



Premium
Powering Your Challenge

Corporate Social Responsibility Policy



Today's responsible actions are our
commitment for tomorrow.



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INTRODUCTION

At present, Corporate Social Responsibility is one of the most important aspects of any company. The multiplicity of interests and the different political, social, and economic scenarios are an incentive for the organizations to strive to conduct their productive activities to reach **standards that will generate economic, social, and sustainable environmental value for every actor with whom they connect.**

In this regard, as one of the leading manufacturers of custom power conversion systems in Europe, Premium is aligned with the need to develop an active Corporate Social Responsibility Policy. In this document, we strive to establish the **basic principles and the general framework for action** for the management of Corporate Social Responsibility practices linked to the company's values: **Excellence, Transparency, Flexibility, Innovation,** and **Passion** that have helped us during these past 40 years, to be able to continue developing in and their associated projects, as well as to act as the basis for the development of projects in the different policy areas chosen.

For the development of this policy, we took the **Sustainable Development Goals** approved in 2015 for every UN State Member. These define the **2030 Agenda**, the UN Global Compact guidelines, the Dow Jones Sustainability Index indicators, the Global Report Initiative outlines, ISO 14001, the SA 8000 regulations, AA1000 Assurance Standard, and the ISO 26000 requirements.

Its application is **valid for every Premium collaborator and its associated projects.** In practice, there are principles and guidelines hallmark inside the company that has to be consistent, ethical, and beneficial for society, the environment, and the people that form our company.



BENEFITS OF HAVING A CSR POLICY

- ✓ It improves collaborators' performance thanks to the **confidence** that exists inside the organization and the willingness to **listen to the needs** and ideas aligned with the CSR Policy.
- ✓ The company's **image and reputation** improve thanks to the monitoring and presentation of CSR project management results.
- ✓ **Open dialogue process** with interested groups, conflict resolution, and improvement of projects facilitated by a landmark that generates confidence and credibility to the company's actions.

GOALS

- ✓ To establish Premium and its associated programs as a company with **sustainability quality standards** and have the company's value generation capacity and for every person involved in the company.
- ✓ To support the development of **cross-plans, models, and projects** requiring corporate social responsibility to have **efficient and sustainable management**.
- ✓ To promote **socially responsible behavior** in the company to keep being the gear level in our society, align our CSR goals, and ODS to provide the necessary synergies for their fulfillment and reach sustainability.



SCOPE

This policy applies to each key person with whom Premium connects and their associated projects. They split into two big categories:

Internal level

- ✓ **Governance:** It means every principle and ethical foundations that create a transparency and compliance framework of the law for the company and its collaborators.
- ✓ **Collaborators:** The goal is to create optimal work conditions based on Premium's Corporate Social Responsibility pillars and on its associated projects that will be later described.

External level

- ✓ **Suppliers:** Premium and its associated projects wants for their suppliers to act according to ethics, respect, and sustainability criteria similar to those mandatory for the company's members.
- ✓ **Environment:** It refers to the respect and care of the environment, diminishing the impact on it, and maximizing the positive aspects for its care and preservation.
- ✓ **Community:** It is the search for a beneficial relationship between the company and the communities of its area of influence, contributing to the projects' development and profitability.



LINES OF ACTION

The comprehensive Corporate Social Responsibility for Premium is related to the treatment of the several internal and external actors to which it is addressed. In this regard, below the general criteria for the action method for the main implementation lines are described:

- ✓ Implementing corporate social responsibility **initiatives and projects** for the company's **employees and collaborators to promote the Premium team's personal and professional development** and its associated projects in the development is participation and equality, and talent presence.
- ✓ To implement **standard development programs** by establishing efforts with private and public organizations, implementing specific interventions that promote the **sustainable development of our society, the help to vulnerable groups, and the presence in those socially responsible organizations** in which the whole Premium's Team feels empowered to participate and collaborate.
- ✓ Developing corporate social responsibility initiatives and projects in the environment is to improve the consumption figures, manage natural resources in the company's business, and correct waste management to **improve sustainability and the circular economy**.



PRINCIPLES OF ACTION

The company will reach the goals stated in this Corporate Social Responsibility Policy thanks to a series of principles of action promoted by the Work Council and the CSR ambassadors (see appendix 1).

Ambassadors will be those people aligned and interested in the company's CSR objectives and that, as developmental elements in their working positions, will help with their experience and knowledge to the better development of Corporate Social Responsibility projects stated by the company.

The **principles of action for Premium's Corporate Social Responsibility** and its associated projects, which have to be applied to strengthen its core business and its relationship with the environment and the influence communities, are described below. Besides, these will have to be conducted to enhance the company's competitiveness, productivity, profitability, and sustainability in its entirety.

The principles of actions that Premium and its associated projects are committed to are:

- 1.To comply with the existing legislation, adapt tax, work, environmental and health regulations, and requirements.
- 2.To encourage the international quality standards in its processes and practices such as the Un Global Compact in Human Rights, Working Practices and Environment.
- 3.To follow the Code of Ethics and Conduct approved, state the characteristics of responsible behavior for the collaborators.
- 4.To make available to employees, suppliers, and other interested parties, the Code of Ethics and Conduct forbids illegal practices in the company operations.

5. To guarantee that every collaborator knows the Code of Ethics and Conduct expected from them, besides internal policies about the environment, work safety, and transparency.
6. To drive the communication and dialogue with every key actor to achieve consistency and align the CSR policy's goals, actions, and targets.
7. To establish tools to manage the goals proposed in the different plans of action for the CSR policy, drive the sustainable use of the resources, and promote minimization of impacts derived from the company's activities.
8. To strengthen the social aspects inside and outside the company with projects that drive sustainable development in the social actions pillars described earlier.
9. To post, periodically, relevant and reliable information, with the KPI or indicators, about the company's activities and results in its technical, social, and environmental aspects. This report must include the alignment with the ODS declared as a collaboration goal for the company.
10. To create relationships based on trust and alignment with the goals that define our CSR policy with the different communities in the area of influence with the support to institutions to align our goals in the economic, social and environmental areas.
11. To generate social investment projects that support the strengthening of institutional and social policies that believe and are based on Premium.
12. To ensure environmental protection, respect biodiversity, and look to protect landscapes and species at all times.
13. To monitor contamination generated during the several project stages and mitigate it by reducing carbon emissions, driving the use of renewable sources, and always looking for efficiency in the established processes.



14. To look for a correct management of waste generated by the company's operations and minimize then with good recycling and reuse practices.
15. To ensure the compliance of human and labor rights established in the Universal Declaration of Human Rights and legislation by firmly rejecting child and forced labor and respecting the rights of association.
16. To promote employees' training and education by adapting the training to each workplace and looking for training on human abilities such as leadership and multiculturalism.
17. To drive the respect of ethnic, cultural, and physical differences and their integration in every possible process.
18. To look for the existence of a work environment that is safe and healthy that drives the physical and mental welfare of every employee.
19. To ensure that Premium's supply chain and its associated projects comply with the values and principles established in the Code of Ethics and Conduct regarding transparency, security, respect for the environment and the communities.



PRINCIPLES OF ACTION WITH KEY ACTORS

A key actor is someone whose activities impact or will be impacted by Premium's operations and the associated projects it completes. It can be the collaborators' team, the state organizations, the suppliers, the media, the civil society, the communities, or the environment.

Relations with key actors must always be framed inside an **environment of openness to dialogue and open communication**, either by direct contact, social media, webpages, or telephone contacts, amongst others.

For these relations, Premium and its associated projects are committed to the following principles:

1. We are taking into account, in the decision-making process, the **points of view of the key actors** impacted by it.
2. To drive the **socialization and relation processes** established by legislation and, when considered convenient, within the voluntary international standards.
3. To keep a **continuous dialogue table** with the collaborators to know their points of view, needs, and also ideas to reach a work environment that is sustainable, efficient, and transparent.
4. To drive an **ethical and transparent behavior culture** amongst the key actors related to Premium and its associated projects, enhancing confidence and accountability.

ENVIRONMENTAL PRINCIPLES OF ACTION

For Premium and its associated projects, the environment is one of its main aspects since it impacts the success of its projects and may become a troubled subject if not correctly managed.

Premium as designers and manufacturers of power conversion systems, we work to minimize the environmental risks and maximize their benefits. We align with **ODS12 Responsible Consumption and Production** and **ODS13 Climate action**:



- 1.To periodically monitor environmental risks present in each stage of Premium projects and its associated projects to strengthen our assets, be more and more active and resilient with climate change, and adapt ourselves to the needed changes, one of our values as an organization.
- 2.To make a responsible consumption of natural resources and, if possible, to drive the use of renewable resources that drive the circular economy. With this goal, we want to add analysis measures for the natural resources in our organization to help the strategy of action.
- 3.To create an environmental risk mitigation system that, besides confronting the consequences, considers their prevention. We will make a detailed analysis of the waste and the energy cogeneration in the same production process. Premium wants to help the environment by taking waste prevention, reduction, recycling, and reuse activities.



4. To inform and train employees on the environmental subjects related to the project and human responsibility for the environment. With the ODS13, we want to help improve human awareness and ability to mitigate change, adapt ourselves to it, and reduce the effects by being aware early.
5. To share with Premium's supply chain and its associated projects the environmental impacts of the projects and the mitigation methods used and encourage them to adopt those as well.

PRINCIPLES OF ACTION WITH SUPPLIERS

The relation of Premium and its associated projects with its supplier change should be based on a confidence and respect relation that promotes efficiency in processes while generating an economic, environmental, and sustainable social value. This is why the company commits to the following principles in its behavior with suppliers to enhance the principles established on **ODS 9 Industry, innovation, and infrastructure:**



- 1.To disclose the Corporate Social Responsibility Policy with its Suppliers where any illegal act or act is punished by law conducted by the suppliers during the development of activities related to Premium and its associated projects.
- 2.For driving a prevention, ethics, and transparency culture, there is a commitment to take action by the supply chain.
- 3.To oblige suppliers to avoid any corruption, extortion, or bribery act in their business activities and comply with the national and international law in force regarding no discrimination, forced labor, child exploitation, right of association, work safety, and environmental issues.

PRINCIPLES OF ACTION WITH HUMAN RESOURCES

For Premium, reaching success during its 40 years in action has been possible thanks to its human resources. Values such as team spirit are the ones that have helped achieve the company's goals by providing excellence in service, Know-How, and professionalism of each of the 80 people that are part of the Premium family at this very moment.

This is why, and according to the goals of this CSR policy, the company is committed to keep and enhance these standards by taking several actions in line with **ODS3 Good health and well-being and ODS 5 Gender equality**:



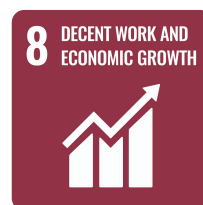
1. To keep the collaboration alliances with those Foundations to which help is provided as part of our commitment to improving people's lives in a vulnerable situation.
2. To think about the crucial role of women in the industry and to be able to identify the need of this profile in the industry by recognizing possible future alliances of voluntary corporate work that helps improve this approximation and to drive it in teaching and studies.
3. To define with the CSR ambassadors, as workers' voice, other binding projects or KPI should be established in helping the community and starting relevant plans of action.

PRINCIPLES OF ACTION WITH THE COMMUNITY

For Premium, collaborating with social organizations to improve and help in social projects is an essential part of its commitment to Corporate Social Responsibility and the ODS from the 2030 Agenda. The company intends to help change the reality with social contributions and to contribute to a better world.

Through its Committee, it constantly defines a series of goals of alliances with social entities to help in its social projects and enhance specific groups' realities.

This is why, and in line with the social commitment, the company works in alignment with **ODS8 Decent work and economic growth and ODS 2 Zero hunger:**



1. To inform about the Corporate Social Responsibility Policy to the whole workforce and make its interest known to improve the work teams' conditions.
2. To continue working on the company's Prevention and Work safety policies to drive Healthy Company's culture and help the standards of physical and mental health of every person who works at the company.
3. To continue working on improving Equal Opportunities for every employee, driving family balance and flexible working hours.



APPENDIX 1: AMBASSADORS

As defined in this CSR policy's Principles of action, ambassadors are people who, as part of the Premium team and in their positions, are **aligned with and interested in the CSR goals** that protect the company. As development elements in their work positions, ambassadors **will help with their experience and knowledge to the better development** of Corporate Social Responsibility decided by the company.

Its goals will be:

- ✓ To maintain the CSR commitment within the company's activities.
- ✓ To boost the CSR goals within the company's business by following them and every employee's implication.
- ✓ To inform the Committee about the projects that the whole Premium Team settle as necessary and critical within the CSR policy and the defined scope.
- ✓ To implement good CSR practices with the goals defined by the company.



APPENDIX 2: CSR GOALS

Corporate level

- 1.To train and raise awareness amongst the team about corporate social responsibility to communicate the CSR policy, its scope, and the proposed goals.
- 2.To create the Ambassador figure in the Environment, RDI, Shopping, and Human Resources areas.
- 3.To define the internal communication channels used within the company so Premium can enhance the work areas in CSR.
- 4.To determine the corporate area's measurement indicators to identify the goals reach in the activities proposed in the calendar and the link to ODS3-Good health and well-being and ODS5-Gender equality.

Environmental level

- 1.To identify the environmental impacts in the company's productive processes.
- 2.To conduct a study about the possible reduction of environmental impacts in those production processes.
- 3.To analyze the improvement options to enhance the circular economy and identify the reduction percentages of used materials in production processes and waste in the different areas.
- 4.To create a study about cogeneration in the same production process, the positive impact on the business, and the consumption reduction.
- 5.To define the measurement indicators in the environmental area to identify goals in the activities proposed in the calendar and the correlation with ODS12 Responsible consumption and production and ODS13 Climate action.



Social level

- 1.To identify the social projects where the company wants to cooperate constantly and the actions that will be established annually.
- 2.To inform the Premium Team about the social projects and the foundations' goal with which the company is linked through its CSR goals.
- 3.To establish development indicators for every project set to know the impact that the Premium collaboration generates in the chosen groups and the correlation with ODS8 Decent work and economic growth.
- 4.To identify the corporate social work opportunities that the company can define to identify binding projects and team actions on those.



APPENDIX 3: MONITORING OF CSR ACTIONS

When the company initiates the CSR projects with the related company's areas and the proposed ambassadors, it will start an action proposal to complete each affected area within this CSR policy (suppliers, human resources, environment, and community).

After this, the company will define, according to the quality and environmental areas format, monitoring of the set and established actions according to the impact areas that Premium has set in its CSR policy.

These actions will always be marked with the goals defined in this policy and the future projects to be established with the ambassadors and according to the CSR calendar's proposed activities in the following appendix.

The first CSR meeting established the actions, and follow-up will be defined for each of those by projects and KPI that should be collected and worked on to know the company's traceability and impact and the correlation with the defined ODS.

APPENDIX 4: CALENDAR OF CSR ACTIONS

An action calendar will be planned annually, taking into account the most significant events for Premium:



World Charity Day



World Cancer Day
World Down Syndrome Day
Day of Safety and Hygiene at Work



World Day of Energy Efficiency World Environment Day
World Energy Saving Day
Week for Waste Reduction

Events to be decided:

