



## POLICY

## SUPPLIER CODE OF CONDUCT

1AP-SCM-SSM-005


<b>Communication Plan</b>	
<b>Target Date of Cascade</b>	June 30, 2021
<b>Method of Cascade</b> <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Email <input type="checkbox"/> SPOC Meeting <input type="checkbox"/> Other Meeting <input type="checkbox"/> Training <input type="checkbox"/> Bulletin Board <input type="checkbox"/> Others: _____
<b>Target Participants</b>	All active suppliers of AboitizPower and its subsidiaries

<b>Revision Details</b>			
<b>Page No.</b>	<b>Revision No.</b>	<b>Description of current revision</b>	<b>Effective Date</b>
<#>	00	Initial Issue	July 1, 2021

**1AP/APG/APD Governance Declaration**

Upon signing, the chairman of the functional committee - Clovis Racho, hereby declare that he has ensured that the affected AP BUs' current processes have been considered in the creation of this document and actions for concerns raised were agreed upon.

<b>Document Approval</b>				
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Approved by	<b>Emmanuel Rubio</b>	President and CEO, AP		2021-06-28

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## 1. PURPOSE

To align the Company's values with the suppliers  
To strengthen the supplier's standards on doing business with the Company

## 2. SCOPE

This policy applies to all active suppliers of AboitizPower and its subsidiaries (i.e. Corporate, Generation and Distribution BG).

## 3. OWNERSHIP

The AP SCM BU Heads are responsible for ensuring that this policy is updated, cascaded and complied with.

## 4. POLICY

### Supplier Code of Conduct

At Aboitiz Power Corporation (the "Company"), our core values of integrity, teamwork, innovation, responsibility, and service excellence guide us in our business decisions, dealings and relationships with our stakeholders. These values, along with our principles on sustainability, helps us achieve our mission to deliver reliable, reasonable and responsible energy to our customers. We believe that our suppliers, one of the Company's key stakeholders, have a significant role in this endeavor. By supplier, the Company means any entity that supplies goods and/or services to the Company, its wholly owned subsidiaries and controlled entities.

This Supplier Code of Conduct (the "Code") ensures that all of our suppliers will uphold and share the same values and sustainability principles when doing business with the Company, and adhere to our compliance, social, and environmental standards and requirements.

The Company urges its suppliers to promote the same sustainable standards and commitments expected from this Code to their respective supply chain. However, the Company still recognizes that its suppliers are independent businesses and operating in different environments. In compliance with these expectations of doing business with the Company, the Code defines the non-negotiable minimum standards that the Company requires its suppliers and their sub-tier suppliers or subcontractors, with the goal to strengthen our mutual understanding, respect, transparency, trust and partnership toward a more sustainable business.

This Code is in addition to, and not in lieu of, the provisions of any legal agreement or contract between a business partner and the Company. The following categories encompass the Supplier Code of Conduct.


Suppliers shall agree to the following commitments:

### I. ETHICAL COMMITMENTS

Suppliers are expected to uphold always the highest ethical standards and require the same compliance throughout their entire supply chain and within their organization, when doing business and shall comply with all applicable national and international legislation in force, such laws and regulations that are necessary to carry out their contractual obligations to the Company.

#### Care for Customer and Communities

Suppliers are also expected to protect and respect the human rights, dignity and privacy of its own suppliers, customers and communities.

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Suppliers shall ensure the safety and well-being of their own suppliers, customers and communities, including compliance with regulations that protect the rights of customers and communities and mitigating risks that compromise their lives and property brought by their products, services or business activities.

Suppliers shall dialogue with our communities to understand their needs and support their sustainability by investing in programs that can alleviate their social and environmental issues.

#### **Conflicts of Interest**

Suppliers are expected to disclose to the Company any situation that may appear to be a conflict of interest, and any potential relationships, actions, or transactions (including those involving family members) that reasonably could be expected to give rise to a conflict of interest.

#### **Fair Dealing**

Suppliers shall conduct all financial business dealings and decision-making with integrity and transparency.

No supplier should take unfair advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts, fraudulent acts, or any other unfair dealing practices.

#### **Proprietary and Confidential Information**

Suppliers shall maintain all proprietary and confidential information including intellectual property in strict confidence, except when its disclosure is authorized by the Company or required by law.

For this purpose, each supplier shall undertake to sign a non-disclosure agreement as part of its commitment to the Company.

Suppliers shall make available accurate information necessary for collaboration, cooperation, and collective decision-making.

“Proprietary Information” includes all non-public information that might be useful to competitors or the disclosure of which could result in damages to the Company, its customers, or stakeholders. This also includes, but is not limited to, the Company’s intellectual property.

#### **Transparency and Disclosure of Information**

Suppliers shall disclose information truthfully and accurately as they pertain to their business activities, structure, financial situation, performance, and health events of public health concern in accordance with applicable laws, regulations, and prevailing industry practices.


#### **Anti-Bribery and Anti-Corruption**

Suppliers shall act professionally, fairly and with integrity in all of their business dealings and shall endeavor to ensure compliance with this Code. Suppliers shall not pursue, permit, consent to or collude with any activity, practice or conduct likely to constitute or appear to be an act of: impropriety, bribery, and/or corruption.

Suppliers shall not tolerate corruption and bribery in any form.

#### **Prohibition on any Gifts or Favors**

The Company requires its employees to demonstrate highest standards of ethics and conduct in relation to potential and existing suppliers. The Company ensures that employees treat suppliers impartially and practice unbiased professionalism and non-discriminatory actions. Thus, to avoid the appearance of impropriety, the Company strictly prohibits its suppliers from giving any form of gift, token, favor, hospitality or entertainment of any value to its officers, employees, agents and representatives. The Company expects its suppliers to respect and abide by this prohibition.

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## II. LABOR COMMITMENTS

Suppliers are expected to conduct their business and labor practices to promote, respect and protect an individual's human and labor rights, working conditions and privacy regardless of legal jurisdiction and local factors.

### Child and Forced Labor Avoidance

The Company does not take part in any form of forced or compulsory labor and child labor, and any abuses that will compromise a person's human rights. Suppliers shall not tolerate forced, compulsory or child labor in their business operations, including slavery, servitude, and human trafficking, and shall be consistent with the core labor standards of the law.

### Fair and Equal Treatment

Suppliers shall protect and respect the human rights, dignity and privacy of its own suppliers and shall provide their employees with a workplace free of harsh and inhumane treatment, with zero tolerance in any form of abuses such as sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse of employees, or the threat of any such treatment.

Disciplinary actions and guidelines in support of these requirements shall be clearly defined and communicated to workers.

### Diversity and Inclusion

The Company expects its suppliers to actively embrace and respect all individuals in their workforce regardless of age, gender, race, national or ethnic origin, religion, language, political beliefs, sexual orientation, and physical ability

### Wages and Benefits

Compensation paid to employees will comply with applicable national wage laws. Unless otherwise provided by local laws, deductions from basic wages as a disciplinary measure will not be permitted (this does not exclude the entitlement of damages on a contractual or legal basis). Suppliers are expected to provide their employees with fair remuneration and compensation and benefits.

## III. SAFETY AND HEALTH COMMITMENTS


Suppliers are expected to provide a safe and healthy work environment, and policies or programs are in place to protect its employees across its business activities from the risk of injury, danger, failure, error, harm and/or loss of life.

Suppliers are accountable for the safety and health of their employees, subcontractors, and agents involved in the implementation of tasks. Suppliers shall also ensure that hazards related to their activities are identified and the necessary controls to address the risks posed are put in place. Such controls shall include, but are not limited to, proper competency and experience.

Suppliers must comply with all the health and safety requirements and all applicable legal and regulatory requirements standards in force on workplace safety and health.

## IV. ENVIRONMENTAL COMMITMENTS

Suppliers are expected to be responsible stewards for the environment - complying with all applicable legal environmental requirements and demonstrating continual improvement of its environmental performance.

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Suppliers shall identify, monitor and mitigate the environmental risks and impacts of their business activities, products and services. Suppliers shall ensure their processes efficiently use and conserve resources, and avoid any adverse impact to the environment. Suppliers are encouraged to promote and further its environmental protection initiatives, especially with its consumption of energy and natural resources, management and reduction of emissions and wastes.

## V. QUALITY COMMITMENT

Suppliers are expected to integrate quality into their business processes. Suppliers shall meet generally recognized or contractually agreed quality requirements and standards in order to provide goods and services that consistently meet the Company's needs, perform as warranted, and are safe for their intended use.

Moreover, suppliers are expected to continuously improve their sustainability performance through appropriate initiatives and measures.

*Any violation of this Supplier Code of Conduct may result in corrective action. The appropriate action will depend on the nature and severity of the violation and the circumstances surrounding the situation.*

*Failure to comply with this Code of Conduct and/or any additional requirements or any applicable laws and regulations may result in the termination of any agreement.*

*You may use the whistleblowing hotline through <https://abotizpower.com/contact-us/whistleblowing/> or you may also send an email to [whistleblowing.system@abotiz.com](mailto:whistleblowing.system@abotiz.com) to voice out any concerns/complaints for possible violation of this Supplier Code of Conduct.*

## 5. REFERENCES

Policy	1AP-HRM-011	Aboitiz Group Code of Ethics and Business Conduct
Policy	APC-SCM-011	Code of Ethics & Confidentiality
Policy	1AP-SSM-002	Accredit to Evaluate
Guideline	1AP-SSM-002-G001	Accredit to Evaluate

## 6. DEFINITIONS

### ACRONYMS

AP	- AboitizPower
APC	- AboitizPower Corporation
BU	- Business Unit
BG	- Business Group
SCM	- Supply Chain Management