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neapco

Supplier Requirements Manual: Sustainability







Sustainability

Neapco is committed to do its part in creating a resilient and sustainable world by enforcing its Global Environmental Policy. Neapco actively pursues the reduction in use of natural resources and toxic chemicals, as well as the reduction of greenhouse gas emissions, water consumption and the amount of waste sent to landfills. Neapco has initiated energy savings programs, waste reduction programs and water resource reviews in all facilities.

Section 1

Global Environmental Policy

Through our vision, mission, and values, this policy is our commitment to be a good corporate citizen, protect the environment, prevent pollution, fulfill our environmental compliance obligations, and continually improve our Environmental Management System to enhance environmental performance and other commitments.

Governance

Top management monitors and assesses each elected facility to ensure compliance to legal requirements, conformance and improvement of the environmental management system.

Facilities

Facility management is responsible and accountable for responsible chemical management, water quality and consumption, air quality, sustainable resource management and waste reduction, energy efficiency, renewable energy, and greenhouse gas emissions.

Customers/Suppliers/Contractors

We will work closely with our stakeholders to communicate and apply our environmental responsibilities, and other specific commitments as applicable to their products or services.

Team Members

Team members are on the front lines of environmental performance; therefore, they receive ongoing training and communication, and they participate in identifying opportunities to improve environmental performance.





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In alignment with customer expectations, we require sustainable business practices throughout the entire supply chain. As a business partner to Neapco, your organization is expected to be able to demonstrate alignment with these principles. Suppliers are required to review and adhere to the global automotive guiding principles for sustainability, ensuring that adequate policies are in place.

Neapco will assess its supply base for performance and compliance to these sustainability expectations using a Sustainability Self-Assessment Questionnaire (SAQ). The SAQ is comprised of questions developed in collaboration with several automotive manufacturers as part of the Drive Sustainability working group and is based on the OEMs expectations outlined in the Global Automotive Sustainability Practical Guidance. To be considered for business, suppliers are required to complete the most recent version of the SAQ for the appointed manufacturing site. Completion of the SAQ will be included on the supplier scorecard.

In addition, Neapco will collect information from the supply chain related to scope 3 emissions, material origins and material content. This information is required to remain compliant with end customers and with laws and regulations. Suppliers are expected to provide requested information within the given timeline.



Section 2

General Sustainability Requirements

Suppliers are expected to conduct their business ethically, apply high standards of corporate conduct, and act in full compliance with all relevant laws and regulations. This Supplier Manual is not and should not be interpreted to circumvent or undermine any applicable laws, rules, or regulations. Neapco prohibits improper, unethical business conduct of any sort; our suppliers must confirm that their business practices meet, at a minimum, the requirements set out in this manual. The requirements listed in this manual are general. Suppliers should also be familiar with any specific sustainability requirements from Neapco's customers.

Section 3

Environment Requirements

3.1

Suppliers shall comply with all required permits and relevant laws pertaining to the environment and should be committed to a continual improvement process in environmental management. Suppliers shall obtain, maintain and keep current all applicable environmental permits and make them available to Neapco to review upon request.

3.2

Suppliers should take a proactive, precautionary approach to managing their environmental impacts including the following:

- Minimize the consumption of natural resources and ensure all materials are traceable. Where practicable, materials should originate from a sustainable (e.g. reused, recycled) source.
- Prevent adverse environmental impacts, including pollution and noise emissions, in the communities in which they operate.
- Ensure any hazardous waste is properly identified and disposed of according to the Hierarchy of Controls.
- Perform sufficient due diligence to ensure land, forest and water rights and to detect and address any risk of forced evictions.

3.3

Suppliers shall adhere to all applicable laws, regulations, and customer requirements regarding the prohibition or restriction of specific substances in products and manufacturing, including labeling for recycling and disposal.

3.4

Suppliers should have a written environmental or sustainability policy appropriate to the size and nature of their operation which addresses prevention, mitigation, and management of serious environmental and health impacts from their operations.

3.5

Suppliers should monitor and actively work toward decarbonization through the reduction of greenhouse gas emissions, and provide Neapco with their greenhouse gas emissions inventory data upon request. Suppliers should track and report on scopes 1, 2 and 3 emissions.

3.6

Suppliers should undertake initiatives to promote biodiversity, including soil quality, animal welfare, land use and deforestation.

3.7

Suppliers should undertake initiatives to promote environmental responsibility and strive to conduct business in a sustainable manner.

Section 4

Social Requirements

4.1

Suppliers shall support and respect the internationally proclaimed human rights of their employees, other personnel, and local communities, and shall comply with all relevant laws pertaining to human rights.

4.2

Suppliers shall make sure that they are not complicit in human rights abuses. Suppliers must take appropriate steps to identify and eradicate modern slavery, in all its forms, including slavery, servitude, forced and compulsory labor, and human trafficking.

4.3

Suppliers shall not directly or indirectly use child labor. Suppliers must comply with the minimum employment age limit defined by national law or by International Labor Organization ("ILO") Convention 138, whichever is higher.

4.4

Suppliers shall be equal opportunity employers, where no job applicant, employee, or any other individual affiliated with the business is discriminated against because of actual or perceived race (including color, castes, nationality or ethnic origin), disability, gender, religion, age, marital status, sex (including pregnancy, sexual orientation, or gender identity), union membership, political affiliation, being a member of a protected class under international human rights law or any other conditions not justified in relevant law or relevant to the performance of the job. Suppliers must have policies and procedures in place to protect against discrimination, harassment, and coercion.

4.5

Suppliers shall provide a safe, healthy, and clean workplace for all personnel, including employees, contractors, and visitors. All relevant laws pertaining to health and safety must be observed at all times. Supplier shall be prepared to execute emergency response plans in the event of an emergency situation.

4.6

All terms and conditions of employment must be made clear to the workforce in a manner which is easily understood by that workforce. The supplier must fully comply with all applicable laws and regulations when setting employee conditions on working hours, benefits, and wages (such as minimum legal wages).

4.7

Suppliers shall provide workers with clear, fair, and uniformly applied disciplinary practices and grievance procedures.

4.8

Supplier shall recognize the rights of workers to form or join trade unions which are free to meet without hindrance and to bargain collectively.

4.9

Suppliers should promote diversity, equity, and belonging within their own organizations and supply chain.

4.10

Suppliers should practice ethical recruiting and provide training, including that required under relevant law and industry specific training (whether mandatory or best practice) to workers.

4.11

Supplier should partner with local communities to improve the educational, economic, and social well-being of the people who live there.



Section 5

Governance Requirements

5.1

Suppliers must comply with all relevant laws and regulations pertaining to bribery, corruption, fraud, money laundering, terrorist financing, and tax evasion, and must not do or omit to do anything which would cause Neapco to be in breach of such relevant law.

5.2

Suppliers must work against corruption in all its forms, including extortion and bribery, and prohibit offering, promising, giving, accepting, or soliciting an advantage as an inducement for an action which is illegal, unethical, or a breach of trust.

5.3

As part of the prevention, identification, and detection of the issues listed in *5.5.1*, suppliers should implement mandatory training for workers, appropriate oversight, regular risk assessments, appropriate due diligence, and procedural audits.

5.4

Suppliers should encourage workers to promptly report if they know of or suspect any business activity deemed illegal, immoral, illicit, or unsafe, and should implement disciplinary action for any individual failing to comply with such procedures. Suppliers shall ensure that workers do not suffer any adverse consequences for making a report in good faith or refusing to pay a bribe.

5.5

Suppliers should keep detailed records of the identification and prevention of issues listed in *5.5.1* and should promptly notify Neapco upon becoming aware of any instance or suspected instance of illegal or unethical business conduct connected to the business relationship between Neapco and the supplier.

5.6

Suppliers shall not violate antitrust and competition laws in the countries in which they operate. Supplier shall operate in fair competition and shall not engage in price fixing, price discrimination, or unfair trade practices that transgress federal or state law.

5.7

Suppliers shall not engage in a conflict of interest or the appearance of a conflict of interest or impropriety.

Data Protection and Information Security

5.8

Suppliers must comply with all relevant laws pertaining to data protection and must not do or omit to do anything which would cause Neapco to be in breach of such relevant law. Supplier shall have an established system for information security and data privacy to protect Neapco's information from being shared, changed, or destroyed by unauthorized parties.

5.9

Suppliers should not share or exchange any price, cost, or other competitive information or undertake any other collusive conduct with any other third party to Neapco with respect to any proposed, pending, or current Neapco procurement.

Governance Requirements
(continued)

5.10

Suppliers should respect intellectual property rights and safeguard customer information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights. At no time, should Neapco's intellectual property rights be infringed. Suppliers shall maintain controls to safeguard Neapco's name, logo, trademarks, inventions, designs, confidential information, and other intellectual property against unauthorized use, modification, and damage.

5.11

Suppliers should protect the reasonable privacy expectations of personal information of everyone the supplier does business with, including sub-suppliers, suppliers, customers, consumers, and employees. Suppliers shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted, and shared.

5.12

Suppliers should implement processes to address the confidentiality and protection of an employee whistleblower who in good faith raises a concern, makes a report, or assists with an investigation related to potential ethical or criminal violations.

This manual has been written to align with internationally recognized standards, including the below. Please refer to the linked documents to ensure alignment with the latest revision.

- The Responsible Business Alliance Code of Conduct
- AIAG's Industry Guiding Principles
- ISO 26000 - Guidance on Social Responsibility
- OECD Guidelines for Multinational Enterprises
- ILO Declaration on Fundamental Principles and Rights at Work
- ILO Fundamental Conventions
- UN Universal Declaration of Human Rights









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