

# Novasol Chemicals

## **Responsible Procurement Policy**

**V2.08052023**



## The importance of Responsible Sourcing & Procurement

Novasol Chemicals Group (=NC) aims to accomplish its social responsibility and its company values by adopting high ethical standards in all its procurement activities.

We focus on close relationships with Partners to strengthen a habit of customer-centric collaboration. Sustain each other and grow together with its supply partners in a mutually beneficial way to reinforce a relationship based on trust and good working practices.

Respect fair business terms, while complying with all applicable laws and regulations.

Novasol Chemicals' procurement activities are based on both its Corporate Values and its Code of Conduct.

This policy outlines our Procurement behaviour and our expectations towards our partners.

For NC, sustainable management means that every one of us, executives and employees, will seek to contribute to solutions for social issues and exert a positive influence on society and the environment through our business activities and corporate citizenship activities, while listening to the voices of society through dialogue with our stakeholders.

### **Competing fairly**

NC shall disclose applicable procurement information in a timely and appropriate manner, to ensure fair business competition with all its current and potential domestic and overseas supply-chain partners.

### **Evaluating and selecting supply-chain partners transparently**

NC shall evaluate and select its supply-chain partners after transparent, comprehensive and objective reviews. Criteria for evaluation and selection shall include but not be limited to Product/Service Quality - Reactivity/Flexibility – Documentation – Compliance – Price – Delivery time – Sustainability efforts.

### **Cultivating Mutual Growth**

NC shall highly value the collaboration of its supply-chain partners, as well as the co-creation of social values. NC shall engage in business arrangements that are based on trust, as a necessary requirement to cultivate lasting mutual growth.

### **Protecting Confidential Information**

NC is fully aware of the value of the information obtained from its supply-chain partners through its business deals and will protect it carefully.

### **Fair Trading and Equal Relationship**

NC shall trade honestly, observe relevant laws, regulations and ethics, under an equal and fair relationship with every supply-chain partner. NC shall not abuse its superior position in its business relationships.

### **Rejecting human trafficking**

NC shall not purchase items which may be associated with modern slavery and human trafficking concerns, involving potential or existing first tier supply-chain partners and/or second and upper-stream suppliers.

### **Sincere trading manner**

NC shall not offer or receive bribes, nor introduce pressure or squeezes such as unfair profit and/or benefit, in relation with all private sector and public sector procurement activities

### **Complaint handling**

NC shall operate a transparent complaint handling system with its partners. NC shall ensure a fair complaint analysis based on facts and regulations. NC will always try to find a solution to the best interest of all parties.

The promotion of responsible company behaviour in our supply chains is essential for the NC Group to advance sustainable management. Our supply-chain partners are requested to ensure that they fully understand all these points and adhere to them. Our supply-chain partners are not only requested to adhere to these points within their own organizations, but also to manage, monitor and disseminate these points amongst their own supply chains to ensure their adherence as well.

## **General Requirement of Responsible Business Conduct**

Proactive promotion of responsible business conduct

Contribution to society and community

## **Adherence to Laws and Respect for International Codes of Conduct**

### **Human Rights and Labour Practices**

Prohibition of forced labour

Prohibition of child labour; considerations when employing young workers

Considerations regarding working hours

Appropriate pay and allowances

Prohibition of inhumane treatment

Prohibition of discrimination

Freedom of association and right of collective bargaining

Considerations regarding minorities

Considerations regarding foreign workers

## **Health and Safety**

Work safety

Emergency planning

Occupational injury and illness

Industrial hygiene

Consideration of physically demanding work

Machine safeguarding

Health and safety of facilities

Health and safety communication

Health management for workers

## **Environmental Requirements**

Creation of an environmental management system

Appropriate management of environmental impact substances used in manufacturing process

Responding to survey of chemical substances

Implementation of the product environmental assessment

Implementation of climate change measures

Efforts and contributions to global environmental conservation

Green procurement

Public disclosure of environmental information

Appropriate management of the environmental impact substances

**Novasol Chemicals**

## **Environmental Requirements**

Product design to minimize resource and energy conservation

Use of recycled parts and materials

Use of materials that are easy to recycle

Labeling plastic type

Responding to Green Procurement survey

## **Fair Trading and Ethics**

Anti-corruption

Prohibition of offering and accepting improper profit and advantage

Appropriate disclosure of information

Respect for intellectual property

Fair business

Prohibition of abuse of a superior position

Protection of whistleblowers

Responsible sourcing of minerals

## **Product Quality and Safety**

Ensuring product safety

Quality management

Providing accurate information on products and services

## **Information & IT Security**

Protection against cyber attacks

Protecting personal information

Preventing the leakage of confidential information

## **Establishing Management Systems**

Establishing management systems

Management of Suppliers

Appropriate import/export controls

Maintaining complaints register

Disclosure on the status of initiatives



# HOW TO REPORT A CONCERN OR ASK A QUESTION?

At Novasol Chemicals, we are committed to maintaining the highest standards of integrity and accountability. If any employee of the Novasol Chemicals Group has a question regarding an act related to this policy or believes that someone or any kind of practice of the Group or of our business partners is violating this

Policy or any related laws or regulations, they are required to report it immediately to the **local General manager, HR, reliable company representative, or the CEO of the Group**. In order for investigations to be successful, complaints should be as specific as possible. To the extent possible, they should include details such as:

- The type of alleged wrongdoing
- When, where, and how the wrongdoing occurred
- Who was involved and may have knowledge of the matters being reported

Relevant documents or other evidence should be included with the report or provided as soon as possible. However, the absence of any of the above details does not prevent investigation of allegations of fraud or corruption. The Board of Novasol Chemicals is responsible for ensuring adherence to these commitments and our top

management has responsibility for overseeing their implementation and ensuring that any breaches of this Policy or any of its related policies and procedures are investigated.