



# THE IMPOL GROUP CODE OF BUSINESS CONDUCT FOR SUPPLIERS

Sustainability is a building block of both the strategy and the politics of the Impol Group.



## Introduction

Within the Impol Group, we constantly strive to achieve better results in the fields of occupational health and safety, environmental protection, and quality-related issues. We are especially devoted to supporting generally-applicable principles in the field of ethics, employment and occupation, occupational health and safety, environmental protection and protection of biodiversity, quality, and all related management and administration systems. In this way, we assume responsibility for implementing sustainable development principles in our everyday business transactions.

We expect all our suppliers to adhere to the same standards, which is why we have also prepared the Impol Group Code of Business Conduct for Suppliers which sets out minimal standards for conducting business transactions with any of the companies within the Impol Group. The Code includes the requirements that the Impol Group expects its suppliers to adhere to; they are also commitments of the Impol Group and are included into the regulations in the following manner:

- Sustainability is a building block of both the strategy and the politics of the Impol Group.
- The requirements of the Impol Group Code of Business Conduct related to the behaviour and engagement within the Group, also apply to the establishment of mutual relationships with suppliers and other long-term business partners.
- The Impol Group Code of Business Conduct defines key areas where legally compliant behaviour of the employees within the Impol Group must be exhibited.

The requirements presented in this Code represent a key element of the choice and assessment of suppliers. A breach of requirements defined in this Code constitutes a material breach of the contract by the Supplier.

## General

The Supplier must respect all laws related to its business operations. In their business transactions, the Supplier must also respect the principles of the UN related to business and human rights<sup>1</sup>, the General Human Rights Declaration of the UN, the Declaration of the International Work Organisation related to core principles and rights arising from work (1998), and the principles of the national law, while particularly abiding by the requirements specifically defined in this Code. During its business transactions, the Supplier must also reasonably consider the Impol Group Code of Business Conduct, the Sustainable Development Policy of the Impol Group and the Policy of the Impol Group available at [www.impol.si](http://www.impol.si).

Furthermore, the Supplier must also make sure to bind all of the suppliers from its own supply chain to the respect of all requirements that the main Supplier must obey in accordance with this Code.

The Supplier shall be liable to keep all the documentation in relation to the transaction with the ordering party and in relation to the goods supplied to the ordering party for another 25 years from the supply of the goods, unless specifically indicated otherwise.

<sup>1</sup> Guiding Principles on Business and Human Rights, available at [https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr\\_eN.pdf](https://www.ohchr.org/documents/publications/GuidingprinciplesBusinessshr_eN.pdf)

## Ethics and Legislation

### Bribery, Corruption, Money Laundering

The Supplier must consider all national and international standards related to bribery prevention, as well as all applicable laws, regulations, and standards in the field of corruption prevention.

The Supplier guarantees that, in conducting business, it does not allow for any corruption and bribing or any other illegal practices to occur in the area of its business operations. In conducting its operations, the Supplier shall not request, receive, offer or assign any undue benefit, if it is contrary to the moral norms, or any other advantages.

### Trading Regulations

The Supplier must consider all applicable trading and import regulations, including sanctions and embargoes applicable for its activity. The Supplier must provide accurate and truthful information to the Customs Service and to other competent authorities.

### Fair Competition

During their business operations, the Supplier must follow the principles of fair competition and also take note of the applicable legislation in the field of competition.

### Conflicts of Interests

A conflict of interest arises when an individual has a private/personal interest which could be considered as having an influence on his/her decisions (such as a family relationship by blood or marriage, a partnership, a business cooperation, or an investment). The Supplier must reveal any and all incidences that could represent a conflict of interests of the employees within the Impol Group.

### Promoting a Responsible and Honest Behaviour, and Prohibition of Retaliative Measures

The Supplier must set up a system making it possible to report inappropriate practices in all fields of activity, while prohibiting retaliation against the person reporting such inappropriate practice.

If the Supplier or its employee notices inappropriate practices being implemented within the Impol Group (such as a criminal act, an act of risk to health and safety of an individual, non-compliance with legal obligations (pursuant to applicable legislations and general acts), environmental damage, or unprofessional behaviour, they must report it through the website <http://www.impol.si/o-podjetju/organizacija/3326>

### Controversial Minerals

The Supplier guarantees that the products supplied to the Impol Group do not contain metals created from minerals or their derivatives originating in controversial areas that (directly or indirectly) finance

armed groups or provide them with benefits, or that provoke or promote human rights violations<sup>2</sup>.

### Transfer of Obligations

The Supplier may only transfer its obligations arising from the contractual relationship with a company from the Impol Group upon prior permission of the Impol Group.

## Employment and Work

The Supplier must protect human rights of employees and their privacy.

### Combating Child Labour

The Supplier undertakes that it is not supporting child labour in accordance with the core work standards of the International Work Organisation (the MOD Convention No. 138 and 182). The Supplier does not employ any children under the legal age limit for employment in their country. If the legal age limit for employment is not set, the age of 15 applies. Workers under the age of 18 may only perform their work tasks in accordance with the legal provisions (e.g. concerning working hours and conditions) and pursuant to any and all requirements related to education or training.

### Freely Chosen Employment

The Supplier must not perform any form of forced labour, obligatory labour, or involuntary labour. All work must be consensual. The workers must have the possibility of retaining control over their personal documents (e.g. passports, work permits, and other personal legal documents). During the employment process and during employment itself, the Supplier must make sure that the workers are not paying any fees or other payments related to obtaining employment (such as fees paid to labour intermediaries) or to providing suitable housing (where applicable).

It is prohibited to punish workers and mentally and/or physically coerce them. Disciplinary politics and procedures must be clearly defined and notified to the workers.

### Payment for Work

The Supplier must consider all applicable international standards, national laws, and obligatory industrial standards related to payment and remuneration. The Supplier shall provide its workers with payment for work in due time, and shall clearly explain the basis according to which their workers are paid.

Deductions from salary as a way of disciplinary measures are prohibited, unless they are allowed in accordance with legislation binding for the Supplier.

The Supplier shall pay its workers fair and competitive salaries and <sup>2</sup>Controversial metals are currently tantalum, tin, tungsten, and gold

bonuses, and shall also subscribe to respecting the “equal pay for equal work” principle.

### Working Hours

The working hours of the employees of the Supplier must not last longer than the highest number of hours, determined in the applicable legislation binding for the Supplier, and in the standards of the International Work Organisation.

Working hours and working pattern of the employees of the Supplier must comply with the applicable legislation and industrial standards.

### Freedom of Association and of Collective Agreements

Pursuant to applicable legislation, the Supplier shall respect the rights of its employees to freely associate, become members of a trade union, become members of the representative body of workers, and participate in collective wage agreement negotiations. The employees of the Supplier must be able to freely choose whether they want to join a trade union/the representative body of workers, and must not be exposed to any threats, intimidation, or retaliative measures of any kind.

### Diversity

The Supplier shall promote an inclusive work environment appreciating the diversity of its employees. The Supplier shall neither discriminate nor tolerate discrimination based on gender, race, religion, age, physical ability, sexual orientation, national origin or any other characteristic protected by law.

### Fair Treatment

The Supplier shall treat its employees fairly, regardless of the personal circumstances of an individual.

The Supplier enables a working environment where employees are protected from discrimination, harassment, and bullying.

We recommend that the Supplier enables its employees to attend suitable training and educational sessions in order to develop their careers.

### Hygienic Working Conditions

The Supplier shall guarantee hygienic working conditions to its employees.

### Health and Safety at Work

The Supplier must strive to achieve high-level standards related to health and safety at work by using the health and safety management approach applicable to its business transactions.

The Supplier must take into consideration the applicable health and safety regulations pertaining to the place of work, and shall also

provide a safe work environment contributing to good health with the purpose of protecting the health of its employees and prevent accidents, incidents and professional diseases.

### Providing a safe working environment

Pursuant to risks perceived, the Supplier shall protect its employees and other contractors taking part in the working process from chemical, biological, and physical dangers.

The Supplier shall ensure suitable control, safe working processes, suitable maintenance, and all technical protective measures necessary in order to reduce health and safety risks in the workplace, as well as prevent accidents and professional diseases.

The Supplier has implemented an incident reporting system and a system for the implementation of corrective measures.

Pursuant to risks recognised, the Supplier shall guarantee its employees all necessary personal protective equipment.

The Supplier shall require all of its employees to respect provisions related to the field of health and safety at work, as well as the requirements detailed in standards, processes, and practices in the field of professional health and safety, and shall also provide regular training for its employees in this field.

### Product Safety

The Supplier must consider the regulations related to the safety of the products, label them correctly, and inform users of how to work with them. Should this prove to be unnecessary, the Supplier shall provide all applicable documents with all necessary safety information related to all dangerous products (product information, safety sheets, notification or registration certificates, etc.).

### Environmental Protection and Biodiversity

The Supplier shall consider all applicable environmental laws, regulations and standards, and shall also implement an efficient system for recognising and eliminating possible environmental risks. Should the Supplier possess an environmental permit, it must proceed in accordance with the permit obtained.

The Supplier is expected to do its best to support environmental protection goals and objectives related to conservation of biodiversity.

Whenever necessary, the supplier shall abide by the REACH regulation.

The packaging and goods must be ecologically impeccable and must also comply with all standards defined in the EN 13427. The packaging must not contain heavy metals and hazardous substances. The concentrations of lead, cadmium, mercury, and hexavalent chromium in the packaging or in the packaging material must not exceed 0.01 % (m/m).

<sup>3</sup> REGULATION (EC) 1907/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL dated 18/12/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), and the REGULATION (EC) 1272/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL dated 16/12/2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) 1907/2006 (CLP Regulation).

### Waste and Emissions

The Supplier must provide safe treatment, storage, transport, disposal, recycling, reuse, and use of wastes, emissions into the air and emissions of waste water, in accordance with all regulations. If any activity whatsoever could have a negative influence on the health of people and on the environment, the Supplier shall guarantee suitable procedures for their management, measurement, and control. The Supplier shall reduce emissions of hazardous substances to the lowest possible level.

The Supplier must prevent or mitigate incidental leakage and release of hazardous substances into the environment.

### Conservation of Resources

In order to conserve natural resources (such as water, energy sources, raw materials), the Supplier must use said sources in an economical manner and promote the use of generally acknowledged sustainability standards and certificates provided by various stakeholders.

The Supplier must reduce, to the lowest possible level, or eliminate adverse effects on the environment and on the climate provoked either by the Supplier or by another member of its supply chain.

The Supplier is encouraged to act in accordance with circular economy principles (e.g. reduce in use of materials, replacement, collecting, exchanging, maintenance, reuse, redistribution, renovation, renewal, recycling).

The Supplier must develop and use environmentally and climate-friendly products, processes, and technologies, while providing constant environmental ameliorations, including the reduction of the use of raw materials, energy, emissions, omissions, noise, waste, and reliability on natural sources or hazardous substances.

### Quality

The Supplier shall comply with generally acknowledged and agreed-upon quality standards or contractual agreements and quality standards related to guaranteeing the quality of products and services, suitable for the needs of the Impol Group or of its purchasers, and safe for the intended use. The Supplier must immediately deal with all questions which could have a negative impact on the quality of goods or services. The Supplier must inform the Impol Group of all changes in its production or supply process which could influence the specification of supplied products and services.

The Supplier guarantees the quality of the goods ordered. The Supplier shall also guarantee that all the supplied goods and its parts are original and shall be liable to deliver the ordered goods in accordance with the contract and all the attached documentation (particularly plans and technical description of the goods), and in accordance with international, national and technical standards. The goods shall have the regular characteristics and the characteristics for which the parties

specifically agreed upon, and shall correspond to the standard characteristics of the goods of the Supplier. If the Supplier is aware of the purpose for which the ordering party shall use the goods, it shall also have the characteristics for the known use.

The Supplier shall not make any amendments to goods or products without prior written consent of the ordering party.

The Suppliers shall set up a system for identifying non-compliant products or goods, namely by not supplying to the ordering party the products/goods that fail to meet the quality requirements of the ordering party. The Suppliers shall set up a system for managing documents, namely by ensuring the use of the most recent applicable technical specifications of the ordering party.

The Supplier shall ensure that its employees are aware of their responsibilities regarding the quality and compliance of the goods or services.

After prior announcement, the Ordering party may carry out an inspection and assessment at the Supplier in order to ascertain if all the conditions referred to in the technical documentation (PTP) are met. Should any inconsistencies be established during such inspection at the Supplier and the Supplier fails to remedy them even after being warned by the Ordering party, the latter may withdraw from the contract.

In case of established inconsistencies of the supplied Product/Goods, the Supplier must fill in the "8D report" and immediately or in the agreed period of time implement corrective measures in order to remedy the non-compliance.

In order to ensure quality, the Supplier shall also maintain a tracking system from raw material to product.

### The Local Community

In the framework of its own responsibility for the communities in which it is actively participating, the Supplier shall respect the opinion of local inhabitants and shall guarantee them healthy and safe living conditions.

Within its power, it shall also support local employment, try and find local candidates to fill out job vacancies, enable training sessions, and promote infrastructural development.

### Data Protection

#### Privacy Protection

The Supplier shall protect and respect the privacy of its employees and other stakeholders, and shall also consider and protect the privacy of the employees and other stakeholders of the Impol Group.

### Data Protection

The Supplier shall respect all relevant laws related to personal data protection and shall also consider all legislation requirements related to collecting, processing, transferring, and using personal data.

The Supplier shall protect private information and intellectual property rights of the Impol Group and of other business partners, and use them in a suitable and agreed-upon manner. The Suppliers shall only publicly use the name and logos of the Impol Group with prior consent of the Impol Group.

The Supplier shall ensure suitable management of its IT systems containing confidential information or data, and shall also protect them from unauthorised access, use, reveal, amendment, or destruction.

The Supplier may only collect confidential data (personal data or data representing trade secrets) for legal business purposes and may only use them in a legal, transparent, and safe manner. The Supplier may only transfer these information to persons with authorised access who need them in order to pursue their job tasks, protect them in accordance with safety regulations, and store them until necessary, and must also bind third parties with access to personal information to protect it as well.

### Protection of Inside Information

If the Supplier has access to confidential information representing inside information of the Impol Group, said information must not be used in order to directly or indirectly obtain or alienate securities of the person to whom this information relates to, nor for the personal account of the recipient or of another third party; in addition, inside information may also not be used in order to recommend or entice a third party to obtain or alienate securities related to this information.

### Planning Uninterrupted Functioning

The Supplier must have a plan for uninterrupted functioning in case of disruption of business operations, which must also include a plan for protecting employees and the environment in case of a disaster which may occur during the implementation of business transactions, and which might prevent an uninterrupted supply of goods ordered to the Impol Group.

### Management and Governance Systems

The Supplier shall pursue its business operations in accordance with the Management and Governance Systems agreed-upon with the Impol Group.

### Risk Management

The Supplier shall implement mechanisms in order to regularly determine, assess, and manage risks in all fields described in this Code, as well as all applicable legal requirements.

### Right to Audit

The Supplier allows the Impol Group to assess its functioning in accordance with this Code, upon prior agreement, by implementing an audit in said field in the company of the Supplier.

### Informing and Training

The Supplier ensures regular communication with and training of employees in order to inform them of the requirements of this Code.

## STATEMENT OF THE SUPPLIER

I, the undersigned, an authorised representative of the Company defined below, declare having read and understood the content of the present document, and therefore confirm that the Company defined below (the Supplier) is in full compliance with the Impol Group Code of Business Conduct for Suppliers.

Name of the Company (Supplier):

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Name of the representative of the Supplier:

\_\_\_\_\_

Place and date: \_\_\_\_\_

Signature and stamp: \_\_\_\_\_