



# SUPPLIER CODE OF CONDUCT

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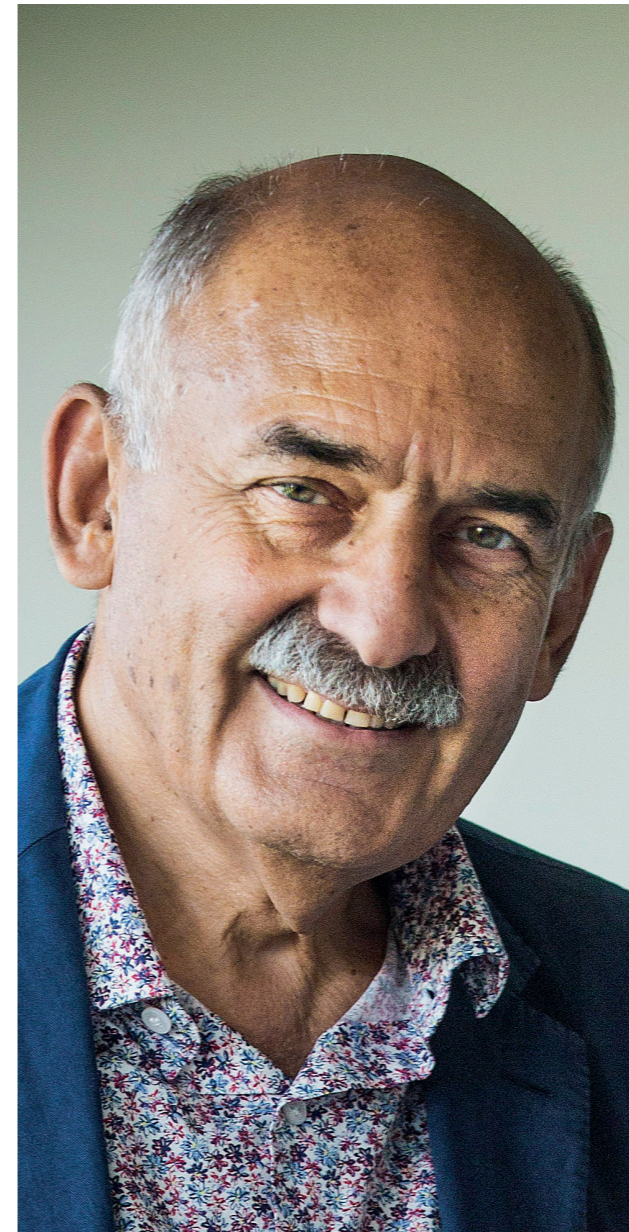
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## PRESIDENT'S WORD

Dear Business Partners,

At Nicols, we are committed to integrate economic, societal and environmental sustainability in all our activities.

We also require from our employees to act in accordance with the highest ethical and legal standards. We are determined to work with suppliers who are engaged with the same principles of sustainability and ethical behaviors.

To make our expectations clear, we have adopted this Supplier Code of Conduct to publicly declare what Nicols regards as morally or ethically acceptable behavior from current and future vendors, suppliers, contractors, consultants, agents and other providers of goods and services (our "Suppliers") and sets out the ethical values, standards, principles, and guidelines which bind Suppliers in their dealings with Nicols.

In this way, we aim to strengthen partnerships with our suppliers through transparency, collaboration, innovation and focus on excellence.

Suppliers are required to take steps to ensure that the Code is communicated throughout their organizations, and shall require their suppliers to adopt similar policies, systems and socially responsible sourcing practices.

Nicols regards any infringement of this Code of Conduct as a serious matter, which could result in the termination of the business relationship.

We appreciate your commitment to complying with our supplier Code of Conduct. Should you have any questions, do not hesitate to get in touch with your contact person in Nicols.

Yours sincerely,

Jean KLIMIS  
President & CEO of Nicols group

# 01. HUMAN RIGHTS



Suppliers must protect the human rights of their employees and subcontractors. They have to treat them with dignity and respect.

## CHILD LABOUR AVOIDANCE

Nicols does not tolerate child labour in our entire supply chain. Therefore, our business partners must avoid any sort of child labour in their business operations consistent with the ILO's (International Labour Organization) core labour standards.<sup>1</sup>

<sup>1</sup> Minimum Age Convention 1973, (No. 138); Worst Forms of Child Labour Convention, 1999, (No. 182)



**FREELY CHOSEN EMPLOYMENT**

Nicols does not tolerate slavery, servitude and forced or compulsory labour and human trafficking in our supply chain. Bonded, indentured or involuntary prison labour is not accepted as well.

**DIVERSITY AND INCLUSION**

Equal treatment of all employees will be a fundamental principle of the supplier's corporate policy. Typical discriminatory treatment takes into consideration – consciously or unconsciously – irrelevant characteristics of an employee such as race, national origin, gender, age, physical characteristics, social origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression or any unlawful criterion under applicable law. Suppliers will ensure that their employees are not harassed in any way.

Nicols encourages suppliers to provide an inclusive and supportive working environment and to exercise diversity when it comes to their employees as well as in their decisions to select subcontractors.



**FAIR TREATMENT**

Suppliers will provide their employees with a workplace free of harsh and inhumane treatment, without any sexual harassment, sexual abuse, corporal punishment or torture, mental or physical coercion or verbal abuse of employees, or the threat of any such treatment. Furthermore, suppliers are expected not to unfairly terminate any employment contract or without clear evidence specifying that the termination of an employment contract, in relation to the working performance of an employee, is permitted by law.

**WORKING HOURS, WAGES AND BENEFITS**

Working hours for suppliers' employees will not exceed the maximum set by the applicable national law. Compensation paid to employees will comply with applicable national wage laws and ensure a decent standard of living. Unless otherwise provi-

ded by local laws, deductions from basic wages as a disciplinary measure will not be permitted (this does not exclude the entitlement of damages on a contractual or legal basis). Suppliers are expected to provide their employees with fair and competitive compensation and benefits. Suppliers' employees will be paid in a timely manner. It is recommended that suppliers offer their employees ample training and educational opportunities.

**FREEDOM OF ASSOCIATION**

Suppliers will be committed to an open and constructive dialogue with their employees and workers' representatives. In accordance with local laws, suppliers will respect the rights of their employees to associate freely, join labour unions, seek representation, join works councils and engage in collective bargaining. Suppliers will not disadvantage employees who act as workers' representatives.

## 02. CONSUMER HEALTH & SAFETY



Suppliers shall procure products that have proven their efficacy and harmlessness, guaranteed by very rigorous evaluation methods.

Suppliers shall comply with all national and international applicable standards, laws and regulations to ensure compliance of all Nicols products.

Suppliers must transparently communicate to Nicols all potential risks associated with their products.

They have to ensure full traceability of their products, from design to production and distribution. They should proactively investigate on any harmful substances present in any part of their supply chain.

In the event of a known or suspected health or safety problem, the supplier shall immediately inform Nicols and take appropriate actions to stop the problem and prevent it from jeopardizing the health and safety of the consumer.

In case of doubt about the supplier's ability to react to this type of problem, Nicols reserves the right to have the supplier audited without prior notification and/or to stop the collaboration if the audit is not satisfactory. In such cases, contractual engagements will be considered null and non-valid.



## 03. ENVIRONMENT

"Sustainable development" is a globally accepted approach to sustaining economic growth without harming our planet or exhausting its resources while improving the quality of life for its current and future inhabitants. Sustainability is deemed to make a significant contribution to any company's success and to safeguarding its future development.

### REGULATIONS

Our suppliers shall comply strictly with all laws, regulations and rules or, in their absence, international standards regarding the environment, and thus in all the countries in which they operate.

### WASTE AND POLLUTION

Suppliers are responsible to have a system in place that manages, measures and controls their environmental impact in relation to natural resource consumption, material sourcing, energy and water usage, waste generation and emissions, in order to minimize such impacts.

Suppliers must be accountable and transparent about their environmental performance.

Suppliers shall ensure that their business operations, including the sourcing, manufacture and distribution of products and the supply of services are conducted with the aim to protect and preserve the environment.

We expect our suppliers to take actions on a yearly basis to find solutions to reduce their waste along with air emissions discharge.

When an activity or product might have an adversely human or environmental impact, the supplier should handle the situation in an environmental responsible manner such as maximizing recycling where possible.

Suppliers are encouraged to carry out initiatives to favour the sustainable use of renewable resources and follow international renown guidelines such as ISO 14001, ISO 50001 to manage their environmental responsibilities.

### SUSTAINABILITY OF RESOURCES AND RAW MATERIALS

Our supplier must search for raw material, packaging, services and equipment that have positive or minimize negative impact on the environment and society. They shall actively seek to improve the sustainability of their supply chain.

Our suppliers are encouraged to tackle waste and pollution challenges at their source to maximize their environmental performance. They shall minimize the consumption of natural resources, protect and enhance nature and biodiversity.

Our suppliers are also encouraged to select sustainable certified products, equipment, packaging or services (e.g. RSPO/FSC/PEFC) and to favour local sourcing.

## 04. PROFESSIONAL ETHICS

### **CORRUPTION**

Nicols cannot accept any form of corruption active or passive. Nicols expects their suppliers to respect the same rules and integrity for their own organization.

### **GIFT POLICY**

Nicols employees are prohibited from personally benefiting in a meaningful way from any external party's dealings with Nicols.

Nicols prohibits Nicols employees from soliciting or accepting gifts or gratuities from suppliers. It is our expectation, and suppliers are asked, that gifts or gratuities not be offered or sent to any employee of Nicols. Gifts and gratuities include, but are not limited to, cash, tickets to events, entertainment generally, paid vacations (even if connected to a supplier site visit or training program), electronic equipment, liquor, food, and other items of value. Special restrictions apply when offering for conference tickets. Nicols further prohibits its employees from engaging in any business-related activity in any establishments regardless of who is paying. However, Nicols does understand that reasonable business meals included in the agenda of (or which immediately precede or follow) a business meeting may be acceptable. However,

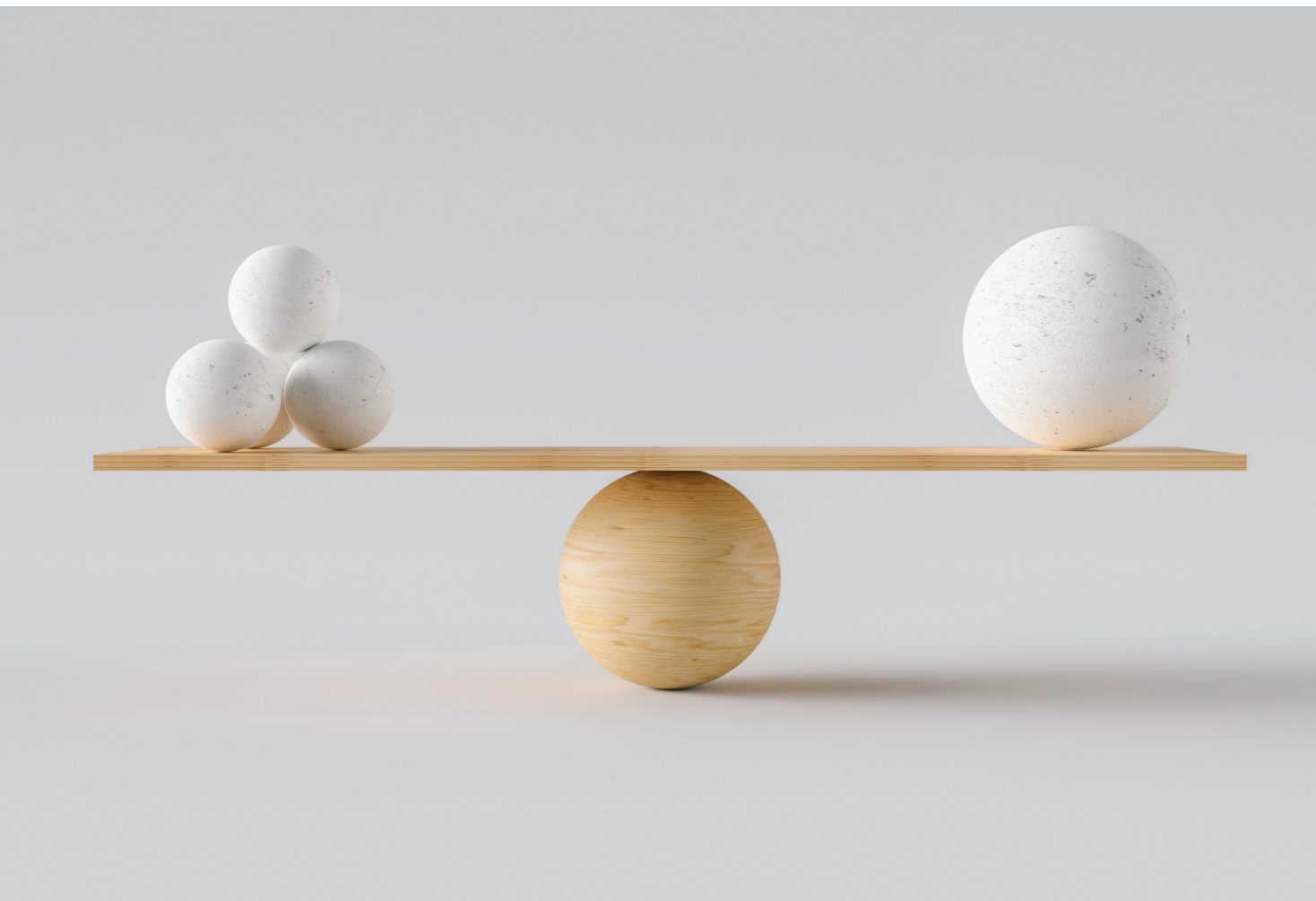


such meals may not be lavish or frequent.

Paying for Nicols expenses is almost never permitted, so do not proceed unless your Nicols contact in Procurement has confirmed compliance with Nicols policy.

Nicols sets high standards for itself and everyone who contributes to our business, including ensuring the highest standards of integrity. However, it remains the responsibility of external parties to maintain their own policies.

If you'd like to report a breach of this policy, please email Nicols Ethics & Compliance contact at [ethics@nicols.eu](mailto:ethics@nicols.eu).



#### **FAIR COMPETITION**

Nicols requires that all suppliers conduct their business in line with fair competition and in accordance with all applicable anti-trust laws. They cannot enter into prohibited agreements or practices, formal or informal, such as price fixing, market sharing, bid rigging and collusion.

#### **MONEY LAUNDERING**

Nicols does not tolerate money laundering in any form.

#### **PRIVACY & INTELLECTUAL PROPERTY**

Nicols expects their suppliers to respect the privacy and confidential information of all their employees and business partners as well as refrain from any misuse of personal data and intellectual property.



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