UN) Declaration of Human Rights, and UN Guiding Principles on Business and Human Rights, and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.

In this regard, we focus on four key areas: (1) employee's health, safety, and wellbeing; (2) fair and transparent employee practices; (3) future-proofing our workforce; and (4) positive community impact.

Group-wide social objectives are, in turn, the following:

1. Promote a workplace culture that values health, safety, and security.
2. Maintain a healthy, safe, and secure working environment for our full workforce (including employees and contractors). Safety is our utmost priority; we operate safety-first programs and comprehensive training initiatives to achieve a zero-fatalities target for our global operations.
3. Apply fair employment practices, in line with and respecting national and local laws in the locations in which our BUs operate. Kuok Group Singapore will conduct itself as an equal opportunity employer and uphold zero tolerance for discrimination, through fair and transparent employment recruitment and promotion practices, which offer equal opportunities to all employees, based on individual merit.
4. Build a skilled, competent, and future-ready workforce across all sectors of our business by investing in our employees' development through mandatory training programs, opportunities to upskill and expand capabilities, and employee engagement platforms.
5. Make a positive difference and deliver lasting social, economic, and environmental benefits to the communities in which the Group operates through CSR initiatives.
6. Comply with the requirements of all mandatory rules, regulations, applicable codes, guidelines, and standards concerning the conditions of the employment of our crew, as issued by the IMO, the ILO, and Flag States, among others.





Kuok Group Singapore has the following expectations of its BUs:

1. Integrate necessary safety procedures and protocols to ensure the health, well-being, and safety of our workforce in line with the Group's commitment to achieve a zero-fatalities target across all business operations.
2. Ensure compliance with all mandatory rules, regulations, applicable codes, guidelines, and standards concerning the working conditions of our employees and contractors.
3. Provide employee training in line with professional development and organisational goals, in support of the Group's commitment to provide 12 hours of training per employee annually.

Business units are strongly encouraged to adopt these guidelines:

1. Regularly monitor, review, and report on related sustainability metrics in line with international reporting standards (e.g., GRI, SASB, ISSB, EU CSRD, GRESB, depending on what is most appropriate/relevant for each BU).
2. Incorporate fair employment practices aligned with the Group's commitment to be an equal opportunity employer.
3. Incorporate Group-wide employee engagement survey results in the design of inclusive policies that improve employee welfare and employment practices.
4. Conduct appropriate safety-first programs and comprehensive health and safety related training initiatives.
5. Create CSR opportunities for employees to give back to society and make a positive difference in the communities in which the BUs operate.

Kuok Group Singapore's commitments to its internal and external stakeholders include:

1. Developing Group-wide employment practices and standards and assisting the BUs in their implementation.
2. Working with the BUs to ensure adequate health and safety policies are adhered to.
3. Providing mentorship and a comprehensive range of training opportunities to all employees of the Group.
4. Developing and operating a CSR program in which all employees may participate, as well as provide up to one full day of leave for community service for all Group employees.
5. Disseminating the results of Group-wide employee engagement survey to the BUs for their analysis and action and providing guidance and assistance on improving employee well-being.
6. Providing meaningful engagement activities for all employees to participate in sustainability events and to reinforce the Group's sustainability mindset.



## **Managing Responsibly and Transparently**

Ensuring the long-term sustainability of our business is a top priority at Kuok Group Singapore. This is underpinned by a robust and effective Board, sound corporate governance practices, and prudent risk management strategies that includes evaluating ESG risks, in line with international best practices. Furthermore, the Group strives to leverage on our partnerships with stakeholders throughout our value chain to enhance their sustainability performance.

In this regard, we focus on four key areas: (1) fair and ethical business practices; (2) suppliers' compliance to the Group's ethical standards; (3) digitalisation and innovation; and (4) cybersecurity and data privacy.

Group-wide governance objectives are in turn, the following:

1. Maintain the highest standards of ethics and integrity in all that we do, in line with our Core Values and Group policies, standards, and procedures on business conduct, anti- bribery and corruption, conflicts of interest, employee conduct, and workplace harassment.
2. Adhere to all applicable national and international laws regarding anti- bribery and corruption, anti-competitive practices, data privacy and protection, and company regulations, to enhance our stakeholders' trust and respect in our business practices.
3. Encourage suppliers to ensure that their operations, products, and services comply with applicable laws and regulations, as well as Kuok Group Singapore's ethical standards.
4. Adopt innovative solutions at the Group and BU levels to build resilience to risks created by changing market and social conditions and unlock opportunities for greater economic and sustainable value.
5. Safeguard the personal data privacy of our employees and customers, and ensure the Group's data security, to minimize commercial, economic, technological, and personal risks in our digital ecosystem and technological footprint.



Kuok Group Singapore has the following expectations of its BUs:

1. Integrate the Group's Core Values, policies, standards, and procedures into BU-specific policies or business practices, as appropriate.
2. Ensure adherence to all applicable national and international laws to mitigate incidences of non-compliance or breaches of conduct.
3. Implement Group-wide compliance policies.
4. Put in place procedures and reporting channels for employees to raise concerns or improprieties in business conduct.

Business units are strongly encouraged to adopt these guidelines:

1. Regularly monitor, review, and report on related sustainability metrics in line with international reporting standards (e.g., GRI, SASB, ISSB, EU CSRD, GRESB, depending on what is most appropriate/ relevant for each BU).
2. Assess possible risks (e.g., economic, technological, and personal) that may arise in the BU's business operations and supply chain and implement appropriate mitigation and control measures to manage these risks.
3. Conduct reviews, when appropriate, to ensure BU-specific policies and procedures are up-to-date with all mandatory rules, regulations, applicable codes, guidelines, and standards specific to the sector which they operate in.
4. Develop procedures to conduct comprehensive due diligence prior to contracting with vendors, suppliers, and business partners to ensure their operations, products, and services comply with applicable laws and regulations, as well as ethical standards.
5. Embed standards in line with the Group's ethical code of conduct within supplier screening criteria and consider conducting audits on existing suppliers operating within high-risk regions.
6. Continuously develop and adopt innovative solutions that build resilience to risks created by changing market and social conditions.

Kuok Group Singapore's commitments to its internal and external stakeholders include:

1. Developing Group-wide compliance policies and conducting relevant training for all employees.
2. Working with the BUs to develop a Supplier's Code of Conduct.
3. Publicly disclosing Group-wide policies related to ethical conduct, including anti-bribery and corruption, whistleblowing, and personal data protection.
4. Developing and/or supporting digital initiatives and other innovations to help ensure the Group and its BUs maintain robust economic growth and enhance the satisfaction of our customers.



5. Maintaining best-in-class cybersecurity policies, procedures and services to protect the Group's stakeholders from malicious actors and other cyber-related risks.
6. Working with the BUs to ensure the Group's compliance with all applicable data protection laws and regulations, including by developing policies and procedures and providing training to all employees.



## **Stakeholder Engagement**

At Kuok Group Singapore, we strive to regularly interact with our stakeholder groups using various approaches to gain insight into their requirements and expectations from the Group. We maintain open lines of communication with our key stakeholders and take their considerations into our decision-making, including the setting of our material priorities.

Kuok Group Singapore will implement and communicate its ESG policy internally and externally through training programmes, employee engagement initiatives, workshops, public reporting, and other collaborations with stakeholders.

Our key stakeholders include employees, customers, governments, shareholders, suppliers, regulators, and local communities.

## **Performance Management**

Kuok Group Singapore will set global performance measurement metrics and targets ("KPIs"), with each BU within the Group expected to monitor and measure them. The leaders of the BUs are responsible for ensuring that the relevant data is collected and analysed and to assess whether the BUs are on track to meet their goals.

The data and information collected by the BUs is also passed on to and collated by Group Sustainability, which in turn reports on it to the Group Sustainability Council and the broader Group.

To ensure the completeness and reliability of its ESG data, Kuok Group Singapore will conduct an internal audit of its ESG data at least every 3 years.

## **Group Sustainability Reporting**

As we work towards establishing a purposeful and growth-oriented organization in a more sustainable world, we acknowledge the value of reporting as a means of maintaining Kuok Group Singapore's commitments and holding ourselves accountable for our sustainability objectives. As such, we will release annual sustainability reports to disclose our ESG objectives, initiatives, and progress to our stakeholders.

Our Group sustainability reports will follow international standards of reporting, including the Global Reporting Initiative (GRI), and the sustainability disclosures currently being developed by the International Sustainability Standards Board (ISSB). Our Business Units will follow reporting requirements that are most applicable/relevant to their operations.



## **Core Targets**

Kuok Group Singapore has defined eight near-term, core targets relevant for the Group and its stakeholders. It will disclose metrics and indicators concerning these targets in its sustainability reports.

### **Environment**

1. Business units have set GHG emissions intensity reduction targets and/or objectives to minimise their GHG emissions as the Group strives for Net Zero in 2050.
2. Kuok Group Singapore will target zero oil spills, annually, as a responsible organisation with maritime assets, to minimise environmental damage and protect ecosystems.

### **Social**

3. Kuok Group Singapore is committed to provide at least an average of 12 hours of training per office-based employee, annually as professional growth for our employees is essential to individual and organisational success.
4. Kuok Group Singapore conducts employee engagement surveys for all staff annually as the insights of our employees are greatly valued in crafting management policies and programs that foster inclusiveness, enhance employee welfare, and improve general employment practices. We target a survey response rate of 85% for our office-based employees and 65% for our non-office-based employees.
5. Kuok Group Singapore will target zero fatalities, as the protection of lives is of utmost importance and reflects our unwavering commitment to ensuring the health, well-being, and safety of our employees.
6. Kuok Group Singapore aims to provide at least an average of 4 hours of opportunities per office-based employee, annually to create community impact. We believe such opportunities help to give back to society and make a positive difference in the communities in which we operate.

### **Governance**

7. Kuok Group Singapore commits to ensuring that all employees are trained in the Group's anti-bribery and corruption and whistle-blowing policies, as this is crucial to maintaining ethical standards, fostering a culture of integrity, mitigating risks associated with bribery and corruption, safeguarding our reputation, and maintaining trust among our stakeholders.
8. Kuok Group Singapore commits to ensuring that all employees are trained in cybersecurity and the Group's data protection policies, as our employees deal with sensitive information and are required to be aware of cyber threats, to maintain the privacy and trust of our stakeholders, and to mitigate the risk of data breaches.



## **Process of ESG Policy Review**

Kuok Group Singapore's ESG-related policies reflect the Group's Core Values and serve as further guidelines for our employees and other stakeholders with whom we collaborate. These policies undergo regular review by their respective policy owners and are subjected to refinements, where necessary, to remain effective and relevant, in line with international best practices.

This ESG Policy was last updated in September 2023 and is subjected to further review from time to time as appropriate, and in any event, once every three years.