

Lineas Supplier Code of Conduct

What Lineas expects from its suppliers



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1. Purpose and scope

The Lineas Supplier Code of Conduct (“the Code”) defines the non-negotiable minimum standards that we require from our suppliers, their direct and indirect subsidiaries or affiliates, parents and their sub-suppliers, upon all their employees without exception, whatever their statutes, work regime or position in the group (the “Supplier”), when conducting business with Lineas.

The compliance with such standards ensures that the Supplier works in an ethical way.

Management of the Supplier carries a particular obligation thereof as role model.

The code is an extension of our Lineas Code of Conduct, which governs our conduct towards our suppliers.

Acknowledgement of the Code is a pre-requisite in every Lineas contract for supply. This Code does not create any third-party beneficiary right for the Supplier. The standards of the Code are in addition to, and not in lieu of, provisions of any legal agreement or contract between the Supplier and Lineas.

2. What our suppliers have to stand for: values and mission

The mission and values are the central elements of this Supplier Code of conduct.

We expect from our suppliers that that they pursue their business activities in accordance with ethical and responsible principles which means that they have to undertake to act ethically and with integrity at all times while working with their customers, owners, business partners and employees. The corporate governance of the Supplier has to embrace the principles of transparency and accountability. In all their business activities, our supplier abides by the applicable laws and regulations and respect the traditions and social values of the countries and groups in which it operates.

It is the responsibility of the Supplier to deliver top-quality, safe, reliable, efficient, sustainable and market-focused services or products in order to contribute, even from far, to the main objective of Lineas: the modal shift from road to railway transport. Lineas wishes indeed to assume a key role in the development of sustainable mobility, while paying particular attention to the environment and safety, thus enforcing the development of the Belgian and European economy.

The well-being of the employees of the Supplier, the safety of other railway users, good neighbourhood to Lineas surroundings and a major concern for the environment in general, are a priority.

3. Corporate Social Responsibility

Safety

The Supplier undertakes to work towards the highest internal and external safety standards in the interest of its customers, employees and Lineas' equipment. Safety is of utmost importance to protect the goods of Lineas' customers (especially in the case of RID) in our trains from theft and incidents.

The Supplier will develop and roll out relevant health and safety policies and training programs, establish procedures clarifying specific responsibilities, and provide effective prevention systems.

Environmental protection

Our ambition is to achieve a solid corporate reputation as an eco-friendly rail operator. We comply with and tend to do better than the applicable European and national environmental laws.

Lineas expects the Suppliers to strive to support Lineas' environmental and climate protection commitments through the services we deliver as eco-friendly rail operator. The Suppliers commits to do its utmost to achieve carbon neutrality across all operations by 2050. Lineas also expects the Suppliers to report relevant data on environmental, reduction of carbon and climate protection upon request

The Supplier undertakes to minimize the impact on the environment of all their operations, products and services, and in particular:

- To ensure the safe handling, movement, storage, recycling, reuse and management of waste, air emissions and wastewater discharges.
- To measure and minimize the environmental impact of their facilities and transportations;
- To use natural resources in an economical way.

Human rights

The Supplier undertakes to respect all human rights.

Lineas is committed to applying the UN Guiding Principles on Business and Human Rights and, by extension, respecting human rights in our own operations and our supply chain.

As such, we expect our suppliers to conduct their operations in a way that respects the fundamental human rights of others, as affirmed by the Universal Declaration of Human Rights. This includes (but is not limited to) their own workers and people working for their sub-suppliers.

Suppliers should seek to identify potential and actual adverse human rights impacts related to their activities and business relationships. They should take appropriate steps to ensure their operations do not contribute to human rights abuses and to remedy any adverse impacts directly caused, or contributed to, by their activities or business relationships.

For their own employees and contract workers, we expect suppliers (at a minimum) to:

- Provide equal opportunities to, and fair treatment of, all workers including migrant labour.
- Work to eliminate any form of harassment and bullying within the workplace, whether it is of a sexual, verbal, non-verbal or physical nature.
- Provide a safe working environment,
- Ensure operations are free from child labour.
- Ensure operations are free from exploitation of labour. Specifically, ensuring their operations are free from forced, bonded, involuntary, trafficked or unlawful migrant labour.
- Ensure the right to freedom of association.

Given their importance, some of the points here above are further elaborated here after:

Child labor and forced labor

The Supplier rejects any form of forced labor. Forced labor refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passport, work permits or deposit as a condition of employment.

The use of child labor by the Supplier is strictly prohibited.

The Supplier rejects slavery and human trafficking.

4. Employees of the Supplier

Safety and Health

The Supplier will provide its employees with a safe and healthy working environment, which prevents injuries and illnesses for the employees. This means the Supplier complies with all applicable health and safety laws and standards, as well as work proactively to remove any workplace hazards and improve the sense of wellbeing at work.

Working hours and Wages

The Supplier must ensure that its employees work in compliance with all applicable laws and mandatory industry standards pertaining to regular working hours, and overtime hours, including for breaks, rest periods, holidays, and maternity and paternity leaves.

Compensation paid to employees will comply with national wage laws and will be paid in a timely manner.

Respect

The Supplier must regard its employees as main assets and key to the quality the Suppliers wishes to provide to its customers.

The Suppliers treats its employees with respect and consideration. The Supplier shall not tolerate, from and vis-à-vis its employees, any form of harassment; violence; discrimination; any expression of racism, sexism or homophobia; viewing, sending or circulating pornographic material and the consumption of any alcohol or drugs at work.

The Supplier creates an equal-opportunities work environment. The employees of the Supplier reflect the diversity of society, languages, cultures and lifestyles. The Supplier recruits, selects and develops its employees on merit – irrespective of their race, color, national origin, religion, gender, age, sexual orientation, gender identity, marital status, disability, or any other characteristic protected by the applicable laws.

Discriminatory behaviour and bullying have no place in the Supplier working environment and will be sanctioned accordingly.

Any employee who is victim of violence, bullying or unwanted sexual behaviour at work may obtain advice and the necessary assistance from the trust person and / or the prevention advisor, as mentioned in the work regulation.

Providing freedom to speak and freedom of association

The Supplier recognizes the right of any employee to join or refrain from joining a trade union, to seek representation, join works council and engage in collective bargain. It encourages communication with its employees and their representatives.

The Supplier actively encourages open communication and dialogue, cross-company collaboration and autonomy as well as innovative and sustainable thinking at every level of the organization. Within the company, continuous improvement and personal development are stimulated, with respect of one's personal choices. The Supplier encourages its employees to speak up freely and without fear of retaliation. The Supplier does not retaliate against employees who raise good-faith workplace concerns.

Protecting data privacy and confidentiality

When the Supplier collects, retains, uses or transmits personal data (names, addresses, phone numbers, dates of birth, health information,...), it does so with great care and sensitivity, confidentially, disclosed only to authorized persons and in compliance with applicable law such as but not limited to the General Data Protection Regulation ("GDPR").

The Supplier holds the personal data of its employees in the highest confidence and believe that the personal information of every colleague and customer should be treated with equal care and respect.

Avoiding conflicts of interest

All employees and representatives of the Supplier shall avoid any conflict of interest with the interests of the Supplier when conducting their external activities.

Potential conflict of interest must be disclosed by the employee and solved.

5. Competitors, public officials and business partners of the Supplier

Anti-trust compliance – fair competition

The Suppliers competes fairly in accordance with all applicable competition laws.

Anti-Corruption

The Supplier will prohibit corruption and unfair business practices by employees or third parties commissioned by the Supplier. The Supplier does not offer or accept any inducements, privileges or benefits which could influence a person's ability to make objective and fair business decisions.

In the event of corruption, attempted corruption or active or passive participation in corruption, the Supplier and individual employees are liable to heavy fines or prison terms. The strongest disciplinary action can be taken in response. The Supplier formally prohibits

bribes and major gifts to be distributed, offered or accepted. These include sums of money, credits, donations, rewards and any other form of compensation offered with the direct or indirect aim of obtaining or unduly rewarding preferential treatment in a transaction or a commercial decision.

Appropriately exchanging gifts and entertainment

In general, gifts, entertainment and other advantages of any kind whatsoever to employees, agents of public authorities, political parties, their representatives or to holders of public offices or candidates for political offices, or institutes or to the relatives of such persons are prohibited.

Without prejudice to the previous paragraph, the Supplier only gives or accepts gifts and entertainment which fall within the scope of a normal business relationship (e.g. invitations to lunch and dinners to discuss the improvement of the business relationship or gifts and entertainment exchanged as a sign of mutual respect or as a sign of recognition of the parties' good collaboration and partnership) and are of low-value (not disproportionate) or not frequent (only on special occasions or events or limited number of times). Gifts and entertainment should never affect or appear to affect, impartial decision-making by the Supplier's employees or any third party. They should never be offered or received in exchange for preferential treatment in any business dealing. They must be properly disclosed to next-level management.

Working with Business Partners

The Business Partners of the Supplier, especially its suppliers, are important. They underpin the Supplier's ability to do business and meet its customers' expectations. That is why the Suppliers chooses them carefully, using a transparent selection process based on objective criteria and evidence. The cooperation with its business partners is characterized by a fair, trustworthy, and stable partnership.

Fundamental to the relationships of the Supplier with its Business Partners is that they operate according to principles that are similar to those in this Code.

Complying with sanctions and embargoes

The Supplier confirms to complying with all economic, financial or trade sanctions, regulations, embargoes and other restrictive measures promulgated, administered, imposed or enforced by any authority having the power to do so. The Supplier confirms that it will not undertake any activity that would lead to a violation of such sanctions insofar as such sanctions apply to the Supplier, Lineas or the subject matter of the agreement and that it will prohibit or restrict the export of specific goods or conducting business in country, region or territory and/or with individuals, companies or organizations subject to a general export, import, financial or investment embargo by a sanctions authority. The Supplier commits to understand the sanctions and embargoes applicable in the markets where the Supplier and Lineas operates, or is in contact with, and to report any attempt to circumvent the sanctions regime.

6. The Supplier owners

Using assets responsibly

The Supplier shall deal with company property, products and resources, such as work materials and equipment (e.g. computers, paper or furniture), licenses, copyrights and business opportunities responsibly, with all due care and use them only for their intended business purposes.

The Supplier commits itself to using workplace-related IT systems for legitimate business purposes and not for personal uses that are unreasonable, improper, or for unethical or illegal activities.

The Supplier makes proper use of workplace information technology and help to protect systems and equipment against internal and external threats. This requires appropriate security practices (password protection approved technologies and licensed software) that ensure the protection of intellectual property and personal data. Ignoring appropriate security practices can lead to a range of harmful consequences, such as data loss, identity theft or copyright infringement.

Financial integrity and anti-fraud

The Supplier records and reports company information honestly, accurately and objectively. This includes financial and non-financial information. Any information the Supplier creates will accurately reflect transactions and events.

The books, records and accounts of the Supplier are conform IFRS (for group financial reporting) and other relevant GAAP-standards.

Falsifying records or misrepresenting facts can never be justified nor excused. The Supplier does not tolerate any kind of fraud and /or money laundering.

Confidentiality

Confidential information is information that is not intended for internal dissemination or external release and is sensitive by its very nature. It may involve records, reports, contracts, financial and personnel data, investigations, lawsuits, intellectual property or new business plans or activities, lists of business partners and may appear in many different forms (digital, physical, etc.).

Employees with access to especially sensitive information (Strategy, Financial, Human Resources, Legal, Communications,...) must observe strict confidentiality even with colleagues and should seek legal advice before disclosing any such information outside the organization. Employees will not use any knowledge obtained from internal corporate processes for private gain.

7. Compliance with the Code

Lineas reserves the right to verify compliance with the Code through internal or external assessment mechanisms and require implementation of progresses towards audit requirements.

The Supplier shall report any suspected violation of regulations, laws and the Code. Violations should be reported to the Lineas contact person or can be reported confidentially using one of the available channels.

In the event that a violation or breach of the Code by the Supplier is determined or reported, Lineas reserves the right to unilaterally terminate the relevant legal agreement or contract between the Supplier and Lineas in accordance with the applicable statutory and contractual terms and conditions concerning termination, more specifically with respect to the term of notice and compensation.

Moreover, a determined or reported breach or violation of the Code shall be considered as an exceptional circumstance which make it impossible for the Supplier and Lineas to maintain any professional relationship or as a serious shortfall of the Supplier's obligations and gives Lineas the right to unilateral terminate the agreement or contract between the Supplier and Lineas without a term of notice or any compensation, if such rights and conditions for unilateral termination without a term of notice or any compensation are legally provided in the agreement or contract between the Supplier and Lineas.

Declaration of acknowledgement

Name of Company:

Name and function:

Date and place:

We, the undersigned hereby confirm that:

- We have received and taken due note of the contents of the Lineas Suppliers Code of conduct

- We are aware of all relevant laws and regulations of the countries in which our company operates

We will report to Lineas SA any case of violations of the Code

We will inform all our employees/subcontractors of the content of the Suppliers Code of conduct and that we will ensure that they also comply with the provisions incorporated therein.

Signature + company stamp