

# Corporate Sustainable Purchasing Policy



## Vision

In line with the 10 Principles of United Nations Global Compact, L & L Products hereby expresses its views and commitments towards sustainability in its supply chain and provides guidance for its employees regarding the sustainability expectations they should have towards suppliers.

## Scope

This policy is applicable to all L & L Products entities worldwide. All entities shall define objectives and actions to reach the targets and fulfill the commitments described in this policy.

## Policy Statement

Whilst meeting its business requirements, L & L Products is committed to the highest level of integrity. We want to incorporate social, ethical, and environmental considerations into our purchasing decisions, thus making a positive contribution to the society and the environment. This Policy should be read along with the Supplier Code of Conduct. L & L Products operates on all continents of the world and is conscious of its impact in the various regions where it operates. While endorsing the United Nations Global Compact, L & L Products committed to promote the 10 Principles relating to human rights, labor, environment and anti-corruption. L & L Products published a Supplier Code of Conduct which includes all sustainability requirements towards its Suppliers. Expectations regarding human rights, health and safety at work, ethical business practices, protection of the environment are described in this Code.

### 1. Conflict Minerals

In line with most governments, NGOs and a number of companies around the world, L & L Products condemns human rights and environment abuses occurring in various African countries (in particular Democratic Republic of the Congo and adjoining countries). In these regions, to produce tin, tantalum, tungsten and gold (Conflict Minerals), minerals are extracted in conditions resulting in serious violations of human rights such as forced and child labor as well as in environmental abuses. Moreover, the revenues generated may directly or indirectly finance armed groups engaged in civil war.

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Since 2010, the United States passed the “Dodd-Franck Wall Street Reform and Consumer Protection Act” which Section 1502 requires listed companies and their suppliers to disclose each year the chain of custody usage of Conflict Minerals. In Europe, the “Conflict Minerals Regulation” aiming at helping stem the trade of Conflict Minerals, will be effective as of January 1, 2021.

L & L Products does not directly purchase conflict minerals and does not use them in its products. However, we strongly support the regulation aiming at fighting against these practices.

L & L Products requires that its Suppliers fully comply with all applicable regulation in terms of declaration and, if they need to procure such minerals, only source from smelters which are certified by an independent third party as “conflict free”. Suppliers are furthermore required to cascade these obligations through their own supply chain. L & L Products requires that its Suppliers provide Conflict Minerals declarations as requested by the regulation.

## **2. Compliance with the Supplier Code of Conduct**

L & L Products is committed to procure products and services from suppliers that comply with its values and are willing to support us to reach our sustainability targets. We therefore aim at:

- Selecting raw material suppliers that comply with applicable laws and regulations, including, for European suppliers, comply with EU REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulations;
- Requesting that suppliers consider the environment, take actions to minimize their environmental footprint and properly manage their waste, avoiding landfill as much as possible and not voluntarily polluting the soil, air or water;
- Selecting suppliers that provide their employees with a safe working environment, focusing especially on toll manufacturers and on-site service providers that must comply with all applicable regulations regarding health protection, working hours and compensation of their employees;
- Requesting that suppliers respect human rights – especially prohibit forced and child labor, discrimination and harassment in the workplace, compensate their employees in compliance with or above local legal requirements, and comply with applicable collective bargaining regulation and respect their employees’ right to form and join trade unions;

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- Selecting suppliers that have high business ethics, prevent all forms of corruption, compete fairly, avoid conflicts of interests, protect personal and company data, respect other's intellectual property rights and comply with export control laws and regulations;
- Encouraging suppliers to establish a whistleblower procedure to encourage workers to raise concerns without fear of retaliation;
- Favoring suppliers that comply with ISO standards such as ISO 9001, IATF 16949, ISO 14001, EN/AS 9100, ISO 45001, the Ten Principles of the United Nations Global Compact.

### 3. Supplier Evaluation

We ask our Suppliers to comply with the L & L Products Supplier Code of Conduct and are willing to provide assistance, especially to smaller companies, to help them reach their sustainability targets and improve.

L & L Products Purchasing departments are taking sustainability criteria into account when selecting and evaluating direct suppliers.

Based on the risk evaluation of our supply base, we determine the key suppliers that will be assessed on their sustainability performance. We aim to have at least 75% of our key suppliers in the two highest of the three ranking levels of sustainability performance.

Non-compliance with the Code of Conduct may lead to termination of contracts and/or relationships with Suppliers.

## Questions

Questions about this Policy can be addressed to your Regional Purchasing Team

First Effective Date: January 1, 2020

Last Review Date: October 1, 2020

Next Review Date: October 1, 2022



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CEO

