

Responsible Sourcing Policy for Minerals and Other Raw Materials

Gentherm utilizes minerals and other raw materials that are integral to many of our technologies and products. While we do not generally procure minerals and other raw materials directly, our supply chain acquires them from multiple sources worldwide. Gentherm strives to only utilize responsibly sourced minerals and other raw materials. We are committed to ensuring that we conduct our global business with respect for human rights and in compliance with all applicable laws, including taking reasonable actions to remove minerals and other raw materials in our products and supply chain if it is determined that they are financing conflict in specified countries, or such use is otherwise sanctioned by applicable law or regulations. In furtherance of this policy, suppliers are required to support and align with Gentherm's efforts to achieve full transparency and traceability of the applicable supply chain and must engage their suppliers in similar efforts, in accordance with [Gentherm's Supplier Code of Conduct](#) and this policy. Gentherm reserves the right to reassess our supply relationships should a supplier refuse to cooperate with these requirements.

CONFLICT MINERALS

U.S. government regulations have historically focused on whether specified minerals (cassiterite, columbite-tantalite, gold and wolframite, or their derivatives, including tin, tungsten and tantalum) are sourced from the Democratic Republic of the Congo (DRC) and other adjoining countries¹. The concern is that these minerals may originate from mines controlled by armed militia and contribute to human rights abuses. As part of Gentherm's responsible sourcing efforts, we strive to ensure that our products do not directly or indirectly finance or benefit armed groups in the DRC or adjoining countries, by still supporting responsible in-region sourcing.

OTHER RAW MATERIALS

In recent years, stakeholders have been concerned about additional human rights violations beyond conflict minerals. As a result, Gentherm has expanded its program and due diligence practices to consider challenges with (i) additional minerals and raw materials, such as cobalt, mica, lithium, nickel, rubber and leather, and (ii) other regions that are often characterized by widespread human rights abuses and violations of national or international law (including the presence of armed conflict, widespread violence or similar risks of harm to people).

1. Includes Angola, Burundi, the Central African Republic, the Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

OUR DUE DILIGENCE FRAMEWORK

We have designed our due diligence to conform to an internationally recognized due diligence framework, the Organization for Economic Co-operation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“CAHRAs”) to meet our responsible sourcing expectations.

OUR SUPPLIER REQUIREMENTS

Regardless of the processing location or origin for minerals and other raw materials, we require our suppliers to conduct due diligence consistent with the processes and procedures set forth in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from CAHRAs as well as our own annual conflict minerals reporting requirements, including, when requested, submission of the industry standard Conflict Minerals Reporting Template (CMRT) or other similar reporting processes, to both source responsibly and understand the sources of conflict minerals.

Suppliers providing applicable minerals (or other raw materials) or parts containing applicable minerals (or other raw materials) are required to use smelters, refiners, and processors that have been validated as conformant to an applicable independent, OECD aligned, third party-assured responsible sourcing validation program, such as Responsible Mineral Initiative’s (RMI) Responsible Mineral Assurance Process (RMAP). Additionally, Gentherm requires suppliers to cascade OECD Guidance due diligence requirements to sub-tier suppliers and report any identified risk in the supply chain to Gentherm. Such suppliers and sub-tier suppliers should have a formal policy addressing these matters that is publicly available.

Third-party assured ESG standards are critical to protect workers, children, communities, the rights of indigenous peoples, and the environment in areas where mines and processors operate. We may require processors and mines we directly source from to agree to undergo applicable ESG audits such as:

- RMI ESG Standard,
- The Copper Mark, or
- Initiative for Responsible Mining Assurance (IRMA)

We also expect our suppliers to undertake similar steps and actions with their suppliers.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) RISKS IN SUPPLY CHAINS OF MINERALS AND OTHER RAW MATERIALS

Gentherm supports initiatives and organizations that work towards sustainable production, traceability, due diligence for relevant sourcing and the end of forced labor and worker abuses. Gentherm expects our suppliers to participate in similar activities to strengthen the reach and impact of these efforts and expects suppliers to source from sub-suppliers that engage in these or similar efforts.

Suppliers are also required to respect and foster human rights in accordance with the [Gentherm Supplier Code of Conduct](#), the [Gentherm Human Rights Policy](#), and the United Nations Declaration on the Rights of Indigenous Peoples (UN-DRIP). Suppliers must align with Gentherm’s stance related to indigenous peoples, land, forest and water usage, and other topics as noted in these documents and principles.