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Responsible Purchasing Policy



CTT Group

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I. Principles and Purpose

For the CTT Group (hereinafter referred to simply as 'CTT'), it is essential to uphold, maintain, and promote high standards of social, ethical, and environmental conduct within its operations and sphere of influence. To reinforce its core values of trust, proximity, and sustainability, CTT encourages its suppliers to adopt and adhere to similar responsible practices.

CTT's actions are guided by the guarantees and rights enshrined in the Universal Declaration of Human Rights, the principles and procedures outlined in the eight fundamental Conventions of the International Labour Organization (ILO) – particularly those concerning freedom of association, forced labor, child labor, and equality – as well as the Constitution of the Portuguese Republic, the Spanish Constitution, and relevant laws, especially labor legislation.

CTT views its responsible purchasing policy as essential for meeting its sustainable development commitments. By integrating these goals into the products and services it designs, purchases, and markets, CTT can achieve the performance objectives outlined in its sustainability strategy.

II. Objectives and Commitments

CTT regularly evaluates the performance of its supply chain to ensure it collaborates with responsible suppliers who understand and comply with the standards outlined in this Policy. The goal is for its suppliers to:

- Be familiar with, namely, its Responsible Purchasing Policy, Code of Ethics, Code of Good Conduct for the Prevention and Combat of Workplace Harassment, and Whistleblowing Policy.
- Acknowledge and accept this policy and Codes.
- Set objectives to improve their practices and performance on social, ethical, and environmental issues through responsible purchasing processes based on the principle of transparency.
- Promote continuous improvement at all levels of their supply chains.
- Provide reasonable or practical evidence of adherence to the mentioned principles concerning the value chains of their direct suppliers, including subcontractors and raw material producers, i.e., indirect suppliers.
- Encourage their subcontracted suppliers to observe these principles in their value chain, including in countries that are not signatories to the International Labour Organization conventions.

CTT aims to engage its suppliers in a continuous improvement movement to identify weaknesses in the value chain and opportunities for enhancement in human rights protection, environmental stewardship, and working conditions. They also seek to exchange best practices so that all suppliers can benefit from each other's progress.

To monitor supplier performance, CTT may conduct external and internal audits to verify compliance with these rules and principles. The audit results will be shared with the relevant parties.

CTT may consider violations of the rules and principles defined in this Responsible Purchasing Policy as contractual breaches.

CTT expects its suppliers to:

- Comply with applicable laws and regulations.
- Promote the dissemination of this policy among their employees.

- Adopt similar commitments as outlined in this Policy with respect to their own suppliers and subcontractors, to ensure they do not violate human rights, environmental, social, and labor regulations.

Regarding ethics, CTT specifically expects its suppliers to:

- Refrain from engaging in unfair or unethical business practices.
- Prevent any form of fraud, bribery, conflicts of interest, or the offering of gifts, payments, or undue benefits to CTT employees to influence their conduct.
- Preserve confidentiality and protect sensitive information.

Regarding occupational health and safety (OHS), CTT expects its suppliers to:

- Comply with national laws and regulations and implement CTT's OHS policy and procedures.
- Identify, minimize, and control health and safety risks.
- Provide their employees with safe working conditions in accordance with applicable laws and regulations.
- Train their employees in occupational health and safety.
- Identify and implement opportunities for continuous improvement in OHS performance.

In the social domain, CTT has clear expectations for its suppliers:

- Commit to the principles enshrined in the Universal Declaration of Human Rights and comply with the eight fundamental conventions of the International Labour Organization.
- Treat their employees with respect and dignity.
- Ensure that their employees are aware of their working conditions, and that compensation and working conditions are fair and reasonable.
- Guarantee equal pay for men and women for work of equal value.
- Prevent and combat discrimination in any form, promoting equal opportunities in hiring, employment, promotion, or dismissal.
- Strive to ensure employees have a proper work-life balance.

- Prohibit physical or verbal abuse, threats, acts of violence or intimidation, and moral or sexual harassment of employees.
- Comply with legally imposed social protection rules.
- Ensure that working hours comply with national and sector-specific laws and regulations.
- Ensure that no employee is below the legal minimum age for employment.
- Prohibit forced or compulsory labor and allow employees to terminate their contracts with prior notice.
- Grant all employees the freedom to join or not join a workers' representative body.

In the environmental domain, CTT expects its suppliers to:

- Comply with applicable environmental laws and regulations.
- Implement practices to identify and mitigate the environmental risks and impacts of their activities.
- Introduce carbon management measures and set CO2 emission reduction targets.
- Prioritize the use of technologies with minimal environmental impact.
- Implement waste management systems.
- Understand the life cycle of their products, from production to consumption and final disposal, and promote the reuse or recycling of associated products and services.
- Encourage the efficient use of natural resources.
- Preserve forest areas of interest for nature conservation and biodiversity.
- Safeguard biodiversity preservation throughout the value chains.

In terms of business continuity (Continuity Plan), CTT expects its suppliers to be prepared for unforeseen operational disruptions (e.g., natural disasters, terrorism, computer viruses, pandemics) with contingency plans to protect worker safety, ensure the continuity of supplies, and manage unforeseen impacts on operations.

III. Scope: Value Chain and Stakeholders

All companies within the CTT Group must comply with this Policy, regardless of their operating jurisdiction. Exceptions are allowed only when legal or statutory requirements necessitate distinct

policies, which must be approved by the respective management bodies. As a shareholder, CTT will strive to promote the adoption of this Policy or equivalent principles and commitments.

The CTT Group will also assess the external impact of this Policy on its diverse stakeholders, including the surrounding community, to foster engagement and value sharing.

Entities deemed critical by the CTT Group, such as suppliers and partners, may also be subject to audits.

IV. References and Safeguards

This Policy ensures compliance with relevant international, European, and national laws and regulations. The CTT Group aligns its operations with the **benchmark standards and initiatives**¹ of the United Nations, the Organisation for Economic Co-operation and Development, and the International Labour Organization. Additionally, it upholds clear and auditable processes to fulfill its corporate due diligence responsibilities.

Regarding the Responsible Purchasing Policy, CTT Group's activity is aligned with:

- a) **Ten Principles of the UN Global Compact**, specifically on respecting human rights and on environmental responsibility.
- b) **OECD Guidelines for Multinational Enterprises**, particularly regarding due diligence, addressing adverse impacts, and stakeholder engagement.
- c) **Directive 2014/25/EU** of the European Parliament and Council of 26 February 2014, concerning public procurement by entities operating in the water, energy, transport, and postal services sectors.

V. Governance: Definition, Implementation, Control, and Disclosure

The adoption of this Policy takes place within the framework of CTT Group's governance model, as outlined in the respective regulations, as follows:

¹ Available at: <https://www.ctt.pt/grupo-ctt/sustentabilidade/estrategia-e-principios/principios-politicas-e-outros-normativos>

Definition	Board of Directors
Implementation	Executive Committee Area responsible for the "procurement & purchasing" function
Control	Area responsible for the "procurement & purchasing" function Area(s) responsible for audit and risk matters
Disclosure	Area(s) responsible for internal and external communication and disclosure

VI. Validity and Review

This Policy was approved on 20 March 2025 and is reviewed at least every 2 years.