



Tvornica tekstila Trgovišće d.o.o.
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Veliko Trgovišće, March 1st 2025

ESG POLICY AND PROGRAM

1. Introduction

Tvornica tekstila Trgovišće (TTT) has been operating for more than a century and is renowned for the production of premium damask table linen and bed linen. Sustainability and responsible business practices are the core values of our development and an integral part of our tradition.

This ESG Policy (Environmental, Social and Governance) defines the obligations and principles of TTT in the areas of environmental protection, social responsibility and corporate governance. The policy applies to all employees and organisational units of TTT, as well as to all our suppliers and business partners. The ESG Policy is aligned with the applicable legislation of the Republic of Croatia and the European Union, as well as with international standards, including the Conventions of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

2. Our Principles (Policy)

Environment

Tvornica tekstila Trgovišće manages natural resources responsibly and efficiently, reduces energy and water consumption and continuously works on reducing greenhouse gas emissions. We systematically reduce waste volumes and increase the share of recycling, applying circular economy principles across all processes. In production, we use certified materials and dyes that are safe for both the environment and people. Our products are designed to be durable and easy to maintain, thereby reducing their overall environmental footprint.

More detailed measures and obligations are defined in:

- **Environmental Policy**
 - **Supplier Code of Conduct** (chapter on environmental standards for suppliers)
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Society

Tvornica tekstila Trgovišće strictly prohibits child labour and forced labour and ensures that employment is voluntary and compliant with the law. We promote equal opportunities and non-discrimination and provide a safe and healthy working environment, including support for employees' mental health. We respect freedom of association and the right of employees to collective bargaining. We require our suppliers to comply with the same standards through the Supplier Code of Conduct, and we provide all stakeholders with a confidential and safe grievance mechanism.



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More detailed measures and obligations are defined in:

- **Child Labour Prevention Policy**
- **Forced Labour Prevention Policy**
- **Equality and Non-Discrimination Policy**
- **Health and Safety Policy**
- **Grievance Mechanism Procedure**
- **Supplier Code of Conduct** (chapters on working conditions, workers' rights and prohibition of discrimination)

Governance

The business of Tvornica tekstila Trgovišće is based on fairness, transparency and zero tolerance for corruption. An ESG Committee, chaired by the Management Board of TTT, has been established. The ESG Committee is responsible for defining goals and indicators, monitoring policy implementation and reporting on progress. ESG results are regularly monitored and communicated to stakeholders.

More detailed measures and obligations are defined in:

- **Code of Conduct**
- **Supplier Code of Conduct** (chapters on integrity and business ethics)
- **Code of Ethics**

3. Implementation Programme (2025–2027)

In 2025, Tvornica tekstila Trgovišće will establish the ESG Committee and conduct a baseline assessment of resource consumption, workforce structure and working conditions. Based on this, quantitative targets will be set, focusing on reducing energy and water consumption, increasing recycling, strengthening diversity and safety, and implementing supplier evaluations. During 2026, training sessions on ESG principles will be provided for employees and suppliers.

Although under current laws and regulations Tvornica tekstila Trgovišće is not obliged to publicly disclose ESG results, we voluntarily commit to doing so. The first results, covering the year 2026, will be published on our website in 2027.

4. Measurement and Reporting

Measurements will be carried out annually, and the first results, for 2026, will be publicly disclosed in 2027. The ESG Committee will monitor results quarterly and report to the Management Board.



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Examples of indicators (KPIs):

- **Environment:** energy and water consumption per metre of fabric, share of recycled waste, share of recyclable packaging, CO₂ emissions per unit of product.
- **Society:** injury rate at work, percentage of employees trained in occupational safety, percentage of women in managerial roles, number of complaints received and resolved.
- **Governance:** percentage of suppliers covered by ESG evaluation, number of confirmed breaches of ethical rules, percentage of ESG goals achieved.

Results will be publicly available through reports on the TTT website and in communication with customers and partners.

5. Review and Improvement

This ESG Policy is subject to regular review in line with applicable legislation and best international practices. The policy will be reviewed every two years or earlier if there are significant changes in legislation, technology or business processes. The findings of audits are used to continuously improve our ESG management system.

6. Conclusion

This ESG Policy represents our long-term commitment to sustainable development, respect for human rights and ethical business practices. Tvornica tekstila Trgovišće combines its century-old tradition with the modern requirements of customers, the community and international standards. By publishing the results for 2026 in 2027, we confirm our transparency and readiness to go beyond legal obligations.

Approved by: Management Board of Tvornica tekstila Trgovišće d.d.

Date: 1 March 2025

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