

# Supplier CSR & Sustainability Requirements

Guided by the core values, LGM is committed to integrity and social responsibility. Paramount to this commitment is the manner in which we treat our employees and the way in which others within our supply chain treat their employees. These Requirements outlines the efforts LGM makes to seek to eliminate human trafficking, slavery, forced labor and child labor from its global supply chain. These Requirements is designed to comply with, and support compliance with, the California Transparency in Supply Chains Act, The EU Anti-trafficking Directive 2011/36/EU and the UK Modern Slavery Act.

These Requirements applies to all LGM businesses, employees, agents, subcontractors, and suppliers worldwide when acting within their scope of employment or contract with LGM.

LGM will not tolerate and will not condone the use of forced, involuntary or coerced labor, child labor, modern slavery, human trafficking or sex trafficking by any agent, subcontractor or supplier in the operation or support of our business or the manufacture and distribution of our products.

To that end LGM requires that agents, subcontractors and suppliers:

1. Not engage in any form of human trafficking, whether by force, fraud, or coercion; or any form of involuntary servitude or modern slavery; or any form of sex trafficking or the procurement of any commercial sex act;
2. Not knowingly use any form of forced or involuntary labor, including through the use of (a) threats of serious harm to, or physical restraint against, a person or another person; (b) any scheme, plan, or pattern intended to cause a person to believe that, if the person did not perform such labor or services, that the person or another person would suffer serious harm or physical restraint; or (c) any abuse or threatened abuse of law or the legal process;
3. Not engage in, or support the use of child labor and shall comply with all applicable local child labor laws;
4. Not destroy, conceal, confiscate, or otherwise deny access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses;
5. Not use misleading or fraudulent practices during the recruitment of employees or offering of employment, and shall endeavor to the extent possible to disclose to employees, in a format and language accessible to the employee, the basic information regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if provided or arranged by the supplier or its agents), any significant cost to be charged to the employee, and, if applicable, the hazardous nature of the work. If required by law or contract, provide an employment contract, recruitment agreement, or other required work document in writing, which shall be in a language the employee understands;

6. Comply with all applicable local wages, benefit, and working hours labor laws;
7. Not charge employees recruitment fees and shall not use recruiters that do not comply with local labor laws of the country in which the recruiting takes place;
8. Provide return transportation or pay for the cost of return transportation upon the end of employment for employees who are not nationals of the country where they are working if the employee is brought to that country for purposes of working LGM contract.
9. Defend and support freedom of association and collective agreements and work actively against any harassments and discrimination, within workspace and in society.
10. Recognize and adhere to LGM's environmental and work environment requirements which are based on national laws and regulations together with ISO 14001.
11. Guarantee that hospitality and gifts may under no circumstances be offered or received under or in connection with contract bidding, evaluation or award. Any hospitality and gifts shall be modest and infrequent. Gifts may not exceed a value of USD 30.
12. Engage in fair dealing practices at all times. Those involved in selling, advertising promoting and marketing as well as staff working in procurement, must ensure that business conduct is always guided by honesty and integrity.
13. Guarantee a workplace free from unlawful discrimination or harassment, with no acceptance of any discrimination due to background like race, color, national belonging, age, gender, marital status, disability, citizenship status or religion. Further, supplier must treat all persons with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.
14. Encourage staff to report suspected wrongdoings as soon as possible in the knowledge that their concerns will be taken seriously and investigated as appropriate and that their confidentiality will be respected.
15. Design products and processes in such a way that energy and raw materials are used efficiently, and waste and residual products are minimized over the products' life cycles. Energy and natural resources should be conserved through prudent use and reuse, strive to eliminate or minimize waste and pollution at its source, and properly dispose of or effectively treat any waste that is not recycled.  
Waste and water consumption in production shall be constantly reduced through improved production methods.  
Chemical usage and management and air quality shall fulfill Automotive standards.
16. Recruit personnel in an ethical and objective way to support diversity, equity and inclusion.
17. In every mean protect and support the equal rights of women, minorities and indigenous people.
18. Fulfill or exceed the LGM policies published on the LGM website ([www.lgmab.com/policies-and-procedures](http://www.lgmab.com/policies-and-procedures)), with equal demands on supplier as on LGM.

LGM shall periodically review and evaluate its supply chain to identify and assess the potential risks of activity that could violate these Requirements.

LGM will periodically assess supplier awareness of, and compliance with, these Requirements as well as awareness of, and compliance with, these Requirements within the complete supply chain.

LGM suppliers and subcontractors who supply any product or service that is incorporated into the products or services we sell are required to review these Requirements and comply with it and with the LGM Code of Conduct. Such suppliers will be required to periodically certify that they

(a) have read and understand this Supplier CSR & Sustainability Requirements and  
(b) comply with the expectations in the Supplier CSR & Sustainability Requirements and the laws regarding human trafficking, slavery and labor standards of the country or countries in which they are doing business.

Any LGM supplier that is informed of or witnesses a violation of these Requirements or is uncertain about the proper course of action relating to the matters addressed in these Requirements, is encouraged to immediately contact LGM.

LGM has a zero tolerance policy regarding any of its employees, agents, subcontractors or suppliers who engage in or support the use of slavery, forced, involuntary or coerced labor, child labor, human trafficking, sex trafficking, harassment, discrimination and limiting freedom of association. If a subcontractor or supplier is found in violation of these Requirements, LGM will take prompt, remedial measures to address the violation, up to and including termination of the supplier or subcontractor.