

LSI INDUSTRIES INC.**Supplier Business Code of
Conduct****REV 1-3-24****1. Purpose**

LSI Industries built its reputation as an organization that requires ethical business practices and high levels of integrity in all of our business transactions. The strength of LSI Industries' reputation is based not only on our own conduct, but also on the behavior of those with whom we do business. For that reason, we will work only with those suppliers that share our values and commitment to ethical business practices. The entire LSI Industries team is committed to the highest standards of integrity and full compliance with our Supplier Code of Business Conduct as well as the regulations and policies affecting our business. As such, it is our goal to ensure that our relationship with suppliers reflect and support the same high ethical standards. In keeping with this goal, LSI Industries has developed this code of conduct for suppliers that reiterates LSI's commitment to integrity and ethical standards and to clearly convey to all suppliers how that pertains to their business relationship with LSI and its subsidiary companies. LSI values its business relationships with suppliers and requires them to share our commitment to, at a minimum, the following standards. All Suppliers must answer the questions below and agree to LSI's ability to audit the responses thereto. Suppliers failing to meet the requirements of the Supplier Code of Conduct shall have their business relationship with LSI suspended until they become compliant with said Policy. Additionally, LSI screens, audits and conducts due diligence on supplier environmental performance, product safety, labor practices, human rights performance and compliance with this policy.

*** 2. Ethical Dealings**

Honest dealing with customers and suppliers is essential to sound business relationships. LSI gives all potential qualified suppliers fair consideration. Decisions are based on objective criteria such as price, quality, and service capability as well subjective factors such as a supplier's reliability and integrity. Additionally, LSI screens its suppliers with respect to environmental performance, labor practices or human rights performance. Giving or receiving any kickbacks, bribes or similar payments of any sort is prohibited.

Does your company agree to comply with the policy above?

2. Requirement Text

☐ a. Yes

☐ b. No

*** 3. Anti-Corruption**

LSI's commitment to dealing legally and ethically with governments and customers applies worldwide. Company policy and laws such as the U.S. Foreign Corrupt Practices Act and similar anti-corruption laws around the world prohibit our employees or their agents from giving or offering to give money or anything of value, directly or indirectly, to anyone to induce that person to affect any governmental act or decision, or to assist LSI in obtaining or retaining business or securing any improper advantage. This prohibition applies to all customers, whether government-owned or controlled or not, and to all government officials regardless of rank and duty.

LSI's suppliers may not act in any way, in their business relationship with LSI or otherwise, that violates this important principle. LSI's suppliers must only themselves use suppliers that do not violate ethical standards through bribes, kickbacks, or other similar improper or unlawful payments. Additionally, suppliers must maintain awareness and comply with all applicable laws and regulations of the countries of their operation.

Despite the fact that the U.S. Foreign Corrupt Practices Act sometimes permits payments to government officials called "facilitation payments," or small payments made to obtain ministerial, governmental services to which the payor is entitled, LSI may not make such payments. In addition, no one acting on LSI's behalf may make such a payment.

Does your company agree to comply with the policy above?

3. Requirement Text

☐ a. Yes

☐ b. No

*** 4. Gifts**

Suppliers should be aware that it is not permissible for LSI employees to give, receive or solicit gifts, payments or other benefits that influence any business decision or that create the *appearance* of influencing any business decision. Cash or cash equivalent gifts (i.e., gift cards or gift certificates) are prohibited by LSI policy.

Does your company agree to comply with the policy above?

4. Requirement Text

- ☐ a. Yes
- ☐ b. No

*** 5. Entertainment**

Suppliers should be aware that it is not permissible for LSI Industries employees to be entertained in such a manner as to cause the employee to feel obligated to make a certain business decision. Suppliers may entertain an LSI employee only when:

- The entertainment is incidental to a discussion of LSI business
- The entertainment is in a setting appropriate for a discussion about business
- The entertainment is reasonably priced
- The entertainment was not solicited by the LSI employee

Does your company agree to comply with the policy above?

5. Requirement Text

- ☐ a. Yes
- ☐ b. No

*** 6. Conflict Free Minerals**

The United Nations Group of Experts on the Democratic Republic of the Congo (DRC) determined the trade of certain minerals mined in the DRC, Angola, Burundi, Central African Republic, Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia (the “Conflict Area”) have helped fuel war and human rights violations in the eastern region of the DRC. “Conflict-free mineral” is currently defined as tantalum, tin, tungsten, gold, or their derivatives, that does **not** finance, directly or indirectly, armed groups through mining or mineral trading in the Conflict Area. LSI Industries is committed to sourcing materials, components, and products from suppliers who share our values and commitment to work towards a Conflict-free mineral supply chain. LSI Industries expects the same commitment from its suppliers. To further this goal, LSI Industries requires its suppliers to (i) undertake reasonable due diligence with their supply chain to identify and document the source of origin of the minerals contained in the materials, components, and products provided to LSI.

Does your company agree to comply with the policy above? If yes, please attach the supporting document that certifies your company's conflict-free status.

6. Requirement Text

- ☐ a. Yes
- ☐ b. No

*** 7. Environment**

Environmental considerations an integral part of our business practices and LSI requires its suppliers to abide by the following Supplier Environmental Policy. LSI Industries suppliers and subcontractors must comply with all applicable local and national environmental laws and regulations regarding pollution prevention, resource reduction, hazardous substances, waste, emissions, material restrictions, and energy consumption. We encourage our suppliers to take active steps to conserve the use of natural resources, including water, fossil fuels, minerals, and forest products, improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions. LSI is not ISO 14001 or ISO 5001 certified and does not require its suppliers to be certified; however, if you have such certifications, please provide copies of any current certifications.

Does your company agree to comply with the policy above?

7. Requirement Text

☐ a. Yes

☐ b. No

*** 8. Discrimination and Harassment**

LSI's suppliers and subcontractors shall not subject any person to discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

LSI's suppliers and subcontracts must treat their employees with respect and dignity. No employee shall be subject to physical, sexual or psychological harassment or abuse.

LSI prohibits retaliation for good faith reporting of a potential or actual violation of the LSI Supplier Code of Conduct.

Does your company agree to comply with the policy above?

8. Requirement Text

☐ a. Yes

☐ b. No

*** 9. Security**

LSI's suppliers and subcontractors will maintain facility security procedures to guard against the introduction of non-manifested cargo into outbound shipments (e.g., drugs, explosives, biohazards and / or other contraband). Additionally, LSI and its suppliers must provide a secure and safe working environment for its employees and not permit third-parties to operate on their premises that intimidate employees or threaten their welfare.

Does your company agree to comply with the policy above?

9. Requirement Text

☐ a. Yes

☐ b. No

*** 10. Forced Labor**

LSI will not purchase products or components from suppliers that use forced labor, prison labor, indentured labor or exploited bonded labor, or permit their suppliers to do so.

Does your company agree to comply with the policy above?

10. Requirement Text

☒ a. Yes

☐ b. No

*** 11. Child Labor**

LSI will not purchase products or components thereof manufactured by persons younger than 15 years of age or younger than the age of completing compulsory education in the country of manufacture where such age is higher than 15. LSI's suppliers shall not employ such children. LSI (i) responds to LSI I inquiries in support of LSI's reporting requirements under Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act, (ii) has adopted policies and systems to source Conflict-free minerals, and (iii) requires its suppliers to adopt similar socially responsible sourcing practices and policies.

Does your company agree to comply with the policy above?

11. Requirement Text

☐ a. Yes

☐ b. No

*** 12. Universal Human Rights**

LSI is committed to respecting human rights worldwide. To that end, LSI itself practices at all its locations (wherever located) and only works with partners and suppliers who promote the following standards at all their locations (wherever located) in accordance with applicable law:

- Equal opportunity for employees at all levels regardless of color, race, gender, gender identity, gender expression, age, ethnicity, national origin, sexual orientation, marital status, religion, veteran status, disability or any other characteristic protected by the law;
- A fair living wage that enables employees to meet at least their basic needs, and opportunities for employees to improve their skills and capabilities;
- Adherence to LSI's Human Rights Policy;
- Prohibit employees from working excessive hours and providing appropriate breaks from work and providing a work environment that allows adequate time for leisure and rest, including legally mandated work hours and compensation for overtime hours in accordance with local laws;
- Respect for the employees' lawful freedom of association; recognition of all legal rights to organize and collectively bargain; working with government and communities in which we do business to improve the education, cultural, economic and social well-being in those communities; adherence to the International Labor Organizations (ILO) Declaration on Fundamental Principles and Rights at Work
- Water is a fundamental human right
- The guarantee of free, prior and informed consent

Does your company agree to comply with the policy above?

12. Requirement Text

☐ a. Yes

☐ b. No

*** 13. Health and Safety**

LSI 's suppliers and subcontractors shall provide a safe and healthy working environment at all their respective locations regardless of where located to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities. Employers must fully comply with all applicable workplace conditions, safety and environmental laws.

In addition, any supplier representative providing on-site services in an LSI facility is required to adhere to all LSI safety standards.

Supplier will notify LSI of any products recalls that it undertakes.

Does your company agree to comply with the policy above?

13. Requirement Text

☐ a. Yes

☐ b. No

*** 14. Confidential/Proprietary Information**

Suppliers must respect intellectual property rights and safeguard LSI's information; transfer of technology and know-how must be done in a manner that protects intellectual property rights.

Does your company agree to comply with the policy above?

14. Requirement Text

☐ a. Yes

☐ b. No

*** 15. Reporting and Notification**

LSI requires prompt notification from our suppliers of any failure to comply with this Supplier Code of Conduct or any illegal or criminal activity related to our business.

Failure to adhere to the LSI Supplier Code of Conduct may be grounds for terminating the supplier relationship, depending on the seriousness of the violation and the particular circumstances.

We offer an LSI Supplier of Business Conduct Hotline at 1-877-225-0471 providing secure, confidential telephone and web-based reporting system 24 hours a day, seven days a week.

Does your company agree to comply with the policy above?

15. Requirement Text

- ☐ a. Yes
- ☐ b. No