

ESG Politika

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

1. Purpose and Scope

The purpose of the organisational guideline 'ESG Policy' (hereinafter referred to as the 'Document') is to clearly describe how Tiyo approaches responsible business conduct, what principles it adheres to, and what specific measures and objectives stem from them.

This Document applies to all employees of Tiyo a.s. (hereinafter referred to as the 'Company' or the 'Employer'). It is public and available to employees, customers, suppliers and other interested parties.

2. Terms, abbreviations and definitions

ESG = Environmental, Social and Governance = an approach to the environment, people and responsible corporate governance. The ESG framework helps us to identify, measure and manage Tiyo's impacts in these three areas.

3. ESG Policy

Objective:

At Tiyo, we aim to conduct business in a sustainable, responsible manner that delivers tangible benefits. This policy sets out what this means for us in terms of the environment, people and the way we manage the company.

Commitment:

We do not want to stop at mere statements. We are reducing our environmental impact, treating people fairly and managing the company honestly, transparently and with personal accountability.

Measures:

Employee engagement and training: We explain the bigger picture, share specific targets and give people the space to come up with their own environmental and socially responsible initiatives.

Responsible supply chain: We give priority to suppliers who act fairly, respect people and the environment, and are prepared to openly document their practices.

3.1. Environmental policy

We take a practical approach to environmental responsibility. We monitor the impacts we can influence, seek technically sound solutions, and incorporate them into our day-to-day operations, investments and new projects.

Reducing emissions: We are reducing greenhouse gas emissions and other forms of air pollution. We achieve this through more efficient operations, more effective technologies and better use of resources.

Energy: We are reducing the energy intensity of our operations, utilising heat recovery and gradually increasing the proportion of energy from renewable sources. The aim is to derive greater benefit from the same or a smaller amount of energy.

Waste: We prevent waste generation, sort it thoroughly and, wherever technically and hygienically feasible, reuse or recycle materials.

Water: We monitor water consumption, seek opportunities for its reuse and minimise wastewater pollution. We manage rainwater and site runoff in a way that prevents negative impacts and complies with legal requirements.

Circular economy: We prioritise solutions that extend the lifespan of materials, enable their repair or reuse, and reduce the amount of waste.

Natural resources and biodiversity: We manage resources efficiently and economically. When making decisions, we also take into account the impact on nature and biodiversity.

Chemicals and mixtures: We have clear rules governing the purchase, record-keeping, use, storage and disposal of chemicals. These rules are designed to protect human health and the environment.

Animal welfare: We respect the Five Freedoms of animals as formulated by the World Organisation for Animal Health (OIE). We oppose the rearing or killing of animals solely for use in automotive or other industrial products.

Biodiversity, soil and deforestation: We do not wish our activities to harm ecosystems or key areas of biodiversity. We do not support illegal deforestation and we respect the relevant international regulations, resolutions and recommendations of the IUCN.

Soil quality: We monitor risks that could lead to soil contamination. Our operations must not cause erosion, nutrient depletion or soil subsidence.

Noise: We measure and manage industrial noise to protect our employees, the local community and the working environment.

We incorporate these principles into our projects, investments, operational planning and every significant change.

We continuously evaluate the results and improve our procedures. What matters to us is not empty promises, but demonstrable progress.

Objectives:

- **To increase the share of renewable energy sources by 2030:** We will invest in our own solar and other renewable energy sources, thereby reducing our dependence on the electricity grid.
- **Increase energy efficiency by 2027:** We will install heat recovery units and utilise energy that would otherwise go to waste.
- **Expand green spaces by 2027:** We will plant new trees to help improve the microclimate, reduce noise and make the working environment more pleasant.

Measures:

- **Solar panels and energy-saving technologies:** We are installing solar panels on our buildings and investing in technologies that demonstrably reduce energy consumption and emissions.
- **Waste sorting and recycling at all workplaces:** We provide accessible and clearly labelled waste sorting points and train staff on the correct procedures.

- **Responsible suppliers:** When selecting suppliers, we take into account not only price, quality and delivery times, but also their approach to the environment and responsible business practices.

3.2. Social policy

3.2.1. Human rights and working conditions

We treat people with dignity, fairness and respect. We comply with Czech law and recognised international human rights principles. These include, in particular, a safe working environment, fair remuneration and equal pay for work of equal value, freedom of association, and protection against forced labour and human trafficking.

In practice, we adhere in particular to the following principles:

Child labour and the employment of young people: We do not permit child labour. We protect legally employed young people under the age of 18 from night work, overtime and conditions that could endanger their health, safety, development or school attendance. The total of daily working hours and school hours must not exceed 10 hours, in accordance with International Labour Organisation Convention No. 138. (2)

Wages and benefits: Remuneration complies with applicable regulations and standard industry practices. It includes the statutory minimum wage, overtime pay, sick pay and other entitlements. Our aim is to provide fair remuneration that enables a decent standard of living for our workers and their families. (3)

Working hours and rest periods: The standard working week does not exceed 48 hours. In emergency situations, it is limited to 60 hours, including overtime. Overtime is exceptional and voluntary, and every employee is entitled to at least one day off in every seven. We always comply with the applicable limits on working hours and rest periods. (4)

Forced labour and modern slavery: We do not tolerate work enforced by the threat of punishment, nor work that a person has not freely chosen to do. Among other things, forced overtime, the withholding of personal documents and human trafficking are prohibited.

Ethical recruitment: We conduct recruitment fairly, transparently and in accordance with Czech law and international labour standards. Every employee receives a written contract in advance, in a language they understand, with their rights and obligations clearly and truthfully set out.

Freedom of association: We respect the right of employees to associate peacefully, to form or join trade unions, and to take part in collective bargaining. We do not restrict employees in any way in the exercise of these rights. (5)

Harassment and coercion: We reject any form of harsh or inhumane treatment, as well as any threat thereof. This includes sexual harassment and abuse, corporal punishment, psychological or physical coercion, and verbal abuse. (1)

Equal treatment and prohibition of discrimination: We ensure equal treatment for everyone, regardless of gender, race, skin colour, ethnic or social origin, genetic characteristics, language, religion or belief, political or other opinions, membership of a national minority, property, birth, disability, age or sexual orientation. Work of equal value shall be remunerated equally. We reject all forms of discrimination and harassment. (5)

Gender equality: Women and men should have equal opportunities, equal pay for work of equal value, and equal conditions for professional development and the exercise of their rights. We actively work to eliminate unequal treatment. (6)

Diversity and inclusion: We are building an environment in which people can speak out safely, contribute different perspectives and make full use of their abilities. We view diversity as a source of better solutions, not as a formal obligation. (1)

The rights of minorities, indigenous peoples and local communities: We respect the right of communities to decent living conditions, education, work and social life. In projects that may directly affect

them, we respect the principle of free, prior and informed consent (FPIC) and pay particular attention to vulnerable groups. (1)

Land, forests, water and forced evictions: We reject forced evictions and the destruction of land, forests and water resources for the purpose of acquiring or using land for our own benefit. (1)

Security services: Where we use private or public security forces, their activities must be managed, trained and monitored in such a way that they do not violate human rights. (1)

3.2.2. Health and Safety

Safety is neither a formality nor the responsibility of a single department. We comply with relevant laws and standards, regularly assess risks and create the conditions for a zero-accident target. Management ensures the necessary resources are provided, monitors results and continuously improves the system.

The basic rules are as follows:

Personal Protective Equipment (PPE): We provide employees with the necessary PPE free of charge and ensure it is used correctly. Depending on the risk, this includes, for example, helmets, gloves, eye and respiratory protection, high-visibility clothing, safety footwear and harnesses.

Machinery and equipment safety: We keep records of machinery and equipment, and inspect and service them regularly. The aim is to ensure safe operation, proper maintenance and the prevention of accidents and injuries.

Emergency preparedness: We have established procedures, responsibilities and the necessary equipment. Staff know who to contact, how to respond and how to protect themselves and others.

Incidents and accidents: The procedure to follow after an incident or accident is set out in our controlled documentation. We deal with incidents immediately, minimise their consequences, investigate the causes and take measures to prevent them from happening again.

Workplace ergonomics: We adapt workplaces and equipment to suit the people and the nature of the work. In this way, we reduce unnecessary strain, fatigue and the risk of injury. Ergonomics is also part of staff training.

Hazardous chemicals and mixtures: Rules governing the purchase, record-keeping, handling, storage and disposal of **these substances** form part of our controlled documentation and regular training programmes. In high-risk workplaces, we monitor exposure to chemical and biological agents.

Fire safety: We equip and maintain workplaces in accordance with fire risks and legal requirements. This includes, in particular, fire alarm systems, signage and lighting for escape routes, fire extinguishers and other necessary preventive systems.

Objectives:

- **Equal opportunities:** To establish rules and make decisions in such a way that every employee has a fair opportunity and that discrimination is not tolerated in the workplace.
- **Safe workplace:** Through systematic prevention and monitoring, we aim for zero accidents, i.e. no workplace accidents caused by deficiencies in the workplace.

Measures:

- **Local community:** We support voluntary, charitable, sporting and cultural projects in the region. We help both financially and through the active involvement of our people.
- **Equality and respect:** Through training and open communication, we foster an environment in which everyone has the opportunity to learn, grow and contribute.
- **A safe and healthy working environment:** We adhere to safety standards, carry out regular workplace inspections and address any identified shortcomings without delay.

- **Physical and mental health:** We promote a healthy lifestyle and, where possible, offer sports allowances, counselling and other programmes to support physical and mental wellbeing.
- **Flexible working:** Where the nature of the work allows, we offer flexible working hours or the option to work from home, so that people can strike a sensible balance between their work and personal responsibilities.
- **Professional development:** We invest in professional training, the sharing of experience and skills development. Our people's competence, courage and initiative are the foundation of what Tiyo does.
- **Collaboration and relationships:** We organise joint events and team-building activities that help people get to know one another outside of their day-to-day work and strengthen collaboration across the company.

3.3. Governance Policy

For us, good governance means clear rules, transparent decision-making and personal accountability. We manage Tiyo effectively, honestly and in accordance with legal and ethical standards, and we expect the same approach in our business and supplier relationships.

Laws and regulations: We monitor changes in legislation and regularly verify that our procedures comply with current legal requirements.

Honesty and openness: In our business relationships and communications, we tell it like it is. We do not withhold material information and we honour our agreements.

Ethical conduct and zero tolerance of corruption: We make decisions based on professional, commercial and ethical considerations. We neither accept nor offer bribes, unauthorised financial gain nor any other undue advantages.

Respect for people and the environment: In our business dealings, we consciously refrain from participating in human rights violations, corruption, unethical conduct or environmental damage.

Counterfeit parts and materials: We have procedures in place that are appropriate to our products and services, which minimise the risk of counterfeit parts or materials being used. If we suspect any such instances, we will isolate and secure the items and inform the customer, the original equipment manufacturer (OEM) and, where necessary, the relevant authorities. Sales to customers who are not original equipment manufacturers must comply with local laws, and the products must be used in a lawful manner.

Intellectual property: We respect patents, copyright, trade marks and other legally protected rights.

Financial Responsibility: We maintain our financial and business records completely, accurately and in a timely manner in accordance with applicable laws and recognised accounting principles. The same principle applies to financial, quality and regulatory reporting.

Disclosure of Information: We disclose financial and non-financial information to the extent required by law and other binding requirements. This applies in particular to labour and social issues, safety, the environment, business activities, financial position and performance.

Information protection: We protect information throughout its entire lifecycle. The technical and organisational measures in place are designed to ensure its confidentiality, availability and integrity, and must be adhered to by everyone who handles the information.

Fair competition: We adhere to the principles of fair trade and competition. We do not tolerate cartel agreements, price-fixing, unlawful market sharing, illegal restrictions on competition or the inappropriate exchange of competitively sensitive information.

Conflicts of interest: We prevent conflicts of interest and openly disclose any that may arise. We make decisions in Tiyo's best interests, not for personal gain.

Whistleblowing: We have a confidential reporting system that allows reports to be made anonymously and without fear of reprisal.

Export controls and economic sanctions: We comply with regulations governing the export and re-export of goods, software, services and technologies, as well as sanctions restrictions applicable to specific countries, regions, organisations and individuals.

Selection of business partners: In addition to expertise, quality, price and reliability, we also assess our partners' responsible business conduct and their ability to apply these core principles throughout their own supply chain.

Objectives:

- To achieve set objectives and continuously improve performance.
- To maintain a high level of customer satisfaction.
- To build trust among employees, customers, owners, suppliers and other stakeholders.
- To learn from results and continuously improve.

Measures:

- Manage quality through the ISO 9001, ISO/IEC 17025 and EN 9100 systems.
- Protect information through an information security management system in accordance with TISAX.
- Continuously identify, assess and manage risks in all areas of operation.
- Regularly train staff and verify that they understand the rules and are able to apply them in practice.
- Selection of business partners: We work with partners who respect the principles of responsible business conduct and ensure that their suppliers do the same.

4. Principles of responsible use of mineral resources

When purchasing and using mineral resources, we require a responsible and traceable origin. We expect the same approach from our suppliers. We focus in particular on the following principles:

Ethical origin: Raw materials must not be sourced in a manner that violates human rights, finances armed conflicts, is linked to bribery or contravenes the fundamental rules of business ethics.

Traceability: We require clear and verifiable information on the origin of raw materials and their journey through the supply chain.

Compliance: We respect international and national requirements, including the OECD Guidelines for Responsible Supply Chains.

Impact of mining: We prioritise raw materials obtained through processes that minimise environmental damage and promote responsible mining.

Cooperation and due diligence: We establish processes with suppliers to ensure traceability and transparency. Where our products contain tin, tungsten, tantalum or gold, we will require the use of approved conflict-free smelters and refiners when purchasing these materials.

5. Monitoring and reporting

Performance measurement:

Measurable indicators: For key ESG areas, we set clear indicators that allow us to track actual progress, not just the fulfilment of formal requirements.

Regular evaluation: We regularly review our targets, results and measures. If they are not working or cease to be relevant, we will adjust them.

Reporting:

Open communication: We inform stakeholders about key activities, results and shortcomings in a clear, truthful and appropriately detailed manner.

6. Compliance and accountability

Tiyo's management expects employees, managers and business partners to respect this policy and, in accordance with their roles, to contribute to its implementation. Any suspected breaches must be reported without delay via the available reporting channels. We address any identified breaches and take appropriate corrective action.

We also extend the basic requirements for responsible business conduct to our suppliers and other business partners.

7. Sources:

- (1) Practical Guide to Global Sustainability in the Automotive Industry
- (2) Charter of Fundamental Rights of the European Union and the International Labour Organisation
- (3) International Labour Organisation – UN Global Compact Foundation and Practical Guide to Global Sustainability in the Automotive Industry
- (4) Ethical Trading Initiative based on the Conventions of the International Labour Organisation
- (5) Charter of Fundamental Rights of the European Union
- (6) Convention on the Elimination of All Forms of Discrimination against Women and Practical Guide to Global Sustainability in the Automotive Industry

This document is also available in an English version produced by machine translation. In the event of any discrepancy or ambiguity, the Czech version shall prevail.

Appendices:

– no attachment –

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