STERLING & WILSON

Sustainable Procurement Policy



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SUSTAINABLE PROCUREMENT POLICY

1. Policy Statement

Sterling and Wilson Renewable Energy Limited (SWREL) is committed to integrating Environmental, Social and Governance (ESG) considerations into its procurement and supplier management practices to promote responsible sourcing, manage supply-chain sustainability risks and create sustainable long-term value.

SWREL expects its suppliers, contractors, subcontractors, consultants and other business partners to conduct business responsibly, comply with applicable laws and regulations, and uphold recognized standards relating to environmental protection, climate responsibility, human rights, labour practices, occupational health and safety, business ethics and governance.

This Policy supports SWREL sustainability strategy and long-term Net Zero ambition.

2. Purpose

The purpose of this Policy is to establish the principles, objectives and framework for integrating sustainability considerations into SWREL procurement and supplier management activities.

3. Scope

This Policy applies to:

- All procurement activities undertaken by SWREL.
- Suppliers, contractors, subcontractors, consultants and service providers.
- Procurement of goods, materials, equipment and services across SWREL operations, as applicable.

4. Sustainable Procurement Objectives and Targets

SWREL shall progressively integrate sustainability considerations into supplier management and procurement decisions and shall establish measurable objectives and targets appropriate to its business, supplier risk profile and sustainability priorities.

The objectives include:

- Integrating ESG considerations into relevant supplier selection, evaluation and procurement decisions.
- Identifying and managing material sustainability risks and potential adverse impacts in the supply chain.
- Promoting responsible environmental and social practices among suppliers.
- Improving supplier sustainability performance through engagement and corrective action.

- Supporting climate action and reduction of relevant value-chain/Scope 3 emissions.
- Promoting ethical, transparent and resilient supply chains.

Key Supplier Sustainability Targets

SWREL shall work towards the following measurable targets:

Area	Target
Supplier ESG screening	100% of new suppliers identified as high-risk or strategically critical shall undergo applicable ESG screening prior to onboarding, wherever practicable.
Supplier Code of Conduct	100% of applicable new suppliers shall be required to acknowledge/accept the SWREL Supplier Code of Conduct or equivalent contractual requirements.
Supplier ESG assessment	Progressively increase coverage of ESG assessments for existing suppliers based on defined supplier risk and materiality.
Corrective action	100% of material supplier ESG findings requiring corrective action shall be formally tracked to closure or an approved risk-based resolution.

Progress against these targets shall be monitored through appropriate supplier sustainability KPIs and reviewed periodically.

5. Sustainable Procurement Principles

SWREL sustainable procurement approach is guided by the following principles:

Responsible sourcing: Sustainability risks and opportunities shall be considered alongside applicable commercial, technical, quality, delivery and business requirements.

Environmental and climate responsibility: Procurement shall consider relevant environmental impacts, resource efficiency, pollution prevention, circularity, climate risks, greenhouse gas emissions and opportunities for decarbonisation.

Respect for people and human rights: Suppliers are expected to respect internationally recognised human rights and labour standards and provide safe, fair and non-discriminatory working conditions.

Ethical business conduct: Suppliers are expected to conduct business with integrity, transparency and accountability and comply with applicable anti-bribery, anti-corruption and other ethical requirements.

Risk-based due diligence: Supplier sustainability due diligence shall be proportionate to the nature, scale, strategic importance and sustainability risk of the supplier and procurement category.

Transparency and continual improvement: SWREL promotes accurate information, appropriate disclosure, supplier engagement and continual improvement in sustainability performance.

6. Supplier Sustainability Requirements

SWREL expects suppliers to maintain appropriate practices, controls and management systems, as relevant to their activities, covering:

- Environmental compliance and responsible resource management.
- Energy efficiency, greenhouse gas emissions and climate action.
- Water, waste, pollution prevention and responsible management of hazardous substances.
- Human rights and labour standards, including prohibition of child labour, forced labour and human trafficking.
- Occupational health and safety.
- Fair working conditions, non-discrimination and respect for freedom of association.
- Business ethics, anti-bribery and anti-corruption.
- Legal and regulatory compliance.
- Sustainability governance, accountability and management systems.
- Appropriate grievance, speak-up and remedy mechanisms.

These expectations shall be supported, as applicable, through the SWREL Supplier Code of Conduct and relevant contractual or procurement requirements.

7. Supplier ESG Due Diligence and Performance Management

SWREL shall adopt a risk-based approach to assess sustainability risks and potential adverse impacts associated with its supply chain.

Relevant ESG considerations may be incorporated into supplier pre-qualification, selection, onboarding, tendering, contracting, performance evaluation, renewal and other sourcing decisions, as appropriate to supplier and procurement risk.

Supplier ESG performance may be evaluated through proportionate due-diligence mechanisms, including supplier disclosures, assessments, questionnaires, audits, certifications, performance information or other appropriate evidence.

Where material sustainability gaps or adverse impacts are identified, SWREL may require appropriate corrective action and monitor progress towards improvement or closure.

8. Supplier Engagement and Capacity Building

SWREL recognises suppliers as important partners in improving supply-chain sustainability.

SWREL may engage suppliers to:

- Communicate sustainability expectations and requirements.
- Improve awareness of material sustainability risks.
- Strengthening supplier capabilities and management practices.
- Address identified sustainability gaps and adverse impacts.
- Promote continual improvement and responsible business practices.

Engagement may include sustainability discussions, guidance, training, workshops or other appropriate capacity-building initiatives based on supplier needs and risk.

9. Supplier Recognition

SWREL may recognise suppliers that demonstrate strong sustainability performance, transparency, innovation or meaningful improvement through appropriate supplier performance or commercial engagement mechanisms.

10. Governance and Responsibilities

The implementation of this Policy is overseen jointly by the Supply Chain Management (SCM) and ESG functions. SCM is responsible for integrating applicable sustainable procurement requirements into procurement and supplier management processes.

The ESG function provides sustainability guidance and supports appropriate supplier ESG assessment, engagement and performance-monitoring approaches.

Employees involved in procurement and supplier management are responsible for implementing applicable requirements of this Policy within their respective roles.

11. Supplier Transparency, Grievance and Remedy

SWREL expects suppliers to provide accurate, complete and timely sustainability information relevant to applicable procurement and due diligence requirements.

Suppliers are expected to maintain accessible grievance and speak-up mechanisms through which workers and relevant stakeholders can raise concerns without retaliation.

Credible grievances, allegations or identified adverse sustainability impacts may be considered as part of supplier due diligence and performance management, and appropriate corrective or remedial action may be required.

12. Monitoring and Review

SWREL shall monitor the implementation and effectiveness of this Policy through appropriate supplier sustainability KPIs, assessments and management reviews.

This Policy shall be reviewed periodically and may be updated based on:

- Changes in applicable legal and regulatory requirements.
- SWREL sustainability strategy and Net Zero roadmap.
- Supplier sustainability performance and emerging supply-chain risks.
- Findings from assessments, audits and assurance activities.
- Stakeholder expectations and relevant sustainability standards and good practices.

The Policy should be maintained as a controlled document and communicated to relevant employees and applicable suppliers and business partners.

Approved On:	**Approved By:**
31.05.2025	SWREL Management

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