



Vendor Supply Chain Policy

As of June 15, 2020

Sustainability and corporate responsibility is important to Preferred Apartment Communities, Inc. ("PAC") and through our Vendor Supply Chain Policy, we aim to ensure that our vendors make a good faith effort to meet the following social and environmental principles and improve their impact. The following principles apply to PAC's direct suppliers and its subsidiaries, affiliates and related entities involved in the procurement of services or products provided to PAC.

1. Human Rights

PAC expects its Vendors to support and respect the protection of human rights and to ensure that it is not complicit in human rights abuses, including:

- **Child Labor:** Vendor shall, at a minimum, not engage in any practice of child labor. Additionally, all young workers must be protected from performing any work that is deemed by law to be harmful to the child's physical or mental health or moral development. All Vendors must comply with all laws and regulations governing child labor and apprenticeship programs
- **Forced Labor:** Vendor shall not use any forced labor in all its forms, including prison or debt bondage labor, trafficking, and the lodging of deposits or identity papers by employers or by outside recruiters.
- **Health and Safety:** Vendors shall follow all applicable laws, regulations and other governmental directives to provide and maintain a safe and healthy work environment for its personnel.
- **Discipline:** Vendor shall create and maintain an environment that forbids any form of corporal punishment, mental or physical coercion, or verbal abuse.
- **Wages, Working Hours:** Vendor shall comply with all applicable state and federal wage and hour laws and regulations, including those related to minimum wages.

2. Environment

PAC expects its Vendors to strive to minimize their impact on the environment, including the evaluation of all facets of their products, including shipment and packaging as well as investigating possible sources of pollution, waste and hazardous materials.