



SUSTAINABLE PROCUREMENT POLICY

1. Objective

- 1.1 Each department within Regal Hotels International (the “Group”) recognises that sustainable procurement plays a vital role in managing environmental and social opportunities and risks in supply chains, and is an opportunity to encourage innovation and strengthen relationships with critical suppliers.
- 1.2 Each department will pay due regard to sustainable procurement and give preference to sustainable products.
- 1.3 This policy should be adopted in conjunction with Regal Hotels’ Supplier Code of Conduct and the Sustainable Procurement Guide.
- 1.4 Each department is encouraged to observe the Sustainable Procurement Guide, results of supplier surveys, and adopt environmentally-preferable goods and services whenever they meet cost and performance requirements.
- 1.5 The Purchasing Department will distribute supplier surveys to suppliers by phase and request information on environmental specifications. Results will be shared as soon as available with internal users for their consideration in future purchases.
- 1.6 All staff involved in making procurement decisions should adhere to this policy. Both Purchasing Department and staff responsible for sustainable development will provide support if needed.

2. Scope

- 2.1 It is the policy of the Group to:
 - (a) Ensure all prospective and existing suppliers are provided with and informed about its Supplier Code of Conduct;
 - (b) Establish a process to identify potential sustainability opportunities and risks in its supply chains and develop a segmented approach to managing those opportunities and risks;
 - (c) Identify critical suppliers, which may be defined by high procurement spend, high purchase volumes, criticality of supply, non-substitutability, or other factors;

- (d) Investigate, report on and take suitable corrective action on procurement-related product and service safety issues.
- (e) For critical suppliers:
 - i. Include relevant sustainability considerations in the scoring criteria used to evaluate suppliers and inform contract renewals;
 - ii. Include relevant and proportionate sustainability requirements in tender documents, supplier contracts and formal terms of engagement; and
 - iii. Monitor supplier performance on a regular basis against the Supplier Code of Conduct and other sustainability performance criteria. Where gaps are identified, require suppliers to develop and adopt appropriate corrective action plans.
- (f) Encourage suppliers to adopt a best practice approach to environmental, health and safety, labour policies, business ethics and community issues.
- (g) Encourage suppliers to proactively propose innovative solutions to help the company achieve its sustainable development objectives.
- (h) When making procurement decisions, preference should be given to suppliers that demonstrate sustainability commitment and actions supported by its sustainability procurement supplier survey score. Examples include:
 - i. Having a policy stating their sustainability commitments and targets;
 - ii. Adopting internationally-recognised environmental management systems and guidance related to sustainability;
 - iii. Contributing to the Group in achieving its sustainable development objectives (i.e. decarbonization).
- (i) Where appropriate, sustainable products sourced should:
 - i. Minimise the use of virgin material in the product;
 - ii. Replace disposable or single-use items with reusable or recyclable ones;
 - iii. Minimise the carbon footprint across the entire product or service lifecycle;
 - iv. Minimise or eliminate packaging;
 - v. Reduce energy and/or water consumption;



- vi. Be durable and repairable;
- vii. Contain materials which have high recyclability.

The Group will review this policy from time to time as appropriate, and in any event, once every three years.

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