

# Organisational Regulation

## 0-01-11

### Sustainable Procurement Policy

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Signature

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## Amendments

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22.5.2018	Čaučíková	update
18.4.2019	Gieslová	update
15.5.2020	Gieslová	annual update, integration of SIPRAL a.s.
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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 deliver community benefits through better selection and improved usage 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 deliver community benefits in relation to their own operations and throughout the supply chains in which they operate.
- 5/ Work in partnership with suppliers to achieve our common goals and continually improve performance over time.
- 6/ Require our suppliers to have product certified by Environmental Product Declaration (EPD). Encourage our suppliers to determine the carbon footprint of their products.
- 7/ Require our suppliers to have current Safety Data Sheets, which we check and subsequently determine that the substances contained in the mixtures were registered according to the REACH, in order to set up appropriate conditions of use, to determine risk management measures, and to ensure the protection of 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, labor agencies and operators hired with plant. These are all referred to as supply chain members within this document. As the contracting organisation, we expect our suppliers to ensure their practices are supportive of our approach. We expect to purchase goods and services that have been produced or are delivered with minimum impact on the environment 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

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following minimum standards for their operations, employees, and supply chain, 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 of a worker should be borne not by the worker but by the employer.

### **2.3. Supplier Diversity**

It is Sipral policy to encourage a diverse range of suppliers to tender to provide services, materials or expertise and our aim is to give equal opportunities to suppliers owned by under-represented groups. This enables Sipral to contribute to increased social inclusion, whilst tapping into alternative sources to define the needs of the countryside and the aspirations of currently under-represented groups.

## 3 Environment

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

### 3.1 Materials and Products

Select materials and products paying due regard to the hierarchy of risk management, avoiding hazardous materials and products or where this is not reasonably practicable, substituting them with safer alternatives and managing residual risk.

Consider the environmental impact of materials and products and their contribution to sustainability e.g., substituting more energy efficient products or considering those with lower environmental impacts.

Consider selection of materials and products made from reclaimed or recycled materials, or those which through their use, sourcing, or manufacture, have less impact on society or the environment. Procure materials and products from reputable sources in accordance with the specification, or as otherwise agreed with the specifier or their authorised representative.

In addition to the above 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 Environmental Product Declaration a Life Cycle Assessment

Require an Environmental Product Declaration (EPD) from our suppliers to know the carbon footprint of the products, so it is easier to buy material with a less impact on the environment (e.g., recycled aluminium). The EPDs are acquired, and we create our own database and overview of carbon footprint of materials.

### 3.3 Safety Data Sheets

Obtain from the supplier relevant product information e.g., Control of Substances Hazardous to Health (COSHH) Material Safety Data Sheets (MSDS), emergency procedures and storage requirements and communicate this as appropriate to those who require that information.

If possible, we buy safer alternatives of chemical substances (e.g., non-flammable adhesive and cleaners). Chemical substances are stored in the amount needed to operation of production and installation and in a way that does not harm the environment. Employees have an effective tool, a report in our internal system SiplrllS, which collects and reviewed all commonly available information about the properties of chemical substances.

### 3.4 Pre-qualification questionnaires for key supplies

All future suppliers of key materials / products which can affect the environment the most must undergo pre-qualification stage. Outcome of this pre-qualification stage is recorded on the form F120. Responsibility for the execution of pre-qualification stage bears the Project Coordinator.

Suppliers are encouraged to have been 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 ensure the most sustainable outcomes are achieved.
- 3/ Appropriate environmental and social requirements will be integrated into all procurement activities, e.g., pre-qualification, specification, and evaluation stage.
- 4/ As far as possible, all tenders will be evaluated to consider the environmental and/or social impacts of a particular product or service over its whole-life cycle.
- 5/ We will endeavour to monitor and proactively manage our impact on the environment. Where applicable external verification schemes have been adopted, and verification schemes such as FSC (Forestry Stewardship Council) and PEFC (Programme for Endorsement of Forest Certification) have been adopted to ensure when specified, timber from sustainable sources have been utilised in the manufacturing process and the supply of products sold.
- 6/ We will adopt a pragmatic approach to encouraging and influencing our suppliers to improve their sustainability practice.
- 7/ Verification schemes such as the EPD have been adopted to ensure that we can buy material with a lower carbon footprint and thus a lower environmental impact.
- 8/ The schemes of the Safety Data Sheets have also been adopted to ensure that less hazardous products can be used.
- 9/ We also monitor the content of volatile organic compounds, so we can use less or replace them with a safer substance.
- 10/ Whilst this policy applies to all Sipral suppliers, we will strive to ensure that it does not place unnecessary and over burdensome requirements on small to medium enterprises (SME), putting them at a disadvantage in doing business with us.
- 11/ As far as possible, we will conduct our procurement activities to support and deliver community benefits (e.g., recruitment of the long-term unemployed, skills development), and will work in partnership with other organisations to achieve this.