

Corporate and Social Responsibility Policy

MZT Pumpi A.D.

1)Context

MZT Pumpi, as a manufacturer of different types of industrial pumps is functioning successfully for more than 60 years. Each year, in every segment, we are completely devoted to improve our operations, to develop and grow our business in a sustainable manner. In this process, we never forget our people, the environment and the community where we belong, and we constantly take into account managing of the social, economic and environmental aspects, which influence the operation of our company.

Our understanding of Corporate Social Responsibility is simply engagement with our clients, suppliers, employees, community, environment, shareholders on a constant basis, and creating a better future for all of us.

MZT Pumpi divides CSR into four segments:

-**Marketplace:** How we work with our suppliers and clients;

-**Workplace:** Where we work, how we recruit and how we work with our staff;

-**Environment:** How we reduce the environmental impact;

-**Community:** How we engage with the community;

-**Shareholders:** How we inform our shareholders for our operation.

The CSR policy is related to and builds upon the values and standards of ethical behaviour outlined in **MZT PUMPI AD Skopje -Code of Business Conduct:**

- **Fairness** – We are committed in applying ethical standards concerning the security of personal and MZT Pumpi confidential classified information and preserving the accuracy of our records, as well.
- **Cooperation** – We share our expertise and celebrate the potential of every individual. Our employees have equal opportunity in pursuing their goals through fresh thinking and infusion of new ideas.
- **Team Orientation**-We stimulate team work and we believe in the synergy of knowledge acquired through team activities.
- **Customer focus** – MZT Pumpi is completely oriented towards its customers. We always tend to understand the business of our customers and focus to better meet their needs and give solutions to their problems.

- **Quality** – In order to ensure quality of the products, we adopt continuous quality control starting from the materials entering, through treatment, assembling and testing to preparation for delivery and packing.

2) Objectives;

The objectives of this Policy Statement are to:

- Clarify roles and responsibilities in respect of CSR
- Outline the commitment and requirements for the CSR segments of: Marketplace, workplace, environment and community

3) Scope;

This Policy applies to all divisions existing in MZT PUMPI AD Skopje, as defined in the Organizational Chart.

4) Policy Requirements;

4.1. Roles & responsibilities:

Ownership of CSR: The coordinative Body for Company Corporate Social Responsibility, existing as part of the Ministry of Economy, is accountable for CSR in Macedonia. There is no mandatory obligation for companies to submit report on CSR, but rather recommendations for establishing this policy in each company. However, our company will publish its Report for CSR for all the progress done In relation to CSR on our web page.

Executive Management: Responsible for ensuring that key strategic and operational decisions in their area take into account CSR considerations, supporting CSR initiatives and practices.

Staff: Responsible for behaving in a corporately responsible way, adhering to this policy and enabling MZT PUMPI AD Skopje to make a positive social, economic and environmental contribution.

4.2. MarketPlace

MZT PUMPI AD Skopje will operate in accordance with the values and standards of behaviour set out in its Code of Business Conduct, as well as all applicable laws and regulatory requirements for Republic of Macedonia. Our main goal is to provide high quality products to our customers and clients, which are tested and are according to existing European standards. Our company provides two year guarantee with each delivered product, which ensures the high quality of our products and at the same time addresses the potential complaint procedure in case of certain product . We strive to have honest

connection with our suppliers, ensuring that we use transparent procurement policies, reviewing their complaints and ensuring that payments are made promptly. Each year we have panel-meetings and discussions with our suppliers, in order to improve every segment in our relations.

4.3. Workplace

At MZT Pumpi we believe that the long-term success of our company depends on customer focus, constant orientation towards our customers by providing solutions to their problems and understanding their real needs. This can be only Realized by creating an environment where our employees can expand their skills, pursue their goals through creative thinking and infusion of new ideas. Our employees are our most valuable resource and we invest in expanding their knowledge and Satisfaction.

We are dedicated to continually building team work and professional skills through different trainings and seminars.

We value our people, their diversity, learning process and give them chances to build Career opportunities.

MZT Pumpi takes care for the health and safety of its employees and this has been proved by implementation of the Occupational Health and Safety Management System which complies with the requirements of international standard BS OHSAS 18001:2007.

4.4. Environment

Our objective in this relation is to reduce our impact on the environment through a commitment on continuous improvement.

MZT PUMPI AD Skopje will seek to minimize its energy, water and paper usage, through design, infrastructure and behavior.

We also constantly strive to optimize the recycling of waste through providing adequate facilities and behavior, and limit the use of hazardous material.

Above all, our efforts are being confirmed by implementation of the Environmental Management System which complies with the requirements of BDS EN ISO 14001:2005.

4.5 Community

MZT Pumpi provides benefit to the community through realization of different activities:

- Providing Scholarships to students from Faculty of Mechanical Engineering and Faculty of Economy, which after graduation are employed in our company;
- Providing opportunity for apprenticeship for students in third and fourth year of their studies;

- Providing financial contribution to various fundraising activities (Children hospitals, Poor families, Children without families etc.);
- Support of our culture through providing financial contribution for creating of ultimate conditions for artists in different areas (History, Researchers, Film etc).

4.6. Shareholders

Our main business approach is to work on transparent and ethical manner. We communicate with our shareholders and inform them precisely and accurately on every important question. Every year we have Assembly for our Shareholders, where we discuss for the strategy for the upcoming year and realized objectives. We submit the Financial Statements and Monthly Reports to the Stock Exchange, so that they are visibly to all interested parties and potential investors.