

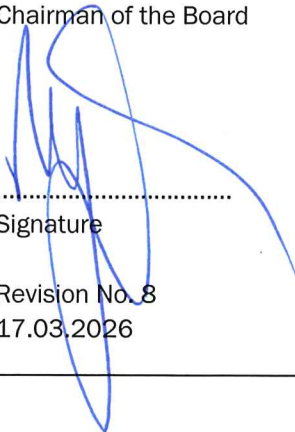
Organisational Regulation

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Sustainable Procurement Policy

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Signature

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Amendments

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22.5.2018	Čaučíková	Annual update
18.4.2019	Gieslová	Annual update
15.5.2020	Gieslová	Annual update, integration of SIPRAL a.s.
10.5.2021	Gieslová	Annual update
04.03.2022	Pánková	Annual update
09.05.2023	Filippovová	Annual update
27.03.2025	Stanislavová	Annual update: Updated Chapter 3 and added Chapters 3.2 and 3.4 to reflect current sustainable practices.
17.03.2026	Stanislavová	Annual update – added Chapter 4.2 on Waste Management, extended chapters 4.6 and 4.7 on Carbon Footprint and Embodied Carbon

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1 Introduction

Rules and bases stated in this company regulation are valid for all employees of SIPRAL a.s. and Sipral UK Ltd. (hereinafter "Sipral") and for all companies working on behalf of Sipral.

2 Statement of Intent

Sipral companies are private organisations that recognise sustainability as a key responsibility in our operations. While environmental protection remains a primary focus, we also acknowledge the social impacts of our activities, particularly through our relationships with suppliers and the communities in which we operate. We are therefore committed to recognising and managing the environmental and social impacts associated with our work, including the procurement of goods and services.

Embedding sustainability across all areas of our business, including procurement, is essential to our aim of contributing positively to society. This policy outlines how Sipral integrates environmental and social considerations into its procurement processes and decision-making. We recognise that improving procurement practices is an ongoing process, and that collaboration with our suppliers of all sizes is an important part of this effort.

2.1 Our Aims and Objectives

- Minimise environmental impacts and enhance social and community benefits through the responsible selection and use of products and services.
- Encourage contractors, consultants and other service providers to adopt responsible environmental and social practices in the delivery of their services.
- Ensure that all suppliers, contractors and service providers comply with relevant environmental, health and safety, and social responsibility regulations and standards
- Promote sustainable practices in project delivery, including efficient use of materials, waste reduction and responsible site management.
- Foster innovation in supply markets to increase the availability and effectiveness of sustainable solutions that meet our organisational requirements.
- Timber is sourced from sustainable suppliers, where applicable, verified through recognised certification schemes such as FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) with a transparent chain of custody.
- Encourage suppliers to adopt practices that minimise environmental impacts and support community benefits within their own operations and across their supply chains.
- Collaborate with suppliers to achieve shared sustainability goals and continually improve performance over time.
- Suppliers and clients are expected to provide Environmental Product Declarations (EPDs), allowing us to determine the environmental impact of products and make procurement decisions that minimise carbon emissions.
- Require suppliers to provide up-to-date Safety Data Sheets. These are reviewed to ensure that substances contained in products are registered in accordance with REACH Regulation, supporting proper conditions of use, risk management measures, and the protection of human health and the environment.
- Monitoring volatile organic compounds (VOCs) in products to reduce their use or replace them with safer alternatives.
- Annual assessment of suppliers based on their performance in environmental management, health and safety, financial stability, responsiveness, and quality.

2.2. Supplier Code of Conduct

Sipral's supply chain includes any organisation or individual carrying out work or providing services on behalf of Sipral, including contractors, principal contractors, subcontractors, designers, consultants, professional advisers, employment agencies, and operators engaged to operate plant and equipment. For the purposes of this document, these parties are collectively referred to as supply chain members.

As the contracting organisation, Sipral expects its suppliers and service providers to operate in a manner consistent with our values and sustainability commitments. We aim to procure goods and services that are produced and delivered with minimal environmental impact and with due regard for social considerations, including fair employment conditions and worker welfare. We also respect the Employer Pays Principle, which means workers must not pay for recruitment costs; these must be borne by the employer.

We expect supply chain members to:

- Comply with relevant environmental, labour, health and safety, and social legislation, including International Labour Organization (ILO) conventions, and to take steps to prevent forced labour, modern slavery, or human trafficking.
- Conduct business with integrity, manage environmental impacts responsibly, and provide safe and healthy working conditions.

Sipral reserves the right to decline or terminate partnerships with supply chain members who do not meet these minimum standards or are unable to provide evidence of an action plan to achieve them.

2.3. Supplier Diversity

Sipral's policy is to encourage a diverse range of suppliers to tender for services, materials or expertise. Our aim is to provide equal opportunities for suppliers owned or led by under-represented groups, including minority-owned, women-owned, and other diverse enterprises.

This approach supports social inclusion and brings diverse perspectives that help us better understand the needs of rural areas and the aspirations of underrepresented communities. This approach helps ensure that our supply chain reflects the communities we serve and contributes to a more inclusive and equitable business environment.

3 Working Principles

- Procurement activities prioritise suppliers whose operations have the greatest environmental and social impacts, based on the scale of expenditure, to maximise positive outcomes.
- Key procurement decisions are made through collaboration between relevant internal disciplines to ensure sustainability considerations are fully integrated.
- Environmental and social considerations inform tender evaluations and procurement decisions, alongside other relevant factors.
- Sustainability requirements are embedded across all stages of procurement, including pre-qualification, specification, and evaluation.
- Suppliers are engaged to support continuous improvement in environmental and social performance.
- Products and materials are selected to minimise risks to human health, the working environment, and the wider community.
- Procurement activities seek to deliver positive social value and community benefits where feasible.
- Where feasible, procurement activities support community benefits, including employment and skills development opportunities, in collaboration with relevant partners.
- Procurement practices are reviewed periodically to ensure continued alignment with sustainability objectives and evolving best practice.

Whilst this policy applies to all Sipral suppliers, we will strive to ensure that it does not impose unnecessary and over burdensome requirements on small to medium enterprises (SMEs), limiting their opportunities to collaborate with us.

4 Sustainable Practices

This section outlines the sustainability practices applied across Sipral's operations, extending beyond procurement to cover materials, products, and services. It describes the approaches, tools, and assessment methods used to understand and manage environmental and social impacts and to support continuous improvement.

Sustainability considerations guide the selection and use of resources, ensuring that energy, water, and raw materials are used efficiently while minimising emissions and broader environmental impacts throughout the life cycle of products.

4.1 Materials and Products

Materials and products are selected with careful consideration of environmental, social, and health risks. The hierarchy of risk management is applied: hazardous materials and products are avoided wherever reasonably practicable; where elimination is not possible, safer alternatives are used and any remaining risks are managed effectively.

The environmental impact of materials and products is also considered, including energy efficiency, carbon footprint, and overall contribution to sustainability. Priority is given to materials that are reclaimed, recycled, or sourced and manufactured in ways that minimise environmental and social impacts. Procurement is carried out from reputable and approved sources in accordance with specified requirements or, where applicable, in agreement with the specifier or their authorised representative.

4.2 Waste management

Waste management practices are designed to minimise environmental impacts across all operations. Materials and by-products are segregated at source wherever possible to maximise reuse and recycling. Non-recyclable or hazardous waste is handled and disposed of in accordance with relevant legislation and industry best practice.

Efforts are made to implement circular economy principles, including reducing the generation of waste, promoting reuse of materials, and supporting recycling initiatives. Material use is carefully planned and managed to reduce excess, prevent damage, and minimise unnecessary waste. Reusable solutions are prioritised to reduce reliance on single-use materials. Items such as pallets and transport systems are managed to support reuse and are only treated as waste when no longer suitable for further use or repair.

Waste management practices are regularly reviewed to ensure continuous improvement and alignment with Sipral's sustainability objectives, including the reduction of greenhouse gas emissions and other environmental impacts associated with disposal. Collaboration with suppliers and partners is encouraged to identify opportunities for reducing waste throughout the supply chain.

4.3 Packaging Materials

Sustainable practices are prioritised by minimising single-use packaging wherever possible. Materials are transported in reusable steel stillages, selected to meet project requirements and used across multiple projects rather than for single-use purposes. This approach reduces resource consumption, minimises waste, and supports closed-loop logistics. Suppliers are encouraged to adopt similar closed-loop and recyclable packaging solutions in line with Sipral's sustainability objectives.

Within facilities, used plastic foils are compressed to reduce volume and sent for responsible recycling, diverting the majority of plastic packaging from landfill. Other packaging materials such as wood and paper, are recycled, with the majority of it is recycled (up to 95%). Wood packing is reused as much as possible before it is recycled.

4.4 Safety Data Sheets

Relevant product information is obtained from suppliers, including Safety Data Sheets (SDS), Technical Data Sheets (TDS), and information on safe handling, storage, and emergency procedures. This information is made available to relevant personnel as appropriate.

Preference is given to products containing less hazardous substances, with safer alternatives selected wherever practicable (e.g., non-flammable adhesive and cleaners). Chemical substances are managed to minimise risks to human health and the environment, including appropriate storage, handling, and use of only necessary quantities. Our employees have access to information on chemical substances is maintained within internal systems to support the identification, assessment, and management of associated risks.

4.5 Environmental Product Declaration

Environmental Product Declarations (EPDs) are used to support the assessment of environmental impacts associated with materials and products. Suppliers are expected, where available, to provide EPDs or equivalent environmental information to enable informed decision-making.

EPDs provide standardised and verified data on environmental performance across the product life cycle, supporting transparency and comparability in material selection. This information is used to assess key indicators, including embodied carbon, and to inform the selection of lower-impact materials where practicable.

Environmental data obtained from EPDs is maintained within internal systems and may be used to support project-level assessments, including the calculation of embodied carbon and the provision of sustainability information to clients during tendering and project delivery. The integration of EPD data into procurement and design processes supports continuous improvement in material selection and encourages suppliers to enhance the environmental performance of their products.

4.6 Embodied carbon assessment

Embodied carbon is a key indicator considered in the assessment of materials and products. Where data is available, including Environmental Product Declarations (EPDs), it is used to quantify and compare embodied carbon and to support the selection of lower-impact alternatives where practicable.

Embodied carbon assessments are now conducted for almost every project, either at the tender stage or during the project delivery phase. These assessments consider the life cycle of materials used in the project, including production processes, transportation emissions, and other relevant stages.

Each project is unique, and calculations are adapted to reflect the specific materials, supply chains, and design choices involved. By incorporating this detailed information, assessments provide a comprehensive view of the environmental impact of procured materials.

4.7 Carbon footprint

As part of its sustainability strategy, Sipral measures and evaluates its carbon footprint to identify key sources of greenhouse gas emissions and opportunities for reduction. Particular focus is placed on emissions associated with materials, which represent a significant proportion of the overall footprint.

Sipral is committed to setting near-term and net-zero carbon reduction targets aligned with the Science Based Targets initiative (SBTi). A carbon reduction plan is being developed to support the achievement of these targets and to guide decision-making across operations. The primary focus of this strategy is material procurement, prioritising low-carbon materials and products with recycled content. Where appropriate, alternative materials are proposed to clients to reduce environmental impact. Opportunities are actively explored to extend low-carbon solutions beyond currently targeted materials, such as aluminium and glass, in collaboration with suppliers to identify and implement additional sustainable options.

We expect our suppliers to continually develop new approaches, those already offering low-carbon materials should work to improve their offerings, while others are encouraged to adopt more sustainable, less resource-demanding practices.

4.8 Pre-qualification questionnaires for key supplies

Suppliers of core materials and products with the potential to significantly impact the environment are subject to a pre-qualification process. The level of assessment is proportionate to the nature, scale, and potential impact of the supplier's activities.

Suppliers are encouraged to hold certification to recognised environmental management standards, such as ISO 14001, or to demonstrate equivalent environmental management practices. Preference is given to suppliers who can demonstrate robust environmental management systems and a commitment to continuous improvement. Key suppliers may be subject to periodic review to ensure continued alignment with sustainability requirements.

