



SUSTAINABILITY REPORT – PREH GROUP 2020

(GRI – Referenced Report)

2020 | Management Board Preh Group

PASSION FOR EXCELLENCE

Dear Ladies and Gentlemen,

Our reputation and success, along with the trust placed in us by clients, investors, employees and the public, all depend on the specific behavior of each individual working for Preh GmbH or any of its companies (Preh Group).

This is why the responsibilities provided in code of conduct for the Preh Group determine the framework and minimum standards to which all employees are bound. These standards help employees to master legal and ethical challenges in everyday working life, create orientation and strengthen confidence in the ability and integrity of Preh Group.

National and international provisions govern the way Preh Group may sell its products, services and technologies, and how we may exchange Information with competitors.

Sustainability belongs to Preh's strategic goals and **we define ambitious operational goals to take care about our employees and the environment.**

The Sustainability Report gives an overview about our corporate principles, activities and efforts for an overall sustainable acting towards the achievement of our strategic goal.

Yours sincerely,



ZHENGXIN "CHARLIE" CAI

President & CEO



RUI MARQUES DIAS

Managing Director

CFO



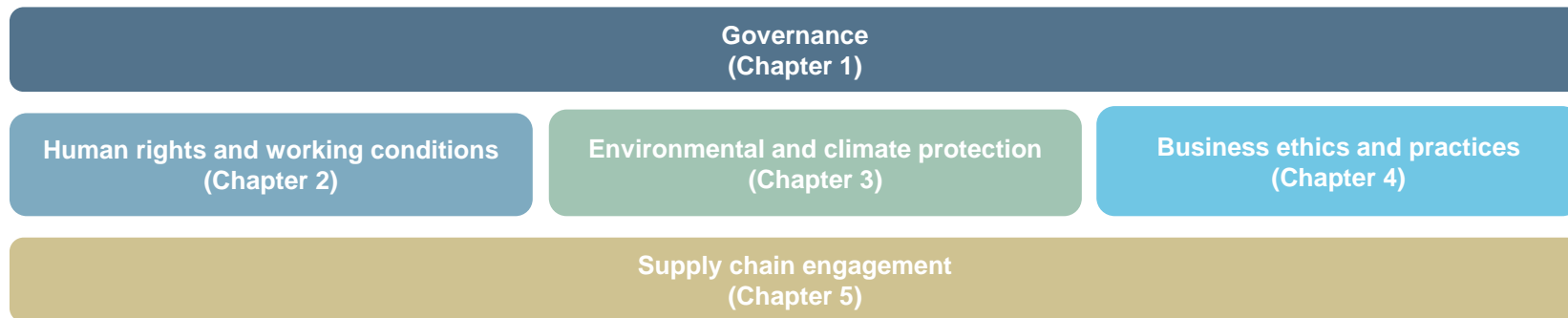
JOCHEN EHRENBERG

Managing Director

CTO

Sustainability at Preh

We orient on the following fields of responsibility to achieve our goals and to meet the expectations of our stakeholder for a sustainable acting:

**Note:**

The report serves as summary of our corporate principles, our activities and efforts and the performance evaluation summarized on the Preh Group for the reporting year 2020 (January 1st – December 31st, 2020). An overview for all reporting disclosures and indicators can be found in the annex.

We promote a sustainable acting for all of our corporate activities.

1 INTRODUCTION AND GOVERNANCE

2 HUMAN RIGHTS AND WORKING CONDITIONS

3 ENVIRONMENT AND CLIMATE PROTECTION

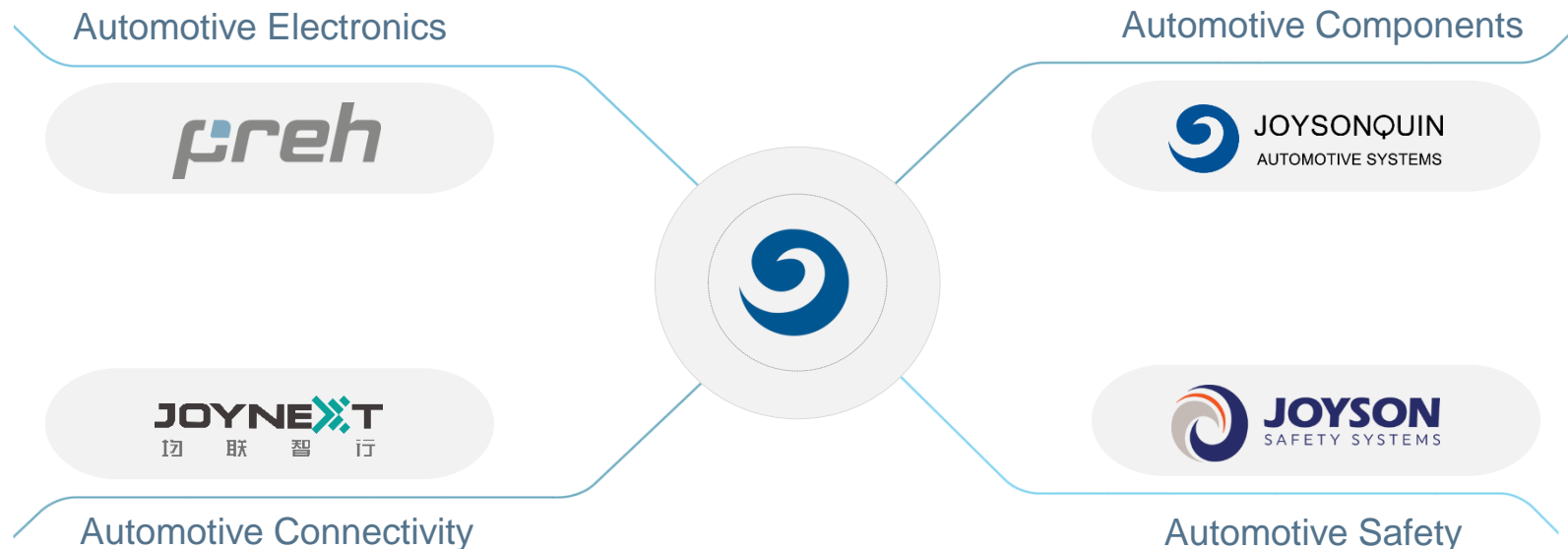
4 BUSINESS ETHICS AND PRACTICE

5 SUPPLY CHAIN ENGAGEMENT

6 ANNEX: DISCLOSURES



INTRODUCTION AND GOVERNANCE



Joyson Electronics Group is one of the largest 30 automotive suppliers globally:
>100 locations in 30 countries; more than 50,000 employees; turnover about \$ 9 Bn (2019)

PASSION FOR EXCELLENCE

OUR CLAIM

Excellence is defined as striving for the best possible result in everything we do.

Excellence really can never be reached but is rather a guiding principle that motivates us to always give our very best!

Only with a passion for excellence, we will do everything to prevent mistakes, especially to avoid making the same mistake twice. Also, passion for excellence motivates us to learn every day something new and to work according to the principle "everything is possible".



OUR VISION

WE passionately strive for excellence creating smarter and sustainable solutions in everything we do.

The vision defines what we want to achieve in the future. It contains the element „WE“, which comprises all Preh locations. It gets to the heart of our claim to passionately strive for excellence. It clarifies Preh's quest to always be one step ahead of the competition („smarter“). Preh strives to satisfy future customer expectations as well as to promote safety and environmental aspects („sustainable solutions“).



OUR MISSION

With highest quality and competitiveness we create cutting-edge technology for HMI and e-mobility.

The mission describes today's focus of action, needed to achieve the vision. It also contains the element „WE“, which comprises all Preh locations. It details „excellence“ as prioritizing highest quality and competitiveness. It describes our aspiration for innovation („cutting-edge technology“) in our current fields of business („HMI and e-mobility“).



OUR VALUES

Excellence – Accountability – Continuous learning & improvement – Goals / result orientation – Global thinking, throughout the whole company

Our values are the basis of the common thinking and acting of all colleagues at Preh Group.



OUR VISION

WE passionately strive for excellence, creating smarter and sustainable solutions, in everything we do.

The **vision** is aligned towards the future. It contains the element „**WE**“, which comprises all Preh Group locations. It gets to the heart of our claim to **passionately strive for excellence in everything we do**. It makes clear that at Preh we want to be **smarter** in the sense of creating solutions that allow us to be one step ahead of the competition.

Here, creation of solutions does not only refer to the development of innovative products. It rather refers to the whole company, i.e., Preh wants to be smarter in every respect (“in everything we do”)! Some examples of being smarter: Right market opportunity foresight when making investments, achieving higher organizational efficiency within all of Preh Group than our competitors do in their organizations, etc.

Striving for excellence also means to address **sustainability**. A **sustainable solution** comprises environmental aspects and also much more, as it means to be excellent in everything we do. This means, a sustainable solution is not a short-term fix of a problem, but a sound solution - well thought out and implemented with diligence. A sustainable solution applies not merely to things, but also to processes and relations.

The 4-eyes-principle is an example how a simple process can be made more sustainable. Simplicity, not complexity is the key for sustainable processes, products and solutions. Looking at suppliers and customers we intuitively understand the significance of sustainability as it stands for mutually beneficial long-term relationships.



OUR MISSION

With highest quality and competitiveness we create cutting-edge technology for HMI and e-mobility.

The **mission** describes today's focus of action, needed to achieve the vision of the future. It details „excellence“ as prioritizing **highest quality and competitiveness**. In this sense, quality excellence means, for example, to strive for zero ppm, for zero incidents and not to stop day to day to reduce further scrap until we've achieved as well zero scrap. Quality excellence means as well to eliminate rework, to deliver reliable services and to close always the loop according to the PDCA (Plan Do Check Act).

An element of competitiveness is market excellence. It means that we should systematically monitor our competitors in order to know them really well and to understand where do we have to improve to be always a step ahead. We have to understand our customers! Our customer is not only the engineering or the purchasing department.

It's much more - there are the plants, there is quality and the logistics and finally their marketing. They all have different interests and it's essential to know them to develop and to deliver the right product and services. Only by understanding all of our customers, consolidating the views we'll be able to derive a reliable product strategy and finally also be able to innovate!

All of this can only work out if we are commercially competitive! We have to go for the most attractive elements in the total cost comparison, in tooling, with lean development process to benchmark development cost and finally in an attractive piece price. The mission also contains the element „**WE**“, which comprises all Preh locations. It describes our aspiration for innovation („**cutting-edge technology**“) in our current fields of business („**HMI and e-mobility**“). So, what is our focus of action here?



OUR MISSION

With highest quality and competitiveness we create cutting-edge technology for HMI and e-mobility.

In the end, everything we do serves the creation of advanced technical solutions for our customers. Today, as well as during the near future, we focus on the markets for HMI- and e-mobility products. However, the HMI market undergoes a deep transition. Established competitors cease to be and new competitors appear while the HMI-technologies are changing rapidly. This has a tremendous impact on Preh, as the majority of our sales are derived from Car HMI products. Most of these HMI solutions might disappear due to the advancement of touchscreens. The control systems that are still in demand – such as multifunctional steering wheel switches – do face an intense competition.

So, one of Preh's tasks will be to find out, which products and technologies will be in demand in the future and to create with smart ideas the demand for the future. In the e-mobility field we have successfully done this already. Preh is first-to-market with its 800V technology for Porsche and we have invested heavily in a laboratory for power electronics testing. Now, a similar step is required for Car HMI and as well to sharpen our product portfolio for Commercial Vehicles. Of course, this is only one example. Many other tasks will also be necessary.



OUR VALUES

Excellence

Excellence is defined as striving for the best possible result in everything we do. Excellence really can never be reached but is rather a guiding principle that motivates us to always give our very best!

Accountability

In order to improve we not only need lessons learned but also accountability. It means for every success and for every failure there are colleagues to be held accountable for. It is the opposite of the mindset "a mistake happened, but nobody knows who is responsible for it". Accountability is a prerequisite for any lessons learned and improvement action, as it clarifies responsibilities. With a clear responsibility, actions for improvement can be planned, done and checked.

Continuous learning and improvement

Excellence is closely related to continuous learning and improvement. If a lessons learned feedback is given, taken serious and triggers changes – then we can improve. Continuous learning and improvement

prevents a repetition of mistakes or of non-sufficient performance. It is mandatory for our pursuit of excellence.

Goals / result orientation

Working at Preh does not mean we keep ourselves just busy. Tasks should either create value for the company or they should not be done at all! Therefore, at Preh we work with a clear goals and result orientation. We are performance driven and will be held accountable for the results of our work.

Global thinking, throughout the whole company

When improvements are planned, our focus should always comprise the whole company. We need to think global, as Preh Group can only be successful when all locations are successful together. In this sense, we should share our best practice experience with our colleagues throughout the whole company. Perceiving our work as a contribution to the value created within all of Preh Group may be a new perspective. However, if some locations are successful with the approach to excellence, but others not, Preh Group as a whole cannot perform excellent. Finally we are one team!



* Figures 2016 - 2019 include Preh Car Connect.

In 2019 PCC was sold and re-named to Joynext and became a separate Business Unit of Joyson Group.



3 Sales Regions / 6 Production Plants / 4 R&D Centers

Excellent Control Systems with active haptic feedback, magnet haptics and high quality surfaces

Preh Group is ...

... a leading supplier of multifunctional steering wheel switches (about 10 mill. units p.a.)

... a leading climate controls manufacturer (no. 1 in North America)

... a global HMI technology leader (e.g., with haptic feedback technology)

Central Controls



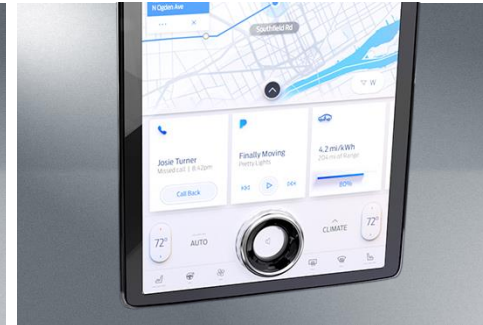
Multifunctional Steering Wheel Switches



Climate Controls



Centerstacks



HMI Systems and Complete System Solutions

- Product Division tailored to the needs of commercial vehicle customers
- References: CLAAS, John Deere, Same Deutz Fahr, Agco/Fendt, DAF, MAN, Mercedes-Benz Trucks, Freightliner...

Fendt: Armrest for FendtONE platform



CLAAS: Ergonomic C-Motion controller



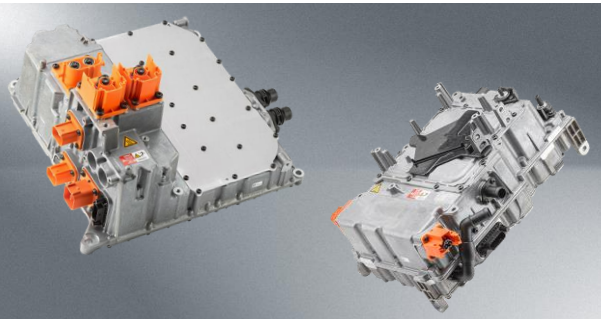
MAN: Central control element



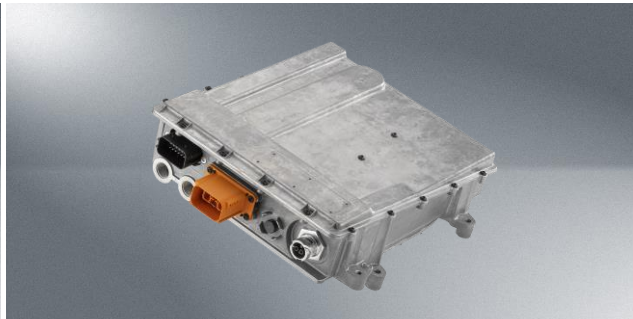
Strong Market Position

- 800V Technology (Boosters, DC/DC Converters)
- On-Board Chargers (11kw up to 44kw)
- 12V and 48V Batterie Management Control Units

800V Booster and DC/DC Converter Technology



On-Board Chargers for cars and commercial vehicles



Batterie Management Control Units

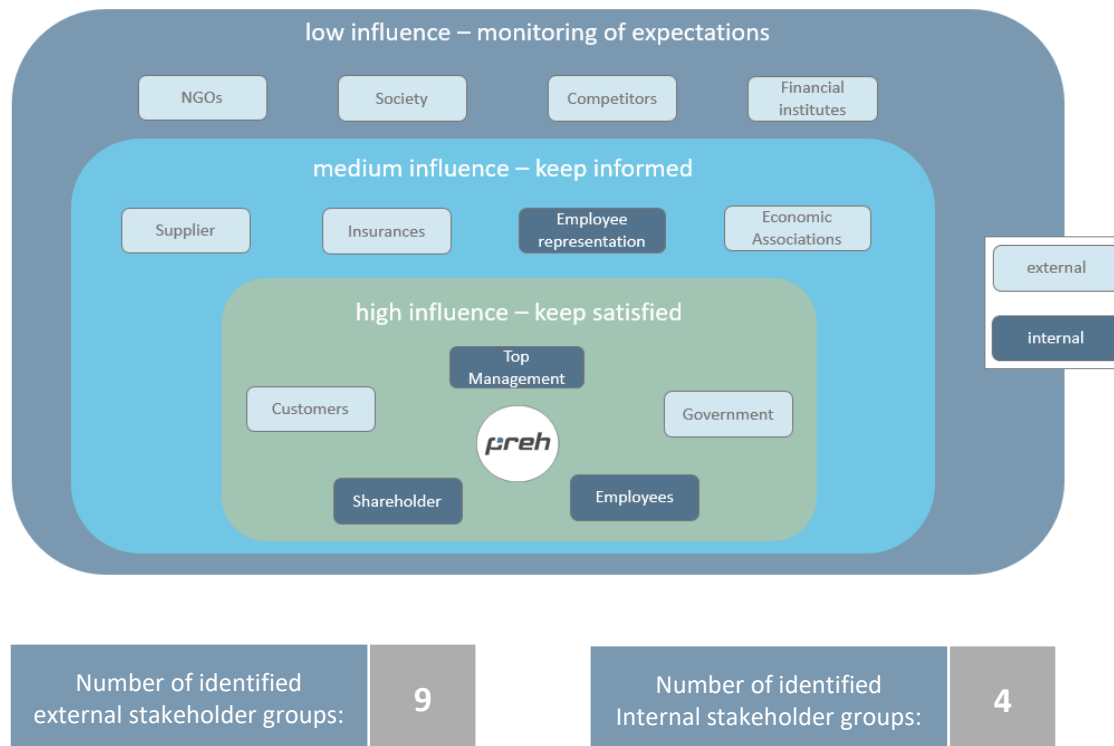


Corporate Principles

We commit to assess the needs and Expectations of all shareholders by joint cooperation and open dialogues

Activities and efforts of Preh (extract):

Internal and external interested parties as well as stakeholder are identified in the course of the corporate context evaluation as part of our integrated management system. Thereby the influence of the interested parties is assessed by their impact into various criteria. An evaluation scheme serves as basis for the influence classification of each identified stakeholder group.





HUMAN RIGHTS AND WORKING CONDITIONS



Corporate Principles

Equal opportunities must be guaranteed in the workplace and the company must refrain from any form of discrimination unless the applicable law expressly provides for selection by certain criteria. Employees must not be treated differently on the grounds of gender, race, ethnic origin, disability, religion or beliefs, age or sexual orientation. Employees and members of the Management Board must interact with mutual respect, understanding, and trust in the interest of our shared corporate objectives.

Preh Group recognizes the rights of employees to form, join, and be active in trade unions and employee representative bodies in accordance with applicable laws, collective bargaining agreements, and local customs. Preh Group does neither allow preferential treatment nor any discrimination of employee representatives.

Activities and efforts of Preh (extract):

The following activities are established at Preh to ensure equal opportunities for all employees:

- Compliance regulation to guarantee a work environment free of discrimination
- Workers associations and workers representatives
- Collective bargaining agreements
- Career platform for job offers (www.career.preh.com)
- Trainings for employees and management

Percentage of female employees in the Preh Group (Status 12/2020)	52.13%
Percentage of male employees in the Preh Group (Status 12/2020)	47.87%
Percentage of employees covered by collective bargaining agreements (Scope Preh GmbH) by IG METAL	95%

Corporate Principles

Preh offers challenging job opportunities as well as continuous learning and provides attractive working conditions. This includes furthermore the provision of a safe and secure work environment.

Activities and efforts of Preh (extract)

The strategic approach is, that all Preh production plants are certified according to the international Management System standards ISO 45001. Our work safety organizations in the Preh locations develop, realize and optimize work safety concepts continuously under consideration of country-specific regulations and conditions. We orient on the following control hierarchy (scheme on next slide) to ensure the health of our employees by the maintaining of a safe work environment.

Preh established various mechanisms to ensure the the provision of a save work environment for employees, for example:

- Performance of hazard assessments to eliminate and mitigate risks
- Regular inspections related to Environmental Protection, Health and Safety inspections and compliance assessments
- Performance of internal system audits as well as external certification audits
- Consultation of employees by the internal suggestion system “pre(h)mium ideas”
- Communication platform „Preh Intranet“ for general EHS awareness
- Implementation of work safety committees in Preh production locations

Percentage of production location with implemented work safety committee:

100%

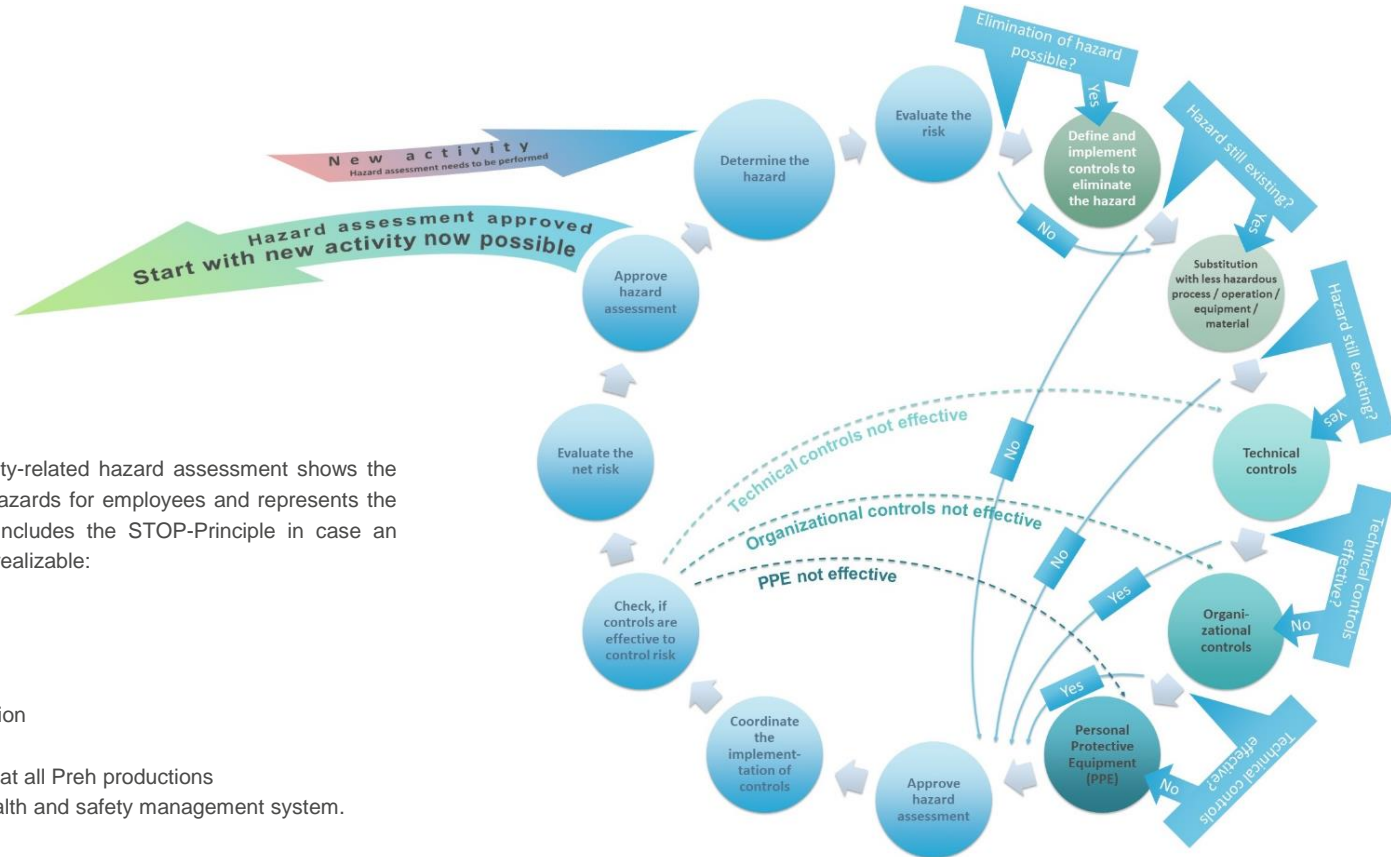
Percentage of production locations with an implemented ISO 45001 certification:

100%

Note: Work safety committee

The structure of the work safety committee differs between the various countries.

They consist mainly of members of the local management, safety experts and employee representatives or representatives from the medical service.



Control hierarchy

The scheme of our activity-related hazard assessment shows the processing to eliminate hazards for employees and represents the control hierarchy which includes the STOP-Principle in case an elimination of risks is not realizable:

- Substitution
- Technical
- Organizational
- Personal Protection

The methodology is used at all Preh productions plants as basis for the health and safety management system.

Facing new challenges - Activities and efforts (extract):

The coronavirus pandemic has forced our organization to make rapid adjustments at workplace.

More and more employees are working remotely, creating new challenges and forcing Organization to adopt innovative solutions for teleworking.

- 1 Teleworking – Home office alternative has presented technical and organizational challenges. Employment regulations and data protection have been adapted and reinforced
- 2 New Communication Tools – The new digital communication solutions, Skype, chats and remote meetings have been adopted as viable solutions, in order to allow teams to stay in contact with each other and be up to date.
- 3 Personal Responsibilities – Organization defined clear goals for employees and Managers tracked the performance in order to allow employees to continue to stay focused on their responsibilities.
- 4 Leadership – Employees were trained to know how and when they can reach their direct managers, to ensure that they feel secure about what they do and know there's always help.
- 5 Management's & EHS coaching – Managers and EHS dept. provided information and tips on how to manage the teleworking system, in order to stay safe and healthy.
- 6 Flexible schedule – Organization implemented flexible schedule to mitigate the mental impact of crisis with flexible hours if there are slow-downs or contracts fail to materialize beyond employees' control.

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ENVIRONMENTAL AND CLIMATE PROTECTION

Corporate Principles

The Management Board understands the health and safety of all employees as well as the protection of environment and climate as important corporate guiding principles. We aim to a continuous improvement of our EHS performance by setting our own EHS targets and implementing appropriate measures.

In order to avoid environmental pollution and conserve natural resources, our current and future activities are regularly evaluated from an ecological point of view. Legal environmental protection and safety regulations are our minimum standard. The energy flows are regularly analyzed and evaluated by the energy teams at the respective location and new potentials for improvement are defined.

Before the use of new materials or technical equipment and when designing the work environment, health and safety risks are identified, evaluated and, as far as possible, eliminated in order to avoid possible hazards. Health and safety concepts apply to every employee.

Activities and efforts (extract):

Environmental protection is an essential part of the integrated management system. The operational environment protection is based on identified environmental aspects as well as related compliance obligations. The environmental protection considers among others the following core topics:

- Waste Management
- Chemical Management
- Immission Control
- Soil protection
- Water security

Environmental management systems according to ISO 14001:2015 are established for the continuous improvement of our environmental performance at all Preh production locations. The EHS Policy of the Preh Group is valid for all Preh employees.

Percentage of production locations with an implemented ISO 14001 certification:

100%

Corporate Principles

In order to avoid environmental pollution and conserve natural resources, our current and future activities are regularly evaluated from an ecological point of view. Legal environmental protection and safety regulations are our minimum standard.

Activities and efforts (extract):

Our identified significant environmental aspects are assessed according to a group-wide assessment standard. Risks and opportunities are identified to control our environmental aspects.

The applicability of legal requirements are regularly reviewed on local level regarding changes in requirements or changing conditions due to changes in processes, technologies or other conditions.

The number of environmental incidents and fines serves as indicator for the effectiveness of our environmental management system. Environmental incidents are analyzed on local level and will be summarized on central level.

Thereby significant fines are defined on a basis of 10,000 RMB per single case.

Total monetary value of significant fines [€]	0
Total number of non-monetary sanctions:	0
Cases brought through dispute resolution mechanisms	0

Corporate Principles

We respect our environment and implement actions to avoid negative impacts. We established therefore the following principles for all production sites reduction of resource consumption and waste generation.

Processing and efforts of Preh

The promotion of a proper waste management is an essential part of the operational environment Protection in each production plant. Waste separation concepts are defined on local level based on the applicable legal regulations. Thereby the waste hierarchy (see chart) is essential for the prioritization of our waste concepts.

The following internal mechanisms are implemented in the to promote a proper waste management:

- Central waste parks in production locations
- Waste Supplier Audits
- Regular EHS trainings for employees
- Plant instructions for visitors and business partner
- Continuous increase on waste type separation
- Reduction of packaging volume to reduce transport efforts
 - Cardboard presses
 - Barrel presses
 - Styrofoam presses



Waste Performance 2020

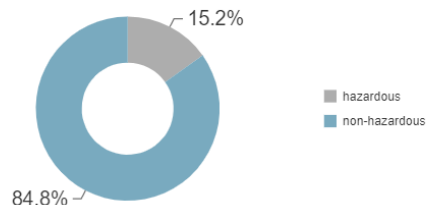
The overview shows the development of generated wastes of all Preh Production locations. Based on the waste reporting between Preh locations and the respective disposal and recycling companies.

Main waste types out of production wastes from our corporate activities are:

- Plastic injection wastes
- Paint sludge and solvent rests (hazardous wastes)
- Packaging wastes (e.g. foil, cartons ...)
- Wood packaging
- Electronic scrap

Waste balance

Waste classification - 2020



2019

Generated waste [t]

5,131.48

Hazardous waste [t]

687.53

2020

Generated waste [t]

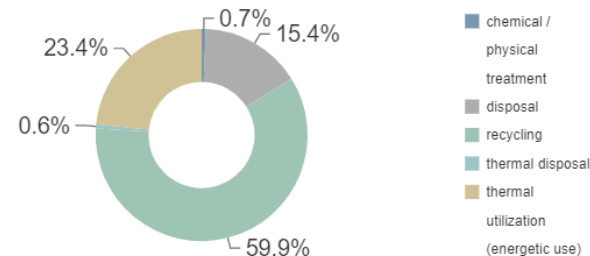
4,756.29

Hazardous waste [t]

721.63

Environmental performance

Treatment method [t] - 2020



2020

Total recycled waste [t]

2,662.94

Total recovered waste [t]

3,731.38

2019

Total recycled waste [t]

3,135.16

Total recovered waste [t]

4,375.95



Polystyrene compactor – Ghimbav

With the help of the polystyrene compactor at our location in Ghimbav, the transport weight could be significantly increased, which lead to the reduction of transport efforts. Over 40 transports per freight of 12 tons were reduced.



Barrel press – Bad Neustadt, Ningbo, Trofa

Container presses have been implemented in our locations in Bad Neustadt, Trofa and Ningbo to optimize transport volume for waste transports.

A volume reduction by 69% percent of pressed containers could be reached in the location Bad Neustadt.

Corporate Principles

We respect our environment and implement actions to avoid negative impacts.

We established therefore the following principles for all production sites:

- prevention of air, water, soil and other pollutions
- Reduction of resource consumption

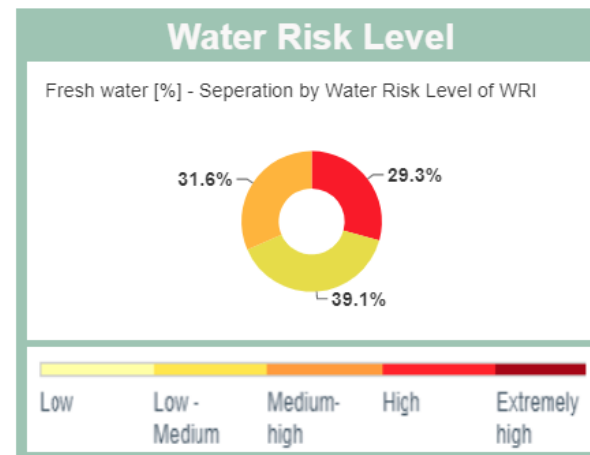
Activities and efforts (extract)

We see water as a precious resource. The Preh plants are monitoring and evaluating the water withdrawals for the responsible use of fresh water resource. With the help of monitoring by continuous implementation of meters for main consumers, we have the opportunity to identify the potential reduction possibilities and occurrence of unwanted wasting timely (e.g. potential leakages in pipes).

Fresh water is used at the Preh locations for:

- sanitary purpose
- humidification of production areas
- cooling of plants and equipment (e.g. air-compressors)
- production process (painting cabins in the paint shops)
- irrigation

Water Risk Level evaluation are based on the *WRI Aqueduct Water Atlas* to identify areas with high water stress. All Preh production locations discharge water into municipal and there is no direct discharge of into surface water bodies.



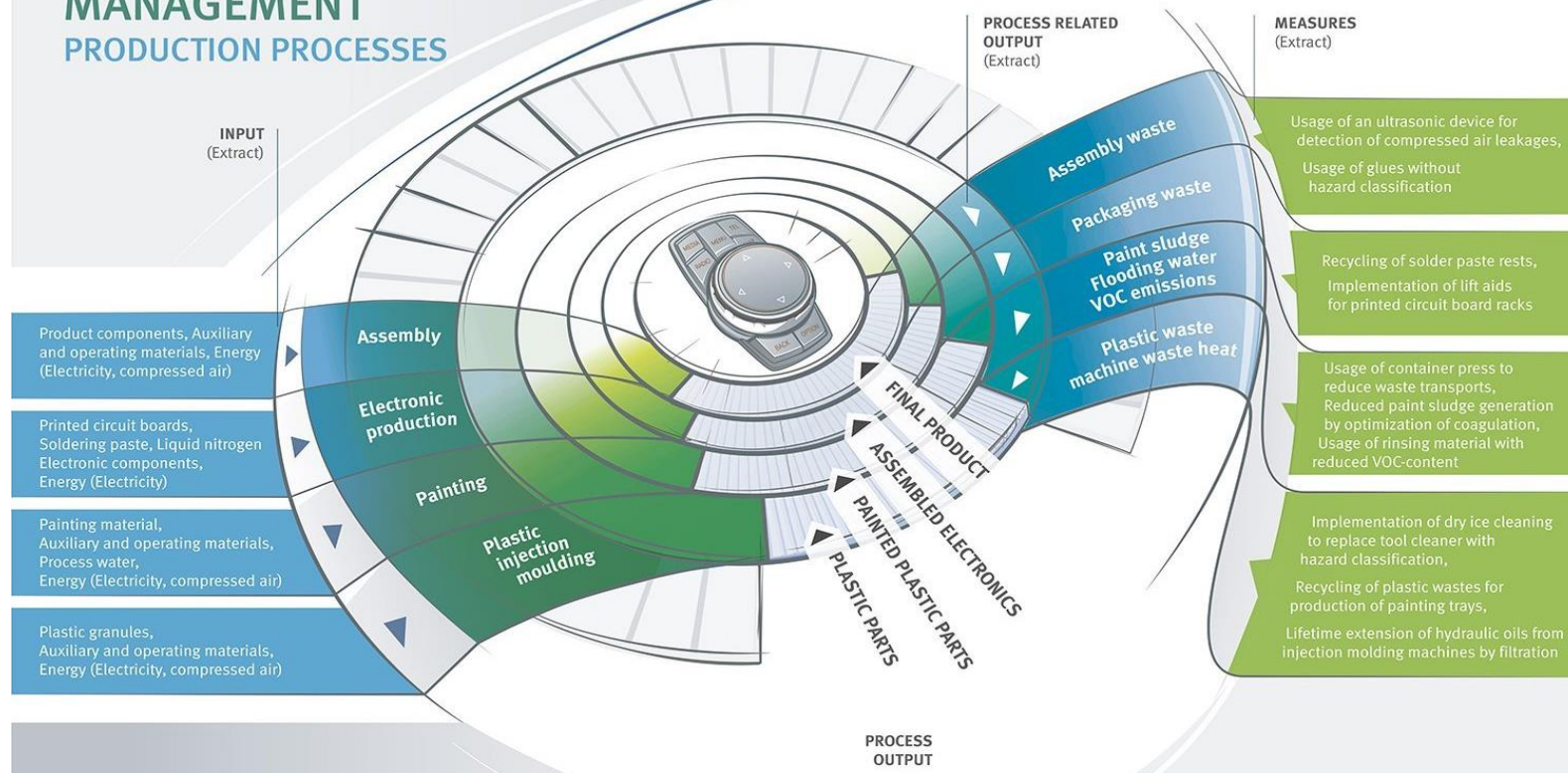
Total withdrawal of freshwater in
Megaliters [MJ]

87.6

Withdrawal trend towards 2019

-21%

SUSTAINABILITY MANAGEMENT PRODUCTION PROCESSES



Corporate Principles

At the Preh sites we strive for the improvement of our energy related performance by limiting our consumption and reduction of greenhouse gas emission by:

- analyze and evaluation of energy consumption
- implementation of realizable energy efficiency projects and usage of renewable energies
- participation in climate reporting initiatives

Activities and efforts (extract)

For the reduction of the energy demand at our Production locations we focus on the following projects:

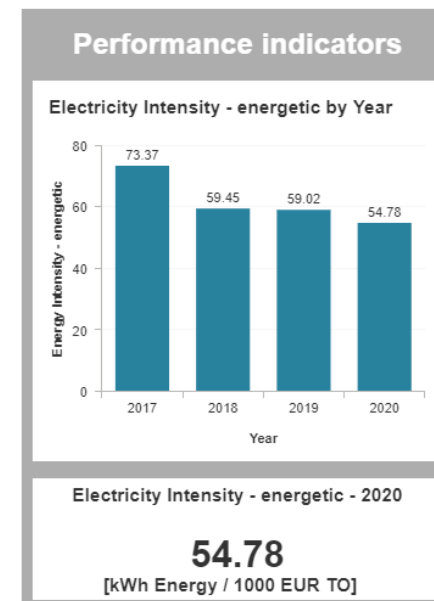
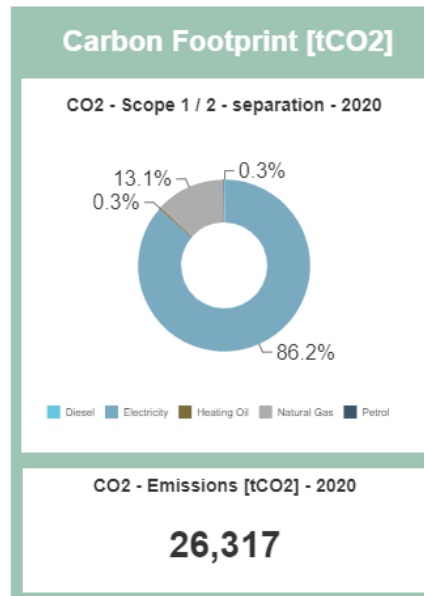
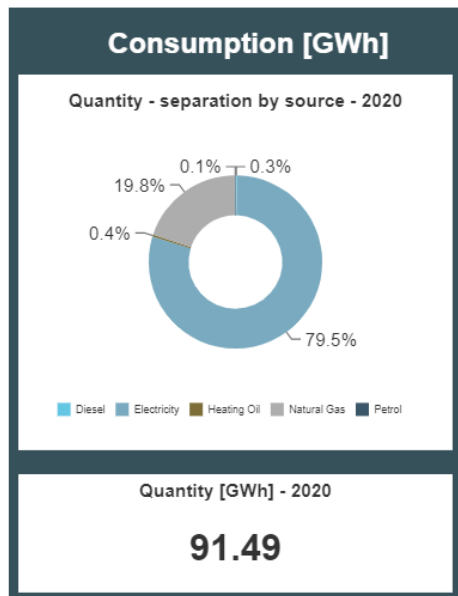
- Replacement of illumination (all locations)
- Replacement of rpm controlled pumps
- Heat recovery from air compressors
- Replacement energy efficient heat systems
- Replacement of refrigerants with decreased global warming potential
- Performance of energy efficiency audits (according to EN 16427-1)

Consumed electricity in Preh
Production Plants 2020 [MWh]

72,712

Percentage procured electricity out of
renewable energies [%]:

60.2



Energy performance

Electrical energy represents the majority of our consumption for business activities. In this course the majority of our direct and indirect emissions are caused by electricity consumption. The majority of Scope 1 emissions are generated due to natural gas consumption, whereby heating of building is the main purpose. The calculation methodology is based on the Greenhouse Gas Protocol (market-based approach). The input of 54.78 kWh electrical energy are used to generate 1,000 € of Turnover. A positive trend during the last years is visible.



Preh Mexico

In November 2020 our production plant in Mexico changed the procured electricity mix to 100% renewable energies. The CO₂ emissions for electricity represented around 95% of the locations total Scope 1 and 2 emissions.



Preh Romania

In 2020 our production plant in Romania established renewable energy transfer plan with the local electricity provider for a stepwise increase of renewable energies to 100% until 2025. Electricity related emissions represent around 68% of the total Scope 1 and 2 emissions of the plant.

Corporate Principles:

The Preh Group Management Board understands the health and safety of all employees as well as the protection of environment and climate as important corporate guiding principles for a sustainable acting.

Activities and efforts (extract):

At the Preh sites we strive for the improvement of our energy related performance by limiting our consumption and reduction of greenhouse gas emission by:

- Analyze and evaluation of energy consumption
- Implementation of realizable energy efficiency projects and usage of renewable energies
- Participation in climate reporting initiatives

We are continuously improving the disclosure of our environmental impacts - especially indirect emissions for up- and downstream processes; e. g. manufacturing of production materials - and the environmental performance by promotion of energy and emission reduction initiatives. In 2020, the Preh Group reached the "awareness level" for climate change and the "management level" for water security.

Scope 3 – Emissions

For the disclosure of the Scope 3 emissions we classified the related upstream and downstream activities regarding applicability and influence. Thereby we determined the following activities as part for further calculation:

- Purchased goods (especially for production material like plastic resin and painting material)
- Intercompany transportation (with focus on transport of semi-finished products between Preh production plants)
- Business travel
- Waste and waste water treatment

Climate change – 2020

Your CDP score



Average performance



Electrical & electronic equipment

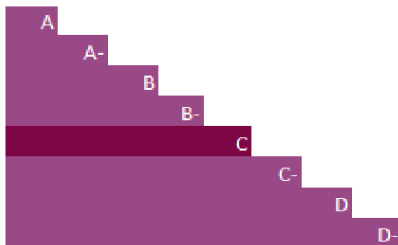


Europe



Global Average

UNDERSTANDING YOUR SCORE REPORT



Preh GmbH received a C which is in the Awareness band. This is same as the Europe regional average of C, and same as the Electrical & electronic equipment sector average of C.

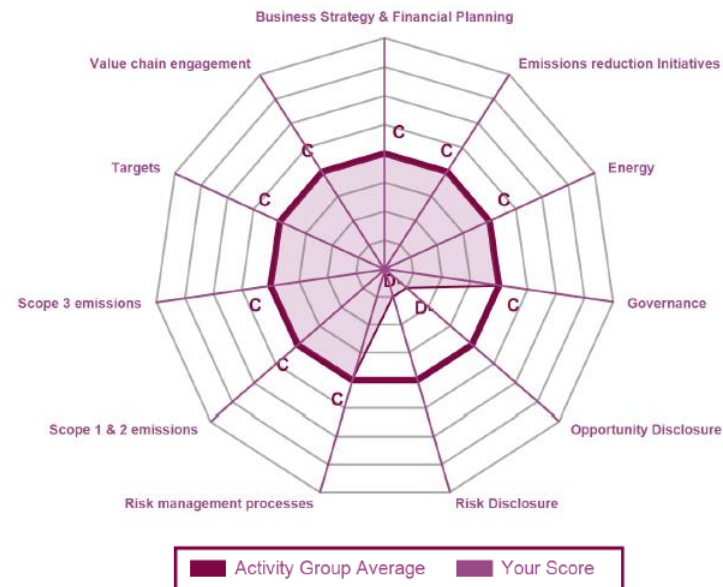
Leadership (A/A-): Implementing current best practices

Management (B/B-): Taking coordinated action on climate issues

Awareness (C/C-): Knowledge of impacts on, and of, climate issues

Disclosure (D/D-): Transparent about climate issues

CATEGORY SCORES



Water security - 2020

Your CDP score



Average performance



Electrical & electronic equipment

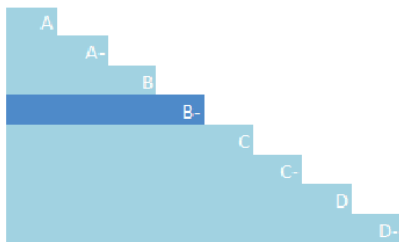


Europe



Global Average

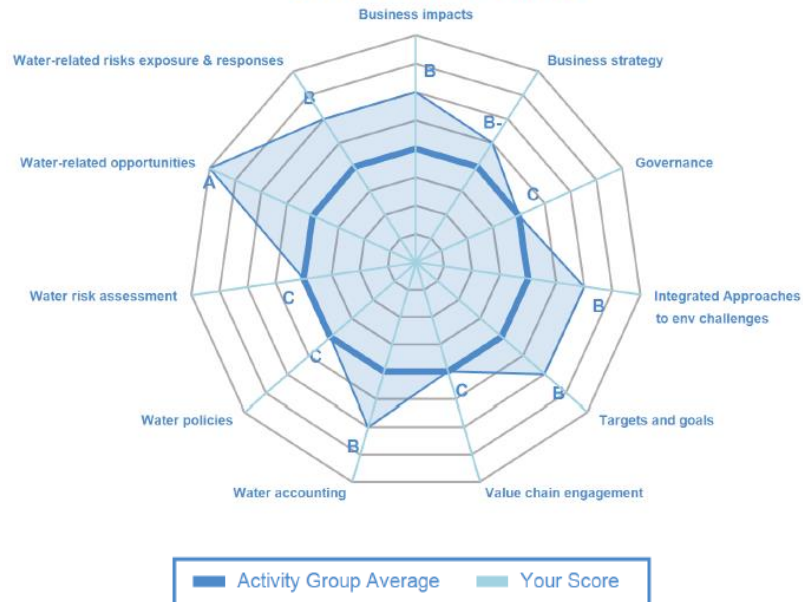
UNDERSTANDING YOUR SCORE REPORT



Preh GmbH received a B- which is in the Management band. This is lower than the Europe regional average of B, and same as the Electrical & electronic equipment sector average of B-.

Leadership (A/A-): Implementing current best practices
Management (B/B-): Taking coordinated action on water issues
Awareness (C/C-): Knowledge of impacts on, and of, water issues
Disclosure (D/D-): Transparent about water issues

CATEGORY SCORES



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BUSINESS ETHICS AND PRACTICE

Corporate Principles:

As part of our corporate duty of care and with regard to complying with the principles of information security, this policy defines our Information Security Management System.

Preh's information security protection objectives are part of the company's overall objectives. These include:

- Confidentiality: We ensure that information is only accessible to a certain group of people for which it is intended and that they handle it responsibly.
- Integrity: We ensure that information cannot be modified or that it is possible to determine reliably when alterations have been made.
- Availability: We ensure that information is available in the right place at the right time.

The aim of Preh is to protect adequately all information with respect to its need for protection over the entire life time of the information. "Adequate" means that all activities aimed at protecting the information must be based on economic considerations, measured in terms of the need for protection.

Activities and efforts of Preh (extract):

The following mechanisms have been established to ensure an adequate handling of information:

- Integration of information security organization
- Establishing of an Information security policy – Preh Group
- Regular trainings for employees regarding information security and data protection
- Certification of TISAX (Trusted Information Security Assessment Exchange) for Preh Bad Neustadt
 - Information with high protection needs
 - Information with very high protection needs
 - Protection of prototype parts and components
 - Protection of prototype vehicles

Percentage of production locations with an implemented TISAX certification:

17

Corporate Principles:

In particular, every employee is obliged to observe and adhere to the rules of fair competition. This means that employees may not enter into discussions with competitors which have the object or effect of restricting competition. No benefits of any kind may be granted by Preh Group staff to public officials or employees of other companies, with the object of obtaining orders or unfair advantages for the Preh Group or any other person. This is assumed to be the case in particular when the type and extent of the benefit is such that it may affect the recipient's actions and decisions in an unauthorized manner. In accordance with applicable law and our internal guidelines, courtesy gifts may be administered in line with generally accepted business practices.

Such gifts must be of a size and type that does not force the recipient into a binding obligation. Business and project-related travel expenses will only be refunded to officials and non-officials to an extent deemed appropriate. The applicable legal provisions must be observed. Gifts from business partners are, to a certain extent, in line with generally accepted business practices. However, no employee may use his/her position or function in the company to demand, accept or otherwise obtain personal benefits. Occasional fits of low value may be accepted. Any larger gifts or other benefits granted to an employee or related persons must be refused at all times. In such cases, employees are obliged to inform their superiors of the offer of gifts or benefits.

According to our Compliance Regulation it is strictly prohibited:

- to offer, promise or grant local and foreign officials a personal benefit for providing or refraining from an official act,
- to offer, promise or grant employees or representative of local or foreign companies unlawful personal benefits,
- to have others offer bribes, for example relatives, friends, agents, consultants, planners and middlemen,
- to support unlawful acts by other persons.

The Preh Group only works with serious business partners that act in accordance with the laws and do not use any illegal financial resources.

Activities and efforts of Preh (extract):

C-SOX (CHINESE-SARBANES-OXLEY ACT)

Internal Control is based on Sarbanes-Oxley (SOX) Act. SOX came into force in the USA in 2002 as a result of various accounting scandals. Since 2011 Preh is part of the Joyson Group. All companies which are listed in the main board of the Shanghai Stock Exchange have to comply with **C-SOX**, China's version of SOX.

SOX was designed for implementing accounting and disclosure requirements that:

Increase transparency in corporate governance and financial reporting Create a formalized system of **internal checks**.

Preh Internal Control

An internal control is any action taken by management to enhance the likelihood that established objectives and goals will be achieved

- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations

Total number of operations assessed for risks related to corruption:	0
Percentage of operations assessed for risks related to corruption:	0

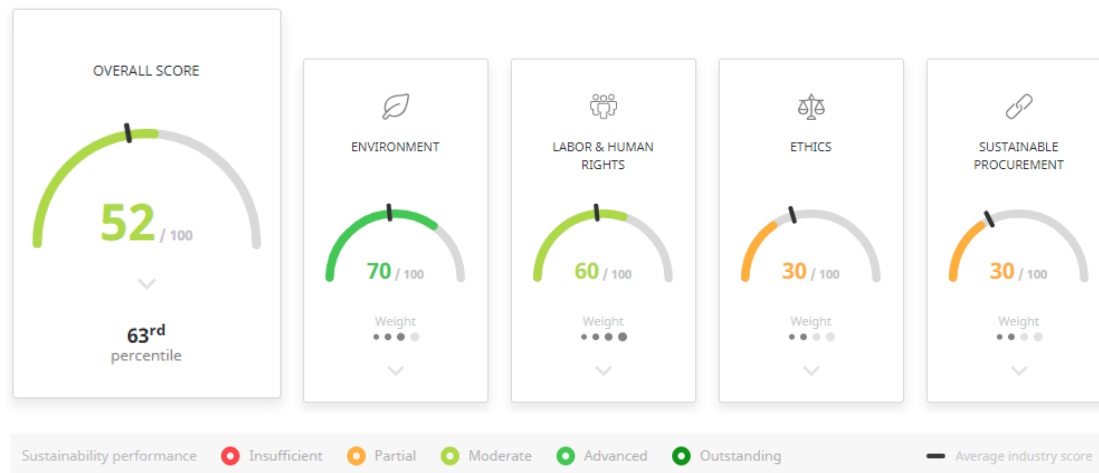
EcoVadis – ESG Rating:

Preh Group decided to join the EcoVadis platform for the benchmark in an ESG-Rating (Environmental, Social and Governance).

The EcoVadis rating is used at Preh to identify opportunities for improvement to achieve our strategic goal “Attractive Employer”.

We furthermore have also the possibility to share our progress directly to all requesting customers to demonstrate the effectiveness of our efforts to promote a sustainable acting.

The EcoVadis “Bronze” Rating is a first milestone for our further improvement of our sustainability performance.

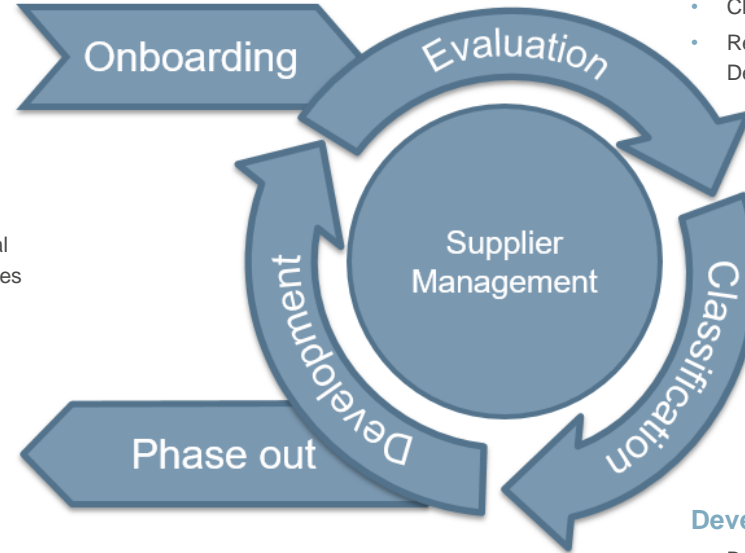


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SUPPLY CHAIN ENGAGEMENT

Onboarding

- Potential-Analysis acc. VDA 6.3 and specific Preh Risk Assessment for:
 - Environment
 - Occupational Health and Safety
 - Human Rights
 - Forced and Child labor
 - Anti-Corruption & Bribery
 - Supply Chain Responsibility
- Supplier contract management (several contracts) with requirements / references to various management systems (e.g. IATF 16949 / ISO 14001 / ISO 45001)

**Evaluation & Classification**

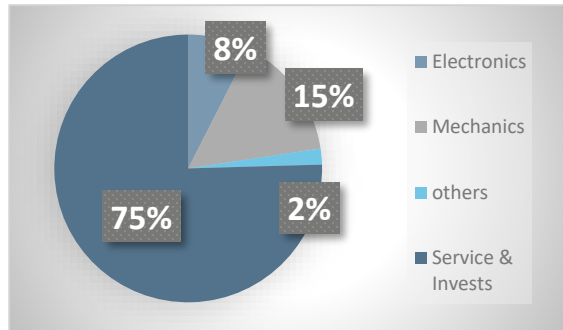
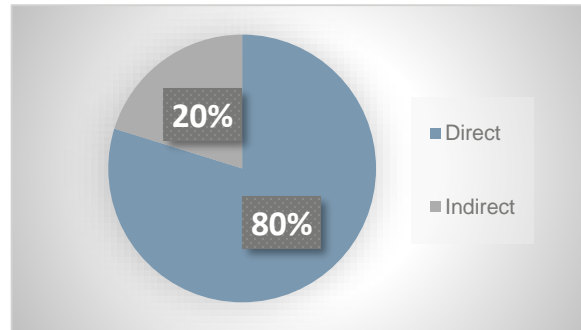
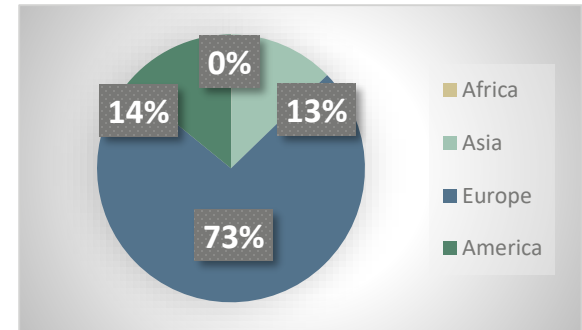
- Continuous evaluation of performance of active suppliers
- Classification of suppliers
- Regular reporting to suppliers (follow up by Supplier Development)

Escalation & Phase out

- Escalation acc. defined escalation procedure (escalation levels)
- Depending on result return to daily business (de-escalation) or NBOH (no new business) up to Supplier phase out

Development

- Based on Supplier Evaluation
- Based on event driven issues
- Case specific actions (e.g. trainings, audits, ...)
- If required initiate escalation/phase out procedure

Types of active supplier engaged**Total turnover (%) with active supplier****Geographic location of active suppliers**

Corporate Principles

While Preh does not source any Conflict Minerals from the DRC and the Covered Countries directly, such Conflict Materials 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.

Activities and efforts of Preh (extract):

Our Responsible Sourcing Policy serves as commitment between Supplier and Preh to identify the origin our Conflict Minerals. Preh is evaluating the origin of 3TG with the Conflict Minerals Reporting Template and submits the information to requesting customers to ensure that the compliant sourcing throughout our value chain.

For the involvement of our supply chain we established to among others the following contractual documentation:

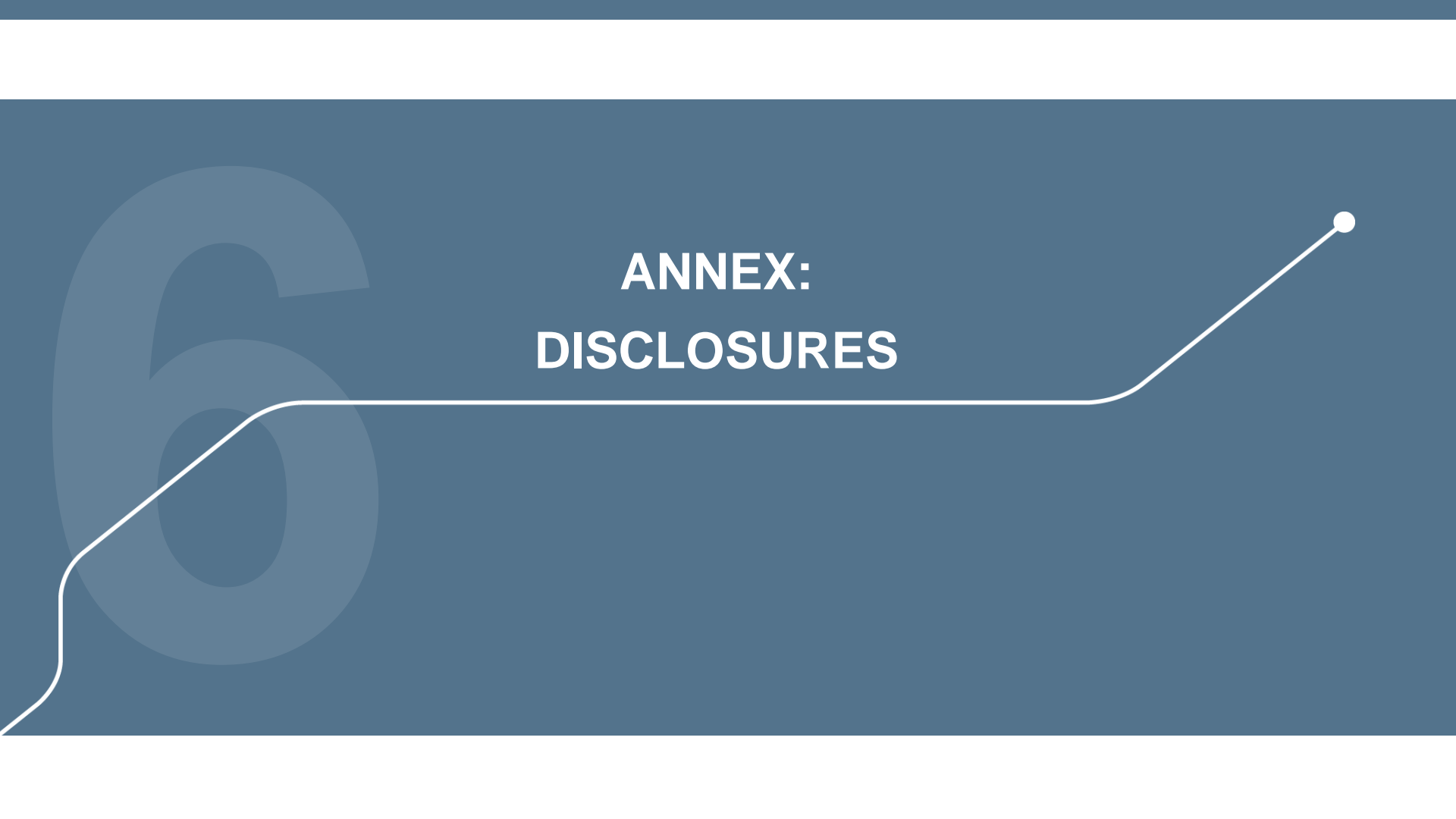
- Supplier Code of Conduct
- Responsible Sourcing Policy Preh

Number of identified 3TG smelters in 2020

234

Percentage of smelters compliant to
Responsible Minerals Initiative:

100

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ANNEX: DISCLOSURES

Set	Disclosure	Scope	Page
100 - General Organization Profile, Strategy, Ethics and Integrity	102-1 Name of the organization	Preh Group	1, 13
	102-2 Activities, brands, products, and services	Preh Group	14-16, 30
	102-3 Location of headquarters	Preh Group	13
	102-4 Location of operations	Preh Group	13
	102-5 Ownership and legal form	Preh Group	6, 13
	102-6 Markets served	Preh Group	13
	102-7 Scale of the organization	Preh Group	12
	102-8 Information on employees and other workers	Preh Group	12
	102-9 Supply chain	Preh Group	43-44
	102-10 Significant changes to the organization and its supply chain	Preh Group	43-44
	102-12 External initiatives	Preh Group	35-36, 41
	102-13 Membership of associations	Preh Group	19
	102-14 Statement from senior decision-maker	Preh Group	2
	102-16 Values, principles, standards, and norms of behavior	Preh Group	7-11
	102-18 Governance structure	Preh Group	3, 6
	102-40 List of stakeholder groups	Preh Group	17
	102-41 Collective bargaining agreements	Preh GmbH	19
	102-42 Identifying and selecting stakeholders	Preh Group	17
	102-43 Approach to stakeholder engagement	Preh Group	17, 43
	102-47 List of material topics	Preh Group	3
	102-50 Reporting period	Preh Group	3
	102-55 GRI content index	Preh Group	47
200 Economic	205-1 Operations assessed for risks related to corruption	Preh Group	40
300 Ecological	General Description - No. Of production locations with ISO 14001 certificate	Preh Group	24
	302-1 Energy consumption within the organization	Preh Group	32
	302-3 Energy intensity	Preh Group	32
	303-3 Water withdrawal	Preh Group	29
	305-1 Direct (Scope 1) GHG emissions	Preh Group	32
	305-2 Energy indirect (Scope 2) GHG emissions	Preh Group	32
	306-2 Waste by type and disposal method	Preh Group	27
	307-1 Non-compliance with environmental laws and regulations	Preh Group	25
	403-1 Occupational health and safety management system	Preh Group	20
	403-2 Hazard identification, risk assessment, and incident investigation	Preh Group	20-22