

CODE OF CONDUCT FOR MCG SUPPLIERS

SUPPLY CHAIN, PURCHASING DEPARTMENT

September, 2018

1 INTRODUCTION

This code of Conduct intends to define all the basic principles which rule and sustain the commercial relationships between MCG and its suppliers. MCG expects total commitment with the compliance of this Code of Conduct, as well as its transmission to all the supply chain.

This document is applicable to all entities which supply or wish to supply goods or services to MCG, being its acceptance and compliance a contractual obligation.

2 GENERAL PRINCIPLES

2.1 LEGAL REQUIREMENTS

The supplier must comply with all the laws in force in Portugal and in the European Union as well as regulations in practice and celebrated contracts.

2.2 TRANSMISSION OF VALUES IN THE SUPPLY CHAIN

The supplier will make all efforts to transmit to all the supply chain the contents of this Code of Conduct.

2.3 COMPROMISE

The supplier will make all the effort to comply with all the expectations expressed in this Code of Conduct, assigning all the appropriate resources for the effect.

2.4 DOCUMENTATION

The supplier shall elaborate a document so as to share in their supply chain, the values transmitted in this Code of Conduct.

3 ETHICS

MCG expects their suppliers to do business in an ethical way, in agreement with the following principles:

3.1 INTEGRITY IN BUSINESS AND ANTICORRUPTION POLICY

The supplier undertakes not to practice or tolerate any form of corruption, extortion or embezzlement. The supplier shall not accept or practise any form of bribery or any other form of illegal incentive. The supplier shall not offer MCG collaborators gifts or any sort of incentive for personal benefit resulting from the business relationship between MCG and the supplier.

The suppliers are expected to provide means for their collaborators to be able to report any suspicion or illegal activity practised in their workplace, guaranteeing complete confidentiality and committing to undertake all investigations and corrective measures, if necessary.

3.2 FREE AND LOYAL COMPETITION

Suppliers will run their business promoting and complying with all laws and regulations related to free and loyal competition, without any action which breaks the competition laws, such as cartelisation, abuse of dominant position and exploiting the situation of economic dependency of a business partner.

The supplier must state to MCG, all and any information related to possible conflict of interests associated to their activity, in the scope of their business with MCG, including any conflict of interests, private or professional, that an employee of MCG might have in their business.

3.3 PRIVACY AND INTELLECTUAL PROPERTY

The supplier undertakes to make only the appropriate use of all the commercial information shared by MCG and to guarantee its confidentiality, as well as respect all of MCG's intellectual property rights.

The supplier undertakes that the privacy and intellectual property of all its collaborators and business partners is protected, in conformity with the applicable laws and regulations.

3.4 CONFLICT MATERIALS AND MINERALS

The supplier commits that he will avoid the incorporation of raw materials in their products which derive from conflict zones or which, directly or indirectly, finance armed groups or which favour organizations which violate human rights.

The supplier undertakes to expend all efforts to investigate the origin of their raw materials.

4 WORK

MCG expects their suppliers to protect the human rights of their collaborators, treating them with respect and dignity, according to the following principles:

4.1 CHILD LABOUR

MCG will not tolerate any form of child labour, and the supplier undertakes not to do so in any operation of their business. The supplier shall also guarantee that, in no phase of their supply chain, is child labour used.

4.2 FREEDOM AT WORK

MCG will not tolerate any form of slave work, forced or obliged or human trafficking, and the supplier makes the commitment not to do so in any operation of their business. The supplier shall also guarantee that, in all phases of their supply chain, there is no form of violation of freedom at work.

4.3 EQUALITY, DIVERSITY AND INCLUSION

The supplier makes the commitment to have an active policy to combat the practice of discriminatory behaviour, consciously or unconsciously, towards any person, regarding irrelevant characteristics such as race, nationality, social origin, creed, gender, deficiency or physical characteristics, affiliation, family status, pregnancy, sexual orientation or age. The supplier shall also develop a practice to fight any form of harassment.

4.4 REMUNERATION

The supplier shall guarantee that he maintains with his collaborators a stable and mutual commitment relationship based on the labour laws and trust, and that the remunerations are adjusted to the national reality, in such a way as to provide an adequate living to each collaborator, not making any form of deduction to their base salary as a disciplinary measure, except in cases supported by the local law. The remuneration policy must respect, in particular, the rules in the Labour Code and also guarantee that the equity principle is respected.

4.5 WORK ENVIRONMENT

The supplier shall promote a work environment which is free of oppression and intimidation, where collaborators can express opinions and ideas, without any reprisals, and always respecting their privacy.

5 HEALTH, SECURITY AND ENVIRONMENTAL MANAGEMENT

MCG expects its suppliers to provide security and health conditions to their collaborators, in their work environment, treating them with respect and dignity. MCG also expects their suppliers to run their business focused on environmental sustainability according to the following principles:

5.1 SAFETY RISKS AND EMERGENCY SITUATIONS

The supplier shall comply with national legislation and international norms in practice in what regards Health and Safety, resorting to the principle of precaution in their activities, in such a way as to promote responsibility and awareness of their collaborators in the matters of safety.

The supplier shall identify the safety risks associated to the work posts and inform these to their collaborators. They shall also provide adequate training for functions to be performed in safety. They shall ensure the implementation of actions to mitigate the safety risks of their collaborators and of all those who intervene in the supply chain.

The supplier shall have a programme of constant monitoring and maintenance of their processes and equipment, so as to ensure their operation in safety according to local legislation.

They must have emergency response plans and ensure adequate training to their collaborators, to respond to these in such a way as to minimise the impact of these situations.

The supplier shall comply with all existing safety procedures and legal requirements which apply to their activity.

5.2 HEALTH

The supplier shall provide all the resources for the work to be free of health risks for their collaborators, providing work conditions which avoid illnesses, physical or psychological wear. They shall provide a healthy and safe work environment, with drinking water, lighting, temperature, ventilation and adequate sanitation.

5.3 ENVIRONMENTAL MANAGEMENT

The supplier must comply with national legislation and international norms for the protection of the environment. Moreover, they must identify, monitor and mitigate the risks and environmental impacts

CODE OF CONDUCT FOR MCG SUPPLIERS

Supply Chain: Purchasing Department



of their activities, products, materials and means of transport, promoting continuous improvement and preserving the environment.

All suppliers must comply with the environmental requirements defined by MCG while working in its premises or when representing the company.

MCG encourages all its suppliers to develop certification of their Environmental Management system.