

**LEAX GROUP AB**

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UN Global compact**Communcation of Progress (COP)****Statement by the CEO**

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LEAX Group is a fast growing, privately owned, business group with its origin in Köping, Sweden. Since the beginning of the 1990's, we have grown through acquisition and organic growth, and we have grown with more than 35% per year. LEAX Group's mission is to produce advanced components and sub-systems for demanding customers. Today we have five factories in Sweden, two in Latvia, one in Germany, one in Hungary, one in Brazil and one in China- and are about 1200 employees. Our customers are within the Commercial Vehicles, Mining & Construction, Agriculture, General Industry and Telecom industry.

Our accomplishments are greatly connected to our corporate culture, which is based on an entrepreneurial spirit and a passion for business, where healthy profitability and sustainable growth are key factors for success.

To be a long term leading global supplier to the most demanding customers LEAX Group needs to have a sustainability approach. LEAX Group Code of Conduct has been created to underline the principles that LEAX Group uses in its relationship with employees, business partners and other stakeholders. I am pleased to confirm LEAX Group's continuous support of the United Nations Global Compact in the areas of human rights, labor standards, environment protection and anti-corruption.

LEAX is committed to continuously improve the sustainability performance and in cooperation with stakeholders follow the United Nations Global Compact's principles relating to labor practices, human rights, environment and anti-corruption. In the Communication on Progress we describe our actions to continuously improve the integration of the Global Compact and its principles into our business strategy and daily operations.

We also commit to share this information with our customers, employees, suppliers and other stakeholders.

Roger Berggren
CEO, LEAX Group

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.*

Commitment:

LEAX actively supports the universal declaration of Human Rights. We respect Human Rights within our sphere of influence and operate our business in a transparent and trustworthy way.

Management Systems:

Our Code of Conduct is a clear set of standards for our business conduct, including The Global Compact Principles 1-2, the protection of human rights, health and safety. It provides the ethical and behavioral framework on which we base our decisions every day. The Code of Conduct is anchored in values and beliefs and is integrated in all that we do.

Activities:

We work systematically to strengthen business ethics, including Global Compact's Principles 1-2. We follow up of LEAX Code of Conduct through management reviews.

Performance:

LEAX has not been subject to any investigations, legal cases or incidents involving Human Rights violations. LEAX sees no significant risks that the company or its suppliers violates the UN Global Compact Principles 1-2. No incidents on violations of the Human Rights principles have been reported to the Management team during 2016.

Labour Standards

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.*

Commitment:

We respect the right of workers and operate our business with safe and attractive working conditions. We respect the freedom of association and collective bargaining and have zero tolerance for forced labour, child labour or discrimination.

Management Systems:

Our Code of Conduct is a clear set of standards for our business conduct, including Global Compact Principles 3-6.

LEAX hold certificates for ISO 9001, ISO14001 and ISO/TS16949.

Activities:

The ISO-standards, "demand on leaders" and "LEAX values" are important tools in our efforts to continuously develop our management system throughout the group. We work systematically to strengthen business ethics, including Global Compact's Principles 3-6. We follow up of LEAX Code of Conduct through management reviews.

Performance:

No incidents on violations of labour standards principles have been reported to the Management team. LEAX sees no significant risks that the company or its suppliers violates the UN Global Compact Principles 3-6.

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.*

Commitment:

We recognize that our production and transports have a negative impact on the environment. We constantly work to evaluate our environmental aspects and minimize these effects.

Management Systems:

Our Code of Conduct is a clear set of standards for our business conduct, including Global Compact Principles 7-9.

LEAX environmental policy specifies our priority areas and clarify our ambition to lower our environmental impact.

Each LEAX site is certified according to ISO 14001.

Activities:

The ISO 14001 environmental management system is an important tool to continuously improve our environmental performance.

We work systematically to strengthen our attention on environmental issues, including Global Compact's Principles 7-9. We follow up of LEAX Code of Conduct and environmental performance through management reviews and internal environmental audits.

Performance:

No incidents on violations of the environmental principles have been reported to the Management team during 2016.

Anti-Corruption

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

Commitment:

LEAX do not participate in any corruption, bribery or extortion.

Management Systems:

Our Code of Conduct is a clear set of standards for our business conduct, including Global Compact Principle 10.

Activities:

We work systematically to strengthen business ethics, including Global Compact's Principles 10.

We follow up of LEAX Code of Conduct through management reviews and internal audits.

Performance:

No incidents on violations of the Anti-corruption principle have been reported to the Management team during 2016.