Sustainable Purchasing Policy

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1. Purpose

The purpose of this Sustainable Purchasing Policy is to establish principles and guidelines for responsible procurement practices that align with LauLagun Bearings S.L. ("LLB") commitments to **sustainability, ethical business conduct, and corporate social responsibility (CSR).**

LLB aims to **reduce environmental impact, promote human rights, and ensure ethical and responsible supply chain management** while fostering long-term relationships with suppliers who share our values.

2. Scope of Application

This policy applies to all purchasing activities across **LLB's global operations, including Europe and India** sites**,** and covers all suppliers, service providers, and subcontractors involved in the company's supply chain.

All LLB suppliers are expected to comply with this policy as a condition for doing business with LLB.

3. Principles

LLB follows these core principles in its procurement activities:

3.1 Ethical and Responsible Sourcing

- Suppliers must adhere to the **highest standards of integrity, honesty, and transparency** in all business dealings.
- No tolerance for **corruption, bribery, forced labor, child labor, or any violation of human rights** in the supply chain.
- Compliance with **all applicable laws and regulations, including labor laws, anti-corruption policies, and fair competition laws.**

3.2 Environmental Responsibility

- Preference will be given to suppliers who adopt **sustainable practices**, including:
    - **Efficient resource use** (e.g., water, raw materials, energy).
    - **Minimization of emissions and waste generation.**
    - **Use of recyclable, biodegradable, or responsibly sourced materials.**
- Suppliers must comply with **ISO 14001 or equivalent environmental standards.**

3.3 Human Rights and Labor Standards

- Suppliers must uphold the **Universal Declaration of Human Rights** and **ILO conventions** on labor practices.
- **No discrimination** based on gender, age, disability, ethnicity, or any other status.
- **Fair wages, working hours, and safe working conditions** must be ensured, following **ISO 45001 Occupational Health & Safety standards.**

3.4 Climate Change and Carbon Reduction

- LLB prioritizes suppliers who demonstrate a commitment to **carbon footprint reduction** and align with the **Paris Agreement targets.**
- Suppliers are encouraged to set **GHG emission reduction targets** and **disclose their carbon impact.**

3.5 Circular Economy and Sustainable Innovation

- Preference is given to suppliers who:
    - **Reduce single-use plastics** and promote **product lifecycle sustainability.**
    - Integrate **eco-design principles** into their products and services.
    - Offer **remanufactured, refurbished, or reusable components.**

3.6 Responsible Supply Chain Management

- Suppliers must conduct **due diligence** to ensure that raw materials, including minerals (tin, tungsten, tantalum, gold, and cobalt), are sourced **ethically and conflict-free.**
- Supply chain transparency must be **documented and disclosed** upon request.

4. Implementation and Compliance

4.1 Supplier Selection and Evaluation

- LLB will integrate sustainability criteria into supplier **selection, contracting, and performance evaluations.**
- Compliance with this policy will be **monitored through audits, self-assessments, and reporting requirements.**

4.2 Continuous Improvement and Collaboration

- LLB will collaborate with suppliers to support **capacity building, training, and joint sustainability initiatives.**

- Suppliers are encouraged to **innovate and adopt best practices** for sustainable sourcing.

4.3 Non-Compliance and Consequences

- Failure to comply with this policy may result in:
    - **Requests for corrective actions.**
    - **Suspension or termination of business relationships.**
    - **Liability for additional costs due to non-compliance.**

5. Governance and Review

This policy is subject to periodic review to ensure alignment with evolving **legal, environmental, and social responsibility standards.**

All suppliers and procurement teams must adhere to this policy and demonstrate commitment to **sustainable business practices.**