

# Sustainable Purchasing Policy

Kum Shing recognizes the impacts of its purchasing activities on the environment, society and economy, and accepts responsibility for addressing these impacts. We incorporate environmental, social and governance (“ESG”) considerations into our purchasing process and vendor management to foster the sustainability and resilience of our supply chain.

This policy applies to Kum Shing Group Limited and all its local operating subsidiaries (collectively the “Group” or “we”). All joint venture entities and business partners, such as sub-contractors, and suppliers of goods and services, are encouraged to make reference to the principles of this policy where applicable.

For the purpose of this policy, “vendor(s)” hereby refer to the supply chain partners of the Group, including but not limited to sub-contractors, and suppliers of goods and services.

## **We pursue this commitment by:**

- Complying with all applicable laws and regulations relating to ESG for all purchases;
- Developing and implementing processes to identify and address potential ESG risks in our supply chain;
- Integrating ESG considerations into vendor selection, management and evaluation;
- Developing and implementing sustainable purchasing practices that reduce environmental impacts and ensure responsible and ethical sourcing;
- Providing adequate resources, guidance and training to employees;
- Communicating our sustainable purchasing commitment to employees and vendors, and engaging them in sustainable purchasing practices;
- Raising ESG awareness among vendors and encouraging them to adopt good ESG practices; and
- Reviewing procurement processes regularly to incorporate sustainable procurement practices.

## Vendor ESG Management

We are committed to integrating ESG considerations into vendor management by:

- Prioritizing vendors during selection who:
  - demonstrate a commitment to the Group’s sustainability-related policies;
  - comply with all applicable laws and legislations relating to ESG;
  - comply with our Vendor Code of Conduct; and
  - maintain internationally recognized management systems, such as those meeting ISO standards.
- Identifying critical vendors and potential ESG risks of purchased products and services for monitoring and management of supply chain ESG risks; and
- Evaluating and engaging with critical vendors for continual improvement.

### Sustainable Purchasing

We are committed to adopting sustainable purchasing practices to reduce adverse impacts on the environment and society by:

- Assessing consumption needs and optimizing purchasing to eliminate non-essential products and services;
- Taking into account the environmental and social impacts throughout the product and service life cycles;
- Considering life cycle costings of products and services where applicable;
- Minimizing/eliminating the consumption of products that are environmentally and socially detrimental;
- Sourcing products that bring environmental and social benefits;
- Prioritizing products with desirable energy, water and material efficiency, as well as those minimize virgin material use or contain highly recyclable materials;
- Avoiding single-use disposable products, and giving preference to reusable, refillable, recyclable or highly durable products;
- Giving preference to products with simple, reusable and recyclable packaging, while avoiding unnecessary packaging;
- Prioritizing timber and its products from sustainably managed sources, while avoiding the use of timber and its products from unsustainable sources whenever possible; and
- Exploring procurement from diverse vendors that support the local economy and socially vulnerable groups.

Our directors and senior management are responsible for ensuring the effective implementation of this policy through regular reviews of the effectiveness and suitability of the practices and the fulfilment of the commitment and objectives.

This Sustainable Purchasing Policy shall be well-comprehended by and communicated to all personnel working for or on behalf of the Group, who are encouraged to actively contribute to the improvement of ESG performance of our supply chain. The Group's ESG requirements for vendors are outlined in the Vendor Code of Conduct.

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CEO  
1 April 2025