

Supplier code of conduct

N O W Y S T Y L G R O U P

PURCHASING DEPARTMENT

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1. Introduction

Nowy Styl Group is a European leader in supplying comprehensive furniture solutions to offices and public spaces. This position highlights the scale of our business success and shows the influence our company exerts on the market. It also obliges us to go on and do more. That's why we wish to become a change leader – including in our relationships with our suppliers.

We have decided to implement „Nowy Styl Group Supplier Code of Conduct” in order to involve our suppliers, whose activity is a key element of our supply chain, in ethics standards as well as in social, economical and environmental responsibility. We truly believe that this action is highly important. Moreover, we are obliged to do this by our membership of the UN Global Compact initiative and the „ Guiding Principles on Business and Human Rights.” Only by adopting this kind of approach can we make our production processes sustainable and take full responsibility for them. At the same time, we know doing business in accordance with the highest standards is the basis of long-lasting competitiveness and organisation security. And this is what we wish both for ourselves and our suppliers.

„Nowy Styl Group Supplier Code of Conduct” is a global document that applies to all of Nowy Styl Group's suppliers. The observance of the standards described in the „Code” is one of the assessment criteria in the process of choosing a supplier.

The „Code” defines the ethics standards and business practices followed by Nowy Styl Group's employees. It is in conformity with the values our company uses as the basis for its development and has been compiled with respect for the law and culture of the countries in which Nowy Styl Group operates.

2. Employees

We truly believe that building long-lasting relationships with people is the basis of Nowy Styl Group's market success. The most important element of this action is the observance of the Universal Declaration of Human Rights, the fundamental rights defined by the International Labour Organisation and national regulations. We exhibit our belief by providing all employees with working conditions that do not violate their dignity and personal freedom. However, for us this is not enough – our aim is to create working conditions that will facilitate our employees' personal and professional development. We try to reach this aim on a daily basis and we expect the same from our suppliers.

2.1. Freedom of employment

- Suppliers shall not employ people who are under the minimum legal age for employment or who are under the compulsory schooling age in a particular country.
- Suppliers shall not use forced labour, bonded labour, non-voluntary labour or other forms of imposed labour. They shall not limit people's freedom of movement.
- The employment shall take place in accordance with the **equal opportunities** policy. All discrimination practices concerning race, skin colour, gender, sexual orientation, disability, marital status, nationality, religion, ethnical background or other distinctive features are strictly forbidden. The role of the company is to promote diversity that is a source of innovation.
- Suppliers are obliged to provide their employees with working conditions free from abuses, inhumane treatment, including mobbing, sexual harassment, corporal punishment, and psychological or physical constraint.
- Suppliers **remunerate their employees** in accordance with the regulations concerning the minimum wage, the overtime hours and other employee benefits that are binding in a particular country.

2.2. Freedom of association

As far as it is defined by law regulations, suppliers shall ensure their employees freedom of assembly and freedom of association in trade unions or other employee representative units.

2.3. Employees' safety

The health and safety of each member of our organisation is top priority for us and we do not accept any compromises in this area. Our suppliers are obliged to provide their employees with healthy working conditions, both in the physical and organisational contexts. This means protecting people against potentially dangerous chemical or physical factors and not exposing them to excessive physical strain. It is a supplier's duty to inform employees of all hazards connected with the positions they occupy and train them on procedures in case of emergency.

3. Fair business practices

Our company operates in accordance with binding national and international regulations and signed contracts. We expect the same from our suppliers. In particular:

- We do not accept any violations of the impartial procedure of making business decisions. Nowy Styl Group's employees cannot receive any material benefits connected with the positions they occupy or the tasks they perform. We accept **neither corruption nor bribery**. We expect full transparency in relationships with other enterprises, the public sector and non-governmental organisations.
- Suppliers cannot receive from or offer other subjects, in a direct way or through third parties, any undue material benefits connected with the positions they occupy or the tasks they perform in order to persuade them to act in their own favour or in favour of the subject they represent.
- We strongly encourage our suppliers to train their employees on how to avoid conflicts of interest and how to react in case they occur.
- We do not accept any actions of an **unfair competition** character, including cartel agreements and other agreements that influence prices, conditions, strategies, relationships with customers, in particular those concerning tenders, and the exchange of sensitive information on other subjects that can limit competition and that are precisely defined by law regulations which are binding in a particular country.
- Suppliers are obliged to keep the **books in a transparent way** and in accordance with the law binding in the country in which they operate, as well as to pay taxes in conformity with law regulations.

- Suppliers are required to obey all the regulations concerning the import and export of goods, service realisation and the information exchange. They must also follow the guidelines on the fight against international terrorism.
- Suppliers must possess procedures and technical solutions that ensure **protection of personal, financial and commercial data** to the extent defined by a relevant national and international law regulation, in order to ensure human safety and minimise the business risk connected with their own organisation and with their contractors' companies.

4. Environmental responsibility

Our business activity is based on production and natural resources – that's why we set ourselves high requirements concerning the reduction of the negative influence our company exerts on the natural environment and other ways of its protection. In order to maintain a sustainable supply chain, we expect exactly the same from our suppliers of materials and intermediate products, who are key and the most significant elements of the chain, and from other business partners.

Suppliers are obliged to carry out their business activities in an effective and environmentally responsible way. They are required to protect natural resources, avoid using hazardous materials and realise sustainable waste management by recycling or reusing waste materials.

- In particular, suppliers shall obey all the law regulations and other rules concerning their influence on the natural environment that are binding in the country in which they operate. They shall also obtain all the necessary licences and administrative decisions concerning their impact on the natural environment and follow the operational and reporting requirements they define.
- To minimise the danger caused by chemicals, all suppliers of preparations, chemical mixtures or intermediate products are obliged to demonstrate relevant statements that confirm that they fulfil the requirements defined by **REACH directives**.
- Nowy Styl Group prefers to work with suppliers that have implemented an **environmental management system** based, for example, on the ISO14001 standard and that are certified in this area.

5. Observance of the Code and sanctions

The observance of the “Code” can be verified in a continuous way and during audits. Suppliers are required to demonstrate that they respect all the rules and to provide Nowy Styl Group’s verifying body with all the necessary documents immediately.

If violations are discovered, the Purchasing Director initiates a verifying procedure and appoints a Verifying Committee, consisting of him and a representative of the Purchasing Department, which decides possible sanctions and/or a recovery program.

Minor violations of the “Code” are penalised by requiring the supplier to implement some recovery actions and with an additional audit.

Significant violations – including, in particular, actions that are considered forbidden – can lead to terminating the contract with a supplier with immediate effect.

All suppliers, appropriately to the influence they exert, are obliged to require that **their sub-suppliers** follow the rules defined by the “Code” or equivalent regulations.