

CMC GLOBAL SUSTAINABLE PROCUREMENT POLICY

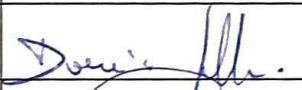
DATE: 20 May 2025

PO-GPP-00_Rev00

Prepared by

Name	Role	Signature	Date
Chiara Signoria	ESG Director CMC S.p.A.		20/05/2029

Approved by

Name	Role	Signature	Date
Domenico Gallozzi	C.D.O.O. CMC S.p.A.		30/05/25
Francesco Ponti	CEO CMC S.p.A.		30/05/25



1. PURPOSE AND SCOPE

This policy outlines CMC Group's intentions regarding responsible procurement practices and supplier engagement across CMC S.p.A. and its subsidiaries worldwide.

It aims to:

- Promote responsible sourcing practices with reference to ESG priorities and relevant SDGs.
- Guide the integration of sustainability aspects in procurement decisions.
- Support the continuous improvement of supplier performance.
- Promote consistency across global operations.

2. REFERENCE FRAMEWORK¹

This policy draws upon internationally recognized principles and practices relevant to responsible procurement, including:

- Italian Legislative Decree 231/2001 and CMC S.p.A.'s Model 231
- International sustainability references (e.g., ESRS, GRI, UN Global Compact, OECD Guidelines)
- SDG goals relevant to supply chain responsibility (e.g., SDG 5, 7, 8, 12, 13, 15, 16)
- Internal instruments including CMC's ISO9001 Quality Management System and CMC's Code of Ethics and Whistleblowing Policy

3. ESG PROCUREMENT PRINCIPLES

1.1. ENVIRONMENTAL RESPONSIBILITY

- Prioritize suppliers that disclose carbon emissions (Scope 1, 2, and, if feasible, Scope 3)
- Encourage voluntary climate targets (e.g., referencing SBTi methodologies)
- Promote the use of renewable energy and sustainable materials
- Discourage sourcing from areas of high environmental sensitivity
- Suggest ISO 14001 or similar certification where appropriate

1.2. SOCIAL RESPONSIBILITY

- Reject the use of forced, child, or unsafe labor
- Support principles aligned with ILO Conventions and international human rights norms
- Promote equitable treatment, diversity and inclusion (DE&I) in supplier practices
- Encourage improved occupational safety conditions in line with global expectations

1.3. ETHICAL CONDUCT

- Recommend the inclusion of anti-corruption clauses in contracts
- Request formal acceptance of the CMC's Code of Ethics by all suppliers
- Suggest implementation of internal grievance/whistleblowing mechanisms
- Recommend appropriate data protection and cybersecurity standards.

¹ References serve as orientation benchmarks and are not to be construed as assertions of full alignment or certification.



4. SUPPLIER QUALIFICATION AND RISK MANAGEMENT

All suppliers are categorized according to relevant applicable procedures at the time of evaluation for selection, which define specific qualification criteria based on the nature of the goods and/or services they provide. They are also expected to review and formally acknowledge CMC's Code of Ethics and Supplier Code of Conduct.

5. SUPPLIER DUE DILIGENCE

CMC runs periodic quality audits in conformity with relevant applicable procedures. Furthermore, suppliers are invited to participate to an ESG self-assessment process every two years as part of CMC Supplier Engagement Program, to track performance against key sustainability dimensions and identify potential areas of improvement.

5.1 TARGETS and TOOLS

- The outcomes of the qualification and due diligence processes translate into a Supplier Scorecard; all scorecards are collected into a dashboard that is an integral part of CMC's Quality Management System.
- The outcomes of the periodic audits represent also the basis for discussion of shared Improvement Plans for key suppliers; the plans are also informed by the outcomes of the ESG self-assessment.
- Improvement Plans are monitored every 6 months by the Quality Team to verify progress and performance against agreed targets and KPIs.
- An internal review of supplier engagement outcomes occurs every two years.

6. CONTRACTUAL EXPECTATIONS

CMC encourages that suppliers:

- Review and sign CMC's Code of Ethics
- Review for acceptance CMC's Supplier Code of Conduct
- Consider integrating ESG-related clauses into supply agreements, where relevant
- Provide documentation on request (e.g., audits, certifications)
- Engage in improvement plans and/or training opportunities when invited.

7. TRAINING AND COMMUNICATION

- ESG training sessions are periodically made available to Quality and Procurement staff
- CMC communicates this policy internally (e.g., via intranet) and externally (e.g., onboarding)
- On an as-needed basis, suppliers may also receive targeted informative materials to support understanding and progress in improving overall performance.

8. GOVERNANCE AND REVIEW

- Quality Department: primary reference for implementation and guidance, with support from Procurement and ESG functions
- ESG Committee: oversight and coordination body
- Internal review of this policy occurs annually or as needed
- Full revision cycle foreseen at least every 24 months.



9. ENTRY INTO FORCE

This document is effective upon approval by the Board of Directors. It is intended to guide procurement practices within CMC and among its suppliers.

Disclaimer: This policy outlines CMC's internal sustainability objectives in procurement. It does not constitute or imply legal compliance, contractual obligation, or external certification unless explicitly stated otherwise.

Città di Castello, 30/05/2025

Signature of the Legal Representative


Francesco Ponti, CEO

REV.	NATURE OF REVISION
00	<i>First implementation</i>

