Supplier Requirements and Code of Conduct

1. Introduction

Linecross Limited ('Linecross') is committed to developing partnerships with suppliers and proactively managing the supply chain to exceed expectations on cost, quality, delivery, service and innovation. This Supplier Requirements and Code of Conduct document details the requirements and expectations of the supplier to drive improved performance in the supply chain, ensure strong working partnerships, and ensure compliance to relevant laws and regulations.

This document is intended to set out the way in which Linecross and our suppliers will behave towards each other. This document does not change or replace any contracts or terms and conditions agreed between Linecross and the supplier.

Linecross requires suppliers ensure all of their sub-suppliers also conform to the requirements outlined within this document.

The most up to date copy of this document will always be available on the Linecross website www.linecross.co.uk, and unless stated otherwise it is expected that all suppliers have accepted this.

A signed copy of this document should be returned to the Linecross Purchasing team.

If violations of these requirements and code of conduct are identified, Linecross will work with the supplier to identify solutions wherever possible. However, failure to meet an agreed action plan may result in de-selection of the supplier.

2. Legality

Purchasing and contracting activity will fully respect and comply with all applicable UK laws and regulations; the relevant laws, regulations and so on of other territories in which organisations operate, to which we supply, or from which we source; and international laws, treaties and agreements to which the UK government is party (including, for example, any United Nations-approved trade sanctions).

It is not acceptable to source goods or services in a foreign territory solely in order to allow an activity to occur which would not be permissible in our home territory, and/or in those territories to which our goods and services are supplied (note that this does not preclude taking advantage of lower labour costs elsewhere, provided that these, and the associated conditions, at least meet the domestic norms of that territory).

Linecross is committed to the fair and effective application of laws and regulations. There is therefore a positive duty on the Linecross and its suppliers to report and refer any and all reasonably founded suspicions of illegal activity.

If requested, the supplier shall sign the Linecross confidentiality agreement and abide by its requirements.

Any information with is shared with the supplier that is marked as confidential must be treated as such, and must not be shared with a third party unless with prior written agreement from Linecross. Confidential information must be stored securely and destroyed upon request by Linecross.

3. Supplier Accreditations

In order to supply Linecross, the supplier should demonstrate that they have achieved relevant accreditations. For suppliers of raw materials and child parts, you should have IATF 16949 accreditation, or be working towards achieving that standard. As a minimum you must have a valid ISO9001 certificate. Linecross may

require that you pass a Linecross supplier audit to VDA6.3 conducted by one of our trained auditors. The scope of the accreditation must be applicable for the product(s) being supplied to Linecross.

For suppliers of consumable items, capital expenditure items and services, alternative accreditations may be specified before we purchase from you. All suppliers should sign this document, or provide a suitable alternative Code of Conduct.

Linecross reserves the right to request suppliers to complete self-audits and to conduct audits in person on site at the supplier if the need arises.

4. Tooling Ownership

Tooling and manufacturing aids funded by Linecross remain the property of Linecross, and must be identified and documented as such.

5. Specifications and Compliance

Linecross will agree the relevant specifications and drawing to ensure compliance of the supplied product / service. The supplier is required to ensure compliance in all aspects of these specifications.

For raw materials and child parts, the supplier shall make a declaration using the IMDS database, www.mdsystem.com, of substances within the composition of the product provided.

For raw materials, the supplier must provide a Certificate of Conformity and Certificate of Analysis with each delivery.

For child parts, the supplier must provide a PPAP submission including sample parts and completed documentation to demonstrate compliance to the specification. Following PPAP approval by the Linecross quality team, the agreed bill of materials, process flow, control plan, test & inspection methods, supply chain and packaging method must not be changed without the prior agreement of Linecross.

The supplier must not supply counterfeit parts or materials.

Linecross will identify any significant / critical / D-TLD characteristics or legislative requirements as part of the specification provided to the supplier. Controls for these characteristics must be demonstrated throughout the manufacturing process.

For raw materials and child parts which are utilised in an automotive application, the supplier must have a dedicated Product Safety and Conformity Representative (PSCR). The PSCR is responsible for the safety of the product and checks that the legal and regulatory requirements of the product are met. The supplier is responsible for confirming with Linecross at the point of order if the product is being used for an automotive application. If the supplier has not confirmed the application of their product, then a PSCR should be in place in the event of use for an automotive application.

6. New Part Introduction

New product introduction milestones for supply and approval shall be agreed between the supplier and Linecross when the supplier is nominated and purchase orders are raised. Upon receipt of a purchase order, the supplier is required to support the new part introduction process with a capable team to ensure compliant parts are provided to the required timing plan.

7. Delivery and Packaging

Delivery requirements for parts will be communicated by the due date on the purchase order provided by Linecross. It is the responsibility of the supplier to ensure that product is received at Linecross in accordance with these dates and quantities.

It is the responsibility of the supplier to ensure that products are packaged in a suitable way to prevent damage in transit, including unloading in bad weather.

Suppliers outside of the UK must ensure that all customs requirements are met when delivery occurs to the UK. For suppliers who deliver, Linecross must be notified when goods are shipped to ensure UK customs import declarations can be completed. In the case that Linecross collects from the supplier, the supplier must ensure that customs export documentation is completed before parts are collected by Linecross.

8. Quality

The supplier should ensure that the parts and services supplied meet the agreed specifications (see section 5 above). The parts supplied are expected to be defect free. Known issues must be declared before shipment or the commencement of a service, and deviation approval gained from Linecross.

Any deviations in process, product quality or long-term reliability will not be accepted.

Linecross will issue a Supplier Reject Note (SRN) upon identifying defective parts and materials in stock, during the assembly process or as a result of a warranty claim attributed to supplied parts from our customer. Rejected parts must be collected within 14 days. If parts are not collected within this period, Linecross reserves the right to dispose of the defective parts and recover any associated disposal costs from the supplier.

Effective corrective action is required following an SRN, and the supplier shall ensure containment actions are in place to prevent re-occurrence within 24 hours. A full 8D and corrective action report should be provided to Linecross within 28 days.

Linecross reserves the right to recover costs and charges from the supplier associated with defective goods received. This includes charges Linecross receives from its customers due to quality defects on parts and materials from the supplier, including costs associated with warranty claims in the field.

9. Supplier Performance

Linecross will monitor and record the performance of suppliers based upon a number of key performance indicators relevant to the business. Where poor performance is identified, the supplier shall be informed and corrective actions agreed. Continued poor performance will affect the ability of the supplier to gain new business or may result in de-selection.

The key performance indicators include:

- On time delivery – target 100%, minimum limit 95% of deliveries arrive by the due date on the purchase order
- In full delivery – target 100%, minimum limit 95% of deliveries match exactly the quantity shown on the purchase order
- Number of quality rejects incidences – target 0, maximum limit 3 reject incidences per year
- PPM (parts per million) – target 0, maximum limit 100 PPM

10. Sub-Supplier Management

The supplier is responsible for any third party / sub contractor providing a service or product. All sub-suppliers shall be subject to the requirements of this agreement.

The supplier shall ensure the approval and validation of sub-suppliers and their product. Risk assessment of the process and viability of the supplier shall be part of this approval.

11. Health and Safety

Linecross's aim is to prevent injury and ill health in the workplace for all employees and visitors. Our Health and Safety Policy details the approach we take to achieving this. We expect that our suppliers have a detailed Health and Safety Policy in place to ensure a safe workplace for all employees.

We expect that our suppliers have ISO45001 accreditation. If the supplier does not have this accreditation, you should have a plan to reach these standards and demonstrate continual performance.

12. Social Responsibility and Ethics

Linecross is committed to working in a socially responsible way that is considerate of the impact of the business on its employees, customers, suppliers and the local community. Linecross maintains the highest ethical and professional standards throughout all its undertakings and social responsibility should remain a key tenet of operations and decision-making.

It is expected that the supplier will adhere to the same standards within their business and their supply chain.

12.1 Diversity, equity and inclusion, and discrimination

Linecross is committed to providing an inclusive and diverse working environment where all employees are treated equally. Linecross is committed to eliminating discrimination amongst our workforce. Our objective is to create a working environment where employees have equal opportunity, are free from harassment, and in which there is no unlawful discrimination and all decisions are based on merit. This includes discrimination on the basis of the protected characteristics of age, disability, gender, race, ethnicity, sex, sexual orientation, religion, nationality, and status.

12.2 Employees

Employees will receive appropriate remuneration, including wages and other benefits, for their work. This will meet the minimum wage requirements of the country in which they work. Employees will have defined working hours which meet the relevant Working Time Directive for the country in which they work.

Employees have a right to freedom of association and participation in collection bargaining agreements where there is union representation within the workforce.

12.3 Conflict of Interest

Employees have a duty of trust and must avoid putting themselves in a position where there is an actual or potential conflict between their personal interests and their duties to the Company financial or other wellbeing. Linecross is committed to the relevant UK antitrust and competition laws to conduct business a in fair, ethical and transparent manner.

12.4 Ethical Policy, Bribery and Anti-Corruption

Linecross is committed to conducting business in an ethical and honest manner, and is committed to implementing and enforcing systems that ensure bribery is prevented. We have a zero-tolerance for bribery, extortion and corrupt activities. We are committed to acting professionally, fairly, and with integrity in all business dealings and relationships, wherever we operate.

We are bound by the laws of the UK, including the Bribery Act 2010, in regards to our conduct both at home and abroad.

12.5 Fair Competition and Anti-Trust

Linecross must ensure that whenever we engage in trading activities, we do so in a way that reflects our commitment to fair competition while not compromising the achievement of our purpose. Linecross demonstrates zero tolerance towards “unfair methods of competition” and “unfair or deceptive acts or practices”.

12.6 Privacy and Data Protection

Linecross must ensure that the privacy of employees, customers and suppliers is respected and data is protected in accordance with relevant regulation, such as GDPR in the UK. We expect the supplier to have suitable measures in place to ensure privacy and data protection within your own business and supply chain. This must include the protection of intellectual property.

12.7 Whistleblowing

Linecross is committed to openness and accountability. We expect eligible individuals, who have serious concerns about any aspect of our work or operations, to voice those concerns with the knowledge that, if made in good faith, their action will be welcomed and viewed positively. We have a whistleblowing policy in place to ensure concerns can be raised.

Any concerns covered by this procedure should be raised with Linecross in the first instances to allow us the chance to deal with them. This procedure should not be bypassed and concerns must not be disclosed externally, including on social media, other than in exceptional circumstances, for example if you have good reason to believe that evidence would be destroyed if you did not do so.

Linecross strongly encourages you to seek advice before reporting a concern to anyone external. ‘Protect’ is an independent whistleblowing charity which operates a confidential helpline. Their contact details are helpline: +44 20 7404 6609, e-mail: whistle@protect-advice.org.uk; website: www.pcaw.org.uk.

Suppliers who raise genuinely-held concerns in good faith under this procedure will not be subjected to any detriment as a result of such action, even if they turn out to be mistaken.

13. Human Rights and Modern Slavery

Linecross does not tolerate modern slavery and is committed to limiting the risk of modern slavery occurring within our own business, or infiltrating our supply chains, or any other business relationship.

Modern slavery includes, but is not limited to: slavery, servitude, forced and compulsory labour, human trafficking, child labour, unethical recruitment methods. All forms of modern slavery have in common the deprivation of a person’s liberty by another in order to exploit them for commercial or personal gain and amount to a violation of an individual’s fundamental human rights.

Suppliers must abide by the principles laid out in the Universal Declaration of Human Rights (UDHR) and UK Human Rights Act 1998.

We expect the supplier to have proper measures in place to ensure that modern slavery is not occurring within your own business or supply chain.

Any potential human rights violations that are discovered or suspected within the supply chain should be reported immediately to Linecross to Jenna Pearce jenna.pearce@linecrosscomposites.co.uk

If any human rights violations are identified, the supplier commits to taking appropriate corrective actions, and sharing the corrective action plan with Linecross. Linecross have the right to challenge or request amendments to the proposed corrective actions if they are deemed insufficient.

More information on modern slavery can be found at www.gov.uk/government/collections/modern-slavery.

14. Sustainability and Environmental Responsibility

Linecross is aware that all of its activities associated with the development, manufacture, distribution and use of its products can have a direct or indirect influence on the environment. Environmental protection is a serious obligation within the company.

Linecross and its suppliers undertake to treat natural resources carefully and conscientiously and reduce our consumption where possible, particularly in regard to the use of energy, water and raw materials. We are striving to increase our use of renewable energy and reduce our greenhouse gas emissions. We are committed to avoiding air, soil, water and noise water pollution, through regulatory control of local authority permits. We aim to reduce the generation of waste with the aid of appropriate technology and processes. We ensure that waste which cannot be avoided or recycled is disposed of in an environmentally acceptable manner. Any chemical waste will be disposed of in line with current waste management laws using certified waste disposal companies.

We are aware of the potential negative impact of the ultimate disposal of our products on the environment, so we will co-operate with our suppliers and customers' initiatives to reduce this.

Linecross and its suppliers respect land, forest and water rights, and does not participate in forced eviction from land. We are committed to avoiding air, water and noise pollution.

We expect the supplier to honour their obligation to operate in an environmentally-friendly manner while improving their environmental performance. The supplier should have the same requirements of environmental responsibility for their sub-suppliers.

We expect that our suppliers have ISO14001 accreditation. If the supplier does not have this accreditation, you should have a plan to reach these standards and demonstrate continual performance.

We expect that our suppliers have a target to achieve carbon netural emissions for Scope 1 & 2 CO2 by 2030, and overall net-zero for greenhouse gas emissions by 2050, in line with UK Government targets, and can demonstrate a plan to deliver this.

If requested, suppliers must provide data to Linecross on CO2 emissions (actual and target).

15. Responsible Sourcing of Raw Materials

Linecross is committed to avoiding sourcing raw materials from conflict affected and high-risk areas, and uncertified practice of extractions.

If Linecross or the supplier purchases raw materials from smelters or refiners, the supplier must ensure that these sub-suppliers produce responsibly sourced materials. This should be in accordance to the Responsible Materials Assurance Process (RMAP) run by the Responsible Materials Initiative (RMI). More information about responsible material sourcing can be found at www.responsiblemineralsinitiative.org/.

Linecross expects that the supplier purchases all other natural materials from sustainable sources, for example timber materials should be from sources certified by the Forestry Stewardship Council.

16. IT Security and Continuity

Information processing and technology are fundamental to the efficient and effective running of businesses. The protection and security of information should be a top priority for all suppliers. The supplier commits to the following aims:

- To ensure the confidentiality, integrity and availability of organisational information including all personal data as defined by GDPR, based on good risk management, legal regulatory and contractual obligations, and business needs.
- To provide the resources required to develop, implement, and continually improve the information security management system.

- To effectively manage third party suppliers who process, store, or transmit information to reduce and manage information security risks.
- To implement a culture of information security and data protection through effective training and awareness.

Suppliers should be working towards achieving TISAX or ISO27001 accreditation.

Any security incidents that impact Linecross's confidential or personal information must be reported to Linecross within 12 hours of the supplier becoming aware of the incident.

17. Financial Records

Suppliers are expected to keep accurate financial records according to local and international accounting standards. Linecross has the right to request copies of financial accounts if it has identified concerns regarding the financial stability of its suppliers.

18. Agreement

The supplier confirms receipt and acceptance of all aspects of this Supplier Requirements and Code of Conduct document.

Signed on behalf of the supplier: _____

Name (print): _____

Job title: _____

Organisation: _____

Date: _____