



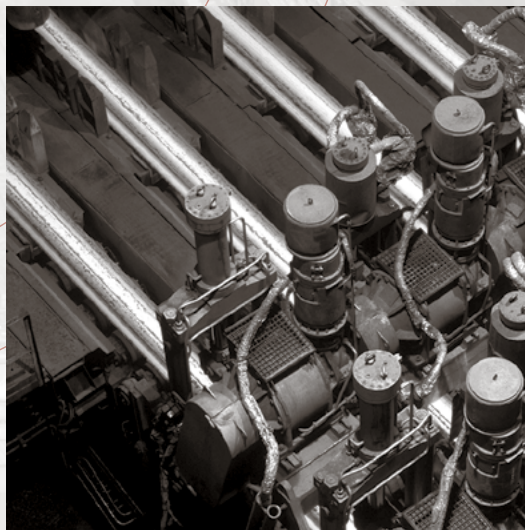
TŘINECKÉ ŽELEZÁRNY



social
responsibility
report

20

25





TŘINECKÉ ŽELEZÁRNY

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01

INTRODUCTORY
WORD

Dear Readers,

We are pleased to present the Třinecké železářny Corporate Social Responsibility Report for 2025. In it, you will find a summary of the most important areas we focused on over the past year—from responsible business practices and environmental protection to caring for our people and ensuring the company's stability.

The year 2025 was a period of ongoing modernization and preparations for the transformation of our steelmaking operations. In line with European climate goals, we focused on

projects that reduce energy consumption, increase production efficiency, and gradually cut emissions. We are investing in technologies that will allow us to continue producing steel in the Czech Republic while meeting strict environmental requirements.

Part of our approach is also an emphasis on the principles of the circular economy and the efficient use of raw materials and energy throughout the entire production process.

Equally important to us, however, is caring for our employees, ensuring a safe working environment, and collaborating with the region. We have long

supported education and the promotion of technical fields, and we strive to introduce the younger generation to the world of industry and steel.

Although many challenges lie ahead, we view them as opportunities for further progress. With determination and respect for tradition, we aim to develop our company in a way that brings value to people, the region, and the entire industrial sector.

ROMAN HEIDE

CHAIRMAN OF THE BOARD OF DIRECTORS

TOMÁŠ GAJDZICA

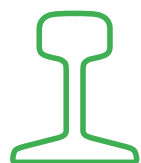
1ST VICE-CHAIRMAN OF THE BOARD OF DIRECTORS

02

INTRODUCTION OF THE COMPANY



1839
YEAR OF FOUNDATION



2,500,000 t
STEEL/YEAR



LARGEST
STEEL PRODUCER
IN THE CZECH REPUBLIC

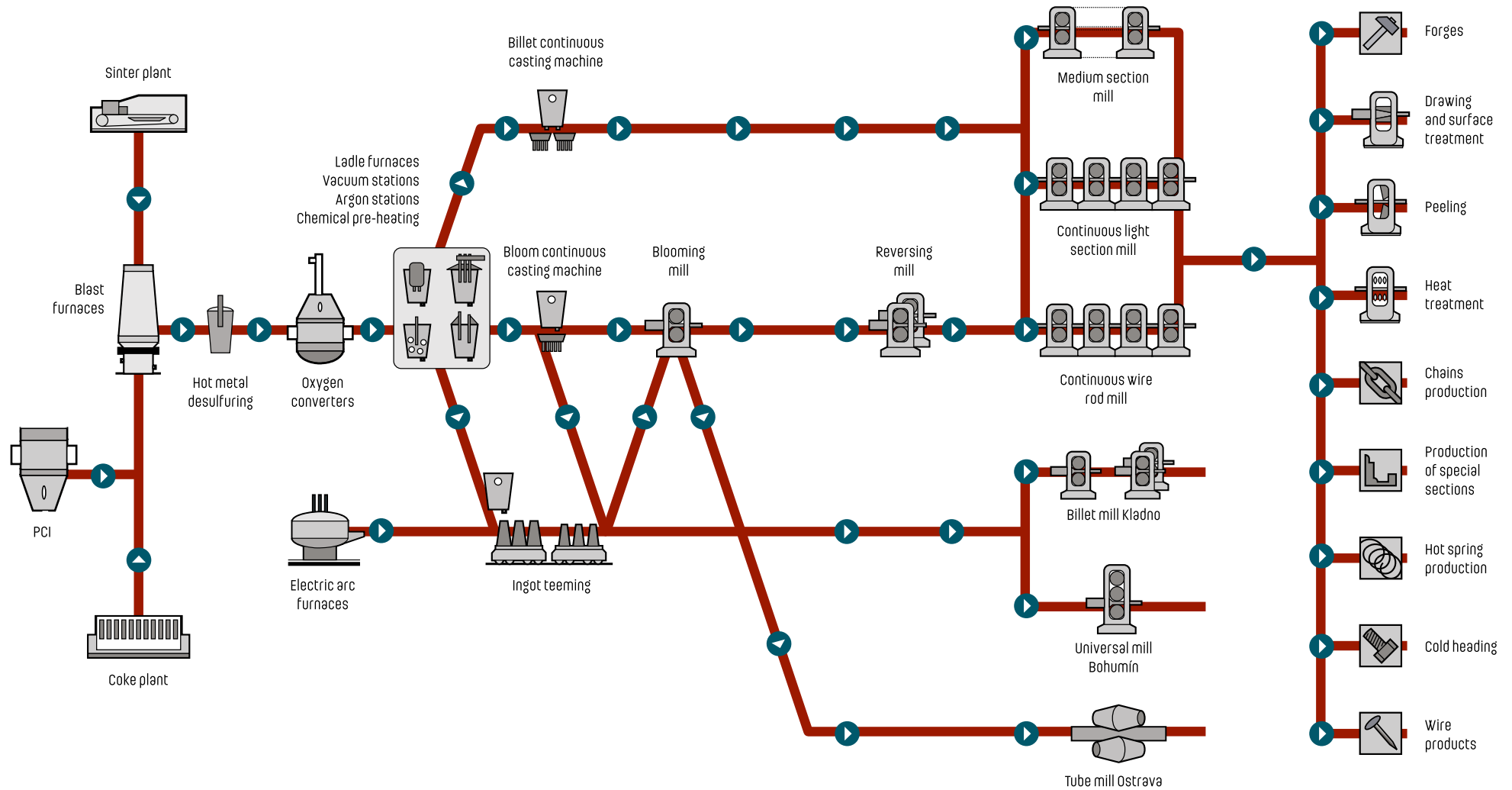


6,700
EMPLOYEES



26
SUBSIDIARIES

02 MATERIAL FLOWS AND TECHNOLOGIES



IMPORTANT SUBSIDIARIES

OF TŘINECKÉ ŽELEZÁRNY, WHICH ARE A PART OF THE ESTABLISHED PRODUCT CHAIN, INCLUDE:

STROJÍRNY A STAVBY TŘINEC, A.S.

SLÉVÁRNY TŘINEC, A.S.

ENERGETIKA TŘINEC, A.S.

ŘETĚŽÁRNA A.S.

REFRASIL, S.R.O.

VÚHŽ A.S.

ŠROUBÁRNA KYJOV, SPOL. S.R.O.

HŽP A.S.

METALURGIA S.A.

„D&D“ DRÓTÁRU ZRT.

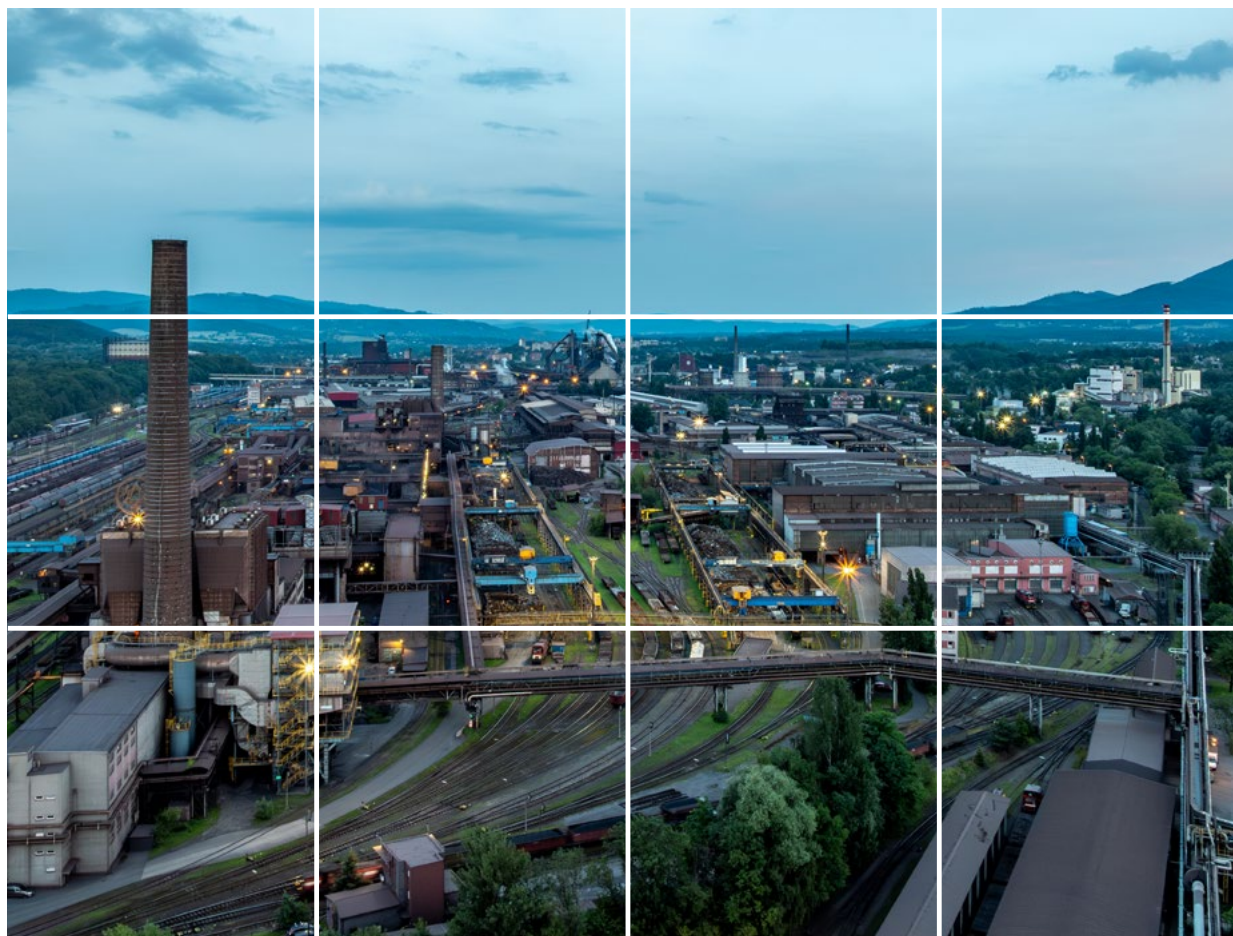
ŽDB DRÁTOVNA A.S.

IMOPRA S.R.O.

BOHEMIA RINGS S.R.O.

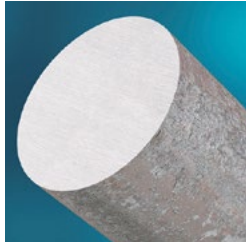
ENEZA, S.R.O.

VESUVIUS ČESKÁ REPUBLIKA, A.S.

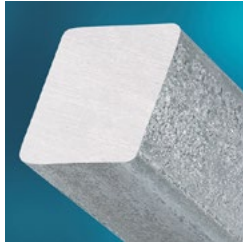


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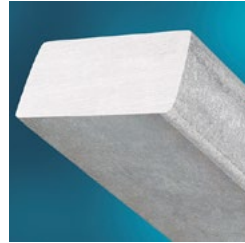
MAIN PRODUCTS



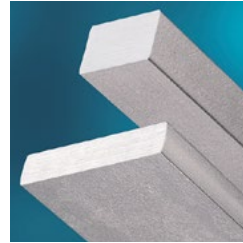
continuously cast semis



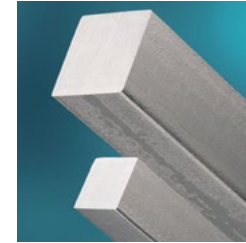
blooms



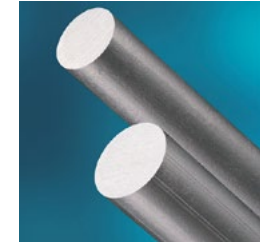
slabs



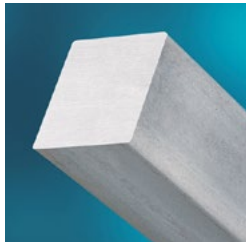
flat steel



squares



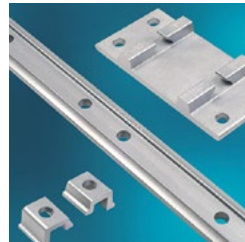
round steel in coils and bears



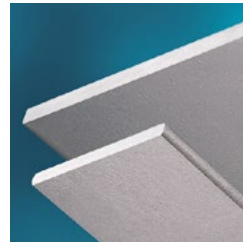
billets



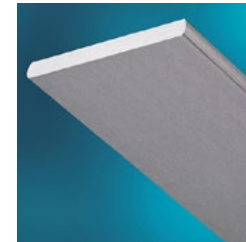
railway rails



railway superstructure accessories



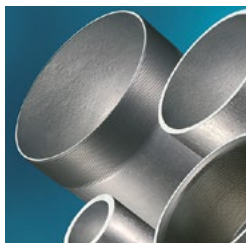
wide steel



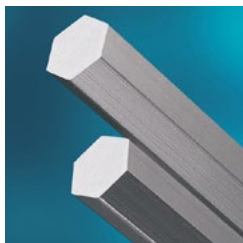
spring steel



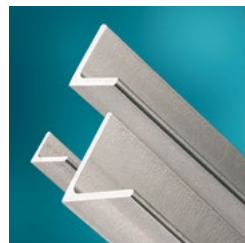
steel bars



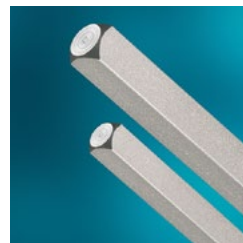
seamless tubes



hexagonal steel



angles



drawn square steel



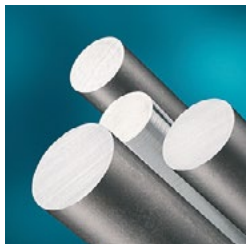
artificial aggregate



coke-chemical products

02

EXAMPLES OF FINISHED PRODUCTS FROM OUR PRODUCT CHAINS



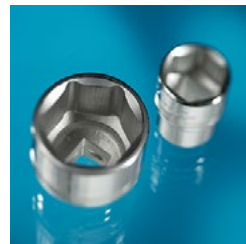
SBQ



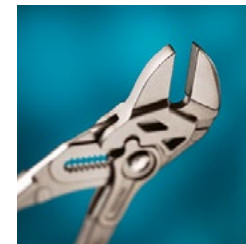
peeled bars



fasteners



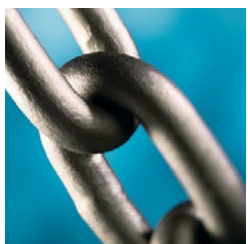
socked wrench



tongue groove pliers



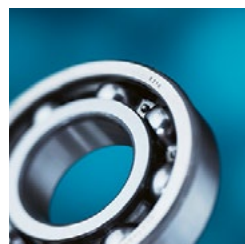
barbed wire



chains



tongue rails



bearings



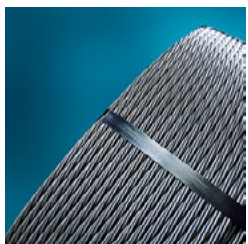
flanges



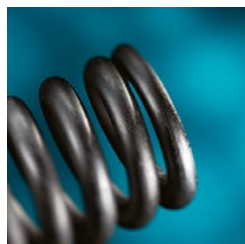
cogwheels



freecutting steel workpiece



ropes



springs



refractory



forgings



cableway ropes



leaf spring for trucks

02

SCOPE OF CERTIFIED MANAGEMENT SYSTEMS ACROSS THE ORGANISATION

In line with the strategic intentions of the company’s management, long-term emphasis has been placed on risk prevention and the systematic application of sustainable business principles across all activities of the integrated management system. This approach reflects the company’s responsibility towards its employees, customers, business partners, other stakeholders and the environment, and forms an integral part of the corporate culture and management approach.

The Integrated Management System (IMS) represents a comprehensive framework that connects the requirements of quality, environmental protection, energy management, occupational health and safety, and other key

areas of responsible business. The IMS at TZ includes a certified Quality Management System (QMS), an Environmental Management System (EMS), an Energy Management System (EnMS), and an Occupational Health and Safety system (OHS). These systems are further complemented by a Major Accident Prevention system (MAP), principles of sustainable business and ESG, and an Information Security Management System (ISMS).

The integration of individual areas within the IMS enables the company to manage risks effectively, prevent extraordinary events, and ensure compliance with applicable legislation, relevant standards, and the expectations of interested parties. The integrated approach also supports the continuous improvement of the company’s performance in the areas of quality,

employee health protection, environmental protection, energy efficiency, and transparent and responsible management.

CERTIFICATION STANDARD	COVERAGE WITHIN TŘINECKÉ ŽELEZÁRNY	
	ORGANISATIONAL UNITS	TŽ PRODUCTION PROCESSES
ISO 9001	75%	100%
ISO 14001	79,2%	90%
ISO 45001	100%	100%
ISO 50001	100%	100%
IATF 16494	75%	60%

02

INFORMATION
SECURITY

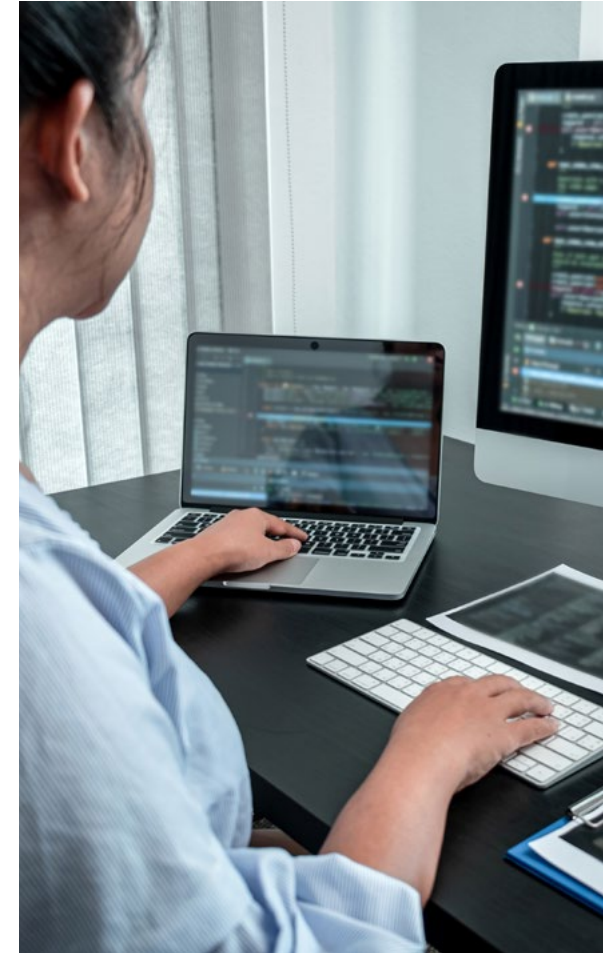
Information security at Třinecké železářny is regarded as an important foundation for reliable operations and for maintaining the trust of our customers and business partners. We therefore systematically build and develop an Information **Security Management System (ISMS)**, in compliance with the requirements of the **NIS2** directive and the **TISAX** standard, which is particularly important in the automotive sector.

This approach ensures a unified framework for risk management, the protection of sensitive information, and the administration of access rights. We address security across the entire company, with an emphasis on practical functionality and an appropriate level of protection.

The ISMS includes regular risk assessments, internal and external audits, continuous strengthening of technical measures, and systematic employee training in the areas of information and cybersecurity.

An important part of our approach is also a strong focus on business continuity. This includes preparedness for emergency situations, the ability to restore operations after failures or cyber incidents, and minimizing impacts on production and customers.

We manage information security as a long-term and continuously evolving process that supports production stability, protection of customer requirements, and a responsible approach to business operations.



03

OUR
BUSINESS

The Technical Development Action Plan is a part of Třinecké železářny Business Program. Investments in 2025 focused on modernization projects, environmental initiatives, activities aimed at reducing operating costs, projects to refurbish existing production facilities, and projects involving the robotization and automation of production processes.

A total of CZK 1,506 million was invested, of which CZK 88 million consisted of subsidies for environmental projects. In 2025, the implementation of 29 ongoing investment projects continued.

**CZK 1.506 billion**

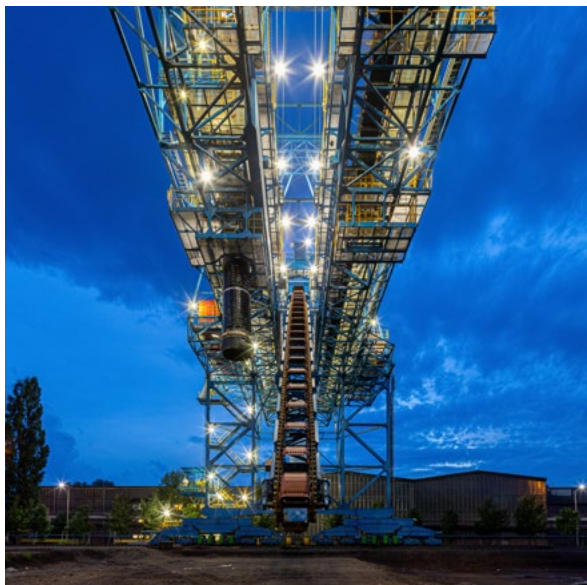
INVESTED

**THE MOST SIGNIFICANT PROJECTS
OF 2025 INCLUDED:**

- Heat treatment of rails,
- Reconstruction and medium-scale repair of blast furnace No. 4,
- Modernization and decarbonization of steel production,
- Manipulator for the shielding tube of continuous casting line 1 + oxygen shower,
- Modernization of the drive for the pre-rolling and intermediate rolling stands on the continuous rolling mill.
- Migration to SAP S/4 HANA.

03

OUR BUSINESS



TWENTY-FOUR NEW INVESTMENT PROJECTS HAVE BEEN LAUNCHED. AMONG THE MOST IMPORTANT WERE:

- Modernization of the CCM1 ladle turret
- Replacement of the tilting mechanisms on converter K1,
- Telescopic crane No. 12 on the continuous light section mill,
- Upgrade of the Sonotron line on the Large Mannesmann,
- Kardex stackers.

IN 2025, A TOTAL OF CZK 340 MILLION WAS INVESTED IN TŽ SUBSIDY PROJECTS, OF WHICH CZK 252 MILLION CAME FROM TŽ INVESTMENT FUNDS AND CZK 88 MILLION FROM SUBSIDIES. THESE PROJECTS INCLUDED:

- Iron ore briquetting line,
- Construction of a preheater for the blast furnace No. 4 blast stove media,
- Dust removal from the daily storage bins at sintering plant 2,
- Dust removal from the daily storage bins between the cross halls.

THE INVESTMENTS IN THE YEARS

*after deducting subsidies

YEAR	2019	2020	2021	2022	2023	2024	2025
CZK MIL.	2,195*	1,275*	1,663*	1,863*	1,364*	1,578*	1,418*

03

ESG - WORKING TOWARDS SOCIALLY
SUSTAINABLE DEVELOPMENT

Environment – a criterion focused on the environment, which includes all the company's activities in caring for the environment and its considerate and sustainable approach to investment.



Social – social area, which is based on the principles of the company's behaviour towards employees, suppliers and other stakeholders. This includes the company's activities to promote health, rights, safety and compliance with working conditions of employees.



Governance – responsible management of the company. This criterion encompasses the company's management structure and its diversity, respect for rights, information transparency, independence in decision-making combined with managerial skills.

03

ESG – WORKING TOWARDS SOCIALLY SUSTAINABLE DEVELOPMENT

Through its responsible behaviour and activities, Třinecké železářny has long incorporated ESG principles into its vision and strategies. The biggest ESG challenge for steel companies is to comply with the Green Deal for Europe and to actively move towards carbon neutrality with their investment approach.

The company is putting sustainable business principles into practice in the environmental, social and governance (ESG) areas. Preparations have also begun for the introduction of ESG reporting as required by the Corporate Sustainability Reporting Directive (CSRD) No. 2022/2464/EU. A working team has been set up for this purpose and an organizational unit responsible for this area has been identified.



Promoting the principles of corporate social responsibility within the supply chain

Sustainable business practices of Třinecké železářny also focus on our suppliers. Our corporate social responsibility principles are available to all our suppliers on the company's website.

In 2025, new **Sustainable Business Policies** were announced, which, by their scope, also influence how CSR is implemented throughout the supply chain. Thanks to the **Sustainable Procurement Policy**, together with the **Conflict Minerals Policy**, environmental, governance, and social factors of corporate social responsibility (ESG principles) are integrated into the procurement and decision-making processes. The **Business Ethics Policy** ensures compliance with transparency

and a zero-tolerance approach toward bribery, corruption, and fraudulent conduct. In connection with the issue of bribery and corruption, the TŽ-MS Group has implemented anti-corruption training for defined high-risk job positions.

However, given the vast number of suppliers, the specific activities described below focus on selected suppliers to the automotive industry.

Code of Conduct for Suppliers,

a key document, is available on the company's website and is also part of the Quality Agreement, which is concluded with selected suppliers.

The Quality Agreement not only specifies the principles for ensuring the quality of deliveries but also obligates the supplier to ensure that its production and deliveries

comply with the principles of social responsibility and environmental regulations.

Selected suppliers to the automotive industry are regularly sent, every three years, a **CSR training** presentation, followed by a **Self-Assessment Questionnaire** to verify the supplier's level of corporate social responsibility. Based on a three-tier evaluation, corrective actions are then recommended or required of the supplier. If a supplier does not achieve an excellent level of CSR, the questionnaire is sent to them again the following year to review improvements, or an external audit may be conducted at the supplier's premises.

The supplier's CSR status is also reviewed during an **external audit** of the quality management system (QMS). All **100% of the audited** suppliers achieved a "compliant" rating.

EVALUATION OF THE CONCLUSION OF QUALITY AGREEMENTS IN CONJUNCTION WITH THE CODE OF CONDUCT

Year	2022	2023	2024	2025
Planned	14	12	14	18
Concluded*	12 (71%)	8 (66%)	9 (64%)	9 (50%)

*including a review of the currently valid Agreement, with the conclusion that "no revision is necessary"

EVALUATION OF THE SUPPLIER'S CSR SELF-ASSESSMENT QUESTIONNAIRE SELECTED SUPPLIERS - PURCHASE OF RAW MATERIALS

Year	2023	2024*	Full assessment after review of improvements (2023 and 2024 combined)	2025**
Sent	21	5		24
Returns	13 (62%)	4 (80%)		18 (75%)
1. Outstanding level of CSR	8 (62%)	0	8 (62%)	12 (67%)
2. Good level of CSR	3 (23%)	3 (75%)	3 (23%)	4 (22%)
3. CSR level with reservations	2 (15%)	1 (25%)	2 (15%)	2 (11%)

* Self-assessment questionnaire sent in 2024 only to contractors who did not achieve an excellent standard in 2023 to review their improvement.

** Update the list of selected suppliers. Send the updated CSR training materials in the form of a presentation and a self-assessment questionnaire.



**EVALUATION OF THE SUPPLIER'S CSR SELF-ASSESSMENT QUESTIONNAIRE
SELECTED SUPPLIERS - PURCHASE OF LABOUR AND SERVICES,
TECHNICAL AND OVERHEAD MATERIAL AND SPARE PARTS**

Year	2023	2024*	Full assessment after review of improvements (2023 and 2024 combined)	2025**
Sent	35	9		31
Returns	19 (54%)	6 (67%)		21 (68%)
1. Outstanding level of CSR	10 (53%)	2 (33%)	12 (63%)	13 (62%)
2. Good level of CSR	7 (37%)	4 (67%)	7 (37%)	8 (38%)
3. CSR level with reservations	2 (11%)	0	0	0

* Self-assessment questionnaire sent in 2024 only to contractors who did not achieve an excellent standard in 2023 to review their improvement.

** Update to the list of selected suppliers. Distribution of the updated CSR training materials in the form of a presentation and a self-assessment questionnaire.

03

SWOT ANALYSIS – IDENTIFYING CSR RISKS AMONG STAKEHOLDERS

Strengths

- » A structured mechanism for responding to customers' CSR requirements.
- » An established system for managing compliance with legal and regulatory requirements (compliance system).
- » Access to CSR information at www.trz.cz.
- » Comprehensive and clear information on the website www.trz.cz.
- » The WerkZona employee portal.
- » Awarded a "bronze medal" in EcoVadis's CSR assessment of TŽ, a.s.
- » Integration of the Sustainable Business process into the integrated management system and application of sustainable business principles within it.
- » Regular publication of the Policies and Objectives of the integrated management system, which include:

- TŽ and MS Codes of Ethics,
- Sustainable Business Policies and Goals:
 - *Human Rights and Labor Rights Policy,
 - *Occupational Health and Safety Policy,
 - *Business Ethics Policy,
 - *Sustainable Procurement Policy,
 - *Information Security Policy.
- » Implementation and sharing of EPD certification for individual products across the entire TŽ, a.s. organization.
- » A functional whistleblowing system for stakeholders based on the legislation Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.
- » A functional grievance mechanism.
- » An active environmental policy.
- » Investments in environmental projects.

- » Guarantee of respect for ethical principles, social responsibility, human rights, and employee protection among stakeholders.
- » Transmission of the requirements of the document "Principles of Conduct for Suppliers of the TŘINECKÉ ŽELEZÁRNY – MORAVIA STEEL Group (Code of Conduct for Suppliers)" to suppliers via Quality Assurance Agreements.
- » Supplier audits, including verification of compliance with CSR principles.
- » Conducting online external audits aimed at reducing the carbon footprint.
- » Promoting CSR principles within the supply chain through CSR training.
- » Assessment of the CSR level of selected suppliers via a self-assessment questionnaire.
- » Online CSR training provided by training service providers.
- » Emphasis on EMS certification according to

03

SWOT ANALYSIS – IDENTIFYING CSR RISKS
AMONG STAKEHOLDERS

- » ČSN EN ISO 14001 among stakeholders.
- » Implementation and certification of the EMAS system in accordance with Regulation (EC) No. 1221/2009 of the European Parliament and of the Council in public administration (Moravian-Silesian Regional Authority).
- » Support for the region (e.g., health retreats for elementary school students, sponsorship in the areas of sports and culture).
- » Emphasis on cybersecurity and information security.
- » Obtaining certification in accordance with ČSN EN ISO 45001 Occupational Health and Safety management, and maintaining the “Safe Enterprise” certificate.

Weaknesses

- » Heavy reliance on emissions allowances.
- » Reliance on debt financing.

- » ESG ratings influenced by external factors (suppliers, customers).
- » Negative customer perception of products’ carbon footprint.
- » Insufficient IT capacity for CSR development among suppliers (e-learning, portals).
- » Reduced flexibility in decision-making and handling of emergencies by government agencies.
- » Lack of a mandatory requirement to integrate CSR into the management systems of all organizations.
- » Reluctance on the part of suppliers to share CSR information.
- » Low response rate to CSR assessment questionnaires from small suppliers.

Opportunities

- » Position as a regional leader in transformation.

- » Development of the “Carbon Neutrality” project.
- » Subsidies for decarbonization.
- » EU Carbon Border Adjustment Mechanism (CBAM).
- » Standardized assessment of information security levels according to TISAX.
- » Development of the IT sector to promote CSR among suppliers.
- » Enhancement of the CSR image of the entire supply chain.
- » Implementation of ESG reporting in accordance with the CSRD (ESRS) in 2028 for the year 2027.
- » Development of the EU taxonomy.
- » Development of CSR and elements of sustainable business in TŽ.
- » Promoting CSR and sustainable business practices among suppliers.
- » Integrating ESG principles into procurement and decision-making processes.

03

SWOT ANALYSIS – IDENTIFYING CSR RISKS
AMONG STAKEHOLDERS

- » Implementing due diligence in the supply chain.
- » Introducing ESG assessments of customer requirements.
- » A transparent supply chain.
- » Development of due diligence within the supply chain.
- » Increased employee loyalty through involvement in the ESG strategy.
- » Green financing of projects with a positive environmental impact.

Threats

- » ESG ratings as a selection criterion.
- » Tighter emission limits.
- » Unclear approaches by the EU and the government toward achieving “carbon neutrality.”
- » Insufficient grant support from the government and the EU for implementing CSR and decarbonization initiatives.

- » Limited public support for decarbonization despite growing customer demands.
- » Banks refusing to finance sectors with a high environmental impact (brown industries).
- » Customer CSR demands may exceed the company’s technological capabilities.
- » Supplier CSR failure > reputational risk transfer to the company.
- » Raw material suppliers outside the EU:
 - Low transparency in mining,
 - Difficulty in verifying human rights,
 - Dependence on geopolitically unstable regions.
- » Shortage of raw materials due to regulations.
- » Pressure to produce green steel.
- » Exclusion from the supply chain due to emissions.
- » Mandatory reduction of Scope 3 emissions (indirect greenhouse gas emissions generated throughout the entire supply and end-use chain, not just in our own production).
- » Low level of CSR awareness among new suppliers.
- » Lower CSR rating for Třinecké železářny due to the company’s unfamiliarity with external rating agencies (EcoVadis, NQC Ltd...).
- » Lower CSR rating for Třinecké železářny, a.s., as assessed by EcoVadis, due to a change in the assessment methodology.
- » Administrative burden of ESG reporting.
- » Increase in internal administrative workload related to the implementation and development of sustainable business practices.
- » Pressure from external stakeholders to report on “green” assets.
- » Pressure from external stakeholders to report on all ESG-related activities. Insufficient capacity of qualified personnel in the field of sustainable business.



care
for the
environ
ment

20

25

04

CARE FOR THE ENVIRONMENT

Environmental protection is also a key component of the TŽ policy. Intensive industrial production naturally impacts the surrounding environment. Thanks to investments in environmental protection projects, the modernization of production facilities, and long-term strategic planning, this impact is continuously being reduced.

We consider compliance with all legal requirements and valid environmental permits, including all emission limits, to be a matter of course. Compliance is documented by measurement results

conducted by accredited laboratories. The TŽ production facilities are also operated in accordance with the so-called best available techniques.

TŽ has long established, maintained, and developed an environmental management system, currently in accordance with the EN ISO 14001:2015 standard. This system is an effective tool for continuous improvement in environmental management, with an emphasis on prioritizing the resolution of significant environmental aspects. An energy management system compliant with the

EN ISO 50001:2018 standard has also been implemented, ensuring systematic attention to reducing energy intensity and achieving energy savings.

An annual assessment of environmental aspects and risks is also conducted across all production operations. These are elements of the company's activities, products, or services that may impact the environment. For environmental aspects and risks that have or may have significant impacts on the environment, necessary measures and objectives are established.

04

CARE FOR THE ENVIRONMENT

To ensure the necessary awareness and knowledge, TŽ provides regular training for relevant employees in specific environmental areas.

For each production facility, designated employees are responsible for specific environmental areas. These employees further disseminate the necessary information through an established system of meetings and training sessions across their centre or department, with an emphasis on ensuring that all employees affected by the given area are fully trained. This system ensures 100% training coverage for all operations and all relevant employees.

All company employees are required to comply with internal regulations, which incorporate all requirements of applicable legislation and the company's requirements for the development of the circular economy, waste reduction, water, material, and energy conservation, air protection, the handling of safe chemical substances, etc. These internal regulations are issued separately for all environmental components.

Employees are also informed about environmental protection visually through information boards placed in visible locations at individual facilities.

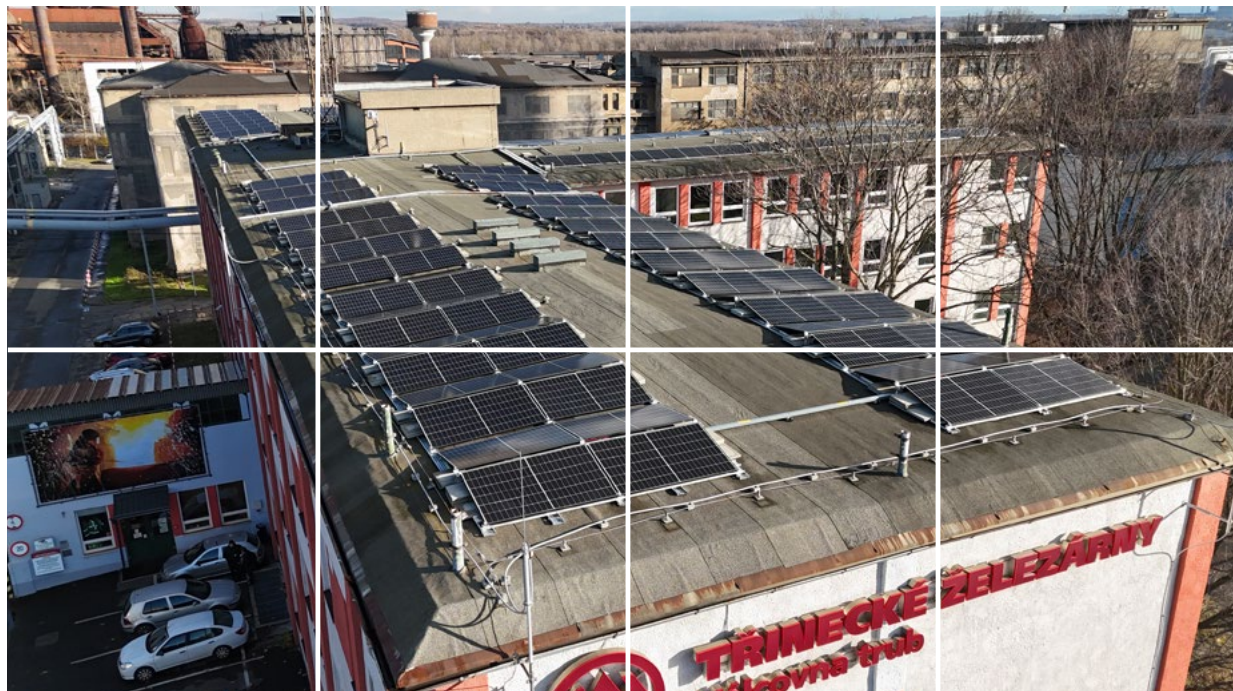


04

CLIMATE
PROTECTION

TŽ places great emphasis on reducing greenhouse gas emissions and mitigating the impact on climate change. Climate protection is an integral part of the TŽ policy.

Within the TŽ Group, significant attention is paid to the impact on climate change and the reduction of greenhouse gas emissions. Projects are being implemented or prepared to reduce CO₂ emissions by 55% by 2030 compared to 1990 levels, in accordance with the Paris Agreement on climate change. Additional measures aimed at reducing or capturing greenhouse gas emissions are being implemented in the areas of renewable energy use, the use of so-called green electricity, energy conservation, and the planting of new greenery. TŽ is also an active



participant in the European Union Emissions Trading System (EU ETS), in accordance with Directive 2003/87/EC of the European Parliament and of the Council. A carbon

footprint calculation is also performed annually in accordance with the international GHG Protocol standard. Current goal of TŽ is also to achieve carbon neutrality by 2050.

04

CLIMATE
PROTECTION

STEEL IS INDISPENSABLE FOR ACHIEVING CLIMATE GOALS

- **Steel ensures the security and independence of the state.**
- **As a 100% recyclable material, steel perfectly embodies the principles of the circular economy, which plays a vital role in efforts to save the planet.**
- **Steel is essential for all sectors of both current and future industry and energy.**

Our steel products also contribute to meeting the European Union's climate targets, as they align with the principles of environmental sustainability, being 100% recyclable, and play an essential role in rail transport, wind and hydro power plants, and components for the environmentally friendly automotive industry.



04

PROCLAMATION OF TŘINECKÉ ŽELEZÁRNY
TOWARDS CARBON NEUTRALITY

We perceive the danger of climate change and its consequences. We intend to gradually reduce our carbon footprint and continue to take a responsible approach to environmental protection.

Our steel production has undergone significant changes thanks to investments in the latest technologies and is one of the most environmentally friendly in Europe. All production facilities meet BAT requirements, without any exceptions, and we meet strict environmental limits in protecting air, water and soil every year. We strive for maximum recycling and recovery of by-products and waste generated in our production processes.

94%

WE SELL OUR
PRODUCTION
ON EUROPEAN
MARKETS

There is currently no known commercially viable technology for producing steel without a carbon footprint. We are fully aware of this and are therefore developing innovative projects to reduce it. At the same time, we are implementing partial actions to compensate for the occurrence of emitted CO₂.

We are continuously innovating our products with the aim of directing steel products from our production lines as far as possible to

industries that contribute to reducing the carbon footprint.

94% of our production is sold in European markets, contributing to the reduction of the carbon footprint from transportation.



04

AIR
PROTECTION

In the area of air quality protection, we have significantly reduced emissions of dust and other pollutants in recent years, following the implementation of a number of environmental investment projects. All major sources of air pollution are now equipped with modern fabric filters. In an effort to continuously improve the environment, we are continuing to prepare additional investment projects aimed at reducing air emissions. TŽ has also entered into a so-called voluntary agreement with the Moravian-Silesian Region to improve the environment and, in particular, to achieve and maintain the highest possible air quality, under which TŽ has committed to implementing a range of beneficial activities each year that go beyond the requirements of the law.

Compared to 2024, there were no significant year-on-year changes in the volume of emissions of particulate matter, sulphur dioxide, nitrogen oxides, and carbon monoxide. Minor changes are related to fluctuations in production volume.

In 2025, greenhouse gas emissions—monitored in accordance with a monitoring plan approved by the Ministry of the Environment and reported under the EU ETS—totalled 2,504,529 tonnes of carbon dioxide for operations in Třinec and 39,823 tonnes of carbon dioxide for the Sochor rolling mill in Kladno. The total amount of greenhouse gas emissions reported under the EU ETS system at TŽ for 2025 is 2,544,352 metric tonnes of carbon dioxide, representing a year-on-year decrease of approximately 2.6% due to

lower year-on-year pig iron production and the use of less emission-intensive fuels.

EMISSION OCCURRENCE IN TONNES IN 2025 COMPARED TO 2024

Year	2024	2025
Solid pollutants (t/year)	86	90
Sulphur dioxide (t/year)	2,780	2,856
Nitrogen oxides (t/year)	1,155	1,132
Carbon monoxide (t/year)	70,035	71,491
Carbon dioxide (t/year)*	2,613,705	2,544,352

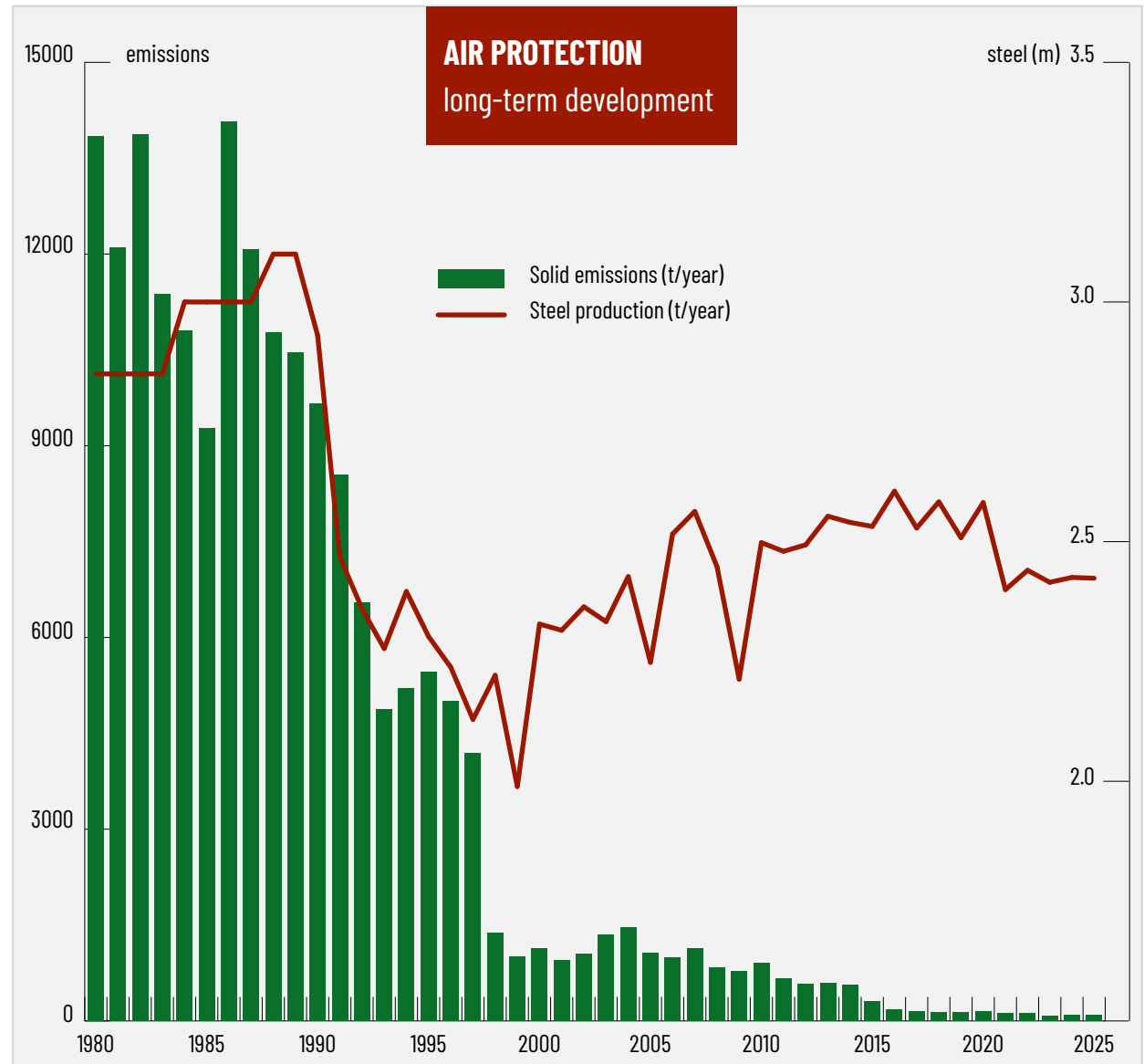
* Emissions reported under the EU ETS in accordance with Directive 2003/87/EC establishing a scheme for greenhouse gas emission allowance trading.

04

AIR PROTECTION

EMISSIONS PER UNIT OF PRODUCTION IN 2025 COMPARED TO 2024

Year	2024	2025
Solid pollutants (kg/t of steel/year)	0.035	0.036
Sulphur dioxide (kg/t of steel/year)	1.15	1.18
Nitrogen oxides (kg/t of steel/year)	0.48	0.47
Carbon monoxide (kg/t of steel/year)	28.99	29.50
Carbon dioxide (t/t of steel/year)	1.08	1.05



04

WATER QUALITY
PROTECTION

The TŽ Group places exceptional emphasis on the efficient use and protection of water resources, particularly in light of changing climatic conditions. Through the operation of closed-loop water systems that ensure the recirculation of industrial water, the volume of water withdrawn and wastewater discharged is maintained at the necessary minimum over the long term.

The largest share of water consumed is used for cooling production equipment and processed materials. Several closed-loop water systems connected to individual production units are in operation. These include, for example, closed-loop water systems for the coking plant, blast furnaces, converter steelworks, individual rolling mills, etc.

All water circuits are continuously monitored for pollutant content and other parameters essential for managing the respective water circuit. Monitoring is provided by the accredited company ENVIFORM, a.s., in accordance with an approved annual monitoring and measurement plan. The monitoring results are utilized by the operators of the individual water circuits.

Similarly, the wastewater produced—which consists of necessary blowdown from the water circuits or otherwise generated wastewater—is also monitored. Wastewater must comply with the limits set by applicable sewer regulations. Authorized personnel at each facility are responsible for verifying compliance with these limits.

To ensure the required water quality in closed water circuits or discharged wastewater, mechanical separation technologies are primarily used, i.e., settling tanks, oil skimming from the surface, hydro-cyclones, or sand filtration, as well as, for example, neutralization.

A range of technologies and equipment to reduce water consumption is also in operation. In addition to the aforementioned closed-loop recirculating water systems, these include, for example, special water-saving nozzles, sensors regulating the use of water for cooling or spraying, etc.

Water consumption is regularly evaluated as part of the assessment of economic performance. In the event of a negative trend, necessary measures are taken.

04

WATER QUALITY PROTECTION

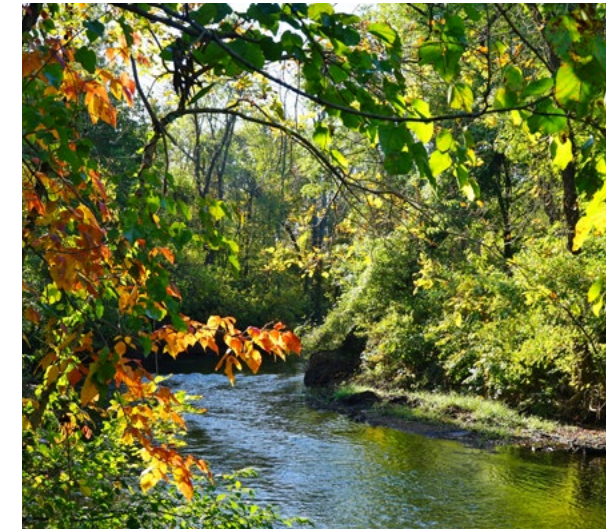
In 2025, there was a slight increase in the volume of industrial wastewater discharged into the Olše River compared to 2024. This trend is primarily due to increased total precipitation and the regulation of closed water circuits to achieve their optimal chemical balance. However, the water management status of TŽ has been stable over the long term, and the level of wastewater pollution remains at a sustainable level in accordance with applicable pollution limits.

During 2025, TŽ did not experience any emergency situations that would have a negative impact on the quality of groundwater or surface water.

POLLUTION DISCHARGED TO THE WATER-COURSE IN 2025 COMPARED TO 2024

Year	2024	2025
Volume of wastewater (m ³ /year)	3,086,460	3,235,692
Undissolved substance (t/year)	21.8	22.1
C ₁₀ – C ₄₀ hydrocarbons (t/year)	0.22	0.22
Dissolved inorganic salts (t/year)	2,086	1,675
Chemical oxygen consumption using dichromatic method (t/year)	52.9	50.7
Total iron (t/year)	2.3	2.3

Note: The data pertains to the TŽ premises in Třinec

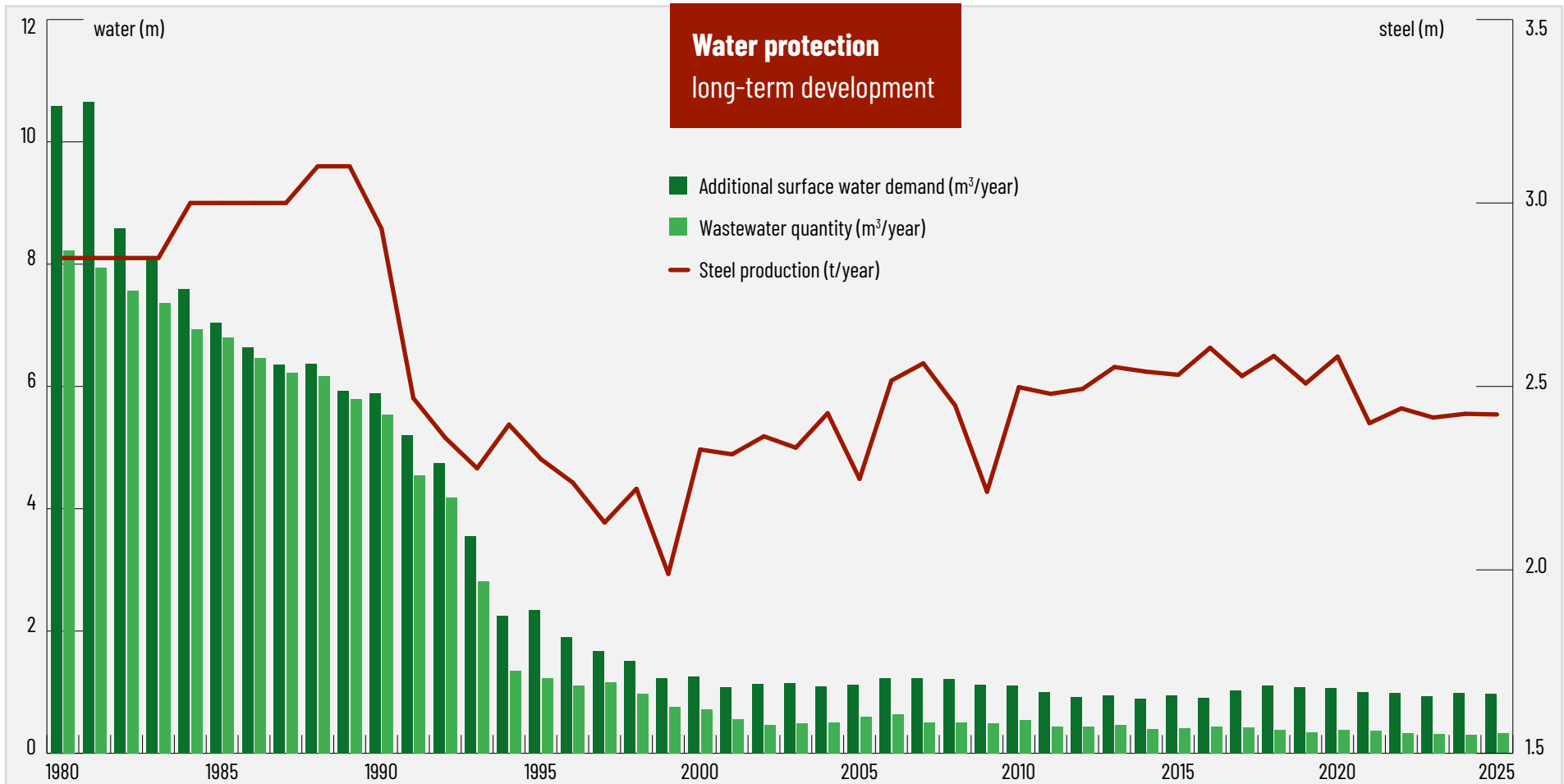


THE AMOUNT OF INDUSTRIAL WASTEWATER DISCHARGED TO THE ENVIRONMENT PER UNIT OF PRODUCTION IN 2025 COMPARED TO 2024

Year	2024	2025
Wastewater volume (m ³ /t of steel produced/year)	1.28	1.34

04

WATER QUALITY PROTECTION



04

WASTE
MANAGEMENT

Steel production and processing also generate a wide range of residual materials—by-products such as slag, scale, metal-bearing sludge, various types of metal grinding waste, return process scrap, and so on.

TŽ strives to maximize the reuse of these by-products in metallurgical production in accordance with the principles of the circular economy, or to process them into certified products, such as artificial metallurgical aggregate, which in many cases fully replaces natural aggregate.

Only those residual materials that cannot be reused or processed at TŽ are transferred as waste to other contracted recipients for reuse or disposal. When selecting waste recipients, TŽ

emphasizes the waste management hierarchy of priorities, giving preference to recipients who can make meaningful use of the waste they receive. Landfilling is the last resort.

In 2025, TŽ generated a total of 76,206 tons of waste, consisting of 61,821 tons of other waste and 14,385 tons of hazardous waste.

The main reason for the increased waste production is the rise in the “Other” waste category, which was caused by the removal of waste generated partly as early as 2024. This consisted mainly of unprocessed slag. Hazardous waste production decreased slightly.

The waste-to-steel ratio in 2025 was 31 kg of waste per ton of steel produced.

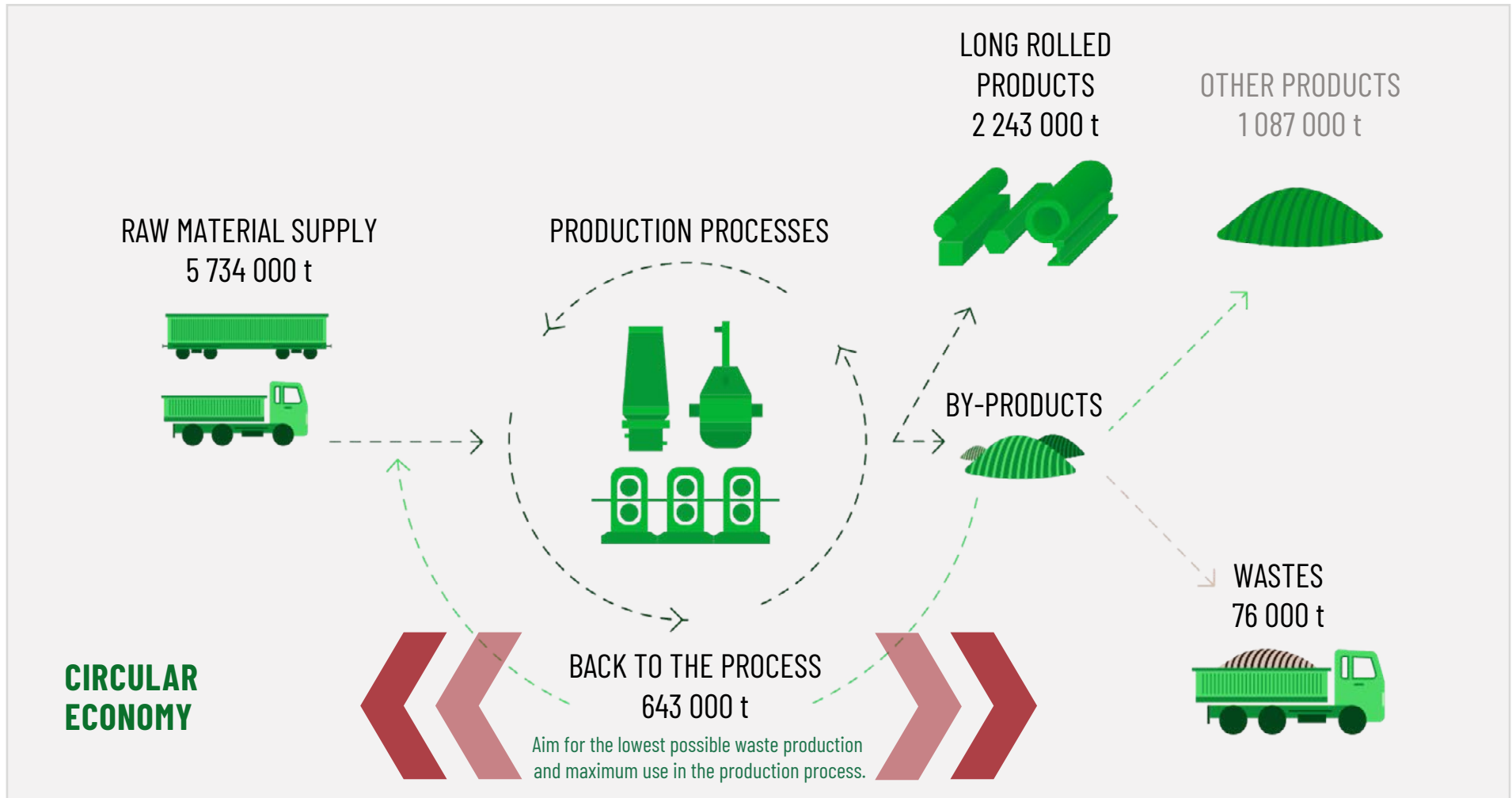


31 kg/t

INDICATOR OF THE
AMOUNT OF WASTE
PER TON OF STEEL
PRODUCED IN 2025

04

WASTE
MANAGEMENT



04

WASTE MANAGEMENT

THE AMOUNT OF TŽ WASTES IN 2025 COMPARED TO 2024

Year	2024	2025
Steel production (t/year)	2,425,300	2,423,668
Production of waste category "Other" (t/year)	52,420	61,821
Production of waste category "Hazardous" (t/year)	15,715	14,385

WASTE PRODUCTION PER UNIT OF PRODUCTION IN 2025 COMPARED TO 2024

Year	2024	2025
Steel production (t/year)	2,425,300	2,423,668
Waste production per tonne of produced steel category "Other" (t/year)	0.022	0.025
Waste production per tonne of produced steel category "Hazardous" (t/year)	0.006	0.006

From a circular economy perspective, of the total amount of byproducts generated in 2025 as an integral part of production, 58% were processed into finished products, 34% were reused in the production process, approximately 4% were stored for further use, and only 4% were disposed of as waste.

OVERALL RECYCLING RATE OF INPUT MATERIALS AT TŽ IN 2025 COMPARED TO 2024

Year	2024	2025
Total recycling (%)	16.81	17.61
Pre-consumer (%)	9.57	9.89
Post-consumer (%)	7.24	7.72

In 2025, there was a slight increase in the overall recycling rate to 17.61%, up from 16.81% in 2024. The share of pre-consumer recycling rose from 9.57% to 9.89%, while the share of post-consumer recycling increased from 7.24% to 7.72%. The overall trend indicates a slight improvement in material recycling, which is a positive development.

04

WASTE MANAGEMENT



04

PACKAGING

Packaging arises from the need to package our products before they are shipped. For this reason, TŽ falls under the scope of the Packaging Act and must ensure the collection and recycling of packaging waste. Compliance with this obligation is ensured through participation in the collective compliance system for the collection and recycling of packaging waste, which is managed by the authorized packaging company EKO-KOM, a.s.

The quantity and composition of packaging materials used by TŽ to package its products in a given year depend on sales volume and customer requirements regarding packaging methods.



Compared to the previous year, there was a slight increase in packaging production of approximately 1.24%. Overall, it can be stated that the composition of packaging materials remains stable, with year-over-year changes being insignificant and corresponding to normal operational fluctuations.

PACKAGING PLACED ON THE MARKET IN 2025 COMPARED TO 2024

Material of packages (t/year)	2024	2025
Metal Fe	3,123	3,117
Plastic	47	35
Wood	6,721	6,878
Others	195	182
Total	10,086	10,211

04

CARING FOR NATURE, THE LANDSCAPE,
AND BIODIVERSITY

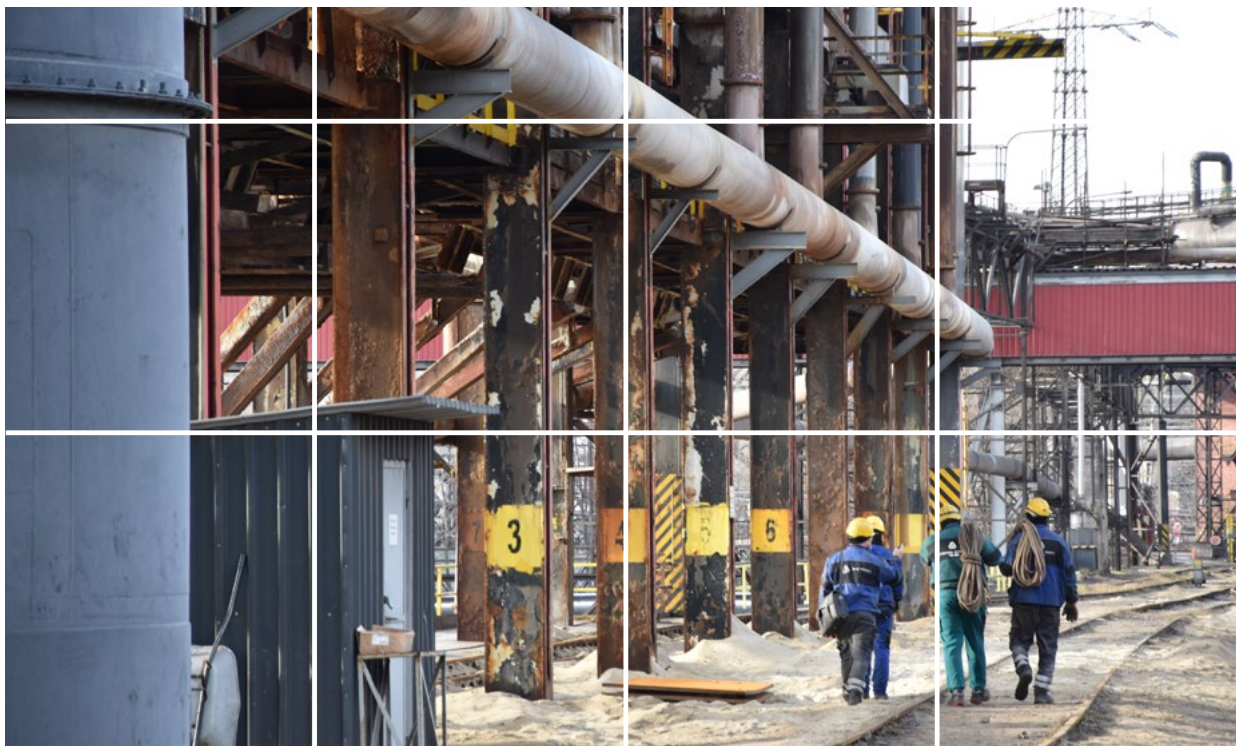
Every year, TŽ allocates significant funds to the maintenance, development, and planting of greenery on its premises and in the surrounding area. The organization also strives to support the development of species diversity over the long term.

In 2025, TŽ provided financial support of 50,000 CZK for the planting of forest vegetation in the Beskydy Protected Landscape Area. With this funding, the Czech Union for Nature Conservation (ČSOP Salamandr) planted 2,200 beech trees near the Gutské peklo Nature Reserve below Javorový vrch in the Moravian-Silesian Beskydy Mountains. TŽ employees, as well as students from the Třinecké železářny Technical High School, assisted with the planting as part of a volunteer day.



On Earth Day in April, students from the Třinecké železářny Secondary Technical School participated in a cleanup of the banks of the Olše River, which flows through the company's premises. A total of approximately 500 kg of trash was collected.

We also provide long-term support for the development of wildlife biodiversity. We continue to maintain nesting boxes for various bird species, which aid in their reproduction, as well as beehives located on the company's premises. In 2025, in cooperation with the Třinec Fishing Association, 200 kg of young chub were released into the Olše River at the TŽ site near the blast furnaces to support biodiversity. Children from the Jubilejní Masarykova Elementary School in Třinec participated in the fish release.



Old environmental burdens

Remediation work at the TŽ site is being carried out in accordance with the terms of the guarantee set forth in the so-called Environmental Agreement No. 185/97, as amended, concluded with the Ministry of Finance of the Czech Republic. In 2023,

the main remediation project “TŘINEC-TŽ-SANACE” was completed, during which a total of 24 contaminated sites within the TŽ complex were gradually remediated. At all these sites, the pollution limits set by the Czech Environmental Inspection Agency (ČIŽP) were met.

Contaminated areas identified subsequently, discovered during the remediation work, are addressed through separate contracts fully covered by the aforementioned guarantee. These include residual groundwater contamination on the left bank of the Olše River along Závodní Street, intensified hydraulic remediation of groundwater at the Railway accessories facility, and the remediation and restoration of the bed of the piped Líštnice stream, including its mouth into the Olše River.

Remediation work on the banks of the Olše River and at the Railway accessories site has been actively underway since 2023. For the remediation of the Líštnice stream, project documentation has been prepared at the construction implementation stage, for which a valid building permit has been issued.

04

HANDLING OF CHEMICALS AND MIXTURES,
REACH

As a manufacturer of steel and related materials, TŽ is required to comply with the requirements set forth in Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals (hereinafter REACH) and Regulation (EC) No. 1272/2008 on the classification, labelling, and packaging of substances and mixtures (hereinafter CLP).

The registration of substances manufactured at TŽ took place in 2010. The registration dossiers for registered substances are continuously supplemented and updated in accordance with the requirements of the European Chemicals Agency (ECHA), including safety data sheets, strictly controlled

conditions, and other documentation directly related to these changes.

The manufacturer's obligations also include communication within the supply chain. Upon request from customers, information is provided on substances of very high concern (SVHC), on substances prohibited in articles, registration dossier numbers, and other information requested by the customer.

The handling of chemical substances and mixtures at TŽ is monitored through regular internal audits, which assess compliance with the requirements of the CLP and REACH regulations and other legal regulations in the field of chemical substances and mixtures, including occupational safety.



04

ENERGY
MANAGEMENT

Energy efficiency has long been one of the key pillars of the environmental policy at TŽ. The strategic goal is to systematically reduce the energy intensity of production through the modernization of technological equipment, the optimization of production processes, and the maximum utilization of the energy potential of by-products from metallurgical production.

Třinecké Železárny has implemented and actively uses an energy management system in accordance with the **ČSN EN ISO 50001** standard, which was first certified in 2016. In 2017, it was extended to remote sites, namely the Tube Rolling Mill, Steel Drawing Plant, and Billet Rolling Mill.

The company will continue to invest in modern technologies, the digitization of energy management, and the use of low-emission and renewable energy sources with the aim of further reducing energy intensity and supporting the sustainable development of steel production.

Steel production is among the most energy-intensive industrial activities. However, in accordance with the principles of the circular economy, we systematically ensure the reuse of all generated steel mill gases for energy purposes.

In 2025, an average of **94%** of the gaseous byproducts generated during the production of coke, pig iron, and steel were utilized for energy purposes. This approach significantly

contributes to maximizing the energy efficiency of operations, reducing the consumption of primary energy sources, and limiting the environmental impacts of our activities.

Specific electricity consumption in 2025 reached **292 kWh per ton of steel produced**. Actual technological energy intensity amounted to **20,133 MJ per ton of steel produced**, confirming the long-term trend of gradually increasing energy efficiency in production processes.

In 2025, **9 set targets were achieved as part of the electricity savings program**, resulting in **total savings of 27,075 GJ**. Of these savings, **49% were achieved at the VZ plant and 38% at the VW plant**, confirming the importance of targeted measures at key production units.

04

ENVIRONMENTAL
PROJECTS

The following environmental investment projects were completed in 2025:

- **Renovation of the burner system for soaking pit furnaces at the Kladno plant (VZ - Billet mill)**

Actual costs: **CZK 25.05 mil.**

Environmental benefit: reduction of energy consumption.

- **Construction of the preheating media for the hot blast stove of blast furnace No. 4 (V0 - Steel production)**

Actual costs: **CZK 251.37 mil.**

Environmental benefit: Reduction of energy consumption by using the thermal energy of the flue gas.

THE TOTAL COST OF COMPLETED ENVIRONMENTAL INVESTMENT PROJECTS IN 2025 AMOUNTED TO **CZK 276.42 mil.**

In 2026, the company will continue to implement the following environmental projects:

- **Light section mill modernization and reconstruction (including crane No. 9 and coiling line) - (VW - Rolling mills)**

Planned costs: **CZK 3 610 mil.**

Environmental benefit: savings in electricity consumption.

- **Modernization of billet grinder exhaust systems (VW - Rolling mills)**

Planned costs: **CZK 45 mil.**

Environmental benefit: reduction of solid pollutant emissions into the environment.

- **Iron ore briquetting line (V0 - Steel production)**

Planned costs: **CZK 1 180 mil.**

Environmental benefit: cold production of blast furnace charge without CO₂ emissions.

- **Reconstruction of the extinguishing tower (V0 - Steel production)**

Planned costs: **CZK 72 mil.**

Env. benefit: reduction of dust emissions.

- **Modernization of electrostatic precipitators at Sinter plant No. 2 (V0 - Steel production)**

Planned costs: **CZK 773 mil.**

Environmental benefit: ensuring optimal functioning of downstream fabric filters to reduce dust emissions.

04

ENVIRONMENTAL
PROJECTS

- **Dust removal from daily blast furnace charge storage bins at Sinter plant No. 2 (VO - Steel production)**
Planned costs: **CZK 419.9 mil.**
Environmental benefit: reduction of dust emissions.
- **Dust removal from daily blast furnace charge storage bins between transverse halls (VO - Steel production)**
Planned costs: **CZK 318.8 mil.**
Environmental benefit: reduction of dust emissions.
- **Noise reduction measures on the LF1 ladle furnace (VO - Steel production)**
Planned costs: **CZK 11.9 mil.**
Env. benefit: reduction of noise emissions.

Projects to achieve low-emission steel production:

- **Modernization and decarbonization of steel production (VO - Steel production)**
Planned costs: **CZK 11 300 mil.**
- **Connection of EAF to the ČEPS transmission system (VO - Steel production)**
Planned costs: **CZK 1 500 mil.**
- **External scrap metal storage yard (VO - Steel production)**
Planned costs: **CZK 4 044 mil.**
Environmental benefits: Low-emission steel production projects involve changes in steel production technology aimed at significantly reducing CO2 emissions and increasing energy efficiency.

As part of our investment initiatives, we plan to launch the following environmental projects in 2026:

- **Raising of the smokestack at the RH2 vacuum station (VO - Steel production)**
Planned costs: **CZK 6.4 mil.**
Environmental benefit: prevention of exhaust fumes entering the BOF hall.

Other environmental investment projects with a positive impact on the environment have been or are being implemented in companies within the consolidated TŽ Group.

social field	20	25

05

SOCIAL
FIELD

Třinecké železářny is a company with a long tradition of metallurgical production. Since the foundation in 1839, the values on which its based today have been shaped. Its further development is firmly linked to its responsibility toward its employees, business partners, society, the regions in which the company operates and the people who live there.

These principles of conduct express the principles that underpin our business, our activities and the application of our management tools.

WE FOLLOW ETHICAL PRINCIPLES AND ADHERE TO LEGAL RULES AND REGULATIONS

- Ethical principles and respect for the law are the fundamental principles of our Code of Conduct and corporate culture.
- Our company is established and exists under the laws applicable in the Czech Republic; the laws governing our activities and relations are systematically followed, recognized, respected and adhered to unconditionally and consistently.
- We act and make our decisions in accordance with the principles of corporate culture, social responsibility, employee

collegiality and fair-trade, and also in accordance with the laws and obligations ensuing from legal regulations, decisions of public authorities and the contractual relations in which we participate.

- Business partners' conduct in accordance with the law and ethical principles is considered an unavoidable condition for our cooperation.
- The compliance program, including management of business and procedural risks according to International Organization for Standardization (ISO) standards, international standards for Quality

05

SOCIAL
FIELD

Management Systems (QMS) including IATF 16949 standard, principles of Corporate Social Responsibility (CSR) international standard SA8000 Social responsibility, is consistently enforced, its effectiveness is continuously evaluated and measures are taken to improve it.

WE ARE A SOCIALLY RESPONSIBLE COMPANY

- We fulfil our corporate mission "Together for the next generations."
- In our visions, plans and decisions, we always take into account the interests of our business partners and employees, the impact on the regions in which we operate, and the impact on their inhabitants and on the environment,

- We strive to make our relations with our business partners, public authorities, our employees, trade unions and the public long – established, stable and based on mutual respect and rightful trust in honest conduct,
- We support the regions in which we operate and we strive to contribute to further improving the quality of life of their inhabitants,
- Every year we issue a Corporate social responsibility report, which is published on our website www.trz.cz.

WE RESPECT OUR CORPORATE CULTURE

- We are proud of our history which we build on through further development of our company as a place with lasting values, traditions and customs.

- The basic principles of our corporate culture are:
 - › focus on the customers, forthcoming and complete satisfaction of their needs with the highest quality products and services,
 - › consistent fulfilment of the obligations,
 - › good interpersonal relations based on cooperation and mutual respect,
 - › satisfaction and motivation of employees,
 - › development and use of knowledge, abilities, skills and experience of employees,
 - › teamwork,
 - › a high level of work ethics,
 - › entrepreneurial spirit of good economists – technological advancement based on systematic innovation,
 - › continuous improvement of everything and everyone.

05

SOCIAL
FIELD

WE RESPECT OUR EMPLOYEES

- Observance of human rights is commonplace in our company. We do not incite nor tolerate any acts of discrimination. We respect employees' privacy rights. We condemn any form of forced or involuntary labour.
- We condemn the abuse of child labour. We only employ persons who meet the conditions provided by legal regulations.
- We provide specialized training for pupils of secondary vocational schools and university students at our workplaces; we do so under the contracts with these schools under special circumstances meeting the requirements of pupils and students' age, knowledge and experience.
- We do not tolerate any form of illegal work, not even with our business partners.

- Procedures and conditions provided by legal regulations have always been the minimum standard in our relations with employees. This also applies to the conclusion and content of employment contracts or other labour-law contracts and agreements, length of working hours, work rest periods including breaks, setting overtime, remuneration, making wage deductions, and termination of labour-law relations.
- Our employees are properly remunerated for their work, including providing extra pay for work in the afternoons, at night, on weekends and public holidays, overtime, and other bonuses. Beyond the law we provide our employees with social and other benefits.
- In relation to our employees, but also in relation to public authorities, we fulfil all our

statutory disclosure obligations.

- We respect our employees' rights, including the right to form unions and negotiate collectively. We respect the position of trade unions as representatives of our employees and consider them our partners in social dialogue.
- The collective agreement in our company is established through social dialogue between management and employees represented by trade unions, and it covers 100% of the workforce. It defines the fundamental working and social conditions, particularly in the areas of occupational health and safety, working hours, overtime, and leave, collectively agreed wages, as well as development and training. It thus contributes to a stable and fair working environment.

05

SOCIAL
FIELD

- We consistently communicate with our employees, including having meetings and consultations with TOP management and other senior supervisors, and informing our employees about current issues via effective means of communication.
- We regularly conduct surveys of employee satisfaction and motivation.
- We regularly evaluate our employees every year.

WE APPLY A WHISTLE-BLOWING POLICY

- We enable our employees and other persons to practice whistle-blowing, make queries and complaints.
- All whistle-blowing reports, queries and complaints are consistently addressed, solved and used for further improvement.

- We guarantee all employees protection against any disciplinary action on account of bona fide practicing whistle-blowing, making queries and complaints.

WE CONSISTENTLY COMPLY WITH OCCUPATIONAL HEALTH AND SAFETY

- Occupational health and safety of our employees is an integral part of all our activities and has the highest priority. We create the most favourable working conditions. We adhere to the accident prevention safety program; we ensure that every work activity is conducted according to safe working practices.
- We have developed and systematically evaluate and update the system for identifying and assessing the risks of potential health

damage at work, including measures to eliminate the risks of health damage.

- We adhere to prevention. We constantly train and educate our employees to work safely and to protect their health.
- We provide our employees with personal protective equipment according to the list drawn up for each job. Employees at workplaces with increased heat or physical load are provided with protective beverages.
- We consistently provide assessment of our employees' medical fitness for work by means of occupational medical examinations; we do not permit performance of any work that does not meet employees' requirements for medical fitness.
- If a work accident occurs despite our best efforts, we employ our system comprising of

05

SOCIAL
FIELD

providing first aid, reporting and investigating injuries or other unfortunate events, and taking measures to prevent their recurrence and to compensate for damages.

WE APPRECIATE OUR BUSINESS PARTNERS

- We deal with all of our business partners honestly and transparently, with respect and fairness; we expect such conduct from them.
- We respect the interests and needs of our business partners, unless it is contrary to legal regulations and does not cause excessive risk or harm.
- We are committed to create value for our business partners. With regard to our products, we implement the principle of constant improvement, increasing their



- added value, while reducing the burden on the environment. We practice the strategy of zero errors.
- We ensure that our products and services are designed, manufactured and delivered with regard to the safety and health of our customers, in compliance with applicable legal and technical requirements.
 - We choose our suppliers with thorough care in order to maintain the quality of our products. We negotiate agreements with

- our suppliers regarding product quality and evaluate the fulfilment of their obligations.
- We ensure adequate supervision of compliance with labour and technological procedures and of solutions to potential complaints from business partners. We evaluate the satisfaction of our business partners.
 - We want our business partners to work with us continuously or to come back to us for business. The success of our business partners is also our success.
 - We recognize the unity of words and actions; we keep our promises. We support ethical business culture; we fulfil our duties thoroughly, fairly and honestly.
 - We are ready to arrange an audit with our business partners in our company.

05

SOCIAL
FIELD

WE CONDEMN ANY MANIFESTATIONS OF CORRUPTION

- We adhere to zero tolerance towards offering or accepting bribes.
- Our employees are strictly guided to refrain from any act of corruption; in connection with the performance of work for our company, acting on our behalf or with reference to us, no one may solicit or accept any services in exchange for granting or promising to grant any privileges, nor offer or provide such services.
- We respect economic competition and intellectual property and also protect personal data.
- We advocate a free, honest and fair competition; we do not engage in any acts that would undermine such competition.



- We avoid any conflicts of interest and situations that may cause suspicion of such conflicts.
- We respect intellectual property rights and interest to protect the confidentiality

of trade secrets and other confidential information, and we protect these rights and such information within the scope of legal regulations, contracts with business partners, data subjects' consents and business ethics.

- Personal data of our employees, as well as any other persons whose personal data have been provided to us, are always processed only in accordance with legal regulations.
- All our employees, who in the course of their duties come into contact with personal data, information constituting a trade secret or any other confidential information, are obliged to maintain confidentiality of such data and information.

05

SOCIAL
FIELD

WE PROTECT THE ENVIRONMENT

- Environmental protection is a fundamental part of our policy. The standard is no less than fulfilling all legislation and authorization requirements granted to us thereunder by public authorities.
- In the long term and conceptually, we strive to continually reduce the impact of our activity on the environment. Old environmental burdens are removed.
- To meet environmental protection principles, we have set up and implement waste management systems preferring recycling, closed water systems and industrial wastewater treatment plants, chemical treatment and energy management; The priority is to gradually reduce air pollutant emissions.



WE APPLY THE CODE OF CONDUCT TO ALL ACTIVITIES

The Code of Conduct is the fundamental basis of our company's internal regulations, including:

- › conditions of employment
- › social code,
- › technical and organizational regulations and related internal standards that are specified in such a way as to ensure their consistent application.

The Code of Conduct is respected and its compliance in our company is monitored and enforced.

05

CARE FOR
EMPLOYEES

EMPLOYEE MOTIVATION (ENGAGEMENT, SATISFACTION)

Systematically gathering employee feedback through regular surveys is an important tool for obtaining objective information about their attitudes toward corporate values and their level of motivation. This process contributes to transparent organizational management while also supporting the fulfilment of CSR requirements.

The survey is conducted once every two years in the form of a company-wide electronic questionnaire. The most recent survey was conducted in 2024, with a response rate of 25.7% of the total number of employees. The survey results provided a comprehensive overview of employees' attitudes toward

corporate values, which were analyzed across four key areas: brand pride, management system, workplace atmosphere, and social benefits.

From a CSR perspective, the positive responses regarding the prospects for TŽ's further development, the company's stable market position, and its responsible approach to environmental protection were particularly significant. These findings confirm that employees perceive the company's efforts in the areas of sustainability and responsible business as credible and beneficial.

WHISTLEBLOWING SYSTEM - INTERNAL REPORTING SYSTEM

Employees of Třinecké železárny and

external stakeholders are encouraged to use the internal reporting system to report misconduct, submit inquiries, file complaints, and provide suggestions for improvement in the area of CSR. The procedure for reporting misconduct covers both human and labour rights issues and business ethics issues. In 2025, in accordance with Třinecké železárny applicable internal regulations, we did not receive any complaints. We did not record any incidents involving child labour, forced labour, human trafficking, or corruption and bribery.

25,7%

OF EMPLOYEES
SAID IN
A SATISFACTION
SURVEY

05

CARE FOR EMPLOYEES

EMPLOYMENT

Despite a consistent focus on increasing labour productivity—which was intended to ensure production of the required quality across all production units—the actual workforce in 2025 was significantly affected by ongoing organizational changes aimed at improving efficiency and optimizing processes. Due to persistent economic pressures and the need to streamline internal processes, specialized departments were merged and the scope of certain activities was adjusted. In 2025, Třinecké železářny achieved an actual annual average headcount of 6,698 employees.



NUMBER OF PERMANENT AND AGENCY EMPLOYEES AS OF THE LAST DAY OF THE YEAR

Year	TŽ Employees	Agency staff
2019	7,075	133
2020	7,004	137
2021	6,848	122
2022	6,794	112
2023	6,801	76
2024	6,783	5
2025	6,703	14

05

EDUCATION

Corporate training is a strategically managed and systematically coordinated process aimed at developing employees' knowledge, skills, and attitudes through various forms of training. The primary objective is to increase employee productivity over the long term and ensure the organization's ability to meet both current and future needs.

At TŽ, training is a key process based on the company's HR strategy, whose primary goal is to ensure a prepared, stable, and highly qualified workforce in the context of strategic priorities and demographic changes. Professional training, vocational preparation, and on-the-job training are of fundamental importance for maintaining and developing employees' skill levels.



An integral part of corporate training is the Corporate Academy online platform, which serves as a tool for the preparation and delivery of training, particularly those conducted directly in the workplace. At the same time, it enables

the effective sharing of information, knowledge, and experience and creates a space for discussion. Knowledge development in the area of IMS now also includes systematic employee training on ESG topics, particularly in the areas of business ethics, the principles of the code of conduct, and corporate policies regarding human and labour rights, among others. These training sessions support responsible business practices, a transparent corporate culture, and compliance with both international and internal requirements.

This is one reason why these training sessions accounted for 95% of all training activities conducted in 2025.

05

EDUCATION

The company applies a systematic approach to employee evaluation with the aim of supporting human capital development, long-term employability, and responsible management of labour relations. Regular evaluations are conducted at least once a year and apply to all company employees. The evaluation process is standardized across the organizational structure and is based on an evaluation interview between the employee and their direct supervisor or designated evaluator.

The evaluation focuses on work performance, professional competence, quality of work, compliance with internal rules and occupational safety principles, including the identification of employees'



development potential. The evaluation results serve as a basis for planning training, upskilling, and targeted professional

development. The process also includes identifying training needs and preparing personnel replacements for key positions.

The company systematically monitors the percentage of employees who have undergone the evaluation as an indicator of the quality of human resources management. The outputs from the evaluation are used to support transparent decision-making in the area of employee development and to fulfil the company's strategic goals in the areas of ESG and corporate social responsibility.

During the evaluation period, nearly 100% of the company's employees underwent an evaluation.

05

MOTIVATIONAL
PROGRAMS

Employees are rewarded for their work performance not only with wages, but also with a range of other incentives, motivational components, and social benefits that encourage high-quality performance while mitigating the effects of the work environment. These benefits are provided beyond the legal requirements. Through them, we aim to motivate employees as much as possible to support the goals and objectives of the entire corporation. In 2025, the following incentive elements and benefits were implemented in various areas.

remuneration

- bonuses – regular and special bonuses,
- manager's fund, foreman's fund,
- allowance for afternoon work and work in

a hazardous environment (Category 3 risk) exceeding the requirements of the Labor Code; higher rates for allowances for night work, work on Saturdays, Sundays, and public holidays, and work while wearing breathing apparatus,

- bonuses of the directors,
- on-call bonuses,
- bonuses for financial performance,
- bonuses for continuous service,
- bonuses for interrupted service,
- bonuses for innovation,
- bonuses for literary work.

professional development

- creating conditions for the professional growth of selected groups of employees and developing career paths,

- an internship centre for college graduates,
- providing scholarships to students in selected fields of study,
- evaluating high school graduates and facilitating their meetings with senior staff as part of the onboarding process.

employee appraisals

- a ceremony to award the "Employee of the Year" title, along with a cash prize, and the prestigious "Queen of Steel" award for the best projects, significant achievements, key events, and outstanding representation of the company,
- providing bonuses for work and life anniversaries and retirement,
- recognizing the best innovators.

05

MOTIVATIONAL
PROGRAMS

health support

- reimbursement for initial medical examinations conducted by a contracted occupational health service provider,
- reimbursement of costs for preventive mammograms and colonoscopies,
- organization of rehabilitation and reconditioning stays, outpatient rehabilitation care, and supplementary reconditioning care,
- provision of a subsidy for company meals amounting to 57% of the price of one main meal during a single work shift, up to a maximum total of 70% of the upper limit of the meal allowance that may be provided to salaried employees on a business trip lasting 5 to 12 hours,
- provision of refreshing drinks to all

employees during periods of exceptionally hot weather,

- organization of additional health-promoting activities (provision of vitamins, health-focused benefits),
- flu vaccinations.



additional benefits

- vacation extended by one week beyond the statutory entitlement,

- increased provision of paid leave for personal reasons preventing work,
- provision of social assistance and social loans in exceptionally serious life situations,
- provision of interest-free loans for housing purposes,
- provision of contributions to supplementary pension insurance and supplementary pension savings,
- provision of contributions to private life insurance,
- provision of grants to support education, culture, sports, and physical education,
- provision of grants to support and protect youth,
- provision of optional employee benefits,
- organization of health retreats for children in cooperation with the trade union.

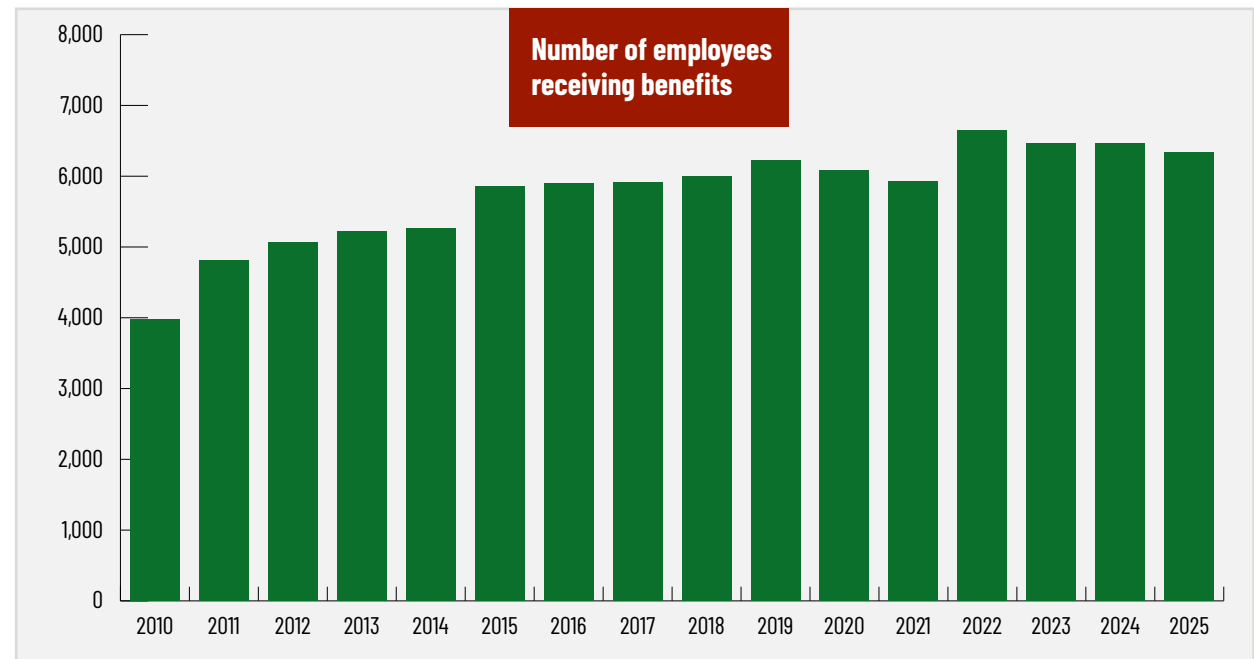
05

BENEFITS

Optional employee benefits are provided to all employees in accordance with established rules. In 2025, benefits ranging from CZK 6,000 to CZK 10,000 were provided, depending on years of service. A total of 6,333 employees (88%) took advantage of this benefit.

Most Commonly Used Benefits (% of usage in 2025)

- Employee recreational activities (41%)
- Use of sports facilities (25%)
- Vitamin supplements (20%)



05

RECRUITMENT OF
NEW EMPLOYEES

We use a wide variety of forms in this area. Below, we provide information about some of them.

Regional talent

To support and promote technical fields among young people, we organize a social event called "Regional Talent," where we recognize students from regional schools for their top rankings in academic competitions and for their extracurricular activities in high school. The idea behind this event is very simple—to identify and encourage interest in technical fields and science subjects, such as mathematics, physics, and chemistry, which are not always popular among students.

NUMBER OF STUDENTS AWARDED:

YEAR	SCHOOL OLYMPIADS	SECONDARY SCHOOL PROFESSIONAL ACTIVITY	REGIONAL TALENT TOTAL
2021 (online)	18	17	35
2022	26	23	49
2023	25	24	49
2024	14	28	42
2025	19	30	49



Recruitment and promotional activities targeting elementary school students

- In 2025, "Open House Days" were held at the Třinec Ironworks Technical High School. Students and teachers organized these events on three separate dates.
- In January 2025, Třinecké železářny held Open House events on two dates for 8th and 9th grade students and their legal guardians.
- TŽ participated in Career Choice Fairs for 8th and 9th grade students in Třinec, Frýdek-Místek, Havířov, and Ostrava.
- In January and September 2025, TŽ participated in the educational event "Living Library of Professions." The goal of the event is to connect companies in the Moravian-Silesian Region with high schools and to introduce attractive professions to 8th and 9th-grade elementary school students.
- Třinecké železářny also participated in the Kysuce Triangle – Children's Day event for

elementary schools in Slovakia. The event was organized by the Slovak border municipalities of Černé, Skalité, and Svrčinovec.

Recruitment and promotional activities targeting high school students

- Organizing and funding vocational training for students from the TŽ Technical Secondary School and selected secondary schools at TŽ workplaces.
- Organizing short-term internships for technical secondary school students with the aim of recruiting high school graduates to work at the company.
- Presenting companies within the TŽ-MS Group to students at selected high schools in the region with the aim of recruiting them for employment within the Group or for study in



sought-after technical fields at universities.

- Providing selected students with paid summer internships at TŽ workplaces.
- ## Recruitment and promotional activities targeting college students
- Preparation for and participation by TŽ in "Job Fairs" at selected universities in the Czech Republic.
 - Field trips for second-year students and company presentations within the TŽ-MS group to assist with choosing a specialization.
 - Providing two-week professional internships for second-year students in technical fields.
 - Identification of suitable topics for final theses (bachelor's, master's, and doctoral), including professional guidance for students during their preparation.
 - Awards for the best theses in collaboration with the Czech Metallurgical Society (ČHS).
 - Implementation of paid summer internships at selected TŽ workplaces.

05

RECRUITMENT OF
NEW EMPLOYEES

Minors and the Prevention of Discrimination

Over the past year, we have not observed any instances of discrimination. During the 2021–2025 period, our company’s employees did not raise any requests to address specific cases of discrimination, nor were any provisions of the company’s collective bargaining agreement violated. During inspections conducted by the Labour Office and the Regional Labor Inspectorate, no violations or cases of discrimination were identified during the period in question.

TŽ employs only persons over the age of 18. This completely prevents the possibility of child labour and hazardous work by minors. Thus, the activities of persons under the age of 18 take

place only within the framework of activities related to practical training and cooperation with secondary schools in accordance with the relevant legal regulations.

Providing vocational training for high school students

Třinecké železářny is the founder of the Třinecké železářny Secondary Technical School, which offers education in technical fields. In addition, the company provides vocational training at its operations in the form of hands-on learning – whether through practical work placements, continuous professional practice, or other forms of education. This opportunity is open not only to students of its own secondary school, but also to students from other partner schools in the regions



where TŽ operates. The vocational training of these young people takes place in accordance with the educational programs of the individual schools under the supervision of designated secondary school staff and instructors from among the employees of individual TŽ facilities, under a special regime and in accordance with agreements concluded between TŽ and the individual secondary schools.

05

EVENTS FOR
FORMER EMPLOYEES

Třinecké železářny has long maintained ties with its former employees and regularly organizes gatherings for them. In June 2025, those who retired in 2024 gathered in the garden of the Museum of Třinecké železářny and the City of Třinec. The gathering took place in a friendly and dignified atmosphere, during which thanks were expressed for their many years of service and a symbolic

farewell was bid to the years spent at the steelworks. The pleasant setting was complemented by a musical performance by the regional ensemble OLDRZYCHOWICE.

90th, 95th, and 100th Birthday Celebrants

Třinecké železářny also honours those who retired several decades ago but spent a significant portion of their working lives at the steelworks. Many of them worked here for many years and contributed to the company's development during various periods of its history.

Since 2021, the company has been visiting its former employees in person on the occasion of significant life milestones—90th, 95th,

or 100th birthdays. This tradition expresses respect, gratitude, and a commitment to maintaining relationships with those who helped build Třinecké železářny. In 2025, a total of 63 former employees—28 women and 35 men who had worked at the company for at least 15 years—received well-wishes for good health and thanks for their many years of service.



05

OCCUPATIONAL SAFETY
AND HEALTH (OSH)

At TŽ, we regularly assess risks to employee health and take measures to eliminate them. Our long-term positive results in employee health protection, high-quality preventive care, and an established and effective management system in this area have also been recognized by the State Labor Inspection Office, which in 2025 awarded TŽ the title “Safe Enterprise” for the fifth time, and by TUV NORD CZECH, which conducted a certification audit of the OHS management system in 2025 and confirmed the high level of health protection at TŽ by issuing a certificate.

Monitoring the state of OSH is an integral part of OSH management and evaluation. These activities are carried out in close cooperation

with the OSH service provider, the Třinec-based company ENVIFORM a.s.

Employee participation in addressing OSH issues is facilitated through trade unions, particularly through the Commission for Occupational Health and Safety or through personal meetings between the OSH representative and a designated representative of the trade union.

The mission of this commission is to evaluate and assess the area of occupational health and safety:

- Regularly assess risks related to occupational safety and health, receive employee suggestions, and discuss these suggestions and identified risks on behalf of the Chair and

Vice-Chair of the Commission at meetings with the Occupational Safety and Health Representative and the occupational safety and health service provider (ENVIFORM a.s.), including the implementation of measures,

- assess the accident rate and discuss the causes of workplace accidents and other adverse events with a potential impact on health (accidents, near-misses), including the measures taken,
- address suggestions regarding the work environment and workplace ergonomics.

JOINT EXPERT COMMITTEES HAVE ALSO BEEN ESTABLISHED:

- investigative committee for the investigation and compensation of workplace accidents,

05

OCCUPATIONAL SAFETY
AND HEALTH (OSH)

- audit committees for internal OSH audits at individual workplaces,
- joint weekly evaluation meetings of the employer's representative (OSH Representative), employees (representative of the KOVO Trade Union), and the OSH service provider (ENVIFORM a.s.).

AS PART OF THE OCCUPATIONAL SAFETY AND HEALTH TRAINING PROGRAM, THE FOLLOWING ARE CONDUCTED:

- Initial occupational safety and health training – for new employees,
- On-the-job orientation – conducted by the new employee's supervisor,
- Practical training under the supervision of an experienced employee and assessment,

- periodic training according to a curriculum approved by a supervisor and a safety engineer,
- special training as needed – analysis of the causes of workplace accidents and other adverse events, including the implementation of corrective measures,
- distribution of informational materials on current OSH issues.

In 2025, TŽ recorded a total of 12 workplace accidents resulting in sick leave lasting longer than three calendar days.

The accident rate per 100 employees fell from 0.41 to 0.18, and the rate per 1,000,000 hours worked from 2.66 to 1.15. To reduce the

risk of workplace accidents, OSH measures were adopted for 2025, such as strict daily enforcement of established OSH requirements in production and maintenance, detailed analysis of all workplace accidents and other incidents, special OSH inspections and supervision, and the creation and implementation of daily discussions on the basic principles of the "Ten Commandments of OSH."

The handling of workplace accidents, including non-lost-time injuries, is always accompanied by the adoption of measures to prevent recurrence. Both lost-time and non-lost-time injuries with the potential for serious injury, including the adoption of company-wide measures, are investigated by a commission.

05

OCCUPATIONAL SAFETY
AND HEALTH (OSH)

Třinecké železářny successfully completed major occupational health and safety (OHS) projects in 2025, including:

- defending the national “Safe Enterprise” program
- OHS certification in accordance with ČSN EN ISO 45001, certified by TÜV NORD CZECH
- supervision in the field of major accident prevention
- OHS Days at selected production facilities
- OHS audits / inspections in accordance with the Labour Code



05

THE IMPACT OF TŘINECKÉ ŽELEZÁRNY
OPERATIONS ON THE SURROUNDING AREA

Convalescent stays

Since 2014, our company has been organizing health camps in the Tatra Mountains for elementary school children in Třinec and the surrounding area. Between 2014 and 2025, a total of 2,596 elementary school students participated in these camps. The company contributes more than CZK 1.5 million to these camps each year.



My WERK

The "My WERK" competition, organized annually by Třinecké železářny for seventh-grade students in the region, reached more than 700 children in 2025. Fun and interactive lessons about the steelworks once again visited schools from Mosty u Jablunkova to Český Těšín.

Through engaging activities, students learn about the company's history, production processes, environmental initiatives, and the fascinating aspects of the steel industry. At the same time, we foster their pride in the region and a sense of belonging to the place where they are growing up.



The competition also includes an annual themed challenge in which students develop their creativity and teamwork skills, as well as a festive awards ceremony at the Werk Arena. The winning classes receive a nature retreat with a varied and active program.

05

THE IMPACT OF TŘINECKÉ ŽELEZÁRNY
OPERATIONS ON THE SURROUNDING AREA

Museum of Třinecké železářny and the City of Třinec



Třinecké železářny, a company with a long tradition and the largest employer in the region, has operated its own corporate museum since 1969. Over the years, the museum has established a firm place on the region's cultural map, as evidenced by the growing interest from visitors. Thanks to its focus, it represents a unique institution that Třinecké železářny, in cooperation with the city of Třinec, has long supported, thereby contributing to the development of local cultural life.

Following the renovation of the permanent exhibition in 2019, the museum offers several exhibition spaces—a permanent exhibition, three halls for temporary exhibitions, and a gallery. The complex also includes the

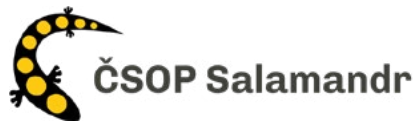
outdoor Werk Gallery in the museum garden, which expands the offerings for visitors.

However, the museum does not serve solely as an exhibition space. It also serves as a venue for important meetings, visits by company management and city officials, and is a centre for educational and community activities. Every year, educational programs and competitions are held here for elementary and high school students as well as the general public. Traditional and popular events include, for example, Museum Summer, the Live Nativity Scene, In the Name of Fashion, and woodcarving symposia, which have long affirmed the museum's significance as an important cultural and social centre of the region.



Volunteer day

Since 2012, Třinecké železářny has been organizing a corporate event called "Volunteer Day," which aims to support community service activities at nonprofit organizations throughout the region. Approximately 470 employees have participated in this initiative to date.



During last year's event, 2,000 beech trees were planted in the Gutské peklo area.

The forest restoration project has been carried out in cooperation with the ČSOP Salamandr association for seven years now. The shared goal is to reintroduce native tree species into the landscape and strengthen its natural diversity; therefore, missing



tree species with valuable Beskydy genetic origins are being planted.

Students from the Třinecké železářny Vocational School also participated in the planting. Thanks go to all the volunteers for their dedication and willingness to help, including the staff of Cafe Maroszek, who traditionally provide refreshments.

governance	20	25

06

GOVERNANCE

Třinecké železářny regularly publishes its annual report and corporate social responsibility report, providing transparent information about its plans, goals, activities, and achievements. The company shares this information with customers, business partners, and the general public via its website, the regional weekly *Třinecký hutník*, and its social media profiles.

To maintain competitiveness, the company consistently focuses on improving the quality of its products while emphasizing effective cost management. It allocates financial

resources strategically to projects aimed at modernizing facilities, technological development, and environmental protection.

The company's management system is designed to support the implementation of its business strategy, which aims to increase the share of high-grade steel products, develop product chains, and ensure the efficient use of assets with an emphasis on growing revenue profitability. Employees focus primarily on increasing the added value of long rolled products, which account for the majority of Třinecké železářny production.

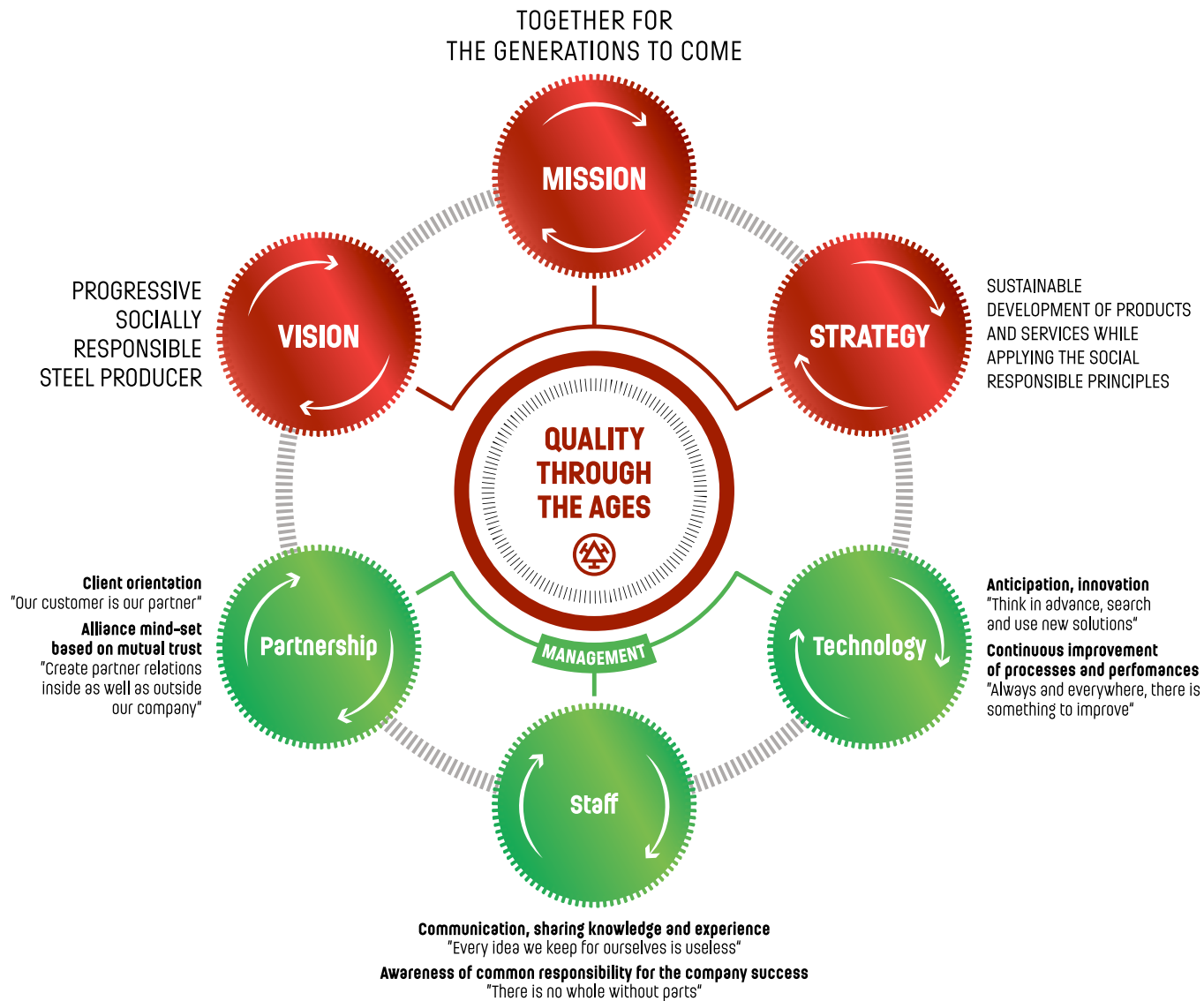
The company's management is based on a line organizational structure, process and project management, and thorough risk analysis across all areas. These approaches intertwine and complement one another. A regular reporting system is used to evaluate and monitor the fulfilment of strategic goals, providing the necessary feedback.

In 2025 as well, a number of measures were implemented across all pillars of Třinecké železářny strategic framework—Partnership, Technology, People, and Management—to support strategic goals.

In 2025 as well, a number of measures were implemented across all areas of Třinecké železářny strategic framework to support strategic objectives (Partnership, Technology, People, Management).

FINANCIAL DONATIONS TO TŽ 2019-2025

YEAR	THOUSANDS OF CZK	YEAR	THOUSANDS OF CZK
2017	21,135	2022	51,522
2018	45,691	2023	22,231
2019	20,972	2024	21,948
2020	26,561	2025	21,547
2021	19,641	2026	



06

GOVERNMENT

COMMITMENT OF MANAGEMENT

Each member of management, within the scope of his/her responsibilities:

- Shall ensure that sufficient human, material, financial and informational resources are available to meet the objectives, review their availability and adequacy, and guarantee their effective use.
- Takes decisions solely in accordance with legislation and standards.
- Guides and motivates staff to work safely.



COMMITMENT OF EMPLOYEES

All employees of the company are committed to increasing the added value of long rolled products, which make up a decisive part of Třinecké železářny production.

COMPLIANCE PROGRAM

Business and process risk management is based on International Organization for Standardization (ISO) standards and international standards for quality management systems (QMS), including IATF 16949. It also includes the principles of Corporate Social Responsibility (CSR) and the international standard SA8000 - Social Responsibility. We consistently enforce these principles, systematically evaluate their effectiveness and take measures to continuously improve them.

TŘINECKÉ ŽELEZÁRNY, a. s.
Průmyslová 1000, Staré Město,
739 61 Třinec, Czech Republic
ID: 18050646 | VAT ID: CZ 699 00 2812
Entered into Commercial Register
kept by The Regional Court in Ostrava,
Section B, insert 146

phone: + 420 558 531 111

web: www.trz.cz

e-mail: info@trz.cz

ID data boxes: mwpciav

