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Business ethics, environmental policy and quality policy of FERROTHERM
S.R.O.

“written representation”

The present document contains our business objectives and principles in
relation to environmental management and its aspects.

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Contents

1. Introduction.....	3
2. Business ethics.....	3
2.1 General principles.....	3
2.2 Conflict of interest and corruption.....	3
2.3 Money laundering.....	3
2.4 Intellectual property and protection of property.....	4
2.5 Labour and human rights	4
2.6 Forced labour	4
2.6 Child labour	4
2.7 Fair working conditions and remuneration	4
2.8 Dignified treatment and fight against discrimination	5
2.9 Protection of privacy	5
3. Environmental policy.....	5
3.1 Environment pollution and saving of resources	5
3.2 Waste water and solid waste	6
3.3 Air protection.....	6
3.4 Protection of groundwater and surface water	7
3.5 Waste management	7
3.6 Responsible acquisition of raw materials.....	8
3.7 Energy policy.....	8
4. Quality policy.....	9

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1. Introduction

The combination of business activities and ethical principles is the key factor of long-term success of FERROTHERM s.r.o. and it has become our long-standing tradition. We believe that ethical and economic values are mutually dependent and that trade needs to be conducted in a fair manner within the given rules. In our FERROTHERM s.r.o. Code of Conduct we stipulate binding rules for our business and we request that these be observed by employees of FERROTHERM s.r.o.. They must proceed with integrity and honesty in all aspects of their business activities. We request that our partners bear special responsibility towards the company, customers and suppliers, the environment and the society as well. Ethical principles contained in this Code of Conduct for business partners (hereinafter "the Code of Conduct") are based on the basic principles of UN Global Compact pact, ILO conventions, UN Universal Declaration of Human Rights, United Nations Convention on the Rights of the Child and OECD directives for multinational companies. The present Code of Conduct for business partners stipulates minimum standards which we expect to be observed by our customers, suppliers and other contracting parties. The present standards apply to permanent and temporary employees, employed students, agency workers and any other workers.

2. Business ethics

2.1 General principles

Partners are bound to observe effective laws and all other respective regulations in the countries where they operate and to perform their responsibilities reliably. Further, it is expected that our partners will in all aspects of their business activities act with integrity and honesty and that they will commit themselves to social responsibility with regard to their business activities.

2.2 Conflict of interest and corruption

When dealing with partners, it is necessary to strictly separate the interests of the company and the private interests of employees on both sides. Negotiations and decisions must be conducted and taken independently of aspects which are not related to the given matter and which involve personal interests.

2.3 Money laundering

Partners will secure observance of laws preventing money laundering or funding of illegal or illegitimate activities. Partners will guarantee that they will conduct all business exclusively with reputable business partners engaged in legitimate business activities and using funds obtained from legitimate sources.

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2.4 Intellectual property and protection of property

Partners must respect confidentiality of information concerning FERROTHERM s.r.o. and its stakeholders. Such information must not be disclosed to anyone not entitled to it. Partners must bound their employees to protect trade and corporate secrets. Confidential information or confidential documents must not be disclosed without due authorization to third parties or disclosed in any other manner unless due approval for that has been given or unless this is information accessible to public. Partners are bound to respect the property of FERROTHERM s.r.o. and its stakeholders. Partners' employees may use the property of FERROTHERM s.r.o. and others only if they receive corresponding authorization. Partners must not tolerate any property theft. FERROTHERM s.r.o.'s property must not be misused, damaged or get lost.

2.5 Labour and human rights

FERROTHERM s.r.o. requests that partners observe human rights of all employees and that they treat them with respect as is anticipated by International Labour Organization (ILO). The company must support UN conventions on human rights and secure fair working conditions for all persons working at their workplace and in their supply chain. Partners' employees will be bound to make sure that these generally binding fundamental rights are observed.

2.6 Forced labour

The company is bound to refuse any form of forced labour. No employee may be compelled to work directly or indirectly by means of force and/or threats. It is possible to employ only those people who have freely decided to accept the work. FERROTHERM s.r.o. will not tolerate in its supply chain any form of slavery, human trafficking, bonded labour or involuntary prison labour.

2.6 Child labour

The company respects the provisions of the United Nations Organization regarding human rights and in particular the rights of children. FERROTHERM s.r.o. requests from all its partners zero tolerance for any kind of child labour at the company or in the supply chain. This concerns all phases of production.

2.7 Fair working conditions and remuneration

The company will make sure that wages and employee benefits are fair and in conformity with effective domestic and local regulations and contractual stipulations. It will further secure observance of the maximum admissible working hours stipulated in the respective country.

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2.8 Dignified treatment and fight against discrimination

FERROTHERM s.r.o. requests from all its partners that they not tolerate unacceptable treatment of employees such as corporal punishment or torture, sexual harassment or abuse, mental or physical pressure or a threat of such treatment. We further appeal to our partners that they create an atmosphere of mutual respect and stand out against any sort of discrimination based on the basis of race, religion, sex, sexual identity, social status, ideology, political views, membership in trade union, age, handicap and personal or social circumstances.

2.9 Protection of privacy

The company must respect the right of its employees to have their personal data protected. The company must further make sure that any use of personal data such as their collection, registration, maintenance and deleting is in conformity with effective legal regulations.

3. Environmental policy

The company is bound to promote the objectives of environmental protection in a sustainable way. It must observe laws and international standards and customer requirements regarding environmental protection. It is necessary to acquire and maintain all requisite permissions, licences and registrations. The company supports the effort to minimize adverse effects on the environment and the continuous improvement of environmental protection. Partners will identify environmental risks and will take suitable preventive measures. They will support environmentally oriented actions from their customers.

3.1 Environment pollution and saving of resources

FERROTHERM s.r.o. requests that its partners conserve natural resources. It is necessary to minimize or prevent negative impacts on the climate, environment and animals by reusing and recycling materials, setting production processes and using substitute materials. An organization may publicly promote that it considers its environmental behaviour and that it has adopted reliable procedures or that it works on improvement of its environmental results. This is all in relation to the organization and the respective type of industry, however, an environmental policy may promote an environmental status and environmental objectives of the organization to all stakeholders.

Current and potential clients may read these statements and may determine whether they want to cooperate with the organization further. This may also provide clear information to all involved parties regarding the organization's environmental values.

which are environmentally friendly and work procedures to reduce gas house emissions. Hazardous materials It is necessary to identify biological and chemical materials which might cause harm to people, animals or the environment, either on their own or in interaction with other materials and secure safe handling of these materials. This concerns storing, moving, using, recycling and disposal of these materials.

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3.2 Waste water and solid waste

Partners must have at its disposal systems securing safe handling, transport, storing, reusing or recycling of waste water and solid waste. It is expected that they will reduce or avoid wasting of any kind including wasting of energy, e.g. by adjusting production processes, maintenance, use of substitute materials, recycling or reusing. All activities which might negatively affect people, animals or the environment must be conducted in a corresponding manner. Partners must monitor and evaluate all kinds of waste water and solid waste created in their plants even before its release or disposal and handle these materials in a corresponding manner. FERROTHERM s.r.o. regards environment protection as one of its standards. Environmental policy has been formulated by the management of FERROTHERM s.r.o. and it is intended especially for all company employees. FERROTHERM s.r.o. act in an environmentally friendly manner and pays maximum emphasis of environment protection.

Individual environment protection directives, guidelines in the area of air protection, water protection, chemical substances and waste management are together with the objectives stipulated in the area of environment protection a part of a wider framework of environment protection at FERROTHERM s.r.o. in conformity with requirements of Environmental Management ISO 14001.

Minimizing effects of company activities on the environment is based on a preventive and proactive approach. In order to achieve our objectives in the area of environment protection and to observe all legal requirements, one person (general manager of the company) is appointed at the company's head office responsible for performance of requirements in conformity with the requirements of Environmental Management ISO 14001 system.

Environment protection is our priority in all our projects.

The obligation of environment protection is a natural part of everyday life for all employees of FERROTHERM s.r.o. and also for its suppliers.

3.3 Air protection

FERROTHERM s.r.o. operates personal vehicles which produce emissions; all vehicles undergo regular technical inspections including emission measurement. All FERROTHERM s.r.o. vehicles meet emission limit stipulated by legal regulations. The main criterion for selection of a new vehicle is its emission production and for this reason the company considers purchasing electric vehicles and establishing a charging station within the company premises.

FERROTHERM s.r.o. operates a natural gas boiler. This source is classified as according to the act on air protection as an unlisted source of air pollution. The boiler is regularly inspected and maintained by an expert company.

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3.4 Protection of groundwater and surface water

FERROTHERM s.r.o. uses water from municipal water main, water is consumed in the employee sanitary facilities and for minor maintenance; it is not used for technological purposes. FERROTHERM s.r.o. does not release waste water into surface water - only into the sewer system. We are preparing a study of a project aimed at catching rain water, which might be used for irrigation of greenery.

3.5 Waste management

FERROTHERM s.r.o.'s approach to waste management is based on a simple principle: prevent waste generation wherever possible. Another method is recycling or in some inevitable instances incineration or safe depositing of waste in landfills.

Most waste from FERROTHERM s.r.o., is recycled. If recycling is not possible, we prefer incineration of waste to its deposition in landfills.

In order to conform to this policy the FERROTHERM s.r.o. management commits itself:

- to create corresponding conditions in order to meet specified objectives of the company and release requisite resources for that
- to support increased qualifications of its employees and to increase their awareness in the area of environment protection
- to secure corresponding motivation in the remuneration system and development of motivation elements
- to realize its economic objectives with regard to environment protection needs
- to provide open and true information the effects of its business activities on the environment, working environment and health of its employees
- to conduct an open dialogue with customers, its employees, suppliers, state administration authorities, involved groups and environmental organizations regarding the approach of the company to environment protection
- to provide corresponding resources for permanent development of quality and protection of the environment in line with the requirements of ISO 9001:2015 standard
- not to take any decisions or measures which might in any way affect the environment
- to use natural resources considerately in particular by means of economical use of fuel and energy
- to reduce continuously waste generated by its activities
- to call on its sub-suppliers and contractual partners to show greater environmental awareness and by means of controlled cooperation influence their knowledge of quality and protection of the environment

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to achieve better understanding of FERROTHERM s.r.o. behaviour in relation to the environment and the effective legal regulations by means of continuous communication with customers and other stakeholders.

3.6 Responsible acquisition of raw materials

Partners are bound to make sure that goods and materials do not come from illegal sources. They are bound to take measures in order to secure responsible acquisition of goods and materials with the objective to observe legal regulations. Purchasing or trading of regulated conflict minerals (in particular tantalum, tin, wolfram, gold or derivatives thereof regarded as conflict materials) is forbidden. Business partners must make sure that FERROTHERM s.r.o. does not receive any goods containing metals incorporating minerals from conflict areas when their purchasing would directly or indirectly support or fund armed groups.

3.7 Energy policy

The energy policy of FERROTHERM s.r.o. is a process of securing of energy demands of the building and equipment owned (leased) by FERROTHERM s.r.o. with regard to reduction of costs of consumption and the actual consumption as well. Securing increased energy efficiency is in conformity with the requirements of ČSN EN ISO 50001 - Energy management systems.

Within its energy management strategy FERROTHERM s.r.o. management commits itself:

- to create prerequisites and sources for long-term increasing of energy efficiency whenever possible and effective
- to take measures aimed at continuous improvement of energy demands
- to secure availability of information and all resources necessary to achieve objectives and target values
- to meet legal and other requirements related to energy use, energy consumption and energy demands
- to support the purchase of energy-saving products, equipment and services.
- to support energy aware behaviour of employees and suggestions for reduction of energy consumption and its efficient use
- to optimize consumption (improve thermal – technical properties of buildings, energy savings of used technology and equipment, efficiency of plant operations)

All FERROTHERM s.r.o. employees are responsible for its fulfilment.

The environment policy expresses the environmental position and values of our organization. ISO 14001 standard states that the environmental policy is the overall intent of an organization in the area of the environment and it is formally expressed by its top management.

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4. Quality policy

We are a reliable and serious business partner with a high level of provided services; we act in an ethical manner inside and outside our company. We pay attention to creating and maintaining stable and long-term relations. We know who our customers are, we know current trends and market demands, we are experts in our field and we know what to produce and for whom. We use effective communication with customers to ascertain their requirements and satisfaction with our production and services. Using our experiences we help our partners to develop their businesses and satisfy their needs. Our products and services are of good quality and safe always in conformity with effective legislation of the CR, the EU and other target markets. Customers therefore trust them and look for them.

We behave in an economical manner, we prevent generation of waste, we do not waste resources, prevent generation of waste and recycle.

We carefully select the suppliers of raw materials, packaging, consumables and services. By their regular evaluation we secure increased quality and frugality.

We respect the set processes and participate in their continuous improvement with the objective to secure permanent quality and safety. We cooperate mutually, support loyalty of employees to the company and assume personal responsibility for performed work.

All employees are made familiar with this quality and safety policy and realize their personal responsibility when performing everyday work activities.

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