



Sustainable Procurement Policy

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1. Policy statement

It is the policy of Leader Energy Holding Berhad (“LEHB”) and its subsidiaries, collectively referred to as (“the Group”) to practice a continuous improvement approach to understanding and taking appropriate responsibility for any adverse environmental, social, and economic impacts of its purchasing. In doing so, the Group shall consider impacts on a life-cycle basis and prioritize actions in alignment with the Group’s values, magnitude of impact, and compliance with any applicable regulations. The Group seeks to identify Suppliers that conduct business with ethical standards consistent with our own. The Group’s ethical standards are embodied in our Business Integrity Statement which encompass, among other aspects (and defined therein where required):

2. Purpose

The Group aspires to evolve into a stronger and more sustainable company by prioritising decarbonisation and integrating sustainability into every facet of our business, ultimately benefiting all our stakeholders.

This Policy is adopted in order to align the Group’s purchasing with its climate, social equity, risk reduction, resource use reduction, etc. values and goals. In doing so, the Group seeks to harness the influence of its purchasing to support markets for, and increase accessibility to, more sustainable goods and services.

3. Scope

This policy shall cover all procurement activities performed within the Group. This Policy is also applicable to external parties; including but not limiting to the Group’s suppliers.

4. Guiding Principles

The Group attach a high importance to the social and environmental impacts of our activities.

(a) Establishing responsible and ethical purchasing standards

To sustain the Group’s growth, our purchasing teams select, support and evaluate suppliers as part of our responsible Sustainable Procurement Policy. This Group has made ethical values a part of the everyday work of our buyers, establishing a common standard for the whole organization.

The monitoring of our suppliers’ performance, in terms of responsibility, is carried out using precise indicators of Environmental, Social and Governance (ESG) criteria.

Indicators include but not limiting to assessment of social and safety, hygiene and environmental standards may be conducted throughout the supply chain, covering key suppliers around the region. The exercise can be carried out by internal staffs or other independent companies. These assessments will provide a rigorous monitoring of suppliers’ commitments in the field and among their employees.

(b) Our responsible and inclusive Sustainable Procurement Policy is based on four principles:

Protect



We seek to ensure that the fundamental rights of every man and woman in the supply chain around the world are respected. This includes abiding by the ethical principles supported by the Group and, in particular, respecting human rights in terms of the health, safety and protection of workers.

Our *Supplier Code of Conduct and Business Ethics Letter* (PDF) is available [here](#).

Empower

We are working internally and externally on a process that is already underway for both evaluation and continuous improvement in ESG terms. We provide briefings and engagement sessions to our suppliers to help them optimize their Environmental, Social and Governance policy.

Taking an inclusive approach based on solidarity sourcing

Solidarity sourcing focuses on social inclusion and is deployed for every type of purchase (raw materials, spare parts, consumables, sub-contracting, promotional items and indirect distribution) in every country where the Group operates.

We also encourage our suppliers to deploy similar programs within their own ecosystems.

Working with our suppliers to support the environment

Throughout the value chain, our suppliers are expected to align with our policy of preserving the environment, natural resources and biodiversity. We prefer to source locally with a production organized by geographic zone.

5. Supplier Compliance and Performance Management

To ensure progress on our sustainability journey through continuous improvement, the key elements of our Sustainable Procurement Policy are embedded in our supplier compliance and performance management processes.

During the entire duration of our business relationship, we expect our suppliers to respect and act in accordance with our Supplier Code of Conduct and Business Ethics and this Policy.

Checklist/Queries: We may ask suppliers to complete checklists and/or queries assessing their performance on various aspects, including ESG-principles.

Documentation: We may ask suppliers for statements or other documentation confirming commitment to sustainability principles.

Onsite audits: We or an authorized third-party acting on our behalf may contact suppliers and ask for a site visit, subject to customary confidentiality obligations, to verify compliance with sustainability principles in their operations.

The Group expects suppliers who have been assessed to address any improvement areas identified in the assessment within an agreed timeframe and provide supporting documentation as requested. We are cognisant that some improvements can take time and appreciate the complexity of some sustainability projects. The Group aims to support suppliers in these endeavours and strive to engage with suppliers that are committed to comply to the LEHB Sustainable Procurement Policy.