

# **China Merchants Port Holdings Company Limited**

## **Sunshine Procurement Principle**

China Merchants Port Holdings Company Limited has always adhered to the principle of "sunshine procurement" in procurement management, followed the principles of openness, justice, fairness, and efficiency in the bidding process, bid opening and evaluation, complaint handling, and accepted the supervision of suppliers and customers to protect the interests of all parties. At present, China Merchants Port Holdings Company Limited standardizes the whole process of procurement supply chain management and incorporates ESG standards into relevant systems, so as to avoid relevant risks on the one hand and expand the group's influence on sustainable development on the other.

### **Part I General provisions**

1. The procurement personnel must follow the principles of integrity and business ethics in their cooperation with suppliers and all business work.
2. Procurement activities must strictly follow the procurement process and regulations of China Merchants Port Holdings Company Limited, and reflect the principles of fairness, justice and openness. Procurement personnel are responsible for obtaining the best overall value for the Group, selecting and determining the best suppliers, and ensuring that every procurement activity and decision can bring the best benefits to the Group.

### **Part II Detailed Rules**

1. Procurement operations personnel definition  
Procurement personnel not only refers to the full-time procurement personnel of the procurement department, but also includes the staff of other departments who participate in the procurement business or participate in the implementation of the procurement authorization business.
2. Behavioral requirements during the execution of procurement business
  - 1) The procurement personnel's parents, spouse, children and other relatives and classmates shall not contract or engage in material supply, project subcontracting, project supervision, organizing and providing labor or services related to Party A's project, equipment, materials or production outsourcing; Shall not recommend subcontractors to the construction party; The construction party shall not be required to purchase materials and equipment other than those stipulated in the contract.
  - 2) The procurement personnel shall not engage in any form of corruption, bribery or commercial bribery, including but not limited to offering or promising any form of illegal or immoral benefits directly or indirectly through any form, regardless of whether business opportunities and competitive advantages are thus obtained.
  - 3) The procurement staff shall not require or accept the convenience provided by Party B for housing decoration, weddings and funerals, work arrangement of family members and children, and going abroad.

### 3. Confidentiality and use of procurement information

- 1) Procurement information is an important part of the Group's information assets and belongs to the Group's business secrets, including but not limited to procurement price, procurement proportion allocation, procurement strategy, supplier selection and evaluation plan, etc. Procurement personnel have the bounden duty and obligation to keep procurement information confidential.
- 2) Keep confidential the business information of suppliers and other business partners. The supplier's product condition, quotation and other relevant information, as well as the Group's evaluation information of the supplier, are all trade secrets and shall not be disclosed to other suppliers or used outside of work.
- 3) It is normal business behavior to collect information from other companies for evaluation or credit evaluation during the performance of procurement business, but information should be collected through open channels (such as the disclosure of newspapers and periodicals), and it is not allowed to use in any way that may cause controversy; be careful to use sensitive information from other companies only in appropriate circumstances, and only allow the use of such information by other employees of the company who are legally or contractually required to know.
- 4) It is forbidden to give wrong or false explanation to any supplier, and it is forbidden to talk about matters unrelated to the work with the supplier, and it is not allowed to intentionally or unintentionally disclose the business and technical secrets of the Group.

### 4. Personal moral integrity

The personal morality of employees directly affects the image and reputation of the company. The procurement staff should pay attention to the cultivation of personal morality and strictly abide by the staff ethics requirements of China Merchants Port Holdings Company Limited

### 5. Punishment for violation of discipline

China Merchants Port Holdings Company Limited will verify and deal with the incidents or problems of procurement personnel violating the Code of conduct in accordance with relevant regulations and procedures. Call 0755-2688 6678 for information. Email: jcb@cmhk.com.