
	Companhia Brasileira de Alumínio (CBA) Policy	Code	PO-VM-AL-SUP-002
		Revision Date	9/9/2021
	Title: Sustainable Procurement Policy	Function	SUP
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Prepared by: Supplier Management and Performance Coord.	Reviewed by: Supplier Management & Performance and Planning Management Legal & Compliance Management	Approved by: Supply Chain Directory
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1. PURPOSE

The purpose of this Policy is to establish guidelines on Supply Chain processes and the environmental, social and governance (ESG) criteria that are embedded in the procurement process.

2. SCOPE

This Policy applies to the employees, managers, contractors, suppliers and customers of Companhia Brasileira de Alumínio ("CBA") and its subsidiaries, all of whom are responsible for ensuring they understand and comply with this Policy at all times.

3. REFERENCE DOCUMENTS

CBA Compliance Booklet

CBA Code of Conduct

Integrated Management Policy

Diversity & Inclusion Policy

CBA Anti-corruption Policy

PG_VM_AL_SUP_001 – CAPEX Project Procurement

PG_VM_AL_SUP_002 – Procurement Procedure - MRO and External Repairs

PG_VM_AL_SUP_003 – Raw Materials Procurement

PG_VM_AL_SUP_007 – Services Procurement

PG_VM_AL_SUP-006_- Supplier Management

PC-VM-SUP-001 – Procurement Standard

4. DEFINITIONS

Management: officers, directors, shareholders and committee members.

Supply Chain: the sequence of steps in the production process, from extraction of raw materials to production of the end product for marketing.

Value chain: the set of activities that add or subtract value for a company and its stakeholders, from designing products and/or services and obtaining inputs and raw materials, through interacting with suppliers and contractors and producing, selling and delivering the product and/or service to consumers and customers, to aftersale or post-use service (Porter, 1985).

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Code of Conduct: The Code of Conduct approved in a meeting of CBA’s Board of Directors. The Code is a guide that embodies our way of doing business and interacting with our employees, suppliers, customers, communities and other business partners.

Local communities: persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization’s operations (Global Reporting Initiative).

Traditional communities: people or groups who are culturally distinctive and recognize themselves as such, who have their own forms of social organization, and who depend on land and natural resources for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovation and practices generated and transmitted by tradition (*Federal Decree no. 6040, dated February 7, 2000*). Traditional communities include indigenous populations, *quilombolas*, riverine and other communities.

Human Rights: human rights are rights inherent to all human beings, regardless of their race, sex, national or ethnic origin, language, religion or any other status. Human rights include aspects such as: eradicating child, forced and slave labor; combating discrimination in all its forms; valuing diversity; preventing workplace and sexual harassment; combating sexual exploitation of children and adolescents; and providing decent working conditions.

Labor Rights: the set of laws and regulations governing employer-employee relationships and the rights inherent to a person’s status as a worker. In Brazil, labor rights are governed by the Consolidated Labor Regulations (CLT), the Federal Constitution and other related laws, as well as by the conventions of the International Labor Organization (ILO). Other sources of labor rights include collective bargaining agreements made through labor and employer unions, and the regulatory framework governing labor unions.


Employees: employees hired and registered in accordance with applicable labor regulations.

Suppliers and contractors: any person or entity hired or engaged by CBA. For the purposes of this policy, suppliers and contractors include, but are not limited to: sales representatives, agents, consultants, lawyers, distributors, resellers, real estate agents, customs agents, service providers, shippers, and other suppliers.

Critical suppliers: suppliers whose scope of supply can have significant economic, environmental, social and reputational impacts; whose raw materials or services are essential for the company’s core business and, if unavailable, will adversely affect a plant’s production performance; single-source suppliers that are difficult to replace; high spend suppliers; and suppliers whose materials/services are related to the company’s quality management system certifications (IATF, ASI, etc). From a sustainability perspective, critical suppliers also include those suppliers that, while not the most significant economically, may be a weak link in the supply chain and pose a risk in terms of social, environmental and reputational impacts.

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Small- and medium-sized suppliers: suppliers classified as small and medium-sized enterprises by federal agencies and/or credit rating agencies.

Policy: this "Sustainable Procurement Policy".

Migrant worker: a person who migrates from one country to another with a view to being employed otherwise than on his own account, including any person regularly admitted as a migrant for employment (C097 – Migration for Employment Convention).

5. GUIDELINES

At CBA we are guided by our commitment to always do the right thing for all stakeholders. We are committed to making a positive contribution to society and the environment, and make an effort to be increasingly sustainable in everything we do, with a particular focus on our value chain. We know that improving performance is a continuous process and we recognize the role our suppliers have to play in this journey.

This Sustainable Procurement Policy aims to make our operations increasingly sustainable by ensuring we:

- Comply with the laws and regulations of the countries where we operate
- Adhere to the highest standards of economic, social, ethical and environmental practices
- Minimize social, environmental and economic risks and impacts in our supply chain
- Achieve sustainable efficiency and productivity
- Capture competitive advantage by creating shared value
- Communicate this policy to and raise awareness among internal and external stakeholders


The commitments we have undertaken, and which we extend to our suppliers, include the following:

Environmental

- Implement environmental management and related systems
- Contribute to minimizing or neutralizing emissions that are causing climate change
- Improve energy efficiency and expand the use of clean energy
- Exercise good water stewardship, ensuring water resources are used efficiently
- Support, promote and contribute to a circular economy

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- Implement good waste management, minimizing waste generation throughout the value chain and ensuring waste materials are optimally disposed of
- Take action to protect biodiversity

Social

- Provide decent working conditions and ensure compliance with labor rights applicable to our operations and the broader supply chain
- Protect the health and safety of our employees and communities across the supply chain
- Promote and support diversity and inclusion
- Ensure that human rights are upheld and supported under all circumstances by our employees, suppliers, customers and other business partners, including transportation, catering, private security and other suppliers
- Engage and support surrounding communities and ensure that the rights of traditional communities and migrant workers are upheld
- Mitigate supplier dependence on business with CBA
- Build business relationships with small, medium and local suppliers

Governance and ethics


- Build fair and transparent relationships with suppliers
- Act at all times with ethics and integrity and in accordance with established compliance principles
- Protect our reputation
- Identify, assess and manage business and ethics risks
- Promote the development and use of innovative solutions
- Promote, encourage and share sustainable practices throughout the supply chain

We recognize our responsibility as a company to influence our value chain to achieve sustainability, and we want our suppliers to engage with us in this journey. We believe a sustainable supply chain is one where all players address their own future needs while also expanding their focus across wider economic, social, ethical and environmental aspects.

Our Supply Chain process will be actively monitored against this Policy, including through assessments, due diligence and audits on our suppliers. We may also request that suppliers

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conduct self-assessments, answer questionnaires or provide supporting documents related to the topics addressed in this policy.

If any conduct or practices are identified that violate the provisions of this Policy or other CBA standards, we expect our employees, contractors and suppliers to immediately report the issue to CBA through their contact person, on our website (cba.com.br/contato) or by calling our Ethics Hotline (0800 89 8920791).

All reports are handled impartially, transparently and confidentially, and the identity of whistleblowers is kept anonymous, helping to create a better environment throughout our value chain.

CBA reserves the right to take appropriate action to address any violations of the requirements established herein.

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