

# PIPING SYSTEM PTE. LTD.

## THIRD-PARTY CERTIFICATION OF SUSTAINABILITY/INITIATIVES PERFORMANCE

### 1. Introduction

Piping System Pte. Ltd. (hereinafter referred to as "the Company") recognizes that third-party certification of sustainability performance and initiatives is a critical means to validate the credibility, transparency, and effectiveness of its environmental, social, and governance (ESG) efforts. This document outlines the Company's framework for engaging with independent third-party organizations to certify its sustainability performance, ensuring alignment with international standards and stakeholder expectations. By seeking external verification, the Company aims to strengthen stakeholder trust, drive continuous improvement, and demonstrate its commitment to responsible business practices.

### 2. Purpose and Objectives

The primary purpose of pursuing third-party certification is to provide objective, credible evidence that the Company's sustainability initiatives meet or exceed recognized standards. The key objectives include:

- Validating the accuracy and transparency of the Company's sustainability data, reports, and claims.
- Ensuring compliance with international sustainability standards, regulations, and best practices.
- Enhancing stakeholder confidence, including that of customers, investors, communities, and employees, in the Company's ESG performance.
- Identifying gaps in current sustainability practices and leveraging certification feedback to drive improvement.
- Differentiating the Company in the market by demonstrating a commitment to verified sustainable practices.

### 3. Scope of Certification

Third-party certification under this framework applies to the following aspects of the Company's sustainability performance and initiatives:

- **Environmental Initiatives:** Including but not limited to greenhouse gas emissions reduction, water and energy conservation, waste management, and pollution prevention measures.

- **Social Initiatives:** Encompassing labor practices (e.g., fair treatment, non-discrimination, health and safety), community engagement, and stakeholder relations.
- **Governance Practices:** Covering anti-corruption measures, ethical decision-making, board diversity, and compliance with relevant laws and policies.
- **Product and Service Sustainability:** Certification of eco-friendly product design, sustainable supply chain practices, and energy-efficient solutions offered by the Company.
- **Sustainability Reporting:** Verification of the accuracy and completeness of the Company's annual sustainability reports, including alignment with frameworks such as the Global Reporting Initiative (GRI) Standards or Sustainability Accounting Standards Board (SASB) guidelines.

## 4. Principles Guiding Third-Party Certification

The Company's approach to third-party certification is guided by the following principles:

- **Independence:** Engaging only with accredited, independent third-party organizations with no financial or operational ties to the Company to ensure impartiality.
- **Credibility:** Selecting certifying bodies that are recognized globally or regionally, with a proven track record in sustainability certification and adherence to international standards (e.g., ISO/IEC 17021 for conformity assessment).
- **Transparency:** Disclosing the certification process, standards used, and outcomes to stakeholders through public reports and communications.
- **Relevance:** Choosing certification standards that are relevant to the Company's industry (piping systems manufacturing and services) and material sustainability issues.
- **Continuous Improvement:** Using certification findings and feedback to identify areas for enhancement and update sustainability strategies accordingly.

## 5. Recognized Certification Standards and Bodies

The Company will pursue certification against internationally recognized sustainability standards, selecting those most relevant to its operations and stakeholder expectations. These may include:

### 5.1 Environmental Standards

- **ISO 14001:** International standard for environmental management systems, focusing on minimizing environmental impact and ensuring compliance with environmental laws.
- **GHG Protocol:** Standards for measuring and reporting greenhouse gas emissions (Scope 1, 2, and 3).
- **LEED (Leadership in Energy and Environmental Design):** For certifying sustainable building practices, applicable to the Company's facilities.

## 5.2 Social and Labor Standards

- **ISO 45001:** International standard for occupational health and safety management systems.
- **SA8000:** Global social accountability standard focusing on labor practices, including child labor, forced labor, and workplace safety.
- **UN Global Compact:** Verification of alignment with the Ten Principles on human rights, labor, environment, and anti-corruption.

## 5.3 Governance and Ethical Standards

- **ISO 37001:** Anti-bribery management systems standard.
- **GRI Standards:** For verification of sustainability reporting disclosures.

## 5.4 Recognized Certifying Bodies

The Company will engage with accredited third-party organizations such as:

- SGS (Société Générale de Surveillance)
- Bureau Veritas
- Intertek
- DNV GL
- UL (Underwriters Laboratories)

Selection of a certifying body will be based on its accreditation, expertise in the relevant standard, regional presence, and stakeholder recognition.

## 6. Certification Process

The Company follows a structured process to obtain and maintain third-party certification:

### 6.1 Preparation and Gap Analysis

- **Identify Priorities:** The CSR Committee, in consultation with senior management, identifies which sustainability initiatives or performance areas to certify based on materiality, stakeholder expectations, and business goals.
- **Select Standards and Bodies:** Evaluate and select the most relevant certification standards and accredited third-party bodies.
- **Gap Analysis:** Conduct an internal assessment to compare current practices against the requirements of the selected standard, identifying gaps and developing action plans to address them.

### 6.2 Engagement with Third-Party Certifier

- **Contract and Scope Definition:** Finalize a contract with the selected certifying body, clearly defining the scope of certification (e.g., specific facilities, initiatives, or reporting periods), timeline, and deliverables.
- **Document Review:** Provide the certifier with relevant documentation, including policies, procedures, sustainability reports, audit records, and performance data.

## 6.3 On-Site Assessment and Evaluation

- **Audit and Inspection:** The third-party certifier conducts on-site visits, interviews with employees and stakeholders, and reviews of operational processes to verify compliance with the standard.
- **Data Verification:** Validate the accuracy of sustainability metrics (e.g., emissions data, waste reduction figures) through sampling, cross-checking with records, and testing where applicable.

## 6.4 Certification Decision and Reporting

- **Findings and Recommendations:** The certifier provides a report detailing findings, including strengths, non-conformities, and recommendations for improvement.
- **Certification Award:** If the Company meets the standard's requirements, the certifier issues a formal certification, valid for a specified period (typically 1–3 years).
- **Communication of Results:** The Company discloses the certification outcome, including the standard met, certifying body, and scope, through its website, sustainability reports, and stakeholder communications.

## 6.5 Maintenance and Recertification

- **Monitoring Compliance:** Implement processes to maintain compliance with the certified standard, including regular internal audits and performance tracking.
- **Address Non-Conformities:** Promptly address any non-conformities identified during surveillance audits by the certifier.
- **Recertification:** Initiate the recertification process before the current certification expires, repeating the assessment process to demonstrate continued compliance.

# 7. Management of Certification

## 7.1 Responsibility and Oversight

- The CSR Committee is responsible for overseeing the third-party certification process, including selecting standards and certifiers, monitoring progress, and ensuring follow-up on recommendations.

- The Compliance Officer coordinates with internal departments (e.g., Operations, HR, Environmental) to gather data, prepare documentation, and facilitate on-site assessments.
- Senior management reviews certification outcomes and approves resources for addressing gaps and maintaining compliance.

## 7.2 Resource Allocation

The Company allocates sufficient financial and human resources to support the certification process, including:

- Fees for third-party certifiers and accreditation.
- Training for employees involved in preparing for audits or maintaining compliance.
- Investments in systems or processes to address gaps identified during gap analysis.

## 7.3 Handling Certification Failures or Non-Conformities

- If certification is denied or non-conformities are identified, the Company develops a corrective action plan with timelines to address issues.
- The CSR Committee monitors the implementation of corrective actions and may engage the certifier for a follow-up assessment to verify resolution.
- Lessons learned from non-conformities are integrated into sustainability strategies to prevent recurrence.

## 8. Use of Certification Outcomes

- **Stakeholder Communication:** Certification results are included in annual sustainability reports, investor communications, and marketing materials to demonstrate validated sustainability performance.
- **Continuous Improvement:** Recommendations from certifiers are used to update policies, processes, and targets in the Company's sustainability framework.
- **Benchmarking:** Certified performance is compared against industry peers and competitors to identify opportunities for leadership.
- **Contractual and Market Advantages:** Leverage certifications to meet customer requirements (e.g., eco-label preferences) or qualify for sustainable procurement programs.

## 9. Review and Update of Certification Strategy

The Company's approach to third-party certification is reviewed annually by the CSR Committee and senior management to ensure it remains relevant and effective. This review considers:

- Emerging sustainability standards and stakeholder expectations.


- The cost-effectiveness and impact of existing certifications.
- Feedback from certifiers and stakeholders on the value of current certifications.
- Changes in the Company's operations (e.g., new facilities, products, or regions) that may require additional certifications.

Updates to the certification strategy, including the addition of new standards or certifiers, are approved by the Board of Directors.

## 10. Conclusion

Third-party certification is a cornerstone of Piping System Pte. Ltd.'s commitment to transparent and credible sustainability performance. By engaging independent organizations to verify its initiatives, the Company demonstrates accountability to stakeholders and drives continuous improvement in its ESG practices. This framework ensures that certification efforts are strategic, relevant, and aligned with the Company's mission to operate as a responsible and sustainable business.

Approved by:



Date: 9<sup>th</sup> July , 2024

Piping System Pte. Ltd.

