

CORPORATE SOCIAL RESPONSIBILITY POLICY

SKONTO GROUP is a group of socially responsible companies supporting globally recognised human rights and ensuring fair working conditions for individuals working in our companies, on our projects and in our supply chains and promoting open, direct and respectful communication between all stakeholders.

SKONTO GROUP operates in accordance with the Code of Ethics and Conduct and complies with relevant national and international social responsibility legislation, including the United Nations Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the Convention on the Elimination of All Forms of Discrimination against Women (1979).

SKONTO GROUP Corporate Social Responsibility Policy describes the main principles that are followed to promote social responsibility among its employees and partners.

SKONTO GROUP ensures that the Corporate Social Responsibility Policy is regularly reviewed and improved and is publicly available to everyone.

Social responsibility guidelines:

- **Child labour**

The use of child labour is strictly prohibited in our companies and our partners companies. SKONTO GROUP complies with laws and other regulatory requirements regarding the minimum age of employment. Where minors may be employed in accordance with local laws and regulations, we ensure all special requirements regarding the working conditions, working time and rest time of these persons.

- **Forced labour**

SKONTO GROUP does not engage in and do not tolerate the use of forced labour methods either in production or in services. We also do not cooperate with companies that use forced labour in their activities.

- **Health and safety**

SKONTO GROUP ensures a safe and healthy working environment in all its workplaces and construction sites. SKONTO GROUP already initially carries out preventive measures to avert accidents and reduce the impact of any harmful factors on human health or the environment.

All SKONTO GROUP companies have appointed specialists responsible for protection of environment, health and labour, and ensure regular and effective training of employees on occupational safety issues.

- **Freedom of association**

SKONTO GROUP respects the right of employees to organise and join different associations or organisations and to organise peaceful and lawful gatherings to defend their interests. We do not authorize any persecution, intimidation or disciplinary actions against employees who chose to peacefully and lawfully organize or join any association.

- **Discrimination**

In SKONTO GROUP companies no one is discriminated on the basis of gender, age, race, nationality, ethnicity, citizenship, language, religion, disability, physical or mental disadvantage, marital status, pregnancy or maternity, sexual orientation, financial situation, political views, membership in associations or other personal characteristics or beliefs when being hired or fired, rewarded or promoted, when offering training possibilities or cooperating in any other ways.

SKONTO GROUP also does not tolerate any form of threat and offensive or abusive actions by employees or managers.

- **Disciplinary practice**

The provision and improvement of work discipline is carried out in accordance with applicable laws and regulations. Everyone is aware of it, understands it and it is applied equally in all situations.

SKONTO GROUP promotes open, direct, and respectful mutual communication. Employees are not subject to any physical, verbal, sexual, or psychological harassment and intimidation, mobbing or other abuse in the workplace. SKONTO GROUP also does not support illegal withholding.

- **Working hours**

SKONTO GROUP complies with applicable laws and industry standards regarding the maximum allowable working hours, i.e., ensures that employees do not exceed the permissible maximum number of working hours for a given period of time and comply with the minimum daily and weekly rest and annual leave time.

- **Remuneration**

In SKONTO GROUP companies, the level of employees' remuneration exceeds the minimum specified in regulatory enactments. SKONTO GROUP recognises that remuneration is essential to meet the basic needs of the employee. The remuneration system established by SKONTO GROUP determines uniform and fair principles of remuneration, bonuses, social assistance as well as other benefits to all employees of SKONTO GROUP companies, allowing to attract and retain qualified, professional and motivated employees and promoting their development and loyalty.

Questions and reporting

If you have any question regarding this policy, or if you want to report known or possible misconduct, you are welcome to do so by sending an email to report@skontogroup.com, calling by phone +371 67096120 or filling out a special form on SKONTO GROUP website: www.skontogroup.com.

The policy has been revised and approved:

Riga, Latvia, year 2020

SKONTO GROUP
Chairman of the Board

Andris Vilcmeiers