



CIRSA 

RESPONSIBLE AND
SUSTAINABLE
PROCUREMENT POLICY

*Committed to efficiency, quality and
accountability*

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I. OBJECTIVE

This policy aims to establish the guidelines that define CIRSA's conduct in accordance with our commitment to promoting best practices in the procurement and contracting of goods and services through responsible and sustainable management.

Our goal with this policy is to integrate ESG (Environmental, Social and Governance) aspects throughout the procurement process in order to contribute to the creation of ethical and responsible supply networks, mitigating the potential adverse environmental, social and economic impacts arising from the decision to purchase goods and services, ensuring generation of value and benefit not only for CIRSA but also for society, the economy and the environment.

II. SCOPE OF APPLICATION

This policy applies to all CIRSA Group companies where there is effective control regardless of the country where they are located, their managers and employees, and to third parties with whom they have legal relationships and who have subscribed to the policy.

Otherwise, persons who act as representatives of the Group in companies and entities not belonging to it, or where CIRSA does not have effective control, shall promote, as far as possible, the implementation of principles and guidelines consistent with those established in this policy.

III. BASIC PRINCIPLES OF THE PROCUREMENT AND GLOBAL SOURCING FUNCTION

For implementation of commitments with suppliers, the CIRSA Group will apply the following basic principles of action:

- 1- Long-term competitive business relationships.
- 2- Ethical partnerships based on honesty, integrity and transparency.
- 3- Strict compliance with the internal and external regulations applicable to each process.
- 4- Responsibility and objectivity in award processes and criteria.
- 5- Supply chain sustainability

Therefore, the principles will be put into practice as follows:

All procurements and contracts from suppliers of goods and services must be carried out through the person designated for this purpose in each procurement organisation with intervention and monitoring by the Procurement Department.

The CIRSA Group will take into account competitiveness criteria and proposals for cost improvement during the negotiation of contracts and framework agreements, as well as the capacity to respond in the event of unforeseen occurrences which may affect the costs of acquiring the product and/or service.

Applicants shall avoid including requirements that limit opportunities for competition, in order to facilitate implementation of transparent and competitive bidding processes.

Participation by suppliers in the management of innovation aimed at the development and improvement of their products and services will be promoted.

Bids must be negotiated by the Procurement Department which is responsible for leading the negotiation process with suppliers, with the support of the procuring party, business divisions or corporate departments.

Applicants are responsible for defining and establishing the technical, commercial, and business requirements of

procurement requests.

The CIRSA Group will promote the knowledge of concepts associated with sustainable procurement through the training of all its purchasing teams. In this way, they will be able to execute negotiation actions and supplier selection from an ESG perspective, in addition to considering the technical and quality aspects that make them competitive.

The CIRSA Group will promote recognition and approval of its suppliers through the supplier management module of the CIRSA Group's procurement platform, as well as according positive value to the use of the tender module to advance award procedures.

The supplier approval process will include technical cost and quality criteria and delivery times, as well as environmental, social and corporate governance criteria. In addition, the supply chain risks arising from the geographical presence of suppliers, their activity and turnover will be evaluated. Audits and checks deemed necessary to reduce the negative environmental, social and legal impact resulting from selection and therefore recruitment will also be carried out.

Global Sourcing Department and Procurement will establish procedures to detect, prevent and reduce financial, environmental and social impacts, and will ensure that the selected supplier is aware of the commitments it acquires through the express acceptance of the [CIRSA Group's Code of Ethics and Supplier Conduct](#).



In those cases, in which a possible fraud between a CIRSA employee and a supplier is detected, it should be reported through the Ethics Line channel, available on the corporate website: <https://www.cirsa.com> or directly through the following link: <https://www.cirsa.com/sostenibilidad/gobierno-corporativo/canal-linea-etica/>

In cases of conflict of interest, when CIRSA's interests collide with the personal interests of an employee, the Corporate Compliance Area must be informed immediately.


IV. OUR COMMITMENTS TO SUSTAINABILITY

To confirm with the supplier that human and labour rights are taken into account and, in general, applicable laws and regulations are complied with, avoiding any violation of these while promoting a culture of respect both internally and throughout the supply chain

To ensure that the principles of integrity, equal opportunities, diversity and inclusion and non-discrimination are respected, as well as optimal working conditions, fair remuneration, the health, safety and well-being of workers, and work-life balance, informing the supplier of its duty in relation to these and other legal issues through the [CIRSA Group's Code of Ethics and Supplier Conduct](#) published at the beginning of the process of approval as a supplier of any of the Group's companies.

To contribute to the growth of the local economy by working with suppliers that maintain territorial proximity to our headquarters, expanding relationships of trust to different geographical areas. This reduces the operational risk arising from time in the delivery of products that may interfere with service quality, in addition to reducing the logistical costs derived from long distances.



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 To promote and encourage the sustainable use of resources, taking into account in the selection of suppliers those who demonstrate an energy efficiency and water resources management programme, as well as a plan for the adoption of best practices in relation to responsible consumption, decarbonisation, emissions control, and environmental and social risks.



To combat fraud and corruption through the establishment of guidelines and ethical standards to govern business relationships arising on behalf of CIRSA, while promoting fair and responsible practices in the protection and treatment of confidential information.

To act with integrity, honesty, loyalty and transparency in all dealings and relations with the different public agents in all countries where CIRSA is present.

To raise awareness of and train procurers on ethics and compliance, as well as ESG, while promoting traceability of CIRSA's commitment throughout the supply chain, with the monitoring of the corresponding indicators.

To ensure that suppliers comply with the laws and regulations and tax and social security obligations applicable in the countries where CIRSA maintains a presence, ensuring that the tax returns and settlements that apply to them are filed according to their classification.

V. RESPONSIBLE MANAGEMENT OF CIRSA'S SUPPLY CHAIN

CIRSA believes that its suppliers play a fundamental role in the performance of the business, as they provide materials, services and basic technologies for the proper development of its activity. For this reason, it includes efficient, transparent and sustainable procurement management whose objective is to ensure customer satisfaction as well as to generate competitive advantages.

This includes:

Formation of the **Sustainable Procurement Committee** with roles and responsibilities to lead the sustainable procurement programme, including the participation of other company departments linked laterally to global procurement management.

Definition of the **sustainable procurement strategy** in order to manage, standardise and make more efficient the processes related to procurement, from need detection to the approval and reception of the product and/or service, as well as inclusion of digital tools and platforms along with reinforcement and optimisation of existing ones.

Updating of **policies, procedures**, contract clauses, procurement conditions and their corresponding disclosure to both suppliers and internal working groups.

Identification of **critical suppliers** taking into account the volume of turnover and the importance of the category of their activity for the development of the business.

Definition of the **supplier approval process** through which CIRSA collects information and documentation from suppliers identified as critical by the organisation, allowing it to analyse and verify legal compliance, the adoption of ESG criteria as a sustainability strategy by the supplier and the technical aspects considered relevant for procurement.

Control of expenditure with special emphasis on the establishment of better conditions, contractual terms for the Group's companies according to their needs and commitment, as well as procurement validation processes taking into account the amount of the purchase in question. In addition, whenever possible and whenever the supplier meets the competitive criteria, the allocation of financial resources to local suppliers will be valued in order to contribute to the development of the local economy.

Promotion and use of **CIRSA's supplier and tender management platform** which allows management of the supplier database (DB), while evaluating and analysing the legal, social, environmental and operational situation of the suppliers that are or are not invited to submit tenders and therefore of the beneficiaries of these.

Reinforcement of local **provisioning** actions to ensure that each Business Division has the resources needed in each country in which CIRSA operates, at the required time, with the quality guarantee offered by each of our business lines, but above all preventing potential incidents in the management of orders, the recognition of invoices and their corresponding payment.

Establishment of **strategic KPIs and ESG reporting** on which to base procurement decisions, management of the negotiation strategy in order to secure the best use of resources, and the communication of sustainability ratios that correspond to actions aimed at raising awareness in our supply chain of human rights, fair labour practices, combating of corruption, and protection of the environment.

Monitoring and management of sustainability-related risks in the supply chain in order to align procurement decisions with the aim of maximising profits, promoting responsible consumption and minimising operational, legal, ESG, financial, cybersecurity, etc. risks that may affect the business's sustainability and reputation.

VI. CONTINUOUS IMPROVEMENT: APPROVAL, REVIEW AND COMMUNICATION OF THE POLICY

This policy has been approved by the CIRSA Board of Directors and is effective from the point of its approval. It will be subject to continuous review and improvement, especially when the circumstances of the business so require. In any case, this policy will be reviewed annually on a routine basis and will be duly updated if this is required. Failure to comply with this policy may result in disciplinary action.



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2023