

# Lumileds Statement on Transparency in Supply Chains.

## 1. Introduction

The California Transparency in Supply Chains Act (SB 657) requires certain companies to disclose their efforts to address the issues of slavery and human trafficking in their supply chains. This Statement on Transparency in Supply Chains provides the particular information required within each disclosure category (sections 2-6).

## 2. Verification.

Lumileds evaluates and addresses risks of human trafficking and slavery through our Supplier Sustainability Program. Lumileds has a supplier sustainability declaration that is a standard part of Lumileds terms and conditions of purchase. The declaration, based on the Responsible Business Alliance's ("RBA") code of conduct, requires suppliers to share our commitment to promote acceptable working conditions, environmentally responsible management, and ethical behavior. Lumileds carries out selective monitoring by means of supplier self-assessment questionnaires and third party audits to ensure the suppliers live up to their commitment of compliance to the Supplier Sustainability Declaration. The selection of a supplier in the self-assessment or audit program depends on the risk profile of the supplier. The risk profile includes the country risk as assessed by external sources.

## 3. Audits.

If a supplier is selected to be in scope of the audit program an initial audit will be planned as a condition to start supplies, and after acceptance the supplier will be enrolled in a 3-year audit cycle. The audits cover all the requirements of the RBA code of conduct. After the audit a corrective action plan is agreed with the supplier for any non-conformity, and the non-conformity is followed up until their resolution is verified. The audits are announced to the suppliers upfront, and are executed by independent, third party auditors.

## 4. Certification.

Lumileds General Terms and Conditions of Purchase require suppliers to guarantee compliance that all applicable national and international regulations relating to the goods and their packaging and/or to the services have been observed, and that all goods have been designed, manufactured and delivered in compliance with all applicable laws (including labor laws), and the then current Supplier Sustainability Declaration.

## 5. Internal Accountability.

Lumileds Global Code of Ethics serves as an ethics guide for employees and stakeholders and supports adherence to laws, regulations and our global values. The Code has been translated into multiple languages. To provide employees with a confidential means for reporting violations of the Global Code of Ethics in addition to corporate policies, laws and regulations, Lumileds has a dedicated Speak Up Helpline. The helpline allows employees to confidentially report any concerns in their own language, without undue delay or fear of retaliation. Lumileds ensures that all claims are investigated with the utmost care and confidentiality and addressed using the Lumileds Investigation Protocol.

## 6. Training.

The Lumileds Code of Ethics is integrated into mandatory new hire trainings. All employees are required to take an annual refresher course in addition to subject matter-specific trainings for qualified employees. The Supplier Sustainability Program also includes a training and capacity building module, for which training sessions are held for suppliers.