

Supplier Code of conduct



Introduction

Preamble to the Supplier Code of Conduct

As a company with more than 100 years of tradition, we have a great social obligation. Unconditional compliance with legal regulations has always been a high priority for the LÄPPLE Group.

LÄPPLE is therefore committed to ecologically and socially responsible corporate management. We expect the same behavior from all our suppliers. We also expect our employees to observe the principles of social, ecological and ethical behavior and integrate them into the corporate culture. Furthermore, we strive to continuously optimize our business activities and our products and/or services in terms of sustainability and call on our suppliers to contribute to this in the sense of a holistic approach.

For future cooperation, LÄPPLE agrees with its supplier as contractual partner that the following provisions for a common code of conduct will apply. This agreement will be the basis for all future deliveries. The parties agree to comply with the principles and requirements of the Code of Conduct and to endeavour to contractually oblige their subcontractors to comply with the standards and regulations set out in this document. This agreement is an appendix to all contracts with effect. A violation of this Code of Conduct may ultimately be a reason and cause for LÄPPLE to terminate the business relationship, including all associated supply contracts.

The Code of Conduct is based on national laws and regulations such as the Supply Chain Due Diligence Act (LkSG) as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Business Conduct, the United Nations Guidelines on Business and Human Rights, the International Labor Standards of the International Labor Organization and the United Nations Global Compact.

The Board of Directors

The management of the business units

The Purchasing Management





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1. General provisions

1.1 Scope of application

This Supplier Code of Conduct applies to all natural and legal persons who sell goods or provide services to the LÄPPLE Group (LÄPPLE AG and all companies in which LÄPPLE AG directly or indirectly holds a majority stake) (hereinafter referred to as "LÄPPLE"), themselves or through third parties (e.g. affiliated companies, distributors, agents or subcontractors). (hereinafter referred to as "Supplier"). Furthermore, the Supplier shall ensure that the Supplier's parent, subsidiary and group companies also comply with the requirements of the Supplier Code.

1.2 General principles

The supplier must comply with the principles laid down in this supplier code and act accordingly. Recognition of the Supplier Code of Conduct is a prerequisite for a contractual relationship between the supplier and LÄPPLE. Compliance with the Supplier Code does not create any rights for the Supplier in favour of third parties.

1.3 Obligations of LÄPPLE

LÄPPLE undertakes to also comply with the applicable principles and requirements and to actively cooperate with the supplier to implement this supplier code.

1.4 General rules of conduct

Application and monitoring

The supplier must continuously monitor its own compliance with the Supplier Code. The Supplier undertakes to communicate the content of this Code of Conduct to employees, agents and subcontractors in a manner that is understandable to them and to take all necessary precautions for the implementation of the requirements.

Collaboration and transparency

The Supplier must comply with its actions and decisions in connection with the obligations arising from this Supplier Code in a comprehensible and transparent manner.



1.5 Compliance with laws and regulations

The basic prerequisite for the cooperation between LÄPPLE and the supplier is compliance with the applicable national and international laws, regulations and regulations by the supplier. These include, but are not limited to, the International Labour Convention (hereinafter referred to as the "ILO") and the United Nations Universal Declaration of Human Rights, compliance with the Paris Agreement on Climate Change, the Stockholm Convention on Persistent Organic Pollutants, the Basel Convention on the Control of Transboundary Movements and the Universal Declaration of Human Rights.waste and its disposal and the Minamata Convention on Mercury Emissions. In the event that the applicable law imposes stricter requirements than the Supplier Code, the applicable law will take precedence over the Supplier Code. Insofar as the Supplier Code imposes stricter requirements than the applicable law, the provisions of this Supplier Code shall nevertheless prevail and take precedence over the applicable law.

1.6 Informing employees and verifying compliance with the Supplier Code of Conduct

Employees

The Supplier shall inform its employees of the requirements of this Supplier Code. Insofar as required by the requirements of the LkSG, the supplier obliged thereunder must set up its own corresponding complaints procedure for reporting any violations. LÄPPLE is aware that fulfilling due diligence obligations is a central element in a supply chain. Therefore, in the interests of transparency, LÄPPLE can obtain knowledge of the human rights and environmental risks in its own supply chain and request the information and data required from its suppliers, which do not fall within the scope of the LkSG, in order to carry out an appropriate risk analysis. The Supplier shall pass on to its employees in an appropriate manner any information received from LÄPPLE on accessibility, responsibility and the conduct of a complaint procedure. The grievance procedure must be accessible to employees while maintaining identity confidentiality and effective protection against discrimination. The Supplier is aware that its data and documented records may be forwarded and published by LÄPPLE as part of complaint management and related reporting.

Obligation to provide proof

The Supplier shall document compliance with the above requirements and regulations. These recordings will be made available to LÄPPLE on request to an appropriate extent and after prior consultation. The corresponding assessment of compliance with this supplier code can also be carried out by means of an on-site inspection by LÄPPLE. The supplier undertakes to cooperate in such inspections. The Supplier is aware that LÄPPLE may carry out this review as part of an annual risk analysis and that its data will be processed accordingly for this purpose.

2. Specific requirement

2.1 Compliance and Business Integrity

Business Integrity

LÄPPLE expects its suppliers to comply with applicable law with regard to business integrity. Supplier undertakes to maintain appropriate records documenting compliance with applicable law, standards and industry standards.

Bribery, corruption and extortion

The Supplier undertakes to ensure that its employees or any third parties bound by instructions do not promise, offer or grant any advantages that are intended to achieve preferential treatment in business transactions. The supplier shall also inform us if it receives such offers or promises from our employees or those commissioned by us.

Financial responsibility, proper accounting and financial reporting

LÄPPLE requires its suppliers to always comply with the principles of proper accounting and, where appropriate, financial reporting. The Supplier is obliged to keep proper records and must not change any entries in order to conceal or falsify the transactions affected by them. All records created or received as evidence of a business transaction, regardless of format, must fully and accurately reflect the incident to be documented. Records must be kept in accordance with the applicable regulations.

Money Laundering Prevention

The Supplier complies with the relevant legal obligations for the prevention of money laundering and does not participate in money laundering activities.

Origin of deliveries

At the request of LÄPPLE, the supplier must be able to name the places of origin associated with the service provided.

Fair competition

The standards of fair business, fair advertising and fair competition must be observed. In addition, the applicable antitrust laws must be applied, which prohibit agreements and other activities that influence prices or conditions in particular when dealing with competitors. Furthermore, these regulations prohibit agreements between customers and suppliers that are intended to restrict customers in their freedom to determine their prices and other conditions autonomously when reselling. In this respect, the supplier shall refrain from any activities that negatively influence free competition. In particular, the supplier does not participate in cartels and price agreements and does not abuse a possible dominant position.

Trade Control

The Supplier undertakes to comply with all applicable export and import laws and regulations within the framework of its business practices and to comply with its customs obligations. In particular, those regulations that regulate the import and export of products, services or other objects (including parts, components, technologies and data) and impose sanctions, embargoes or other restrictive measures. In addition, all other laws and regulations that apply in the context of international business activities must be followed. To this end, the supplier has set up an internal system for compliance with import/export controls. The supplier shall ensure that all documents required for the import/export of goods and services are provided to the relevant customs offices and administrative authorities in a timely manner.

Conflicts

LÄPPLE expects its suppliers to make decisions exclusively on the basis of objective criteria. In particular, conflicts of interest due to private or economic interests must be avoided.

Land, forest and water rights as well as forced evictions

The Supplier undertakes not to support or carry out any unlawful appropriation and forced eviction of land, forests and waters. It safeguards and recognises the right of the local population (in particular ethnic minorities and indigenous populations) to use land, forests and waters as a livelihood.

2.2 Protection of human rights and safety and health of employees

Free choice of employment

Any employment for the benefit of the supplier must be on a voluntary basis. Forced labour, forced labour conscription, forced prison labour or human trafficking are strictly prohibited. The prohibition of forced labour also refers to corporal punishment, arrest and threats of violence. Furthermore, surveillance measures such as the retention of identification documents, passports, work permits or deposits as employment conditions by the supplier must be avoided.

Prohibition of child labour

The Supplier shall comply with the applicable national law regarding the minimum age for the admissibility of employment. If there are no national standards, the international standards of the United Nations must be observed.

Salaries

Supplier shall comply with applicable laws and regulations or industry standards regarding remuneration. If applicable, the Minimum Wage Act and the Temporary Employment Act must be complied with by the supplier and any subcontractors. Deductions of remuneration and benefits as disciplinary measures are not permitted. The regulations on remuneration also apply to other benefits to employees.

Working hours

The Supplier undertakes to comply with national laws and regulations or industry standards with regard to working hours, break times, rest days, holidays and paternity or maternity leave. This also applies to employees who do not have a fixed workplace at one of the supplier's locations.

Working conditions

The supplier must comply with the applicable health and safety laws and regulations.



Health and safety

The Supplier undertakes to comply with the applicable laws and regulations relevant to health and safety at work. It ensures safe and healthy working conditions for its employees and ensures that measures are in place to prevent fires and accidents as well as protection against hazardous substances. The Supplier shall train its employees in accordance with the applicable health and safety guidelines and in safety procedures, compliance with which is mandatory and monitored. The supplier shall provide adequate sanitary conditions.

Freedom of association and the right to collective bargaining

The supplier respects the right of its employees to freedom of association and collective bargaining within the framework of the applicable laws and conventions of the International Labour Convention (ILO).

Discrimination

Discrimination against employees on the basis of age, physical or mental limitations, ethnic origin, external appearance, skin colour, gender, pregnancy, sexual orientation, nationality, religion, marital status and other characteristics by the supplier must be avoided. The supplier observes the principles of equal opportunities when selecting and promoting its employees.

Diversity, Equity, and Inclusion

LÄPPLE requires its supplier to provide an appreciative and unprejudiced working environment free of discrimination, intimidation and harassment. All employees must be appreciated, regardless of age, gender, gender identity, ethnic origin, nationality, religion or ideology, disability or sexual orientation.

Preservation of natural resources

The supplier may not deprive the owner of land, forests or bodies of water in violation of legitimate rights, the use of which secures the livelihoods of persons. He must refrain from harmful soil changes, water and air pollution, noise emissions and excessive water consumption if this damages the health of persons, significantly impairs the natural basis for the production of food or prevents people from accessing safe drinking water or sanitary facilities.

Dealing with conflict minerals

The term "conflict minerals" refers to the metallic materials tin, tungsten, tantalum, and gold that originate from the Democratic Republic of the Congo and its neighboring countries. These materials are also known as "3TG". The trade in 3TG from the Democratic Republic of the Congo and its neighboring countries enables armed conflicts and human rights violations. EU Regulation 2017/821 and the U.S. Dodd-Frank Wall Street Reform and Customer Protection Act, Section 1502 and SEC regulations require disclosure of the use of 3TG and transparency within the supply chain. The intention behind this is to end armed conflicts and to observe international law. In order to comply with due diligence obligations, to promote responsible raw material supply chains and to protect human rights in conflict regions, the supplier shall maintain programmes that regulate the procurement of 3TG in an appropriate manner, without the supplier or the company from which the supplier obtains these substances participating in the financing of armed groups in the countries of origin or other serious human rights violations. The procurement of minerals and raw materials must be carefully monitored accordingly. The monitoring measures must be disclosed on request.

Use of private and public security forces

When using private or public security forces to protect the company, it must be ensured that those affected are protected from extensive violence, torture and violations of freedom of association and coalition. Respect for internationally recognised human rights by the security forces must be ensured.

2.3 Environmental protection

The supplier undertakes to comply with the applicable environmental requirements and to continuously improve its environmental performance. The supplier's employees and those of its subcontractors are demonstrably trained in accordance with applicable environmental requirements and in the handling of hazardous substances by the supplier or by a suitable representative of the supplier.

Permits and environmental management

The supplier shall ensure that all necessary environmental permits or environmental approvals are obtained. The necessary requirements are continuously monitored and followed by the supplier in order to ensure that the company acts in accordance with the law.

Avoiding environmental pollution and minimizing waste | Air, water and soil quality

The Supplier undertakes not to cause any harmful soil change, water pollution, air pollution, noise emissions or excessive water consumption. It takes effective measures to avoid environmental pollution and minimise the generation of waste, wastewater and air emissions, so as not to significantly impair the natural basis for the production of food or damage a person's health. Wastewater and waste are labelled and treated in accordance with the applicable laws and regulations before discharge or disposal.

Biodiversity, animal welfare, land use and deforestation

The supplier undertakes to comply with all relevant legal and regulatory provisions regarding biodiversity, land use and deforestation for all projects and to check/implement them accordingly in its supply chain. LÄPPLE requires its supplier to take active responsibility in order to make an exemplary contribution to animal and species protection. The applicable animal and species protection laws must be observed.

Resources

The Supplier undertakes to reduce, optimise or (where possible) avoid the consumption of natural resources, including water and energy, as well as the generation of waste of any kind, during production.



Responsible Chemicals Management

The supplier labels hazardous substances, chemicals and substances and ensures their safe handling, movement, storage, recycling, reuse and disposal. Compliance with the applicable standards regarding hazardous substances, chemicals and substances is ensured by the supplier. The supplier is obliged to introduce and operate efficient processes as part of its chemical management. Chemicals and other substances that may pose a hazard if released into the environment must be effectively identified. The use of these identified chemicals and other substances must be reduced to a minimum. The use of substitutes with a lower hazard potential should be examined.

Energy consumption and greenhouse gas emissions

Energy consumption and the relevant direct and indirect CO2 emissions (Scope 1 and Scope 2) must be monitored as CO2 equivalents. Economic solutions must be found to improve energy efficiency and minimise energy consumption and to promote the economic procurement, use and further development of energy-efficient technologies.

Product safety and environmental compatibility of products developed in-house

The substance restrictions and product safety requirements are complied with by the supplier. In particular, the supplier guarantees that its products do not pose any health or environmental risks when used as intended. When developing products and services, the supplier ensures that the consumption of energy and natural resources is economical in their manufacture and use. The products should continue to be suitable for reuse, recycling or safe disposal. The supplier undertakes to comply with the regulations on prohibited and declarable substances, e.g. RoHS and REACH, and to prove this. LÄPPLE expects its supplier to act sustainably and actively promote sustainable corporate governance at an early stage, e.g. by using renewable energies and minimising pollution or waste of natural resources.

2.4 Handling of confidential information, data protection and intellectual property

Confidential information

The supplier must protect the confidential information entrusted to it by LÄPPLE. Such information may only be used in the manner authorised by LÄPPLE. Confidential information is information from LÄPPLE and its contractual partners that is not in the public domain..

Information security and data protection

The supplier must take state-of-the-art technical and organisational measures and thus ensure an appropriate level of security for the IT systems. To this end, it defines minimum requirements for risk management, which provides for data encryption, risk assessments and special consideration of the supply chain. The supplier undertakes to protect the personal data of its employees and business partners as well as their customers within the framework of the statutory provisions.

Intellectual property and plagiarism

The supplier protects the intellectual property of LÄPPLE and third parties. Intellectual property includes, among other things, development results, drawings, patents, trademarks, designs, trade secrets, samples, models and other industrial property rights and other know-how.

Preservation of identity and protection against persecution

The supplier establishes a grievance mechanism that protects employees who submit a complaint report within the supplier company from threats, harassment or other adverse measures. In addition, the protection of personal data of the reporting and reported persons must be ensured. For whistleblowers, the confidentiality of their identity is expected to be maintained by the supplier company during all phases of the procedure.

3. Violation

3.1 Obligation to report violations

Appeal proceedings

LÄPPLE expects its suppliers to identify risks within supply chains and take appropriate measures. In the event of suspected violations or to safeguard supply chains with increased risks, the supplier will inform LÄPPLE promptly and, if necessary, regularly about the identified violations and risks as well as the measures taken.

Central station

Such a violation must be reported under www.laepple.de. A report will be treated confidentially and anonymously.



3.2 Consequences of a violation

A violation of the principles and regulations listed above constitutes a material impairment of the business relationship. If a violation of the provisions of this Code of Conduct is detected, LÄPPLE will notify the Supplier in writing without undue delay and set a reasonable grace period to bring its conduct into line with these regulations. If a remedy is not possible in the foreseeable future, the supplier must notify this immediately and work with LÄPPLE to draw up a concept with a timetable for ending or minimising the breach. If the grace period expires fruitlessly or the implementation of the measures contained in the concept does not provide a remedy after the expiry of the schedule and no milder means are available, LÄPPLE may terminate the business relationship immediately and with immediate effect and terminate all contracts. A statutory right to extraordinary termination without setting a grace period, in particular in the case of violations that are to be assessed as very serious, remains unaffected, as does the right to damages. Regardless of the term of the contract, the Supplier shall indemnify LÄPPLE against all claims asserted against LÄPPLE as a result of the Supplier's violation of the Supplier's Code of Conduct.

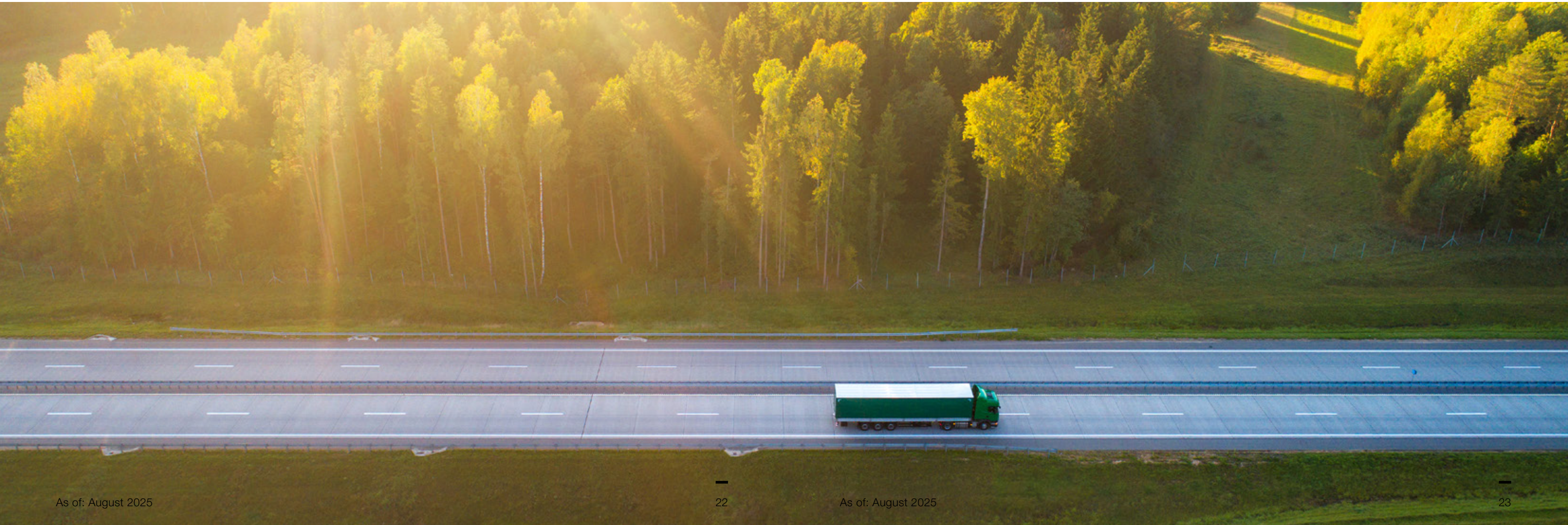


4. Declaration of commitment

The supplier undertakes to pass on the requirements laid down in this supplier code to its own suppliers and to oblige them in the same way. This is to ensure compliance with basic principles and standards along the supply chain.

5. Changes

LÄPPLE reserves the right to review the Supplier Code of Conduct on a regular basis and to make changes if necessary. Changes are regularly published on www.laepple.de and on the websites of the respective company of the group of companies.



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