

SUPPLIER SUSTAINABILITY POLICY

CUPA-GROUP
Since 1892



Cupa Group is committed to promoting sustainability among its suppliers and subcontractors through compliance with standards of ethics, integrity, good governance, human rights, good labour practices and respect for the environment in the development of its activities throughout its supply chain.

For that purpose, it establishes the following mandatory principles for Cupa Group suppliers and subcontractors located throughout Spain and abroad.

Human Rights

1. Suppliers shall take the opportune measures to guarantee absolute respect within its organization for Human Rights in keeping with the Universal Declaration on Human Rights, avoiding any type of infringement of said rights in its organization and area of influence.
2. They shall not subject anyone, in or outside the company to any intimidating action whatsoever, in physical, verbal or any other form that can be classified as harassment or abuse.

Ethics and integrity

3. All applicable laws and regulations in the country where the activities are carried out will be complied with and any other which is applicable due to its objective or subjective nature.
4. Suppliers shall operate ethically, promoting honesty, equality and integrity.
5. They shall not participate in actions, acts, practices or conducts that compromise or endanger the company's values.
6. There shall be no practices or conducts contrary to ethics and which although not infringing any national law may be detrimental to the organization's reputation and generate a negative impact on communities and areas of influence of the company's activities, either directly or indirectly.
7. Suppliers shall maintain standards of fair business, advertising and competence, complying with anti-monopoly laws and other competition-related legislation.

-
8. Suppliers must void and prevent any type of corruption, extortion, embezzlement, bribery (gifts and invitations, sponsorships, donations, invitations to public officials), influence trafficking and fraud at the structural level of its organization and its area of influence.
 9. The confidential information supplied by Cupa Group and its commercial partners must be used appropriately and protected to ensure the privacy of personal information for anyone with whom they do business, including customers, their suppliers, employees and consumers.
 10. It must be guaranteed that the country of the supplier's/subcontractor's nationality or residence must not be on the list of state sponsors of terrorism published by the United States Department of State or on the sanctions list of the US Treasury Department's Office of Foreign Assets Control (OFAC) or on the list of organizations sponsoring US terrorism with whom it is not permitted to contract directly or indirectly
 11. Similarly, the provisions of US law Foreign Corrupt Practice Act on the prohibition of corrupt acts shall be taken into account.
 12. Intellectual property rights will be respected. The transfer of technology and know-how must take place in a way that safeguards those rights.

Employment practices

13. Suppliers shall comply with the Fundamental Rights reflected in the agreements and recommendations of the International Labor Organization (ILO) in all their work centers.
14. The supplier shall not use forced or compulsory labour, any form of modern slavery, nor traffic in its workers¹. The papers of their employees must be in order according to the law in force in the country where they are hired and they shall be free to leave their job after providing sufficient notice.
15. Suppliers shall not use child labor in their commercial activities, respecting the minimum hiring ages established in International Labor Organization (ILO) guidelines, with appropriate reliable mechanisms available to verify the age of their employees.
16. Suppliers shall guarantee their workers' rights of freedom of association, affiliation and collective bargaining and the exercise of said rights shall not lead to reprisals. There must be open dialog and collaboration with trade union activities.

¹ Some UK suppliers will be required to provide information from the link on their website to the published statement on the 2015 Modern Slavery Act.

17. Salaries and working hours shall comply with the laws, rules and applicable standards in the matter in the country in question, including minimum wage, overtime and maximum working hours.
18. Suppliers shall guarantee equal opportunities and non-discrimination, rejecting discriminatory practices in employment and occupation for reasons of race, color, religion, sex, union membership, sexual orientation, disability, opinion, politics, national extraction or social origin.

Environment

19. Suppliers shall conduct their activities in an environmentally-friendly way, complying with the applicable legislation and regulations in this area.
20. Suppliers shall take a preventive approach favoring the environment and seeking to minimize their environmental impact, promoting actions for improvement and efficiency as regards emissions, water consumption, energy consumption, the generation and management of waste, use of raw materials and other resources.

Health and safety

21. Suppliers shall safeguard their employees, assessing the risks of the activity, ensuring that business activities do not put the company's employees at risk.
 22. Suppliers shall offer their employees a safe and healthy work environment ensuring compliance with local, national and international regulations and standards. All employees shall have good conditions of health and safety at work.
 23. Employees shall receive sufficient, appropriate training in health and safety so they are aware of the dangers associated with their activity and work environment and the practices required to minimize risks.
 24. Appropriate measures must be taken to prevent accidents and injuries related to or that occur during work time, minimizing the causes of hazards existing in work practices and the work environment.
 25. All products and services will be supplied in compliance with the quality and safety criteria specified in the contract.
-

The above principles establish a bare minimum agreement and do not exempt suppliers from compliance with additional obligations established by law in the different jurisdictions in the locations where Cupa Group operates and apply to the contract with the supplier.

The company may supervise compliance by conducting audits and checks as it deems opportune and shall ensure ongoing compliance with the above principles, with the supplier's non-intrusive collaboration and the strictest confidentiality.

Cupa Group has an external whistleblower channel on its website which suppliers and their respective employees can communicate behaviors that involve some type of breach of the principles.

Infringement of these principles may mean termination of the contractual relationship with Cupa Group, in addition to other legal consequences of their behavior in relation to the legislation in force in the country where the infringement has been committed.

The objective has been established to achieve 85% of Cupa Group suppliers adhering to the Supplier Sustainability Code by 2025, with 2021 as the baseline year.



Javier Fernández
CEO Cupa Group
16th July 2021