

	<b>PROCUREMENT POLICY</b>	Document No: ACEN-Procurement-01
		Effective Date: 11 March 2024
		Revision No: 00

## Procurement Policy

### Purpose

This Procurement Policy (“**Policy**”) has been approved and adopted by the Board of Directors (the “**Board**”) of ACEN CORPORATION (“**ACEN**”) to guide ACEN, its subsidiaries, and affiliates (the “**ACEN Group**”) in their various procurement activities. The Policy is principles-based and aims to adopt best-in-class approach/es in procurement to ensure that high standards are observed and applied in the procurement of goods and services and that procurement is done efficiently and in a standardized manner across the ACEN Group.

### Procurement Principles

All relevant employees are mandated to observe the following principles in the conduct of procurement activities.

#### *Promotion of the best interest of the ACEN Group*

Procurement is an essential corporate activity that requires Authorized Parties<sup>1</sup> to promote the best interests of the ACEN Group through an efficient and transparent procurement process to achieve the best value in terms of cost, schedule, quality, performance and sustainability. The process must consider and balance all these factors in consideration of the business objectives to which the process relates and ensure that every procurement activity will align with and contribute to the overall strategy and goals of ACEN.

#### *Fairness and Integrity*

The ACEN Group adheres to moral and ethical principles in the conduct of procurement activities. All decisions and actions shall be impartial and shall be based on reasonably set objective standards ensuring that no preferential treatment shall be given to any supplier, contractor, or service provider.

#### *Transparency*

Throughout the procurement cycle, transparency and clarity shall be maintained.

Subject to external regulations and internal control mechanisms: (a) information relative to the procurement processes, including but not limited to bid submissions and the status of selection process shall be reasonably and timely made available and accessible to the Board of Directors and Senior Management; and (b) information relative to the requirements and criteria for

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<sup>1</sup> Authorized Parties refer to entities or business units authorized by the Executive Management Committee to execute operational and development procurement processes on behalf of ACEN. Such appointment, including revisions or updates thereto, shall be documented.

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selection, and the status of the selection process, shall be made available to counterparties participating in the procurement process.

*Supplier selection and management*

As a general principle, to ensure ACEN can conduct its operations in an efficient, safe, and compliant manner, adequate and reasonable due diligence activities shall be conducted before the start and during the subsistence of a contractual relationship. Due diligence shall include, but is not limited to, activities relating to compliance, ethical conduct, reputation, financial condition and performance, health and safety, and technical competency, as well as track record, and performance based on previous contracts and engagements and compliance with rules and established principles on sustainability, diversity and development of local economies.

This policy allows Senior Management to decide, in exceptional situations, if due diligence is not required, or will be partially conducted. Decision authority can be delegated, as such, implementing procedures should define approval levels and documentation requirements.

*Instruments and approvals*

ACEN will use various instruments to define and govern relationships will suppliers. This can include master agreements, contracts, purchase orders or other suitable instruments. Procurement of goods or services needed during emergencies, one-off situations, or low value items, can be done without such instruments, with adequate expenditure authority applied through the existing delegation of authority policy. Contract approvals should be governed through the existing delegation of authority policy depending upon the type of spend category.

**Roles and Accountability**

*The Board*

The ACEN Board shall set the overall policy of the ACEN Group with respect to procurement activities. The Board shall exercise oversight functions over Senior Management to ensure that the Policy is being adequately and consistently implemented across the ACEN Group.

*Senior Management*

Senior Management<sup>2</sup> shall be responsible for developing, implementing, and cascading procurement rules and guidelines in accordance with the Policy. It shall monitor compliance and test the effectiveness and adequacy of the rules and guidelines vis-à-vis the objectives of and principles under the Policy.

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<sup>2</sup> Refers to the Executive Management Committee of ACEN comprised of the President and CEO, the Group Chief Finance and Strategy Officer, the Group Chief Development and Chief Operating Officer, the Group Chief Investment Officer, the Group Chief Administrative Officer, the Group Treasurer, the Group General Counsel and the *Managing Director* for Philippine Operations.

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*Procurement Unit*

The Procurement Unit (“Unit”<sup>3</sup>) shall be responsible for implementing the rules and guidelines developed by Senior Management to implement the Policy. The Unit shall develop effective processes and proper mechanisms that will ensure effective implementation of the established rules and guidelines.

**Compliance Requirements**

*Integrity, Ethical Conduct and Alignment with ESG Policy*

All stakeholders and participants are required to comply with existing laws, rules and regulations, and are expected to exemplify integrity and adhere to strictest standards of ethical conduct as embodied in ACEN’S Code of Conduct, ACEN’s policy on Anti- Bribery and Corruption, the ACEN Suppliers’ Code of Conduct, and the ACEN Group’s contractual undertakings.<sup>4</sup> Moreover, all stakeholders and participants are mandated to comply with the requirements under ACEN’s Environmental Social and Governance Policy.

Please refer to <https://www.acenrenewables.com/corporate-governance/> for copies of the above referenced codes and policies.

*Conflict of Interest*

Conflict of interest can be financial, legal, ethical, or even political. It shall be the duty of every stakeholder and participant to detect, identify, disclose, manage, and resolve any actual or potential conflict of interest.

*Confidentiality and Data Privacy*

Whenever required and with due regard to the principle of transparency, information shall be treated with utmost confidentiality and in accordance with policies and contractual arrangements. Further, information considered protected under existing privacy legislation shall be processed in accordance with the law and principles of transparency, legitimate purpose, proportionality, and accountability.

**Complaints**

Every stakeholder and participant in the procurement process is enjoined to immediately notify ACEN of any violation of this Policy by sending a complaint in accordance with ACEN’s existing Whistleblower Policy.

Senior Management shall ensure that a complainant shall be free from any act of retaliation. Any attempt or actual act of retaliation shall be subject to appropriate disciplinary measure.

<sup>3</sup> Refers to the ACEN unit that is proposing the procurement of goods or services.

<sup>4</sup> Including commitments under ACEN’s bonds and other public offerings and loan covenants.

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As part of its mandate, Senior Management shall prepare relevant rules and procedures to manage and address violations of this Policy and the procurement rules and guidelines to implement this Policy.

**Review and amendment**

This Policy shall be reviewed on an annual basis by the Board, acting through the Corporate Governance and Nomination Committee, and may be amended from time to time when justified by legitimate business needs or regulatory requirements.

Rules and guidelines to implement the policy shall also be regularly reviewed by Senior Management to ensure relevance, adequacy and effectiveness.

**Effectivity**

This Policy shall take effect on 11 March 2024.