



CHINA NAVIGATION



Sustainable Procurement Policy

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Revision: 1
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Policy owner: Global Head of Procurement

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1. Purpose

As a Group, we strive to be good stewards of the natural resources and biodiversity under our influence. We prefer to work with suppliers and contractors including financial institutions, consultants, and professional advisors who promote sustainable development through their own business activities. When procuring products and services, due consideration shall be taken into account to optimise the benefits in terms of the environment, social impact, and cost, both from the point of view of the general public good and from enlightened self-interest.

Sustainable procurement helps to achieve actual environmental and social benefits, promoting public awareness on sustainability issues and encourages manufacturers to introduce environmentally and socially responsible products.

2. Policy Statement

All companies in which The China Navigation Company Pte Ltd ("CNCo") has a controlling interest, its affiliates and subsidiaries should commit to sustainable purchasing and give preference to sustainable products. The commitment should include identifying, selecting and purchasing products (i.e. goods and services) with significantly less adverse environmental and social impacts than alternative competing products.

3. Application

This policy applies to all companies in which The China Navigation Company Pte Ltd ("CNCo") has a controlling interest, its affiliates, and subsidiaries. Associated and Jointly Controlled companies are also encouraged to follow this policy.

4. Definitions

CNCo	The China Navigation Company Pte Ltd
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5. Policy Details

The CNCo Procurement Team will establish administrative procedures relating to this Policy and will be designated the responsible party to communicate and implement the policy and admin procedures, including explaining to all affiliates, subsidiaries, and external parties the reason for the implementation.

5.1 Factors for consideration

The following factors should be considered, where appropriate, during procurement:

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- Minimal use of virgin material in the product
- Replacement of disposables with reusables or recyclables
- Minimal environmental impact from the entire product or service life cycle
- Minimal packaging or elimination of packaging
- Reduced energy /water consumption
- Toxicity reduction or elimination
- Durability and maintenance requirements (avoid single-use disposable items)
- Waste disposal considerations (high recyclability)

5.2 Preferred Suppliers

Preference should be given to suppliers which have:

- A policy stating their sustainability values and commitments
- Sustainability certificates or awards
- Sustainability management systems or quality management systems that incorporate environmental and social considerations
- Full compliance with the Supplier Code of Conduct and all applicable environmental and social regulations and legislation

6. Governance

6.1 Policy Owner

The policy owner is stated at the beginning of this policy. If the policy owner changes, the policy must be re-issued to document this.

6.2 Failure to Comply

Employees must adhere to the conditions of this policy at all times. Non-compliance must be communicated to the policy owner immediately.

6.3 Exceptions

From time to time instances arise where exceptions to this policy may be required. Any exception requests must be submitted to the policy owner for consideration and approval.

6.4 Changes to Policy

CNCo reserves the right to amend this policy at its sole discretion. In case of amendments, the policy owner will inform staff appropriately.

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7.Related Documents

Level2	Level3a	Level3b	Level4
<ul style="list-style-type: none">• Supplier Code of Conduct• Procurement Policy			

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