

Responsible Sourcing Policy

Adler Pelzer Group



INTRODUCTION

At Adler Pelzer Group we are committed to conducting our business in a socially and environmentally responsible manner. We recognize that the sourcing of raw materials can have significant impacts on local communities, ecosystems, and global sustainability. To uphold our commitment, we have established this Responsible Sourcing Policy in addition to our Supplier Code of Conduct and other sustainability and ethical standards to guide our sourcing practices and ensure we promote ethical and sustainable supply chains.

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We recognize the complexity of our supply chain, and as in consequence, we continually work to ensure compliance throughout our supply chain and put a solid commitment to using materials that are responsibly sourced and are safe for use in our products.

Adler Pelzer Group has established a Code of Conduct for Supplier that includes clear requirements and expectations for all our suppliers in areas such as Social Responsibility and Human Rights, Environmental Protection and Business Ethics. We fully expect our suppliers to comply with the rules in our CoC for suppliers as well as in this document and at the same time.

Our responsible sourcing approach focuses on:

1) Compliance with Laws and Standards:

We are constantly working to ensure compliance with all applicable laws and regulations related to the sourcing and use of raw materials. In addition, we will comply with international standards and agreements on responsible sourcing, including but not limited to:

- the United Nations Global Compact,
- the International Labour Organization (ILO) conventions,
- and the Organization for Economic Cooperation
- and Development (OECD) Guidelines for Multinational Enterprises.

2) Respect for Human Rights:

We will conduct our business in accordance with social responsibility, following applicable laws and regulations. We will not engage in or support practices that involve forced labor, child labor, or any form of exploitative or discriminatory practices. We will work that our suppliers and business partners adhere to the same standards.

3) Environmental Protection:

We are committed to minimizing our environmental impact throughout our supply chain. We prioritize sourcing materials from suppliers with environmentally responsible practices. This includes reducing greenhouse gas emissions, minimizing waste generation, protecting water resources and biodiversity as well as Land Use and Deforestation. We will actively seek alternatives to raw materials that are known to have a negative impact on the environment.

Conflict Minerals

Adler Pelzer Group goal is to use Democratic Republic of the Congo (DRC) conflict free minerals. We want to commit to ensuring ethical sourcing of any 3TG (tin, tungsten, tantalum, and gold) used in our products.

We expect our suppliers to adhere to the same standards. We will work with our supplier base to source 3TG from suppliers, smelters and refiners that do not contribute to violence in the DRC region. On this basis, suppliers of materials potentially falling within the scope of "conflict minerals" are vetted, and "non-conflict statements" are collected where appropriate.

The supplier should establish specific due diligence processes in accordance with the "OECD Due Diligence Guidelines for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" for the following raw materials: tin, tungsten, tantalum and gold (known as 3TG) from conflict-affected and high-risk areas (CAHRA), such as those in the Democratic Republic of Congo (DRC).

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In addition to 3TG, we also encourage our suppliers to focus on the following raw materials / process materials with identified environmental and human rights risks during their extraction and processing: Aluminium, Leather, Nickel, Chromium, Lithium, Platinum group metals, Graphite, Manganese, Rare earth metals, Cobalt, Mica, Steel/iron, Copper, Natural Rubber, Zinc.

SUPPLY CHAIN RESPONSIBILITY

To verify suppliers' compliance with the standards and principles set forth in this document or in the Code of Conduct for Suppliers, we use, for example, the Sustainability Assessment Questionnaire (SAQ). Suppliers should complete Sustainability Assessment Questionnaire and provide evidence when requested. This assessment covers the topics as: environmental protection, labour practices, working conditions, business ethics and sustainable procurement. The performance is assessed by a third party and after receiving the score, we conduct an individual dialogue with the supplier if needed. The selection of suppliers is based also on their adherence to social, ethical and environmental principles.

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