

Appropriate raw material sourcing policy

The program of appropriate sourcing of raw materials and services implemented by Transsystem ensures effective enforcement of the provisions of the Code of ethical conduct for Suppliers. Transsystem strives to maintain business relationships only with customers, suppliers and companies whose business activities comply with legal requirements and whose financial resources are of legal origin. We focus on activities across the entire supply chain. We make sure that sustainable development is rooted in the company's structures and implemented by our employees and suppliers. To this end, we consistently improve our strategy and set long-term objectives in specific areas of our activity.

Transsystem, like many other companies, is mindful of the difficult situation in which products and components from suppliers may contain raw materials from countries affected by conflicts. Close cooperation with direct suppliers has allowed us to develop a process for determining the use, source and origin of certain raw materials in our supply chain. This is in line with our requirement to respect the principles of non-discrimination with regard to the selection and treatment of suppliers, and it is in line with the appeal of many international human rights organizations.

We expect our key suppliers to adhere to the following rules:

- Managing the environmental impact in a responsible manner in accordance with ISO 14001 or a similar standard in order to reduce the negative impact on the environment,
- Applying and understanding good business practices, social and environmental issues related to the supplier's operations,
- Applying OHS standards in accordance with ISO 45001 or a similar standard to minimize the risks associated with occupational risk and the prevention of injuries,
- Activities in accordance with applicable law,
- Recognizing the right of employees to express their opinion and postulates directly and through their representation,
- Non-use of forced labor,
- Prohibition of all and any manifestations of discrimination,
- Prohibition of employing children under the age of 16 and the use of corporal punishment, mental and physical coercion, and sexual harassment.

Each new supplier is assessed on the basis of a number of criteria resulting from procedures and quality requirements that must be met in order to become a Transssystem supplier.

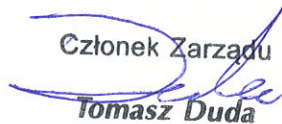
In addition, we expect our suppliers to adhere to the principles of the United Nations Universal Declaration of Human Rights.

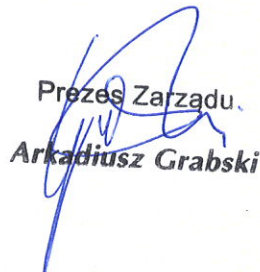
We commit ourselves to cooperate with key suppliers based on the following practices:

- Joint cooperation in achieving the required standards,
- Instead of punishing, encourage suppliers who seek to identify below-standard activities and work to achieve better conditions,
- focus on those parts of the supply chain where the risk of non-compliance is highest and where significant changes can be made to resource availability.

We wish to establish long-term relationships with our Suppliers and foster partnerships in order to create a fair, sustainable and transparent supply chain.

The policy was adopted by the Management Board of Transssystem S.A. as binding in the company and when selecting suppliers.

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