

SUPPLIER

CODE OF CONDUCT

LORENZ PAN AG

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INTRODUCTION

LORENZ PAN SPA is committed to corporate social and environmental responsibility. We expect the same behaviour from all our suppliers. We also expect our employees to observe the principles of environmental, social and ethical behaviour and to integrate them into the corporate culture. We also work to continuously optimise our business activities and our products and services in terms of sustainability and ask our suppliers to contribute to this in the sense of a comprehensive approach. For future co-operation, the parties agree to the validity of the following principles for a joint code of conduct. This Supplier Code of Conduct (“SCoC”) shall form the basis for all future supplies. Both parties undertake every effort to fulfil the principles and requirements of the SCoC and demand and promote these requirements in their supply chain. This SCoC comes into force upon signing. A breach of this SCoC may ultimately be the reason for LORENZ PAN SPA to terminate the business relationship, including all associated supply contracts.

The SCoC is based on national and European laws and regulations such as the Supply Chain Due Diligence Act (LkSG) and international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on the Rights of the Child and Business Conduct, the United Nations Guiding Principles on Business and Human Rights, the international labour standards of the International Labour Organization and the United Nations Global Compact.

THE REQUIREMENTS FOR SUPPLIERS

1. Social responsibility

Prohibition of forced labour and slavery

Any form of forced labour, bondage, involuntary prison labour, human trafficking or slavery is prohibited. Any labour must be voluntary and without threat of punishment. Employees must be able to terminate their work or employment relationship at any time. Furthermore, there must be no unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment, humiliation or exploitation. Security forces must not be commissioned or used if persons are treated or injured in an inhumane or degrading manner during their deployment or if freedom of association is impaired.

Ban on child labour

Child labour is not permitted. Suppliers are requested to comply with the recommendation from the ILO conventions on the minimum age for the employment of children. The minimum age for the employment of minors must not be below the applicable age of compulsory education and must be at least 15 years of age, unless ILO exemption conditions apply. Children's right to education is to be respected. If children are found at work, the supplier must document the actions to be taken to remedy the situation and allow them to attend school. Young employees under the age of 18 may not be employed for work that is harmful to their health, safety or moral conditions. Special protective regulations must be observed.

Fair remuneration

Appropriate wages must correspond to the national statutory minimum wage or the minimum industry standards, whatever is higher. The remuneration for overtime must always exceed the remuneration for regular working hours. If the remuneration is not sufficient to cover the costs of normal living expenses and to build up a minimum level of savings, the supplier is obliged to increase

the remuneration accordingly. Employees must be granted all legally mandatory benefits. Deductions from wages as disciplinary measures are not permitted.

Supplier must ensure that all employees receive clear, detailed and regular written information on the composition of their remuneration.

Fair working hours

Working hours must comply with applicable laws and industry standards. Overtime is only permitted if it is worked on a collectively agreed and/or voluntary basis, does not exceed twelve hours per week. Employees are granted at least one day off after six consecutive working days. The regular weekly working time may not exceed 48 hours.

Freedom of association

Employees have the right to organise and form a trade union of their own choosing and to bargain collectively. In cases where freedom of association and the right to collective bargaining are restricted by law, alternative possibilities for independent and free association of employees for the purpose of collective bargaining must be granted. Employee representatives must not be discriminated against and must always have the opportunity to fulfil their representative functions in the workplace. Employee representatives must be granted free access to their colleagues' workplaces to ensure that they can exercise their rights in a lawful and peaceful manner.

Prohibition of discrimination

Unequal treatment of employees in any form is not permitted unless it is justified by the requirements of employment. Discrimination on the basis of i.e. race, caste, nationality, religion, age, disability, gender, pregnancy, marital status, sexual orientation, trade union membership or political affiliation, is not permitted. The personal dignity, privacy and personal rights of each individual must be respected.

Health and Safety at Work

The supplier is responsible for a safe and healthy working environment. The supplier is obliged to take the necessary precautionary measures against accidents and damage to health that may arise in connection with the activity by setting up and applying appropriate occupational safety systems. Appropriate measures must be taken to prevent excessive physical or mental fatigue. In addition, employees must be regularly informed and trained on applicable health and safety standards and measures.

Employees are given access to sufficient quantities of drinking water and clean sanitary facilities.n

Preservation of natural resources

The supplier may not, in violation of legitimate rights, withdraw land, forests or waterbody whose use secures the livelihood of people. The supplier must refrain from soil changes, water and air pollution, noise emissions and excessive water consumption if this harms the health of people, significantly impairs the natural basis for food production or prevents people from having access to safe drinking water or sanitary facilities.

Complaint mechanism

The supplier must pass on information received from LORENZ PAN SPA regarding accessibility, responsibility and the implementation of a complaints procedure to its employees in an appropriate manner. The complaints procedure must be accessible to employees while maintaining confidentiality of identity and effective protection against discrimination. In the absence of a notice, the supplier itself is responsible for establishing an effective complaint mechanism at company level for individuals and communities that may be affected by negative impacts.

2. Environmental responsibility

Treatment and discharge of industrial water

Wastewater from operational procedures, production processes and sanitary facilities must be standardised, monitored, checked and, if necessary, treated before discharge or disposal. In addition, measures should be introduced to reduce the generation of waste water.

Dealing with air emissions

General emissions from operational processes (air and noise emissions) must be standardised, routinely monitored, checked and, if necessary, treated before released.

Supplier also has a task for monitoring its exhaust gas purification systems and is required to find economical solutions to minimise such emissions.

Handling waste and hazardous substances

The supplier follows a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. Chemicals or other materials that pose a risk if released into the environment must be identified and handled in such a way that safety is ensured when handling, transporting, storing, using, recycling or reusing and disposing of these substances.

Reduce consumption of raw materials and natural resources

The use and consumption of resources during production and the generation of waste of any kind, including water and energy, must be reduced or avoided. This is done either directly at the point of origin or through processes and measures, e.g. by changing production and maintenance processes or procedures within the company, by using alternative materials, making savings, by recycling or by reusing materials.

Handling energy consumption/efficiency

Energy consumption must be regularly determined and assessed. Economic solutions shall help to improve efficiency and reduction strategies are intended to achieve a continuous reduction in emissions.

3. Ethical business behaviour and compliance

Fair competition

The standards of fair business activity, fair marketing and fair competition must be observed. In addition, supplier must comply with antitrust laws, which prohibit particular agreements and other activities that influence prices or conditions when dealing with competitors. These regulations also prohibit agreements between customers and suppliers that are intended to restrict customers in their freedom to determine their own prices and other conditions for resale.

Data and confidentiality protection

The supplier undertakes to fulfil the reasonable expectations of its client, suppliers, customers, consumers and employees with regard to the protection of private information. The supplier shall comply with data protection regulations and privacy laws when collecting, storing, processing, transferring and disclosing personal information.

Intellectual property

Intellectual property rights must be respected; technology and know-how must be transferred in such a way that intellectual property rights and customer information are protected.

Integrity/prohibition of corruption and bribery/avoidance of conflicts of interest

The highest standards of integrity must be applied to all business activities. The supplier must have a zero tolerance policy against all forms of bribery, corruption, extortion and embezzlement. Procedures for monitoring and enforcing standards shall be implemented to ensure compliance with anti-corruption laws.

IMPLEMENTATION OF THE REQUIREMENTS

With regard to supply chains, we expect our suppliers to identify risks within these and to take appropriate measures. In the event of suspected violations and to safeguard supply chains with increased risks, the supplier will inform LORENZ PAN SPA promptly and, if necessary, regularly about the violations and risks identified and the measures taken.

The supplier shall verify compliance with the standards and regulations listed in this document by means of a self-assessment/audit appropriate to the supplier. The supplier agrees that LORENZ PAN SPA may conduct such audits to verify compliance with the SCoC at the supplier's premises during normal business hours, after reasonable advance notice, by persons authorised by the supplier. The supplier may object to individual audit measures if these would violate mandatory data protection regulations.

If a breach of the provisions of this SCoC is identified, LORENZ PAN SPA shall notify the supplier immediately in writing and set a reasonable grace period to bring suppliers behaviour into line with these provisions. If a remedy is not possible in the foreseeable future, the supplier must notify LORENZ PAN SPA immediately and, together with LORENZ PAN SPA, draw up a concept with a timetable for ending or minimising the breach. If such period expires without result or if the implementation of the measures contained in the plan does not remedy the situation, LORENZ PAN SPA may terminate the business relationship and all contracts. A statutory right to extraordinary termination without setting a notice of default, in particular in the case of violations that are deemed to be very serious, remains unaffected, as well as the right to claim damages.

Acknowledgement and declaration of consent of the supplier

The supplier _____ (*company name*)
commits to responsible and ethical behaviour, undertakes to observe and comply with its principles, regulations and requirements. The supplier undertakes to communicate the content of this ScoC to its employees, authorised representatives and subcontractors in an appropriate manner and takes all necessary precautions to implement the requirements.

Place / Date

*Company stamp / name and title / authorized persons
signature*