



SUPPLIER CODE OF CONDUCT

■ BEHAVING RESPONSIBLY

Novolex expects its directors, officers, and employees to conduct themselves according to the highest ethical standards. In doing so we strive every day to fulfill our commitment to respect human rights, ensure safe working conditions for our employees, and protect the environment and the communities in which we do business. These efforts are crucial to our success and to the success of our stakeholders.

We require similar behavior from our suppliers, vendors, and other third-party relationships (hereafter “suppliers”), starting with a commitment from them to abide by all applicable laws and regulations as well as widely recognized international guidelines. These include, but are not limited to, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Universal Declaration of Human Rights. We have incorporated these concepts into the Novolex Supplier Code of Conduct (hereafter the “Code”).

In establishing the Code, we recognize that no code can anticipate all possible situations. Therefore, we call on our business partners to abide not only by the letter but also spirit of the Code and to use sound judgment in order to behave in a socially responsible manner at all times. Such efforts not only will benefit our suppliers but also will protect our most valuable assets, the thousands of our employees and their families who rely on us every day for their livelihood.

Compliance with the Code shall be incorporated into all supplier contracts and purchase order terms and conditions. The Code is intended to supplement, not supersede, existing terms and conditions of existing contracts. In the event there appears to be a conflict between provisions of the Code and the terms and conditions of a contract, please contact your Procurement representative or email us at sustainability@novolex.com.

■ HUMAN RIGHTS

Novolex expects our business partners to treat all individuals with respect and dignity, including undertaking efforts to promote diversity, inclusion, and socially responsible best practices. Suppliers must operate in alignment with the principles outlined in our Human Rights Policy, as well as the requirements provided below.

Prohibitions on Child Labor

Child labor is not to be used in any stage of manufacturing of Novolex products. The term “child” refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest.

Suppliers shall implement an appropriate mechanism to verify the age of workers. Young workers under the age of 18 shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported.

Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students’ rights in accordance with applicable laws and regulations. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices should be at least the same wage rate as other entry-level workers performing equal or similar tasks. If child labor is identified, assistance/remediation shall be provided for the rehabilitation and social integration of said child.

Human Trafficking and Forced Labor

Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery, or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on employees’ freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company-provided facilities, including, if applicable, employees’ dormitories or living quarters.

Human Trafficking and Forced Labor (continued)

As part of the hiring process, all employees must be provided with a written employment agreement in their native language that contains a description of terms and conditions of employment. All work shall be voluntary, and employees shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per employee’s contract. Employers, agents, and subagents may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents.

Suppliers shall use their best efforts to ensure that employees are not charged any fees and expenses or deposits related to their employment. Suppliers shall pay the costs of recruitment directly, to the extent possible. Suppliers shall implement a process to determine and reimburse the specific amount of any fees and expenses paid by individual employees prior to the commencement of work.

Freedom of Association

Suppliers shall honor employee rights to bargain collectively regarding terms and conditions of employment and refrain from violating collective bargaining rights within the country in which they operate. Employees and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

■ HUMAN RIGHTS (continued)

Wages and Benefits

Suppliers shall pay employees not less than the minimum wage as defined by local ordinances and provide at least the minimum level of benefits stipulated by local laws and regulations. Employees must be paid for all hours worked and, if applicable, receive overtime compensation as legally required within the country and local jurisdiction in which the work is performed.

No employee shall receive deductions from wages unless he or she has consented to do so in writing and in accordance with local law. For each pay period, employees shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch, and outsourced labor will be within the limits of the local law.

Working Hours

Working hours are not to exceed the maximum set by local law. All overtime should be voluntary. Employees should be allowed at least one day off every seven days.

Humane Treatment

There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of employees; nor is there to be the threat of any such treatment.

■ ENVIRONMENT

Novolex suppliers should undertake actions that will minimize their impact on the environment.

Greenhouse Gas Reduction

Suppliers are encouraged to measure and reduce greenhouse gas (GHG) emissions for their businesses through means including analysis of energy use and identification of opportunities to increase efficiencies and use of energy generation derived from renewable resources.

EHS Compliance, Management Systems, and Record Keeping

Suppliers shall comply with all laws and regulations pertaining to environment, health, and safety (EHS) practices.

Suppliers should utilize EHS management systems in line with industry practices. EHS management systems and best practices may include, but not be limited to, preventive maintenance procedures, use of personal protective equipment, training, and compliance self-assessments and audits. Suppliers must maintain all required permits and records pertaining to EHS practices within the country in which they operate and retain those records for the duration required.

■ HEALTH & SAFETY

Novolex expects suppliers to protect the health and safety of their employees and independent contractors.

Procedures and systems are to be in place to prevent, manage, track, and report occupational injury and illness, including provisions to encourage employee reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of employees to work.

Employee exposure to the hazards of physically demanding tasks, including manual material handling and heavy or repetitive lifting, prolonged standing, and highly repetitive or forceful assembly tasks is to be identified, evaluated, and controlled.

Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to employees.

Non-Discrimination/Non-Harassment

Suppliers should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training.

Employee Grievance Mechanism and Whistleblower Protection

Suppliers shall provide employees with a grievance mechanism that can be used to report concerns related to discrimination, harassment, or unfair treatment. The grievance mechanism should ensure employee concerns are treated confidentially and can be communicated without fear of retaliation. If employees of suppliers fear retaliatory action, they may call the Novolex hotline at the telephone numbers found at the conclusion of this Code.

EHS Compliance, Management Systems, and Record Keeping

(continued)

Compliance self-assessment or audits should be completed in line with industry best practices and audit records retained for a minimum of three (3) years or the duration required by regulation, whichever is longer.

Wastewater and Solid Waste

Suppliers must have a mechanism to identify wastewater and solid waste produced from operations and should evaluate strategies to reduce levels in the future wherever possible.

Suppliers are encouraged to employ strategies to recycle waste produced during the manufacturing process.

■ HEALTH & SAFETY continued

Industrial Hygiene

Employee potential for exposure to health and safety hazards (chemical, electrical, and other energy sources, as well as fire, vehicles, fall hazards, etc.) are to be identified, assessed, and mitigated using the Hierarchy of Controls. This includes eliminating the hazard, substituting processes or materials, controlling through proper design, implementing engineering and administrative controls, enacting preventative maintenance and safe work procedures (including lockout/tagout), and providing ongoing occupational health and safety training.

Where hazards cannot be adequately controlled by these means, workers are to be provided with appropriate, well-maintained, personal protective equipment, and educational materials about risks to them associated with these hazards.

Reasonable steps must also be taken to remove pregnant women and nursing mothers from working conditions with high hazards; remove or reduce any workplace health and safety risks to pregnant women and nursing mothers, including those associated with their work assignments; and provide reasonable accommodations for nursing mothers.

Sanitation, Food, and Housing

Employees are to be provided with ready access to clean toilet facilities, potable water, and sanitary food preparation, storage, and eating facilities.

Employee dormitories provided by the supplier or a labor agent are to be maintained to be clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate lighting and heat and ventilation, individually secured accommodations for storing personal and valuable items, and reasonable personal space along with reasonable entry and exit privileges.

■ ETHICS

Novolex expects its suppliers to comply with anti-corruption and fair competition laws and regulations to prevent their engaging in activities that could eliminate, diminish, or discourage competition.

Business Integrity

The highest standards of integrity are to be upheld in all business interactions. Suppliers shall have a zero-tolerance policy that prohibits any and all forms of bribery, corruption, extortion, and embezzlement.

Disclosure of Information

All business dealings should be transparently performed and accurately reflected on the supplier's business books and records. Information regarding supplier's labor, health and safety records, environmental practices, business activities, structure, financial situation, and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices. Falsification of records or misrepresentation of conditions or practices in the supply chain is unacceptable.

Gifts and Entertainment

Suppliers should never offer, promise, authorize, make, solicit, or accept bribes, kickbacks, or other improper payments, regardless of local practice or perceived customs. This applies to interactions with any persons, whether in the private or public sector.

Suppliers must not give or receive extravagant meals, gifts, or entertainment. Values should be reasonable, modest, and within acceptable limits appropriate to the business relationship, be made in a transparent manner and in accordance with any applicable regulations.

Health and Safety Communication

Suppliers shall provide employees with appropriate workplace health and safety information and training in the language an employee can understand for all identified workplace hazards.

Training and Equipment

Employees must receive adequate health and safety training conducted annually as mandated by local law. Suppliers must maintain safety training records for the duration of employment of active employees if required by regulation. Suppliers must provide employees and independent contractors with personal protective equipment that meets specifications of local laws in the country in which they operate.

Emergency Response and Record Keeping

Suppliers are encouraged to select and train emergency response teams, duly certified as required by regulation, and ensure employees are able to identify emergency response team members on their shift or at their workstation. Emergency drills must be executed at least annually or as required by local law, whichever is more stringent. Suppliers must respond to and investigate reported safety-related incidents or complaints.

Suppliers are expected to maintain incident and close-call reporting documentation as required by regulation. Emergency plans should also include appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment, and property.

Gifts and Entertainment (continued)

Suppliers must be especially cognizant of interactions with government officials, including employees of state-owned enterprises that can present heightened risk. Facilitating payments to expedite or secure non-discretionary routine governmental processes should not be made.

Political and Charitable Activities

Lobbying is an appropriate way for companies to educate policymakers about legitimate corporate interests. Suppliers should conduct any such activities in accordance with applicable laws and not purport to represent the views of Novolex.

Suppliers must be cognizant of possible risks associated with charitable contributions particularly when solicited by or made to organizations with affiliations to Novolex customers or suppliers.

Antitrust, Sales Practices, and Competitive Information

Suppliers shall not engage in transactions that violate antitrust or competition laws. Such transactions may include but not be limited to participating in cartels, price fixing, bid rigging, or information sharing that could prejudice fair competition in the marketplace.

Data Protection and Information Security

Suppliers shall protect data and other information obtained in the course of business, taking appropriate steps to protect proprietary or confidential information, including employee information, customer data, intellectual property, and trade secrets.

■ MANAGEMENT SYSTEMS

Suppliers shall adopt or establish a management system with a scope that is related to the content of this Code. The management system shall be designed to ensure: (a) compliance with applicable laws, regulations, and customer requirements related to the participant's operations and products; (b) conformance with this Code; and (c) identification and mitigation of operational risks related to this Code. It should also facilitate continual improvement. The management system should contain the following elements:

Company Commitment

Corporate social and environmental responsibility policy statements affirming the supplier's commitment to compliance and continual improvement, endorsed by executive management, and posted in the facility in the local language.

Management Accountability and Responsibility

The supplier clearly identifies the senior executive and company representative(s) responsible for ensuring implementation of the management systems and associated programs. Senior management reviews the status of the management systems on a regular basis.

Legal and Customer Requirements

A process to identify, monitor, and understand applicable laws, regulations, and customer requirements, including the requirements of this Code.

Risk Assessment and Risk Management

A process to identify the legal compliance, environmental, health and safety, and labor practice and ethics risks associated with the supplier's operations. Determination of the relative significance for each risk and implementation of appropriate procedural and physical controls to control the identified risks and ensure regulatory compliance.

Improvement Objectives

Written performance objectives, targets, and implementation plans to improve the supplier's social, environmental, and health and safety performance, including a periodic assessment of the supplier's performance in achieving those objectives.

Training

Programs for training managers and workers to implement the supplier's policies, procedures, and improvement objectives and to meet applicable legal and regulatory requirements.

Communication

A process for communicating clear and accurate information about the supplier's policies, practices, expectations, and performance to employees, suppliers, and customers.

Employee Feedback, Participation, and Grievance

Ongoing processes, including an effective grievance mechanism, to assess employees' understanding of and obtain feedback on this Code, evaluate violations against practices and conditions covered by this Code, and to foster continuous improvement. Employees must be given a safe environment to provide grievances and feedback without fear of reprisal or retaliation.

Audits and Assessments

Periodic self-evaluations to ensure conformity to legal and regulatory requirements, the content of the Code, and customer contractual requirements related to social and environmental responsibility.

Corrective Action Process

A process for timely correction of deficiencies identified by internal or external assessments, inspections, investigations, and reviews.

Documentation and Records

Creation and maintenance of documents and records to ensure regulatory compliance and conformity to company requirements along with appropriate confidentiality to protect privacy.

Supplier Responsibility

A process to communicate Code Requirements to suppliers and to monitor supplier compliance to the Code.

■ CONFLICT AND VIOLATIONS

If there is a perception that the Code conflicts with a Novolex contract or a conflict arises in a supplier's ability to comply with international, national, and local laws and regulations or voluntary standards, suppliers should contact Novolex in writing. In the event that provisions of this Code are not met, Novolex reserves the right to reevaluate our relationship with the supplier. This may result in corrective action, including termination, of the contract.

Novolex Auditing Process

Novolex reserves the right to impose scheduled or for-cause audits. Novolex will provide the supplier with a 30-day notice for a scheduled audit. Novolex defines a for-cause audit as an audit that is required because Novolex has a reasonable belief that the Code has been violated. In the event of a for-cause audit, Novolex may not provide advance notice. All costs associated with audits will be charged back to the supplier.

■ SUPPLIER AFFIRMATION

The Novolex Supplier Code of Conduct is a vital component of the partnerships we have with our suppliers. As such, suppliers will be asked to affirm that they support the Code.

ETHICS AND COMPLIANCE HOTLINE

Suppliers and their employees may use the Novolex Ethics Hotline to report suspected violations of the Novolex Supplier Code of Conduct. Reports may be made anonymously and are always treated confidentially. We have a strong policy against retaliation that protects anyone who raises a concern in good faith.

Reports may be made online at ethics.novolex.com or by phone using the numbers below.

Country	Phone Number
USA, CANADA	1-800-461-9330
MEXICO	1-800-681-6945
IRELAND	1800-904-177
NETHERLANDS	0-800-022-0441
UNITED KINGDOM	0-800-189-1053



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