

PRECHEZA a.s. - Supplier Code of Conduct

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1. Introduction to our Supplier Code of Conduct

At Precheza we are committed to maintaining the highest standards of human rights, business conduct, ethics and environmental protection. Complying with the laws and ethical standards is an absolutely necessary condition for fulfilling our duties to our customers, and society as a whole. We actively work with our partners along the entire supply chain to ensure that these standards are met within the organization.

- The main goal of this Supplier code of conduct is to instill financial and social transparency within our whole supply chain, with the intention of creating accountability around issues such as human rights, health and safety and environmental impacts.

This Code sets out the standards of behavior we expect our suppliers to adhere to. Suppliers that supply products or services to Precheza a.s. must read and understand these standards and communicate them, both within their own organization and to their suppliers, to ensure compliance within Precheza's entire supply chain.

We kindly invite you to carefully read this Supplier Code of Conduct and confirm your understanding and adherence by signature.

We are looking forward to your cooperation and continue working with you in the future!



Marian Bartoš
Commercial Director

2. Labor

At Precheza, we are committed to supporting, respecting and protecting human rights, in line with the ten principles of the UN Global Compact, the respective declarations of the International Labour Organization's standard, as well as fighting against slavery and any form of forced labor, in line with UK Modern Slavery Act.

We consider the use of slave labor or human trafficking as unethical and unacceptable and therefore we make efforts to ensure, that human rights protection is implemented in our entire supply chain in line with California Transparency in Supply Chains Act.

2.1. Legal compliance

Suppliers are expected to maintain all relevant documents and practices to exhibit compliance with all applicable federal, state or local laws related to human trafficking and slavery.

2.2. Freely Chosen Employment

Suppliers must respect dignity, privacy and individual rights of every employee.

Suppliers are prohibited from using any form of forced, bonded, compulsory labor, slavery, or human trafficking in any part of their business operations as well as using labor obtained through threats of punishment, retaining employee's identification documents (passport, work permit).

Only voluntary work is permitted. Every employee must agree to their entry into employment and be free to leave the employment without penalty at any time, with a reasonable notice in accordance with applicable laws and collective agreements.

Suppliers are obliged to provide employees with a copy of their individual employment agreement, in a language that they can easily understand, specifying their rights and responsibilities with regard to payment of wages, working hours, valid grounds for termination and other issues related to preventing forced labor.

2.3. Freedom of Association and Collective Bargaining

According to applicable laws and regulations, suppliers must respect the right of all employees to establish and join association of their own choosing and to bargain collectively as well as respect the right to refrain from such activities.

2.4. Non-Discrimination/ Non-Harassment

Suppliers shall ensure equal and non-discriminatory conditions for all employees regardless of age, race, religion, gender, gender identity and expression, sexual orientation, disability, pregnancy, ethnicity or national origin, political affiliation, union membership, medical tests, or marital status.

Suppliers must not tolerate violence, threats, insults, intimidation, sexual harassment, any form of attacks and aggressive behavior, hostile behavior or any other inappropriate behavior in the workplace.

2.5. Child Labor

Suppliers shall comply with the ILO Convention No.138 (Minimum Age) and the ILO Convention No.182 (Worst Forms of Child Labor). It is strictly prohibited to employ children below the minimum age limit

for entry into work or employment (defined by the ILO or national law) and to employ children under the age of 18 for any hazardous works or work that may harm their health, safety or morals.

2.6. Working hours

Suppliers must ensure, that employees work in compliance with all applicable laws, regulations and industries standards. Furthermore, in accordance with International Labor Standards, the maximum working hours must not exceed 60 hours per week, including overtime, except in emergency or unusual situations. Employees must be allowed at least one day off every seven days.

2.7. Wages and Benefits

Suppliers must provide employees with wages and benefits that, at minimum, comply with national applicable laws. Any overtime must be compensated at a premium rate.

3. Business Integrity

Precheza is prepared to successfully compete in today's business environment and will always do so in full compliance with all applicable laws, including competition laws and regulations on protection against unfair competition.

We are committed to ethical business practices and we require our suppliers to comply with the principles of ethical behavior and carry out business with integrity.

3.1. Legal Compliance

Suppliers are obliged to comply with all applicable laws and regulations of the countries in which they operate.

3.2. Embargoes and Trade Laws

Suppliers must comply with all applicable trade laws, regulations and rules relating to international trade including international sanctions (e.g., restrictions on the trading of certain types of goods with certain partners) and import and export control requirements.

3.3. Anti-Corruption and Bribery

Suppliers must comply with applicable anti-bribery laws and regulations including the UK Bribery Acts and the U.S. Foreign Corrupt Practices. Under these laws, suppliers are prohibited from directly or indirectly (using third parties) offering, giving, demanding or accepting bribes or gifts and favors that could be perceived as a bribe or privilege.

Suppliers shall implement adequate procedures to prevent employees or persons associated with their business from committing offences of bribery or corruption. The effectiveness of this procedures should be reviewed regularly.

3.4. Gifts

The giving and accepting of gifts and hospitality are neither expected nor necessary for building business relationships between our supplier and Precheza a.s.. Precheza's Code of Conduct prohibits employees

from giving and receiving gifts of more than a token value and accepting and offering invitations to a meal of unreasonable value. Only corporate gifts of reasonable value may be accepted and provided.

3.5. Intellectual Property

Suppliers must respect intellectual property of Precheza a.s. and third parties and accept all appropriate steps to safeguard confidential business information. Suppliers can use such information only in consistent with the contractual agreement. Sharing of confidential information with third parties without consent of Precheza a.s. is prohibited.

3.6. Fair Competition and Antitrust

Suppliers must not engage in any agreement between competitors to fix prices of products and services, bid rigging, market allocations, or to restrict competition in any other way.

3.7. Conflict of Interest

Suppliers are expected to report any situations which should appear as a conflict of interest resulting from their business dealings with Precheza a.s. and disclose to Precheza a.s. if any Precheza employee has business, financial, or personal interest of any kind in the supplier's business.

3.8. Financial Crimes

Suppliers must never directly or indirectly (using third parties) engage in money laundering, terrorist financing or tax evasion.

3.9. Cybersecurity

Suppliers must implement and regularly review a process to protect their computer systems and networks including identification and to manage cybersecurity risks.

3.10. Protection of Personal Information

Suppliers are obliged to process personal data only for legitimate purposes arising from the relevant legal regulations and contractual relations, or on the basis of the data subject's consent.

3.11. Conflict Minerals

Our suppliers must assure, that the product they supply to Precheza a.s. does not contain metals delivered from minerals originated from regions associated with armed conflict and do not directly or indirectly finance or benefit armed groups in the Democratic Republic of the Congo or adjoining countries.

4. Environment

Precheza a.s. has recognized its environmental responsibilities and consistently invests considerable amounts into environmental protection, both into the installation of new facilities, as well as into the renewal and modernization of existing ones.

We believe that the environmental protection must cover all operations in our supply chain and therefore we expect our suppliers following the rules mentioned below.

4.1. Legal Compliance

Precheza a.s. requires its suppliers to comply with all applicable environmental laws and implement an effective environmental management system in line with the requirements of recognized standards, such as ISO 14001 or EMAS.

Suppliers should demonstrate continual improvement of their environmental and sustainability performance, support the development of environmentally friendly technologies and incorporate them into their business processes.

4.2. Hazardous Substances

All chemicals, waste and other materials posing a hazard to humans or the environment must be identified, labeled and managed. Suppliers must ensure their safe handling, movement, storage, recycling or reuse, and disposal in compliance with all applicable laws related to hazardous materials, waste and chemicals.

4.3. Solid Waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle non-hazardous waste.

4.4. Energy efficiency

Suppliers shall implement, maintain and continually improve energy management system and put in place energy saving strategies.

4.5. Air/Water Emissions

Suppliers must take appropriate steps to reduce their impact on air/water quality and put in place practices to identify, monitor, control, eliminate or minimize their emissions prior to discharge. Regarding groundwater protection, the suppliers should carry out a long-term regular monitoring of quality of groundwater on its premises and in the surrounding areas. Wastewater shall be treated prior to discharge and its quality and quantity must be in conformity with all the permitted indicators.

5. Health and Safety

At Precheza a.s., we acknowledge our shared responsibilities and roles in promoting a safety culture. We believe that all work can be done safely and therefore we are committed to taking all reasonably practicable measures to eliminate and to minimize risks to the physical and mental health and safety of our workers and others. We expect our suppliers to support this commitment.

5.1. Occupational Safety

Precheza a.s. requires its suppliers to comply with applicable laws in the field of occupational health, occupational safety and safe operation of technical equipment and implement and maintain a health and safety management system in accordance with the requirements of the international standard ISO 45001.

Suppliers must implement and maintain procedures to provide a safe and healthy working condition by systematic identification of relevant risks, their assessment, elimination of hazards and reduction of risks and to care about prevention of injuries, major accidents and damages to health.

Suppliers shall adopt appropriate measures to ensure that pregnant, breastfeeding women and young workers are not obliged to perform work where a significant risk to their health or that of their child has been identified.

5.2. Workplace Environment

As a minimum, adequate lighting, potable water, ventilation, sanitary facilities, temperature control and personal protective equipment, when it is necessary to protect employees from job-related injuries, illnesses, and fatalities, must be provided.

Production and other machinery shall be evaluated for safety hazards. Any machine part, function, or process that may cause injury must be safeguarded by physical guards, interlocks and barriers.

The conformity between hygiene requirements and the working conditions must be ensured by regular monitoring of working conditions, especially by measuring levels of industrial hazards in the working environment.

5.3. Emergency Preparedness

Suppliers must identify potential emergency situations and minimize their impact by implementing emergency plans, which must include, at minimal, employee's notification and evacuation procedures, exit routes, first aid supplies, frequency of testing of emergency procedures and frequency of training employees on emergency procedures. Emergency plans must be revised and updated regularly.

5.4. Physically Demanding Work

Suppliers are obliged to identify, evaluate and control worker's exposure to physically demanding tasks, including manual material handling and heavy lifting, prolonged standing and highly repetitive or forceful assembly tasks.

5.5. Training

Employees must be suitably regularly trained in emergency planning, responsiveness and first aid and must be encouraged to announce any health and safety concerns without the fear of retaliation.

6. Management System

Our suppliers must implement quality management system and control systems to demonstrate that their products (services) and production processes meet or exceed the legislative, regulatory and customer contractual requirements as well as implement mechanism to regularly identify, evaluate and manage risks in all areas addressed by this Supplier Code of Conduct.

The management system must facilitate continuous improvement and provide targets to improve supplier's social, environmental, and health and safety performance.

Suppliers are obliged to maintain documentation to demonstrate their conformity with the principles mentioned above, applicable laws and regulations.

7. Suppliers Acknowledgement

We, the undersigned hereby confirm that:

- We have received, read and understood Precheza's Supplier Code of Conduct
- We agree to comply with Precheza's Supplier Code of Conduct requirements
- We will inform all of our employees and subcontractors of the content of Precheza's Supplier Code of Conduct
- We will ensure that all of our subcontractors are also in line with the provisions incorporated therein
- We are aware of all relevant laws and regulations of the countries in which our company operates.
- Precheza a.s. reserves the right to take certain audit actions, such as plant inspections or documentation reviews, to ensure that its suppliers are in compliance with the laws and this Code.
- Precheza a.s. reserves the right from time to time to survey suppliers, requesting a statement detailing the Supplier's compliance with this Code.
- Precheza a.s. reserves the right to suspend or terminate the relationship with any supplier for failure to comply with applicable laws or compliance with this Code.

Name of Company: _____

Company's Business Registration/Code/ Number: _____

On behalf of Supplier: _____

Company Stamp

Name: _____

Title: _____

Signature: _____