



Non-Ethical Business Exclusion Policy

Nolato Group

(approved by the Board of Nolato)

Issued 2024-01-22 (v.1.1)

Policy Statement:

Nolato is committed to conducting its business operations in a socially responsible and ethical manner. As part of this commitment, we recognize the importance of ensuring that the products we manufacture, and sell are used in ethical and responsible applications when supplied to our clients. This policy outlines our guidelines for excluding non-ethical product applications.

Purpose:

The purpose of this policy is to establish clear criteria and procedures for evaluating and excluding business opportunities relative to non-ethical product applications to align with our values and ethical standards.

Scope:

This policy applies to all products and services offered by Nolato to our clients. It encompasses the evaluation and selection of new business opportunities with regards to product applications to ensure ethical use.

Policy Guidelines:

- **Ethical Standards:** Nolato defines ethical product applications as those that do not cause direct harm to individuals, society, the environment, or violate internationally recognized regulations, human rights, and labor standards. When applying the ethical principles, they will be based on the company culture and values outlined in the Nolato Spirit including its related Code of Conduct. With regards to supplied products and services related to the tobacco or military industry it will be less than five percent (<5%) each of the group revenue. Further on products and services related to registered pharmaceutical products, such will be viewed as ethical products regardless of its content.
- **Application Review:** Before entering new or expanded business with clients, Nolato will conduct a review of the intended product applications to assess their ethical implications. This review will consider factors such as environmental impact, human rights, labor practices, and potential harm to society.
- **Exclusion Criteria:** Nolato reserves the right to exclude or not to accept business with products or services for applications that are determined to be non-ethical based on the review process. Non-ethical applications include, but are not limited to, those associated with illegal activities, human rights abuses, environmental harm, corruption, customers appointing non-desired sub-suppliers not accepting Nolato's Code of Conduct or any use that contradicts our ethical standards.
- **Stakeholder Engagement:** Nolato will engage with relevant stakeholders, including employees, customers, suppliers, and external organizations, to gather input and feedback regarding ethical product applications. This feedback will be included in our decision-making processes.
- **Transparency:** Nolato will communicate its commitment to ethical product applications to all stakeholders, including clients, through public disclosures, the company website, and other appropriate channels.
- **Training and Education:** Nolato will provide training and education to employees, particularly those involved in client relationships and product application assessments, to ensure they understand and uphold this policy.

Compliance:

Failure to comply with this policy may result in corrective actions, up to and including termination of the business relationship with the non-compliant client.

Review and Revision:

This Ethical Product Application Policy will be reviewed periodically to ensure its effectiveness and relevance. Nolato is committed to improving and evolving its ethical practices in line with emerging social and environmental issues.

Approval:

This policy has been approved and authorized by Nolato's Executive management and Board of Directors.

Effective Date:

This policy and version number v.1.1 is effective from 22 January, 2024.