



ADB Sustainable Procurement Policy

This Policy is based on the values set out in ADB Group Code of Ethics and Behaviour, in accordance with the principles contained in the United Nations Universal Declaration of Human Rights, the ILO Tripartite Declaration of Principles on Multinational Enterprises and the ILO Social Policy.

Principles:

Through this procurement policy, we intend to make our operations more sustainable by:

- Endorsing highest standards of economic, social, ethical and environmental practices,
- Identifying and moderating risks associated with our procurement process.

In accordance with our commitment to the highest standards, we also expect our suppliers to aspire to the same standards in their business operations, including but not limited to:

Environment:

- Comply and adhere to all the applicable environmental laws in respective countries,
- Undertake initiatives to promote greater environmental responsibility such as:
 - Responsible waste management and disposal,
 - Reduction of greenhouse gas and other emissions harmful to the environment,
 - Conservation of non-renewable natural resources.

Business Ethics:

- Obey all relevant international and domestic laws regarding ethical business practices,
- Demonstrate existence of procedures to prevent: Money laundering, fraud, bribery, corruption, conflicts of interest, data security issues.

Labor and Human Rights:

- Comply with all applicable laws, in accordance with the principles of the International Labor Organization, the UN Global Compact and the UN Universal Declaration of Human Rights,
- Prohibit slavery and the use of forced, bonded, or child labor across the supply chain,
- Prohibit unlawful discrimination and harassment, provide a safe and inclusive work environment with decent working conditions,
- Provide employees with a living wage at a minimum.

We understand that procurement performance improvement is a continuous process and recognize the contribution of our suppliers in our journey to become more sustainable.

ADB Group will consider the following sustainable procurement principles in all procurement activities:

- ADB will include sustainable procurement requirements in all procurement contracts, including clauses related to environmental sustainability, social responsibility, fair labour practices and human rights
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compliance. We will continuously monitor and evaluate sustainable procurement practices and make improvements as necessary to align with emerging best practices and industry standards.

- ADB aims to provide training to employees involved in the procurement process to ensure they are aware of the company's sustainable procurement policies and procedures.

Targets & Objectives

- Continuously monitor and evaluate sustainable procurement practices and make improvements as necessary to align with emerging best practices and industry standards.
- Constantly update our implemented Supplier Code of Conduct to align with ADB principles and objectives for sustainable procurement.
- Have 100% of our strategic suppliers sign the Supplier Code of Conduct by 2025.
- Conduct regular **annual** audits of our strategic suppliers to ensure compliance with our sustainability principles.
- Monitor our manufactures and suppliers' external ESG certifications, require strategic suppliers to provide information on their environmental and social practices and performance annually.
- Give preference to local and small business suppliers to support local economies.
- Provide opportunities for diverse suppliers to compete for contracts, giving preference to businesses owned or managed by underprivileged groups in our supply chain.
- Achieve a minimum of 40% reduction in greenhouse gas emission from the logistics of our hardware products by 2027 from 2022 base year.