



SUPPLIER CODE OF CONDUCT



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1. PREAMBLE

Lyngsoe Systems has the following corporate winning aspiration:

“We want to be the leading provider of logistics visibility and automation in our business areas, improving our customer’s operational efficiency and sustainability.”

This includes a focused vision for sustainability of:

“Empowering customers on their sustainability journey”

Lyngsoe Systems aims to improve our customers’ operational efficiency and sustainability performance. As such, we are committed to take responsibility for our entire supply chain impact across Human and Labor rights, Environmental protection, and Governance dimensions. This necessitates close collaboration and transparency with our suppliers. The Supplier Code of Conduct (CoC) defines standards for fair, safe, and healthy working conditions and environmental responsibility throughout our supply chain.

The CoC adheres to universally accepted principles of fair labor standards, human rights and environmental protection, as documented in The International Labour Organization (ILO) Conventions, The Universal Declaration of Human Rights, as well as UN Global Compact’s principles of responsible business, which Lyngsoe Systems is a signatory to since 2014. Refer to appendix 1.

The CoC outlines corporate responsibility standards (Standards) that Lyngsoe Systems’ suppliers must comply with concern-

ing environmental protection, labor standards, anti-corruption, and similar legal and ethical requirements. These Standards underpin our broader commitment to being a responsible business, abiding by government laws and regulations, providing employees with a safe and healthy working environment, treating employees with dignity and respect, and promoting sustainable practices to help reduce the environmental impact of the business activities of Lyngsoe Systems’ value chain.

The Standards apply to the entire supply chain, including sub-suppliers and sub-contractors (referred to as ‘suppliers’). They equally apply to permanent, temporary, and agency workers, as well as piece-rate, salaried, hourly paid, legal young workers (minors), part time, night, and migrant workers.

Compliance with the Standards is an ongoing condition of doing business with Lyngsoe Systems. Lyngsoe Systems holds all suppliers responsible for ensuring that they meet the Standards, and Lyngsoe Systems will collaborate with suppliers to ensure this commitment is achieved and maintained.

Values: Lyngsoe Systems' DNA – people you can trust

The DNA of Lyngsoe Systems is the foundation of the culture and Standards that we hold ourselves accountable to – and we expect our suppliers to exhibit the same Standards for professional conduct:

- We build on and invest in **lasting customer relations** through expert **knowledge, commitment, thoroughness, and trustworthiness**.
- We have a proven ability to solve complex problems and **deliver logistical solutions at the right time, cost, and quality**.
- We are a die-hard dedicated workforce with high level of **competence, strong customer mindset** and second-to-none **innovative skills**.



2. BASIC UNDERSTANDING OF CORPORATE RESPONSIBILITY

A shared understanding of corporate responsibility forms the basis of this CoC. This means that suppliers to Lyngsoe Systems assume responsibility by bearing in mind the consequences of its business decisions and actions on economic, technological, social, and environmental levels and bring about an appropriate balance of interests. The supplier contributes to the well-being and long-term development of a global society at their business locations, guided by universally held ethical values and principles, particularly integrity, honesty, and respect for human dignity.

The supplier will proactively work to ensure, that the Standards mentioned below, encompassing Human Rights and Labor Rights, Environmental Protection, and Governance, are implemented and adhered to both now and in the future.

3. HUMAN RIGHTS AND LABOR RIGHTS

Lyngsoe Systems is committed to the protection of human and labor rights throughout our supply chain.

3.1. Adequate compensation

Suppliers are expected to provide fair living wages. Employees are entitled to at least the statutory minimum wage, or the standard benchmark rate in the industry, whichever is higher, and should be enough to meet basic needs. The supplier shall always comply with current laws concerning compensation for work, including overtime payments and payment procedures. Wages will not be withheld for any reason. Deductions from wages as a disciplinary measure, or any other deduction not required by law, must not occur.

3.2. Forced labor

Suppliers must not use or benefit from any form of forced or involuntary labor, including illegal workers, debt bondage or other forms of modern slavery, human trafficking, or prison labor. Lyngsoe Systems supports the UK's Modern Slavery Act. Workers will not be required to leave any form of deposit, or identity papers/passport with their employer, and may terminate a contract after legal notice.

3.3. Child labor

Suppliers shall not use child labor. The term "child" refers to a person younger than 15 or the local legal minimum age for employment, whichever is higher.

3.4. Non-Discrimination

Suppliers shall not discriminate against any person or employee based on race, color, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, sexual orientation, or gender identity.

3.5. Hours of work and adequate rest

Suppliers shall not discriminate against any person or employee based on race, color, religion, sex, pregnancy, national origin, ancestry, citizenship, age, marital status, physical or mental disability, medical condition, sexual orientation, or gender identity.

3.6. Freedom of association

Suppliers shall respect the rights of workers to freely associate, form and join organizations of their own choice and engage in collective bargaining. Disciplinary process Suppliers will not utilize any form of physical or mental disciplinary practices such as coercion, harassment, threats, or punishment. All workers must be treated with dignity and respect.

3.7. Health and safety

Suppliers must strive to eliminate hazards and minimize occupational health and safety risks to their employees. Suppliers must provide appropriate training, protective equipment, and necessary medical attention in case of accidents or emergencies.

3.8. Retaliation

Lyngsoe Systems and its suppliers prohibit retaliation in any form for reporting in good faith potential wrongdoing, inappropriate behavior, refusing to act in violation of CoC, company policies or legislation. The same applies for cooperating with an investigation.



4. ENVIRONMENTAL PROTECTION

Lyngsoe Systems is committed to minimizing environmental impact, consumption of resources and waste from electrical product and component manufacturing, and further circular practices in production processes. In addition to following all national and international environmental laws, suppliers are expected to comply with the below standards.

4.1. Energy and greenhouse gas (GHG) emissions

Suppliers should work to reduce energy consumption and use renewable energy wherever possible to reduce reliance on fossil fuels in buildings, manufacturing, and transportation. Lyngsoe Systems encourages its suppliers to track, monitor and actively seek to reduce emissions. Lyngsoe Systems encourages suppliers to share

progress and greenhouse gas emissions with Lyngsoe Systems, including Environmental Product Declarations (EPDs), Lifecycle Assessments (LCAs), or other documentation deemed relevant to better understand the greenhouse gas impact of Lyngsoe System's supply chain.

4.2. Raw materials, production, and waste

Suppliers shall source materials responsibly and work to improve resource efficiency, e.g., by implementing cleaner production techniques and reduce waste during production processes. Lyngsoe Systems encourages its suppliers to monitor and hold records of resource consumption as well as waste from production.

5. GOVERNANCE

5.1. Integrity and anti-corruption

Lyngsoe Systems maintains a zero-tolerance policy to all forms of corruption, extortion and bribery, and expect suppliers, contractors, and subcontractors to comply with the laws and regulations relevant to countering corruption and bribery in all the countries Lyngsoe Systems and its suppliers operate.

5.2. Subcontracting

Suppliers should monitor subcontractors and sub-suppliers for social and environmental responsibility – using standards that meet or exceed those set out in the CoC.

5.3. Traceability

Lyngsoe Systems and suppliers share joint responsibility for ensuring social and environmental responsibility. This includes the integrity of the product content claims of input components from Lyngsoe Systems' supply chain.

6. CONFIDENTIALITY

Suppliers may not use or disclose any confidential or proprietary information of Lyngsoe Systems or its customers, including business plans, financial information, personal information, data, know-how, specifications, pricing information, inventions, and ideas for any purpose other than to provide products and services to Lyngsoe Systems.

6.1. IT Security

Lyngsoe Systems safeguards information entrusted us as well as physical assets accordingly to best practice, identified legislation and obligations by implementing and maintaining technical and organizational measures based on recognized standards for IT security. The supplier is required to protect information with the same care.



7. CONFLICT OF INTEREST

Suppliers must ensure that their financial, business, or other non-work-related activities are lawful and free of conflicts to carry out its responsibilities to Lyngsoe Systems.

8. WHISTLEBLOWER POLICY

Lyngsoe Systems is committed to the highest possible standards of openness, honesty, and accountability.

The purpose of Lyngsoe Systems' whistleblower policy is to provide Lyngsoe Systems' internal and external stakeholders with a framework for reporting suspected misconduct within the company without fear of retaliation. The purpose is also to encourage all employees and other stakeholders to report suspected or actual violations of the CoC, company policies, internal routines, or laws so that irregularities can be addressed before any major damage occurs. Lyngsoe Systems aims to achieve and uphold a corporate culture in which reporting wrongdoing is encouraged and appreciated.

Lyngsoe Systems' whistleblower services are operated externally by KPMG Sweden, who can be contacted: On the web: <https://wbreport.kpmg.se/17702785> or by phone: +46 771 401 685. The policy is in accordance with the Directive (EU) 2019/1937 of the European Parliament and of the Council of 23rd October 2019 on the protection of persons who report breaches of Union law.

9. SUPPLIER COMMITMENT TO LYGNSOE SYSTEMS' CODE OF CONDUCT

Suppliers commit to collaborating with Lyngsoe Systems to achieve compliance with the standards outlined in this code and to inform Lyngsoe Systems of any non-compliance issues, that the supplier have now or may encounter in the future. The suppliers understand that transparency and honesty are core values of this code and required to maintain the business relationship with Lyngsoe Systems.

To ensure compliance with the code, Lyngsoe Systems reserves the right to conduct audits, assessments, and reviews of suppliers. All suppliers are subject to assessments that may include inspecting facilities, gathering information, and reviewing relevant documentation.



APPENDIX 1: LIST OF CONVENTIONS AND PRINCIPLES COVERED BY THE CODE OF CONDUCT

Adequate compensation

[C100 Equal Remuneration Convention, 1951](#)

[C131 Minimum Wage Fixing Convention, 1970](#)

Prevention of forced or involuntary labour

[C29 Forced Labour Convention, 1930](#)

[C105 Abolition of Forced Labour Convention, 1957](#)

Prevention of child labour and protection of young workers

[C138 Minimum Age Convention, 1973](#)

[UN Convention on the Rights of the Child, 1990](#)

Freedom from discrimination and harassment

[C111 Discrimination \(Employment and Occupation\) Convention, 1958](#)

[C183 Maternity Protection Convention, 2000](#)

Working hours and adequate rest

[C1 Hours of Work \(Industry\) Convention, 1919](#)

[C14 Weekly Rest \(Industry\) Convention, 1921](#)

[R116 Reduction of Hours of Work Recommendation, 1962](#)

The right to collective bargaining and freedom of association

[C87 Freedom of Association and Protection of the Right to Organise Convention, 1948](#)

[C98 Right to Organise and Collective Bargaining Convention, 1949](#)

[C135 Workers' Representatives Convention, 1971](#)

[C154 Collective Bargaining Convention, 1981](#)

Regular employment and protection of vulnerable groups

[C143 Migrant Workers \(Supplementary Provisions\) Convention, 1975](#)

Health and safety

[C155 Occupational Safety and Health Convention, 1981](#)

Corruption

[United Nations Convention against Corruption](#)

Environment

[The Rio declaration on Environment and Development](#)

[EU directive on Waste from Electrical and Electronic Equipment \(WEEE\)](#)

International Guidelines

[OECD Guidelines for Multinational Enterprises](#)

[United Nations Guidelines on Business and Human Rights](#)

UN Global Compact

[The UN Global Compact ten principles \(see below\)](#)

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.