



Supplier Code of Conduct

V1 - 2018

L&L Products is committed to sustainable and responsible sourcing of products and services and hereby sets the minimum requirements to which every supplier shall adhere.

“To be a good place for all who touch it where quality of work, product and relationships are a priority”

Consistent with our corporate vision, we want to do business with those who share in our culture, values, and ethical business practices. This Supplier Code of Conduct (“Code”) defines the minimum standards that we ask our suppliers and their sub-tier suppliers (“Suppliers”) to respect, uphold, and cascade throughout their own supply chain.

This Code applies to all Suppliers worldwide, including subcontractors and suppliers of raw materials, parts, packaging, equipment, and services – including to Suppliers who are directed to L&L Products by one of its own customers.

Suppliers are expected to comply with all applicable laws, regulations, international expectations and industry standards. The requirements included herein are, in particular, supplemental to other requirements such as the Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain, ISO 9001, IATF 16949, ISO 14001, EN/AS 9100, the Ten Principles of the United Nations Global Compact and any and all other standards and requirements as communicated by L&L Products’ purchasing and engineering teams. We strongly encourage Suppliers to establish relevant codes, policies, and training to ensure compliance with said standards within their organization and amongst their own suppliers.

We look forward to working with you based on the shared understanding of and commitment to sustainable business practices.

L&L Products

Purchasing Directors

1. Health & Safety at Work

Suppliers must provide a safe and healthy working environment for all. Health and safety in the workplace must be the top priority.

- 1.1 **Occupational Safety:** Worker exposure to potential safety hazards (e.g., electrical and other energy sources, fire, vehicles, and fall hazards) must be controlled through proper design, engineering and administrative controls, preventative maintenance, and safe work procedures (including lockout/tagout). Where needed, workers must be provided with appropriate personal protective equipment.
- 1.2 **Prevention of Chemical Exposure:** Suppliers shall identify, evaluate, and control worker exposure to hazardous chemical, biological, and physical agents. Suppliers must eliminate chemical hazards where possible. Where chemical hazards cannot be eliminated, Suppliers shall provide appropriate engineering controls such as closed systems and sufficient ventilation. Where appropriate engineering controls are not possible, Suppliers shall establish appropriate administrative controls such as safe work procedures. In all cases, Suppliers shall provide workers with appropriate personal protective equipment.
- 1.3 **Emergency Prevention, Preparedness, and Response:** Suppliers shall anticipate, identify, and assess emergency situations and events and minimize their impact by implementing emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans.
- 1.4 **Occupational Health and Safety Procedures and Systems:** Suppliers shall establish procedures and systems to manage, track, and report occupational injury and illness. Such procedures and systems shall encourage worker reporting, classify and record injury and illness cases, investigate cases and implement corrective actions to eliminate their causes, provide necessary medical treatment, and facilitate the workers' return to work.
- 1.5 **Physically Demanding Work:** Suppliers shall identify, evaluate, and control worker exposure to physically demanding tasks, including manual material handling, heavy lifting, prolonged standing, and highly repetitive or forceful assembly tasks.
- 1.6 **Machine Safeguarding:** Production and other machinery shall be evaluated for safety hazards. Physical guards, interlocks, and barriers are to be provided and properly maintained where machinery presents an injury hazard to workers.
- 1.7 **Sanitation, Food, and Housing:** Where relevant, worker dormitories provided by the Supplier or a third-party agency shall be clean and safe and provide adequate emergency egress, hot water for bathing and showering, adequate heat and ventilation, reasonable personal space, and reasonable entry and exit privileges.

- 1.8 **Health and Safety Communication:** In order to foster a safe work environment, Suppliers shall provide workers with appropriate workplace health and safety information and training, including written health and safety information and warnings. Suppliers shall post Material Safety Data Sheets for any hazardous or toxic substances used in the workplace, and properly train workers who will come into contact with such substances in the workplace.
- 1.9 **Worker Health and Safety Committees:** Suppliers are encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input regarding health and safety issues in the workplace.

2. **Social Responsibility**

All companies have a responsibility in respecting and promoting human rights. Moreover, all workers have a right to fair compensation.

- 2.1 **Prohibition of Child Labor:** Suppliers shall not permit employment of minors who do not meet the local legal minimum working age and, in all situations, the minimum age of 15. Suppliers must adopt appropriate policies and procedures in order to ensure that all workers and contractors have the minimum required age.
- 2.2 **Prohibition of Forced Labor:** Suppliers shall not practice forced labor and assure that every employee works voluntarily and is free to leave his or her job.
- 2.3 **Prohibition of Discrimination:** Suppliers shall prohibit discrimination in all aspects of employment (recruitment, promotion, wages, dismissal, assignment of duties, etc.) based on race, nationality, age, religion, disability, background, gender, and sexual orientation or any other reason as provided by local regulation.
- 2.4 **Prohibition of Harassment:** All forms of harassment in the workplace are prohibited – whether based on race, nationality, age, religion, disability, background, gender and sexual orientation, position in the company, employment status or any other reason.
- 2.5 **Freedom of Association:** In compliance with local legal requirements, Suppliers shall respect the rights of employees to form and join trade unions and bargain collectively.
- 2.6 **Remuneration:** Workers must be compensated in compliance with local legal requirements regarding minimum wages, overtime compensation, and other legally mandated benefits.
- 2.7 **Working Hours:** Suppliers must respect all local applicable requirements regarding working hours, overtime, days off, and paid annual vacation time.

3. **Business Ethics**

Companies shall have high business ethics and ensure integrity and fairness in all their relationships. In this respect, Suppliers must in particular, train their workforce and comply with all applicable laws and regulations, in particular the US Foreign Corrupt Practices Act (FCPA), and all local and international anti-corruption conventions, laws, and regulations applicable in the countries where they operate.

- 3.1 **Fair Competition:** Suppliers must comply with all laws and regulations pertaining to fair competition. In particular, Suppliers shall not engage in unfair practices such as illegal monopolies, improper trade restrictions (e.g. cartels, bid rigging, etc.), or abuse a dominant position.
- 3.2 **Anti-Corruption:** Suppliers shall prevent all forms of corruption and shall not promise, offer or provide, directly or indirectly, anything of value to or for the benefit of, any official or employee of a governmental authority in order to obtain or retain any contract, business opportunity, or other business benefit or to influence any act or decision of that person in his or her official capacity. Even in business-to-business relationships, Suppliers shall not accept or provide inappropriate or excessive gifts or invitations (including but not limited to cash, gift vouchers, vacations, and any valuable object), personal services, favors (including but not limited to recruitment of a relative) intended to inappropriately influence a business relationship or induce improper conduct. In this respect, Suppliers shall establish appropriate rules around gifts and hospitalities and around donations and sponsoring to the benefit of third parties (including L&L Products).
- 3.3 **Avoiding Conflict of Interest:** Suppliers shall make decisions based on objective criteria. Conflicts of interests shall be avoided or reported and dealt with appropriately.
- 3.4 **Confidentiality and Data Protection:** Suppliers shall keep confidential information of L&L Products and its customers secret and respect any and all non-disclosure agreements they may have entered into with L&L Products. Suppliers must comply with applicable laws and regulations protecting personal data of its workers and any third parties. In particular, where applicable, Suppliers must comply with the European General Data Protection Regulation. Suppliers are expected to implement appropriate measures to respect privacy and to protect personal data against loss and unauthorized access or use.
- 3.5 **Intellectual Property:** Suppliers shall respect intellectual property of L&L Products and its customers (copyright, patent, know-how and other rights) as well as the intellectual property rights of any other third parties (e.g. other suppliers, sub-contractors, etc.) and shall refrain from any improper use.
- 3.6 **Conflict Minerals:** L&L Products is committed to sourcing materials and products from legal and sustainable sources. Suppliers shall ensure that the products, materials, and components they use are sourced in a responsible manner which includes applying due diligence measures as recommended by the OECD regarding conflict minerals (including tantalum, tin, tungsten and gold) and disclosing information as requested by L&L Products. Suppliers shall refrain from sourcing from illegal channels or from companies that contribute to human rights abuses, bribery or ethics violations and avoid, to the extent possible, components and materials that are harmful for humans and/or the environment.

3.7 **Export Control:** Suppliers shall comply with all laws and regulations regarding restrictions of trade with sanctioned countries, corporations, and individuals.

4. **Environment**

Caring for the planet is expected every day, of everyone, whether individual or corporation. We all play an active role in making the areas where we operate a good place to work and live.

L&L Products expects all Suppliers to commit to the protection of the environment and recommends certification to ISO 14001 environmental standards. Programs shall entail measures to reduce waste and energy consumption, manage water as well as prevent air, water and soil pollution as applicable. All Suppliers must respect applicable laws and regulations in this respect and are encouraged to continuously work to minimize the impact of their operations and products on the environment.

4.1 **Quality and safety of products and services:** Suppliers shall ensure that the products and services they supply comply with all applicable quality and safety standards. Products and/or services shall not include any substance prohibited by relevant laws and/or regulations in the countries where Suppliers operate and/or which present an unacceptable level of risk for human health or the environment.

4.2 **Hazardous Substance Management and Restrictions:** Suppliers shall comply with all applicable laws and regulations prohibiting or restricting the use or handling of specific substances. To ensure safe handling, movement, storage, recycling, reuse, and disposal, Suppliers shall identify and manage substances that pose a hazard if released to the environment and comply with applicable labeling laws and regulations for recycling and disposal.

4.3 **Wastewater and Solid Waste:** Suppliers shall monitor, control, and treat wastewater and non-hazardous solid waste generated from operations before discharge as required by applicable laws and regulations. Suppliers shall take appropriate precautions to prevent contamination of storm-water runoff from their facilities.

4.4 **Air Emissions Management:** Suppliers shall characterize, monitor, control, and treat air emissions of volatile organic chemicals (VOC's), aerosols, corrosives, particulates, ozone-depleting chemicals, and combustion by-products generated from operations, as required by applicable laws and regulations, before discharge.

4.5 **Environmental Permits and Reporting:** Suppliers must obtain, maintain, and keep current all required environmental permits (e.g. discharge monitoring) and registrations and follow the operational and reporting requirements of such permits.

4.6 **Pollution Prevention and Reduction of Energy Consumption:** Suppliers must endeavor to reduce or eliminate solid waste, wastewater, and air emissions, including energy-related indirect air emissions, by implementing appropriate conservation measures in their production, maintenance, and facilities processes, and by recycling, reusing, or substituting materials.

4.7 **Product Content Restrictions:** Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances, including labelling for recycling and disposal.

5. **Reporting Non-Compliance**

5.1 **Whistleblower and Anti-Retaliation:** Suppliers shall establish a whistleblower procedure and a working environment that encourage workers to raise compliance concerns without fear of retaliation. In particular, workers shall have the right to refuse unsafe working conditions and shall not be disciplined for such refusal.

5.2 **Consequences of Supplier Misconduct:** L&L Products reserve the right to request supporting documentation and/or inspect the relevant premises to assess Suppliers' compliance with this Code of Conduct. Non-compliance with this Code of Conduct shall be reported by Supplier to L&L Products and a corrective action plan must be implemented. Misconduct may lead to temporary or permanent exclusion of the Supplier from subsequent business awards and/or termination of a supply relationship.

Questions about this Code of Conduct and suspected violation in the supply chain against the above-mentioned requirements shall be reported to your usual purchasing contact person or to sustainability@llproducts.com.