

The Panama Canal Authority (ACP) is an autonomous legal entity under Public Law, which shall be exclusively in charge of the administration, operation, conservation, maintenance, improvement and modernization of the Canal as well as its activities and related services, pursuant to legal and constitutional regulations in force, so that the Canal may operate in a safe, continuous, efficient, and profitable manner.

To this end, the ACP is committed to becoming a model of excellence, integrity and transparency in its management, as reflected in its Strategic Vision. The Board of Directors, officials, and all the Panama Canal employees are committed to providing a service of excellence and faithful compliance with the laws and regulations.

Our business model is based on transparent and ethical values and business practices. Panama Canal suppliers and contractors (hereinafter suppliers) play a crucial role in our value chain and are essential in the operation and international recognition of our organization. It is therefore expected that suppliers always act competitively and with honesty, fairness and integrity; share our values and principles; abide by ethical standards and that their actions and conducts are an authentic reflection of the highest standards of integrity and transparency.

These *Principles of Ethics and Conduct for Suppliers* are intended to describe those fundamental rules in commercial relations that the ACP expects to have with its suppliers.

We hope that each of our suppliers and contractors shall always act with responsibility and honesty, and recognize that the postulates of these Principles are fundamental in the relations of Suppliers with the Panama Canal.

INTEGRITY IN BUSINESS

The supplier must commit himself to the highest standard of integrity; and his contract and commercial actions with the ACP must be honest and in good faith.

Suppliers must communicate an honest advertising and fairly compete and their actions must show responsibility in the bidding process, committing to provide only what they are able to fully comply with. If in the bidding process suppliers detect any error or irregularity, they must warn the ACP so that they are corrected, ensuring greater transparency and participation.

The supplier must have competent staff in technical and contractual issues to ensure full compliance with the contractual relationship and the object of the contract. In case of any unforeseen event that might create a risk of non-compliance, he should promptly report it to the ACP.

Upon delivery or execution of the contract, the supplier must ensure that he fully complies with the agreement; and that cost management and billing are in accordance with the best accounting practices and provided for by the contract.

INTELLECTUAL PROPERTY AND CONFIDENTIALITY

The supplier must always respect the intellectual property rights and confidentiality of the information to which access has been granted because of his commercial relationship with the ACP.

His duties in the handling of confidential or reserved information include not disclosing information to others within or outside the supplier organization, except to those who need to know and are authorized in order to provide services contracted by the ACP; to persons outside the supplier organization, or supplier's own benefit or for the benefit of anyone else.

Likewise, the supplier must not share with ACP staff information related to any other company if he has the contractual or legal obligation not to share it.

BRIBERY, COLLUSION AND FRAUD

Bribery, collusion, fraud, blackmail and bad practices are strictly prohibited and represent dishonesty and bad faith in contractual relations with the ACP.

The supplier shall not offer or make direct or indirect contact or unauthorized communications with ACP personnel, payments, remuneration, gifts or donations with the intention or that might be perceived to obtain favors during the selection process or during the conduct of business with the ACP. Also, he will not bribe or attempt in any way to bribe members of the Board of Directors, officials or ACP employees, including offering or giving bribes or gifts. He will not enter into collusion with one or more suppliers to limit competition or obtain benefits.

GIFTS

The supplier is prohibited from giving or accepting gifts or offerings that may be interpreted as constraints on actions, nor seek any improper or unfair advantage by offering gifts or entertaining for such purposes.

The ACP employees must request authorization from the ACP Ethics Official on receipt and/or offering of gifts, prizes, invitations to events by individuals or current or potential suppliers of the ACP.

CONFLICTS OF INTEREST

The supplier shall not have financial relations, family relations within the degrees of consanguinity, affinity or personal relationship that is or appears to be in conflict with the employee's obligation to act in the best interest of the ACP, as provided for in the ACP Regulations.

Conflict of interest is understood as any circumstance, transaction or relation in which the supplier participates directly or indirectly, and in which the private interest of any director, official or ACP employee unduly interferes or might appear to interfere unduly with the interests of the ACP.

The supplier is called upon to immediately inform the ACP of any conflict of interest he is aware of, in connection with any commercial or contractual transaction he might have with the ACP.

COMPLIANCE WITH LAWS

The supplier has the duty of complying with all applicable laws and regulations, and with all its financial obligations, legal, tax, labor, industrial safety, and environmental standards.

The supplier must also treat employees with dignity and respect and comply with business laws and labor regulations, as well as those pertaining to employment of minors. He shall pay all employment and social benefits required by law and will not use forced or involuntary labor or child labor.

ENVIRONMENTAL PROTECTION

The supplier must comply with applicable environmental laws for the conservation of natural resources and energy; reduction of waste and hazardous substances; and seek ways to minimize the negative impact on the environment.

The supplier must ensure that these Principles of Ethics and Conduct are adequately disseminated among all employees and subcontractors. He shall immediately inform the ACP on any behavior or suspicion of misconduct by the supplier, his subcontractors or ACP employees. Failure to comply with these Principles may result in disqualification of the supplier/contractor.

For further information, please write to ETICA-INFO@pancanal.com. To report fraud, waste or abuse against ACP, call hotline 276-1801. This telephone line does not have caller ID and the information may be reported anonymously.