

SUPPLIER SUSTAINABILITY POLICY

At NIKO, we consider sustainability an essential part of all our business activities and are committed to a Code of Conduct that defines the way we operate.

NIKO supports and follows the requirements of legislation and its customers and forwards their requirements to its suppliers, expecting that these binding requirements/standards are further communicated along the supply chain.

As part of our efforts to achieve a more sustainable world, NIKO has introduced certain guiding principles for our suppliers. These principles are based on the principles of the UN Global Compact. The purpose of these principles is to ensure that we work with suppliers who share our sustainability values, and we expect our suppliers to follow at least our sustainability principles in their operations. This is the basis for entering and maintaining a business relationship with NIKO. These principles are included in this Supplier Sustainability Policy, which applies to all suppliers providing materials, products and/or services to NIKO.

The term "workers/employees" refers to all individuals working for the supplier, regardless of whether they are directly employed, subcontracted, or employed through another agency. NIKO expects the supplier to monitor its own suppliers to ensure commitment to environmental and social responsibility.

Compliance requirements

NIKO has established a process to monitor supplier sustainability compliance. Suppliers may be required to respond to a self-assessment questionnaire regarding their social and environmental performance. NIKO, or a third party appointed by NIKO, reserves the right to conduct on-site reviews and/or audits at our suppliers to ensure compliance with this policy. The supplier agrees to cooperate and facilitate such reviews or audits.

Sustainability principles

The supplier must comply with applicable legal and regulatory requirements.

Labor and Human Rights

No person younger than the legal age for employment may be hired. The use of child labour is prohibited for persons younger than fifteen (15) years. Employees under eighteen (18) years of age must not perform hazardous work.

The supplier shall not engage in or support any form of forced, compulsory, or illegal labour. Work must be voluntary, and withholding personal documents or property to force someone to work is prohibited. At minimum, legal wages and benefits must be paid, and applicable working hours regulations must be followed.

Employees have the freedom of association, may freely form and join or refrain from joining unions, and may collectively bargain. Privacy must be protected. No employee shall be discriminated against based on gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, or disability. Ethical recruitment, women's rights, minority and indigenous peoples' rights, and principles of diversity, equity, and inclusion must be respected.

The supplier must plan the use of private or public security forces to protect business projects, if a lack of training or supervision by the company could result in human rights violations by those forces.

Health & Safety

Suppliers must provide a safe and healthy working environment and take all reasonable measures to prevent incidents and injuries. Workplace hazards and injuries must be documented and corrective actions taken to prevent recurrence. Suppliers must ensure that all employees are provided, free of charge, with the necessary instructions, training, and personal protective equipment needed for safe work performance.

Business Ethics

All forms of corruption and bribery are unacceptable. The supplier must support fair competition and anti-trust policies, and act against corruption and bribery in all forms, including extortion, fraud, money laundering, and facilitation payments. The supplier must maintain and promote financial accountability (accurate records), prevent conflicts of interest, protect against the harmful and unethical disclosure of information, and respect intellectual property.

The supplier must plan, implement, control, and report on processes suitable for the organization and the product to prevent the use of counterfeit and/or suspect counterfeit parts and their inclusion in products delivered to customers. The supplier must cooperate in and support export control and economic sanctions generally. A whistleblower system and protection from retaliation must be demonstrably in place.

Environment

Operations must systematically prevent significant discharges and emissions to soil, water, and air. Suppliers must systematically, purposefully, and proactively support sustainable resource management, reduce air and water pollution, and minimize water use and waste generation. Reuse and recycling must be implemented in all applicable areas. The supplier's decarbonization of its supply chain must be demonstrable. Respect for land, forest, and water rights must be ensured, and forced evictions opposed.

Appropriate ecosystem management must be ensured to preserve biodiversity, promote sustainable land use, prevent deforestation, and protect and improve soil quality. Animal welfare requirements must be observed where applicable.

Suppliers shall monitor and reduce greenhouse gas (GHG) emissions and improve energy efficiency through strategic planning and the use of renewable energy sources and systems. They must handle chemicals responsibly, understand the materials used in their products, and use science-based approaches to assess, manage, and communicate potential hazards and risks to ensure that products are safe for their intended and foreseeable use – including foreseeable misuse.

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