

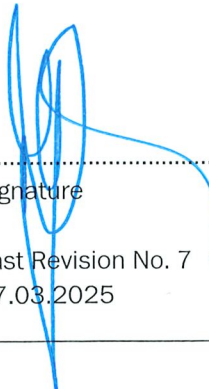
Organisational Regulation

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Sustainable Procurement Policy

Written by
Jeremy Bromley
SHE Manager

Approved by
Leopold Bareš
Chairman of the Board



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Signature

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Amendments

Date of Modification	Created by	Characteristic
22.5.2018	Čaučíková	update
18.4.2019	Gieslová	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	Regular update, new chapters 3.2 Packaging Materials and 3.4 Embodied Carbon and Carbon Footprint, expansion of information in the whole chapter 3 Sustainable Practices to reflect current activities and processes.

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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 companies who, although the environment is our primary concern, acknowledge there is also a social dimension to our work, through our relationships with suppliers and the local communities in which we operate. We are therefore committed to understanding and managing the environmental and social impacts of our operations, including the procurement of goods and services.

Ensuring sustainability is embedded across every function, including procurement, is essential to our goal of making a sustainable contribution to society. This policy explains how Sipral will integrate environmental and social considerations into its procurement policies and practices. We recognise that improving our procurement performance is an on-going process and that our suppliers, both large and small, are important partners in our journey to become more sustainable.

2.1 Our Aims and Objectives

- 1/ Minimise our environmental impact and enhance social and community benefits through the better selection and responsible use of products and services.
- 2/ Foster innovation in our supply markets to increase the availability and effectiveness of sustainable solutions that meet our organisational requirements.
- 3/ Ensure all timber products are from FSC or PEFC accredited suppliers with a transparent chain of custody.
- 4/ Encourage our suppliers to adopt practices that minimise their environmental impact and create community benefits in relation to their own operations and across their supply chains.
- 5/ Collaborate with suppliers to achieve our shared goals and continually improve performance over time.
- 6/ Require our suppliers to have their products certified by Environmental Product Declaration (EPD). Encourage our suppliers to determine the carbon footprint of their products.
- 7/ Require our suppliers to have up-to-date Safety Data Sheets, which we review to ensure that the substances contained in the products were registered according to the REACH, in order to establish proper conditions of use, determine risk management measures, and protect human health and the environment.

2.2. Supplier Code of Conduct

Sipral supply chain includes anyone carrying out work or providing services on behalf of Sipral, e.g., contractors, principal contractors, subcontractors, designers, consultants, professional advisors, employment agencies and operators hired to operate plant and equipment. These are all referred to as supply chain members within this document. As the contracting organisation, we expect our suppliers to align their practices with our values. We expect to purchase goods and services that have been produced or are delivered with a minimal environmental impact and with due regard for social issues such as employment conditions and welfare. As a result, Sipral reserves the right to refuse partnerships with organisations that do not achieve (or are unable to provide evidence of an action plan to address) the following minimum standards for their operations, employees, and supply chain,

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in accordance with International Labour Organisation (ILO) conventions and other public sector commitments.

Sipral companies respect the Employer Pays Principle. No worker should pay for a job. All cost associated with recruitment should be covered by the employer, not the worker.

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 give equal opportunities to suppliers owned by under-represented groups. This approach enhances social inclusion while leveraging diverse perspectives to better understand the needs of rural areas and the aspirations of underrepresented communities.

3 Sustainable Practices

Processes are in place to actively improve the efficient use of finite resources (such as energy, water, raw materials) while minimizing the release of harmful emissions to the environment associated with manufacture, use and end-of-life product management.

3.1 Materials and Products

Select materials and products with due regard to the hierarchy of risk management, avoiding hazardous materials and products. Where elimination is not reasonably practicable, substitute them with safer alternatives and manage any residual risk.

Consider the environmental impact of materials and products, including their contribution to sustainability, e.g. choosing more energy-efficient options or consider those with lower environmental footprints.

Prioritize materials and products made from reclaimed or recycled materials, or those which through their use, sourcing, or manufacture, have lower impact on society or the environment.

Procure materials and products from reputable sources in accordance with the specified requirements, or as otherwise agreed with the specifier or their authorised representative.

In addition to these general requirements regarding the procurement of materials and products, the following specific requirements apply to timber and timber-based products, imported materials, fabricated structural steel, and waste removal.

3.2 Packaging Materials

We prioritize sustainable practices in our processes by minimizing single-use packaging. Materials are transported in reusable steel stillages, which are carefully selected based on project requirements and utilized across multiple projects, rather than being manufactured for single use. This approach reduces resource consumption, minimizes waste, and supports closed-loop logistics.

In our facilities, we compress used plastic foils to decrease volume, achieving a 98% diversion rate of plastic packaging waste from landfills through responsible recycling partnerships. We work with suppliers to return non-recyclable materials for proper disposal and ensure other materials, such as wood and paper, are recycled, with a 95% recycling success rate for paper packaging.

Additionally, we have implemented the Protec Closed-Loop system in ongoing projects, which involves using flame-retardant protection sheets for glass. After use, these sheets are collected and recycled into new products, significantly reducing plastic waste and lowering greenhouse gas emissions.

3.3 Environmental Product Declaration a Life Cycle Assessment

Require suppliers to provide an Environmental Product Declaration (EPD) to assess and calculate the carbon footprint of their products, enabling informed procurement decisions that favour materials with lower environmental impact (e.g., recycled aluminium).

EPDs enhance transparency in material selection by providing standardized, verifiable information on a product's environmental performance throughout its lifecycle—from raw material extraction to end-of-life disposal. This transparency allows us to make more informed, responsible choices, ensuring that the materials we select for our projects are aligned with our sustainability goals.

Collected EPDs are compiled into our internal database, providing an overview of the carbon footprint of materials. EPDs also allow us to calculate the embodied carbon of our components, which we provide to clients during the tendering process or throughout project realization.

By integrating EPD data into lifecycle assessments, we aim to drive continuous improvement in sustainable material selection, ultimately reducing embodied carbon of our products and our company's overall carbon footprint. Moreover, this approach encourages our suppliers to optimize their material production processes and develop innovative solutions that could further reduce impact on the environment.

3.4 Embodied carbon and Carbon footprint

As part of our sustainable strategy, we work closely with top management to measure and evaluate our carbon footprint, identifying areas with the highest emissions. Materials make up the majority of our carbon footprint, so we focus on reducing their impact by promoting the use of low-carbon alternatives during the tendering process.

Since 2024, we have committed to setting near-term and net-zero carbon targets aligned with the Science Based Targets initiative (SBTi). To achieve this, we are developing a comprehensive carbon reduction plan, which will guide our procurement decisions.

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.

3.5 Safety Data Sheets

Obtain relevant product information from suppliers, including Material Safety Data Sheets (MSDS), Technical Data Sheets (TDS), emergency procedures and storage requirements. This information should be shared with those who need it, as appropriate.

Whenever possible, we purchase safer alternatives to chemical substances (e.g., non-flammable adhesive and cleaners). Chemical substances are stored in the quantities necessary for production and installation, ensuring safe handlings and in the amounts that are not harmful to the environment. Our employees have access to a report in our internal system SipralIS, which collects all relevant and available information data about the properties of chemical substances and evaluates their hazards.

3.6 Pre-qualification questionnaires for key supplies

All future suppliers of core materials/products that could significantly affect the environment must undergo a pre-qualification stage. The outcome of this process is recorded on the form F120 Supplier Pre-qualification Questionnaire. The Project Coordinator is responsible for overseeing and executing this pre-qualification stage.

Suppliers are encouraged to be certified to meet internationally recognized standards for good environmental management practices, such as ISO 14001.

4 Working Principles

- 1/ Our focus will be on suppliers who have the largest environmental/social impacts by virtue of the size of our expenditure (i.e., top 10).
- 2/ We will ensure all key procurement decisions and actions are considered and determined by a cross-functional team of in-house specialists to achieve the most sustainable outcomes.
- 3/ Appropriate environmental and social requirements will be integrated into all procurement activities, e.g., pre-qualification, specification, and evaluation stage.
- 4/ Whenever possible, all tenders will be evaluated to consider the environmental and/or social impacts of a particular product or service throughout its entire life cycle.
- 5/ We will endeavour to monitor and proactively manage our environmental impact. Where applicable, we have adopted external verification schemes, such as FSC (Forest Stewardship Council) and PEFC (Programme for Endorsement of Forest Certification) to ensure that, when specified, timber from sustainable sources has been used in the manufacturing and the product supply.
- 6/ We will adopt a pragmatic approach to encouraging and influencing our suppliers to improve their sustainable practices.
- 7/ We have adopted verification schemes such as the EPD to ensure that we can procure material with a lower carbon footprint and, consequently, a reduced environmental impact.
- 8/ The schemes of the Safety Data Sheets have also been adopted to prioritize the use of less harmful substances.
- 9/ We also monitor the content of volatile organic compounds to reduce their use or replace them with safer alternatives.
- 10/ 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.
- 11/ Where possible, we will conduct our procurement activities to support and deliver community benefits (e.g. hiring the long-term unemployed, skills development), and collaborate with other organisations to achieve this.