

An underwater scene with a glass bottle and bubbles. The bottle is partially filled with water and has some condensation on its surface. Bubbles are rising from the bottom of the bottle. The background is a deep blue, slightly hazy underwater environment.

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NSG GROUP SUSTAINABLE SUPPLY CHAIN CHARTER

Issue 1 | 18th September 2023

NSG
GROUP

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Foreword

I am honoured to introduce NSG Group's Sustainable Supply Chain Charter to all of our supply chain partners around the world.

We and our stakeholders are very concerned about supply chain risks and impacts, including the sustainability of raw material extraction and supplier performance on environmental and human rights issues. We want to work with our diverse global suppliers to make a positive impact on the environment and society for the benefit of everyone involved.

This Charter is fundamental to that ambition. It expresses our vision for working together to combat climate change, striving for social equality, and protecting the environment and worker rights, all for the benefit of present and future generations.

To become or continue to be a preferred or strategic supplier to NSG, we expect you to embrace the principles outlined in this Charter and meet its requirements.

We expect you to work with our Procurement Team and Strategic Business Units to create clear action plans for continuous improvement in relevant priority areas, so please read the Charter carefully.



Munehiro Hosonuma

Director
Representative Executive Officer
President and Chief Executive Officer (CEO)



Foreword (Cont'd)

There are eight priority areas of action where, together, we can have the greatest impact:



Reducing greenhouse gases



Protecting the environment



Protecting labour and human rights



Reducing waste



Conserving water



Supporting diversity, equity, and inclusion



Improving transparency



Supporting communities

The extent to which these priority areas apply to you will vary depending on your business activity. Our Procurement Team will work with you to prioritise your focus and plan of action. To guide this work, we will be creating appropriate KPIs, including Science Based Targets (certified by SBT Initiative) for carbon reduction, to monitor our progress towards shared goals.

Our procurement mission statement, “Leveraging our Supply Chains, Improving our World,” describes how we want to work with our supply partners to make a positive contribution to the environment and society. We look forward to working closely with you to realise its ambition.



NSG Group's sustainability journey

The NSG Group first implemented a sustainability policy in 2009 to promote sustainable activities across the group to improve our impact on the environment and society.

The policy includes sustainability targets based on the United Nations' Sustainable Development Goals and in response to issues identified as important by our stakeholders.

For example, to address climate change, NSG Group has set targets based on scientific evidence to reduce our carbon dioxide (CO₂) emissions. We are committed to reducing our scope-one and scope-two emissions by 30% by 2030. We are actively working to switch to renewable energy and decrease CO₂ emissions in our manufacturing processes. These targets, along with the development of eco-friendly products, form the basis of our climate change strategy.

As a global manufacturing company, we also have an important influence on the use of resources. We aim to reduce the use of natural resources, minimise waste in all forms, and are working hard to create a circular economy.

So far, these targets have focused mainly on our own operations. Anticipating the needs of our stakeholders, we want to improve sustainability throughout our supply chain as well.

We have already made a start. For example, we already ask our suppliers to follow our "Supplier Code of Conduct," which sets out minimum requirements. Also, in 2022 we updated our climate change strategy to include targets for reducing scope-three CO₂ emissions by 30% by 2030 using Science Based Targets.

We are now extending our reach with this Charter, setting out our commitments and long-term aspirations for addressing the eight priority areas and how we can work with you, our suppliers, to achieve them.

For more information on our overarching sustainability strategy, please visit our [sustainability webpages](#).



How we will work with our suppliers



You should embrace and work towards the principles in this Charter as a requirement of becoming a preferred supplier or strategic supplier to NSG Group.



How the Charter affects you will depend on your risk profile, which is determined by your business size, location, nature, and materiality risk, as well as your business relationship with NSG Group.



To help, we have created two 'heat maps' (see pages 35–37) that illustrate the relative priorities – high, medium, low – in each of our eight priority areas by material category, business function, and geographical region.



We encourage all our suppliers to work towards the requirements of this Charter, regardless of their risk profile. However, we will be most concerned with high- and medium-priority areas on the heat maps when we tender for products and services and will explore them further with you for future sustainability commitments.



Low-priority products and services will not be assessed against the requirements at this time. Note that we will review our priorities regularly and that the heatmaps are subject to change.



We are committed to continually improving and working with you to achieve the highest standards. As part of that, we will continuously assess your performance and discuss sustainability opportunities as part of our annual review conversations with you. If you are failing to meet the minimum requirements of this Charter, we expect you to let us know.



Resources available to our suppliers

In line with our long-held values of being sincere and ethical, we want to collaborate with you openly and honestly to meet our requirements.

Our Global Procurement Team is ready to answer any questions you may have about our Procurement Policies, Operating Systems, and Processes.

We are also committed to working ethically and safely and recognise its importance in sustainability. If you have a concern about your work with us, we encourage you to speak directly with your usual procurement contact. If you encounter a serious problem and are unable to address it with your usual contact, you can report it through the [NSG Ethics and Compliance Hotline](#). Your actions can help us to become a better company.

We provide the following resources to help you to follow the principles of this Charter:



An online training program.

This outlines every aspect of the Charter and what we expect of you. Suppliers that we have designated as strategic and preferred must complete this training. It is optional for other suppliers. Access to this training program is through following website:

<https://www.supplychainschool.co.uk/partners/nsg-group/>



Supplier collaboration days.

Held four times a year, these meetings allow our suppliers from different industries to share best practices. Our objective is to improve collaboration and therefore achieve our shared goals faster.



Access to the EcoVadis training platform.

We encourage suppliers who are already participating in a Sustainability Assessment through the EcoVadis platform to use the training resources available in the EcoVadis Academy actively. (Please note that to become a preferred or strategic supplier to NSG, you must complete an assessment by EcoVadis.)



Charter requirements

Our requirements for each of the eight priority areas are set out consistently under the following headings:



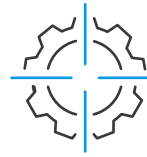
What we are working on.

The commitments and targets that we at NSG Group have set ourselves, which we promise to report on annually.



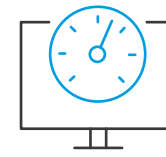
What we expect of our suppliers.

The actions that we require you to take. If you are not already taking them, you must show us that you are making all reasonable efforts to do so.



Joint aspirations.

The things that we aim to achieve by collaborating with you, and how we can deliver them through the procurement process and ongoing conversations.



Key performance indicators (KPIs).

The KPIs that we agree so that you can measure, report, and continuously improve your sustainability performance. The KPIs will be proportionate, based on the size and nature of your business and our agreement with you.



Guiding principles

So that we have the best chance of achieving our goals, it is important that we and everyone in our supply chain are aligned. To help, we and all our suppliers will operate to the following guiding principles.



Comply

We and all our suppliers will comply with all relevant laws and regulations and conform to industry requirements in conducting business activities related to our priority areas.



Enable

We will all collaborate to identify and use new solutions to produce better environmental, societal, and financial value. We will support this objective by providing training and development opportunities for our respective colleagues and supply chain partners.



Be accountable

We will agree challenging targets with all our suppliers to continually improve our performance in all relevant priority areas. We will measure, manage, and report on progress against these targets annually. We will communicate openly, honestly, and transparently about our performance against our agreed targets and share knowledge and best practice. We will raise awareness about activities that adversely impact our ability to meet our shared goals.



Manage corrective actions

We will try hard to meet our targets and will support each other to meet them. If we are failing, we will help each other to improve. We will uphold our shared goals with all our business partners, including upstream suppliers, contractors, and subcontractors.

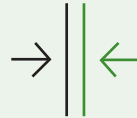


Reducing Greenhouse Gas Emissions

NSG Group recognizes the urgent need to reduce greenhouse gas (GHG) emissions. Our response is set out in our "[Roadmap to Carbon Neutrality](#)." It commits NSG to:



Reducing our GHG emissions by 30% by 2030,



Aligning with the Science Based Targets (certified by SBT Initiative) well below the 2° C pathway, and



Being carbon-neutral by 2050.



We are doing this by switching to renewable energy, improving furnace energy efficiency, introducing lower carbon fuels, and reporting emissions and risks through the Carbon Disclosure Project (CDP) framework.











Now we want to work with suppliers to collect robust emissions data and so that we can reduce scope-three emissions together.



Reducing Greenhouse Gas Emissions (Cont'd)









What we are working on

We are committed to:

-  Reducing absolute emissions by 30% by 2030 and being carbon-neutral by 2050
-  Increasing the use of renewable energy and low-carbon fuels in operations
-  Maximizing the efficiency of our furnaces
-  Investing in research and development into, for example, hydrogen combustion, to reduce the carbon footprint of glass manufacture
-  Adapting processes to use more recycled glass (cullet) in our products
-  Using sustainability criteria in the selection and assessment of suppliers and integrating requirements into contracts
-  Helping our suppliers to understand their own carbon footprint
-  Collaborating across the value chain

What we expect of our suppliers

Where relevant, we will ask you to:


-  Measure and report your scope-one and scope-two emissions using a recognised protocol such as the GHG Protocol
-  Analyse your own scope-three emissions
-  Set ambitious targets to reduce your carbon footprint, preferably verified by the Science Based Targets Initiative
-  Demonstrate that you have reduced your scope-one, -two, and -three emissions
-  Report your carbon use data annually in your company reports or by using [CDP's annual questionnaire](#)
-  Work with us to reduce the carbon footprint of your logistics operations and service models
-  Use renewable energy or, if that is not feasible, explain why
-  Consider the impact of climate change on the goods and services you provide. Wherever possible, adapt your processes so that you can cope with the physical impact of climate change.




Reducing Greenhouse Gas Emissions (Cont'd)

Joint aspirations


Together we will:


-  Support the transition to a net zero carbon economy


-  Set a robust benchmark for NSG Group's scope-three emissions


Key Performance Indicators


Where relevant, we will ask you to report:


-  Your total GHG emissions in tCO₂e (tonnes of carbon dioxide equivalent) broken down by scope-one and scope-two emissions


-  An estimate and breakdown of scope-three emissions


-  The percentage year-on-year change in your total GHG emissions measured in tCO₂e

-  The amount of embodied CO₂e per unit supplied

-  The percentage of your electricity usage that comes from renewable sources

-  Evidence that your carbon footprint has been independently verified

-  Environmental Product Declarations (EPDs) for certain materials

-  The number of carbon-saving initiatives you implemented, their impact, and how much money you invested in these projects.



Protecting the Environment



NSG Group recognises the importance of protecting the environment by preventing or at least reducing pollution to air, water, and land, and of preserving and enhancing biodiversity.



We operate environmental management systems (EMS) certified to ISO 14001 for most of our operations. If for some reason we fail to comply with environmental regulations, we keep records of it. We are reducing air pollution in several different ways and are restoring old quarries to minimise our impact on biodiversity.



Now we want to understand the risks to the environment in our supply chain. We have identified categories of supply, such as raw materials, fuel oil, waste management chemicals, coatings, and interlayer materials, that could have a high environmental impact. We are asking our suppliers in sectors that use these raw materials to operate an EMS certified to ISO 14001.



Protecting the Environment (Cont'd)

What we are working on

We are committed to:



Reducing our impact on the environment



Working with our suppliers to understand the environmental risks in our supply chain



Managing materials that pose a risk to the environment responsibly



Using ethical, sustainable and, if possible, local sources for raw materials, and ensuring that all materials used on site have relevant certifications

What we expect of our suppliers

Where relevant, we will ask you to:



Minimise the environmental impact of your business by implementing an EMS



Provide evidence that your EMS is certified to a recognised standard such as ISO 14001



Manage your activities to reduce the risk of pollution and contamination



Enhance biodiversity on your sites and through your supply chain



When relevant, share with NSG Group the results of Life Cycle Assessments (LCA) of the products you sell



Audit your own suppliers of high-priority materials and share the information with NSG Group



Protecting the Environment (Cont'd)

Joint aspirations

Together we will:



Develop new processes and products which minimise our impact on the environment



Preserve or enhance natural habitats and biodiversity when we extract our raw materials



Minimise pollution in our supply chain



Use natural resources sustainably



Where appropriate, support our suppliers to develop their own EMS certified to a recognised standard such as ISO 14001 and an energy management system (EnMS) certified to a recognised standard such as ISO 50001

Key Performance Indicators

Where relevant, we will ask you to report:



Your completed EcoVadis assessment and score



Evidence of your EMS certification (e.g., your ISO 14001 certificate)



Evidence (e.g., LCAs or similar) of the environmental impact of products supplied



The percentage of your suppliers who operate an EMS aligned with ISO 14001 where appropriate



The number of incidents that resulted in pollution, especially if they breached the law, including the causes of the incidents and actions you took to address them



The percentage of annual miles/km travelled by your electric or low emission vehicles



The total amount of materials and goods sourced responsibly, including independent evidence of how they were sourced (e.g., with appropriate certificates)



The number, details, and impact of your initiatives to protect or enhance biodiversity



The percentage of raw materials you sourced from areas at risk of deforestation, land conversion, or habitat destruction.



Protecting Labour and Human Rights



NSG Group operates a “[Group Code of Ethics](#)” based on international human rights principles. It commits us to eliminating forced worker and work-related unfairness. If any of our employees have concerns about human rights or their working conditions in our organisation, we encourage them to tell us using our [Ethics and Compliance Hotline](#).



Before we work with any supplier, we require them to operate to similar ethical principles by agreeing to our “[Supplier Code of Conduct](#).” We also check that all our suppliers comply with the law related to employment, child labour, slavery, and human trafficking.



Protecting Labour and Human Rights (Cont'd)

What we are working on

We are committed to making sure:



We help our workforce to stay healthy and happy



Our workforce's conditions of employment and working hours are safe



Our workforce is supported in their jobs with training and development



Our workforce is treated fairly, i.e., that they have equal opportunities, equal pay, and are protected from discrimination and harassment



We do not engage in bribery and corruption



We do not engage in forced or child labour



We prevent all forms of modern slavery in our business and supply chain



We find out about the risks related to workers' rights in our supply chain

What we expect of our suppliers

Where relevant, we will ask you to:



Help your workers to stay safe, happy and healthy



Pay your workers a fair wage and benefits that meets their basic needs and enables them to have an adequate standard of living in the country of their employment, as defined by a credible authority such as the [Global Living Wage Coalition](#).



Respect your workers' rights to freedom of association. This means you should let them form or join a union if they want to and negotiate collectively on all work-related issues. If the local law restricts this right, you should allow your workers equivalent freedom of association.



Give your workers and contractors a fair way to report and resolve grievances against you



Give your workers training and development opportunities to help them to do their jobs and to stay safe and well



Operate a suitable, sufficient, and effective safety management system to protect the health, safety and security of your workers



Provide evidence that you are reducing the number and severity of health and safety incidents in your workplace



Have a plan to prevent modern slavery and make sure your workers know how to identify it




Make sure that your own suppliers conform to our "Supplier Code of Conduct" and let them know the consequences if they don't





Protecting Labour and Human Rights (Cont'd)


Joint aspirations


Together we will:


-  Uphold human rights and fair working conditions across the whole of our supply chain

-  Make sure that workers in our own operations and our supply chains do not face the risk of significant harm

-  Help all workers to have a healthy work–life balance by minimizing excessive working hours


-  Pay all workers a fair living wage for their country of employment


-  Eliminate casual worker contracts (e.g., zero hours contracts) where there is no guarantee of work or pay


-  Identify and eliminate risks of modern slavery early in the supply chain with the help of our suppliers


Key Performance Indicators


Where relevant, we will ask you to report:


-  Your completed EcoVadis assessment and score


-  The percentage of your workers who are paid a fair living wage for their country of employment


-  The percentage of your workers employed on casual contracts where there is no guarantee of work or pay (e.g., zero hours contracts)


-  Details of the unions you recognise and any agreements you have with them.


-  The number of times your organisation was alleged to have broken the law in relation to human rights and working conditions and was confirmed to have broken the law in this way


-  The number of times your supply chain partners have been prosecuted and fined for breaking the law in relation to human rights and working conditions


-  The percentage of your workers who know how to identify and report modern slavery

-  The number of times that organisations in your supply chain were confirmed to have been involved in modern slavery or human trafficking

-  Evidence of any certifications you hold in relation to the management of health and safety at work (e.g., for conformance to ISO 45001)

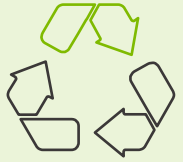
-  The results of any audit or inspection of the health, safety, and security of your operations

-  The number of times the local health and safety regulator (e.g., the Health and Safety Executive or an Environmental Health Officer) has forced you to take action for a breach of health and safety rules

-  The number of workers who were seriously hurt or killed while working for you



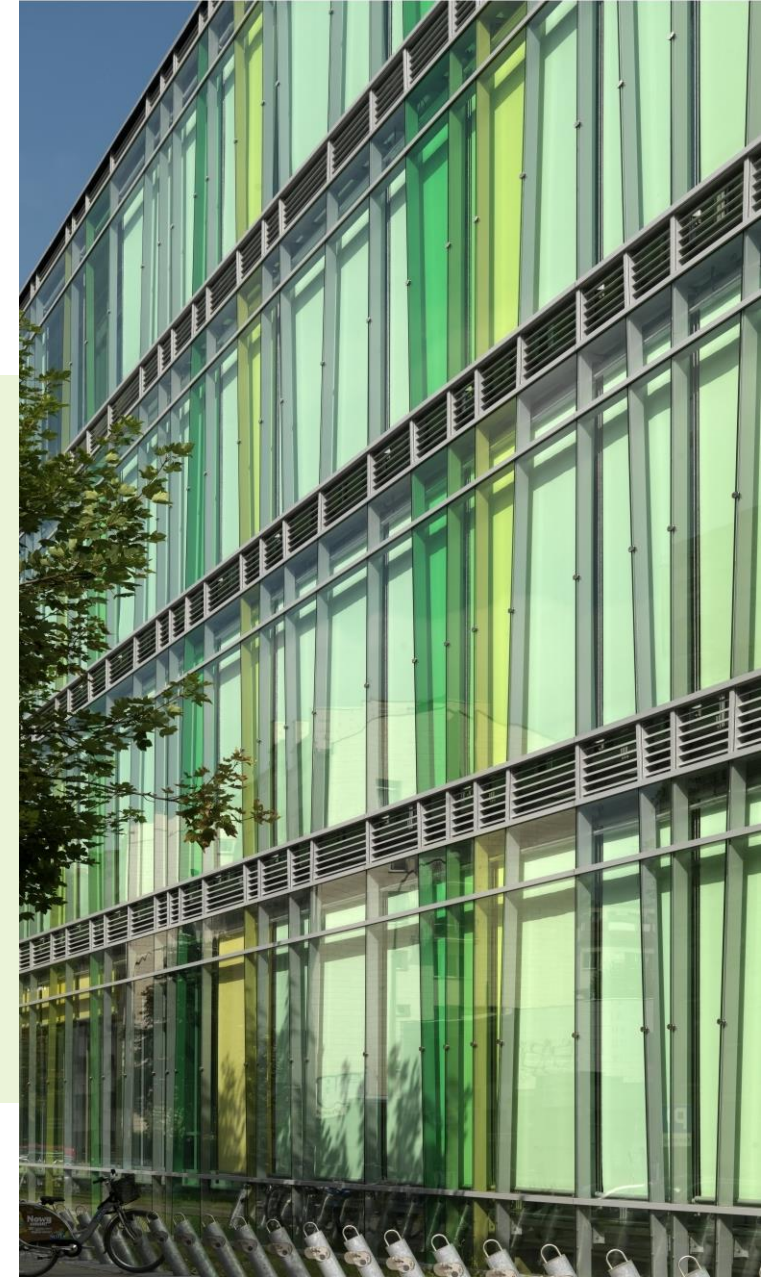
Reducing Waste



Using raw materials more efficiently reduces GHGs and limits impacts on the environment. As a company that uses materials, we are committed to circularity, i.e., reusing, recycling or recovering as much material as possible and minimizing waste.



We already reuse all the trimmed glass from our manufacturing activities in the melting process, either to create float glass or to be used in other sectors. We monitor and report waste from our operations and set mid-term targets for reducing the amount that goes to landfill.



Reducing Waste (Cont'd)

What we are working on

We are committed to:



Finding partners to recycle our grinding sludge, glass dust, PVB trim, and rejected batches so that they don't end up as landfill



Avoiding or reusing packaging materials



Encouraging our customers, architects, and regulators to save flat and laminated glass that is no longer needed so that it can be re-melted and reused as a raw material.



Working with our suppliers to design products for circularity and in a way that reduces waste

What we expect of our suppliers

Where relevant, we will ask you to:



Plan to reduce waste at source and set milestones for doing so.



Regularly report the amount of waste generated from our partnership



Set targets for reducing waste and report progress towards those targets.



Use material resources efficiently in your operations by following the waste hierarchy (i.e., use less material, reuse, recycle, recover, dispose), with the aim of sending no waste to landfill.



Work with us to find new ways to reduce waste from your manufacturing process and product design



Reducing Waste (Cont'd)

Joint aspirations

Together we will:



Work towards circularity in the glass manufacturing sector and protect our sources of raw materials.



Use as little packaging as possible and, where we must use packaging, explore ways to reuse it.

Key Performance Indicators

Where relevant, we will ask you to report:



The percentage of reused and recycled content in goods and materials supplied



The amount in tonnes of single-use plastic supplied



The amount in tonnes of waste generated per unit



The percentage of waste diverted from landfill



Conserving Water

Water is a crucial resource for the communities we work in and for our operations. Our [Water Policy](#) explains how we aim to:



Use water as efficiently as possible,



Maintain water quality, and



Make sure that our operations do not affect local communities' access to water.



We have identified parts of our business that operate in water-stressed regions so that we can consider water risks properly. Also, we consider water risks when we select new suppliers and new sites for our facilities.



Conserving Water (Cont'd)

What we are working on

We are committed to:



Reporting on our KPIs related to water conservation and continuously improving our practices



Regularly updating our risk assessment related to water conservation as environmental conditions change, and responding accordingly



Reducing our consumption of water, particularly in water-stressed regions



Collaborating with stakeholders, governments, companies, and organizations to develop best practices in responsible water management



Providing training and information to our employees and contractors about water conservation

What we expect of our suppliers

Where relevant, we will ask you to:



Commit to adopting and implementing the principles in our Water Policy in your own operations



Encourage your suppliers to adopt and implement the principles in our Water Policy in their operations



Measure and report your consumption of fresh water and its source



Report your own water footprint and identify suppliers in your supply chain who work in water-stressed regions



Have a strategy to reduce your consumption of fresh and potable water that identifies opportunities for closed-loop water systems, i.e., systems where water is recirculated to minimize losses.



Conserving Water (Cont'd)

Joint aspirations

Together we will:



Understand the impacts, risks, and stresses related to water in the supply chain



Minimise negative impacts of water abstraction and make sure that local communities always have access to water.



Reduce our consumption of water to an optimal level



Be able to provide evidence that we have reached an optimal level

Key Performance Indicators

Where relevant, we will ask you to report:



The amount of fresh water you consume in your operations



The volume of water you recover and reuse on site



The number of initiatives you implement to conserve water in your operations



The percentage of organizations in your supply chain that you assess to be in a water stressed region



Your assessment of the risks to water conservation in your supply chain and the actions you take to mitigate them



Improving Transparency



We believe that it is important to be transparent (i.e., open and honest) about sustainability impacts in supply chains. To show our commitment, we have been reporting our impact on climate change through the Taskforce on Climate-related Financial Disclosures since 2017.



We already assess our suppliers' activities to understand the risk they pose through our "Supplier Performance and Risk Management Procedure." If we assess them as posing a high risk, we make plans to mitigate those risks and update those plans regularly.



However, we believe that risks can be managed more effectively by working together. We therefore want to work more closely with our suppliers to improve transparency across the whole supply chain.



Improving Transparency (Cont'd)

What we are working on

We are committed to:



Developing an integrated strategy using the EcoVadis platform to make it easier to find out about reported incidents



Aligning with the most ambitious due diligence legislation in the world



Using third-party software to assess and monitor our suppliers' financial performance and the integrity of their senior management teams



Making it easy for everyone in our supply chain to 'blow the whistle' (i.e., report wrongdoing).



Working with third-party providers to monitor sustainability risks in tier-one and tier-two suppliers engaged in high-risk activities

What we expect of our suppliers

Where relevant, we will ask you to:



Complete an annual EcoVadis assessment



Tell us who your key suppliers are and where they operate



Gather information about your suppliers, their own suppliers, and the people who work for them to create a global map of your supply chain, and verify their activities



Set and report progress against targets for improving how easy it is to trace the source of the goods and materials your suppliers provide



Keep a risk register and share it with us every year. Your register must list all relevant ethical and environmental risks and risks that could affect reliability of supply. Your register must also record actions taken with your suppliers to manage these risks.



Report on your efforts to manage relevant risks through frameworks such as the Taskforce on Climate-related Financial Disclosures and the Global Reporting Initiative



Make sure that your workers and other stakeholders have a fair and safe way (i.e., a whistleblowing mechanism) to report actual or suspected compliance breaches



Improving Transparency (Cont'd)

Joint aspirations

Together we will:



Establish joint risk-monitoring activities so that we can monitor and mitigate risks together



Align with the most ambitious due diligence legislation in the world



Develop plans to continually improve the way we manage risks in our supply chain. The plans include training, measuring risks, and involving our supply chain partners more.



Where the risks are high, work towards using third-party providers to monitor multiple tiers of suppliers and mitigate risks together

Key Performance Indicators

Where relevant, we will ask you to report:



The results of your EcoVadis assessment



That you have a risk register and risk mitigation plans in place



The percentage of the risks that you have mapped in your tier-one and high-priority tier-two suppliers



That you have a whistleblowing mechanism in place



Details of your suppliers' risk registers



The number of complaints by your supply chain about unethical behavior



Supporting Diversity, Equity, and Inclusion



Our “[Statement of Intent](#)” explains how we aim to make NSG Group a more diverse, equitable, and inclusive place to work. We believe in giving everyone an equal chance to contribute to their full potential, and we recognise, respect and value differences in people’s backgrounds, experiences, preferences, and beliefs. We have already taken steps to achieve these goals, for example by conducting employee surveys, offering flexible work arrangements, and providing unconscious bias training to all our managers.



Supporting Diversity, Equity, and Inclusion (Cont'd)

What we are working on

We are committed to:



Increasing diversity and making workplaces throughout NSG Group more inclusive



Identifying areas where we can improve diversity, equity, and inclusion (DEI) and tracking our progress in every business unit, function, and region



Making sure that all of our sites are accessible to everyone



Preventing the risk of bullying, harassment, or any type of discrimination in our workplaces



Looking for suppliers whose diversity will help us to innovate with disruptive technologies so that we can have a positive impact on local communities and the environment



Improving our reporting to cover additional protected characteristics

What we expect of our suppliers

Where relevant, we will ask you to:



Make a commitment to improving diversity, equity, and inclusion at all levels in your organization and report on your progress toward your DEI targets



Prevent harassment and discrimination against your workers and promote a workplace culture that is inclusive and respectful



Give all your prospective and current workers equal opportunities



Set and communicate targets to improve supplier diversity by offering business opportunities to minority-owned social enterprises and artisan suppliers



Share best practices with NSG Group and other stakeholders



Supporting Diversity, Equity, and Inclusion (Cont'd)

Joint aspirations

Together we will:



Value diversity and make our workplaces truly inclusive



Actively promote diversity and inclusion in both supplier selection and recruitment processes, to make the supply chain more diverse



Actively promote diversity and inclusion in the way that we select and recruit our respective suppliers.

Key Performance Indicators

Where relevant, we will ask you to report:



The composition of your workforce by gender, ethnicity, disability, and other characteristics



The percentage of your workforce who have received DEI training



The results of your workforce satisfaction surveys



The percentage of workforce from under-represented backgrounds



The mean average difference between what men are paid compared to women (i.e., the gender pay gap), expressed as a percentage



The difference between the lowest and highest paid employees within your organisation (i.e., the executive pay gap), expressed as a ratio



The percentage of your workforce who are in apprenticeships



The number of hours of training that you have provided to employees.



Supporting Communities



We want to be a good, responsible neighbor for our local communities and impact people's lives positively.



Since we are the biggest employer in some of the places where we operate, we have a key role to play in supporting those local communities.



We must also mitigate the risk that the raw materials we use and the products we buy do not contribute to conflict or human rights abuses.



Supporting Communities (Cont'd)

What we are working on

We are committed to:



Where relevant, working with our suppliers to identify whether parts and assemblies that we buy include minerals sourced from conflict zones



Encouraging and facilitating community initiatives in the places where we operate and reporting on the impact of these local initiatives
Involving local business communities in our operations and offering local suppliers a fair chance of working with us.

What we expect of our suppliers

Where relevant, we will ask you to:



Follow our [“Supplier Code of Conduct,”](#) which requires you to make sure that your purchase of minerals used in the products you supply to NSG Group do not finance or benefit armed groups or people involved in human rights abuses



Tell us about how your activities could pose risks for the health, safety and wellbeing of the communities local to your operations. These risks include the possibility of:

- Pollution to land, air and water,
- Biodiversity loss,
- Conflict
- Abusing the land rights of indigenous people



Provide evidence of what actions you take to mitigate risks to local communities and how you add positive social value for communities local to your operations.



Have a plan to work with the local stakeholders on community initiatives



Identify risks to local communities in your supply chain and work with them to mitigate these risks



Aim to employ suppliers and small and medium-sized enterprises in the communities local to your operations wherever possible



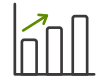
Supporting Communities (Cont'd)

Joint aspirations

Together we will:



Encourage people and businesses in communities local to our operations to work for us



Measure how successful we are in encouraging the local community to work for us, and continuously improve our success rate



Support initiatives that help to attract disadvantaged workers, for example, people who have been unemployed for a long time, disabled people, ex-offenders, veterans, and people affected by COVID-19.



Encourage our workforce to understand the importance and social value of interacting with the local community through conversations and training.

Key Performance Indicators

Where relevant, we will ask you to report:



The percentage of products incorporating materials from conflict zones that are certified as 'conflict-free'



The percentage of products incorporating materials from conflict zones that are not certified as 'conflict-free'



The number of initiatives you have been involved in that benefit your local community



The percentage of your total procurement budget that you pay to small and medium-sized businesses and, separately, to local suppliers



The percentage of the payments you make that are on agreed payment terms.



The percentage of your workforce that come from the local community



The total amount of money you have donated to local charities



Sustainability prioritisation heat maps

We want to improve the sustainability performance of our supply chain in eight priority areas.

However, all our suppliers are different. Their potential to add or subtract social and environmental value varies depending on many factors.

Among the most important factors are the type of materials or goods they supply, their operational activities, and their geographical location.

The following heat maps take account of these factors, helping us to prioritise our Charter efforts most effectively.

We use them to tailor our expectations of your organisation and what KPIs it should have.

The heat maps will give us confidence that we are focusing our efforts for the greatest positive impact on our shared goals. (Note that these heat maps are subject to change over time.)



Categories of spend heat map

This heat map is a grid showing our Charter priorities for improving our sustainability performance in each of our priority areas (see column headings) by the categories of materials we buy from you (see row headings).

Each cell in the grid is coloured either red, amber, green, or blue.



A red cell indicates that the category of spend in that priority area is a high priority for action in this Charter.



An amber cell indicates that it is a medium priority.



A green cell indicates that the category of spend in that priority area is a low priority.



A blue cell indicates that in that category of spend there are opportunities for improvement related to that priority area inspired by good practices and supply base.

We rated the level of priority (i.e., either red, amber, or green) by considering two things:



The severity and likelihood of the negative risks, and



How much opportunity there is to improve.



Categories of spend heat map (Cont'd)

Material Category	Greenhouse gas emissions	Environmental protection	Labour and Human Rights	Waste	Water	Transparency	Diversity, Equity & Inclusion	Communities
Auto Hardware Materials – Chemical	Red	Red	Yellow	Red	Yellow	Yellow	Green	Green
Auto Hardware Materials - Electrical	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green
Auto Hardware Materials - Metallic	Red	Red	Yellow	Red	Yellow	Yellow	Green	Green
Electronic Manufacturing Services	Yellow	Green	Red	Green	Yellow	Red	Yellow	Green
Technical Glass Finished and Semi-Finished Products	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Green	Green
Technical Glass Raw Materials	Yellow	Red	Red	Red	Yellow	Red	Yellow	Yellow
Technical Glass Process Consumables	Yellow	Green	Yellow	Green	Yellow	Yellow	Green	Green
AGR products for re-sale	Red	Red	Yellow	Red	Green	Yellow	Yellow	Yellow
Energy & Utilities	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Blue	Blue
Glass Surface Mirroring Materials	Yellow	Yellow	Yellow	Red	Green	Yellow	Green	Green
Glass Surface Printing Materials	Yellow	Yellow	Yellow	Red	Green	Yellow	Green	Green
Interlayer Materials	Red	Yellow	Green	Red	Yellow	Yellow	Green	Green
Batch Materials	Red	Red	Yellow	Yellow	Yellow	Red	Blue	Yellow
Glass Surface Coating Materials	Yellow	Red	Yellow	Green	Green	Yellow	Green	Yellow
Industrial Gases	Yellow	Green	Green	Green	Yellow	Green	Blue	Green
Glass	Red	Red	Yellow	Blue	Yellow	Yellow	Blue	Yellow
IGU Materials	Red	Red	Yellow	Yellow	Yellow	Green	Blue	Yellow
Site Materials/Equipment	Blue	Yellow	Green	Green	Green	Yellow	Green	Green
Process Consumables	Yellow	Red	Yellow	Red	Green	Red	Green	Green
Packaging	Yellow	Red	Yellow	Red	Red	Red	Green	Blue
Outsourced Manufacturing	Green	Yellow	Green	Green	Green	Green	Green	Green
Interleavant Powders	Yellow	Yellow	Green	Green	Green	Green	Green	Green
Spare Parts and Maintenance Materials	Yellow	Green	Yellow	Yellow	Green	Yellow	Blue	Green
Construction Contrct	Yellow	Red	Yellow	Red	Green	Red	Blue	Green
Refractories	Red	Yellow	Yellow	Yellow	Yellow	Yellow	Blue	Yellow
H&S Supplies	Yellow	Green	Yellow	Yellow	Green	Yellow	Blue	Green



Regional spend heat map

Although this heat map is similar and works in the same way, it is different.

The priority areas are subdivided into four geographical regions: North America (NA), South America (SA), Europe (Eur) and Asia, and the row headings show Material Categories managed by Regional Procurement Teams.

Thus, each cell shows our priority rating for improving the sustainability performance related to our priority areas in that category of expenditure in that region.

The colour coding is identical, as is our method for setting the priority rating in each cell.

Material Category	GHG Emissions				Environmental protection				Labour and Human Rights				Waste				Water				Transparency				Diversity, Equity & Inclusion				Communities			
	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia	NA	SA	Eur	Asia
IT & Insurance	Green	Yellow	Yellow	Green	Green	Green	Green	Green	Yellow	Green	Red	Yellow	Red	Yellow	Yellow	Yellow	Green	Green	Green	Green	Yellow	Green	Red	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Green
Office Equipment & Services	Green	Yellow	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Green	Green	Green	Green	Yellow	Green	Green	Yellow	Blue	Green	Blue	Yellow	Blue	Green	Blue	Green
Site Services	Yellow	Green	Green	Green	Red	Green	Green	Green	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Red	Red	Red	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow
Telecoms & Professional Services	Yellow	Green	Green	Yellow	Green	Green	Green	Green	Red	Red	Red	Red	Green	Yellow	Yellow	Yellow	Green	Green	Green	Green	Yellow	Red	Yellow	Red	Yellow	Blue	Yellow	Yellow	Green	Blue	Yellow	Yellow
Travel & Accommodation	Yellow	Yellow	Green	Yellow	Green	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Yellow	Green	Green	Yellow	Blue	Yellow	Yellow	Blue	Green	Blue	Green
Warehouse & Satellites	Red	Yellow	Red	Red	Yellow	Yellow	Green	Red	Yellow	Red	Green	Red	Red	Yellow	Yellow	Yellow	Green	Green	Green	Green	Red	Red	Green	Yellow	Blue	Yellow	Green	Yellow	Blue	Yellow	Green	Yellow
Inspection & Calibration Services	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Green	Green	Green	Green
CAPEX Freight	Red	Red	Red	Red	Red	Red	Green	Red	Yellow	Yellow	Yellow	Red	Green	Green	Green	Green	Green	Green	Green	Green	Red	Yellow	Yellow	Red	Red	Blue	Green	Yellow	Green	Green	Green	Green
Ground Transport	Red	Red	Red	Red	Red	Red	Green	Red	Yellow	Red	Yellow	Red	Green	Blue	Green	Green	Green	Green	Green	Green	Red	Red	Yellow	Red	Red	Yellow	Green	Yellow	Green	Red	Green	Green
Sea Air & Forwarding	Red	Red	Red	Red	Red	Red	Green	Red	Yellow	Yellow	Yellow	Red	Green	Green	Green	Green	Green	Green	Green	Green	Red	Yellow	Yellow	Red	Red	Blue	Green	Yellow	Green	Green	Green	Green
Waste disposal & water treatment	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue	Light Blue





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