



LEAX GROUP AB

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UN Global compact

Communication of Progress (COP)

Statement by the CEO

2022-08-18

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 both through acquisition and organically. LEAX Group's vision is to be the recognized leader in the design, development and industrialization of advanced manufacturing solutions and superior products for global mobility and industrial markets. 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 have approximately 1150 associates. Our customers are within the Commercial Vehicle, Automotive, Mining & Construction, Agriculture, and General Industrial sectors.

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 supplier to the most demanding global customers LEAX Group needs to have a sustainable business model. LEAX Groups' Code of Conduct has been created to underline the principles that LEAX uses to govern its relationships with employees, business partners and other stakeholders.

Under the umbrella of this governance, I am pleased to confirm LEAX Group's continuous support of the United Nations Global Compact in the areas of human rights, labour standards, environmental protection, and anti-corruption.

LEAX is committed to continuously improve the sustainability performance and in cooperation with our stakeholders follow the United Nations Global Compact's principles relating to our committed focus areas. 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 UN Global Compact Principles 1-2. No incidents on violations of the Human Rights principles have been reported to the Management Team during 2021/2022.

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 proliferation of environmentally friendly technologies.*

Commitment:

We recognize that our production and transports have an 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 2021/2022.

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 2021/2022.

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 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.

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

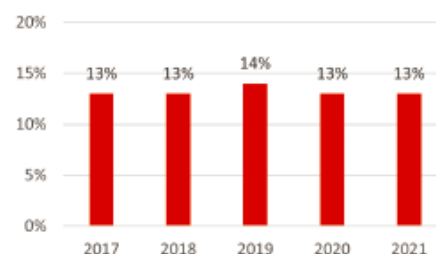
Average FTE

(FTEs) per geography	2021	2020	2019	2018
Sweden	359	339	372	327
Latvia	381	372	378	385
Brasil	67	55	65	68
Germany	132	130	127	116
Hungary	211	221	287	316
China	4	13	19	22
Total	1 155	1 130	1 246	1 234

Portion of women per geography (2021)

Sweden	12%
Latvia	5%
Brasil	24%
Germany	5%
Hungary	27%
China	33%

Total proportion of women per year



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.

Freedom of association and the right to collective bargaining is one of the fundamental rights where we as an employer see that our employees have the right to choose whether or not they want to be represented by a trade union. At present, 100% of our employees in Sweden are covered by collective agreements. In total within the Group, 67% of our employees are covered by collective agreements. In Latvia, where collective agreements are lacking due to the absence of trade unions, we follow the laws and regulations that exist with regard to, for example, minimum wage, working conditions and working conditions.

67%

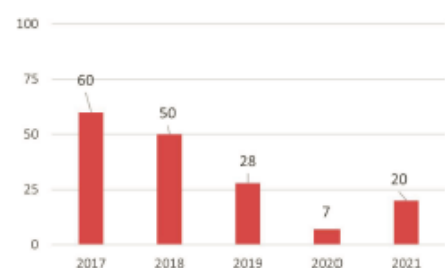
of our employees are covered by collective agreements

Geografi	Bargaining Agreements
Sweden	Yes
Latvia	-
Brasil	Yes
Germany	Yes
Hungary	Yes
China	Yes

Health precense by country



Number of lost time accidents



Integrity

Once we have been entrusted with personal information about individuals, we protect it and take appropriate measures to protect it from abuse. We comply with all applicable privacy laws when we collect, use and share personal information about individuals.

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integrity violation incidents have been reported
during 2021/2022

Environment

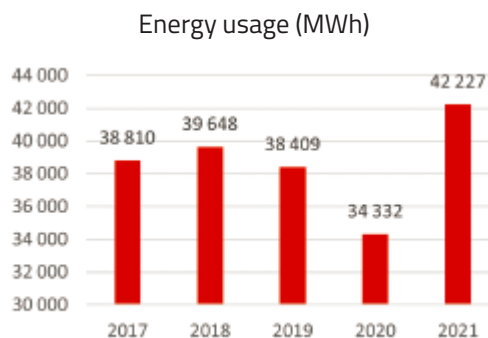
ISO 14001 and ISO 50001 certificates

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



Energy consumption

Energy consumption comes into focus from a sustainability perspective and the company's carbon footprint.



Anti-corruption

At LEAX, we have had an internal whistleblowing system that was available to all employees via our intranet. In 2021, no cases were reported. The system could, for example, be used to report misconduct and violations of LEAX codes of conduct and policies. Mid 2022 we launched a new platform enabling both external and internal parties to report. At the time of this COP no cases had been reported.

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 2021/2022