



KUOK GROUP SINGAPORE

Kuok Group Singapore Group Sustainable Procurement Policy



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1. Group Policy Statement on Sustainable Procurement

This Group Sustainable Procurement Policy (“GSPP” or “Policy”) aims to provide a framework to guide Business Units to incorporate sustainability criteria into our purchasing decisions, in order to align the Group’s purchasing with its Core Values and Sustainability Material Priorities. In doing so, the Group seeks to orient its procurement towards responsible sourcing, ethical supplier partnerships, and sustainable category strategies.

The GSPP applies to Kuok (Singapore) Limited (KSL), its subsidiaries, and its affiliates over which KSL has operational control (collectively, “Kuok Group Singapore”, “KGSg”, or the “Group”). Business Units (“BUs”) are encouraged to incorporate ESG goals and objectives into their respective procurement processes in alignment with this Sustainable Procurement Policy and other relevant Group-wide and BU-specific sustainability and procurement policies, considering the unique risks, priorities, and business needs of each BU.

It is the aim of the Group to practice a continuous improvement approach to its procurement to understanding and taking appropriate responsibility for the environmental, social, and economic impacts of our purchasing. In doing so, BUs shall consider impacts on a life-cycle basis and prioritise actions by having regard for: alignment with KGSg’s values, magnitude of impact, and compliance with any applicable laws, regulations, and/or industry standards.

Where there is little or no direct influence by over a particular procurement category, such as customer-specified products, OEM spares, etc., this Policy need not apply.



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2. Core Principles

The following are the Group's core principles concerning procurement practices. They should be reviewed during project and program planning and shall provide guidance to the BUs in building minimum requirements, best practices, and related implementation tools to incorporate sustainability criteria into procurement decision-making. It is understood that they will be undertaken in conjunction with traditional purchasing considerations, such as budget, product delivery, and technical and commercial factors, and that some may be implemented over time.

Upholding Regulations and Standards: We are committed to conducting all procurement activities in accordance with all applicable laws and regulations.

Ethical and Transparent Sourcing: We are committed to fair and ethical business practices by prioritizing suppliers who adhere to responsible labour standards, fair trade principles, and anti-corruption policies. Transparency in supplier selection and contract management is fundamental to our procurement process.

Integrating Sustainability Criteria: We may take into consideration environmental, social, and ethical factors throughout our procurement processes, including supplier selection, evaluation, and contract management.

Prioritising Sustainable Products and Services: We may take into consideration products and services that minimize environmental impact, are ethically sourced, and support social well-being. This may include factors such as:

- Processes, technologies, products, or services that reduce consumption of natural resources or chemicals
- Procuring energy-efficient and fuel-efficient products, services, and technologies
- Processes, technologies, products, or services that reduce waste and support the Circular Economy (i.e. things that can be reused, recycled, or composted)
- Specifying and purchasing products that are less pollutive.

Engaging with Suppliers on Sustainability: We aim to engage with suppliers who show a commitment to sustainability and align with our Supplier Code of Conduct. We may encourage our suppliers to integrate sustainable business practices and improve their environmental and social performance.

Respect for Human Rights and Fair Employment Practices: We support suppliers who demonstrate respect for human rights, fair wages, and safe working conditions for their workforce. Suppliers must comply with international labour standards and local labour laws.

Supporting Local Communities: We are committed to making a positive impact and creating value in the communities in which we operate. Where feasible, we will consider sourcing locally to support local economies and reduce transportation emissions.



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Respect for Stakeholder Interests: We seek to build strong, sustainable partnerships with our suppliers and are committed to respecting, considering and responding to the interests of stakeholders impacted by our procurement activities.

3. Guidelines for Sustainable Procurement

The following sections shall provide BUs with a guide to incorporating sustainability considerations into their procurement activities.

BUs are encouraged to develop a sustainable procurement roadmap that sets out how they can gradually incorporate sustainability criteria in their procurement processes. In doing so, BUs should take into consideration both the Group's material priorities and BU-specific sustainability issues.

3.1 Risk and Opportunities Assessment

BUs should undertake an assessment of the sustainability-related risks and opportunities in their supply chain, in order to identify critical suppliers and/or categories of suppliers from a sustainability perspective (refer to Appendix 1). This will help to inform sustainable procurement decision-making and prioritise supplier engagement. This assessment may include:

- Analysing market trends, geopolitical factors, and environmental impacts relevant to specific procurement categories.
- Assessing supplier-related risks, such as financial stability, ethical practices, and their environmental footprint.
- Evaluating opportunities for sustainable sourcing, such as renewable materials, local suppliers, or circular economy practices.

3.2 Evaluate Suppliers on Sustainability Criteria

Incorporate the evaluation of potential suppliers on their ability to meet necessary operational and sustainability requirements including workplace safety, environmental reporting, and other regulatory standards as part of the existing procurement due diligence processes. BUs should establish a set of requirements for each category or type of supplier against which suppliers may be evaluated. The following are factors that could be considered as part of the evaluation:

- A supplier's environmental record, including its carbon footprint; how it manages waste and water; and any sustainability reports it provides.
- How a supplier treats its workers, including adherence to international labour standards and its workplace health and safety record.
- Other key ESG metrics as guided by the Group's material priorities (e.g., HSE, data privacy and security, business ethics and compliance.)



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- Certifications like ISO 14001 (for environment) or ISO 45001 (for workplace safety) or BCA Green Mark ratings.
- Any past violations of laws related to the environment, social issues (like fair labour practices), or business practices (like anti-corruption).
- Alignment with our Core Values.

Consider establishing an approved vendor list that identifies suppliers in particular procurement categories, which meet the BU's pre-determined sustainability requirements. Such a list should be periodically updated by incorporating qualified new suppliers and removing those that no longer meet requirements. Sustainability requirements should also be updated as necessary, and in particular, after significant industry developments, regulatory changes, and/or policy shifts.

3.3 Incorporate Sustainability Criteria into Contracts

When considering procurement needs, think about sustainability from the outset and embed it into the procurement process. The following can be considered to establish sustainability expectations and contractual specifications with suppliers:

- Engage with stakeholders to identify business needs and define minimum requirements for achieving sustainability goals.
- Consider the inclusion of relevant environmental and social specifications such as requirements for low-carbon materials, energy efficiency, ethical sourcing (no human rights abuses in materials sourced), or recyclability.
- Ensure sustainability terms include measurable criteria to be able to monitor compliance.
- Incorporate compliance with the Supplier Code of Conduct as part of a contract's Terms and Conditions, where possible, or at least ensure that suppliers are aware of and understand the Supplier Code of Conduct.
- During a tender process, consider:
 - Defining clear critical and non-critical criteria that integrate sustainability considerations alongside traditional factors such as price and delivery time.
 - Using a scoring matrix to evaluate tenders, with measurable sustainability metrics like carbon emissions, energy-efficiency and/or Health and Safety performance.

3.4 Monitor and Review Performance

Supplier Management

BUs should actively manage supplier relations to ensure continuous compliance with contractual obligations and improvement in sustainability performance. The following guidelines can be adopted, considering specific business contexts and feasibility:



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- Conduct performance reviews through audits, progress reports, and meetings to assess adherence to specifications and tender commitments.
- Provide necessary support to help suppliers meet their sustainability targets.
- Establish a feedback mechanism to share insights, recognize achievements, and revisit terms if performance challenges arise.

Review of Critical Suppliers

Periodic reviews should be conducted with critical, long-term suppliers, with the aim to assess performance, identify shared opportunities, and address potential areas for improvement. Key areas for review include:

- **Financial Performance:** Evaluating financial health and cost-effectiveness to ensure sustainable operations and ensure mutual long-term viability.
- **ESG Performance:** Assess ESG compliance and performance against the Guiding Principles (Section 4), industry standards, and other Group priorities (as appropriate), identifying opportunities for continuous improvement to strengthen sustainable practices.
- **Risk Management:** Proactively identify and mitigate emerging risks (i.e. supply chain disruptions, cybersecurity vulnerabilities, ESG risks, or geopolitical issues) to ensure supply chain resilience.
- **Regulatory Compliance:** Ensuring full adherence to applicable laws, regulations, and contractual obligations, fostering shared responsibility for ethical and sustainable practices.

Where areas for development are identified, BUs can work proactively with suppliers or seek support from the Group to formulate appropriate steps, which may include developing joint performance improvement plans, conducting collaborative contract reviews, or exploring other measures to mutually support alignment with the Group's sustainability and procurement goals.

4. Review of GSPP

This Policy will be reviewed periodically, and in any event at least once every three years, to ensure alignment with our material priorities, evolving sustainability standards and regulations, stakeholder expectations, emerging best practices, and business needs.



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Appendix 1: Key Group-wide Procurement Categories

Category	Examples
1. Labour & Services	Contractor, other contract labour, construction management services, professional services / consultants, HR services, events, social media, security services, etc.
2. Equipment & Infrastructure	Machinery repairs, equipment hire, modular DC buildings, LV pods, genset & MV panel, substation, generators, transformers, RMU, MV PODS, operations critical equipment, etc.
3. Raw Material & Consumable	Bunkering stocks, consumables, construction materials, etc.
4. Utilities	Electricity, gas, water, etc.
5. Operations & Transportation	Repair, maintenance & overhaul, docking, mooring/unmooring, general services, etc.
6. Logistics and Transportation	Airfares, forwarding/storage charges, spares and tools, etc.
7. Information Technology	IT Hardware, software and related-services.
8. Misc & Project Specific	Meals and accommodation, etc.



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Appendix 2: Definitions

Core Values

The Group operates in accordance with its Core Values, which serve as our compass, guiding our commercial achievements, strengthening our commitment to the people we serve, and ensuring we uphold the highest standards of ethics and integrity.

1. **Integrity** - We relate to others with sincerity, honesty, truthfulness and benevolence. We treat everyone fairly regardless of seniority and background.
2. **Effort** - We are committed to the organisation and work diligently to achieve success. We stay resilient, hold ourselves accountable and always give of our best.
3. **Unity** - We embrace differing views to reach the best way forward. We strive together for a common purpose and execute collectively.
4. **Compassion** - We care and look after the well-being of our people and the community. We take responsibility for the safety and well-being of all.
5. **Gratitude** - We are thankful for the challenges we go through, that make us stronger, wiser and humble as a team. We show our appreciation to others for their support and contribution to our success.

Material Priorities

Kuok Group Singapore has identified 12 material sustainability priorities on which it focuses its ESG efforts. These are organised into three pillars, as follows:

Protecting the Environment	Ensuring the Well-Being of Our Employees and Society	Practicing Responsible and Transparent Management
Energy & GHG Emissions Water Use & Management Waste Management Pollution Management	Employee's Health, Safety and Well-Being Fair and Transparent Employee Practices Future-Proofing KGSg's workforce Positive Community Impact	Fair and Ethical Business Practices Supply Chain Management Digitalisation and Innovation Cybersecurity and Data Privacy