

# **PRINCIPLES OF SUPPLIER RELATIONSHIPS FOR THE NOVOBANCO GROUP**

2022

novobanco Group



The novobanco Group has the duty to ensure that its value chain operates responsibly to improve the lives of its employees, the community and the environment.

As a major buyer of products and services within its operating market, it has established a relationship model with its suppliers based on a commitment to follow good practices and internationally accepted principles. This model was inspired by recognising the importance of the economic, environmental and social impacts produced by this stakeholder group, and is guided by two cornerstones:

- The **novobanco Group Code of Conduct**, which states that the evaluation and selection process for suppliers is carried out rigorously and follows the highest standards of transparency and ethics, and
- A series of **novobanco Group Supplier Relationship Principles**. These describe the minimum requirements not only for suppliers but also for the novobanco Group with respect to business practices, health and safety at work, ethics and environmental management. These are fully aligned with the OECD Guidelines for Multinational Enterprises and the United Nations Global Compact.

# Principles of Conduct at the novobanco Group

By approving these Principles, the novobanco Group is communicating its values to all its current and future suppliers, as an entity that uses the supply of goods and services in the market.

It is important to bear in mind that the novobanco Group has relationships with a range of suppliers, both national and international, who are subject to very different laws, customs and traditions.

This cultural and legal diversity among novobanco Group suppliers is salutary and a sign of the Group's own search for efficiency and quality. It means that the Group cannot impose rigid rules on all its suppliers, which could go against the very *raison d'être* of the diversity that it upholds.

There are, however, certain principles that are fundamental in the opinion of the novobanco Group, such as: the 10 Principles of the United Nations Global Compact, the Universal Declaration of Human Rights and the International Labour Organization Declaration on the Fundamental Principles and Rights at Work. For this reason, the novobanco Group expects and believes that its suppliers will respect and promote such principles, and that they will apply them to their companies and to all those with whom they establish business relationships. Respect for such principles is essential in the novobanco Group's assessment of its suppliers and the maintenance of its future business relationships.

## Principle of Impartiality

The novobanco Group undertakes to act impartially with regard to all its current and potential suppliers. Therefore, the novobanco Group will:

- not grant privileges or act with favouritism towards any supplier;
- act with loyalty towards its suppliers, and demand reciprocity in that relationship. Loyalty will imply mutual fair treatment, through respect for the confidentiality of the information to which each party has access and by guaranteeing intellectual property rights;
- respect the principle of equal treatment between different suppliers;

- prevent conflict of interest situations within its internal organisation;
- when necessary, request declarations of no personal or financial interests from employees in the area of supplier relationships.

## Principle of Transparency

The novobanco Group undertakes to provide its suppliers with appropriate information.

The novobanco Group will:

- provide all information on possible future invitations to tender or possible future supplies;
- where appropriate, specify the criteria determining the choice of each supplier;
- during the supply relationship, provide all information that is reasonably requested, and ensure that each supplier has a contact person within its internal structure.

## Principle of Quality and Efficiency

The novobanco Group shall be guided in the choice of its suppliers by the principle of quality and shall seek maximum efficiency in the relationships established. The

novobanco Group will:

- seek to choose the best suppliers, not simply those who offer the lowest cost;
- simplify procedures and seek to cut red tape in order to reduce unnecessary costs;
- pay its suppliers on time, according to the contractually established terms;
- fulfil all its commitments in a way that seeks to avoid delays and shortcomings in compliance;
- work closely with suppliers, attempt to prevent any disputes, and seek to resolve them amicably in order to avoid recourse to legal channels.

# Principles of Conduct for Suppliers

## Environment

novobanco Group suppliers are obliged to:

- adopt measures in their companies to protect the environment and abide by all legislation and regulations in force on the environment;
- have internal controls in place to assess and confirm compliance with the aforementioned legislation and regulations;
- employ an internal environment protection officer.

## Employment conditions and health and safety at work

novobanco Group suppliers commit to the following fundamental duties:

- the absence of any form of forced or child labour or other type of human exploitation. All work should be voluntary and the result of a free choice by employees;
- no inhumane treatment or threat of inhumane treatment of any kind, including sexual harassment or abuse, corporal punishment, physical or moral coercion or verbal abuse of employees;
- the absence of discrimination based on race, skin colour, religion, political convictions, ancestry, sexual orientation, gender, pregnancy, marital status or nationality;
- the guarantee of decent working conditions for all employees;
- the guarantee to respect the legislation in force with regard to working hours;
- the respect for freedom of association and the right to collective bargaining;
- compliance with preventive measures on occupational health and safety.

## Ethics

novobanco Group suppliers commit to the following fundamental duties:

- to respect business integrity, with no form of bribery, corruption, extortion or similar. All business must be transparent and accurately reflected in its records and accounts;

- to guarantee confidentiality, respecting the principles and rules of confidentiality legally in force, as well as those arising from the uses and customs of the business;
- to adopt measures to prevent money laundering;
- to respect intellectual property rights;
- to respect market rules and competition.

## Information

The suppliers of the novobanco Group undertake to cooperate in the provision of information to be able to assess compliance with these Principles, either by replying to surveys or through visits to the locations where their business is carried out.

# novobanco Group Sustainability Policy

This document defines the novobanco Group's position on sustainability and identifies its commitments and guiding principles on its material issues within environmental, social and governance (ESG) concerns.

In addition to the Principles listed above, there is an expectation that all suppliers will follow and act in accordance with this document. As such, suppliers to the novobanco Group declare that they shall:

- familiarise themselves with the Sustainability Policy of the novobanco Group ([link](#)) and undertake to operate in accordance with the principles contained therein, to the extent applicable to their businesses;
- operate according to the other policies mentioned in this document (Human Rights Policy, Non-Discrimination and Equal Opportunities Policy – [link](#)) and to inform the novobanco Group in the event of non-compliance (partial or temporary) with these policies;
- cooperate constructively and proactively in the process of monitoring and verifying compliance with this document.

If you require any clarification, please contact us preferably using the phone number or email address available at <https://fornecedores.novobanco.pt/>