

Sustainable Procurement Policy

This Policy ensures SIJ Group's commitment to sustainability, as we expect our suppliers to meet specific requirements in the areas of occupational health and safety, human rights, and ethical and environmental standards. It is targeted at promoting improvements in sustainable business practices among our suppliers and deeper into the supply chain.

At SIJ Group we are committed to sustainable sourcing practices, and we purchase strategic raw materials that are produced sustainably and create long-term environmental, social, and economic value for all stakeholders.

Ljubljana, July, 31st 2023

Andrey Zubitskiy,
President of the Management Board



Our Approach to Sustainable Sourcing

Our approach to sustainable sourcing is aligned with the best practices outlined in the principles of the United Nations' Universal Declaration of Human Rights (UDHR), the United Nations' Global Compact (UNGC) and the United Nations' Sustainable Development Goals.

Our sustainable procurement policy, together with our supplier code of conduct and sustainable sourcing procedures, sets out our internal commitments and expectations with regard to our suppliers.

SIJ Group:

- deals fairly, objectively, transparently, and professionally with suppliers;
- strives to achieve full transparency in its supply chains of strategic raw materials and increased transparency in the supply chains of other goods and services it purchases;
- ensures that raw materials are procured in compliance with laws and regulations and, within this framework, pays particular attention to compliance with conflict minerals legislation;
- provides processes and controls to ensure its cooperation with suppliers committed to ethical and sustainable sourcing of strategic raw materials;
- considers environmental, social, and governance risks;
- collaborates with industry partners, the chamber of commerce, and other relevant groups to contribute to global improvements in sustainable procurement;
- regularly reports on its sustainable procurement performance in its annual and sustainability reports, following legislation and legal requirements;
- encourages suppliers to collaborate and identify further opportunities to enhance environmental, social, and governance sustainability performance, particularly in areas such as health and safety, human rights, ethics, and environmental management along the supply chain;
- encourages suppliers to commit themselves to meeting the requirements set out in the SIJ Group's Supplier Code of Conduct;
- commits to regularly reviewing the Sustainable Sourcing Policy and SIJ Group's Supplier Code of Conduct to ensure their relevance and effectiveness;
- reserves the right to terminate cooperation with suppliers who fail to comply with the requirements of SIJ Group's Supplier Code of Conduct and fail to provide improvements over a longer period.

SIJ Group's Sustainable Procurement Principles:

- At SIJ Group, we work primarily with suppliers that follow practices such as sustainable mining, recycling, and reducing environmental impacts. We also emphasise respect for human rights, appropriate working conditions, cooperation with communities, and ensuring that we make a contribution to local economic development. We recognise that raw materials are a key part of our supply chain and sourcing them sustainably is essential to reducing our environmental impact and contributing to a sustainable future.
- We give preference to suppliers that have been certified to operate sustainably, i.e. by the Responsible Steel Initiative.
- We carry out audits to assess the sustainability performance of suppliers, including environmental, social, and governance factors. This includes reviewing suppliers' policies and practices and identifying any potential risks associated with their operations.
- We work with suppliers to promote sustainable sourcing practices, supporting them in implementing sustainability initiatives like reducing carbon emissions, promoting a circular economy, and improving the traceability of raw materials.

