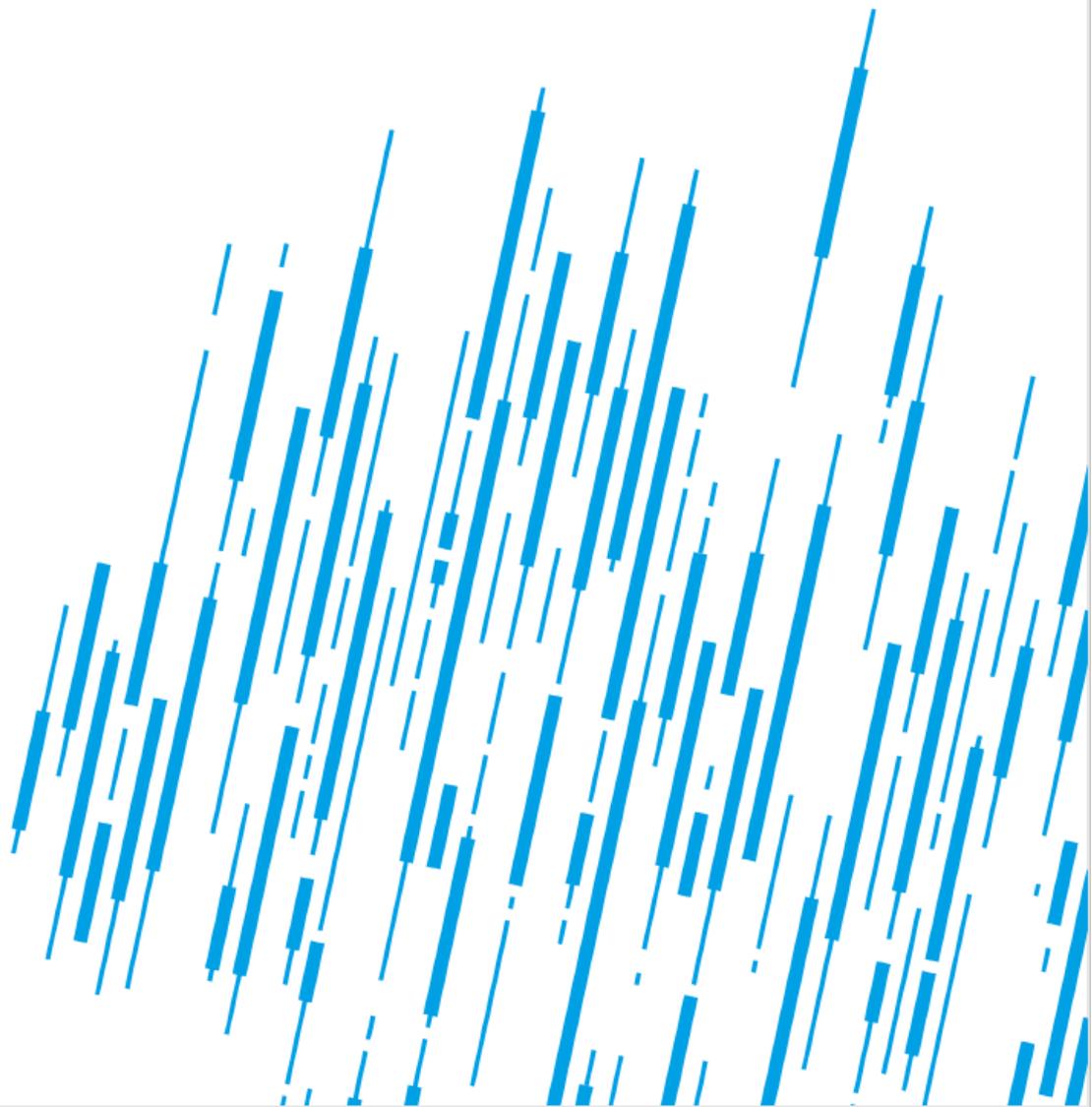


LEIPA

Code of Conduct for Suppliers



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Preface

The LEIPA Group of companies, consisting of LEIPA Group GmbH, LEIPA Georg Leinfelder GmbH, Leipa Logistik GmbH and MAD Recycling GmbH, as well as the majority shareholdings of one of the aforementioned companies (collectively referred to as "LEIPA" in the following), has developed a strong position in the area of processing waste paper into high-quality products or in the production of raw materials for packaging purposes. We are a reliable partner of our customers. Our success is guided by the achievement of our performance targets while maintaining our values: Respect, commitment and sustainability. These values have always shaped the LEIPA Group of Companies and form the cornerstones of our guiding principles for corporate culture and vision.

It is our aim to implement the highest possible ethical standards and act in accordance with the law in practice and thus to be successful in business. LEIPA strives to continuously optimize paper production in terms of sustainability. We encourage our Suppliers to play their part in this.

This Supplier Code of Conduct (hereinafter referred to as the "Code of Conduct") lays down binding guidelines for the socially, ethically and ecologically responsible conduct of our Suppliers and their employees¹ and subcontractors. Supplier means all companies from which LEIPA obtains goods or services. The Code of Conduct is based on national laws and regulations, such as the Supply Chain Duty of Care Act (LkSG), which will apply in the future, as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights and Entrepreneurship, the Guidelines of the United Nations Business and Human Rights, the international labour standards of the International Labour Organization and the United Nations Global Compact.

A code of conduct cannot exhaustively represent the legal requirements for the conduct of Suppliers. We therefore expect every business partner to seek competent support, for example from legal advisors, in the event of doubts regarding their own conduct or in the event of indications of dubious processes in their work environment.

Independent, grandson-friendly and future-oriented. This shapes and characterizes the way we work, interact with each other, how we communicate and how we take responsibility for people, the environment and nature. With our actions today, we are laying the foundation for the coming generations and the successes of tomorrow.

Schwedt/Oder, June 8th, 2022



Peter Probst
CEO - LEIPA Group GmbH



pp. Jürgen Sauter
Head of Purchasing Department -
LEIPA Group GmbH

¹ For the sake of ease of reading, the masculine form of speech is used in personal nouns and pronouns. However, this does not explicitly imply any discrimination against other genders, but is to be understood as gender-neutral in the sense of linguistic simplification.

1 Requirements for the Supplier

1.1 Social Responsibility

LEIPA attaches great importance to respect and tolerance. We respect internationally recognised human rights and support their observance. For LEIPA, occupational safety is a top priority. The paper and cardboard production as well as the production of flexible packaging materials are certified according to ISO 45001. With regard to the above framework, the Supplier must comply with the following principles.

1.1.1 Exclusion of forced labour and slavery

The use of forced labour, slave labour or similar work is prohibited. Any work must be done voluntarily and without the threat of punishment. Employees must be able to terminate the work or employment relationship at any time. Unacceptable treatment of workers, such as psychological hardship, sexual and personal harassment and humiliation, is prohibited. The assignment or use of security forces is to be refrained from if persons are treated inhumanly or demeaning or violated during the deployment or if the freedom of association is impaired.

1.1.2 Prohibition of child labour

Any use of child labour is prohibited. The Supplier is obliged to adhere to the recommendation from the ILO Conventions on the minimum age for the employment of children. Accordingly, the employees employed must not be younger than the age at which the general compulsory schooling ends according to the law of the place of employment. In no case, however, may the employees be younger than 15 years of age.

If children are found at work, the Supplier must take and document the remedial measures. Children should be allowed to attend a school. The rights of young employees must be protected. Children under the age of 18 may not be used for work that is harmful to their health, safety or morality. In particular, the protection regulations on site must be observed.

1.1.3 Fair remuneration

The remuneration for regular working hours and overtime must comply with the local, statutory minimum wage or the industry-standard minimum standards, whichever is higher. If the remuneration is not sufficient to cover the costs of a reasonable standard of living and to form a minimum amount of reserves, the Supplier is obliged to increase the remuneration accordingly. The elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing and other basic needs, including arrangements for unexpected events for themselves and loved ones.

The remuneration for overtime must in any case exceed the remuneration for regular hours. Employees shall be provided with all benefits prescribed by law. Wage deductions as punitive measures are inadmissible. The Supplier must ensure that employees receive clear, detailed and regular written information about the composition of their remuneration. The Supplier shall indemnify LEIPA against all possible minimum wage claims of its own employees, the temporary employees employed by it and the employees of subcontractors.

1.1.4 Fair working hours

The working hours (incl. break, holiday and exemption regulations) must comply with the applicable laws or industry standards. Overtime is only permitted if it is provided on a voluntary basis and does not exceed 12 hours per week. The staff is to allow at least one day off after six consecutive working days. The weekly working time must not exceed 48 hours on a regular basis.

1.1.5 Freedom of association

The right of employees to set up organizations of their choice, to join them, and to conduct collective bargaining and strike must be respected. In cases where the freedom of association and the right to collective bargaining are restricted by law, alternative possibilities of an independent and free association of employees for the purpose of collective bargaining must be granted. Employee representatives must be protected from discrimination. Employees should not be discriminated against on the basis of founding, joining, membership or participation in such an organization. Employee representatives must be granted free access to the workplaces of their colleagues in order to ensure that they can exercise their rights in a lawful and peaceful manner.

1.1.6 Ban on discrimination

Discrimination and unequal treatment of employees in any form is inadmissible, unless they are based on the requirements of employment. This applies in particular to discrimination based on age, gender, caste, national, ethnic or social origin, home country or origin, skin colour, disability, health status, religious or political views, religion, worldview, pregnancy or sexual orientation. The personal dignity, privacy and personal rights of each individual are respected.

1.1.7 Health and safety at work

The Supplier is responsible for a safe and healthy working environment. By establishing and applying appropriate occupational safety systems, necessary precautionary measures are taken against accidents and health damage that may arise in connection with the activity. Excessive physical or mental fatigue must be prevented by appropriate measures. In addition, employees are regularly informed and trained about applicable health and safety standards and measures. Employees are provided with access to drinking water in sufficient quantities and access to clean sanitary facilities.

1.1.8 Preservation of the natural habitat

The illegal withdrawal of land, forests or waters, the use of which ensures the livelihood of persons, is prohibited. Harmful soil changes, water and air pollution, noise emissions and excessive water consumption must be avoided if this significantly impairs or could impair the health of people or the natural basis for the production of food or prevents people from accessing drinking water or sanitation facilities.

1.1.9 Dealing with conflict minerals

For the conflict minerals tin, tungsten, tantalum and gold as well as for other raw materials such as cobalt, the Supplier establishes processes in accordance with the guidelines of the Organisation for Economic Cooperation and Development (OECD) for the fulfilment of due diligence to promote responsible supply chains for minerals from conflict and high-risk areas and also requires this from its Suppliers. Litigation procedures without appropriate, audited due diligence processes should be avoided.

1.2 Ecological responsibility

As a manufacturer of paper and cardboard products based on recycling, LEIPA is an integral part of the circular economy. The use of recycled waste paper (exception: BU FlexPack) makes an active contribution to the protection of natural forest resources.

Our paper and cardboard products are available on customer request with the sustainability seals of the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification Schemes (PEFC), internationally recognized seals for sustainable forestry. The production of paper, cardboard and flexible packaging materials as well as all recycling services of the LEIPA Group are certified according to the established standards ISO 14001, ISO 9001 and ISO 50001. The Supplier must comply with the following principles before doing so.

1.2.1 Treatment and discharge of industrial water

Waste water from operating procedures, production processes and sanitary facilities must be standardised, monitored, checked and, if necessary, treated before discharge or disposal. In addition, measures are to be taken to reduce the generation of wastewater as much as possible or to avoid it entirely as far as possible.

1.2.2 Dealing with emissions

General emissions from operational processes (air and noise emissions) as well as greenhouse gas emissions must be typed, routinely monitored, checked and, if necessary, treated before they are released. The Supplier also has the task of monitoring its exhaust gas purification systems and is required to implement solutions for emission minimization and avoidance.

1.2.3 Handling of waste and hazardous substances

The Supplier follows a systematic approach to identify, handle, reduce and responsibly dispose of or recycle solid waste. The current version of the Basel Convention of 22 March 1989 prohibitions on the export of hazardous waste must be observed. Chemicals or other materials that pose a risk when they are released into the environment must be identified and handled in such a way that safety is guaranteed when handling these substances, transporting, storing, using, recycling or reusing them and disposing of them. Mercury must be used in accordance with the prohibitions of the Minamata Convention of 10 October 2013 and persistent organic pollutants in accordance with the Stockholm Convention of 23 May 2001 as amended.

1.2.4 Consumption of raw materials and natural resources

The use and consumption of resources during the value-added process and the generation of waste of any kind, including the consumption of water and energy, must be reduced as far as possible or avoided entirely as far as possible. This is done either directly at the place of origin or through procedures and measures, such as, in particular, by changing processes in the company in the production and maintenance processes, by using alternative materials, by saving, by recycling or by reusing materials.

1.2.5 Dealing with energy consumption/efficiency

Energy consumption must be monitored and documented. Solutions must be found to improve energy efficiency and minimize energy consumption.

1.3 Ethical business conduct

Compliance with applicable law at national and international level always takes precedence. This also applies if legal requirements appear to be inexpedient or economically unfavourable. We attach great importance to open and truthful reporting and communication in all business transactions.

1.3.1 Fair competition

The standards of fair business activity, fair advertising and fair competition must be observed. In addition, the applicable antitrust law must be complied with, which in particular prohibits agreements and other activities that influence prices or conditions in dealing with competitors.

1.3.2 Confidentiality and data protection

For any processing (including in particular the collection, storage, transmission and disclosure) of information, the legal standards on data protection and information security as well as any official regulations must be observed. In particular, the protection of personal information as well as trade secrets must be ensured.

1.3.3 Intellectual property

The right to intellectual property must be respected. Technology and know-how transfer must take place in such a way that the intellectual property rights and the customer information are protected.

1.3.4 Integrity, bribery and benefit-taking

The highest standards of integrity must be applied to all business activities. Any form of bribery, corruption, extortion and embezzlement is prohibited. We expect a zero tolerance policy from our business partners in this regard. To ensure this, appropriate and effective procedures for monitoring and enforcing anti-corruption standards must be implemented and applied.

1.3.5 Complaint mechanisms

The Supplier must pass on any information received from LEIPA on the availability, responsibility and conduct of a complaint procedure to its employees in a suitable manner. The complaint procedure must be accessible to employees while maintaining the confidentiality of the identity and effective protection against discrimination. Regardless of whether a notice is received, the Supplier itself is responsible for establishing an effective complaint mechanism at the facility level for individuals and communities who may be affected by negative impacts.

2 Implementation of the requirements

We expect our Suppliers to identify risks in relation to the above clause 1 within their value chain and to take appropriate (remedial) measures (prevent, avoid, reduce). The Supplier will inform LEIPA regularly about the identified risks and the measures taken. In the event of a concrete suspicion of violations as well as in the case of actual violations, the Supplier will inform LEIPA immediately about this and the measures taken.

LEIPA verifies compliance with the standards and regulations listed in this document by risk-based audits at the Suppliers' production sites. LEIPA or persons commissioned by LEIPA carry out such audits to verify compliance with the Code of Conduct at regular intervals or for specific reasons at the business partner's premises during normal business hours after reasonable advance notice. The Supplier agrees to the audits, however, he can discuss individual audit measures if they violate mandatory data protection regulations.

If a violation of the regulations of this Code of Conduct is found, LEIPA will inform the Supplier immediately in writing and set him a reasonable grace period to bring his behaviour in line with these regulations. If a remedy is not possible within a reasonable time, the Supplier must notify this immediately and, together with the company, draw up a concept with a schedule for ending or minimizing the violation.

LEIPA is entitled to terminate the business relationship with the Supplier under the following conditions:

- a) the violation was culpable;
- b) the reasonable grace period for remedial measures has expired fruitlessly or the remedial measures carried out by the Supplier do not provide an effective remedy; and
- c) a continuation of the contract until the ordinary termination is unacceptable for LEIPA. This means that, in particular, there is no milder remedy available.

A statutory right to extraordinary termination without granting a grace period, in particular in the case of violations to be assessed as very serious, shall remain unaffected, as shall the right to compensation for damages.

Declaration of consent of the Supplier

Hereby declares

Sample companies, business address:

Street No. 1, 12345 city,

registered in the commercial register at the city district court

under XXXX, represented by Mrs. X and Mr. Y,

-hereinafter referred to as "**Partner**"

with the validity of the LEIPA Code of Conduct – Code of Conduct for Business Partners, available at www.leipa.de, agrees and undertakes by signing to comply with the principles and requirements there. The Supplier also undertakes to communicate the content of the Code of Conduct in an understandable manner to its employees, agents and subcontractors and to take all necessary precautions for the implementation of the requirements.

The Supplier agrees that LEIPA will carry out audits at regular intervals or for specific reasons to check compliance with the Code of Conduct at the business partner's premises during normal business hours, after reasonable advance notice, either by itself or by persons commissioned by LEIPA.

The Supplier is aware that any violation of the Code of Conduct may constitute a serious violation of the contractual obligations of the business partner, which may ultimately be the reason and reason for LEIPA to terminate the business relationship, including all associated contracts with the business partner.

For further questions about the Code of Conduct, please contact your personal contact person at LEIPA as well as the central e-mail address codeofconduct@leipa.com.

(Place, date)

(Name, Function)

Supplier

(Name, Function)

Supplier