

# CTT Sustainable Procurement policy



To respect, maintain and promote in its activities and sphere of influence, high standards of social, ethic and environmental behaviour is crucial for the CTT Group. Thus, and in order to strengthen the values of openness, equity, solidarity and social development of the Group, its suppliers are invited to adopt an identical responsible conduct.

CTT Group guides its actions to comply with the guarantees and rights set out at the Universal Declaration of Human Rights, the principles and procedures defined in the eight fundamental Conventions of the International Labour Organisation, namely the ones related to the freedom of association, forced labour, child labour and equality, and with the Constitution of the Portuguese Republic and the Law, in particular labour law.

CTT Group considers its sustainable procurement policy crucial to fulfil its commitment to sustainable development. The integration of these goals in the products and services designed, purchased and traded by the Group allows it to reach the performance targets defined within its strategy of sustainable development.

CTT Group also abides by the principle of equal treatment, transparency and independency towards its suppliers. It regularly assesses the performance of its supply chain to ensure that the suppliers know and operate in accordance with the standards of this policy..

Thus, the targets of CTT Group are:

- To ensure that the suppliers are aware of its Procurement Policy and Code of Ethics;
- To require the suppliers to declare awareness of this policy;
- To encourage the suppliers to set goals to improve their actions and performance in social, ethical and environmental issues through a sustainable procurement process based on the principle of the continuous improvement of the supply chain at all levels;
- To search for evidences, obtained in a reasonable and practical way, of the support of the mentioned principles, related to the supply chains of the suppliers, including sub-contractors and raw materials producers;
- To monitor the suppliers performance to guarantee compliance with this policy.

CTT Group wishes to associate its suppliers to a continuous improvement move in order to identify the weak points of the value chain and the necessary improvements to protect the environment, the Human Rights and the labour conditions. It also strives for good practices to be exchanged in order to benefit from the progress of each one of its suppliers.

The supplier shall accept the possibility of the CTT Group to organise audits with external or internal auditors, to verify compliance with these principles, being the results shared with the supplier and the CTT Group companies.

CTT Group may consider as a breach of contract the non fulfilment of the principles defined in this Procurement Policy.

Thus, the CTT Group expects from its suppliers:

- To comply with the laws and regulations in force;
- To promote this policy among their employees;
- To adopt similar commitments to the ones referred in this policy regarding their own suppliers and sub-contractors to guarantee that the latter do not incur in breach of human rights, environmental regulations or others.

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## *In the field of Health and Labour Safety, CTT Group expects its suppliers:*

- To comply with the national laws and regulations and enforce the CTT Group policy and the procedures of Labour Health and Safety;
- To identify, minimize and control health and safety risks;
- To train their employees in labour health and safety;
- To ensure their employees safe labour conditions in accordance with the laws and regulations in force;
- To identify and implement continuous improvement opportunities in the field of labour health and safety..

## *In the field of Social CTT Group expects its suppliers:*

- To commit themselves with the principles set out in the Universal Declaration of Human Rights and comply with the eight fundamental conventions of the International Labour Organisation <sup>1</sup>;
- To treat the employees with respect and dignity;
- To ensure that the employees understand and know their labour terms, and have fair and reasonable remunerations and working conditions;
- To prevent any kind of discrimination;<sup>2</sup>
- To prohibit physical or verbal abuse, moral or sexual harassment of employees;
- To ensure that the working hours comply with the national sectorial laws and regulations;
- To ensure that no employee is under the legal minimum age to work;
- To prohibit forced or mandatory labour and allow the employees to terminate the contract after previous notice;
- To allow employees the freedom to join or not join a workers' representative body.

## *Regarding Ethics, CTT Group expects its suppliers:*

- To avoid unfair, unreasonable and anti-ethical business practices;
- To prevent the use of any kind of bribery, payment offers or undue benefits to CTT employees to influence their behaviour;
- To respect confidentiality and protect sensitive information.

## *Regarding the Environment, CTT Group expects its suppliers:*

- To comply with the environmental laws and regulations in force;
- To have practices to identify and eliminate/reduce environmental risks and impact of their activity;
- To foster the implementation of environment-friendly technologies and tools;
- To introduce CO<sub>2</sub> management measures and set goals to reduce CO<sub>2</sub> emissions;
- To promote the reduction of the use of natural resources;
- To introduce waste management systems.

## *Regarding the Continuity Plan, CTT Group expects its suppliers:*

- To be prepared for unforeseeable disruptions in their operation (e.g. natural disasters, terrorism, computer viruses, pandemics, etc.) with contingency plans to protect the safety of the employees, to ensure the continuity of supplies and to control the imponderable effects on operations.

<sup>1</sup> Reference to freedom of association (No. 87 & No. 98), abolition of forced labour (No. 29 & No. 105), equal pay and discrimination (No. 100 & No. 111) and elimination of child labour (No. 138 & No. 182).

<sup>2</sup> Forms of discrimination that may include nationality, race, gender, religion, sexual orientation, political orientation, age, health and disability conditions.