



Proud history, bright future.

## Corporate Policy

**Process Owner:** EVP, General Counsel

**Content Owner:** VP Corporate Procurement

## Procurement and Supply Chain Management

**Date:** September 21, 2021

**Reference No:** P-GL-KBR-MP-1101

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### PURPOSE:

At KBR our people are at the heart of everything we do, and this philosophy extends throughout our global Supply Chain; we hold ourselves and our suppliers to high standards to protect the integrity of our supply chain and ethically deliver business resilience, growth and shared value for the benefit of all stakeholders, underpinned by positive environmental and social impact.

The KBR Procurement and Supply Chain Management (SCM) Policy establishes the foundational principles that govern KBR's SCM activities and deliver a business integrated, market aware, and sustainable strategic sourcing function. The SCM policy also provides those who interface with SCM, the foundational requirements of procurement actions, giving them a better understanding of their role supporting SCM.

### SCOPE:

This Policy applies to Procurement and Supply Chain Management Professionals executing procurement activities on behalf of KBR or interacting directly or indirectly with KBR's Procurement function, and those working for KBR, KBR's legal entities, subsidiaries, and joint ventures, where KBR is a controlling partner. All KBR procurement policies and procedures are required to be consistent with this Policy.

### POLICY:

This Policy requires KBR to implement and monitor compliance to the following foundational principles:

- KBR develops inclusive Supplier relationships that promote small business participation, embrace diversity, practice corporate social responsibility, integrate sustainability and promote transitioning towards business models that incorporate a low carbon economy, clean energy, sustainable transport, sustainable agriculture, and commitment to the environment.
- We procure goods and services that meet the needs of the internal and external customers we serve; and procure these goods and services at the right "competitive" price; from the right qualified source; to the right specifications, standards, and requirements, at the right quantity, for delivery at the right time, while using high ethical and legal standards and proven business practices.
- We are committed to comply with mindful business practices that uphold governance, corporate social responsibility and fiduciary responsibilities, as well as prevent insider trading, bribery, discrimination and conflicts of interest, through strict adherence to the KBR Code of Business Conduct, KBR Supplier Code of Conduct, KBR Global Human Rights Policy, the KBR Trafficking in Persons Policy, the UK Modern Slavery Act Statement filed by Kellogg Brown & Root Limited and the KBR Anti-Corruption Compliance Program.

- We leverage KBR's Global market position and buying power to the benefit of our clients, our company, our suppliers, and shareholders.

This policy compels the organization and every individual involved in purchasing to use high standards of business and personal integrity to ensure KBR's purchasing and contracting activities do the following:

- Leverage technological transformations (e-Commerce, RPA, AI, ML) to deliver SCM transparency & visibility, quality, efficiency, and value-adding data analytics.
- Encourage competitive bidding environments/processes, reducing limitations, and increasing approved supplier opportunities.
- Increase profitability, cost savings, cost-effectiveness, and overall best value.
- Deliver responsible sourcing and environmental responsibility by supporting supply chain participants in making positive and lasting impacts on the people and communities from which they source
- Involve Procurement early in the proposal/requirement development stage, and in advance of preparing bids, to ensure timely support of pricing objectives, evaluation of procurement resources and strategies, include small business participation, and approvals prior to committing KBR funds.
- Utilize KBR approved agreements and PO/Contract signature authority contained in the Transaction Approval Matrix (TAM) when contracting for goods or services. Procurement actions will be properly documented, maintained electronically, and stored pursuant to company and records retention policies.
- Minimize potential risks by procuring goods and services from experienced, qualified, responsive, and/or approved vendors and subcontractors who demonstrate their ability to meet company and customer requirements; while maintaining the highest levels of ethical integrity, financial health & stability, and safety & health.
- Participate in required and recommended requisitioner & procurement training to increase knowledge, understanding, and ensure compliance.
- Encourage collaboration among supply chain participants at all levels to deliver an equitable supply chain.

## **ROLES AND RESPONSIBILITIES:**

KBR's Vice President of Corporate Procurement is responsible for coordinating KBR's Global Procurement and Supply Chain Management team in the development and implementation of business unit/regional strategies, policies, and procedures that consistently align with the principles outlined in this Policy.

KBR's Global Procurement and Supply Chain leads are required to develop procedures and work methods that are consistent with this Policy

## **DEFINITIONS:**

**Procurement and Supply Chain Management includes:** Strategic sourcing; Supplier/Subcontractor selection and management; Item/parts master management; Material and inventory management, Purchase requisition creation and approval; Solicitation, bid receipt and evaluation; Contract/PO creation and approval; Inspection; Logistics, Expediting, Post-delivery support, and Receiving.

**REFERENCES:**

P-GL-KBR-CORP-0001 - KBR Transaction Approval Matrix

[KBR Code of Business Conduct](#)

[KBR Supplier Code of Conduct](#)

[P-GL-KBR-LL-1010](#) Global Human Rights Policy

[P-GL-KBR-LL-1011](#) Trafficking in Persons Policy

[UK Modern Slavery Act Statement](#)

[KBR Anti-Corruption Compliance Program](#)

Anti-Corruption Procedure – PR-GL-KBR-LL-1001

KBR HSSE Policy – P-GL-KBR-HSSE-0601

KBR Workforce Management – P-GL-KBR-HR-3360

Export Compliance Manual - MAN-GL-KBR-LL-1003

Import Compliance Manual – MAN-GL-KBR-LL-1007

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**APPROVED BY:** CEO

**DATE:** September 21, 2021

**SUPERSEDES:** N/A, new policy.