



WHAT WE EXPECT FROM OUR SUPPLIERS & CONTRACTORS



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At PAREX we act based on the respect and protection of life, care for the environment and the search for results in a responsible manner. As a company we comply with all applicable laws and regulations. Additionally, we have developed corporate standards in line with the challenges and demands of our industry, as well as the expectations of our stakeholders.

The commitment of each of you is essential to ensure the success of our business and the good reputation of the company. In this code, we have summarized the main expectations we have for the behavior of our suppliers and contractors in areas such as business ethics, transparency, community relations, the environment, human rights, occupational health and safety, and labor relations.

I hope that the following pages will inspire and guide you in the adoption of standards and best practices that contribute to Parex having a responsible and sustainable supply chain.

Daniel Ferreiro

Daniel Ferreiro (1 nov. 2022 06:55 CDT)



DANIEL FERREIRO

**PRESIDENT & COUNTRY MANAGER
PAREX RESOURCES (COLOMBIA) AG SUCURSAL**

All our suppliers and contractors must comply with the regulations and norms in place in the locations where they work. This code adds to those regulations and outline our expectations regarding their performance, extending our work standards, which can be summarized in the following three principles:

- Defense, care, and protection of life.
- Respect and caring for the environment.
- Executing businesses aimed at results and in a responsible manner.

Below we present obligations in critical aspects for our business, which are widely reflected in corporate policies and procedures included as contractual annexes in each contract, supply, and service order.

Many of the aspects included in this code refer to daily and individual actions; therefore, the personnel of our suppliers and contractors must understand them and act in accordance thereto.

Compliance, Quality, and Competitiveness

Our suppliers and contractors must conduct their activities in the time established and with the highest quality standards, ensuring competitive prices in line with the market.

Ethical Business Conduct

According to our Code of Conduct and Ethics, all our suppliers and contractors must:

- Act within the frame of law, with integrity, responsibility, and professionalism.
- Develop their activities with honesty.
- Respect the confidentiality of the information.
- Avoid discrimination, and on the contrary, treat all persons with respect.
- Comply with the laws that prohibit inappropriate payments.
- Adequately use any communications means designated by Parex.
- Report violations of any of the Corporate Policies to the Parex direct Claims line: EthicsPoint (www.ethicspoint.com).

Conflict of Interest

A conflict of interest arises when the private interests of a person interfere, in any way, with the Company's interests; also, when an official, director, employee, consultant, or member of their family receives an inappropriate personal benefit as a result of their relationship with or position at Parex.

Suppliers and contractors must avoid situations in which a conflict of interest occurs, and in case it does, they must inform of it to Parex in a timely manner and through a written communication to a denuncias@parexresources.com.

Transparency, antibribery, and anticorruption

At Parex we adopt an active position against bribery and corruption; for this reason, we prohibit and do not tolerate the following:

- Using money for illegal purposes.
- Receive or offer any payment to influence a decision with the intention of obtaining an improper benefit or retaining business.
- Bribery or any type of corruption activities.
- Participating in the creation of false documents for accounting records, invoices, or inappropriate payments.

- Conduct payments that “facilitate processes” or “coimas” (bribery).

Gifts, attentions, and favors

Receiving gifts, attentions, or favors is strictly prohibited:

- In cash or equivalents (ex., Gift cards, telephone cards, vouchers, food cards, travel expenses).
- With the intention of influencing or being influenced to obtain or grant a commercial benefit or for any other inappropriate means.
- With such a frequency that it would seem that an effort is being made to avoid the restrictions imposed by law or the corporate policies, with respect to the value of the gifts, attentions, and favors; that is, fractioning.

The gifts, attentions or favors are permitted as long as:

- They are objects with an insignificant nominal value or minimal value, for example: hats, calendars, and planners with the provider or contractor company’s logo.
- Do not generate a contracting commitment or extension of contracts.

Fair competition

Our suppliers and contractors must act according to the legislation on fair competition in place in the locations where Parex operates and must avoid any practice that may reduce or eliminate said fair competition.

Self-Control and Integral Risk Management System against Money Laundering, Terrorism Financing, and Financing the Proliferation of Weapons of Mass Destruction – SAGRILAF (for its initials in Spanish)

Parex promotes a corporate culture that rejects money laundering (LA), terrorism financing (FT), and financing the proliferation of weapons of mass destruction (FMADM). All our suppliers and contractors must comply with the existing regulations in SAGRILAF and contribute the necessary information to comply with our due diligence in this matter.

Handling of Confidential Information

Our suppliers and contractors can have access to privileged information, understood as any information related to the Company that has the potential to generate a significant change in the stock market prices, or that has an influence in the investment decisions to be made by a reasonable investor.

It is illegal for our suppliers and contractors to use that information for their own benefit, warn, suggest, disclose or share such information with third parties, who can make investment decisions based on it.

Occupational Health & Safety

All our suppliers and contractors must comply with the regulations in Occupational Health and Safety in place in the locations where they operate. In addition, they must act according to our corporate policies in the matter, which are part of the contractual annexes and vary according to the activities to be developed. These commitments extend to their subcontractors.

All our suppliers and contractors must:

- Know, understand, and ensure the compliance of our policies:
 - o Comprehensive HSEQ.
 - o No Alcohol, No Drugs, and Smoking Prevention.
 - o Road Safety.
- Establish an Occupational Health and Safety Plan based on the identification of hazards, assessment

of risks, and controls to mitigate them, as well as procedures that follow Parex's policies for the analysis of Occupational Health and Safety for high-risk activities or those that are potentially dangerous.

- Guarantee, for all employees, optimal working conditions at their campgrounds, dining rooms, and work fronts; affiliations to social security, personal protection elements, vaccination schemes, and adequate training to conduct the activities they are responsible for.
- Adopt preventive strategies, including our Safe Operations System SOS, Authority to Stop Work at locations where these activities are conducted.
- Have equipment, resources, and personnel necessary to address the different emergencies that may occur.

Environment

Apart from complying with our corporate policies on environmental matters, suppliers and contractors – depending on the activities to be performed, must have Handling and Control Instruments (IMC for its initials in Spanish) such as, environmental licenses, environmental management plans (PMA for its initials in Spanish), Environmental Management Measures (MMA for its initials in Spanish), and environmental programs of Parex's Environmental Management System.

Our suppliers and contractors must:

- Understand, comply, and disseminate to all their personnel, the measures established in the environmental instruments applicable to the activities they will be conducting.
- Each contractor must elaborate, present, and execute their own document that recognizes the environmental risks, as well as the obligations and responsibilities derived from Parex's IMC and which are applicable to them (Environmental Compliance Action Plan, PACA for its initials in Spanish), which establishes the way in which they will comply with these obligations and responsibilities. This document, among other aspects, must:
 - Ensure the adequate management of water, residues, air, noise, and fauna, according to Parex's Environmental Management System (SGA for its initials in Spanish).
 - Include within their prevention strategies, talks, trainings, and periodic drills with the purpose of mitigating environmental impacts.
 - Guarantee that the construction material sources used come from places that have the corresponding licenses, both mining and environmental.
 - Timely implement the measures or actions aimed at preventing and controlling environmental damage to soil, water, or air, derived from their direct activity or that of their subcontractors.
 - Identify the compliance supports required for environmental management and deliver them with the adequate quality and pertinence.
 - Take into account, at least the following PROHIBITIONS:
 - Cut trees, bushes, or any type of vegetation.
 - Collect water from natural sources not authorized by the PMA, license, environmental permit, or any other administrative act.
 - Pour or discharge liquid or solid residues on roads, soil, water flows, or bodies of water, except if these activities are duly authorized by the competent environmental authority and Parex.
 - Dispose of fuel, chemical products, solid residues in areas that could affect drainages or natural water currents.
 - Hunt, capture, transport, or buy wild fauna specimens.
 - Make fires or burn residues of any kind.

- Intervene unauthorized areas or those different than the ones for which the project was contracted.

Corporate Social Responsibility

At Parex, we frame Corporate Social Responsibility (CRS) in the following principles and values:

- **Promotion of Human Dignity:** We respect Human Rights and promote their compliance. We reject violence and de facto actions as a means of political action or pressure to obtain benefits of any kind.
- **Competitiveness:** We work with sustainable competitive advantages in the operational, environmental, and social scopes, reaffirming our commitment with the country and the areas where we operate.
- **Equality:** We offer decent work conditions, respecting all fundamental human rights. We value people for their professional abilities and attitudes regarding life, the company, and the communities. No matter people's cultural, religious, social conditions, sexual orientation, or gender differences.
- **Coherence:** We are coherent about what we do as a company and what we promote in our corporate policies. We strengthen the skills and abilities of our personnel so they can make right and honest decisions.
- **Commitment:** We achieve the corporate objectives and generate shared benefits within a sustainable environment.
- **Respect:** We respect and value diversity within our different groups of interest.
- **Transparency:** We work to guarantee integrity and ethical behaviors in our operations.
- **Innovation:** We implement our strategies by using flexible and dynamic tactics that allow us to operate successfully in uncertain environments.
- **Communication:** We seek trust and respect from our stakeholders through a continuous and open dialogue.

Our suppliers and contractors must:

- Guarantee that their employees and subcontractors comply with our CSR policy and with the information and socialization requirements established in the Environmental Management Plans (PMA) and the Social Management Plan that are relevant for their activity.
- Conduct training in HS and HHRR demanded by Parex.
- Have a CSR policy that is aligned with Parex's CSR policy.
- Respect the customs, traditions, and culture of each community.
- Have a strategy to minimize the impacts that their activities may cause and ensure the attention of grievances.
- Have their own crisis protocol or operational crisis protocol.
- In case of receiving a request, report it to Parex's CSR team. If they are directly required, respond in a timely manner to any grievance derived from the execution of their activities.
- Coordinate with Parex's CSR team any social contribution to be made as part of their activities and any communication with authorities and local communities.
- Refrain from issuing communications related to Parex's activities without the Company's approval.
- Act in a timely manner when sending information to Parex about employment generation, hired personnel, rotation, procurement of goods and services, services hired locally, account balances, and grievances received. Provide timely support, when requested to do so by Parex, to comply with the ICAS and Reports to control entities.

Human Rights

Our commitment with Human Rights (HHRR) is based on the Universal Human Rights Declaration and the provisions by the International Labor Organization ILO. Our main practical reference are the United Nations Guiding Principles on Business and HHRR.

In this field, our suppliers and contractors must:

- Develop their activities in such way that they respect human rights and the dignity of all individuals, complying with all the applicable legal requirements.
- Guarantee that all their activities respect the right to life, integrity, and personal freedom.
- Treat all persons equitably, no matter their race, ethnicity, gender, sexual orientation, or political affiliation.
- Reject and prevent all forms of forced labor, child exploitation, and child labor in their activities.
- Ensure that their work practices respect the rights and freedoms of all employees, in compliance with the ILO resolutions.
- Disseminate Parex's Human Rights policy within their companies and develop specific procedures to guide their activities according to that same policy.
- Promote the respect for cultural and ethnical diversity, as well as for gender equality, both in work relationships and interaction with local communities.
- Respect the rights of local communities.
- Promote environmental awareness and sustainable strategies to protect the environment and prevent and/or mitigate negative impacts over it, which could affect the rights of the local communities.
- Private Security suppliers and contractors must act in line with applicable international regulations on the proportional use of force and under the principles of efficiency, compliance of applicable laws, and respect for human rights.

Labor Issues

The wellbeing of all employees is one of Parex's premises and it must also be a key premise for our suppliers and contractors. Apart from complying with the existing regulations where they operate and Parex's corporate policies, our suppliers and contractors must:

- Have the adequate personnel that complies with the professional profile of each position, according to Parex's requirements. Assume all hiring costs of the personnel they expect to hire for the development of the contract and previously inform Parex of the conditions under which they will be hired.
- Comply with the Employment Public Service for local hiring of unskilled and skilled labor.
- Prioritize, like Parex, direct contracting and in the case of subcontracting, ensure compliance by its subcontractors with Parex's employment policy and decent work conditions.
- Make timely payments of social security and any other employer's obligations and keep updated information of the personnel assigned to the execution of the order or contract signed with Parex.
- Conduct psychosocial and occupational risk prevention campaigns.
- Work, in accordance with Parex's corporate policy, on the prevention of violence and harassment at the workplace.
- Attend and comply with Parex's annual dissemination of corporate policies.

All our suppliers and contractors must attend all Parex audits in a timely manner.