NOWOS

Minimum Standards

To assess purchasing or suppliers, we refer to our Business Principles in the first instance. The NOWOS Minimum Standards in this document set out the absolute minimum requirements that NOWOS applies for its activities. The Minimum Standards are also applicable to all credit agreements.

At Nowos, we envision a global economy that uses business as a force of good. This economy is comprised of a new type of corporation, which is purpose-driven and creates benefit for all stakeholders. We aim to not only reclaim raw materials from Lithium-Ion batteries, but to reclaim them in a way that has a positive effect on our planet, people and profit. We aim to add value by treating used Lithium Ion batteries not as waste, but as a valuable material for re-creation:

- We believe you should actually get paid for your used products! Recycling should be cheaper than digging materials from the ground.
- Moreover, we believe the process of reclaiming raw materials should have no additional negative side effects on the planet and people, giving our earth and population a chance to regenerate!

This asks of our partners and us to co-create a radically different process of reclaiming raw materials: more efficient, better in quality, with less negative side effects. This people oriented, environmental approach is also expressed in the company name: 'NOWOS', meaning *a new common spirit, living again*[1].

Our core activities include:

1. Recycling of useful materials from urban waste (Urban Mining) and the facilitation of end-to-end circular and logistic processes in the field of Lithium Ion batteries (Reversed logistics);
2. Providing advice and services with regard to all aspects of safe handling, legal rules and administration in relation to Lithium Ion and all other (logistic) processes concerning battery waste.

Assessing Suppliers

For assessing our suppliers on purchasing decisions, we use the supplier survey from B Corp [19. Supplier_Survey_Template_Gray_Nowos].

Assessing Investment opportunities

NOWOS has a positive approach to sustainable investing. It involves:

- Identifying sustainable sectors, in which NOWOS can invest in companies, organisations and projects.
- Selecting suppliers, organisations and projects that will deliver real social, cultural or environmental benefits.
- Evaluating the motivations of the people behind companies, organisations and projects, as well as the feasibility of their objectives and their capacity to realise them.
- Ensuring that selected companies, organisations and projects meet the Minimum Standards, thereby minimising potential negative impact on people or the planet.
- Financing sound business, activities and projects addressing clearly defined needs.

Excluded products and processes

NOWOS uses a positive approach for both its services as well as its investment management activities. NOWOS is guided by what it wants to do and the impact it wants to have. The remainder of this document contains exclusions that logically follow from this positive approach, categorised as follows:

[1] "Nous" meaning "spirit" in Greek and "we" in French: our common spirit, we are in this together.

- Quality of life
- Health and safety: alcohol, gambling, pornography, tobacco and weapons
- Human rights: conflict minerals, human rights and labour rights

Planet awareness

- Animals: animal testing, factory farming, fisheries, and fur and specialty leather
- Environment: biodiversity, deforestation, energy, genetic engineering, hazardous substances and contamination, natural resources and mining, water

Governance

- Accounting and remuneration, corruption, taxes, violation of legislation, codes and conventions

Some of the numerous resources and products that companies use, manufacture or sell, are irreconcilable with NOWOS's positive impact ambitions. For these products, NOWOS distinguishes two approaches. For involvement with genuinely unsustainable products, NOWOS applies a zero-tolerance policy (e.g. for weapons); involvement with such products leads to exclusion from investment. For other undesirable products maximum involvement thresholds are in place to minimise exposure (e.g. for tobacco products). A company that exceeds the set threshold demonstrates to have made a strategic choice for involvement, and is therefore excluded from investment.
NOWOS uses a Precautionary Principle to minimise the risk of negative impact. The principle is used to set preconditions for companies that operate in industries with increased sustainability risk, such as human rights violations or high levels of greenhouse gas emissions. The Precautionary Principle requires policies, programmes and performance data through which companies demonstrate their awareness and aim to prevent and manage involvement in controversies and negative effects of their business.

Quality of life

A main ambition of NOWOS's lending and investment activities is to promote people's quality of life in general.

Health and safety
Health and safety are considered integral aspects of the quality of life. NOWOS developed minimum requirements with respect to companies involved with products or services that may deteriorate people's health and safety. These products or services include alcohol, gambling products, pornography, tobacco and weapons.

1. Alcohol has addictive qualities that affect judgement, mood and physical coordination. NOWOS does not deem alcohol products inherently controversial but the addictive qualities may cause abuse, which has negative effects on individuals (users), their families and society at large. NOWOS limits its involvement with companies operating in the industry that do not show awareness of these effects. NOWOS excludes companies that:
    a. Produce alcoholic beverages and do not have a policy rejecting the sales and marketing of alcohol to minors, the use of alcohol in traffic and the excessive use of alcohol, and do not have programmes underpinning this policy.
    b. Retail alcoholic beverages and do not show awareness of the risk of sales and marketing of alcohol to minors and have not implemented programmes mitigating this risk.
2. Gambling is the act of betting money or material goods with the intention of winning additional money or goods, whereby success is - at least partially - dependent on chance. NOWOS believes that people are free to pursue their activities of choice insofar as these are legal and do not negatively affect others or the environment. However, excessive gambling negatively impacts individual gamblers but also their families and society at large. NOWOS excludes companies that:
    a. Develop, produce or sell gambling products.
    b. Provide financial services related to gambling.
3. Pornography includes films, photographs and performances that are sexually explicit and intended to arouse sexual excitement. NOWOS believes that people are free to pursue their activities of choice insofar as these are legal and do not negatively affect others or the environment. NOWOS chooses to

limit its involvement with pornographic products as the industry is linked to the risk of exploitation or degradation of people. Vulnerable people, including minors, should not be exposed to pornographic material. NOWOS excludes companies that:

   a. Produce or design pornographic products.
   b. Provide access to the internet without having a policy and programmes showing their concern towards the risk of exposure of minors and of distribution of child pornography and other illegal forms of pornography.

4. Tobacco products include finished products such as cigarettes and cigars, but also key materials necessary for the production thereof, such as cigarette paper and filters. NOWOS believes that people are free to pursue their activities of choice insofar as these are legal and do not negatively affect others or the environment. NOWOS chooses to limit its involvement with tobacco products as they contribute to serious health problems and negatively impact others, e.g. in the form of passive smoking. NOWOS excludes companies that:
   a. Produce tobacco products or sell such products under their own label.
5. Weapons Arms are tools specifically designed for the execution of physical force by people towards other people or animals. NOWOS's mission is to help create a society that advances people and promotes the quality of life. The use of arms undermines this mission, which is why NOWOS does not finance or invest in companies that make or sell them. The term 'dual-use technology' is frequently used in relation to weapons. It refers to products and services that may have both a civilian use and specific military application (such as fuel or communication services). Companies involved with the production or sales of dual-use technologies are subjected to investigation as their products must not be designed to inflict, or contribute to, physical force on people or animals. NOWOS excludes companies that:
   a. Produce or sell weapons, specifically designed components for weapons and weapons related services. These include conventional weapons and non-conventional weapons such as nuclear, chemical and biological weapons and complete weapons systems.
   b. Have participations for own account in companies as described under the first bullet, if the value exceeds € 100 million or 1% of total portfolio of participations for own account.
   c. Have shareholdings, bonds or loans related to companies that are involved in anti-personnel landmines, cluster bombs and biological and chemical weapons.
   d. Supply strategic products or services to parties that (are prone to) infringe human rights.

Human Rights

Human rights are universal and applicable to all human beings. In the past, upholding respect for human rights was mainly viewed as a government responsibility but nowadays a clear responsibility in this respect is also ascribed to companies.

1. Conflict minerals: Tantalum, Tin, Tungsten and Gold are minerals that – among others – originate from the Democratic Republic of Congo and its adjoining countries. They are qualified as 'conflict minerals' as this region is heavily torn by armed conflict. Control over the mines is linked to financing of the fighting parties and fuels the ongoing conflict. NOWOS excludes companies that:
   a. Operate in industries identified as high-risk for the (potential) use of conflict minerals6 or extract and supply such minerals and do not have a statement to source conflict-free minerals and require their suppliers to comply with the statement. Companies that have a statement to source conflict-free (allowing in-region sourcing), while participating in or relying on the (outcomes of the) Conflict Free Smelter programme, can be selected.
2. Human rights: NOWOS uses frameworks such as the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights to assess and select companies prior to financing or investment. Business relations are expected to respect human rights standards as defined by the organisations referenced above, especially the rights of women, and those of children and other vulnerable groups.

NOWOS excludes companies that:

a. Operate in industries identified as high-risk for the violation of human rights8 and do not have a policy on awareness to prevent potential and/or actual human rights infringement risks that arise from their business activities.
b. Operate in industries identified as high-risk for the violation of human rights and do not have processes to enable the remediation of adverse human rights impact which they cause or to which they contribute.
c. Do not respect international humanitarian law. This is assessed on a case-by-case basis applying relevant UN Conventions and international human rights' legislative frameworks.
d. Do not prevent conflicts over land rights and acquire natural resources without engaging in meaningful consultation with local government bodies and communities and by obtaining Free, Prior and Informed Consent (FPIC) of (traditional) land users.
e. Are involved in human rights violations, including contributing to or benefitting from structural and gross human rights violations.
f. Employ or co-operate with parties that infringe political and civil rights, like security forces or repressive regimes.
g. Supply strategic products or services to parties that directly contribute to the violation of political and civil rights.
h. Operate in weak governance zones or conflictaffected areas without being able to successfully demonstrate non-involvement with human rights abuses.
i. Deny people their basic needs.
j. Produce or sell breast milk substitutes and do not have a policy acknowledging the WHO Code on Marketing of Breast Milk Substitutes.

3. Labour rights: Basic labour rights are a set of rights that concern the labour relations between workers and their employers. The fundamental rights of people in relation to work, as defined by the International Labour Organisation (ILO), form the basis of NOWOS's policy on labour rights. The ILO has identified four issues as being fundamental to rights at work: child labour, equality (discrimination), forced labour and unionisation. Companies are expected to respect these, as well as other labour rights e.g. concerning health and safety at work that are defined by the ILO and described in the Tripartite Declaration, and to establish procedures for processing employee complaints and solving violations and conflicts, preferably in consultation with labour unions. Companies are expected to treat workers equally, independent of their gender or background, and efforts to provide living wages and maximise working hours are recognised and supported. NOWOS acknowledges the importance of various industry-specific sustainability initiatives that aim to improve labour conditions and advance companies' broader social, environmental and ethical responsibilities. In addition to protecting workers, companies should protect people otherwise negatively affected by their business, from sickness, disease and injury. NOWOS excludes companies that:
    a. Structurally violate the labour rights of their own employees or contract suppliers that violate their employees' labour rights.
    b. Operate in industries identified as high-risk for the violation of the own employees' labour rights and do not have policies and programmes, including clear targets, addressing industry-specific labour rights issues, such as freedom of association, health and safety and working conditions.
    c. Operate in industries identified as high-risk for the violation of labour rights of contractors' employees and do not have a policy addressing their supply chain, on health and safety and the four fundamental labour rights covered in the basic ILO conventions, nor an additional management programme including clear targets, monitoring, annual evaluation and corrective measures.
    d. Deny their employees a safe and healthy workplace or thwart the basic needs of employees, such as access to medication and to adequate food.

NOWOS

Planet awareness

NOWOS strives to minimise potential negative impact of its investment activities, in support of a sustainable society with respect for the animal world and environment.

Animals

NOWOS is a committed advocate of animal welfare and acknowledges that animals contribute to a better quality of life in various ways. Animal-related considerations include animal testing, factory farming, fur and specialty leather.

1. Animal testing: Animal testing may be legally required under specific circumstances. NOWOS only deems animal testing acceptable for medical products, in case reliable alternatives are not available. In these cases, NOWOS requires companies to reduce, refine and replace animal testing where possible. NOWOS excludes companies that:
    a. Manufacture non-medical products that are tested on animals.
    b. Carry out animal tests for non-medical products without a legal obligation to do so.
    c. Carry out animal tests for medical products, but do not have a 'Three Rs policy'15 in place and promote the Three Rs principle. Animal testing is most widespread in the pharmaceutical industry. NOWOS values companies that actively search for alternatives to animal testing, through participation in or financing of initiatives with that objective. Pharmaceutical companies that carry out animal tests must meet extensive criteria. NOWOS excludes pharmaceutical companies that:
        - Do not perform an ethical review of animal tests.
        - Do not report on the number of animals used.
        - Do not use lower animals where possible.
        - Are not transparent on their use of transgenic animals.
        - Do not actively promote the Three Rs principle.
2. Factory farming: Factory farming is characterised by livestock kept in confinement and at high density. NOWOS believes that organic agriculture, which is found at the opposite end of the farming spectrum, is the only systematic approach to sustainable agriculture and food production. NOWOS expects companies that are involved with (wild) animals to respect the Five Freedoms principle, referring to freedom from hunger and thirst, freedom from discomfort, freedom from pain, injury and disease, freedom to express normal behaviour and freedom from fear or distress. NOWOS excludes companies that:
    a. Operate in industries identified as high-risk for the use of products from factory farmed animals and do not have a policy on animal welfare or do not apply sufficient animal welfare standards to the animal products they buy or produce.
    b. Operate in the Food & Staples Retailing industry and are not part of initiatives to improve animal welfare, do not promote products with better animal welfare standards and do not offer organic animal products or other products with better animal welfare standards.
    c. Operate in the Food Products industry using animals and do not offer alternative products containing organic animal ingredients.
    d. Operate in the Hotels, Restaurants & Leisure industry and do not offer vegetarian or organic alternatives to regular meals.
    e. Offer products and services related to factory farming, like transport, slaughtering or equipment, and do not have a policy or do not apply sufficient standards to reduce animal suffering.
    f. Engage in educational or nature protection activities in which wild animals are involved, and cannot guarantee the welfare of those animals.
    g. Engage in entertainment activities in which wild animals are involved.
3. Fisheries: Unsustainable fishing poses a threat to the maintenance of fish stocks and conservation of the marine environment for future generations. The monitoring and managing of stocks is impeded by the controversial act of registering fishing vessels in countries with weak regulatory frameworks.

NOWOS excludes companies that:

a. Operate in the fishery industry or process or sell fishery products and do not have a responsible fishery programme and policy.
b. Operate in the fishery industry or process or sell fishery products and do not comply with international standards and agreements.
c. Engage in controversial fishing techniques.

4. Fur and specialty leather: Animal fur and skin are used for clothing, furniture or other purposes. Fur and specialty leather are luxury products and not necessary to fulfil basic human needs as there are adequate alternatives. NOWOS believes animals have a right to freedom from pain and fear, and opposes breeding, hunting and catching animals solely for their fur or skin. NOWOS excludes companies that:
    a. Capture and/or keep animals for their skin or fur.
    b. Make or sell products containing fur or specialty leather.

Environment

NOWOS works to deliver a positive environmental impact. Environment-related topics are biodiversity, deforestation, energy, genetic engineering, hazardous substances and contamination, natural resources and mining, water.

1. Biodiversity: Biodiversity refers to the variety of animals, plants, their habitats and genes on which all life depends. NOWOS believes that biodiversity is the foundation of life on earth and people depend on it for their wellbeing and survival. Biodiversity also underpins the economy and provides goods and services. Therefore, NOWOS closely monitors companies operating in industries that could damage the biodiversity. Companies should refrain from impacting biodiversity and sensitive ecosystems, for example by introducing alien species. In order to prevent biodiversity decline NOWOS expects its business relations to follow the UN Convention on Biological Diversity and related documents such as the Bonn Guidelines, the Nagoya Protocol and the Cartagena Protocol. NOWOS excludes companies that:
    a. Operate in industries that have a large impact on biodiversity and do not have programmes to reduce their impact. Programmes may include, but are not limited to environmental impact assessment of the total consequences on biodiversity, according to the guidelines for reporting on biodiversity and land use in the Global Reporting Initiative.
    b. Use palm oil in their products but are not a member of the Round Table of Sustainable Palm Oil (RSPO) or the Palm Oil Innovations Group (POIG) or have not set a clear target for sourcing 100% sustainable palm oil.
    c. Use soy in food products and are not a member of the Round Table for Responsible Soy or have a sourcing policy and/or programmes that explicitly addresses soy or, more generally, the avoidance of deforestation.
    d. Cause negative impact on protected areas.
    e. Cause negative impact on protected animals.
    f. Use species that are on the CITES-list and do not have sustainable sourcing guidelines for such activities.
    g. Use cotton in their products and are not a member or supporter of a sustainable cotton initiative or have set a company-wide policy or target for the use of sustainable cotton.

2. Deforestation: Deforestation is the intentional clearance of forest. NOWOS believes forests are a valuable source of biodiversity and a resource of many forest products, ranging from medicine to timber. Forests, especially High Carbon Stock (HCS) forests, have an important capacity to absorb greenhouse gases and to hold large stores of carbon. NOWOS expects companies to take their responsibility with respect to preserving forest areas. NOWOS excludes companies that:
    a. Are involved in illegal deforestation or controversial logging activities in protected areas, that may include but is not limited to the conversion of peatland and High-Carbon Stocks forests for agricultural development.

   b. Do not prevent the use of illegally cut and traded timber throughout their wood supply chain.
   c. Do not respect the rights of local and indigenous communities on the fair and equal use of forests.
   d. Own forests that are not certified according to preferably the Forest Stewardship Council (FSC); or otherwise by the Programme for the Endorsement of Forest Certification (PEFC).
   e. Operate in industries identified as high-risk for the use of wood or pulp and do not purchase at least 50% of those materials from certified forests.
   f. Operate in industries identified as high-risk for the use of large amounts of paper and do not purchase at least 50% from certified or post-consumer recycled origin.
   g. Operate in industries identified as high-risk for selling beef originating from South America and do not have a general policy on deforestation.

3. Energy: Energy concerns the sources of energy and energy security as well as the generation, production, supply and use of energy. NOWOS strives for a sustainable energy future. Therefore it finances companies that augment the use of renewable resources, support projects that reduce the demand for energy and promote energy efficiency. NOWOS excludes companies that:
   a. Retail petrol
   b. Operate in energy-intensive industries and do not disclose the greenhouse gases they emit as well as have a sound programme with clear targets for the reduction of greenhouse gases.
   c. Produce or retail energy from fossil fuel (coal, oil, and gas) power plants (utilities).
   d. Build coal-fired power plants or operate such plants constructed after 2009
   e. Produce biomass energy with feedstock that competes with food production or finds its origin in intensive farming.

4. Genetic engineering: Genetic modification is the artificial manipulation of genes. Genetically modified crops have found their way into the food production chain, even though the consequences thereof for the environment have not been extensively researched. Genetic modification of animals is anticipated as well. NOWOS believes in organic food and farming, based on natural ecosystems, sustaining biodiversity and with care for human health and animal welfare. People should have the option to choose non-genetically modified food. NOWOS excludes companies that:
   a. Develop or commercialise transgenic food or feed crops.
   b. Process genetically modified food crops, unless they proactively reduce their use or provide consumers' freedom of choice.
   c. Emphasise the benefits of genetically modified food crops and do not take a precautionary approach; or actively oppose labelling regulation, thereby obstructing the consumers' freedom of choice.
   d. Genetically modify animals for non-medical purposes.
   e. Genetically modify animals for medical purposes while alternatives are available.
   f. Are involved in xenotransplantations, which implies the breeding of animals for the production of organs for transplantation into other species (humans).
   g. Are involved in the cloning of animals.

5. Hazardous substances and contamination Hazardous substances can cause environmental and health problems, either by accumulation in the food chain or acute toxicity. Contamination refers to the introduction of micro-organisms, chemicals, toxic substances, waste or wastewater into the environment (air, water or soil) at concentration levels that decline the health and usefulness of living organisms. NOWOS believes hazardous substances and contamination can seriously damage the environment, and interfere with natural processes as well as pose a threat to human life and quality of life. NOWOS expects companies to minimise the use of hazardous substances, such as pesticides, and to manage waste with caution. In addition, companies have a responsibility to prevent contamination from their supply chains, production processes and products. NOWOS excludes companies that:

   a. Operate at locations where potential negative consequences of their activities are unmanageable.
   b. Produce or sell pesticides or other hazardous substances that form a threat to the wellbeing of humans, animals and the environment.
   c. Are involved in controversies related to contamination and hazardous substances, and have not taken sufficient measures, using B(est) A(vailable) T(echnologies), to prevent future occurrences.
   d. Produce or sell the most dangerous internationally acknowledged substances as identified by the UN Stockholm Convention on Persistent Organic Pollutants.
   e. Run their businesses in a way that causes serious and irreversible environmental damage.
   f. Do not respect relevant international agreements on the production and use of hazardous or toxic substances.
   g. Do not respect relevant international agreements on trade in chemicals and chemical waste.
   h. Are involved in riverine tailings disposal and sub-marine tailings disposal.

6. Natural resources and mining: Extraction of non-renewable resources, such as iron, aluminium, copper, will eventually lead to their depletion. Currently recycling does not meet all urgent needs for raw materials. NOWOS supports companies that aim to slow down and remedy the depletion of natural resources, for example by enhancing efficient utilisation, recycling or replacing commodities with more sustainable substitutes. NOWOS excludes companies that:
   a. Extract or produce unconventional oil and gas, such as shale gas and oil sands.
   b. Extract or produce conventional oil and gas, including producing equipment, making specific components for, or provide specific services to, oil and gas extraction.
   c. Extract or process scarce commodities and do not undertake activities to prevent depletion.
   d. Extract metals or minerals (mining industry).
   e. Process metals or minerals and do not have clear environmental requirements regarding suppliers or a sound environmental management system in place.
   f. Are involved in controversial mining.
   g. Mine coal or uranium

7. Water: Global demand for fresh water has doubled during the past 50 years and is expected to increase by another 40% by 2030. In water-scarce areas this may result in increased competition for water among companies, the general population, agriculture and ecosystems. NOWOS encourages companies to manage and limit their water use, and minimise the impact of their water use, to e.g. prevent water pollution, through water management strategies and programmes. We engage with companies to encourage them to understand their water footprint and stimulate good water stewardship. NOWOS excludes companies that:
   a. Operate in water-intensive industries and do not undertake activities to reduce their fresh water use in all operations. Activities may include, but are not limited to, water scarcity impact assessments.
   b. Start new operations in areas where water scarcity is pre-existing and operations would compete with the needs of communities.

Governance

NOWOS believes that a good corporate governance structure represents the shared philosophy, practices and culture within a company, and is self-regulating to ensure good practices in the future. Relevant issues for corporate governance include accounting and remunerations, corruption, taxes, and the violation of legislation, codes and conventions.

Accounting and remuneration:
Solid accounting and remuneration policies and compliance therewith are essential for companies' long-term health and reputation. With respect to remuneration NOWOS believes in the intrinsic motivation of employees to uphold good practices and strives to inspire others with this view. NOWOS excludes companies that:

a. Are involved in accounting irregularities or remuneration controversies that raise significant ethical/moral concerns and are in clear violation of local or international standards of best practice, while failing to take credible measures.

Corruption:
Corruption refers to the misuse of power in order to alter the course of business, usually characterised by giving or receiving bribes or payments. NOWOS believes that corruption can have serious negative consequences for society and the environment, as well as for local, national and international economies.

NOWOS excludes companies that:

a. Operate in industries identified as high-risk for corruption without having a formal policy addressing the risk of bribery and corruption. In addition to this policy, companies that operate in the Construction & Engineering industry are required to have business ethics programmes addressing corruption.
b. Are involved in controversies related to corruption, bribery or money laundering.
c. Directly or indirectly promise or offer bribes or other illegal advantages, to acquire or retain orders or other advantages.

Taxes:
NOWOS supports a fair and effective tax system, taking into account the interests of all stakeholders, and believes that taxes should be paid in the countries where earnings are realised. In many cases, tax efficiency is legal and can increase the company's financial performance, particularly in the short term. However, the long-term consequences of aggressive tax planning may include financial, regulatory and reputation risks. NOWOS excludes companies that:

a. Are involved in tax avoidance schemes that raise significant ethical or moral concerns and are in clear violation of local or international standards, while failing to take credible measures.

Violation of legislation, codes and conventions:
Legislation, codes and conventions provide the framework within which companies can lawfully conduct their business and are critical for regulating companies' behaviour with regards to their impact on people and the environment. NOWOS excludes companies that are involved in the violation of laws, codes of conduct or conventions, unless there is proof of a structural change within the company leading to fundamental changes in conduct.

Some (controversial) products, services and activities do not fall under one of the categories described in this document, but do constitute a significant obstacle for sustainable development. NOWOS reserves the right to exclude companies involved in such products, services and activities. Companies that were involved in controversies and do not demonstrate sufficient improvement may also be excluded.

NOWOS policies in practice

The NOWOS Minimum Standards are dynamic and may be subject to changes prompted by legislation, public debate, best practice standards and company behaviour. In addition, the engagement and continuous dialogue with experts, interest groups and civil society organisations may prompt policy amendments. NOWOS applies the 'comply or explain principle' in case it makes an exception to its own policies or to international standards and principles, providing accounts of such a decision. Exceptions may occur when NOWOS's involvement stimulates a company or organisation to meet the desired sustainability standards in the short term. Strict requirements apply in such cases, such as a formal and public commitment to meeting the standards that is supported by a viable strategy, clear targets and a realistic timeline.

Due to the role and nature of NOWOS, the real world impact of its positive approach depends on cooperation with its business relations, such as the companies and organisations that NOWOS finances and invests in. These and other stakeholders should respect the (spirit of) NOWOS's policies and principles as outlined in this document and shape their activities accordingly. NOWOS actively expects its business relations to incorporate components of relevance to their businesses into their internal procedures and procurement policy, as well as in contracts with subcontractors and suppliers. NOWOS serves its mission through the capabilities and human relationships of its co-workers. A clear governance structure aims to support and enhance those capabilities and relationships and should never be seen as a goal in itself.