

CORPORATE SOCIAL RESPONSIBILITY

# PROCUREMENT POLICY.

NAFTA undertakes to conduct its commercial activities transparently and operate outstandingly, and the same is expected from our suppliers and contractors.



# Procurement Policy

To fulfill this obligation, NAFTA thoroughly inspects its suppliers to make certain that they are aware of these principles, inviting them to share in our commitment to compliance with legislation and regulations, conducting business ethically, upholding human rights, providing good working conditions, to safety and to protecting the environment.

This policy statement defines NAFTA's obligations in all procurement processes and what is expected from suppliers and contractors.

## 01

### Participation of Suppliers

NAFTA monitors compliance with local rules on procurement and encourages its suppliers to comply with NAFTA's internal policies. This particularly pertains to policies covering human rights, labor rights, working conditions and environmental standards.

## 02

### Risk Management among Suppliers

In order for NAFTA to be able to manage and monitor supplier risk, we have introduced elements and procedures for assessing them.

**All suppliers and contractors are expected to adhere to the following principles:**



#### Compliance with Regulations

Suppliers and contractors are obliged to comply with rules and regulations at both the national and international levels.



#### Human Rights and Working Conditions

Suppliers are strongly recommended to respect human rights in the spirit of the United Nations Universal Declaration of Human Rights. They are obliged not to tolerate any form of physical or psychological abuse, inhuman or degrading treatment, corporal punishment or intimidation. Supplier are likewise advised to ensure that their staff members are not working more than the maximum hours set by local legislation and the minimum wage they pay their staff is not lower than the minimum wage set by local legislation. People employed by suppliers and contractors must have freedom of association and the right to collective bargaining.

Suppliers are not permitted to use child labor, nor are they allowed to resort to forced or illegal employment.



#### Health and Safety

NAFTA requires its suppliers and contractors to ensure their working environment meets all health and safety requirements in compliance with applicable standards and legislation.



#### Protecting the Environment

Suppliers and contractors are expected to minimize the environmental impact of their activities, products and services. NAFTA requires continuing compliance with environmental legislation and support the introduction of environmental management systems and adoption of the relevant requirements.

Suppliers should share NAFTA's values for effective use of natural resources, energy efficiency, waste management, emission and greenhouse gas control and biodiversity protection.



#### Supplier Approval Procedure

Suppliers and contractors are accepted in accordance with the separate Know Your Customer (KYC) Directive, which describes in detail the steps and procedures for supplier approval.

Acceptance conditions have to be first fulfilled before any contractual relationship, supply or trade is allowed.