



Summary

1. Purpose2

2. Scope of application2

3. Guiding Principles2

4. Scoring System and Risk Control3

5. Supplier and Subcontractor Obligations4

6. Governance and Policy Update4

7. Dissemination.....4

1. Purpose

The Nice Group (hereinafter also referred to as “Nice”) recognizes the importance of promoting sustainable procurement that takes into account environmental, social, and economic aspects. This policy aims to integrate and align ESG (Environmental, Social, Governance) principles within business processes and throughout the entire supply chain. Through responsible management and a scoring system, Nice commits to ensuring that its suppliers and subcontractors share the same values and sustainability standards, thereby contributing to environmental protection and social well-being.

Nice is committed to complying with the current and binding requirements set out by European regulations, particularly the CSRD (Corporate Sustainability Reporting Directive), which requires transparency in reporting sustainable activities, and the CSDDD (Corporate Sustainability Due Diligence Directive), which imposes due diligence obligations to ensure that human rights and the environment are respected throughout the supply chain. Therefore, this policy aims not only to promote responsible procurement practices but also to ensure full compliance with these European regulations.

2. Scope of application

This policy applies to Nice's suppliers and subcontractors. Every supplier, regardless of size or geographic location, must adhere to the principles outlined in this policy to ensure sustainable procurement and compliance with required standards.

Nice subsidiaries are responsible for adopting and sharing this policy and for complying with the established guidelines, ensuring that all procurement activities align with the sustainability principles outlined in this document.

3. Guiding Principles

The Nice Sustainable Procurement Policy is based on the following guiding principles:

- **Criteria for supplier and subcontractor selection:**

Nice applies ESG (Environmental, Social, Governance) criteria when selecting suppliers and subcontractors, considering the following aspects:

- Environment: reduction of CO2 emissions, waste management, use of sustainable materials, and reduction of environmental impact throughout the supply chain.
- Social: respect for workers' rights, workplace safety, promotion of diversity and inclusion within the suppliers' and subcontractors' organizations.
- Governance: transparency in operations, ethical business practices, and full compliance with applicable legal and regulatory requirements.

- **Monitoring and Evaluation of suppliers and subcontractors:**

The monitoring process of suppliers and subcontractors is based on an ESG scoring system, which regularly evaluates the environmental, social, and governance performance of suppliers and subcontractors. The evaluation is conducted annually to verify compliance with the standards required by the sustainable procurement policy.

- **Continuous improvement:**

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Nice is committed to promoting the continuous improvement of its supply chain, including the ESG performance of its suppliers and subcontractors. To this end, it offers support and training to suppliers and subcontractors to improve their sustainable practices.

4. Scoring System and Risk Control

- **ESG Score**

Nice has introduced an ESG scoring system for evaluating its suppliers and subcontractors, allowing for an analysis of their performance based on environmental, social, and governance criteria. The scoring system uses a platform, Synesgy, owned by the company Cribis. The supplier evaluation takes place through the completion of an online questionnaire. This evaluation is based on a set of specific criteria for each ESG area and varies depending on the size of the company and the sector of operation (Table 1).



Table 1

Each supplier receives an ESG score, which is divided into five classes (from A to E) to identify the relative performance of suppliers and subcontractors. The score is valid for one year; upon expiration, an update is required to ensure the evaluation system remains relevant over time. Nice has set the score "C" as the threshold for sufficiency.

Annually, along with the score, a certificate is provided, which can be used publicly to certify the result, along with a report and an improvement plan. The obtained ESG score contributes to the generation of the Vendor Rating used by Nice to evaluate its supply chain.

- **Identification of ESG Risks**

The monitoring and risk control system throughout the supply chain is another crucial element of our sustainable procurement policy. ESG risks are identified during the evaluation of suppliers and subcontractors, using the ESG scoring system and monitoring performance against the established standards. Such risks include negative environmental impacts, violations of workers' rights, or unethical business practices. In the event of deviations from the established Policy, corrective actions are defined. These actions may include requesting specific improvement plans from the supplier, accompanied by continuous monitoring of their activities. If the necessary corrections are not made by the next evaluation, Nice reserves the right to reconsider the commercial relationship or exclude the supplier from the supply chain for new projects. The ESG Score allows for the visualization and management of ESG risks, offering continuous and detailed analysis of

supply chain performance, supporting informed decisions, and ensuring that each supplier aligns with Nice's sustainability standards.

5. Supplier and Subcontractor Obligations

Nice requires suppliers and subcontractors to adopt the Sustainable Procurement Policy. Adoption takes place through the signing of the Quality Agreement (DGen-10), which establishes mutual commitments between Nice and its supply chain partners in various areas.

To be qualified as new suppliers or subcontractors of Nice, they must meet the minimum sustainability requirements defined by this Policy. This implies achieving a sufficient ESG score (C). If the supplier is already qualified according to ESG criteria but does not achieve the minimum necessary score during the annual reassessment, they may lose their qualification, unless they implement a corrective action plan to meet sufficient ESG performance.

If a supplier fails to submit the periodic sustainability questionnaire, they will be considered insufficient and placed on "new business hold" status until Nice receives the completed questionnaire. If Nice does not receive the questionnaire within six months of the first reminder, the supplier may be considered in phase-out by the Purchasing Department.

Alternatively, if the supplier has ESG assessments issued by reputable third-party entities or well-documented and publicly available corporate sustainability policies, these may be considered valid for the evaluation purposes.

Supplier and subcontractor compliance is essential to maintain alignment with sustainable practices and ensure a supply chain aligned with Nice's policies. The obligation to participate in ESG evaluations is a requirement for maintaining the commercial relationship and promoting continuous improvement of performance throughout the supply chain.

6. Governance and Policy Update

The Policy becomes effective from the date of its issuance (indicated on the document).

Any subsequent updates supersede and replace, from the date of issuance, all previously issued versions.

The Sustainability Committee, assisted by the Group Sustainability Function, is responsible for reviewing this document, approving any revisions, and requesting updates when necessary.

7. Dissemination

The Policy is communicated to Nice personnel and all affiliated companies through internal communication tools and made available to third parties on Nice's websites.

Additionally, Nice encourages all suppliers and subcontractors to disseminate the principles outlined in this document to their collaborators and throughout the supply chain.

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