

LITOSTROJ GROUP

**SUPPLIER CODE OF
CONDUCT**



1. Scope and Applicability

This Supplier Code of Conduct (the "Code") applies to all Suppliers as defined in GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND/OR SERVICES LITOSTROJ GROUP (GCC). The Code forms an integral part of the Contract, and adherence to it is a contractual obligation. Non-compliance with the principles outlined in this Code may lead to the termination of the business relationship and removal of the Supplier from Litostroj Group's approved supplier base.

The Supplier is responsible for ensuring that its subcontractors, sub-suppliers, and any third parties engaged in the performance of the Contract are aware of and comply with the principles of this Code.

2. Compliance

Suppliers must comply with all applicable local, national, and international laws and regulations, including but not limited to those pertaining to labor rights, health and safety, environmental protection, climate change, anti-corruption, and business ethics.

Suppliers must maintain appropriate internal policies, procedures, and control systems to ensure ongoing compliance with applicable legal requirements and this Code.

In the event of conflict between applicable laws and this Code, Suppliers shall comply with the stricter standard, unless prohibited by law.

3. Human Rights and Labor Practices

Litostroj Group expects Suppliers to respect and promote human rights in line with international frameworks such as the Universal Declaration of Human Rights and the International Labour Organization (ILO) conventions and the United Nations Global Compact (UNGC). Litostroj Group does business in accordance with standards set by ILO and shall only cooperate with business partners operating in compliance with them. Additionally, Litostroj Group expects all companies from its supply chain to support and commit to following the same principles.

Suppliers are expected to implement due diligence processes to identify, prevent, and mitigate adverse human rights impacts within their own operations and supply chains.

- Prohibition of Forced Labor: Suppliers must not engage in or tolerate any form of forced, bonded, or involuntary labor. Workers must have the freedom to leave employment with reasonable notice. All employment must be freely chosen, and workers must not be subjected to coercion, debt bondage, or retention of identity documents.
- Prohibition of Child Labor: Suppliers must not employ individuals below the applicable local legal minimum working age. Litostroj Group applies zero tolerance as to child labour and any form of forced and compulsory labour.
- Non-Discrimination and Respect for Employees: Suppliers must ensure equal treatment of employees, irrespective of skin color, race, nationality, ethnicity, social background, disabilities, gender, sexual identity and orientation, marital status, political or religious conviction, or age and promote equal opportunities amongst them.

- Freedom of Association and Collective Bargaining: Suppliers must recognize and respect workers' rights to join or form trade unions of their choice and engage in collective bargaining.
- Working Hours, Wages & Benefits for Employees: Supplier must adhere to all applicable working-hours regulations, pay fair wages for labor and adhere to all applicable wage and compensation laws.
- Suppliers are encouraged to establish grievance mechanisms enabling employees to report concerns without fear of retaliation.

4. Health and Safety

In line with the Code's and Contract's requirements, Suppliers must integrate health and safety considerations into all aspects of their operations.

Suppliers shall implement a health and safety management system aligned with ISO 45001 or equivalent standards.

- Suppliers must have comprehensive emergency response plans in place for incidents such as industrial accidents, fires, and environmental spills. Regular drills and training should be conducted to ensure readiness.
- Suppliers must establish clear procedures for reporting workplace accidents and injuries, such as annual reports. Corrective and preventive actions must be implemented promptly to prevent recurrence.
- Litostroj Group encourages suppliers to ensure their workers have access to clean and sanitary facilities. This includes providing reasonable access to clean toilets and clean drinking water. If the supplier offers canteen or food services, these facilities must maintain high standards of hygiene in food preparation, storage, and dining areas.
- Suppliers shall actively identify and mitigate occupational health and safety risks and ensure continuous improvement of workplace safety performance.

5. Environmental Responsibility

Litostroj Group is committed to environmental sustainability, and Suppliers play a crucial role in this commitment. Suppliers are expected to minimize their environmental impact and adopt sustainable practices that align with the requirements outlined in the Code, the Contract and its appendices.

Suppliers are expected to have all current relevant environmental permits, documentation and registrations, for their business operations.

- Environmental Management Systems (EMS): Suppliers must implement an EMS that aligns with ISO 14001 or equivalent standards. If suppliers do not have the relevant certifications, they are expected to follow the principles and requirements outlined in these standards. The EMS should cover natural resource efficiency, pollution control, waste management and circularity. Suppliers are expected to measure and, where applicable, report their environmental performance, including energy consumption and greenhouse gas (GHG) emissions.
- Pollution and Emissions Control: Suppliers must monitor and manage emissions, effluents, and hazardous materials to reduce their climate and environmental footprint. Suppliers should adopt cleaner best available technologies (BAT) and practices to minimize air, water, and soil pollution. Suppliers are expected to set targets for reducing greenhouse gas emissions and continuously improve

environmental performance.

- Suppliers must adhere to safe transportation and handling practices for all materials and products delivered to Litostroj Group. This includes complying with relevant regulations on the transportation of hazardous materials and ensuring that all shipments are securely packaged and labeled.
- Suppliers must ensure environmentally responsible waste management, prioritizing prevention, reuse, recycling, and safe disposal.

6. Ethical Business Practices

Litostroj Group expects Suppliers to adhere to the highest standards of ethical conduct in all business operations and to comply with the Litostroj Group's ANTI-BRIBERY & ANTI-MONEY LAUNDERING POLICY.

- Suppliers must engage in fair competition and refrain from anti-competitive practices such as price-fixing, market allocation, and bid-rigging. Suppliers must collect and use competitor information only through lawful means.
- Suppliers must avoid situations where personal interests conflict with business interests.
- Litostroj Group strictly prohibits any form of money laundering. Suppliers must ensure that their business operations are not used, either directly or indirectly, to launder money, finance illegal activities, or otherwise engage in activities that could facilitate financial crime.
- Suppliers are expected to conduct operations in a manner that safeguards the health and well-being of the local communities surrounding their facilities and business locations. This includes minimizing adverse environmental impacts and responsibly managing the use of natural resources such as water, energy, and raw materials. Where resource conservation is challenging, suppliers should explore alternative practices such as process optimization, materials substitution, facility upgrades, recycling, and re-use initiatives. Suppliers must also ensure that their activities do not negatively affect local biodiversity and ecosystems or the quality of life in nearby communities.
- Suppliers must comply with all applicable international trade sanctions and export control regulations.
- Suppliers are expected to implement adequate anti-corruption compliance programs, including training and monitoring measures.

7. Data Privacy

Litostroj Group expects Suppliers to process personal data confidentially and responsibly, respect everyone's privacy and ensure that personal data is effectively protected and used only for legitimate purposes. Process personal data confidentially and responsibly, respect everyone's privacy and ensure that personal data is effectively protected and used only for legitimate purposes.

Suppliers must comply with applicable data protection laws, including the EU General Data Protection Regulation (GDPR), where applicable, and implement appropriate technical and organizational security measures.

8. Supplier Assessments, Audits, and Corrective Actions

Litostroj Group reserves the right to assess and audit Supplier compliance with this Code as part of its due diligence process and ongoing supplier relationship management.

Suppliers shall grant Litostroj Group or its authorized representatives reasonable access to relevant facilities, documentation, and personnel for audit purposes, subject to confidentiality obligations.

Where non-compliance is identified, Suppliers are required to implement corrective action plans within a defined timeframe and demonstrate continuous improvement.

9. Continuous Improvement and Collaboration

Litostroj Group values long-term partnerships and encourages Suppliers to continuously improve their practices. We're committed to supporting Suppliers through collaborative initiatives, training programs, and best practice sharing.

Suppliers are encouraged to adopt innovative technologies and practices among their workforce that enhance sustainability, such as energy-efficient production methods, eco-friendly packaging, and waste reduction initiatives.

Suppliers are encouraged to align with ESG (Environmental, Social and Governance) principles and progressively integrate sustainability into their strategic and operational decision-making.