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GREEN PROCUREMENT POLICY

Purpose:

The purpose of this policy is to ensure that HSL buys energy-efficient equipment, products and services where these are expected to have a significant impact on HSL's energy performance. This policy will result in lower electricity and diesel fuel bills, lower energy use, and lower greenhouse gas emissions.

HSL will as a minimum consider energy performance in all its procurement activities related to significant energy uses and is committed to reducing greenhouse gas emissions by reducing energy use.

1. Introduction

- 1.1. It is a requirement of HSL's ISO 50001 certified energy management system that action is taken to address the influence of procurement where it can have a significant impact on energy performance, for example, when procuring equipment identified to be a significant user of energy such as welding equipment.
- 1.2. Purchasing energy-efficient products and services, which operate more effectively than conventional ones, can reduce the Company's energy costs. In addition to reducing energy costs, energy-efficient product procurement can lower maintenance costs (because energy-efficient products require less frequent replacement), reduce greenhouse gas emissions, and enhance pollution prevention and resource conservation activities.

2. Requirements

2.1. Applicability


- 2.1.1. These requirements apply to all significant energy uses and procurement with the potential to have a significant impact on the achievement of HSL's energy goals.
- 2.1.2. The applicability of these requirements and standards to insignificant uses of energy is optional.

2.2. Communication

- 2.2.1. When procuring energy services, products, and equipment that have or can have an impact on significant energy use, HSL shall inform suppliers that procurement is partly evaluated on the basis of energy performance.
- 2.2.2. A record of this communication shall be retained in the ISO 50001 folder on the shared drive.

2.3. Evaluation

- 2.3.1. Energy use, consumption, and efficiency will be assessed over the expected operating lifetime, either by the equipment owner or the contract manager, and this assessment

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can be based upon information provided by the potential vendor or HSL's own investigation.

2.3.2. The results of the assessment will influence purchasing decisions. Where decisions lead to the selection of an option which does not provide the best energy performance outcome, this decision will be justified and accepted by the Energy and Environment Committee before purchase.

2.4. Equipment Standards

2.4.1. HSL considers the Energy Star label, and other equivalent energy ratings, such as EPEAT, and the Singapore Green Label to determine products that have a higher energy performance than products that do not have these labels.

2.4.2. Registers of products achieving these labels must be consulted and discounted before any other products can be purchased.

2.4.3. In the absence of an energy label, HSL will seek to purchase equipment that operates at the necessary efficiency level above the baseline in order to achieve HSL's energy objectives and targets.

2.5. Contracts and Supplier Agreements

2.5.1. Contract specifications, supplier service agreements, and other similar documents will require the vendor to configure the equipment in the manner determined by the manufacturer to be optimal for energy performance

2.5.2. Potential vendors with ISO 14001, ISO 50001 or equivalent certifications will be preferred during vendor selection.

2.5.3. These products must also meet user requirements for quality, performance, and durability.


2.5.4. The vendor shall provide customer support with respect to power management features, such that these features remain properly enabled and repaired if a malfunction occurs.

3. Implementation

3.1. HSL will provide training and awareness raising tools to its staff and ensure there is effective communication between our central purchasing unit and the individual departments.

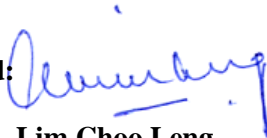
3.2. This policy applies to all staff involved in procurement (from the approver of expenditures to the developer of tenders and the department procuring or contracting a service) and staff involved in building maintenance.

3.3. HSL will actively promote and encourage innovative improvement in energy efficiency performance of suppliers and evidence of this communication will be recorded.

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3.4. The Environment and Energy Committee will continually improve the procurement policy and our guidelines by regularly reviewing contracts and suppliers and benchmarking this strategy with others, integrate our procurement standards and process with our ISO 14001 environmental management system, and monitor our performance using environmental and energy performance indicators.

Signed:



Lim Choo Leng
Managing Director

Date: 1 July 2012