

CTT's Responsible Procurement Policy

For the CTT Group¹ (hereinafter referred to as CTT) it is of crucial importance to respect, maintain and promote high standards of social, ethical and environmental conduct in its activities and sphere of influence. To this end, in order to reinforce its values of openness, fairness, solidarity and corporate development, CTT invites its suppliers to adopt the same responsible behaviour.

CTT guides its actions by respecting the guarantees and rights set out in the Universal Declaration of Human Rights, the principles and procedures defined in the eight fundamental Conventions of the ILO - International Labour Organisation - namely those relating to freedom of association, forced labour, child labour and equality, the Constitution of the Portuguese Republic and The Spanish Constitution and the Law, in particular labour legislation.

CTT believes that its responsible procurement policy is a determining factor in the fulfilment of its sustainable development commitments. The integration of these goals into the products and services, it designs, purchases and commercialise, enables it to achieve the performance objectives it has defined for itself within the scope of its sustainability strategy.

In accordance with Directive 2014/25/EU², CTT observes the principles of fair access, treatment and transparency with regard to its suppliers. These are accepted by the Board of Directors of CTT and CTT Express and their governing bodies ensure their proper application.

CTT will regularly assess the performance of its supply chain to ensure that it works with responsible suppliers who are aware of and operate in accordance with the standards expressed in this policy. CTT aims for its suppliers to:

- Get to know its Responsible Procurement Policy, its Code of Ethics, the Code of Good Conduct for Preventing and Combating Harassment in the Workplace and the Regulation on the Procedure for Reporting Irregularities (whistleblowing);
- Declare knowledge of this policy and Codes;
- Set objectives to improve their practice and performance on social, ethical and environmental issues through responsible procurement processes based on the principles of transparency and real-time traceability;
- Promote continuous improvement at all levels of their supply chains;
- Show evidence that can be reasonably or practically obtained of compliance with these principles in relation to the value chains of their direct suppliers, including also those of 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 ILO conventions.

CTT wishes to involve its suppliers in a continuous improvement movement in order to identify the weak areas in the value chain and opportunities for improvement in terms of environmental protection, human rights and working conditions.

It also wants to exchange best practices so that it may benefit from each supplier's progress.

In order to monitor the performance of its suppliers to ensure compliance with this policy, they will accept the possibility of CTT organising external or internal audits to verify compliance with these principles, with the results being shared with the supplier.

CTT may consider as a breach of contract any violation of the principles set out in this Procurement Policy.

¹ Aggregated information of CTT – Correios de Portugal, S.A. and all its subsidiaries, jointly referred to as CTT Group

² Directive 2014/25/EU of the European Parliament and of the Council, of February 26, 2014, on procurement by entities operating in the water, energy, transports and postal services sectors and repealing Directive 2014/17/CE.

CTT's Responsible Procurement Policy

CTT expects its suppliers to:

- Comply with the laws and regulations in force;
- Promote the dissemination of this policy among its employees;
- Adopt commitments similar to those contained in this policy with regard to their own suppliers and subcontractors, in order to ensure that they do not incur violations of human rights, environmental, social and labour regulations.

In the field of ethics, CTT expects its suppliers to:

- Avoid unfair, unreasonable and unethical commercial practices;
- Prevent the use of any type of fraud, bribery, conflicts of interest, offers undue, payment or benefits to CTT employees to influence their conduct;
- Respect confidentiality and protect sensitive information.

In the scope of occupational health and safety (OSH), CTT expects its suppliers to:

- Comply with national laws and regulations and apply CTT's OSH policy and procedures;
- Ensure that health and safety risks are identified, minimised and controlled;
- Guarantee their workers safe working conditions, in accordance with the laws and regulations in force;
- Train their workers in health and safety at work;
- Identify and implement opportunities for continuous improvement in OSH performance.

In the social sphere, CTT expects its suppliers to:

- Commit to the principles enshrined in the Universal Declaration of Human Rights and comply with ILO's eight fundamental conventions³;
- Treat their people with respect and dignity;
- Ensure that workers understand and know their terms of employment, and that their pay 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 recruitment, employment, promotion or dismissal⁴;
- Ensure that employees have an appropriate work-life balance;
- Prohibit physical or verbal abuse, threats, acts of violence or intimidation and moral or sexual harassment of workers;
- Ensure that working hours comply with national and sector-specific laws and regulations;
- Ensure that none of the workers are under the legal minimum age for employment;

³ They refer 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 the elimination of child labour (No. 138 & No. 182.).

⁴ Forms of discrimination that can include nationality, race, colour, sex, religion, sexual orientation, political option, age, health conditions and disability.

CTT's Responsible Procurement Policy

- Ban forced or compulsory labour and allow workers to be free to terminate their contract after giving notice;
- Allow all workers the freedom to join or not join a workers' representative body.

In the environmental context, CTT expects its suppliers to:

- Comply with current environmental laws and regulations;
- Have practices for identifying and mitigating the environmental risks and impacts of their activity;
- Know the life cycle of their products, from production, consumption to the appropriate final destination, and promote the possible reuse or recycling of associated products and services;
- Promote the preservation of biodiversity throughout the value chains, from the production of natural raw materials to the final stage of the product life cycle;
- Preserve forest areas of interest for nature conservation and biodiversity;
- Favour the implementation of technologies and tools that have a low impact on the environment;
- Reduce the use of natural resources;
- Introduce carbon management measures and set CO₂ emission reduction targets;
- Introduce hazardous and non-hazardous waste management systems.

Within the scope of the Continuity Guarantee (Continuity Plan), CTT expects its suppliers to:

- Be prepared for unforeseeable disruptions to operations (e.g. natural disasters, terrorism, computer viruses, pandemics, etc.), with contingency plans to protect the safety of workers, ensure continuity of supplies and control unforeseen effects within the scope of operations.



(Chairman of the Executive Committee)