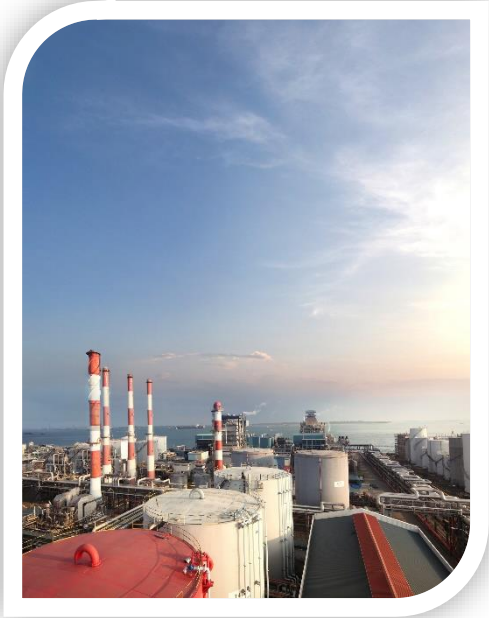




Supplier Code  
of Conduct



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## 1. Policy Statement

At Sembcorp, we believe in building sustainable businesses that not only create economic value, but do so in a way that benefits our stakeholders. We are committed to working with suppliers who share the same principles of sustainability and ethical behaviour as we do. We aim to collaborate with our suppliers to maintain a resilient and sustainable supply chain.

Our Supplier Code of Conduct (“Code”) defines the minimum standards of practice we require from our suppliers, including subcontractors, to adhere to when providing any goods or services to Sembcorp.

Sembcorp requires its suppliers to respect and comply with this Code when conducting business.

## 2. Scope and Application

Sembcorp will communicate this Code to current and new suppliers. Where further clarification is required, we will provide guidance on the provisions of this Code. Failure to respect and adhere to this Code shall directly impact the ability of suppliers to do business with Sembcorp (see section titled “Handling of Non-compliance” for further information).

We will monitor the implementation of this Code and the performance of our suppliers against its requirements. For example, suppliers may be required to complete a self-assessment questionnaire, provide proof of statements made and demonstrate that this Code is adhered to. We also reserve the right to conduct supplier audits to verify compliance with this Code.

In selecting suppliers, Sembcorp will, in conjunction with selected evaluation criteria, expect all suppliers to show commitment to the principles contained within this Code.

At appropriate intervals, we will review the applicability of this Code and make revisions when deemed necessary. Changes will be communicated to suppliers.

## 3. Handling of Non-compliance

Failure to respect and adhere to this Code shall directly impact the ability of suppliers to do business with Sembcorp. Where further clarification is required, we will provide guidance on the provisions of this Code.

Sembcorp is committed to work with suppliers through remedial action wherever possible, however we reserve the right to terminate our business relationship with any supplier who does not comply with this Code.

Where we believe our standards are not being effectively applied, we also reserve the right to suspend the business relationship until satisfactory progress has been made or the issue has been resolved.

## 4. Reporting Concerns

We want to hear from any individual or organisation who wishes to raise a query or concern, or report a possible violation or breach to this Code. We expect suppliers to ensure that there will be no retaliation against any employees and subcontractors who make a report in good faith.

Reports can be raised via the following channels:

- **Telephone:** (65) 6822 2182  
**Email:** [gja.cases@sembcorp.com](mailto:gja.cases@sembcorp.com)  
**Address:** Sembcorp Industries Ltd, 30 Hill Street, #05-04, Singapore 179360  
**Whistleblowing Portal:** <https://wbportal.sembcorp.com/>

Sembcorp will conduct each case with impartiality, fairness and confidentiality. Each report will be considered seriously and will undergo an investigation. We expect full supplier cooperation with any such investigation. We will clarify the alleged violations against a supplier within a stipulated period of time, and take appropriate remedial action for proven violations.

## 5. Our Expectations of Suppliers

### 5.1 Compliance with laws

Suppliers must comply with local laws in the countries where they operate. Where the provision of the law and this Code address the same topic, suppliers are encouraged to follow the requirements that promote higher standards. If a supplier has any concerns regarding the application of this Code in light of local laws, we expect them to inform [gja.cases@sembcorp.com](mailto:gja.cases@sembcorp.com). We are committed to working with all our suppliers to implement the highest standards wherever possible.

### 5.2 Business Ethics

Sembcorp expects its suppliers to abide by the following:

#### *Anti-bribery and corruption*

Suppliers must ensure they do not engage in any form of corruption, bribery, facilitation payments or fraud. Suppliers shall not offer any gifts or other benefits to Sembcorp employees, and / or anyone acting on Sembcorp's behalf that could improperly influence that employee or person. Sembcorp also prohibits anyone from engaging in bribery and corruption on our behalf.

#### *Fair competition*

Suppliers must compete fairly and in accordance with all applicable competition laws.

#### *Private and intellectual property*

In conducting all activities, suppliers are expected to make appropriate use of personal data and confidential information, and ensure that all intellectual property rights are respected.

#### *Conflict of interest*

Suppliers must avoid situations where a conflict of interest may occur. They must immediately disclose to Sembcorp any conflict of interest that does arise or in exceptional circumstances, disclose the previously agreed procedure for dealing with any conflict of interest. Such conflicts of interest could include cases where a supplier's employee or professional under contract may have an interest or business relationship of any kind with Sembcorp's business or where that supplier may be acting on behalf of Sembcorp and / or a competitor of Sembcorp.

### **5.3 Labour and Human Rights**

Sembcorp supports the Universal Declaration of Human Rights and its implementation through the United Nations (UN) Guiding Principles on Business and Human Rights. As such, and in accordance with our Human Rights Policy, we expect suppliers to respect all human rights, including labour rights, throughout their business activities.

#### *Equality and no discrimination*

Suppliers are required to promote a fair and equitable work environment that is free from discrimination and harassment for all employees. This shall extend to ensuring terms of employment and its employment practices do not discriminate upon grounds of gender, race, and / or any other characteristic protected by applicable local law.

#### *Modern slavery*

Suppliers must prevent all forms of modern slavery from taking place in their operations, including forced and compulsory labour, bonded labour, and human trafficking.

#### *Child labour*

Suppliers must ensure their operations are free from the exploitation of child labour. Child labour, as defined by the International Labour Organization (ILO), refers to work that is mentally, physically, socially or morally harmful to children; or work that interferes with their schooling.

#### *Freedom of association and collective bargaining*

Suppliers must respect the right of employees to join trade unions, and associations and assemble freely without fear of reprisal, intimidation or harassment.

#### *Rights of local communities*

Suppliers must respect the land, resource and cultural rights of local communities and indigenous groups.

### **5.4 Health, Safety and Quality**

Suppliers are required to prevent and manage health and safety risks associated with their activities, products and services, in line with our Health, Safety, Security and Environment Policy.

#### *Workplace health and safety*

Suppliers are required to implement effective health and safety prevention and remediation policies and procedures which comply with industry, national and international standards as well as Sembcorp's health and safety requirements. This also includes taking reasonable care to ensure all workers are protected against processes, substances and work methods which are unsafe.



#### *Work environment and housing facilities*

Suppliers must provide a safe, clean, comfortable and hygienic working environment and, if applicable, residential or overnight facilities that meet the basic needs of the workers.

#### *Product safety and quality*

Suppliers are required to deliver products and services that meet the needs of Sembcorp and that are in line with recognised and contractually agreed safety and quality requirements as well as (as a minimum) comply with the local laws in the country in which they are provided to Sembcorp (see further the section titled “Compliance with laws” above).

## **5.5 Environment**

We expect all suppliers in all their operations, products and services to minimise their impact on the environment, in line with our Group Environmental Policy and Group Health, Safety, Security and Environment Policy.

#### *Resource consumption, pollution prevention and climate change mitigation*

Suppliers must show that they are managing, measuring and minimising the environmental impact of their operations including reductions on emissions (including greenhouse gas emissions), waste, energy and water consumption.

#### *Environmental standards and regulations*

Suppliers are required to ensure that they comply with all our corporate and site-specific environmental standards when conducting work on Sembcorp sites.

## **6. Acknowledgement**

Acknowledgement of the Code is a prerequisite in every Sembcorp contract for supply. Through the signature of the contract and acceptance of the purchase order, the supplier confirms that its operations fulfil the requirements contained in this Code and it shall be deemed incorporated and form a part of any contract or relevant order with Sembcorp.

## **7. Reference to Sembcorp policies and external standards**

The following have been used as reference points and may be referred to by suppliers if additional detail is required:

#### **Sembcorp Policies**

- [Code of Conduct](#)
- Group Health, Safety, Security and Environment Policy

Note: Sembcorp's rights under this Supplier Code of Conduct are in addition to (and without prejudice to) any other rights reserved by Sembcorp under those policies or any others or contained directly in the contract.

#### **Labour standards**

- [UN Universal Declaration of Human Rights](#)
- [UN Global Compact](#)
- [ILO International Labor Standards](#)

**Environmental standards**

- [ISO 14001 - Environmental Management](#)

**Human Rights**

- [UN Guiding Principles on Business and Human Rights](#)

**Social standards**

- [OHSAS 18001](#)
- [ISO 45001 - Occupational Health and Safety](#)

**Other standards**

- [ISO 9001 - Quality management system](#)

## 8. Glossary of Terms

**Bonded Labour:**

A person becomes a bonded labourer when their labour is demanded as a means of repayment for a loan. The person is then tricked or trapped into working for very little or no pay.

*Anti-Slavery International, Debt Bondage:*

<https://www.antislavery.org/slavery-today/debt-bondage/>

**Child Labour:**

Work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

*International Labour Organization, "What is Child Labour":*

<http://ilo.org/ipecc/facts/lang--en/index.htm>

**Conflict of Interest:**

A conflict of interest is a situation in which competing loyalties could cause an individual to take advantage of a personal benefit for him/herself, his/her friends or family at the expense of Sembcorp or our business partners.

*GRI Standards:* <https://www.globalreporting.org/standards/>

**Forced and Compulsory Labour:**

All work or service which is exacted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily.

The definition of forced labour encompasses "traditional practices of forced labour, such as vestiges of slavery or slave-like practices, and various forms of debt bondage, as well as new forms of forced labour that have emerged in recent decades, such as human trafficking."

*International Labour Organization, "What is forced labour, modern slavery and human trafficking":*

<http://www.ilo.org/global/topics/forced-labour/definition/lang--en/index.htm>

**Human Trafficking:**

The recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

*United Nations Office on Drugs and Crime, "Human Trafficking":*

<https://www.unodc.org/unodc/en/human-trafficking/what-is-human-trafficking.html?ref=menu>

**Suppliers:**

Organisation or person that provides a product or service used in the supply chain of an organisation. A supplier is further characterized by a genuine direct or indirect commercial relationship with the organisation. Examples of suppliers can include, but are not limited to: brokers, consultants, contractors, distributors, franchisees or licensees, home workers, independent contractors, manufacturers, primary producers, sub-contractors, and wholesalers.

*GRI Standards:*

<https://www.globalreporting.org/standards/>