
 cementirholding	GROUP POLICY	Doc N° CH_GPO_34
		Rev. 0
GROUP SUSTAINABLE PROCUREMENT POLICY		


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¹In accordance with the definition of the International Financial Reporting Standards (IFRS)

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1 OBJECTIVE AND SCOPE

1.1 OBJECTIVE

The definition of Sustainable Procurement is based on a process whereby organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a life cycle basis in terms of generating benefits not only to the organization, but also to society and the economy, while minimizing damage to the environment.

This policy aims to minimize environmental harm, promote social equity, and encourage economic innovation throughout the supply chain.

For this reason, in Cementir Group we firmly believe in our mission that consist in working hand in hand with our stakeholders, building a diverse team and establishing a cost leadership model throughout the supply chain with the aim to create competitive advantages for sustainable growth.

- **Cementir Group** holds the conviction that the way business is conducted is equally significant as the economic outcomes attained.
- Our investment and business decisions are firmly rooted in sustainability objectives aimed at generating enduring environmental, social, and economic advantages. This principle serves as a fundamental guideline to which we are dedicated, and we request that individuals and organizations providing us with goods and/or services (“Suppliers”) uphold this standard throughout their supply chain while engaging in business with us.

1.2 SCOPE

This “Group Sustainable Procurement Policy” (the “**Policy**”) aims to promote sustainable procurement practices, helping Cementir identifying and/or evaluating its suppliers

This Policy applies immediately from the moment of its issuance to all our Companies in the Group and does not require any local enactment, even if prescribed at Business Unit Level (B.U.) and prevails over any existing or future Company Procedure. This Policy applies to Cementir Holding N.V. (the “Corporate”) and to the Companies, included in Cementir Group reporting package, over which the Corporate exercises direct or indirect control¹.


In particular, through this Policy we intend to make our operations more sustainable by:

- Complying with the laws and regulations of the respective countries we operate in.
- Applying the highest standards of economic, social, ethical, and environmental practices.
- Identifying and mitigating risks associated with our procurement process.
- Communicating this Policy with internal and external stakeholders and raising awareness among our Suppliers.

When entering into business relationship with us, Suppliers commit to behaving in accordance with all relevant national, international and supranational laws, as well as with the values and requirements described in this Policy and other Corporate policies, demanding the same from their own suppliers.

It has to be noted that if a Supplier will no longer comply with this Policy, the Company has the right to require to set up and implement a recovery plan, and, if these efforts are unsuccessful, the Company reserves the right to consider to terminate the relationship with that supplier. Furthermore, Corporate reserves the right to amend this Policy, being understood that an updated version of it will be always made available in the Corporate Website and Intranet.

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In the event of local laws or regulations being less stringent than the provisions of this Policy, suppliers are required to adhere to the most rigorous standards.

Our Supplier Code of Conduct serves as a supplementary reference for the Company's supply chain, guiding actions and raising awareness among suppliers on sustainable procurement issues.

It is vital that suppliers comply with the rules of conduct set out in the Supplier Code of Conduct. It is also in addition to the contents of the "Group Human Rights Policy" and of the "Code of Ethics". This ensures that responsible procurement issues are effectively applied throughout the value chain.


2 REFERENCES

2.1 EXTERNAL REFERENCES

- United Nations Global Compact – The Ten Principles
- United Nations – Sustainable Development Goals (SDGs) (Agenda 2030)
- Directive (EU) 2022/2464 – Corporate Sustainability Reporting Directive (CSRD)
- Proposal for a Directive (EU) – Corporate Sustainability Due Diligence Directive (CSDDD)
- ISO 20400:2017 – Sustainable Procurement
- Regulation (EU) 2020/852 – EU Taxonomy for Sustainable Activities
- ISO 9001:2015 – Quality Management Systems
- ISO 14001:2015 – Environmental Management Systems
- ISO 45001:2018 – Occupational Health and Safety Management Systems
- SA8000:2014 – Social Accountability Standard
- ISO 37001:2016 – Anti-Bribery Management Systems
- ILO Declaration on Fundamental Principles and Rights at Work (1998, amended 2022)
- ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration, 2017 edition)
- ILO Declaration on Social Justice for a Fair Globalization (2008)
- ILO Conventions – Core Labour Standards
- United Nations – Universal Declaration of Human Rights (UDHR), 1948
- amfori BSCI – Code of Conduct (2014 edition)
- Ethical Trading Initiative (ETI) – Base Code (ILO Conventions)

2.2 INTERNAL REFERENCES

- Cementir Group Whistleblowing Management Procedure (CH_GPR_22)
- Anti Bribery Policy (CH_GPO_I4)
- Group Human Rights Policy (CH_GPO_23)
- Code of Ethics (CH_GPO_1)
- Supplier Code of Conduct

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- Group Privacy Policy (CH_GPO_5)

3 ACRONYMS

GCEO	Group Chief Executive Officer
GCOO	Group Chief Operating Officer
HoR/MD	Head of Region/Managing Director
HR	Human Resources
IT	Information Technology
IA	Internal Audit
LE	Legal
BU	Business Unit
PF	Professional Family

4 SUSTAINABILITY THROUGH TRANSPARENCY

At Cementir, we are committed to transparency and strive to facilitate information sharing with our suppliers to ensure equal opportunities.

This Policy insists on transparent and fair conduct from our suppliers. For this reason, we therefore expect our suppliers to:

- Monitor their own compliance with this Policy, as well as that of their supply chain.
- The necessary documentation must be maintained to demonstrate compliance with this Policy and with applicable regulations.
- Ensure that no critical areas are concealed, and that any non-compliance is acknowledged.
- Respond to requests for information from Cementir, consumers and/or customers with the appropriate information concerning their products and operations.

5 GOVERNANCE AND COMPLIANCE


Cementir is committed to adhering to all applicable laws and regulations in the countries and regions where it operates, working closely with its suppliers to ensure the consistent fulfilment of international standards.

Cementir expects its suppliers to comply with applicable laws and regulations, promoting their respect along the relevant supply chain and requiring their own suppliers to act accordingly.

5.1 HUMAN RIGHTS

Our culture and corporate strategy are founded on the non-negotiable fundamental value of "ILO Declaration on Fundamental Principles and Rights at Work".

Cementir promotes respect for human rights and adherence to applicable international standards with its partners and stakeholders, basing its governance model on the recommendations contained in the United Nations Guiding Principles on Business and Human Rights, implementing the "Protect, Respect and Remedy" framework. Cementir expects its suppliers to comply with all relevant laws and regulations, as well as its "Group Human Rights Policy", by promoting compliance throughout the supply chain and requiring its suppliers to act accordingly.

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We therefore expect our suppliers to:

- Not use or exploit any forms of forced or compulsory labour, child labour, slavery, or human trafficking.
- Ensure equal opportunity, freedom of association and the right to collective bargaining and always promoting the development of every individual.
- Disapprove of any form of discipline that involves the use of corporal punishment, mental or physical coercion, verbal abuse or mobbing. We are committed to the principle of non-violent communication and professional conduct.
- Comply with the laws and industry standards that relate to maximum working hours, contractual frameworks and salaries.
- Guarantee acceptable living conditions.
- Ensure that they and their contractors guarantee minimum living wages, where applicable, to meet the basic needs of respective staff.
- Participate in the mandatory social security system and health insurance schemes in force in each jurisdiction, and that supplier comply with the contribution levels set out for you.
- Ensure that there is no form of direct or indirect discrimination or harassment in the workplace based on sex, nationality, race, political and sexual orientation, religion or any other personal characteristic/belief.
- Categorically reject the use of war as a means of resolving international conflicts and to instead advocate for the promotion of peace.
- Show respect for local cultures and indigenous populations, and to protect their cultural and natural heritage, as well as their local traditions and customs.

In addition to the above, Cementir requires its suppliers to comply with/commit to the relevant international standards, where applicable, such as the “ILO Tripartite Declaration”, the “ILO Declaration on Fundamental Principles and Rights at Work”, the “ILO Declaration on Social Justice for a Fair Globalisation” the “ILO Conventions”, the “Universal Declaration of Human Rights (UDHR)”, the “Amfori BSCI Code of Conduct” and the “ETI Base Code”.


5.2 HEALTH AND SAFETY

At Cementir, we consider the protection of occupational health and safety and the well-being of people to be core values in the management and development of our business.

Our sustainable development strategies are focused on continuous improvement in environmental, occupational health and safety, and welfare aspects, in accordance with the Cementir values and our “Code of Ethics” and the sustainability model defined by the United Nations Global Compact, the “ILO Declaration on Fundamental Principles and Rights at Work” and the “Rio Declaration on Environment and Development”.

Cementir recognises that effective health and safety management and disaster prevention are integral to delivering sustainable and stable benefits for all stakeholders. We expect suppliers to ensure a safe and healthy work environment through, for instance:

- The identification, assessment and control of workers' exposure to health and safety risks.
- The development of appropriate systems for the detection, analysis and elimination of any hazardous situation is essential.

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- The ongoing enhancement of occupational health, safety and environmental performance, which is linked to their processes, products and services throughout their life cycle.
- The creation of a peaceful and positive working environment is reflected in the productivity and development of the supplier.

It is vital that all workers are provided with the necessary personal protection equipment (PPE). This should include, but not be limited to, the following:

- Hard hats: Protect the head from impact.
- Gloves: Prevent contact with hazardous materials.
- Safety glasses/goggles: Protect the eyes from flying debris or chemicals.
- Safety shoes: Provide protection against foot injuries.
- Respirators: Filter airborne contaminants.
- High-visibility clothing: Enhance visibility in low-light conditions.
- Fall protection equipment: Protect workers from falls from heights.
- Protective clothing: Shield the body from splashes or exposure to hazardous substances.
- Aprons: Protect the upper body from splashes or drips.
- Hearing protection: Reduce noise-induced hearing damage.


It is vital to ensure that adequate safety information is provided to workers, and that they are trained in the correct use of equipment and the relevant procedures. It is also important to ensure that this information and training is regularly updated.

5.1 ENVIRONMENT

It is our expectation that our suppliers comply with all applicable environmental laws in the jurisdictions in which they operate. In addition, we expect them to comply with the principles regarding the environment stated in the applicable ISO Standards.

In particular, suppliers are required to:

- Identify, monitor and minimise negative environmental impacts.
- Ensure that substances used and stored are in accordance with the applicable laws and regulations.
- Guarantee that employees receive training on environmental issues and sustainable practices.
- Minimise energy consumption and greenhouse gas emissions through responsible use of water and fuels.
- Enforce processes with the aim of reducing air and noise pollution, as well as waste.
- It is recommended that sustainable and renewable natural resources be used wherever possible.
- Minimise the use of fossil fuels and CO2 emissions as much as possible.
- Measure and report these figures and provide supporting documentation if requested.
- Protect biological diversity in order to ensure the survival of animal and plant species, genetic diversity and natural ecosystems.
- Ascertain that their own supply chains operate in compliance with all applicable laws, regulations and this Policy.

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In order to verify and monitor Supplier compliance with the Cementir sustainability and environmental requirements, Cementir will preserve the right to carry out, if needed, a verification process as part of the selection of the supplier.

5.2 COMPETITION

Suppliers are required to comply with all applicable competition laws and regulations, to avoid practices such as monopolisation, improper trade restrictions (cartels, bid rigging, etc.), unfair business practices or abuse of dominant positions.

5.3 PRIVACY

Cementir recognises the significance of implementing appropriate safeguards and protections for individuals involved in personal data processing operations. We are committed to respecting the privacy rights of all our stakeholders and to using the provided data and information in the most ethical and lawful manner. Cementir expects its suppliers to process personal data in accordance with the laws of the countries in which they conduct their professional activities. These principles include the implementation of appropriate safeguards to protect confidential information and all personal data of employees and business partners.

5.4 ANTICORRUPTION

Cementir is committed to combatting corruption in all its forms and promoting ethical and responsible business conduct. It complies with the relevant laws, regulations, standards and guidelines applicable to its business in the countries where it is present or operates. To this end, Cementir adopted its “Anti Bribery Policy”. We expect our suppliers to refrain from participating in or tolerating any forms of corruption, bribery, extortion or embezzlement, even if such practices are tolerated or compliant with the laws, regulations and customs in force in the countries or regions in which they operate.

Cementir complies with standard business practices in the regions where it operates. Cementir does not condone the offering of gifts with the intention of influencing the performance or omission of specific activities involving Cementir.

5.5 CONFLICT OF INTERESTS


Cementir is committed to identifying and preventing any actual, potential and perceived conflicts of interest and to addressing them immediately should they arise, always acting in the best interests of the Group. Should an actual, potential or perceived conflict of interest be detected during the selection of a new supplier, employees who are aware of such a conflict of interest, as well as the supplier, must disclose this circumstance to Cementir.

6 VERIFICATIONS AND NON-COMPLIANCE

Suppliers are required to implement processes, policies, code of conduct and training in order to comply with the aforementioned requirements.

Cementir could assess its suppliers against a set of rigorous requirements, covering a wide range of criteria, including governance, child labour, forced labour, health and safety, freedom of association, human resources/discrimination, disciplinary practices, working hours, remuneration, environment, business ethics, supply chain management, relations with the community, transparency and communication with stakeholders.

7 SUSTAINABILITY CLAUSES

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In addition to the structured system of policies and regulations concerning safety, hygiene in the workplace and environmental protection that all suppliers must accept and adopt when executing works and services, Cementir promotes, in its procurement contracts, the use of environmental, social and sustainable development clauses aimed at objectifying the commitment of the Company and its suppliers to operate in compliance with corporate sustainability rules and objectives. In addition, Cementir undertakes, in implementing the path of actions and awareness raising among suppliers on responsible procurement issues, to promote the adoption of clauses aimed at:

- Requiring suppliers with whom Cementir has a long-term relationship to self-assess the potential impacts of their activities on the environment and human rights;
- Temporarily suspend business relations with the supplier in connection with which, or in the value chain of which, a potential or actual negative impact has emerged, combined with the simultaneous continuation of prevention and impact minimisation initiatives, where a positive result can reasonably be expected in the short term;
- Terminate the business relationship for the activities in question if the negative impact is particularly significant.

8 WHISTLEBLOWING

Local laws and regulations clearly state that suppliers must provide their stakeholders with a complaint reporting channel. This channel will allow stakeholders to report compliance concerns, whether anonymously or not, and will be accessible to all relevant parties. Such channels must comply with the confidentiality requirements and protect the whistleblower against any form of retaliation.

Cementir provides its supply chain and its stakeholders in general with a dedicated and confidential channel for reporting any situation that may constitute a breach of this Policy. Should you wish to report an issue, please use the online whistleblowing channel, which is available on our website. You can access this at the following link: <https://cementir.integrityline.com/>. The online whistleblowing channel is fully compliant with legal and security requirements, and we are committed to protecting the confidentiality of individuals who use our service. However, we do reserve the right to disclose the identity of a whistleblower in the event that they have given us explicit consent to do so. Should any stakeholder require further information, he shall refer to the "Cementir Group Whistleblowing Management Procedure", which is available on the Corporate website.

Cementir undertakes to ensure that the Policy is disseminated and communicated to interested stakeholders, through corporate channels, and that initiatives are implemented to raise awareness and implement it in Group companies and at suppliers and subcontractors. The Policy is periodically updated taking into account the regulatory framework, the evidence emerging from the monitoring of suppliers themselves and, more generally, Cementir guidelines. Information on the implementation and monitoring of this Policy will be made available for reporting purposes in the Annual Report and in corporate sustainability reporting documents in general.