LESER Supplier Code of Conduct

Preamble

Using tradition to shape the future.

LESER is an internationally leading safety valve manufacturer with its headquarters in Hamburg, Germany. With its subsidiaries, a total of more than 1,000 employees, and sales and service partners in more than 100 countries, LESER operates globally.

LESER is in its fifth generation of family ownership. Thanks to 200 years of company tradition, for LESER the consideration of future generations is a matter of course.

In order to contribute to sustainable development that meets the needs of current generations without limiting the possibilities of future generations while also excluding the exploitation of people and the environment, LESER assumes social and ecological responsibility for its corporate activities within the context of its Corporate Social Responsibility (CSR).

The LESER Corporate Vision is the corporate philosophy we follow and provides us orientation. Combined with LESER's values: precise, committed, efficient, they form the basis for our activities. We understand LESERs Code of Conduct as a link between the vision, the mission, and the long-term goals of our company. LESER is convinced that by acting in accordance with our LESER Code of Conduct, we are contributing to sustainability in an economically efficient, socially just, and ecologically sustainable way.

By protecting people, the environment, and industry with LESER safety valves, LESER combines social and ecological responsibility with creating value. LESER understands sustainability as an opportunity for stable corporate development. The requirements are permanently changing. Due to globalization, social and political demands on companies to assume social and ecological responsibility in their own company as well as in their supply chains are growing. As a company with global operations, LESER wields influence in the sense of sustainable development in the countries in which LESER operates. In this context, LESER uses its organizational resources in all parts of the world to do business accordingly, while simultaneously contributing to the responsible treatment of people and the environment and in this way shaping the future.

As part of our corporate commitment, LESER is dedicated to working with suppliers, manufacturers, contractors, consultants and third parties or intermediaries who provide products to LESER or perform services for us or act on our behalf (collectively “Suppliers”) who have same basic understanding of responsible conduct.

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1 Purpose

We developed this Supplier Code of Conduct (this "Code") to provide clarity to our Suppliers regarding our expectations of responsible conduct including environmentally and socially business practices.

We expect Suppliers to require adherence to this Code from all third-party vendors or sub-suppliers retained by Supplier to supply products or services to us, whether directly or indirectly. We reserve the right to change the requirements of this Code based on changes in applicable Laws or changes in the LESER Code of Conduct.

The Code cannot cover every possible situation, nor can it specifically address all of the laws or business practices in the multiple locations in which LESER conducts business. We expect and welcome questions about the Code and its interpretation.

For future cooperation, the contracting partners agree on the validity of this Code. This Code forms the basis for all future deliveries of supplies. Supplier commits to fulfil all the principles and requirements of this Code and shall enter into force upon signature. Compliance with this Code is mandatory, and in the event, there is no intention of further development at the responsibility of the supplier, LESER has the right to immediately terminate our business relationship including all associated supply contracts.

2 References

The following declarations and guidelines, among others, have guided LESER in the preparation of this Code:

- United Nations Universal Declaration of Human Rights, 1948
- International Labor Organization (ILO) Minimum Age Convention, 1973 (No. 138)
- The Ten Principles of the UN Global Compact, 2000
- United Nations Convention against Corruption, 2003
- United Nations Guiding Principles on Business and Human Rights, 2011
- Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises, 2011 edition
- United Nations Paris Agreement 2015
- The Sustainable Development Goals of the United Nations, 2015

3 Integrity and compliance

3.1 Compliance with laws

Supplier complies with applicable laws.

- Conduct sall activities in compliance with applicable laws and other legal requirements.
- In addition to local laws and regulations, Supplier apply the principles contained in this Code.
- If there is a direct conflict between mandatory local law and the principles contained in this Code, local law shall prevail.

3.2 Competition and fair trade

Supplier commits to free and fair competition.

- Complies with existing competition laws and respect existing antitrust and trademark laws.
- Does not carry out any actions that exclude, restrict or distort fair competition.
- Does not engage in bid collusion, price fixing or other cartel arrangement, or customer or market allocation with other Suppliers.

3.3 Combating corruption

Supplier rejects corruption and bribery as defined in the United Nations Convention against Corruption of 2003.

- Engage in business only without unfair advantage, both Suppliers and the personal advantage of a potential business partner. Personal benefits include payments of a monetary nature, gifts intended to influence business decisions, and gratuities that could have even the appearance of influencing decisions.
- Provided that the professional impartiality of the business partner is not jeopardized, gifts and invitations that are within the scope of customary hospitality, custom, and courtesy may be granted or accepted.

3.4 Combating fraud

Supplier is committed to combating fraud.

- Does not engage in fraudulent activities such as embezzlement, misappropriation, extortion or theft.
- Does not engage in money laundering or transactions that serve to conceal or integrate criminal or illegally acquired assets.

3.5 Protection of information and data

Supplier uses confidential information and data exclusively in compliance with legal and contractual regulations.

This applies in particular to:

- the protection of confidential company and business information,
- intellectual property,
- and personal data.

4 Working conditions

4.1 Health and safety at work

LESER does not compromise on occupational health and safety. Supplier is responsible for the occupational health and safety of its employees and other persons on the premises and is committed to reducing work-related health risks. It is the declared goal to create and maintain safe workplaces for all employees, regardless of where they work.

- Ensuring healthy working conditions is a constant task and obligation for all of us.
- Employees are informed regularly about the applicable health protection and safety norms and measures, receive training about them and using personal protective equipment if necessary, and reporting all identified risks.

4.2 Wages and working hours

Supplier complies with the local regulations of the minimum wages and maximum allowable working hours and, if applicable, with existing, binding collective agreements and pays its employees appropriate compensation.

Deductions from wages as a disciplinary measure is prohibited. Any deduction from wage equal to time not worked (e. g. showing up to work late, suspension without working) is not considered a disciplinary wage deduction or unlawful deduction.

5 Respect for human rights

Human dignity is inviolable. LESER is committed to respecting and protecting this dignity. LESER is dedicated to the Universal Declaration of Human Rights of the United Nations of 1948. Likewise, Supplier is obligated to respect them.

5.1 Prohibition of child labor

Supplier does not tolerate child labor.

- Supplier therefore only hires employees who are at least 15 years old.
- In countries that are covered by the developing country exemption according to the International Labor Organization's Convention 138 on the Minimum Age for Admission to Employment, 1973, the minimum age can be reduced to 14 years.

5.2 Prohibition of forced labor

Every person has the right to freely choose their profession and workplace. Supplier, therefore

- Not tolerate any form of forced labor, modern slave labor or comparable freedom-depriving conditions.
- Within the scope of contractual agreements, all work performed by employees must be voluntary.
- All work has to be voluntarily entered into and employees must have the possibility to terminate the employment contract.

5.3 Mutual appreciation, non-discrimination, and equal opportunities

All persons are equal under the law. Supplier does not tolerate any form of discrimination or harassment.

- Supplier resolutely opposes discrimination of any kind, e. g. on the basis of ethnic origin, age, religious affiliation, ideology, sexual identity and orientation or other personal characteristics.
- Every employee must act fairly, respectfully, and trustworthily in all actions and business relationships.
- Physical punishment as well as psychological and physical pressure are incompatible with LESER.
- Supplier encourages equal opportunities.

6 Environmental and climate protection

LESER recognizes and contributes to the environmental and climate protection goals of the 2015 United Nations Paris Agreement. Supplier, therefore

- Continuously reduces their impact on the environment and the climate.
- Handles resources and pollutants responsibly.
- Complies with the guidelines and regulations for environmental and climate protection and operate in accordance with the applicable laws.
- Is guided by international standards in order to reduce negative effects on the environment as far as possible or to avoid them completely in the future.
- Produces declarations of compliance pursuant to all applicable substance control Laws including, but not limited to, RoHS and REACH. In addition, (i) informing LESER in writing if any products provided by Supplier contain a declarable substance prior to purchase of such products, and (ii) completing and submitting product level substance declaration forms via regular mail or email.
- Ensures that product and packaging requirements, as far it is not already defined in LESER Material or Delivery Specification, include proper environmental compliance marking and labeling as required by applicable laws, including, but not limited to CE.

7 Supplier sourcing guidelines

Suppliers will source raw materials, subcomponents, finished goods and/or services from third parties who uphold similar standards of environmental and social compliance as set forth in this Code, and shall drive accountability of these principles throughout their supply chain.

7.1 Handling conflict minerals

Supplier ensures they do not use conflict minerals tin, tungsten, tantalum, and gold from conflict regions.

- Takes measures, if necessary, to avoid the use of conflict minerals in Suppliers products because in politically unstable areas human rights violations, corruption, and the financing of armed groups could be supported by trading in those conflict minerals.
- Reports to LESER existence, if any, of conflict minerals in Suppliers products to LESER.
- These conflict regions are located in the countries: Democratic Republic of Congo, Sudan, Central African Republic, Uganda, Republic of Congo, Angola, Tanzania, Rwanda, Burundi, Zambia, and Angola.

8 Implementation

Supplier shall (i) develop, implement and maintain appropriate written standards, procedures and controls, and maintain complete and accurate records, and (ii) perform periodic evaluations of their operations to ensure compliance with this Code and applicable Laws. As part of its Supplier review, Suppliers shall certify conformance to this standard by providing a signed LESER Supplier Code of Conduct to their LESER procurement representative.

Upon request, Suppliers will permit LESER or our authorized representatives, access to their records and facilities as may be required in order to verify compliance with this Code and applicable Laws. Upon request, Suppliers shall also complete and promptly return any survey and/or questionnaire that we provide related to compliance with this Code. Results of such survey will form part of Suppliers performance and its development hereto.

Based on LESERs Code of Conduct this Code will be used as the global foundation for compliance for all our Suppliers. Therefore, any exceptions to the Code must be approved by the LESER Manager, Global Material Management.

Joachim Klaus, Managing Director

13/04/2022
Date