



# Corporate Policy

## Preface

40 years of experience, research and development have made LECAPELL one of the leading companies in the surface finishing industry.

This leading role comes with a great deal of responsibility, not just for our customers and suppliers, but also for the environment and the people we impact.

Consequently, LECAPELL believes that one of its main responsibilities is to set a good example.

Constant improvements to our operations, the safety of our employees, as well as the quality of our products go hand in hand with increased environmental protection, resource-conserving methods, and the installation of the latest technologies to lessen the burden on the surrounding natural habitats.

Responsible conduct lies at the heart of our corporate philosophy.

The Code of Conduct forms the basis for the ethical and legal conduct of our employees.

LECAPELL is committed to a competitive market, adheres to a strict anti-corruption guideline, and respects human rights.

## Responsibility, Summary

We expect our employees, suppliers, and partners to respect our commitment to environmentally friendly, ethical, and legal conduct and to adjust their own conduct to our example.

The most important concepts have been summarized under the following headings:

- Compliance
- Human beings and the workplace
- Sustainability
- Environment
- Quality

Should you have any questions, comments, or other concerns, please contact the responsible department at:

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## Preface

## Objective and Responsibility

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## Compliance

### Laws and Legislation

Compliance with all applicable laws, legislations, and societal norms is the basis for running a business and is managed as such.

### Working Conditions

While senior management takes its commitment to a safe and healthy work environment seriously, all employees are challenged to do their part in maintaining this environment. Consequently, all safety regulations and practices must always be strictly adhered to.

As a socially responsible employer, LECAPELL considers its employees a valuable investment for the future. It requires a great deal of commitment and offers a fair and safe workplace in return. This HR policy therefore encourages the company to offer professional and personal development opportunities to each and every one of its employees. It also promotes an open exchange of opinions, criticism, and ideas.

The company deplores and will take action against any illegal discrimination or harassment of any kind.

### Child Labor

LECAPELL is strictly opposed to child labor. It only employs individuals over the age of 18 with the exception of voluntary vacation jobs, which allows for the hiring of teenagers over the age of 15 for a temporary position after the completion of their compulsory education.

The obligation of each employee to provide proper identification for his or her registration with social security ensures that the employer can meet its age-related legal obligations.

### Forced Labor and Human Trafficking

Any work performed at LECAPELL is voluntary. The company is against any forced labor, compulsory labor, and any other form of involuntary work, which results in a clear position against human trafficking and any related activities. Employees are free to terminate their employment at any time in compliance with the reasonable notice period required by law or contract. The company does not allow any conduct that might impair the freedom of movement of employees within the context of generally applicable legal or societal norms.

### Human Rights

LECAPELL respects and protects all human rights and human dignity.



## Corruption, Bribery, and Blackmail

Corruption, bribery, and blackmail as well as any conduct that pursues business by improper means will not be tolerated. Employees may not put business partners in compromising situations, offer special perks, or receive or accept them in order to influence an objective and fair business decision or that might even give the impression of improper conduct. For more details, please refer to the Code of Conduct.

## Data Protection

Lecapell takes precautions to protect the managed data against tampering, loss, destruction or access by unauthorized persons or unauthorized disclosure. The security measures are constantly being improved in line with technological developments.

## Non-Discrimination

Discrimination for religious, ethnic, or other reasons is not accepted at all. Any discriminating conduct by employees in any hierarchy level may lead to sanctions under labor law. No form of violence or harassment, including sexual harassment, will be tolerated.

Employees will be considered exclusively on the basis of their capabilities and qualifications with regard to employment decisions including, but not limited to, hires and promotions, compensation, benefits, education, dismissals and terminations.

# Employees and the Workplace

## Personnel Development

We consider employees to be our most important asset.

Detailed personnel plans, constant improvement and adaptation to working conditions, as well as our development options, combined with a company-based continuing education and training program form the core of our HR policy. This consistently leads to good quality in the production process.

LECAPELL considers occupational health and safety not just a legal requirement, but a top priority for operations, and is committed to its employees in this regard beyond the legal minimum requirements.

## Timely Salary Payments, Compliance with Legal Requirements

Every employee is to be paid in accordance with his or her individual performance in a correct and fair manner. All employees receive competitive salaries. The regulations relating to the compensation and work hours of the employees meet with all legal requirements. Wages are paid in a regular and timely manner, at the latest by the middle of the month.

## Right to Wage and Salary Negotiations

Collective bargaining negotiations between employee and employer representatives take place on an annual basis.

## Reasonable Work Hours and Compliance with Rest Periods

LECAPELL believes that its employees have the right to a healthy work/life balance.

All work hour models integrate reasonable rest periods. Overtime on weekends, as well as Sundays and holidays is voluntary, and actively avoided.

The statutory rest times and weekend rest are provided.



## Freedom of Assembly, Freedom of Association

The company complies with all the laws that are relevant and in force in this regard.

## Compliance with Industrial Health and Safety

### Regulations

The safety and health of employees has utmost priority. LECAPELL is committed to providing and maintaining a safe workplace. To do so, all work stations are routinely evaluated by our safety officer and our occupational health professional with regard to safety and accident prevention. Health-promoting initiatives are offered both on a voluntary basis and as a required program.

The company provides adequate protective gear depending on the work station as well as uniforms. The company has appointed and trained special officers, whose job is to ensure and monitor all health and safety measures: a safety officer, fire prevention officers, and safety representatives. Employees are trained regularly and receive continuing education as internal first responders.

## Sustainability

### Business Relationships

Constant contact with suppliers and customers is a critical part of our business strategy. In addition to the dialog that is necessary for daily business operations, they are involved in the research and development process to be able to recognize, define, and jointly master all challenges early on. This way, we are able to not only fulfill, but exceed customer expectations.

Constant communications helps us learn from each other, which optimizes our quality and processes. We require all suppliers to be committed to sustainability and to comply with our Code of Conduct for Suppliers.

### Research and Development

Our search for innovation, better and more efficient solutions, processes, and processing methods for our products is what has enabled LECAPELL to maintain its leading position among split leather producers and developer of alternative products for years.

We constantly invest in research and development, in products, machines, and processing technologies so that we are able to offer trend-setting, high-quality products in the future as well.

## Environment

### Compliance with Legal Regulations

LECAPELL complies with all binding legal regulations that pertain to the protection of the environment.

### Continuous improvement

We promise to act in the spirit of continuous improvement, to constantly monitor, adjust and continually optimize our processes and services.

### Handling of Hazardous Materials and Restricted Substances

The risks involved in an unregulated handling of hazardous materials are well known. Compliance with the REACH regulations as well as a transparent position toward conflict minerals is a matter of course. There are clear instructions about the safety precautions to take when handling hazardous materials or substances that are harmful to the environment.

## Energy-Efficient Use of Resources

The environment is an important resource that must be protected. An energy and material-efficient use of all resources is very important to us, and we actively search for solutions that help us conserve natural resources. Residual heat used for energy-intensive process steps is recycled back into the production process or used to heat water.

## Water

The sparing use of water is both a basic principle and an important objective of our internal environmental policy.

Very modern rain water collection systems with an area of over 5000 m<sup>2</sup> and a new waste water purification system with recirculation as well as several subterranean reservoirs that started operations in 2016, make it possible to reduce fresh water consumption to 50% of the total water consumption. Regular checks of the waste water quality are a matter of course.

## Waste Disposal and Recycling

LECAPELL attempts to use 100% of the used raw materials in marketable main and side products. We believe that energy generation from residual material that can no longer be used for any other purpose, to be the last step in a sustainable exploitation chain.

This objective of a 100% raw material usage helps reduce our waste.

We minimize the amount of waste by efficiently using educts in the product process as well as in repairs and maintenance. Since 2016, all reusable waste from the cutting and stamping department is provided to a partner for further processing.

## Emissions

LECAPELL reduces certain greenhouse gas and other emissions primarily by reducing the use of energy per m<sup>2</sup> of produced product. A sealed-off dust area with a high-powered air purification system prevents the pollution of the surrounding nature with unpleasant smells, dust, or particulates.

## Quality

### Customer

Only customer satisfaction can ensure the continuous existence of our corporation.

All our efforts are therefore concentrated to deliver a maximum of long term benefit to our customers.

We offer not only product services, but complete solutions to individual problems.

### Personnel and qualification

Our employees are our most important source of performance.

They are qualified to the latest state of the art regarding their activities and are responsible for the quality and execution of their work.

### Products & production

Using state-of-the-art environmentally friendly processes, we process high-quality, natural leather and alternative products for various applications. All products are manufactured in compliance with the statutory requirements imposed on ourselves, as well as with the requirements stipulated by the customer.

### Zero defect

We work closely with our customers to achieve our goal of not receiving any warranty claims.



## Quality and application

We are committed to continuous improvement, to constantly monitor, adjust and continually optimize our processes and services.

The commitment and cooperation of everyone at LECAPPELL promotes the prevention of sources of error and avoidance of repetitive mistakes.