

Sustainability Principles in the Supply Chain

Tiyo a.s., with its registered office at Příčná 2071, Hořice, Company Registration Number: 02673703, hereby issues a binding policy document on the date stated, with the following wording:

1. Purpose and Scope

The purpose of the policy document 'Sustainability Principles in the Supply Chain' (hereinafter referred to as the 'Principles') is to clearly describe the responsible conduct that Tiyo expects from suppliers at all levels. It covers business ethics, working conditions, human rights, health and safety at work, the environment and due diligence in the supply chain. The Principles reflect our customers' requirements, based in particular on the document 'Automotive Industry Guiding Principles to Enhance Sustainability Performance in the Supply Chain' (hereinafter referred to as the 'Guiding Principles'), and supplement them with further topics relating to responsible development.

These Principles apply to all suppliers of Tiyo a.s. (hereinafter referred to as the 'Company') and are publicly available on the Company's website.

2. Introduction

At Tiyo, we aim to be efficient, innovative and open, but not at the expense of people or the environment. We view responsible business practices as an integral part of our day-to-day work and the long-term stability of the company. We expect the same approach from our partners in the supply chain: ethical conduct, safe and fair working conditions, and a demonstrable reduction in environmental impact.

The core principles are based on the principles of social and environmental responsibility and responsible management. They are aligned with applicable laws and recognised international frameworks, in particular the UN Guiding Principles on Business and Human Rights, the conventions of the International Labour Organisation (ILO), the OECD Guidelines for Multinational Enterprises, the Rio Declaration on Environment and Development, and the Paris Agreement.

The Core Principles set out the signatories' shared expectations of their suppliers. To ensure they are not merely words on paper, suppliers are required to incorporate them into a functioning management system – that is, into rules, processes, responsibilities, tools and internal controls. Such a system is designed to help manage day-to-day operations, achieve set objectives and ensure continuous improvement. Tiyo's specific expectations are set out in the following sections.

Suppliers must always comply with applicable laws and regulations whilst striving to adhere to best practice within their sector. Where these Principles go beyond legal requirements, they shall apply only to the extent permitted by binding law. A supplier's own standards, codes or principles may supplement these requirements.

3. Business Ethics

We expect suppliers to act honestly, transparently and fairly throughout the supply chain.

This approach must be underpinned by an effective business ethics management system, which includes:

- **Combating corruption and money laundering:** We expect zero tolerance of corruption in any form, including the offering or acceptance of bribes, inappropriate gifts, hospitality or facilitation payments. Suppliers must not facilitate or support money laundering. They must report suspicious transactions and actively monitor warning signs.
- **Data protection and security:** When collecting, storing, using, sharing or otherwise processing personal data, we expect respect for privacy, civil liberties and applicable data protection regulations.
- **Financial accountability and accurate records:** Business transactions must be conducted transparently and accurately reflected in financial reports and company documentation. Suppliers must have appropriate financial reporting controls in place.

- **Disclosure of information:** Suppliers must disclose financial and non-financial information about the company, its products and activities to the extent required by regulations and customary industry standards.
- **Conflicts of interest:** Suppliers' employees must avoid situations in which their personal, financial or other interests conflict with their work duties or may give the impression of such a conflict. Any conflict must be openly disclosed.
- **Counterfeit and diverted parts:** Suppliers must minimise the risk of counterfeit or unauthorised diverted parts and materials entering the products they supply. They must comply with the relevant technical regulations during both design and manufacture.
- **Intellectual property:** Suppliers must respect applicable intellectual property rights.
- **Export controls, trade and economic sanctions:** Suppliers must comply with rules governing the export and re-export of goods, software, services and technologies, as well as trade restrictions applicable to specific countries, regions, organisations and individuals.
- **Whistleblowing mechanism:** Suppliers must have an effective system for submitting complaints and reports in accordance with UN General Principle No. 31. They must enable issues relating to business ethics, human rights and other matters to be raised anonymously, confidentially and without fear of retaliation.
- **Remedial action:** Where a supplier's activities cause or contribute to adverse social or environmental impacts, we expect them to ensure that remedial action is taken or to cooperate in this regard through legitimate procedures.
- **Prohibition of Retaliation:** Suppliers must not threaten, intimidate or physically or legally attack any stakeholder, including individuals who exercise their lawful rights to data protection, freedom of expression, freedom of association, peaceful assembly or protest against the supplier's business activities.

4. Environment

We expect suppliers to take a proactive and practical approach to environmental protection. They must use natural resources sparingly and continuously reduce the overall environmental footprint of their production, goods and services throughout their entire life cycle.

This approach must be underpinned by an effective environmental management system, which includes:

- **Carbon neutrality:** Suppliers must set scientifically based and time-bound targets for reducing emissions and utilising renewable energy sources in line with the Paris Agreement. Specific measures must be aimed at decarbonising the entire value chain.
- **Water – quality, consumption and management:** Suppliers must reduce water consumption, reuse and recycle water efficiently, treat wastewater responsibly, and manage stormwater runoff to prevent flooding and other adverse impacts. They must always comply with applicable legal requirements.
- **Air quality:** Suppliers shall, in accordance with legal requirements, regularly monitor, assess and, where necessary, disclose air pollutant emissions. They shall manage, reduce and, where possible, eliminate such emissions effectively. At the same time, they shall assess the cumulative impact of all sources of pollution at their sites.
- **Responsible management of chemicals:** Suppliers must be aware of and manage the use of restricted substances in both production processes and finished products in order to comply with legal requirements. They must limit or eliminate their use and actively seek suitable, safer alternatives.
- **Circular economy:** Suppliers must promote closed-loop material cycles, utilise sustainable and renewable resources, prevent waste generation and increase reuse and recycling rates.
- **Animal welfare:** Suppliers must respect the Five Freedoms of animals as formulated by the World Organisation for Animal Health (OIE). No animal should be reared or killed solely for use in an automotive product.
- **Biodiversity, land use and deforestation:** Suppliers shall protect ecosystems, in particular key areas of biodiversity affected by their activities. They must prevent illegal deforestation and respect international rules, resolutions and IUCN recommendations on biodiversity.

- **Soil quality:** Where relevant, suppliers shall monitor and manage their impact on soil and prevent soil erosion, nutrient loss, subsidence and contamination.
- **Noise:** Where relevant, suppliers shall measure and manage industrial noise in order to prevent noise pollution.

5. Human rights and working conditions

Suppliers must respect the human rights of workers, local communities and other affected parties. They must prevent adverse impacts arising from their activities and address any such impacts in accordance with the UN Guiding Principles on Business and Human Rights.

This approach must be underpinned by a human rights and working conditions management system that includes:

- **Child labour and young workers:** Suppliers must comply with the minimum age for employment as set out in the relevant ILO Convention, both in their own operations and throughout the supply chain. Child labour must not be tolerated in any form.
- **Wages and benefits:** Remuneration must comply with applicable regulations and standard industry practices. Wages should enable workers and their families to enjoy a decent standard of living and must include at least the statutory minimum wage, overtime pay, paid sick leave and statutory benefits.
- **Working hours:** Suppliers must comply with local laws and applicable collective agreements governing working hours. Where such rules do not exist, they must follow the relevant ILO Conventions*.

*If a company in the United States has its own labour standards that do not refer to ILO Conventions, it may follow the ILO Conventions in the absence of local laws and collective agreements.

- **Modern slavery:** Suppliers must prohibit all forms of forced, slave or compulsory labour, including human trafficking.
- **Ethical recruitment:** Suppliers must not mislead job applicants about the nature of the work, demand recruitment fees from them, or confiscate, destroy, conceal or deny them access to passports and other official identity documents. At the start of employment, a worker must receive a written contract or notice of employment in a language they understand well, containing a truthful and clear description of their rights and obligations.
- **Freedom of association and collective bargaining:** Workers must be able to discuss working conditions and management practices openly with management without fear of reprisal, intimidation or harassment. Suppliers must respect their right to freedom of association, to join or not to join trade unions, to bargain collectively, to seek representation and to participate in works councils.
- **Prohibition of discrimination and harassment:** Suppliers must not tolerate discrimination or harassment in the workplace. They must provide equal employment opportunities regardless of age, sex, sexual orientation, gender identity, ethnic or national origin, disability, pregnancy, religion, political affiliation, trade union membership, veteran status, genetic information or marital status.
- **Women's rights:** Suppliers must ensure equal employment opportunities and equal pay for work of equal value.
- **Diversity, equality and inclusion:** Suppliers shall create an environment that respects diversity and enables everyone to contribute fully and develop their potential. They shall promote diversity at all levels of the organisation.
- **Rights of minorities and indigenous peoples:** Suppliers must respect the rights of local communities to decent living conditions, education, employment and social life. In projects that affect these communities or the land on which they live, they must respect the right to free, prior and informed consent (FPIC), with particular regard to vulnerable groups.
- **Rights to land, forests and water, and forced evictions:** Suppliers must avoid forced evictions and the unjustified expropriation of land, forests or water in the course of their acquisition, development or other use.
- **Private and public security forces:** Suppliers must not use security forces to protect a business project in a way that, due to inadequate training, rules or supervision, could lead to human rights violations.

6. Health and safety

Suppliers must ensure a safe and healthy working environment for workers that meets or exceeds applicable legal requirements and customary occupational health and safety standards.

This approach must be underpinned by an effective occupational health and safety management system, which includes:

- **Working environment:** Workplaces must meet or exceed local and national requirements for safety, health and fire protection. Suppliers must also guide remote workers to understand and apply best safety practices.
- **Personal protective equipment:** Where required, suppliers must provide employees with appropriate personal protective equipment (PPE) free of charge and ensure that they know when and how to use it correctly.
- **Emergency preparedness:** Suppliers must minimise workplace hazards and have a prepared and regularly reviewed emergency preparedness and response plan in place.
- **Incident and accident management:** Suppliers must systematically identify hazards, assess risks and minimise the likelihood of incidents and accidents occurring. Investigations must determine the root cause, and corrective measures must reduce the risk of recurrence in the long term.
- **Safety of external suppliers:** Suppliers shall manage the health and safety of their suppliers' and subcontractors' workers. When awarding contracts, they shall jointly identify hazards, assess risks and manage the impact of both parties' activities on workers throughout the extended supply chain.

7. Responsible supply chain management

Suppliers should select business partners who act responsibly and also apply the Core Principles throughout their own supply chain.

This approach should be underpinned by a supplier management system that includes:

- **Due diligence:** Suppliers should screen their direct suppliers and subcontractors in accordance with the OECD Guidelines on Due Diligence for Responsible Business Conduct. They should promote transparency and traceability, pass on ESG standards further down the chain, and make every possible effort to ensure that their business partners also apply the Core Principles.
- **Responsible sourcing of raw materials and minerals:** Suppliers should know and document the origin of the raw materials and minerals used in their products. They must have a system in place to support traceability and transparency and exercise due diligence in accordance with the OECD Guidelines on Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas.
- **Supplier management:** Suppliers must also require similar principles of responsible business conduct from other links in their supply chain.

This document is valid from: 1 September 2026

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