

Nowy Styl

# *Procurement Policy*

**Nowy Styl Procurement Policy** was adopted by the Nowy Styl Sp. z o. o. Board on 25 May 2020.

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*The Nowy Styl Procurement Policy refers to the set of rules and requirements towards Nowy Styl suppliers. We demand and trust that suppliers accept, recognise and apply them as a standard in their daily business, thus, it becomes the code of conduct also in their supply chain.*

The aim of this document is to ensure dynamic and sustainable development inclusive of the continuation of the existing high standards of business relations already developed with suppliers. Transparency, honesty and loyalty are crucial to us, therefore Nowy Styl requires that suppliers follow the same principles.

Business responsibility translates into our actions towards people and the environment. Nowy Styl declares to follow the principles defined in this document regarding, among other things, ethics, fair business practices and social responsibility. The same approach is expected from our suppliers and business partners. We trust that *Nowy Styl Procurement Policy* will be not only a written set of rules and principles, but above all, will inspire and reflect daily attitudes and actions. In case of any doubts or questions relating to the issues raised in this document, Global Procurement Department employees remains at your disposal.

Our daily challenge and concerted effort is to implement the rules we follow, as we are convinced these principles are, by definition, universal. Since a multitude of cultural factors, nevertheless we admit these principles may be interpreted differently. Taking into account the multiculturalism of the business environment we all work in, we require that comprehension of these rules and principles must comply with the law, meet acceptable standards and social expectations of cultures worldwide. Nowy Styl reserves the right to verify the way and scope of implementation of these rules by suppliers. As a matter of fact, if these principles are neither complied, nor applied in supplier daily business processes, or any violations occur, we inform that certain steps will be taken in order to clarify the situation.

Nowy Styl highly appreciates the commitment of suppliers and the contribution they bring to daily cooperation. All these ensure the well-established position of the company on the international markets, at the same time we hope to maintain existing business partnership, which will bring benefits and satisfaction to both sides.

*Krosno, May 25 2020*

**Jerzy Krzanowski**  
Vice-President of the Board  
Director of Investment and Global Procurement

**Maria Lasek**  
Director of Global  
Procurement Department

## Definitions

**Nowy Styl** – Nowy Styl Sp. z o.o. including its subsidiaries and related companies – Kusch+Co GmbH, Rohde & Grahl GmbH, NSG International GmbH, Nowy Styl GmbH, Rohde & Grahl B.V., Sitag AG, Nowy Styl FR, Nowy Styl – Majencia SAS.

**Supplier** – a party that supplies goods or services to Nowy Styl.

**Supplier Code of Conduct** – a document describing general principles and standards Nowy Styl suppliers shall follow, including sustainable development, describing important processes and norms implemented also in Nowy Styl internal procedures.

**Code of Ethics** – a catalogue of ethical standards describing desired conduct of employees, it is a set of rules and ethical values respected in Nowy Styl.

**General Terms and Conditions of Purchase for Nowy Styl Suppliers** – a document including a set of principles for Nowy Styl goods and services suppliers.

**Non-Disclosure Agreement** – an agreement between Nowy Styl and supplier aimed at establishing mutual relationship related to confidential data.

**Nowy Styl Supplier Self-Assessment Form** – an assesment tool used for supplier data collection and review, in order to make decisions about possible cooperation.

# Ethical Standards

## Fair competition and business practices

Nowy Styl requires suppliers to conduct business activities in a fair, ethical and transparent manner, in accordance with applicable law, standards and agreements, correspondingly to principles of fair competition. Suppliers are required to practice fair and relevant marketing policies, including advertising. All Nowy Styl employees are required to follow the *Code of Ethics*, depicting standards and rules in relation to suppliers:

- The business relationship between Nowy Styl employees and suppliers is based on mutual trust and the pursuit of long-term, positive cooperation.
- Nowy Styl selects business partners on the basis of thorough analysis of facts such as quality, safety, ethical standards, technical capabilities, experience, reliability, cost, schedule and availability.
- All contacts with suppliers should be carried out within generally accepted standards in order to maintain relevant business relationships. Any social contact of the employee with the supplier must not affect the terms of cooperation.
- It is not acceptable that Nowy Styl employee is at the same time the supplier employee or service provider, without the company's consent.
- All other cooperation rules are defined in separate documents: *Supplier Code of Conduct* and *General Terms and Conditions of Purchase* for Nowy Styl Suppliers.

## Anti-corruption Policy

Suppliers shall neither accept nor offer, directly or through third parties, any material benefits, in order to incite actions in favor of themselves or the represented entity. We do not accept any violations of impartial business decision-making. Nowy Styl employees must not accept material benefits arising from dictated functions or tasks they perform. We do not accept corruption or bribery, we expect full transparency in relations with other companies, public sector or non-governmental organisations.

## Confidentiality, nondisclosure of Confidential Information

The supplier is bound by confidentiality obligation of any data relating to Nowy Styl, with the exception of generally known and available information. Confidential data may only be disclosed in the event of written permission of Nowy Styl representative. In justified cases, the supplier may be asked to sign a *Non-Disclosure Agreement* that precisely defines the scope of confidentiality of data or *General Terms and Conditions of Purchase*, which also identifies policies covering the confidentiality aspect of information and data.

## Reporting problems

External employees (sales representatives, consultants, etc.) employed by the supplier and all persons representing the supplier are obliged to comply with the principles described herein. Any observed violations of the principles and rules enshrined in *Procurement Policy* should be immediately reported to a dedicated person in Global Procurement Department. Suppliers should make every effort that violations can be reported anonymously in order to eliminate the problem/irregularity.

# Human rights

## Workers' rights and conditions of employment

The supplier should treat its employees in an equal, dignified and respectful manner. As a signatory to the , we pay particular attention to respect for human rights, thus, we require suppliers to meet all of the following requirements.

**Policy of equal opportunities** – employment shall be in line with policy of equal opportunities which means that discriminatory practices based on race, colour, gender, sexual orientation, disability, marital status, nationality, religion, ethnic origin or other distinctive features are unacceptable.

**Principle of equal treatment** – suppliers are required to provide employees with working conditions free of any abuse and form of inhumane treatment, including sexual harassment and exploitation, corporal punishment, mental or physical coercion. It is forbidden to abuse any of the employees, including activities or behaviors involving harassment or intimidation, humiliation, ridicule, isolation or elimination from a team of co-workers.

**Freedom to choose the work performed** – suppliers cannot endorse forced or slave labour, performed under pressure, or any other forms of imposed work.

**Remuneration and working time** – suppliers shall pay remuneration in accordance with the legislation in force of a particular country determining the level of minimum remuneration, following the rules of overtime settlement and other employee benefits.

**Child labour** – suppliers must not benefit from the work of persons who have not exceeded the minimum age of admission to employment in a particular country as well as the age of termination of compulsory school attendance.

**Freedom of association** – provided that it is required by the governing law, the supplier is obliged to ensure freedom of assembly and association with trade unions or other forms of representation of employees.

**Occupational Health and Safety** – suppliers are obliged to provide employees with safe and hygienic working conditions, both physically and organisationally. That means protection against potentially dangerous chemical or physical agents together with preventing people from excessive physical exertion. Suppliers are obliged to inform employees of any dangers at workplace and to educate about how to act in emergency situations (regular fire knowledge training, first aid courses).

**Health and safety at the workplace** – the supplier is obliged to provide its employees with adequate health measures and conditions in case the work is performed under detrimental or potentially harmful/dangerous conditions (suitable footwear, safety glasses, protective gloves, etc). Suppliers are required to continuously monitor the safety of employees at workplaces and, if it is not fully achievable, suppliers should provide all measures to protect employees health and safety. Employees should take part in regular trainings and should receive educational materials promoting safe behaviour while performing work duties at the workplace. It is the responsibility of supplier to deploy accidents monitoring system whilst the employees shall be motivated to undertake initiatives aiming at maximal reduction/elimination of potential accidents at work.

**Continuous improvement** – as an international company, Nowy Styl especially pays attention to its continuous, dynamic and sustainable development. We make every effort to ensure that our suppliers take care of their own development in the same manner, as well as protect their employees and their jobs.

# Environmental Protection

## Environmental impact

Our daily business activities are based on production and natural resources, therefore we must be demanding and ambitious in order to minimize our negative environmental impact and keep other effective forms of its protection. Our goal is to maintain a sustainable supply chain, therefore identical requirements are set for our raw materials and semi-finished products suppliers, who are key and most significant participants in this chain.

**Conformity with the law** – in particular, suppliers are obliged to comply with the laws and other provisions regarding impact of environment, valid in a particular country. Suppliers are also obliged to obtain all necessary administrative licences and administrative decisions concerning environmental performance and meet the operational and reporting requirements set out therein.

**Hazardous materials** – suppliers are obliged to act effectively and responsibly in respect to the environment. They must protect natural resources, avoid the use of hazardous materials and perform a sustainable waste management by recycling and waste re-use.

**Reduction of risks** – in order to minimise the risks posed by chemicals, suppliers of preparations, chemical mixtures or semi-finished products must provide statements confirming that they meet the requirements of Regulation (EC) No 1907/2006 (REACH), Regulation (EC) No 1272/2008 (CLP), Directive (EU) 2015/863 (RoHS III) and confirm that they do not use SVHC candidate substances in their production processes.

**Environmental protection** – suppliers are responsible for implementation of the most efficient systems and solutions ensuring maximal environmental protection. Effective waste management, recycling, control over energy and water usage, as well as pollutant emission, are intended to be priorities for our suppliers.

**Safety procedures** – Nowy Styl requires that suppliers have developed safety procedures to be used in the event of significant leakage of chemicals, explosions, or other potentially vast range events.

**Raw materials legal sources of origin** – Nowy Styl actively supports sustainable wood management as a natural resource. All purchases of timber are monitored in the process of strict control of their origin (due diligence system) and must comply with the EU Timber Regulation – EUTR (Regulation no 995/2010 of the European Parliament and of the Council of the European Union of 20 October 2010) and comply with all the requirements listed in CITES. A crucial aspect for us is sourcing timber from FSC® (FSC-C120977) or PEFC™ certified forests. Nowy Styl requires that raw materials used by suppliers in production were obtained exclusively from legal sources. FSC® Certification, well-developed and effectively implemented pro-environment policy, will be the a proof of suppliers' environmental responsibility and care of the origin of raw materials used.

**Conflict minerals** – in their production processes, suppliers must not use the so-called conflict minerals – tin, tantalum, tungsten and gold, originating from conflicted regions.

# *Management systems*

Nowy Styl has implemented and certified management systems based on international standards, such as, ISO 9001, ISO 14001 or ISO 45001. Thus, we declare full commitment to their functioning, by providing necessary resources ensuring its maintenance and continuous improvement.

Nowy Styl expects suppliers to implement effective management systems in order to monitor their continuous development and comply with existing procedures, as well as conformity with applicable law, own accepted policies concerning quality, environment as well as health and safety, and other procedures covering these areas, including requirements described in this document. We care about the highest quality of materials, components and services delivered, along with responsibility of environment and maintaining the highest standards of health and safety at work.

- Nowy Styl requires that suppliers implement processes identifying and monitoring the risks associated with their business activities along with: pro-environmental policy, respect for human and labour right, ethics, not only in the areas of their own field as a supplier, but also in relation to the activities of their own supply chain.
- Nowy Styl expects the suppliers to conduct regular training of their employees regarding the implemented management systems with reference to quality, environment, OSH, current legal requirements, implemented rules concerning ethics and all other expectations defined in this document. Additionally, educational and marketing activities along with implemented communication tools, like leaflets, presentations are required.

- Competent unit appointed in supplier organisations should supervise and monitor, in a planned and continuous manner, all implemented principles and rules regarding adopted management systems, as well as any other requirements and criteria, in accordance with applicable law and regulations. One of the accepted form of supervision is an internal audit.
- Suppliers are required to keep and present upon Nowy Styl request documentation confirming compliance with applicable law, in relation to current legal requirements, business permits and licenses, in accordance with all data confidentiality procedures.
- Suppliers are required to have a system managing all chemical substances, materials and raw materials in context of environmental issues and safety of both, employees and downstream users.
- Nowy Styl prefers suppliers who have implemented an integrated quality management system based on ISO 9001, environmental management system, e.g. is a quality management system based on ISO 14001 and health and safety management system e.g. based on ISO 45001, as well as suppliers certified in this regard.
- Suppliers are required to prove their commitment to maintaining and continuous improvement of their own management systems.



# *Policy compliance*

In case of non-compliance with the rules or any infringements, certain steps will be taken in order to clarify the situation. As a result, decisions on further cooperation will be reviewed.

- Nowy Styl reserves the right to terminate agreement with suppliers concerning cooperation, with suppliers who fail to comply with the conditions presented herein, as well as in *Supplier Code of Conduct* and *General Terms and Conditions*, or if they refuse initiatives to improve the required aspects.

In addition, suppliers are required to fill in *Self-Assessment Form* and become familiar with the quality requirements detailed in separate documents. We reserve the right to inspect and verify the documentation, confirmed by supplier, listed in *Self-Assesment Form*.

