

SUSTAINABLE PROCUREMENT POLICY

For us, sustainable procurement means a process that integrates environmental, governance and social factors of social responsibility into the procurement and decision-making process, while ensuring that it still meets the requirements of stakeholders. Its goal is to have the least possible impact on the environment and the most positive social outcomes.

The policy is based on three pillars of sustainability: environmental, social and governance, where all three must be taken into account in concert to achieve sustainable results.

Our policy is to reduce negative social and environmental impacts within our supply chain. We will work with suppliers who have established sustainable and ethical practices in their organizations and who actively promote sustainable practices in their own supply chains.

This policy details the principles on which we base our supply chain strategy and decisions. We require our suppliers to make the following commitments:

ENVIRONMENT

We require our suppliers to reduce their negative environmental footprint by:

- Defining greenhouse gas emission reduction targets.
- Monitoring of air and water quality and reduction of their pollution.
- Optimizing resource consumption, including energy, water and material consumption.
- Use of recycled material. Minimizing waste.
- Providing efficient, low-carbon means to deliver materials/services.
- Responsible sourcing.

SOCIAL SPHERE

It is a priority for us to ensure that our suppliers are in line with the principles of the International Labour Organization (ILO) human rights and working conditions agenda and that they provide:

- Safe working conditions for its employees.
- Environments free from slavery, human trafficking, child labour and forced labour, both within their supply chains and in other parts of their business.

CONTROL

The supplier must comply with our Supplier Code of Conduct. (<https://trz.cz/en/about-us/we-comply/>)

We have a zero-tolerance policy towards corruption and bribery, and we demand the same from our suppliers.

The TŽ-MS Group fully identifies with the policy of conflict minerals (3TG – gold, tungsten, tin and tantalum) originating from problematic areas of the Congo and its immediate surroundings and requires this within its supply chain. TŽ-MS Group can confirm that there is no indication that any of the products we produce contain minerals that directly or indirectly finance armed groups in the Democratic Republic of Congo and surrounding countries.

We expect our suppliers to respond appropriately to our information requests regarding any conflict minerals, including the submission of a completed Conflict Minerals Reporting Form (CMRT). We expect suppliers to vet their own suppliers for the ultimate source of any conflict mineral and to verify and document this information.

To implement the sustainable procurement policy, we have also made our own commitments:

- Raising awareness of the importance of responsible procurement among our sales specialists, including providing training.
- Communication, cooperation, support of our suppliers in the field of sustainability.
- Ensuring that sustainability criteria are meaningfully taken into account in the evaluation processes within the limits of legal possibilities.
- Implementing metrics and key performance indicators (KPIs) to effectively manage our supply chain from a sustainability performance perspective.

THIS SUSTAINABLE PROCUREMENT POLICY IS FURTHER ELABORATED INTO THE IMS OBJECTIVES IN TŽ-MS.