

Supplier Code of Ethics

Issue II, Kamienna Góra, 1. December 2017

Introduction:

This policy will be applied to the company Świat Lnu Sp. z o. o.
in Kamienna Góra.

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I PRINCIPLES OF ETHICAL CONDUCT

1. In accordance with our values and principles, we strive to have a positive impact on the environment, working conditions and the local community, while meeting our business commitments at the highest possible level.
2. Our relationship with business partners is based on responsible business principles, so we strive to select Suppliers that maintain equally high ethical standards.
3. This **Supplier Code of Ethics** (hereinafter referred to as the Code), together with the **Code of Ethics and Business Conduct**, sets out the requirements and expectations for the ethical conduct of Suppliers.
4. The rules apply to all Suppliers of goods and/or services provided to Świat Lnu Sp. Z o.o. (also hereinafter the Company).

II EXPECTATIONS TOWARDS SUPPLIERS

1. **Compliance with standards**

- All Suppliers are required to comply with the law, including the provisions on the protection of human rights, the environment, employment and working conditions, health and safety, and to undergo an assessment in the framework of the GQA process. (Government Quality Assurance)

2. **Human rights and labor standards**

1. Any form of forced, slave or non-remunerated labor shall be prohibited.
2. Workers should be given the freedom to work by giving up their employment at any time on termination in accordance with applicable law.
3. Suppliers are not allowed to use child labor and are required to comply with minimum working age requirements.
4. Suppliers are required to ensure a safe working environment free of all forms of violence, harassment and harassment.
5. The right of workers to organize and conclude collective agreements must be respected.

3. **Anti-discrimination and equal rights**

1. Suppliers may not discriminate in any way on grounds of sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation, type of employment and working time dimension.
2. Suppliers are required to respect the principles of professional equality applicable to all aspects of their work, including recruitment, hiring, promotion, remuneration and professional qualifications.

4. Remuneration and working time practices

1. Suppliers are required to guarantee Employees' remuneration and other benefits in accordance with the applicable rules and rules on minimum wages and overtime.
2. The weekly working time may not exceed the limit laid down by law.
3. Workers must be provided with at least one day's free of work during each seven-day period of work, as well as with the right to leave for rest, maternity and other holidays in accordance with the law.
4. Overtime work must be done on a voluntary basis and may not exceed 12 hours per week unless there is any other agreement between the Employer – Supplier and the Employee.

5. Health and safety

1. Ensure safe and healthy working conditions that meet current health and safety standards and regulations. Health and safety at work rules should cover in particular aspects such as:
 - a) the marking of escape exits and the posted evacuation plan of the building,
 - b) availability and regular maintenance of fire extinguishers,
 - c) the availability of a first aid kit and personal protective equipment, regular inspection of machinery and equipment.
2. Suppliers should adhere to relevant rules regarding the storage of hazardous materials.
3. Adequate working conditions shall be provided that meet the standards of cleanliness, ventilation and lighting of the premises and access to sanitary facilities.
4. The use of alcohol, drugs, other drugs or dangerous goods in the workplace should not be permitted.

6. Fair business practices

1. Bribes, including illegal commissions or rebates, and other unlawful gratuities, are not permitted to be awarded or accepted in order to obtain or maintain an advantage, or to influence the decision to make a contract, or to modify or cancel a contract.
2. It is inappropriate to give gifts or other forms of facilitation that could be perceived as an attempt to influence another person in official, business or business relationships. Only items of symbolic value that are of a marketing nature are allowed.
3. Any situation which may constitute a conflict of interest should be avoided.
4. Classified information obtained in the course of commercial cooperation with the company should be treated with due confidentiality. This

information should not be disclosed to third parties without the written consent of the Company.

7. **Environmental protection and social responsibility**

1. Suppliers should carry out their activities with a view to protecting the environment at all stages of production, in particular as regards the collection, processing and disposal of materials.
2. Suppliers should implement solutions that contribute to minimizing negative environmental impacts through efficient energy, water, waste and air emissions management.
3. Suppliers should be guided by the good of the local Community and take initiatives to support its development.

8. **Compliance with the Code and controls**

1. Any supplier working with the Company shall be obliged to respect the Company's values and ethical principles and to comply with the provisions of this Code in its activities.
2. The supplier is responsible for implementing and complying with the principles set out in the Code at their company/production facility.
3. Any doubt or violation of this Code should be reported anonymously or to a designated person without delay using the following channels:
 - email to zaufanie@lubawagroup.com
 - SMS message: [\(+ 48\) 572 903 083](tel:+48572903083)
 - telephone line - hot line: [\(+ 48\) 62 737 57 02](tel:+48627375702)
 - written form.
4. No employee may be discriminated against or punished for providing information regarding non-compliance with the Code.
5. Suppliers are obliged to enable authorized representatives of the Company and National Institutions to carry out an announced or unannounced inspection of compliance with the Code and to ensure access to buildings and relevant documentation.
6. If a non-compliance is found, the Company may recommend a corrective action plan.
7. We commit Suppliers to comply with the provisions of the Supplier Code of Ethics and the Code of Ethics and Business Conduct by providing them with a declaration or commitment to use the GCA Ethics. The contents of the declaration and the GCA Ethics are as follows:

Supplier Details:

Company
Address:
NIP:
REGON:

In the framework of the cooperation undertaken with Świat Lnu Sp. z o. o. (the Company) I/we declare that I/we have received documents in the form of the Code of Ethics and Business Conduct and the Supplier Code of Ethics that I/we have read and agree to abide by them in cooperation with the Company

In addition, I undertake to submit immediately to the audits of my company conducted by the Company and other organizations acting on behalf of the Company, the purpose of which is to verify the application and compliance of the rules set out in the documents provided."

I/we acknowledge and agree that failure to comply with one or more of the codes may result in the termination of cooperation with the supplier.

Date and signature of the person authorized to act on behalf of the Supplier

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GENERAL CONDITIONS OF AGREEMENTS

to observe ethical principles in the cooperation undertaken (Also GCA Ethics).

1. These provisions apply to a one-time/permanent/periodic cooperation as a service/goods provider to the Company also hereinafter referred to as the Purchaser.
2. Each Party, as part of the performance of the Agreement, represents and assures the other Party that it will comply with the applicable laws on the prohibition of corruption and declares that it has adopted an effective ethical system and program in the organization to prevent violations of the law and the commission of crimes.
3. Without prejudice to the foregoing, each Party undertakes not to offer, pay, give or promise, directly or indirectly, in the performance of the Agreement on its part, acting in its own name or on behalf of a third party, or to propose, offer, pay, give or promise to pay or transmit, directly or indirectly, any payment or benefit in cash or in kind for (i) any public officer to influence or cause such officer to use his or her influence at any public office to change or influence the official decision, to assist a Party in the performance of its obligations under the Agreement or to act for the benefit of either Party; (ii) any political party or candidate for public office for that purpose; or (iii) any person, if either Party knows or has reason to know that such benefit will be offered, promised, paid or transferred, directly or indirectly, to any public official, a political party or candidate for the above-mentioned purpose.
4. Each Party declares that neither it nor any of its owners, members or shareholders, members of the management, members of the management board or employees is a Public Official or an employee of any state or government agency or political party or candidate for any political office at the date of conclusion of the Agreement. Each Party shall promptly notify the other Party in writing of the occurrence of any event which will, or may, result in a derogation from the said declaration.
5. A violation of the law committed by the highest persons in office or in the course of the activities of the offending Party or by its employees, consultants, representatives, agents and/or persons acting, for any reason, in the interest of or for the benefit of the offending Party, constitutes a material breach of the Agreement, Therefore, the non-infringing party shall have the right to terminate the Agreement with immediate effect by simply notifying the offending party in writing and notwithstanding any other claims or rights of the non-infringing party under the Agreement.

6. The Purchaser expects the Suppliers with whom he/she works to apply the law and observe the principles of ethical conduct. The Purchaser promotes social and environmental values among its Suppliers and tries to influence their acceptance wherever possible.
7. The Supplier shall comply with the provisions applicable to the implementation of the Agreement, in particular when performing the services and supplying the services or products covered by the Agreement. In particular, but not exclusively, the Supplier shall not be actively or passively, directly or indirectly, involved in any form, bribery, corruption, violation of the fundamental rights of his employees or the employment of children. In addition, the Supplier is responsible for the health and safety of his employees and will act in accordance with applicable occupational safety and environmental regulations. The supplier declares that all information provided by him in the **Questionnaire for External Partners** completed prior to the conclusion of this Agreement is true, accurate and complete. The supplier undertakes to inform the Purchaser without delay of any changes in the information referred to above.
8. The Supplier undertakes to comply with the requirements of the Supplier Code of Ethics and the Company Code of Ethics and Business Conduct. Both codes are available on the Company website. The Supplier has read them before accepting the GCA Ethics and they are an integral part of the GCA Ethics.
9. In order to enable the Purchaser to confirm that the Supplier has complied with the above principles as well as with the provisions of the GCA Ethics, the Supplier undertakes to provide, at the reasonable request of the Purchaser, relevant information regarding compliance with this clause of the Agreement. In order to ensure that the obligations assumed by the Supplier under this point of the Agreement are fulfilled, the Purchaser is entitled to conduct an audit of the Supplier himself or through his affiliated entities or by another person. The Purchaser shall cause the third party to sign a non-disclosure agreement, the terms of which shall be the same as those contained in this Agreement. The audits referred to above may be carried out on working days during working hours (8:00-16:00) and with the assistance of an authorized Supplier representative, after informing the Supplier thirty (30) days in advance. The costs of such audits shall be borne by the Purchaser.
10. Failure to comply with the above principles, including in the event of incorrect or incomplete information being provided **Questionnaire for External Partners**, will constitute a serious breach of the Agreement which will entitle the Purchaser to terminate the Agreement with immediate effect, provided that, despite the request, if the breach can be remedied, it is not remedied, within a time limit set by the Parties.

11. Upon the engagement of the Supplier, for the duration of the Agreement, this GCA Ethics becomes an integral part of the legal framework of the cooperation undertaken, which the Supplier accepts knowingly and unconditionally.

Suppliers

NIP:

Date

I/we hereby agree to the above-mentioned GCA Ethics and its legal significance:

Signature of authorized representative of the Supplier: