



## **SUPPLIERS CODE OF CONDUCT AND ETHICS**



## Summary

Statement of Purpose	02
Scope of Application	02
Conducting Business within Appropriate Laws with Integrity, Fairness and Respect	03
Protection of Confidential Information	04
Record-Keeping	04
Responsible Sourcing of Materials	05
Counterfeits, Export Controls and Economic Sanctions	06
Respect for Human Rights and Global Working Conditions	07
Privacy	08
Environment, Health and Safety	09
Violations	11

## Dear Valued Suppliers,

Litens is a global leader in power transmission technologies that improve vehicle efficiency, fuel economy and have emissions benefits. We are a company founded on innovation and have worked to revolutionize the design and efficiency of modern automotive powertrains. For over 40 years, our commitment to excellence has earned us a reputation for providing reliable, highly engineered solutions to every major global OEM. Litens is pleased to provide an update to our Code of Conduct and Ethics for Suppliers to highlight our commitment to a company culture rooted in fairness, integrity, honesty and concern for people. Our Suppliers Code of Conduct and Ethics sets forth the same basic principles we are committed to with respect to our dealings with all of our stakeholders and also acts as a guide to assist our suppliers in meeting the ethical standards reflected in the Code.

All of us have a responsibility to honour our commitment by supporting sustainability initiatives reflected in the Code. The Supplier Code of Conduct and Ethics is an important part of our overall relationship with our suppliers and it is important that you understand and implement the expectations in your sphere of influence. If you have any questions about the contents of the code or how it should be applied in your operations and beyond, please speak up, and ask for support from Litens' Legal Counsel or Purchasing contact.

Thank you for contributing to Litens' success and playing an important role in developing a company culture that fosters safe and inclusive work environment, encourages respect for each other, promotes fair and lawful business practices and sustainability in our operations globally.

Sincerely,



**Peter Connolly**  
Global Director Purchasing  
Litens Automotive Group





## Statement of Purpose

This Code of Conduct and Ethics for Suppliers sets forth the basic principles we are committed to with respect to our dealings with all our Suppliers and acts as a guide to assist our Suppliers in meeting the ethical standards expected of them. The Senior Management of Litens Automotive Group ("Litens") has adopted this Code of Conduct and Ethics for Suppliers to highlight our commitment to company culture rooted in fairness, integrity, honesty and concern for people.

## Scope of Application

This Code of Conduct and Ethics for Suppliers applies to all Litens Automotive Group Suppliers on a global basis including suppliers for our After Market and distribution business entities such as LATCO, ATech, Tendeco and will be promptly and consistently enforced. Litens expects all suppliers to follow these guidelines and standards; and strongly expects suppliers to cascade these principles down their supply chain. Failure to comply will lead to commensurate action, proportionate to the breach. In the case of a serious breach, Litens reserves the right to immediately terminate any and all business relationships with the Supplier.



## Conducting Business within Appropriate Laws with Integrity, Fairness and Respect

Litens believes in conducting business with integrity, fairness and respect, complying with both the letter and spirit of applicable laws, rules and regulations in the countries in which we conduct business. We will comply with all anti-corruption laws that apply to the countries in which we do business and have a zero-tolerance policy for all forms of bribery, corruption, extortion and embezzlement.

We will not engage in unfair or illegal trade practices in the jurisdictions in which we conduct business such as the improper exchange of competitive information or price fixing, bid rigging and other means of improper market allocation.

We expect our employees to honor their duty of good faith and fidelity, and to perform their duties in a manner which seeks to ensure our best interests ahead of their own interests. Our employees will not, directly or indirectly, offer bribes, kickbacks, or other similar payments, nor promise any other improper benefit for the purpose of influencing any customer, supplier, public official or any other person, nor will they, directly or indirectly, accept bribes, kickbacks or any other improper benefit which could influence or appear to influence them in the performance of their duties.

We require our Suppliers to have policies and procedures in place that ensure the absence of similar corrupt practices and avoidance of conflict(s) of interest for their own employees. We will manage our supplier relationships in good faith and we require Suppliers to exercise similar discretion in our relationship and in their relationship with their suppliers.





## Protection of Confidential Information

We require our Suppliers to protect confidential information that has been entrusted to them by us, our customers or other third parties with whom we deal. Confidential information may only be used and disclosed as directed by us.

## Record-Keeping

Suppliers shall keep accurate business records, including financial accounts, engineering and quality reports, time records, expense reports and submissions to us, our customers or regulatory authorities when required. Suppliers shall not knowingly or through wilful neglect create false or misleading business records.

Suppliers shall keep accounting records in accordance with generally accepted accounting principles in the respective jurisdictions in which they operate and shall not knowingly or through wilful neglect record transactions in a false or misleading manner.







## Responsible Sourcing of Materials

Suppliers are required to conduct due diligence to understand the source of raw materials used their products.

Suppliers are required to not knowingly produce products containing raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment.





## Counterfeits, Export Controls and Economic Sanctions

Suppliers are required to implement appropriate means to minimize the risk of introducing counterfeit parts and materials in the products they deliver to us.

Suppliers are required to respect all appropriate export control and economic sanctions laws and regulations of all relevant countries. No Supplier shall knowingly or through wilful ignorance sell, export, re-export or deliver prohibited goods, software, services and technology to certain restricted destinations, entities and/or individuals. In the event of any question concerning this matter, please contact the Legal Department.

## Respect for Human Rights and Global Working Conditions

Litens supports and respects the protection of internationally proclaimed human rights within our sphere of influence.

Litens is committed to ensuring that we are not complicit to human rights abuses and foster a work environment that results in dignified and respectful treatment of all workers within our supply chain. We therefore require our suppliers to have appropriate policies, procedures and systems in place to support the following standards:

- **Child labor shall not be utilized. Underage labor, as defined by local labor law, will not be utilized unless it is part of a government approved training or apprenticeship program that clearly benefits the participants.**
- **Any form of forced or compulsory labor is prohibited.**
- **Workers, without fear of reprisal, intimidation or harassment shall be able to communicate openly with management regarding working conditions. They shall also have the right to associate freely and join labor unions and workers' councils in accordance with local laws.**
- **Workers shall be protected against any form of harassment and discrimination in any form, including but not limited to gender, sex, age, religion, disability and political beliefs.**
- **Suppliers shall not use medical testing or physical examination of any worker for the purpose of discrimination.**
- **Suppliers shall make reasonable accommodations for the recognized religious practices of their workers.**
- **Workers shall have a safe and healthy workplace that meets or exceeds all applicable standards for occupational health and safety.**
- **Workers shall be compensated with wages and benefits that are competitive and comply with local law, including minimum wages, overtime hours and legally mandated benefits.**
- **Working hours shall comply with all applicable local laws regulating hours of work.**
- **Suppliers shall provide equal employment opportunities without regard to race, religion, age, gender, disability, sexual orientation, nationality or political affiliation, or any other personal characteristic protected by applicable law.**
- **Suppliers shall avoid forced eviction and the deprivation of land, forests and waters in the acquisition, development or other use of land, forests and waters.**
- **Suppliers shall maintain these global working conditions in all their operations, while also promoting adoption of these principles with their own suppliers.**







## Privacy

We are committed to protecting personal information relating to our employees and other stakeholders. We require our Suppliers to protect such personal information and as well as the personal information of their employees and stakeholders.

Suppliers are required to comply with all applicable privacy and data protection legislation in force from time to time.



## Environment, Health and Safety

We are committed to work with our Suppliers and business partners in order to create and maintain a safe and healthy working environment that meets or exceeds industry standards and regulations in all jurisdictions in which we perform business activities.

We conduct our business in an environmentally responsible manner in accordance with the appropriate legislation and regulations in each of the jurisdictions in which we operate and strive to meet or surpass the environmental performance requirements of international standards governed by ISO 14001. We require our Suppliers to act similarly.

Litens' is targeting to achieve carbon neutrality in its manufacturing operations by 2030 and we expect our suppliers to reduce their greenhouse gas emissions annually and work towards achieving carbon neutrality.

We support avoiding materials and methods posing environmental and health risks when alternatives are available, and we will work to minimize the impact of our operations on the environments in which we operate. We continuously monitor and reduce pollutants (including noise emissions) to strive for environmental preservation and ecosystem protection. We strive to control our impact on soil quality in order to prevent soil erosion, nutrient degradation and contamination. We are committed to protecting key biodiverse areas and eliminating deforestation throughout our supply chain. We recognize the five animal freedoms that the World Organization for Animal Health formalized. We require our Suppliers to act similarly.



## More particularly, Suppliers are expected to:



TRACK AND DOCUMENT ENERGY CONSUMPTION AND IMPLEMENT AN ENERGY MANAGEMENT STRATEGY TO REDUCE CONSUMPTION AND TO REDUCE EMISSIONS BY TRANSITIONING TO RENEWABLE ENERGY. CALCULATE AND REDUCE SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS ANNUALLY AND REPORT TO LITENS.



PRESERVE WATER RESOURCES AND WATER QUALITY



WHERE APPLICABLE, ROUTINELY MONITOR AIR EMISSIONS, INTEGRATE AIR EMISSIONS CONTROLS INTO THEIR BUSINESS PLAN AND ESTABLISH AN AIR EMISSIONS MANAGEMENT PLAN TO ENSURE AIR QUALITY THAT MEETS OR EXCEEDS REGULATORY REQUIREMENTS FOR EACH FACILITY



ESTABLISH AND IMPLEMENT A WASTE MANAGEMENT PLAN TO PREVENT AND REDUCE WASTE; REUSE, RECOVER AND/OR RECYCLE WASTE, AS APPROPRIATE; AND SAFELY HANDLE AND DISPOSE WASTE IN CONFORMANCE WITH GOOD ENVIRONMENTAL STEWARDSHIP AND LOCAL REGULATION



RESPONSIBLY IDENTIFY, COMMUNICATE AND MANAGE CHEMICALS TO ENSURE THEIR SAFE HANDLING, STORAGE, USE AND DISPOSAL







## Violations

Reports of violation of this Code of Conduct for Suppliers may be done anonymously and confidentially to Litens General Counsel for the Partnership for investigation and appropriate action. Litens' General Counsel will not disclose the identity of the person(s) reporting suspected misconduct unless the individual(s) consents to disclose or required by law. The whistle blower(s) will not be retaliated against because of lawful acts in furtherance of this policy.

Reports can be lodged in any of the business languages used at Litens locations across the world via postal mail, e-mail or telephone to:

**Alex Porat, General Counsel**  
**Litens Automotive Partnership**  
**Address: 730 Rowntree Dairy Road,**  
**Woodbridge, ON.,**  
**CANADA L4L 5T7**  
**Phone: +905 850-4851**  
**Email: [actionresponseline@litens.com](mailto:actionresponseline@litens.com)**

This Code of Conduct has been approved and adopted by Senior Management and can only be amended or waived by the same. Any amendments or waivers shall be disclosed.