

LUBAWA GROUP OF COMPANIES

Supplier Code of Ethics

Edition III, Ostrów Wielkopolski 30 November 2024

Introduction: This Supplier Code of Ethics shall apply to Lubawa SA, based in Ostrów Wielkopolski, and to companies affiliated with it (hereinafter referred to as the LUBAWA Group of Companies). The companies affiliated with Lubawa SA in Ostrów Wielkopolski are those that, together with Lubawa SA, form the LUBAWA Group of Companies, namely: Lubawa SA, Miranda Sp. Z o.o. , Litex Service Sp. z o.o., Litex Promo Sp. z o.o., Effect System Sp. z o.o. , Effect System SA, Eurobrands Sp. z o.o., MS Energy Sp. z o.o.

 **LUBAWA SA**

 **MIRANDA**
TEXTILES

LITEX
PROMO

LITEX
SERVICE

 **EFFECT**
SYSTEM

EUROBRANDS

MS ENERGY SP. Z O.O.

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1. Responsibility

The LUBAWA Group of Companies and its employees accept responsibility and commit to complying with applicable laws and regulations, as well as adhering to the ethical standards they have established for themselves.

The priority of the LUBAWA Group of Companies is to conduct their business in a responsible, transparent, and trustworthy manner. This Supplier Code of Ethics (hereinafter referred to as the Code) sets out the requirements applicable to all Suppliers of the LUBAWA Group of Companies. The Supplier undertakes to comply with the principles and requirements of this Code and to encourage its own Suppliers and/or subcontractors to observe the standards and provisions set out herein.

2. Definitions

A **Supplier** means any natural or legal person, or organisational entity without legal personality, that provides goods and/or services to any company of the LUBAWA Group of Companies, including but not limited to suppliers, consultants, agents, subcontractors, and counterparties.

3. Compliance with the Law

All Suppliers are required to comply with applicable laws and regulations, including those concerning the protection of human rights, the environment, employment and working conditions, health and safety, as well as participation in the Government Quality Assurance (GQA) process.

Each Supplier's responsibility includes:

- Complying with laws and acting in accordance with their letter and spirit;
- Being familiar with and understanding the principles of the Code;
- Participating in training on the requirements of the Code of Ethics;
- Acting safely, ethically, and in accordance with established standards;
- Ensuring that employees, business partners, and other stakeholders have access to mechanisms for reporting irregularities or potential breaches of law and the Code; Having procedures in place to investigate such complaints and address verified cases;
- Requiring its own suppliers to comply with the Code's provisions;
- Cooperating in investigations or audits conducted by authorised representatives of any company of the LUBAWA Group of Companies.

4. Human Rights and Labour Standards

We expect our Suppliers to respect human rights, which is reflected in the recognition and protection of fundamental human rights as provided for by national legislation, as well as in accordance with the principles set out in the following documents – OECD Guidelines for Multinational Enterprises (OECD, 2011); UN Guiding Principles on Business and Human Rights, which include a set of principles concerning the respect for human rights. (UN, 2011); the eight Fundamental Conventions of the International Labour Organization (ILO)¹; the ten Principles of the United Nations Global Compact relating to human rights; and the International Bill of Human Rights, which comprises five key United Nations instruments: the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights together with its Optional Protocols concerning individual communications and the abolition of the death penalty, and the International Covenant on Economic, Social and Cultural Rights (UN, The International Bill of Human Rights. (1948).

Suppliers should be guided by respect for human rights and apply best employment practices, including:

- employing only those workers who are legally authorised to work;
- demonstrating support for the protection of human rights and avoiding participation in business ventures that violate these rights, while engaging, where possible, in activities that promote business ethics among stakeholders;
- ensuring equal access to employment regardless of gender, sexual orientation, religion, social background or race;
- providing employees with remuneration and other benefits in accordance with applicable laws and regulations concerning minimum wage and overtime;
- ensuring working conditions that meet health and safety requirements;
- providing equal promotion opportunities for all employees based on length of service, skills and experience;
- creating opportunities for learning, acquiring new skills and personal development;
- ensuring employees are able to express their own thoughts and opinions;
- respecting employees' freedom of association, including the right to form and join (or not to join) trade unions;

¹ Convention No. 29 on Forced or Compulsory Labour, Convention No. 87 on Freedom of Association and Protection of the Right to Organise, Convention No. 98 on the Right to Organise and Collective Bargaining, Convention No. 100 on Equal Remuneration for Men and Women Workers for Work of Equal Value, Convention No. 105 on the Abolition of Forced Labour, Convention No. 111 on Discrimination (Employment and Occupation), Convention No. 138 on Minimum Age for Admission to Employment, Convention No. 182 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.

- ensuring that all employees have at least 24 consecutive hours of rest in every seven-day period, as well as the right to annual leave, maternity leave and other days off in accordance with the law;
- maintaining a friendly working atmosphere, in particular by promoting teamwork, responsibility and respect for diversity.

Suppliers are required to observe international norms and standards, in particular to:

- comply with the prohibition of the use of slave, forced or compulsory labour;
- refrain from retaining passports or work permits as a condition of employment;
- comply with the prohibition on human trafficking and exploitation;
- refrain from importing products in any way connected with slavery or human trafficking;
- comply with the prohibition on employing children and minors below the legal minimum age for employment.

Suppliers are also obliged to comply with national and international regulations concerning the protection of young persons, as set out in the following documents – the Constitution of the Republic of Poland, the Labour Code of 26 June 1974 (Polish Journal of Laws No. 24 , item 141, as amended), Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work (OJ L No. 216, p. 12, as amended), the United Nations Convention on the Rights of the Child, ILO Convention No. 138 on the Minimum Age for Admission to Employment, ILO Convention No. 182 on the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, and ILO Convention No. 79 on the Limitation of Night Work of Children and Young Persons in Non-Industrial Occupations.

An employee may only be a person who is at least 18 years of age, and – under the conditions for the employment of young persons specified in Section Nine of the Labour Code – also a person under the age of 18.

A young person is a person who is at least 15 years old but under 18 years of age. A young person may be employed under a contract for vocational training purposes, and after reaching the age of 16, under an employment contract, but only for the performance of light work.

A child is considered to be any person under the age of 16, unless local law specifies a different age as the age of compulsory education.

5. Anti-Discrimination and Equal Rights

We expect our Suppliers to respect the equality of all employees and to adhere to the principles of non-discrimination, equality and diversity, including:

- treating employees equally with regard to recruitment and termination of employment, employment conditions, promotion, and access to training aimed at improving professional qualifications;
- observing the principle of equal opportunity policy designed to effectively eliminate all forms and manifestations of discrimination in the workplace, covering such aspects as racial, religious, sexual, national, ethnic and gender diversity, disability, health status, marital status, political beliefs, or trade union membership;
- standardising the processes of recruitment, employment, promotion, participation in training, disciplinary measures or dismissal based on clearly defined work-related criteria and qualifications applicable to all employees;
- demonstrating mutual respect in everyday relations.

Definition of Discrimination Prohibition

Equal treatment in employment means the absence of any form of discrimination, whether direct or indirect, in particular on the grounds of sex, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, creed, sexual orientation, or type of employment.

Direct discrimination occurs “where an employee, on one or more discriminatory grounds, is or could be treated less favourably than other employees in a comparable situation.”

Indirect discrimination occurs “where, as a result of an apparently neutral provision, criterion or practice, there are or could be unfavourable disproportions or a particularly disadvantageous situation in relation to the establishment or termination of employment, employment conditions, promotion or access to training aimed at improving professional qualifications for all or a significant number of employees belonging to a group distinguished by one or more discriminatory grounds, unless such provision, criterion or practice is objectively justified by a lawful aim to be achieved and the means of achieving that aim are appropriate and necessary” (*Article 18(3a) §1–4 of the Labour Code of 26 June 1974; Polish Journal of Laws of 2023, item 1465, as amended*).

6. Mobbing, Harassment and Molestation

Suppliers are required to adhere to the principles of preventing mobbing, harassment, and molestation, as well as to treat everyone with respect and avoid situations that may be considered inappropriate.

Definition of Mobbing

Mobbing refers to actions or behaviours concerning an employee or directed against an employee, consisting of persistent and long-term harassment or intimidation of the employee, resulting in or

intended to result in a lowered sense of professional self-worth, humiliation or ridicule, isolation, or elimination from a team of co-workers (*Art. 94[3] of the Labour Code of 26 June 1974; Journal of Laws of 2023, item 1465, as amended*).

We expect Suppliers to strongly oppose practices that allow any form of psychological or physical violence, in particular:

- not tolerating verbal, non-verbal or physical behaviour by any person associated with the Supplier's activities that is intended or may be perceived as mobbing, degrading, intimidating, harmful or hostile;
- not tolerating any form of psychological (mobbing) or physical harassment, including behaviour that violates personal dignity through persistent and intrusive pestering or harassment, or ongoing criticism, bullying or intimidation;
- refraining from unjustified criticism of work performed and from discrediting others for the quality of their work, ridicule, undermining competence, or disclosing private details of employees' lives;
- preventing situations of physical or psychological harassment intended to violate dignity, humiliate or degrade any internal stakeholder.

7. Confidentiality and Data Protection

Companies of the LUBAWA Group of Companies may grant Suppliers access to information about the companies of the LUBAWA Group of Companies, their suppliers, business partners or other stakeholders. Suppliers must maintain confidentiality and not disclose to any third party information belonging to the companies of the LUBAWA Group of Companies, their suppliers, business partners or stakeholders, except where there is a legitimate business need to know and appropriate confidentiality agreements have been signed prior to disclosure, or where written consent has been obtained from the relevant LUBAWA Group of Companies company for such disclosure.

Suppliers should also:

- process information and personal data obtained from companies of the LUBAWA Group of Companies in accordance with the law and the agreements concluded with those companies;
- implement and maintain appropriate security procedures and physical safeguards to ensure protection against unauthorised or unlawful processing, as well as accidental loss, destruction or damage;
- comply with applicable data protection regulations and related legal provisions.

8. Health and Safety

Our Suppliers are required to comply with all applicable health and safety regulations and to provide a safe and healthy working environment for employees and visitors.

In particular, the Supplier is obliged to:

- ensure that personnel receive appropriate health and safety training and make every effort to ensure that personnel are familiar with all emergency and crisis management procedures in the workplace;
- implement management systems that support the creation of a safe workplace;
- report and investigate any accident, injury or illness, and cease work when a hazard is identified;
- provide employees with access to first aid kits and personal protective equipment, and regularly review procedures, emergency plans, machines and equipment;
- comply with regulations concerning the storage of hazardous materials.

9. Anti-Corruption Principles and Guidelines

We require our Suppliers to conduct their business in an ethical, honest and transparent manner. In their operations, the Supplier shall:

- not permit the promising or giving of financial or personal benefits to public officials, state-owned entities, political parties, party members or candidates for public office, or business partners in order to obtain or maintain business relations;
- not engage in or accept personal benefits, gifts, or invitations to entertainment events in exchange for establishing any business relationship, providing services, or disclosing confidential information, or where the giver's intention is to obtain a biased decision;
- avoid any situations that may constitute a conflict of interest;
- not engage in or accept any corrupt practices, including bribery, fraud, extortion, embezzlement, influence peddling, nepotism, facilitation payments, insider trading, obstruction or distortion of public tenders, bid rigging, money laundering, or the financing of terrorist or criminal activities.

10. Fair Competition and Antitrust Regulations

We expect our Suppliers to apply the principles of ethical conduct in relations with competitors, respect the good reputation of competing entities, and adhere to the principle of fair competition. We believe that by competing solely on the basis of brand, quality of offered products and

services, and commercial terms, we contribute to the development of a strong free-market economy.

In their operations, the Supplier shall:

- **Not** enter into agreements that restrict competition, the purpose or effect of which is to eliminate, limit, or otherwise distort competition in the relevant market;
- **Not** abuse a dominant position over weaker competitors, which may include, for example, directly or indirectly imposing unfair prices, whether excessively high or grossly low;
- **Not** breach trade secrets;
- **Not** imitate products;
- **Not** induce others to breach or fail to perform a contract;
- **Not** engage in defamation or unfair promotion;
- **Not** bribe public officials;
- **Not** restrict market access;
- **Not** engage in unfair or prohibited advertising.

11. Relations with Counterparties

In relationships with counterparties, we expect Suppliers to settle all obligations in a timely manner. Furthermore, when selecting counterparties, Suppliers should be guided by criteria such as quality, experience, and the counterparties' compliance with social, environmental, and business ethics standards.

Suppliers must also refrain from establishing business relationships, directly or indirectly, with entities or individuals subject to Polish or international economic sanctions.

12. Environmental Protection and Social Responsibility

We are aware of the impact of our operations on the natural environment and the necessity of taking initiatives to ensure sustainable development.

In caring for the natural environment, we expect our Suppliers to:

- comply with applicable environmental protection laws;
- implement an integrated approach to environmental management, prevent pollution, and take appropriate actions supporting the protection of the natural environment, both within management systems and social initiatives;

- minimise negative environmental impact through efficient management of energy, water, waste, and air emissions;
- conduct operations with consideration for environmental protection at all stages of production, particularly in the sourcing, processing, and disposal of materials;
- act in the interest of the local community and undertake initiatives supporting its development.

13. Compliance and Control Mechanisms

1st Every Supplier cooperating with companies within the LUBAWA Group of Companies is obliged to respect the values and ethical principles of the Companies and to comply with the provisions of this Code in their operations.

2nd The Supplier is responsible for implementing and adhering to the principles set out in the Code within their company or production facility.

3rd We require the Supplier to report to the LUBAWA Group of Companies any suspicions or violations of the provisions of the LUBAWA Group of Companies Supplier Code of Ethics.

4th Violations should be reported in writing via the GlobalLeaks application (accessible on the website <https://sygnalista.grupalubawa.pl>).

5th We provide protection against retaliation for individuals who, in good faith, report observed improper conduct or practices.

6th Suppliers are required to allow authorised representatives of the Companies and National Institutions to carry out announced or unannounced inspections regarding compliance with the Code and to provide access to buildings and relevant documentation.

7th In case of non-compliance, the LUBAWA Group of Companies may recommend a corrective action plan.

8th We require Suppliers to comply with the provisions of the Supplier Code of Ethics and the LUBAWA Group of Companies Code of Ethics and Business Conduct by obtaining from them the following statement or commitment to follow the Ethics Terms and Conditions (Ethics TC). The text of the statement and Ethics TC is as follows:

Supplier Information:

Company:

Address:

Taxpayer Identification Number (NIP):

National Business Registry Number (Regon):

As part of the cooperation with the Company or Companies of the LUBAWA Group of Companies, I declare that I have received the documents in the form of the LUBAWA Group of Companies Code of Ethics and Business Conduct and the Supplier Code of Ethics, which I have read and agree to comply with during cooperation with the LUBAWA Group of Companies.

Furthermore, I undertake to promptly submit to audits conducted by the LUBAWA Group of Companies and other organisations acting on behalf of the LUBAWA Group of Companies, aimed at verifying the application and compliance with the principles set out in the provided documents.

I acknowledge and accept that failure to comply with even one of the aforementioned Codes may result in the termination of cooperation with the Supplier.

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

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