

Code of Conduct for Business Partners and Suppliers of Papier- u. Kartonfabrik Varel GmbH & Co. KG

A. Preamble

Papier- u. Kartonfabrik Varel GmbH & Co. KG (hereinafter referred to as 'PKV') is a German manufacturer of corrugated board papers and cardboard made from waste paper for the use in the packaging industry. Since 1950 we have been using waste paper as a raw material, thus conserving valuable natural resources. Sustainability is therefore at the centre of our production. With technology, we are saving more and more energy and water. We take our social responsibility seriously and are committed to responsible corporate governance.

As a company of the HZI Group, all our actions in all areas, in particular towards and in co-operation with our employees, customers, suppliers and other business partners are guided by the principles of integrity and fairness. Sustainability and the protection of our environment are key PKV principles. Compliance with applicable laws forms the basis of our actions.

This **Code of Conduct for business partners and suppliers** sets out our principles and standards for the selection and evaluation of our business partners, which are applied as a basis in addition to our general terms and conditions of purchase and contractual clauses. Together with you - our business partner - we want to work continuously to promote sustainability and social responsibility as the basis of our joint success and ensure responsible behaviour in our value chain. We see a co-operation with you as an essential factor in jointly exploiting further potential and managing any risks that arise.

B. General Principles

Compliance with laws

We comply with the applicable laws, standards and other legal regulations in all countries in which we operate and also observe the relevant social rules.

Business partners and authorities

We are committed to the principle of fair competition towards all market participants and work exclusively in accordance with generally recognised business practices, with a particular focus on fairness and honesty. We maintain a trusting relationship with public authorities.

We expect our business partners to be equally committed to comply with all applicable laws and regulations in the countries in which they operate in. This includes, in particular, compliance with laws relating to taxes, labour and social security law, environmental protection, consumer protection, competition and antitrust law, the prohibition of unethical activities such as fraud, corruption and bribery, money laundering and the violation of human rights.

C. Social Standards

We take our responsibility for the people in our company, the region and the wider community very seriously. Healthy and safe working conditions and the continuous training of our employees are very important to us. Diversity, equal opportunities and inclusion are part of our ongoing development.

Labour and human rights

Human rights serve first and foremost to protect the dignity of every human being. We expect our business partners to always regard respect for human rights as a top priority in all their actions. To comply with social justice and labour and human rights, business partners should be guided by national laws as well as international standards and frameworks. In particular, the UN Guiding Principles on Business and Human Rights and the core labour standards of the International Labour Organization (ILO), which set out universal principles and rights at work for member groups, must be observed.

Forced labour and human trafficking

We oblige our business partners to strictly prohibit any kind of forced labour, slavery, human trafficking, and oppression in all forms without distinction for all people in accordance with ILO Conventions No. 29 and No. 105. We understand forced labour as any type of work that is not performed voluntarily or under the threat of punishment. Every employee's work is based on a written employment contract that is concluded voluntarily between the contracting parties. The employment contract and supplementary documents specify the area of work in which the employee is deployed, and the main tasks assigned.

Child labour and young workers

Our business partners undertake to comply with all local laws and regulations relating to the minimum age for the employment of workers and not to tolerate child labour in any form. The provisions of the Youth Labour Protection Act and all associated regulations in accordance with ILO Convention No. 182 are fully complied with. Young people are only employed within the legally permissible working hours.

Our company attaches great importance to training and retraining. Apprentices and retrainees are supervised by expert trainers and are afforded special protection. We fully comply with the provisions of the Vocational Training Act. We expect our business partners to do the same in their companies.

Anti-discrimination & harassment

Our business partners guarantee that they will not tolerate any form of discrimination or verbal or physical harassment towards employees, business partners, suppliers, service providers or other persons. This applies in particular, but not exclusively, to discrimination

and disadvantages on grounds of ethnic origin, gender, religion or ideology, disability, age or sexual orientation. The principle of equal treatment and equal opportunities must be considered in recruitment processes and wage and salary agreements. The provisions of the General Equal Treatment Act in Germany and ILO Convention No. 11 on Discrimination in Employment and Occupation must be complied with.

Occupational health and safety

Occupational health and safety are very high priorities for us which always and without exception take precedence over production targets. All applicable national laws and standards in this area must be complied with by our business partners. Conditions and measures must be created to avoid or minimise risks to health and safety. In this context, the regulations of the labour protection laws and the Working Hours Act must also be strictly adhered to.

Remuneration

The business partner guarantees that the remuneration of employees fully complies with the national applicable laws, in particular the Minimum Wage Act as a minimum standard (if applicable). In addition, the collective bargaining regulations on remuneration issues (if relevant) are fully guaranteed and complied with. Remuneration must be paid on time and made transparent to employees in the form of payrolls.

Freedom of association

The business partner respects the fundamental right to freedom of association in its company in accordance with ILO Conventions No. 87 and No. 98. Employees are free to organise themselves into trade unions. Employees must not suffer any disadvantages as a result of membership of a trade union.

Minorities, people in need of protection, indigenous peoples

Business partners shall respect the rights of minorities, vulnerable groups and local communities to decent living conditions, including the right to land, access to water and other natural resources and the right to practise their culture.

D. Environmental standards

Environmental protection and sustainable production processes and products are both a concern and an obligation for us. It is our central endeavour to harmonise sustainable development - in social, ethical and ecological terms - with economic development. This is a fundamental part of our corporate policy and reflects our responsibility to the region and the people who live here. To fulfil our claim to environmentally friendly and sustainable paper and board production, our production processes are continuously optimised from an ecological perspective. We rigorously integrate sustainability issues that are relevant to us into our corporate processes, for example by complying with stringent requirements in the areas of quality, food and product safety, environment, energy and occupational health and safety in accordance with DIN ISO standards.

We expect our business partners to comply with the legal requirements for environmental protection and to continuously engage to reduce the impact of their business processes on the environment. Business partners should consider introducing a system such as the ISO 14001 environmental management system or a comparable system for the management and control of environmental issues.

Climate protection

Climate protection is a high priority for us. PKV therefore also expects its business partners to actively support climate protection. Business partners should endeavour to record their own greenhouse gas emissions and establish measures that contribute to the reduction of their emissions.

Protection of valuable resources

We are always engaged in developing measures to reduce the use of resources to a minimum and use them as efficiently as possible. We also expect our business partners to ensure that their operating processes conserve resources and to find the most efficient and material-reducing solutions possible. In particular, when using water as a resource, the official regulations and standards for water utilisation, water consumption and waste water must be observed. Business partners shall take suitable and appropriate measures to realise the avoidance of waste, the reuse of resources, recycling and the safe and environmentally friendly disposal of residual waste and chemicals.

Suppliers must ensure that all raw materials, in particular wood and other pulp sources, come from sustainable and responsibly managed sources. This can be achieved, for example, through FSC certification. Suppliers who fall under the EUDR must fulfil the requirements.

E. Ethics & Compliance

Data protection and information security

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, information security laws and regulatory requirements when collecting, storing, processing, transmitting and sharing personal information. Data protection and data security are basic prerequisites for the use of artificial intelligence (AI). Business partners ensure that all developments with AI are subject to the applicable laws and regulations. AI systems must always be designed carefully, reliably and without discrimination. Humans should be the controlling authority in all AI decisions.

Antitrust law, competition and fraud

We, and therefore all our business partners, are fully committed to exclusively fair competition with our market companions and competitors. We comply with all applicable antitrust and competition laws in this context. We reject agreements on prices and conditions as well as agreements that serve to restrict competition or divide up markets and customers.

Deliberate acts or omissions that cause fraud in relationships with partners are strictly prohibited.

Bribery and corruption

All bribery, corruption, extortion, money laundering and embezzlement are prohibited. Suppliers may not grant advantages, offer, pay or accept bribes. This also applies to illegal inducements (e.g. bribe money) and any unlawful influence in business or government relations. Furthermore, no intermediaries (e.g. subcontractors, wholesalers, agencies, consultants) may be used to handle or support such illegal activities.

Avoidance of conflicts of interest

Business partners make their decisions based on objective criteria and must not allow themselves to be influenced by extraneous interests or relationships.

Accepting and offering gifts

When working with business partners, PKV employees may not offer or grant any unauthorised benefits to business partners as part of their operational activities.

Import and export controls, product compliance

Business partners shall ensure compliance with all applicable laws for the import and export of goods, customs and export control regulations as well as applicable economic or trade sanctions and embargoes. Suppliers and business partners must comply with all applicable legal provisions regarding product safety and product integrity, handling of hazardous substances, goods and waste as well as labelling and packaging of products.

F. Responsibility and implementation

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

The business partner must also set up an anonymous complaints' procedure.

PKV reserves the right to review compliance with the Code of Conduct using suitable, risk-based, legally compliant and appropriate means before awarding a new contract and during the entire business relationship on a regular, random or ad hoc basis.

G. Complaints procedure

Internal and external stakeholders can use the whistle-blower procedure in an anonymised process set up within the HZI Group to complain and report anomalies. Business partners shall not take any action that hinders, blocks or impedes access to the complaints' procedure.

<https://fp-whistleblowing.com/#/submission>

You can find all information on the reporting procedure on the HZI website at:

<https://www.hzi-gruppe.com/wp-content/uploads/2024/02/Verfahrensordnung-Beschwerdeverfahren-HZI-EN-1.pdf>

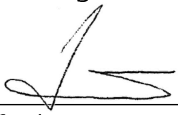
We endeavour to take a cooperative approach with our business partners to address and improve the situation where necessary and possible. If you have any questions, comments or concerns about unlawful behaviour, please do not hesitate to contact the contact persons in our company. The Compliance Officer can be contacted at the following e-mail address compliance@hzi-gruppe.de.

If a breach of the provisions of this Code of Conduct is detected, we will inform the supplier immediately in writing and agree on the next steps. The supplier shall be given a reasonable grace period to bring its behaviour into line with these regulations. If a remedy is not possible in the foreseeable future, the supplier must notify us immediately and, together with us, draw up and implement a concept with a timetable for ending or minimising the breach. We have the right to temporarily suspend the business relationship in the meantime. If the grace period expires fruitlessly or the implementation of the measures contained in the plan does not remedy the situation after the expiry of the timetable and no other less severe means are available, we may terminate the business relationship and cancel all contracts.

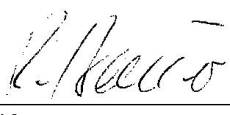
A statutory right to extraordinary termination without setting a grace period, in particular in the case of wilful and very serious breaches, remains unaffected, as does the right to compensation.

Varel, 1st December 2024

The Management of Papier- u. Kartonfabrik Varel GmbH & Co. KG



Ralf Schu



Rolf Bauer

H. Acknowledgement and consent of the supplier

By signing this document, the supplier undertakes to act responsibly and to comply with the principles/requirements listed. Furthermore, the contents of this code of conduct should be communicated to employees, authorised representatives and subcontractors in a way that is understandable to them and the necessary precautions for the implementation of the requirements should be taken.

Company name: _____

Name: _____

Position: _____

Date: _____

Signature: _____