

costaverde

REGULATION FOR SUPPLIERS



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DISCLAIMER REGARDING INCLUSIVE LANGUAGE

We have decided to waive the references pertaining to gender breakdown, thus ignoring something that is commonly considered as good practice, the use of inclusive language, given the extension of this document's contents. We understand that our concerns regarding this matter are reflected in our values, by being widely known by all our stakeholders.

GENERAL FRAMEWORK

At Porcelanas da Costa Verde, S.A., we acknowledge that our business activity has a social and environmental impacts. In accordance, Costa Verde considers an essential condition, for the establishment of business partnerships, that its business activity shall have a general positive impact and effect on both people and the environment.

GOAL

This Regulation is the outcome of the implementation of Porcelanas da Costa Verde's Integrated Management System, which is committed to the full compliance with the demands of standards ISO 9001 (Quality management systems), ISO 14001 (Environmental management systems), ISO 45001 (Occupational health and safety management systems), SA 8000 (Social Accountability), and ISO 50001 (Energy management system).

The main goals of the present Regulation are:

To disclose Costa Verde's Sustainability Policy and Code of Ethics

To establish the requisites, within the scope of the aforementioned standards and the main legislation applicable, to the activities developed for Costa Verde

To promote suppliers' commitment with the values and performance principles held and practiced by Costa Verde.

SCOPE

The present regulation is applicable to all Suppliers of goods and services hired by Porcelanas da Costa Verde.

ACCOUNTABILITIES

Compliance to this agreement is of the responsibility of the Suppliers hired by Costa Verde. The verification of the compliance with this Regulation's demands is due to the person in charge of the goods or service's requisition. The System Management area shall be available to monitor and check the requisites regarding the compliance with this Regulation. Its compliance inspection can also be made by an entity hired specifically for this purpose, namely by performing audits.

The rules listed are subject to changes, and *Porcelanas da Costa Verde* is obliged to provide early notice and the Supplier is obliged to expressly accept such changes. In the event of non-

compliance by the Supplier, it is hereby acknowledged to Costa Verde the right to charge the Supplier any costs resulting from such noncompliance.

COMMITMENT TO PORCELANAS DA COSTA VERDE

The social, environmental, safety and energy performance of Costa Verde also depends on the performance of its Suppliers. In accordance to this, and for the company to achieve the goals it has set, it is essential that its suppliers share the principles and values set out in its Sustainability Policy.

Besides the compliance with this Regulation, Suppliers must be fully aware and also inform their employees and insure the compliance with Costa Verde's internal regulations, which are applicable to the work being developed, as well as the compliance with all the legislation applicable to it.

In the event of a situation, in which there is any infringement or breach of the undertaken Commitments under Costa Verde's sphere of influence, the Supplier shall be monitored, in order to insure its quick resolution, in a collaboration between the entities or people involved and, whenever necessary, with Governmental Organizations.

All suppliers must identify the origin and implement corrective and preventive measures, in order to resolve any non-compliance, in relation with the requirements of the SA 8000.

They must also promptly inform the company on any and all relationship(s) relevant(s) with other suppliers/subcontractors and sub-suppliers.

CONFIDENCIALIDADE

For the purposes of this Regulation, "Classified Information" means any and all information relating to Costa Verde, its customers and projects, and to the business and activities developed by them, whether economic, financial, commercial, technical, contractual or strategic nature, of industrial or intellectual property, or other related to them, including, but not limited to, technical and non-technical information on projects, systems, programs, program documentation, requirements' documentation, technical specifications, data, models, and products' strategies and plans, source code, know-how, documents, future and suggested technology, and other business data, which are not of public domain, and, also, any other information, which must be easily identified and recognized as Classified Information.

"Classified Information" shall not be declassified, independently from the way in which it is stored or made available, whether digitally, in storage units, orally or by any other means.

Suppliers are obliged not to disclose to third parties, or to use for their own benefit, any Classified Information, by being, therefore, their right to use Classified Information, strictly limited to what is necessary for the proper execution of the services rendered to Costa Verde.

At the time of the consultation, Costa Verde, shall deliver this Regulation to the company's representative or allow its online consultation on the company's Website, at

<http://www.costa-verde.com/>

PORCELANAS DA COSTA VERDE CODE OF ETHICS AND SUSTAINABILITY

Policy Suppliers must commit to our Code of Ethics and Conduct, of which Costa Verde's Mission, Vision, Social Commitment and Policy are an integral part.

The Code of Ethics and Conduct can be found at <https://costa-verde.com/sobre-nos/>

Costa Verde's vision is to be a reference in the global tableware ceramics market, as an innovative, sustainable and socially responsible company.

The Mission is to design, develop and produce ceramic products to promote well-being, quality and beauty at the table, with innovation, professionalism and sustainability.

At Costa Verde, our values are Commitment and Dedication, Flexibility, Justice and Honesty, Respect for others and the Environment, Cooperation and Team Spirit and Gratitude, which, when integrated into our operations, generate a positive and lasting impact on society.

COMMITMENT TO SOCIAL ACCOUNTABILITY

According to the terms of the SA 8000 standard, the company must make a reasonable effort in order to ensure that this standard's demands are met by its Suppliers and sub-suppliers within their sphere of control and influence. To this end, in its Sustainability Policy, Costa Verde insures the use of a supply chain which shares the same company values. The suppliers must, in regard to this, share the social commitments outlined in this document and thus contribute to a fairer society and a cleaner environment.

CHILD LABOUR

Costa Verde does not tolerate any kind of child labour, conveyed by external companies and Service Suppliers, and respects children's human rights, aiming to ensure that should the existence of child labour in the services provided and supplied by subcontractors and/or Suppliers be detected, the governmental organizations in charge of controlling this kind of situation (e.g., Authority for Working Conditions). Should the use of child labour be detected during the course of the supply of any service, the supplier should provide evidence of the immediate adoption of the proper measures to end such a situation, namely:

The immediate compliance with the applicable legislation;

The analysis and correction of the mechanisms which allowed for such a situation to occur;

The adoption of measures thought to be the most adequate to solve the situation, be it at the level of school assistance support or at the level of insuring by any and all means possible that the household in question is not deprived from the income which it received, for instance, replacing the underage worker for another household member.

The exclusion of a supplier, due to the detection of situations involving child labour, is not considered as a priority alternative in terms of procedure, as it does not allow the protection and safeguard of the child's best interests. The continuation of the supply relationship,

following an effective “alignment” of the supplier's conduct with the social commitments undertaken by Costa Verde, enabling the maintenance of the family income, is the priority proceeding situation.

FORCED AND COMPULSORY LABOUR

Costa Verde considers the use of forced labour a wholly reprehensible and inadmissible practice, completely contrary to the company's Sustainability Policy, as well as the applicable legislation, not allowing for example that:

Requesting deposits from its employees or that they give them their identification documents when they start working at the company;

Forcing any worker to work against his/her will (with or without salary or compensation) by not being the worker free to terminate its employment contract, whenever he/she wishes to do so.

No use of forced labour shall be made in the course of the activities developed by, for or in representation of Costa Verde. If, eventually, any kind of forced labour situation is detected, such a situation must immediately be reported to the Human Resources department so that the proper resolution measures are promptly taken.

Should, in the course of any supply of services, any situation in which the workers are subject to any kind of forced labour be detected, the supplier must provide evidence of the immediate adoption of the adequate resolution measures, namely:

Immediate compliance with the applicable legislation;

Analysis and correction of the mechanisms which allowed for the occurrence of such a situation;

Adoption of measures considered the most adequate in order to resolve the issue at hand; in what concerns, for instance, the regularization of the non-compliance situation and the possibility of the maintenance of the labour relationship between the employee and the employer and the non-interruption of salary payments.

The exclusion of a supplier, due to the detection of forced labour situations, is not considered a priority alternative in terms of procedure, as it does not allow for the protection and safeguard of the unprotected worker's best interests. The continuation of the supply relationship, through an effective “alignment” of the supplier's conduct with the social commitments undertaken by Costa Verde, thus enabling the maintenance of the labour relationship of the employee and the non-interruption of salary payments, is the priority solution in terms of procedure.

HEALTH AND SAFETY

Within the scope of the Health, Safety and Hygiene at Work system, which was implemented and certified according to the standard NP ISO 45001, Costa Verde is committed to the establishment of a safe work environment for all those who intervene in its work processes, by minimizing the number of labour accidents and contributing to the dissemination of a culture of safe and healthy behaviour, among its employees and remaining stakeholders.

In accordance, the supplier must take the adequate measures, in order to prevent accidents and damages to people's health, by minimizing the risks associated with the activities which are carried out. It must also insure that all the workers participate in regular and registered training courses on health, safety and hygiene at work, namely regarding any activities which they carry out for Costa Verde.

FREEDOM OF ASSOCIATION AND RIGHT TO COLLECTIVE NEGOTIATION

As expressly referred by Costa Verde's Code of Ethics, it is respected the right of the Employees to associate themselves to Trade Unions and valued other forms of worker representation. Therefore, the supplier should assume this commitment, as well, and respect its workers' right to freely associate themselves with any trade unions of their choice or to collective negotiation.

DISCRIMINATION

At Costa Verde, we do not tolerate any form of discrimination, based on race, age, social status, nationality, religion, disability, gender, sexual orientation, trade union membership, political affiliation or any other which violates any human rights. The supplier must not accept or support any situations of discrimination involving any worker from its Company.

LABOUR PRACTICES

The employees must have working conditions which surpass the minimum legal requirements, namely in what concerns their salary compensations, working hours, professional orientation and qualification ations, by means of a culture that values merit, respects Human Dignity and allows for levels of motivation and satisfaction, which are adequate to the development of excellence-based performances.

At Costa Verde, we do not allow the use of corporal punishment, mental or physical coercion and verbal abuse as an accepted form of disciplinary practices. The supplier must also not allow the use of corporal punishment, mental or physical coercion and verbal abuse as disciplinary practices.

WORKING HOURS

The supplier must comply with the applicable legislation and industry standards regarding working hours, by having also to comply with the rule outlined in standard SA8000, should these be more demanding than those specified in the applicable legislation.

SALARIES

The salaries of the employees must match, at least, the legal or minimum industry standards and also provide some extra income besides one that covers basic needs.

RULES TO COMPLY WITHIN THE PREMISES

1. Rules of Conduct

The External Company, or its representative, is not exempt of responsibility on the issues of good security practices at work, environmental and social responsibility, as well as energy efficiency, regarding the functions of the Internal Head of Service. When entering our Porcelanas Costa Verde facilities, you must comply with the following rules:

- Always show identification at the entrance gate, by referring the type of service to be performed and who the internal responsible employee is;
- Do not initiate your activity without receiving prior training by our security services;
- If you perform a noisy activity, such as welding, cutting, working at a height, machinery maintenance of, among others, you must report it to the internal responsible employee;
- Do not park your vehicle in a way that you may obstruct the internal movement;
- Vehicles must not travel faster than 20km/h;
- Respect the rules and existing safety signs;
- Respect the mandatory use of Personal Protective Equipment (PPE);
- Follow the waste separation rules;
- Do not smoke or drink alcohol in the Costa Verde facilities;
- Report if any leakage (e.g. compressed air, gas, water, oil, etc.) or emergency situation is detected;
- Waste burning is not permitted;
- Preferably use energy-efficient equipment; turn them off whenever you leave a specific place, and avoid leaving equipment on stand-by;
- In case of evacuation, obey strictly to the instructions given by the evacuation team members or internal responsible employee.

2. General Safety, Environment and Energy requirements

Given the rise of sustainability issues in the current society, Porcelanas Costa Verde has implemented an Integrated Management System, being certified by the NP ISO 14001, and NP ISO 45001 and NP ISO 50001 specifications.

The contracting of products, equipment and services, across the energy sector, is partially evaluated based on their energetic performance.

As in environment and security, also across energy, our concerns are towards all the workers in our facilities, regardless of being a Costa Verde member or a service provision company.

Therefore, all workers who may perform work, within our facilities, must be trained before starting work. This training will be given by one of the Costa Verde internal trainers and registered on the sheet itself. The access control will be made at the gatehouse.

Training will consist of the following contents:

- Compliance with the accident prevention regulations;
- General Safety Instructions for an External Company;
- Authorization for hazardous work; emergency operating procedures (spills, leaks, etc.)

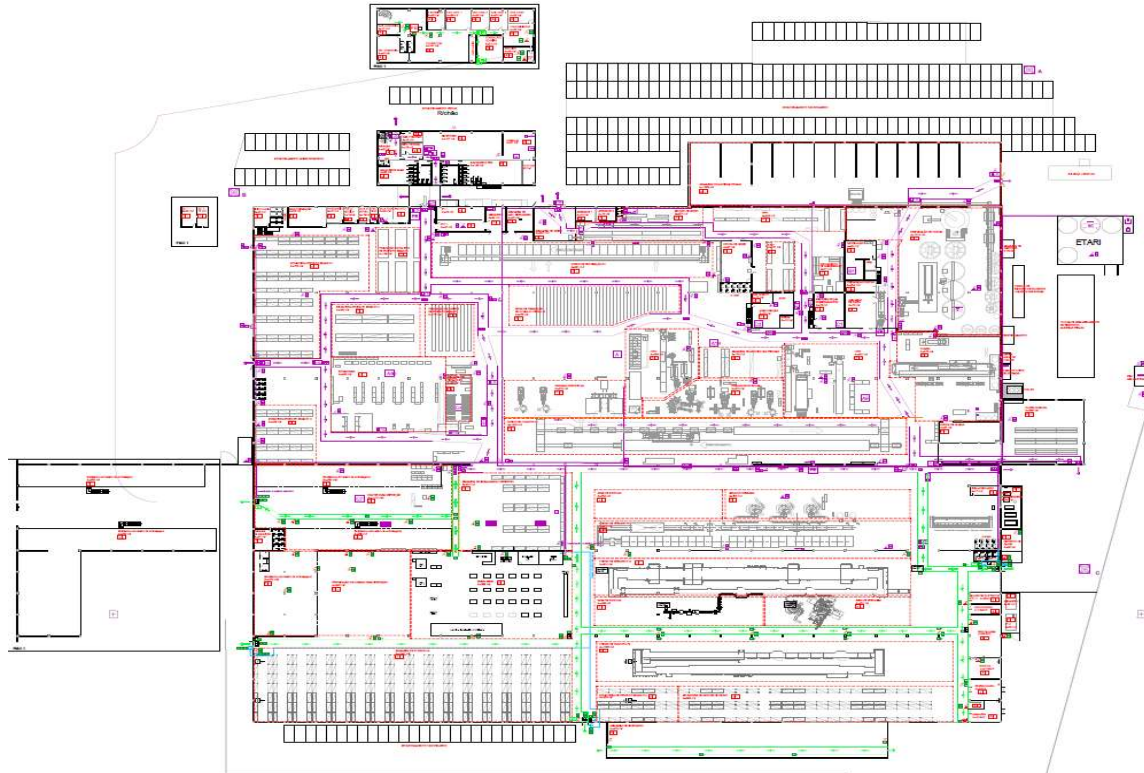
- Information about the specific workplace;
- Location of fire extinguishers and emergency exits;
- High hazard zones;
- Use of equipment belonging to Costa Verde;
- Access restrictions;
- No smoking and alcohol consumption;
- Behaviour rules and hygiene;
- Work outside normal working hours;
- Forward liquid effluents generated by the WWTP;
- Forward generated waste to the company's waste site;
- Use preferably energy-efficient equipment;
- Use the least amount of compressed air possible, and do not use it for personal cleaning;
- Collective protections are mandatory. Do not remove or modify without authorization.

3. Performance in Case of Emergency

| Type of situation | Time | Ring type of siren |
|-------------------|----------------------------|--------------------|
| Emergency | _____ = 2'' _____ = 2'' | |
| Total Evacuation | _____ = 9'' _____ = 3'' | |
| Emergency end | TOTAL = 20'' | |

If you Hear the Alarm Sound:

- Follow the instructions of those responsible;
- Head to the meeting point indicated in the emergency plan;
- Do not run, keep calm;
- Do not go back to the company's premises without authorization.



4. Mandatory Documentation

All the suppliers must supply Costa Verde with the requested documentation applicable to that specific work, in accordance with this Regulation, and also undertaking to update their documentation, by promptly informing Costa Verde of any change which might occur.

The Declaration of Acceptance of this Regulation for Suppliers is mandatory for all the suppliers and the award of any proposals is conditioned by its presentation.

| PRODUCT/SERVICE | Mandatory Documentation |
|-----------------------------------|---|
| DRILLING OF WATER WELLS | Proof of activity's licensing. EC marking certificates, in Portuguese, of the equipment to be used. |
| ELECTRICAL INSTALLATION PROJECTS | Proof that the technician, in charge of the execution of any electrical installation projects, is a technician recognized by government authority. |
| GAS NETWORK INSTALLATION PROJECTS | Projects must be drawn by a certified entity for the purpose (installer assembler). There must be a liability waiver signed by the entity, which must annually inspect the gas network and write a report on the subject. Surveys / triennial inspections to the gas system must be performed by an entity recognised by the government authority. |

| PRODUCT/SERVICE | Mandatory Documentation |
|---|--|
| <p>UNDER-PRESSURE EQUIPMENT (e.g.: compressed air deposits) AND GAS EQUIPMENT</p> | <p>CE declaration of conformity and CE marking.</p> |
| <p>PURCHASE OF USED MACHINERY</p> | <p>Declaration of Conformity. Instruction manual.</p> |
| <p>EQUIPMENT</p> | <p>CE declaration of conformity Instruction manual CE marking. Equipment with electric motors with power above 5KW: Energy class IE3 or IE2 if driven by frequency inverters.</p> |
| <p>REFRIGERATION EQUIPMENT (air conditioning and heat pump) – Purchase</p> | <p>Sending CE marking certificate in portuguese. Guarantee of non-supply of prohibited gases. Sending technical documentation of the equipment. Sending technical data sheet of the gas used. Sending a copy of the MSDS in Portuguese for the refrigeration gas used. Evidence of adherence to an integrated WEEE system (producers and importers). Labeling, stating: Contains fluorinated greenhouse gases covered by the Kyoto Protocol; name and quantity of gas in Portuguese. The refrigerant gas load (CFC, HCFC, HFC; PFC, or mixtures) must be less than 3 kg or 5 tons of CO2e or, if this is not possible, it must be approved by Costa Verde.</p> |
| <p>REFRIGERATION EQUIPMENT (air conditioning and heat pump) – Maintenance</p> | <p>Copy of the certificates from the technicians and the company. Settlement, maintenance or technical assistance of the equipment by companies and certified staff.</p> |
| <p>ENVIRONMENTAL MONITORING AND MEASUREMENTS AND HEALTH AND SAFETY AT WORK</p> | <p>Sending of Accreditation certificate. Sending of Certificate of metrological confirmation for the equipment used in non-accredited trials. Performance of reports, in accordance to law in force (applicable to the measurements of gas effluents).</p> |
| <p>TRAINING SERVICES</p> | <p>Pedagogical Competence Certificate of the instructors.</p> |
| <p>OILS</p> | <p>Copy of record number, assigned by the Waste Institute for the collection/transportation of used oils activity. Safety Data Sheet of used oils.</p> |

| PRODUCT/SERVICE | Mandatory Documentation |
|---|---|
| BUILDING INDUSTRY SUPPLIERS | <p>Health and safety plan, at design stage, of the project and execution in the works with project.</p> <p>Safety instructions, for the works to be carried out, in the works without project.</p> |
| CHEMICAL PRODUCTS, including raw materials considered hazardous (paints, decals, glase, etc.) | <p>Technical Sheets and Safety Data Sheets that comply with REACH and CLP regulations. REACH registration number where applicable.</p> <p>When developing decorations, preferably use, if possible, paints or enamels without Lead and Cadmium, and products that are not dangerous for the environment and for humans.</p> |
| HAZARDOUS WASTE TRANSPORTATION | ADR for the vehicles and drivers. |
| WASTE RECIPIENTS | <p>Copy of the activity license.</p> <p>Copy of the activity license, if applicable.</p> <p>E-Gar (period of 10 days).</p> |
| RAW MATERIALS FOR CERAMIC BODY PRODUCTION | License/permit of exploitation, in the first supply or at the time of the exchange of the usage. |
| CARDBOARD PACKAGING | Evidence of compliance with essential packaging requirements (Concentration of heavy metals and % of Substances of Very High Concern). Have % recycled content and FSC certification. |
| FIRE DETECTION SYSTEMS | <p>Proof of enrolment and acknowledgement of the company by ANPC.</p> <p>Intervention file related fire protection systems and extinguishers.</p> |
| LOW VOLTAGE ELECTRICAL EQUIPMENT | <p>Electrical equipment shall comply with the demands, requirements and safety conditions, included in Annex I of this Decree-Law, and shall be subject to the conformity assessment procedure based on the internal production control, established by paragraph 1, of the Annex II, of this decree-law, in which it is included.</p> <p>The UE declaration of conformity must comply with the model set out in Annex III of this Decree-Law, in which is included, contain the elements provided for in Module A, of Annex II of this Decree-Law, by always being up-to-date, and written in Portuguese Language.</p> |
| GENERAL EQUIPMENT THAT USES ENERGY | Service providers must use and supply equipment with more favorable energy classes. Must comply with the purchasing requirements imposed by Costa Verde (when applicable). Porcelanas Costa Verde must inform suppliers that energy performance is one of the evaluation criteria for purchasing. |

| PRODUCT/SERVICE | Mandatory Documentation |
|---|---|
| <p>SERVICE PROVIDERS (Maintenance, Catering, Machinery, Cleaning, Civil Construction, IT, etc.)</p> | <p>a) If you use chemicals that are hazardous to the environment, you must inform the environmental manager, provide him with a copy of the respective Safety Data Sheet and follow his instructions;</p> <p>b) The Supplier/Subcontractor company must previously provide the environmental manager with supporting documents (authorizations) from the transporters and recipients chosen to receive the activity-specific waste generated during the provision of services.</p> <p>Declaration of compliance regarding the regularization of workers and proper functioning of equipment such as:</p> <ul style="list-style-type: none"> ✓ Employment contract; ✓ Social security (Social security declaration showing that your contribution situation is regularized); ✓ Occupational accident insurance policy; ✓ Civil liability insurance policy; ✓ Workers' aptitude sheets; ✓ Copy of Occupational Health and Safety training certificates. <p>If employees are foreigners with a Residence Permit:</p> <ul style="list-style-type: none"> • Declaration from the company regarding immigrant workers; • Valid residence permit or updated passport with residence visa. <p>If employees are minors over the age of 16:</p> <ul style="list-style-type: none"> • Declaration of parental authorization • School declaration that they have completed compulsory education or are completing it. |
| <p>NEED FOR ACCESS TO SENSITIVE DATA/DATA PROCESSING</p> | <p>Service providers must comply with the GDPR and it is their responsibility to comply with the company's privacy policy and GDPR Clauses for Suppliers. The clauses are accessible at https://costa-verde.com/clausulas-rgpd-fornecedores/</p> <p>The supplier undertakes to fully comply with the GDPR and other applicable legislation on data protection, adopting all necessary measures to guarantee the confidentiality, integrity and security of the personal data processed. You must implement appropriate technical and organizational measures to protect personal data against unauthorized access, loss, alteration or destruction.</p> <p>You may not subcontract the processing of personal data or transfer the data to third parties without the prior written consent of COSTA VERDE. If authorized, the supplier must ensure that the subcontractor fully complies with the provisions of this contract and the GDPR.</p> |

DECLARATION OF ACCEPTANCE OF THE REGULATION FOR SUPPLIERS

The Company _____, whose contract with Porcelanas da Costa Verde pertains to _____, hereby declares, through its Representative, who had access to the Regulation for Suppliers, containing the rules pertaining to the development of the works, and therefore undertakes, in an informed and voluntary manner, the followings commitments:

- ✓ To comply with the procedures included in the Regulation for Suppliers, as well as disclosing them and make them be complied by all company workers and subcontractors of the Company;
- ✓ To share and assume all commitments established in Costa Verde's Sustainability Policy, regarding the standards pertaining to Quality, Environment, Safety, Social Accountability and Energy, thus taking up the role of an active member of the "Supply Chain with a Social Performance";
- ✓ To host Costa Verde's team or anybody else, sent on their behalf, whenever requested, for verification of compliance with the undertaken commitments.

Date: _____ / _____ / _____

(Signature and Stamp)