

LEIPA

Policy Statement on Human Rights

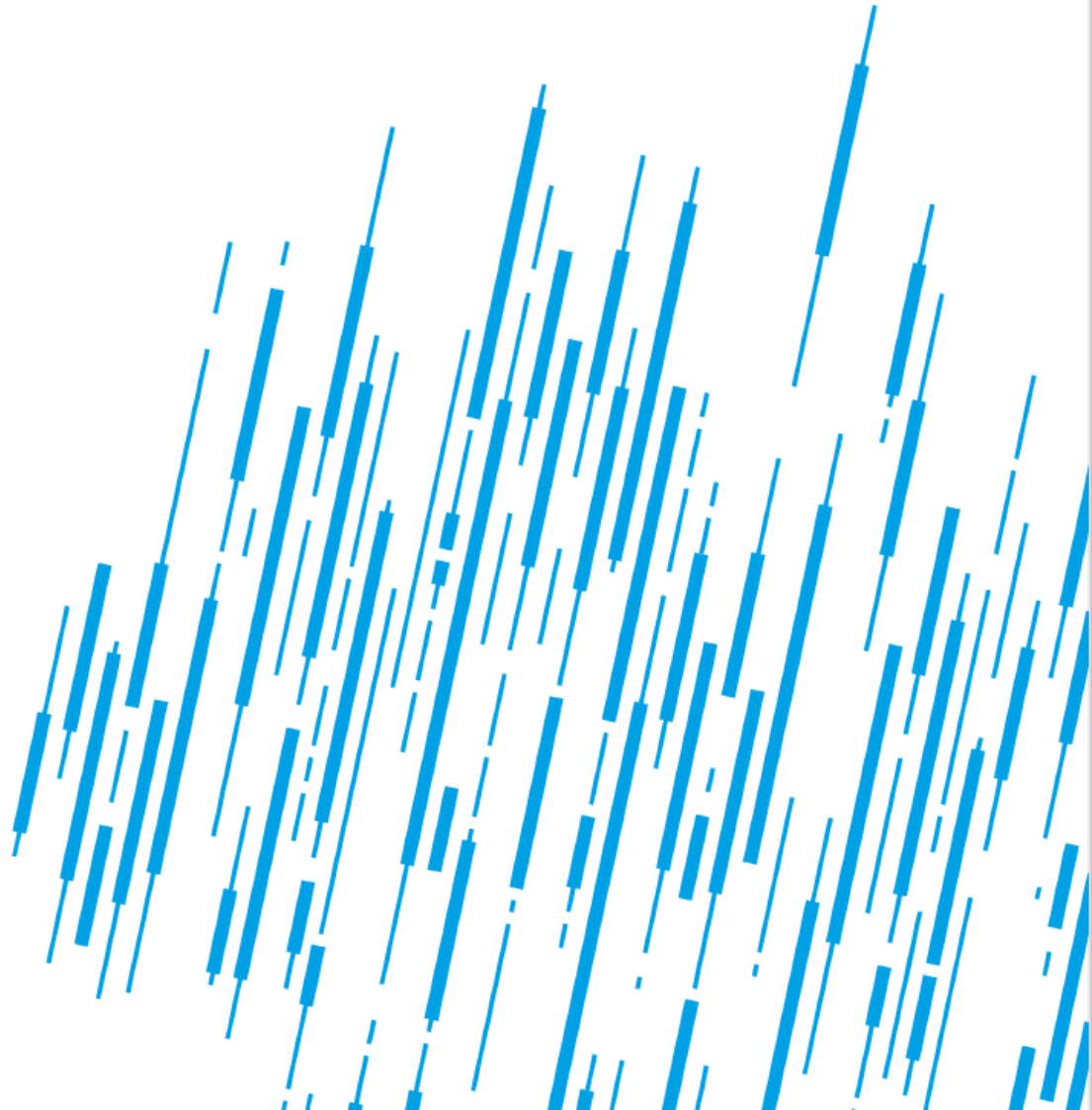


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Preface

The LEIPA group of companies, consisting of LEIPA Group GmbH, LEIPA Georg Leinfelder GmbH, Leipa Logistik GmbH and MAD Recycling GmbH as well as the majority-owned investments of one of the aforementioned companies (hereinafter collectively referred to as "LEIPA"), has established a strong position in the field of processing recycled paper into high-quality products or in the refining of raw materials for packaging purposes. We are a reliable partner for our customers. Our success is based on achieving our profit targets while maintaining our values: respect, commitment and sustainability. These values have always characterized the LEIPA group of companies and form the cornerstones of our corporate culture and vision.

It is our aspiration to put the highest possible ethical standards and legally compliant actions into practice and thus be successful in business. LEIPA strives to continuously optimize paper production in terms of sustainability. We encourage our business partners to do their part.

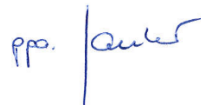
This Policy Statement on Human Rights (hereinafter referred to as the "Policy Statement") has been issued by LEIPA pursuant to Section 6 of the German Supply Chain Due Diligence Act (hereinafter referred to as the "LkSG"). The Policy Statement is based on national laws and regulations, such as the LkSG, as well as international conventions such as the United Nations Universal Declaration of Human Rights, the Guidelines on Children's Rights, the United Nations Guiding Principles, the International Labor Standards, and the United Nations Global Compact.

We respect human rights in our global value and supply chains. Our goal is to promote their observance and prevent their violation. Together with our employees, customers, business partners and stakeholders, we work every day to promote human rights - to this end, we are particularly committed to fair business practices and good working and living conditions.

Independent, grandchild-friendly and future-oriented - this shapes and characterizes the way we work and interact with each other, the way we communicate and the way we take responsibility for people, the environment and nature. Our actions today lay the foundation for future generations and the successes of tomorrow.



Peter Probst
CEO - LEIPA Group GmbH



ppa. Jürgen Sauter
Director Procurement - LEIPA Group GmbH

1 LEIPA's responsibility and claim

LEIPA is committed to respecting human rights, considering environmental impacts and striving for sustainable growth while offering customers and consumers sustainable product alternatives. Compliance, responsible business processes and value chains, and the sustainable use of natural resources and raw materials are anchored in the corporate strategy. For LEIPA, responsible business processes and value chains include respect for human rights, the promotion of circular economy, resource efficiency and environmental protection.

The foundation of LEIPA's human rights and environmental due diligence is its commitment to respect human rights and environmental standards. This is based on the following internationally recognized norms, guidelines and standards:

- UN Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child
- UN Convention on the Elimination of All Forms of Discrimination Against Women
- OECD Guidelines for Multinational Enterprises
- Core labor standards of the International Labor Organization (ILO)
- The Paris agreement
- The Minamata Convention
- The Stockholm Convention
- The Basel Convention
- The ten principles of the UN Global Compact (UNGC)

LEIPA respects fundamental human rights towards its employees and third parties and expects the same from its business partners. Compliance with the highest applicable standard of local laws and the requirements of the ILO core labor standards is essential. The following principles apply in particular to the organization of working conditions and form the basic prerequisite for any cooperation:

- Compliance with the ban on child and forced labor
- Equal treatment of all employees and no tolerance of discrimination
- Ensuring health and safety in the workplace
- Providing remuneration at least equal to legally guaranteed minimum wages with working hours in accordance with the applicable standards
- Protection of personal data
- Recognition of the right of all employees to form employee representative bodies and to engage in collective bargaining to regulate working conditions

These principles are anchored in our Code of Conduct and are part of the contractual agreements with our business partners.

2 Implementation of the corporate due diligence obligations

2.1 Scope of application

The policy statement applies to all employees of LEIPA and comes into effect on 01.01.2024. The management of LEIPA and the Human Rights Protection Committee are responsible for overseeing the fulfillment of this declaration.

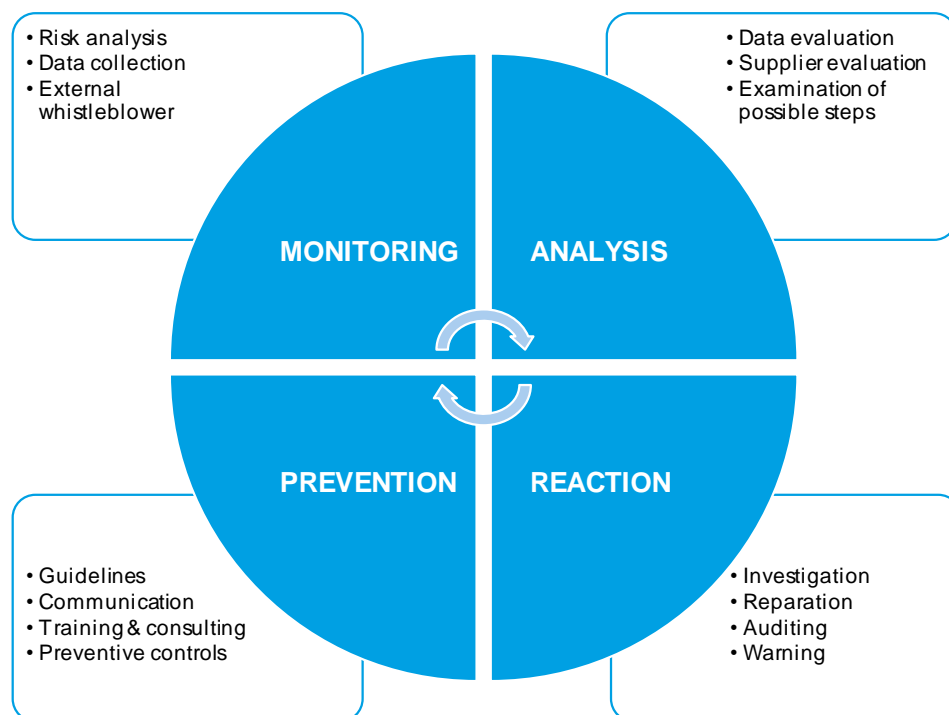
Once a year, the contents and implementation strategy of the policy statement must be reviewed for their actuality and meaningfulness and adjusted if necessary.

Suppliers, business partners and other market participants are considered organizations and are therefore to be regarded as gender-neutral in the language used in this text. For ease of reading, the masculine form is used for personal nouns and pro-nouns. However, this expressly does not imply any discrimination against other genders, but is to be understood as gender-neutral for the purposes of linguistic simplification.

2.2 Risk analysis in the supply chain

LEIPA understands the identification of risks and their potential effects as well as the derivation of effective measures to avoid risks or to minimize the effects as a continuous task in the implementation of the corporate due diligence obligations.

The risk management system implemented at LEIPA, which is used to deal with human rights and environmental risks by means of an annual risk analysis and, if necessary, additional risk analyses, is clearly shown in the following diagram. The individual elements of the risk management system are interlinked and form a constant cycle to promote corporate performance and a culture of integrity.



In this process, a risk classification of business partners and products is carried out on a company-specific basis using software implemented specifically for this purpose. In this process, metadata resulting, for example, from financial, operational, environmental, social, regulatory and legal risk assessments of countries of origin, raw materials and products, and - in some cases - in exchanges with civil society organizations and experts, are collected and analyzed. This is followed by an assessment of the potential risks in the immediate and mid-supply chain, determining the inherent supplier risk. The findings of the risk analysis are incorporated into the development of concrete measures to avoid or mitigate adverse effects of LEIPA's business activities. In addition, the requirements for LEIPA's suppliers - for example in terms of certifications or self-disclosures - contribute to a more effective risk analysis.

Based on the results of the risk analysis, measures are taken in our own business area and at our business partners to prevent human rights and environmental risks. LEIPA continuously reviews the effectiveness of the measures. Furthermore, once the first product group-related and country-specific risk analysis has been carried out, LEIPA will add an overview of the results to this document and report on the corresponding approach to prevention and remediation.

2.3 Prevention and remedial measures in the own company

All relevant employees of LEIPA receive a briefing on the contents of the Sustainable Procurement Guideline and the Code of Conducts. In addition, managers are instructed and taught to prevent human rights and environmental risks and to actively prevent their occurrence. LEIPA is currently developing a training program for all employees in Purchasing and Corporate Development to prepare them for the LkSG and the associated protection of human rights and the environment, as well as the identification of human rights and environmental risks. The connection between corruption and human rights violations will also be explained in the said training activity. LEIPA will repeat the existing briefings and trainings at regular intervals and further expand and adapt the contents as needed.

In addition, to ensure compliance with human rights in our own operations, risk mitigation measures and controls will be defined throughout the business to ensure compliance with LEIPA's human rights approach. The aim is to protect those (potentially) affected and to identify, prevent or at least minimize adverse human rights and environmental impacts. Relevant prevention and mitigation measures in the own business area are:

- Publication and implementation of this policy statement
- Appointment of a human rights officer to monitor risk management
- Compliance with our Code of Conduct
- Further training and sensitization of employees
- Implementation of risk-based control measures
- Enforcement of sanctions in the event of violations
- Implementation of our standard for sustainable procurement

2.4 Prevention and remediation measures with business partners

In addition, we implement appropriate prevention and remediation measures with immediate suppliers. These are:

- Consideration of human rights and environmental requirements in the selection of new suppliers and their contractual assurance
- Obtaining a policy statement or comparable document
- Contractual clause for suppliers
- Training and education to enforce contractual assurances
- Risk-based control measures

Before entering into a contract with a supplier, LEIPA shall ensure that the potential business partner confirms in writing compliance with the LEIPA Code of Conduct for Suppliers and third parties or has demonstrably committed itself to comparable principles laid down in a supplier's code of conduct or other corporate guidelines. LEIPA expects its business partners to pass on the requirements of the Code of Conduct or similar standards in their own supply chains, to follow up on indications of possible violations and to establish appropriate preventive and remedial measures.

The LEIPA Code of Conduct for Business Partners is available in German and English at the following links:

<https://www.leipa.com/de/fuer-lieferanten>

<https://www.leipa.com/en/for-suppliers>

For business partners where a high human rights or environmental risk has been identified, LEIPA plans to implement additional risk mitigation measures such as surveys, assessments or on-site audits. The risk management software implemented by LEIPA will also perform continuous analyses and check all business partners on a daily basis for possible newly emerging risks. In case of a warning, measures will be taken to assess the detected risk and, if necessary, to overcome or reduce it.

By agreeing to the Code of Conduct, business partners agree that LEIPA may verify compliance through interviews and, if deemed necessary by LEIPA, on-site audits. Business partner audits and assessments are used to verify compliance with LEIPA's requirements for business partners, including the Code of Conduct. Audits will be conducted externally by auditors or internally by qualified auditors from LEIPA.

LEIPA will also carry out event-related risk analyses at indirect suppliers if substantiated knowledge of possible violations of human rights or environmental obligations appears possible or if significant changes or extensions of the risk situation arise within the business activity.

2.5 Effectiveness review of prevention and remediation measures

The effectiveness of all LkSG-relevant processes of care will be reviewed at least once a year and on an ad hoc basis in order to identify, prevent, eliminate or mitigate any adverse human rights or environmental impacts.

This policy statement is reviewed on an ongoing basis, but at least once a year, and revised as necessary. The currently valid statement as well as information on other LEIPA positions, reports and guidelines can be found on our website.

2.6 Complaints management and reparation

Access to complaint mechanisms plays an important role for those affected by or observing possible violations of human rights and environmental standards. LEIPA has implemented an online reporting system from an external service provider for the confidential reporting of indications of compliance violations and indications relating to human rights and environmental standards. The on line systems are available in German and English, can be accessed at any time and are accessible online both to LEIPA employees and to anyone outside the company. Complaints can also be reported at any time to the members of LEIPA's Human Rights Protection Committee. All reports are treated confidentially and can also be made anonymously.

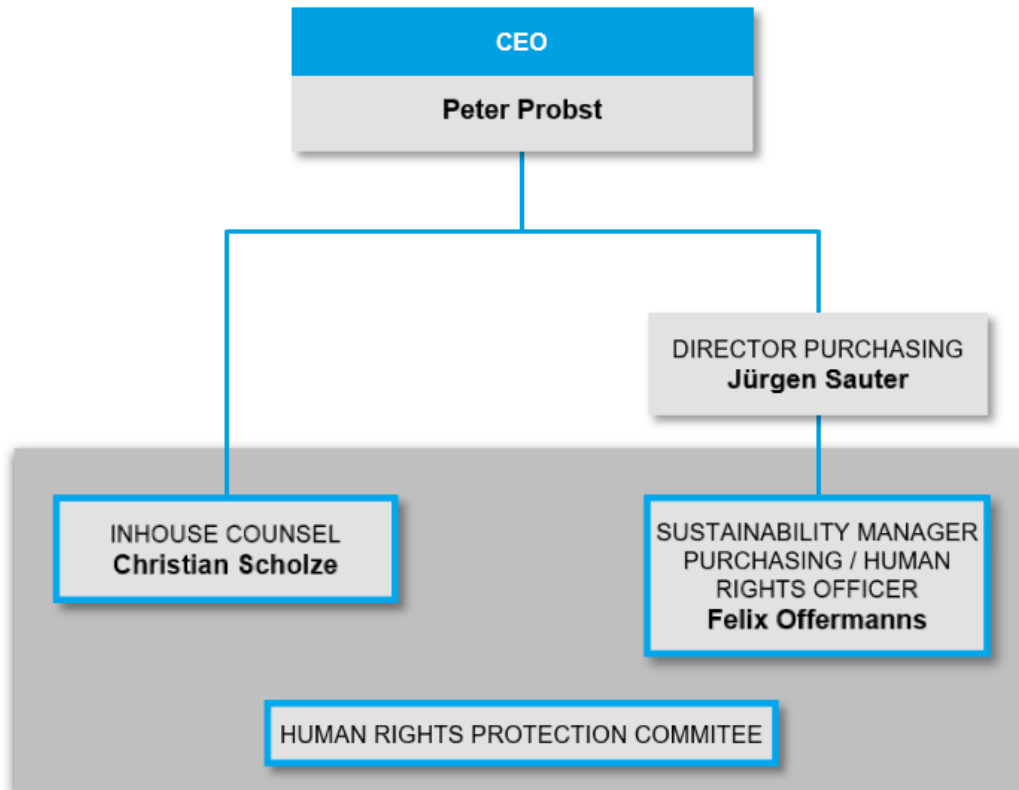
Significant findings from complaints are used to further develop the mechanisms and to identify risks. If violations of human rights or an environmental obligation are actually identified, which have been caused by a company of the LEIPA group of companies or to which the companies of the LEIPA group of companies have contributed, LEIPA endeavors to make amends and uses its influence to ensure that those affected are provided with appropriate remedies. LEIPA is constantly working to remedy possible negative impacts on human rights or the environment caused by its own activities or those of its business partners. The measures to remedy the proven impacts are determined on an individual basis. LEIPA's goal is to continuously integrate and promote an open and focused improvement culture.

2.7 Reporting and documentation

Transparent communication on human rights and environmental challenges is a core element of human rights due diligence. LEIPA will record the procedures described above and their results by means of internal documents and reports and update them as required. The effectiveness of the risk analysis will be reviewed at least once a year by means of a detailed report in accordance with the requirements of the LkSG. LEIPA will publish the annual report on this at the end of the respective fiscal year. In addition, LEIPA will make measures and progress achieved on significant human rights and environmental risks as well as on continuing challenges publicly available on the company website.

3 In-house responsibility

LEIPA's internal responsibilities for human rights compliance and risk management implementation are clearly shown in the following chart:



The risk management implemented in LEIPA is subject to the supervision and responsibility of the management board. It therefore reports directly to the CEO Peter Probst and his deputy Antonio Belante, who meet at least once a year with the Human Rights Officer of the Human Rights Protection Committee (HRPC) to discuss their work and progress. Operational control of the HRPC is the responsibility of Jürgen Sauter, who in his function as Director Purchasing is in regular contact with the HRPC and monitors it on behalf of the management board.

The HRPC is made up of two people and manages the implementation of the supply chain due diligence act as follows: Christian Scholze (Inhouse Counsel) is responsible for answering all legal questions as well as the complaint procedure while Felix Offermanns (Sustainability Manager Purchasing) is in charge of the business and operational management of risk management as well as all other requirements of human rights and environmental due diligence. Felix Offermanns represents LEIPA as Human Rights Officer in all issues relevant to the LkSG and reports at least once a year on the activities of the HRPC to the management board and on an ongoing basis to the Director Purchasing. He is responsible for the proper monitoring of the establishment, implementation and maintenance of risk management in accordance with the LkSG. In doing so, he must ensure that the due diligence obligations under the LkSG are effectively and appropriately anchored in all relevant business processes.

The HRPC can be reached via the following email address: humanrights@leipa.com

Obligation of the management

Schwedt/Oder, 01.09.2023

(place, date)



Peter Probst, CEO



Antonio Bellante, Deputy CEO