



Supplier Code of Conduct

1. Introduction

CEM is committed to fostering sustainability, ethics, and transparency by integrating environmental, social, and governance (ESG) principles into its procurement practices and promoting sustainable procurement across its supply chain activities.

- 1.1 About CEM: Companhia de Electricidade de Macau – CEM, S.A. is the exclusive provider of electricity transmission, distribution, and sales services in Macau SAR. CEM is committed to delivering reliable, efficient, and sustainable energy solutions that support Macau’s economic growth and environmental goals.
- 1.2 Purpose: This Supplier Code of Conduct establishes minimum standards for all Suppliers, including contractors, subcontractors, and business partners, to ensure alignment with CEM’s values and ethical principles.
- 1.3 Sustainable Procurement Framework: CEM integrates environmental, social, and governance (ESG) principles across its supply chain, encouraging Suppliers to adopt sustainable practices throughout the lifecycle of materials and equipment, from sourcing to end-of-life handling.
- 1.4 Scope: Suppliers shall apply these principles across their operations and ensure their affiliates and sub-suppliers comply with this Code.
- 1.5 Alignment with Global Standards: CEM encourages Suppliers to align with international frameworks and global standards.
- 1.6 Legal Compliance: Suppliers shall comply with all applicable laws, regulations, and international standards in the jurisdictions where they operate.

2. Business Ethics and Governance

CEM is committed to conducting its business with integrity, transparency, and fairness. We expect all Suppliers to act in a manner that upholds ethical principles, prevents corruption, and ensures a fair and competitive procurement environment.

- 2.1 Ethical Conduct: Suppliers shall conduct business with integrity, fairness, and transparency. All decisions shall remain impartial and free from undue influence.
- 2.2 Anti-Corruption: Suppliers shall implement robust policies prohibiting corruption, bribery, conflicts of interest, and unethical practices, including but not limited to bid-rigging, price-fixing, market allocation, submission of fake bids, bid rotation schemes, and other forms of collusion or agreements with competitors that manipulate the bidding process. Suppliers shall also not offer or accept gifts, favors, or incentives that could influence or appear to influence CEM’s procurement processes. Any



efforts to compromise the fairness of CEM’s procurement process shall result in immediate disqualification, prolonged suspension from tendering, and possible legal action.

- 2.3 Policies and Training: Suppliers shall establish anti-corruption policies that include periodic employee training and internal audits to ensure compliance.
- 2.4 Conflict of Interest Disclosure: Suppliers shall promptly disclose any potential conflicts of interest to CEM for review and mitigation.
- 2.5 Record-Keeping: Suppliers shall maintain accurate, auditable records of all transactions and promote fair competition in compliance with relevant laws.
- 2.6 Confidentiality: Suppliers shall protect CEM’s confidential information and intellectual property, with breaches reported immediately.
- 2.7 Reporting Mechanisms: Suppliers shall maintain an accessible grievance mechanism for workers and affected parties, ensure concerns are investigated in a timely manner, provide remedy where harm occurred, and prohibit retaliation against reporters.
- 2.8 Integrity: Suppliers shall ensure total honesty and ethical behavior in all operations, avoiding situations of actual or perceived impropriety.
- 2.9 Zero-Tolerance Policy: Suppliers shall adopt a zero-tolerance approach to bribery, bid-rigging, facilitation payments, and kickbacks.
- 2.10 Information Security and Data Protection: Where Suppliers access, process, store, or transmit CEM data (including personal data), they shall implement appropriate technical and organizational security measures, comply with applicable data protection laws, and promptly notify CEM of any actual or suspected data/security incident related to CEM.

3. Labor Practices and Human Rights

CEM is committed to respecting human rights and fostering fair, safe, and inclusive labor practices. We expect our Suppliers to uphold these principles in all employment practices and supply chain operations.

- 3.1 Human Rights: Suppliers shall respect internationally recognized human rights and provide fair and safe working conditions.
- 3.2 Child and Forced Labor: Suppliers shall strictly prohibit child labor and forced labor in all forms.
- 3.3 Voluntary Employment: All employment shall be voluntary, free from coercion, bonded labor, or human trafficking.
- 3.4 Fair Wages: Suppliers shall ensure wages meet or exceed legal standards and include all mandated benefits.



- 3.5 Overtime Compensation: Overtime shall be voluntary, fairly compensated, and in compliance with legal requirements.
- 3.6 Work Hours and Rest: Suppliers shall adhere to legal maximum working hours and provide sufficient rest periods, paid leave, and holidays.
- 3.7 Non-Discrimination: Suppliers shall ensure workplaces are free from discrimination and harassment, fostering equity and respect for all employees.
- 3.8 Freedom of Association: Suppliers shall respect employees' rights to unionize and participate in collective bargaining without interference.
- 3.9 Training and Development: Suppliers are encouraged to provide training opportunities to enhance workforce capacity and support community development.

4. Diversity and Inclusion

CEM values diversity and inclusion as essential for innovation and equitable opportunities. Suppliers are expected to foster inclusive workplaces that uphold these values.

- 4.1 Commitment to Diversity: Suppliers shall promote diversity and inclusivity, ensuring equitable opportunities for individuals from all backgrounds.
- 4.2 Workplace Culture: Suppliers shall foster respectful and inclusive workplaces through training on cultural sensitivity, unconscious bias, and effective communication.

5. Health and Safety

CEM prioritizes the health and safety of employees, communities, and the environment. Suppliers are expected to maintain robust health and safety standards.

- 5.1 Prioritization: Suppliers shall prioritize the health and safety of employees and communities in all operations.
- 5.2 Occupational Health and Safety Systems: Suppliers are encouraged to implement and maintain robust safety management systems, such as ISO 45001, and regularly review their effectiveness.
- 5.3 Risk Assessments: Suppliers shall identify and mitigate risks associated with their activities and implement preventive measures.
- 5.4 Protective Equipment and Training: Suppliers shall provide necessary protective equipment and training in hazardous environments.
- 5.5 Emergency Preparedness: Suppliers shall develop and maintain effective emergency response plans.
- 5.6 Performance Monitoring: Suppliers shall report health and safety performance, aiming for zero workplace injuries.



5.7 Incident Reporting: Suppliers shall promptly notify CEM of serious incidents, high-potential near misses, or fatalities related to CEM work and cooperate with investigations and corrective actions. Suppliers shall, where requested, report agreed health and safety indicators (e.g., TRIR/LTIFR, near-miss reporting, safety training completion) relevant to CEM work.

6. Environmental Protection and Sustainability

CEM is dedicated to minimizing its environmental impact and promoting sustainable practices. We expect Suppliers to adopt practices that align with these goals.

- 6.1 Minimizing Impact: Suppliers shall adopt strategies to prevent pollution, reduce waste, and conserve resources.
- 6.2 Sustainable Practices: Suppliers are encouraged to reduce carbon emissions and use eco-friendly materials.
- 6.3 Circular Economy: Suppliers shall support recycling, sustainable sourcing, and other circular economy principles.
- 6.4 End-of-Life Plans: Suppliers shall provide detailed plans for material disposal, recycling, or reuse.
- 6.5 Tracking and Reporting: Recycling rates and recovery volumes shall be tracked and reported at least annually.
- 6.6 Greenhouse Gas (GHG) Management: Suppliers shall, where requested by CEM and relevant to the contract scope, provide GHG information (e.g., fuel/electricity use, logistics emissions, product footprint data) using reasonable, verifiable methods. Suppliers are encouraged to implement emissions reduction initiatives and to support CEM's decarbonisation objectives. For high-risk or high-spend contracts, CEM may require suppliers to maintain a climate/GHG management plan and report progress periodically.
- 6.7 Hazardous Substances, Spill Prevention and Waste Controls: Suppliers shall manage hazardous substances safely and lawfully, including appropriate storage, secondary containment (where applicable), handling procedures, and spill response measures. Any spill or environmental incident related to CEM work shall be reported promptly to CEM.

7. Supply Chain Management

CEM is committed to building a resilient, sustainable, and inclusive supply chain. We expect Suppliers to extend these standards throughout their own supply chains, ensuring compliance and fostering sustainability.

- 7.1 Extending Standards: Suppliers shall ensure their upstream suppliers and subcontractors comply with CEM's sustainability standards.



- 7.2 Local Preference: Suppliers are encouraged to prioritize local sourcing and engage with small and medium enterprises (SMEs) where lawful and where safety, quality, reliability, and value-for-money requirements can be met, to promote economic inclusivity and strengthen the local economy.
- 7.3 Responsible Sourcing and Due Diligence: Suppliers shall implement risk-based due diligence for their own supply chains relevant to goods/services provided to CEM, including screening and managing risks related to human rights, labour practices, health and safety, environmental harm, and unethical conduct. Suppliers shall require relevant subcontractors/sub-suppliers to meet standards equivalent to this Code.
- 7.4 Capacity Building: Suppliers are encouraged to implement training and capacity-building programs for their employees and sub-suppliers to promote compliance with this Code across the supply chain.
- 7.5 Risk Reporting: Supply chain risks shall be transparently identified, reported, and managed to support effective mitigation strategies.

8. Compliance, Monitoring, and Continuous Improvement

CEM is committed to ensuring compliance with this Code through active monitoring and fostering a culture of continuous improvement in collaboration with Suppliers.

- 8.1 Monitoring: CEM will conduct regular audits, site visits, and third-party verifications to assess and ensure Supplier compliance with the principles outlined in this Code.
- 8.2 Evidence of Compliance: Suppliers shall provide verifiable documentation, such as certifications, performance reports, and improvement plans, as evidence of their adherence to this Code.
- 8.3 Corrective Actions: In cases of non-compliance, Suppliers may be required to implement corrective actions within an agreed timeframe. Persistent or severe non-compliance may result in contract suspension or termination.
- 8.4 Collaborative Resolution: Where feasible, CEM will work collaboratively with Suppliers to address and resolve non-compliance issues through shared strategies and mutual improvement efforts.
- 8.5 Feedback Mechanisms: Suppliers shall engage in feedback mechanisms established by CEM to refine processes, address challenges, and align with evolving industry standards and expectations.
- 8.6 Progress Tracking: Suppliers shall regularly track and report on ESG performance metrics, demonstrating measurable progress and alignment with CEM's sustainability goals. ESG and SHEQ information provided to CEM shall be accurate, complete, and supported by auditable records. Suppliers shall retain supporting documentation for the period required by law and/or contract.
- 8.7 Continuous Improvement: This Code shall be periodically updated to reflect advancements in sustainability practices, regulatory changes, and stakeholder feedback. We expect suppliers to stay informed about these updates and adapt their practices accordingly.



9. Enforcement and Sanctions

CEM reserves the right to enforce this Code and take appropriate action in cases of non-compliance. Actions may include:

- 9.1 Temporary Suspension: Suspension of purchase orders or other contractual obligations until compliance is restored.
- 9.2 Mandatory Remediation Plans: Implementation of corrective action plans with clearly defined milestones and timelines, monitored by CEM or third-party auditors.
- 9.3 Contract Termination: Termination of contracts in cases of severe violations or repeated non-compliance.
- 9.4 Regulatory Reporting: Reporting of violations to relevant governmental, regulatory, or judicial authorities, where required by law.

10. Acceptance and Agreement

- 10.1 By registering as a supplier of CEM and clicking “I Agree”, “Accept”, or any equivalent button or mechanism presented with this Code, the Supplier hereby acknowledges, confirms, and agrees that it has carefully read, fully understood, and unconditionally accepts and agrees to comply with all the terms, conditions, standards, and requirements set out in this Code.
- 10.2 This Code is effective upon the Supplier’s acceptance during the registration process on CEM’s website. It will be reviewed and updated periodically to reflect changes in applicable laws, regulations, industry standards, and best practices. Suppliers are required to remain informed of and comply with the most current version of this Code at all times.