
Corticeira Amorim

Purchasing Policy

(Approved by the Board of Directors of Corticeira Amorim, S.G.P.S., S.A. at a meeting held on 06 December 2021)

1. VISION

Corticeira Amorim and its Companies (the group of companies in which Corticeira Amorim has a controlling interest, regardless of whether their head offices are in Portugal or in another country), hereinafter jointly referred to as the "Organisation", have implemented a rigorous and detailed procedure for the evaluation and selection of new suppliers based on economic, social, ethical and environmental criteria. To this end, the Organisation has the following objectives:

- Have detailed knowledge on the behaviour and practices of the Organisation's suppliers, preferably selecting those that offer the best trading conditions and share the Organisation's principles and commitments, as described in this policy.
- Positively evaluate and give preference to suppliers that demonstrate their commitment to the principles promoted by the Organisation's Code of Ethics and Professional Conduct through their acceptance and declaration of compliance;
- Exclude suppliers that do not adhere to and comply with internationally recognised human rights and/or permit any violation of those rights within their industrial and/or commercial operations.
- Encourage free trade, striving to prioritise responsible and sustainable relationships with its suppliers, avoiding instances of excessive dependence, both on the part of the Organisation and that of the suppliers.
- Exclude suppliers that use forms of child labour or accept work by persons under 16 years of age, or any form of forced or compulsory labour, or do not respect all workers' rights established by law or collective regulation, or do not guarantee health and safety conditions, or do not respect the rights of employees to join and form trade unions.
- Exclude suppliers that do not have the legally required environmental permits for their company's operations; if the operations generate waste, they must be monitored, controlled and treated as indicated in applicable legislation.
- The Organisation's suppliers shall not participate in any form of corruption, extortion or bribery that could undermine fair trade principles or result in public scandals that might impact on the Organisation.
- Promote good environmental practices among suppliers, urging them to ensure that their products and services respect human well-being and contribute to reducing environmental impacts and that they adopt production methods that provide greater environmental responsibility and foster the development and diffusion of environmentally friendly technologies..

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- Promote good environmental practices among suppliers in the sense of applying circular economy principles by reducing waste and the amount of raw materials used, limiting packaging and favouring recycled and/or recyclable materials and "sustainable" raw materials (e.g. from sustainably managed forests).

The Organisation will devote special attention, diligence and care in the process of evaluating and selecting suppliers to avoid any type of business relationship with individuals or companies that may be involved in unethical or dishonest conduct or behaviour, especially illegal activities, fraud, public and private corruption, money laundering and the financing of criminal or terrorist organisations.

Corticeira Amorim is also committed to contributing to the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015. It has therefore designed, and conducts, ongoing programmes to support innovation, research and development, policies and initiatives aimed at improving their impact. The Organisation invites its suppliers to adhere to the ethical, environmental and social values established in its programmes and which have the following objectives in this area:

- Reduce the environmental impact of operations by adopting renewable, affordable and efficient solutions;
- Apply circular economy principles by reducing waste, extending the life of materials and regenerating natural systems;
- Preserve the cork oak forests and ecosystem services and maintain a proactive role in expanding the already extensive applications for cork, based on the innate characteristics of the material;
- Promote research, development and innovation in order to encourage sustainable solutions;
- Achieve economic growth in a sustainable and inclusive way, ensuring efficient production and decent work for all its employees;
- Ensure its employees' safety in the workplace and access to quality health conditions, promoting their well-being and their personal and professional development.

2. SCOPE

All the Organisation's employees are responsible for contributing to the implementation of this policy, by both defending and observing the principles of good governance, as also set out in the company's Code of Ethics and Professional Conduct, and through direct functions in the areas of purchasing or involving the contracting of suppliers.

This policy is aimed at both an internal and external group:

- The internal group includes all employees (including members of the governing bodies, directors and workers) of any company that is part of the Organisation. The Organisation and its employees will base their decisions and actions on the principles established in this Code, fulfilling their obligations in a professional, responsible and dutiful manner, at all times pursuing excellence in performance and promoting an appropriate working environment, while upholding the reputation of the Organisation and contributing to its sustainability.
- The external group comprises all entities that have an economic, institutional or corporate relationship with the Organisation. External stakeholders (the Organisation's shareholders and investors, customers, business partners and suppliers) are expressly required to respect and adhere to the principles established in this policy, to the extent that the values, principles and standards established herein may be applicable to them.

3. REFERENCES

This policy includes the Organisation's stance on this issue and establishes principles in line with the main applicable international frameworks:

- Principles of the 1948 Universal Declaration of Human Rights;
- Basic conventions of the International Labour Organization;
- Organisation for Economic Cooperation and Development's (OECD) guiding principles for multinational companies;
- The 10 principles of the United Nations Global Compact;
- BCSD Portugal Charter of Principles;
- Act4Nature Portugal.
- Sustainable Development Goals (SDGs).

4. COMMITMENTS

- Act in full compliance with the laws and regulations in force in the regions where it operates, and to collaborate with the authorities as far as possible;
- Have ethical and legal relationships with suppliers of goods and services, only selecting suppliers whose employment practices respect human dignity and do not break the law or jeopardise the reputation of the Organisation;
- Maintain clear, impartial and predetermined technical, economic and ethical criteria in the selection of suppliers;
- Promote suppliers' compliance with safety standards and practices and the labour legislation in force;
- Monitor the ethical conduct of suppliers and take action where this is inconsistent with the principles advocated in the Code of Business Ethics and Professional Conduct.
- Exercise careful control over its suppliers, subcontractors and service providers and if it detects that they use any form of forced labour, performed under threat or coercion, the supplier, subcontractor or service provider shall immediately terminate any relationship with it.
- Not condone such practices by third-party suppliers of products or services, which shall respect the minimum age limit established by the legislation of each of the countries in which they operate and, irrespective of such national legislation, shall never accept work by persons under 16 years of age.
- Foster compliance with the CE Liège Code of Cork Stopper Manufacturing Practices and forest certification, and maintain a close relationship with cork producers.
- Take all measures to avoid any act of corruption in its purchasing and sales processes, ensuring:
 - that tenders and supply contracts are subject to a transparent, fair and established process based on objective criteria and that suppliers are treated fairly and honestly;
 - regular, rapid and clear communication, offering the same level of information to all;
 - that it shares suppliers' and service providers' commitments to sustainable development;
 - that it individually informs suppliers that are selected and not selected.

5. RELATED DOCUMENTS

- Code of Business Ethics and Professional Conduct;
- Corticeira Amorim Sustainability Report;
- Environmental Policy;
- Human Rights Policy;
- Anti-Corruption Policy.

6. VALIDITY

This Policy takes effect on 06 December, the date on which it was approved by the Corticeira Amorim Board of Directors.

Given the Organisation operates in different countries, if the content of this policy differs from local rules and regulations, Employees shall give preference to the most restrictive rule.

7. REVIEW AND UPDATE

This Policy will be periodically reviewed, taking into account annual reports. Whenever possible and desirable, the Organisation will notify Employees of updates to this Policy, and will promote training courses to ensure that they are aware of the rules it contains.

8. COMMUNICATION

The Organisation will take appropriate measures to ensure that all employees are aware of the contents of this Policy and understand its scope. To this end, the Purchasing Policy will be available on the Intranet and on Corticeira Amorim's corporate website (in Portuguese and English), so that all those to whom it is addressed may have access to it, the Human Resources Department also being responsible for other internal disclosure measures.

Mozelos, 06 December 2021