

Code of Conduct for Suppliers («Supplier Code»)

As at 20 December 2023 (the latest version can be accessed at any time at www.lukb.ch/de/ueber-uns/english-window)

Sustainability and a spirit of partnership are fundamental to the way Luzerner Kantonalbank AG and its subsidiaries ('LUKB') do business. Alongside its suppliers, LUKB therefore endeavours to take responsibility for supply chains and to make them as sustainable as possible.

1. Introduction

1.1 Purpose

This Supplier Code describes standards for business integrity and ethics, and social and environmental responsibility. These standards also cover the corresponding management systems that are important to LUKB. LUKB expects its suppliers to comply with this Supplier Code.

The standards set out in this Supplier Code are based on the following foundational documents:

- LUKB Code of Conduct
- United Nations Universal Declaration of Human Rights
- United Nations Convention on the Rights of the Child
- The ten core labour standards of the International Labour Organization (ILO)¹
- Principles of the United Nations Global Compact

1.2 Scope

This Supplier Code applies to suppliers delivering or providing goods and/or services to LUKB. LUKB expects its suppliers to convey the content of this Supplier Code to its employees, representatives and own suppliers, and to review their compliance with this Supplier Code regularly. Suppliers must apply the same standards when selecting their own suppliers, subcontractors and other business partners.

1.3 Binding nature

Compliance with the following provisions is mandatory. LUKB reserves the right to require confirmation of such compliance.

¹ Convention 87: Freedom of Association and Protection of the Right to Organise (1948); Convention 98: Right to Organise and Collective Bargaining (1949); Convention 29: Forced Labour (1930) and its 2014 Protocol; Convention 105: Abolition of Forced Labour (1957); Convention 100: Equal Remuneration (1951); Convention 111: Discrimination (Employment and Occupation) (1958); Convention 138: Minimum Age (1973); Convention 182: Worst Forms of Child Labour (prohibition and immediate action to eliminate) (1999); Convention 155: Occupational Safety and Health (1981); Convention 187: Promotional Framework for Occupational Safety and Health (2009) [<https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>]

2. Business integrity and ethics

2.1 Compliance with applicable law

Suppliers must comply with applicable laws and regulations, specifically national and international law in force in Switzerland, as well as regulatory provisions and guidance, including industry standards and agreements concerning social standards, etc. This refers in particular to labour and environmental law. The same applies to regulations to protect health and ensure safety and security. Suppliers must hold all the necessary licences, registrations and authorisations, and also fulfil the corresponding reporting requirements.

2.2 Fair business practices

LUKB requires both its suppliers and their subcontractors to comply with all applicable laws and regulatory provisions and guidance. They must also pursue fair business practices. All activities that have an adverse effect on free competition, such as cartels and price fixing, etc. are prohibited.

2.3 Integrity

LUKB expects its suppliers to display a high degree of integrity. Suppliers may neither offer nor accept any bribes or other illegal incentives. Corruption, money laundering, extortion, embezzlement, payoffs and other criminal activities in all their forms are also prohibited.

3. Social responsibility

3.1 Employment of own free will

All forms of forced labour are prohibited. Specifically, the ban covers work under forced contracts, slavery, and labour extracted from the employee against their will.

3.2 No child labour

All forms of exploitative child labour, as well as practices similar to slavery, and working conditions that are dangerous to or harm the health of the child, are prohibited. Also banned is work that impairs the physical or psychological development of the child, or which prevents children from attending school. Suppliers must not accept such practices among their subcontractors, suppliers and other business partners. The authoritative provisions on child labour contained in the foundational documents listed in Section 1.1., and applicable law, must be complied with at all times.

3.3 No undeclared work

Suppliers may neither tolerate nor use any undeclared work or illegal employment practices.

3.4 No discrimination

Suppliers should encourage an inclusive and diverse working environment. LUKB does not tolerate discrimination on the basis of gender, age, marital status, skin colour, religion, nationality, ethnic origin, language, sexual orientation, political views or other characteristics.

3.5 Fair treatment of employees

Suppliers undertake to treat all employees fairly and respectfully. They safeguard their dignity, privacy and personal rights. They offer work that does not impair physical or mental integrity.

3.6 Working conditions

Suppliers must guarantee fair working conditions. Working hours must comply with the applicable legal provisions in each case. Employees have the right to appropriately paid leave that is legally compliant. Suppliers must ensure fair pay and must protect the health and safety of their employees.

3.7 Freedom of association

Suppliers must respect employees' rights to freedom of association, to collective bargaining, and to form unions or other organisations, providing this is not in breach of applicable law.

4. Environmental responsibility

4.1 Environmentally friendly practices

Suppliers undertake to comply at all times with applicable environmental regulations, industry standards and guidelines on environmental protection and sustainability. They must also operate in a way, and offer products and services, which minimises the impact on the environment.

4.2 Emissions and resource consumption

Suppliers undertake to use raw materials, energy, water and other natural resources responsibly, economically and sustainably.

4.3 Pollution

Suppliers must appropriately capture, check and treat emissions (including chemicals and other hazardous substances), and waste or wastewater that might endanger the health of humans or the environment, before they are released. Products may not contain any substances that harm health. Suppliers must comply with the corresponding laws and further requirements.

5. Management systems

Suppliers must monitor compliance with the principles and applicable laws and industry requirements described in this Supplier Code. At the request of LUKB, they must supply evidence of the corresponding processes to identify, determine and monitor risk in all areas.

Suppliers are required to rectify breaches of this Supplier Code as quickly as possible and to remedy the adverse effects of such breaches within a reasonable period.

6. Concluding provisions

LUKB reserves the right to verify compliance with this Supplier Code, specifically to request audit documents and information. LUKB further reserves the right to require suppliers to provide a self-assessment of compliance with this Supplier Code.

In the event of a serious breach of this Supplier Code, or should an authority, court or other legitimised organisation convict a supplier (including its governing and executive bodies) of a serious breach, LUKB reserves the right to terminate the contractual relationship with the supplier with immediate effect.