



LEAX GROUP AB

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UN Global compact

Communication of Progress (COP)

Statement by the CEO

2021-08-20

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 three factories in Sweden, two in Latvia, one in Germany, one in Hungary, one in Brazil and one sales office in China- and are about 1150 employees. Our customers are within the Commercial Vehicles, Automotive, Mining & Construction, Agriculture, and General 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, labour 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 labour 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.

Tony Nicol

President and 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 behavioural 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 2020/2021.

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, ISO 14001 and IATF 16949.

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 production site is certified according to ISO 14001, in addition to this our sites in Latvia are certified according to ISO 50001.

Activities:

The ISO 14001 Environmental management system and the ISO 50001 Energy Management system are important tools 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. In 2021 we signed a commitment to the Science Based Target initiative (SBTi).

Performance:

No incidents on violations of the environmental principles have been reported to the Management Team during 2020/2021.



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 2020/2021.

Measurement of outcomes

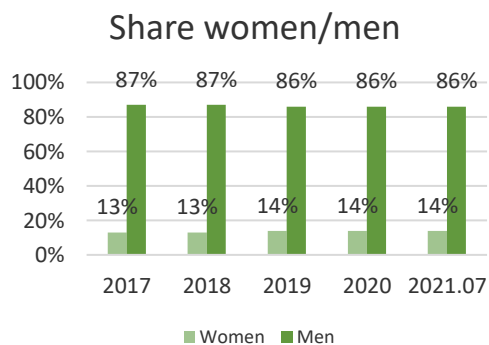
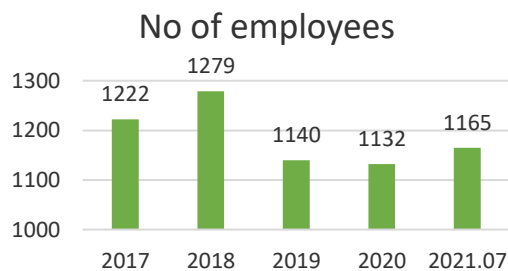
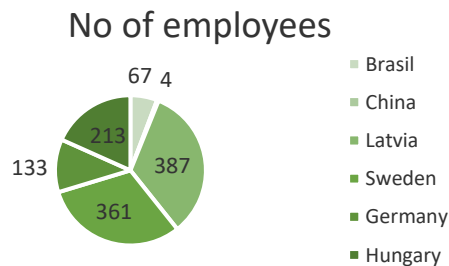
Human rights and labour standards

Employees

LEAX believes that employees are largely crucial to the company's success. Ensuring that all employees feel the commitment and interest in their work is a significant task for leaders at all levels of the organization so that our employees thrive and feel good.

We work systematically to follow up on how employees' wellbeing has been developed with the help of surveys.

Issues related to comfort, work environment, safety and health are a high priority. All leaders and employees are working to refine our working methods so that they will lead to improvements in these areas.



Respect for human rights

LEAX supports and respects international rules relating to human rights and ensures that our business does not violate them.

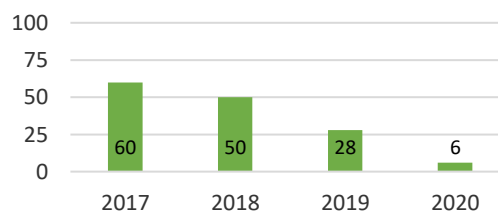
We employ and manage personnel in such a way that we do not discriminate against anyone based on gender, religion, age, sexual orientation, nationality, political or trade union connection, social or ethnic orientation. At all levels the group encourages diversity. No form of the coercion or use of workers whose age is under the law is used.

Our safety regulations ensure that we constantly meet or exceeds the laws, requirements, and regulations of the countries where LEAX operates.

100%

of our employees are covered by collective agreements

No of accidents (Lost time)



Integrity

When we have been entrusted with personal information about individuals, we protect it and take appropriate measures to protect it from misuse.

We adhere to all applicable privacy laws e.g., GDPR when we collect, use, and share personal information about individuals.

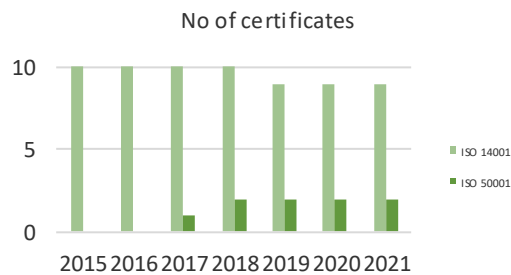
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integrity violation incidents have been reported during 2020/2021

Environment

ISO 14001 and ISO 50001 certificates

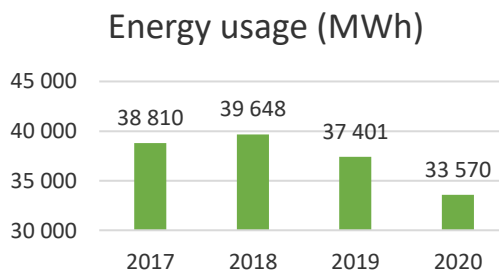
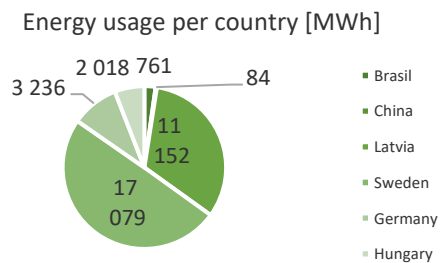
As part of systematizing our environmental work, we have an internal requirement for all production units to be environmentally certified. Today, all production units are certified against ISO 14001.



Energy consumption

The focus on energy use has been reinforced in recent years with the new EU energy efficiency Directive, EED (Directive 2012/27/EU).

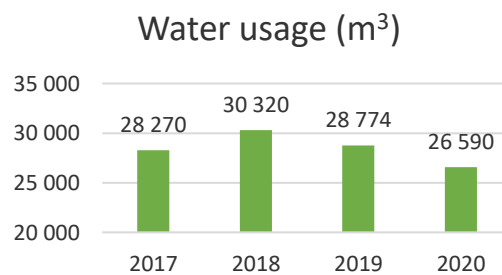
As a result, various initiatives are taking place on our production units. One step going forward we have during 2021 signed a commitment to the Science Based Target initiative (SBTi).



Water usage

Freshwater consumption across the world has more than doubled since World War II and is expected to increase with additional 25 percent to 2030. More than one Third of the world's population, 2 400 000 000 people, living in "water stressed" countries and 2025, the number is expected to rise to two thirds.

From this perspective, we follow our water usage and work with various initiatives to reduce this.



Anti-corruption

LEAX does not in any way provide customers, potential customers, governmental agencies or their representatives, rewards and benefits that are contrary to law or business practices.

Our representatives may not accept gifts, payments or other forms of compensation from third parties that may affect our business decisions.

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violations of the Code of Conduct have been reported
during 2020/2021