

Code of Ethics of Suppliers of Lubawa S.A. and affiliated entities

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Introduction

This Code will be used in Lubawa SA in Ostrów Wielkopolski and in affiliated companies (Lubawa Group). Companies affiliated with Lubawa SA in Ostrów Wlkp. Refer to companies that apart from Lubawa SA form Lubawa Capital Group, i.e.: Lubawa SA, Miranda SA, Litex Service Sp. z o.o., Litex Promo Sp. z o.o., Effect System SA and companies in which Lubawa SA holds more than 50% of capital or more than 50% of voting rights.

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I. RULES OF ETHICAL BEHAVIOUR

1. Based on values and rules we have adopted, we are striving at exerting a positive influence on the natural environment, working conditions and local society, fulfilling at the same time our business obligations at the highest possible level.

2. The basis of our relations with business partners consists in the rules of responsible business, therefore, we are trying to select suppliers that keep equally high ethical standards.
3. This Code of Ethics of Suppliers (the Code) and the Code of Ethics and Business Conduct of LUBAWA Group specify requirements and expectations in the scope of ethical behaviour of the suppliers.
4. The rules apply to all suppliers of goods and services rendered for the Companies of LUBAWA Group.

II. EXPECTATIONS TOWARDS SUPPLIERS

1. Conformity with the law

All suppliers are obliged to observe the law, including provisions related to protection of human rights, environment, employment and working conditions, health and safety and to be made subject of assessment as part of the process of Government Quality Assurance.

2. Human rights and working standards

1. It is forbidden to use any forms of forced, indentured or slave labour.
2. The employees should be provided with freedom of employment consisting in a possibility of resigning from work at any time with notice in accordance with the applicable law.
3. Suppliers cannot employ children and are obliged to observe the requirements in the scope of minimum employment age.
4. Suppliers are obliged to ensure safe working condition, free from any forms of violence, harassment and molestation.
5. Employees' rights to freedom of assembly and association and the right to enter into collective labour agreements shall be observed.

3. Counteracting discrimination and equal rights

1. Suppliers shall not use any forms of discrimination on account of sex, age, disability, race, religion, nationality, political beliefs, union membership, ethnical origin, communion, sexual orientation, type of employment and the amount of working time.
2. Suppliers are obliged to observe the rules of professional equality of opportunity applied in all aspects of work, including recruitment, employment, promotion, remuneration, improvement of professional qualifications.

4. Practices in the scope of remuneration and working time

1. Suppliers are obliged to provide Employees with remuneration and other benefits in accordance with the applicable regulations and rules related to minimum wage and overtime hours.
2. Weekly working time shall not exceed the limit specified by the provisions of the law.

3. Employees shall be provided with at least one day off during each seven-day working period and the right to holiday leave, maternity leave and other days off in accordance with the provisions of the law.

4. Working overtime has to be voluntary and cannot exceed 12 hours per week unless there are other arrangements between the Employer and the Employee.

5. Health and safety

1. Safe and healthy working conditions should be provided, meeting the applicable standards and health and safety regulations. Health and safety at work rules should refer to the following aspects:

a) Marking of emergency exits and the evacuation plan of the building hanged on the wall;

b) Availability and regular maintenance of fire extinguishers;

c) Available first aid kit and personal protection measures, regular overhaul of machinery and equipment;

2. Suppliers should observe specific rules related to storage of hazardous materials.

3. Suitable working conditions should be provided, meeting norms in the scope of cleanliness, ventilation and lighting of rooms and access to sanitary rooms.

4. Alcohol, drugs, other abusive substances and hazardous objects are not allowed in the work place.

6. Fair business practices

1. It is forbidden to give or accept bribes, including illegal commissions or discounts and other unacceptable forms of gratification for the purpose of obtaining or keeping advantage or exerting influence on decisions on making an order or aiming at the modification or cancellation of the order.

2. It is inappropriate to give gifts or other forms of gratification that could be interpreted as an attempt to exert influence on other person being in official, business or commercial relations. Only objects of symbolical value and marketing nature are allowed.

3. Any situations that could constitute conflict of interest should be avoided.

4. Classified information obtained during commercial cooperation with the Companies from LUBAWA Group should be treated as confidential. Such information shall not be disclosed to third parties without a written consent of the Companies.

5. Environmental protection and social responsibility

1. Suppliers should carry out their activities taking into account protection of the natural environment at all stages of production, especially in the scope of obtaining, processing and disposing of materials.

2. Suppliers should implement solutions contributing to minimization of the negative influence on the environment by effective management of energy, water, wastes and emission to the air.

3. Carrying out the activity, suppliers should focus on the good of a local society and take up initiatives supporting its development.

4. Observance of the Code and control mechanisms

1. Each supplier cooperating with the Companies from LUBAWA Group shall be obliged to respect values and ethical rules of the Companies and observe the provisions of this Code while carrying out its activity.
2. Supplier shall be responsible for implementation and observance of the rules provided for in the Code, its company/production plant.
3. Any doubts or infringements of this Code should be immediately reported anonymously or to the appointed person with the use of the following channels:

- e-mail sent to the address: zaufanie@lubawagroup.com

- SMS message: 661 003 330

- telephone – hotline: 62 737 57 02

- written form – internal communication box

4. No Employee can be discriminated or punished for providing the information related to non-observance of the Code.
5. Suppliers shall be obliged to enable authorized representatives of the Companies and National Institutions to make an announced or unannounced audit to verify observance of the provisions of the Code and to provide access to buildings and relevant documentation.
6. In case of finding any inconsistencies LUBAWA Group may recommend the plan of remedial actions.
7. Suppliers shall be obliged to observe the provisions of the Code of Ethics of Suppliers and the Code of Ethics and Business Conduct by way of obtaining the following statement:

“Based on the cooperation with Lubawa Group I hereby represent that I have obtained documents, i.e. the Code of Ethics and Business Conduct of Lubawa Group and the Code of Ethics for Suppliers, I have read them and undertake to observe their provisions during the cooperation with LUBAWA Group.

Moreover, I commit myself to immediately make my Enterprise audited; the audits are carried out by LUBAWA Group and other organizations acting on its behalf, and their aim is to verify adherence and application of the rules specified therein.”

8. Failure to fulfil the obligation to observe the Code may result in the termination of cooperation with the supplier.