

The Preh Group and their Supplier admit to the ten internationally accepted principles of the UN Global Compact (www.unglobalcompact.org) and the four main principles of the International Labor Organization (www.ilo.org) for the respect of human and labor rights, environmental protection as well as the work against corruption. The Preh Group expects therefore fulfillment of the following principles:

Environmental and climate protection

With regard to environmental and climate protection the supplier will ensure the promotion of environmental responsibility in all stages of manufacturing. Thereby the Preh Group expects that suppliers:

- strive for a proactive prevention or minimizing of negative environmental impacts (e.g. impacts to air and water quality)
- promote energy conservation and reduce greenhouse gas emissions
- promote resource conservation and promote projects to reduce the waste generation
- manage chemicals responsibly by minimizing or eliminating the use of restricted chemicals to ensure compliance
- develop and maintain a certified Management System according to ISO 14001 (or an adequate accepted standard)

Human rights and working conditions

The Supplier shall set up an occupational health and safety organization to ensure a safe work environment for all employees. This includes the compliance with local applicable legislation as a minimum standard. Preh expects that the supplier provides a work environment that is:

- not tolerating child labor (other than in accordance with all applicable laws and regulations), forced labor as well as human trafficking;
- respecting human rights and free of any form of harassment or discrimination;
- in compliance with local applicable regulations regarding working hours, wages and benefits;
- respecting the right of employees for free association and collective bargaining

- according to an applicable Occupational Health and safety management system (e.g. ISO 45001 or equivalent accepted standard).

Business ethics and compliance

For an honest operation and a high standard of integrity between business partners the Preh Group expects that the supplier:

- not knowingly provide products containing raw materials that contribute to human rights abuses, bribery and ethics violations, or negatively impact the environment by following our **Responsible Sourcing Policy**;
- obtain and maintain all necessary governmental permits for the construction and operation of facilities and ancillary facilities used for the manufacture of products;
- conduct in compliance with applicable anti-corruption laws and programs
- respect intellectual property of third parties, including Preh
- do not provide counterfeit parts
- adhere to international trade regulations as well as customs controls
- adhere to anti-trust and other competition laws
- protect confidential information provided by Preh and our business partners

Supply Chain Responsibility

The Preh Group expects that the Supplier forward these sustainability provisions to its sub-supplier as obligations to ensure consistency within the supply chain. Thereby the supplier will monitor and check the compliance with these sustainability provisions in the supply chain.



Introduction

The United Nations has found that the trade of certain rare earth minerals is helping to finance the civil conflict in the Democratic Republic of the Congo (DRC) and certain adjoining countries (covered countries), characterized by violation of human rights and destruction of environment. These minerals are commonly referred to as “3TG” (tin, tantalum, tungsten, & gold) and their derivatives.

Our commitment

While Preh does not source any Conflict Minerals from the DRC and the Covered Countries directly, such Conflict Minerals may exist in the products, materials and components that the Preh Group sources from its suppliers. Preh is committed to engage its suppliers for a responsible sourcing of the materials and components Preh processes in its products.

Preh is committed to the Conflict Minerals reporting requirements of our customers prior to the deadlines. Preh is working with suppliers to perform the necessary due diligence in determining the potential for Conflict Minerals in our supply chain.

Expectations of suppliers

Preh expects that supplier

- source tantalum, tin, tungsten or gold (3TG) from smelters that are validated as conflict free. Certified conflict-free smelters are validated as compliant to the EICC (Electronic Industry Citizenship Coalition) conflict free smelter (CFS) protocol using the CFS Compliant Smelter List of the Responsible Minerals Initiative (RMI). Through the CFS protocol, smelters are audited globally; the list of compliant smelters and refiners is posted at **www.conflictreesmelter.org**.
- identify any product sold to Preh that contain any Conflict Mineral which is not declared as conflict free
- provide reports to support the Preh reporting requirements on Conflict Minerals
- promote due diligence within the supply chain to complete CM to identify all smelters that supply conflict minerals in their supply chain through reasonable efforts

Please contact **material.compliance@preh.de** to report concerns or violations of this policy for questions and the submission of declaration reports (e.g. Conflict Minerals Reporting Template).

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