



Approved by:

CEO of the company Linas Karzinauskas
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KG CONSTRUCTIONS GROUP, UAB ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

I. Introduction

- 1.1. Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as recruitment, transportation, transfer, harbouring or reception of persons, including the exchange or transfer of control over those persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person (hereinafter – **modern slavery**), all of which include the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.
- 1.2. A position of vulnerability means a situation in which the person concerned has no real or acceptable alternative but to submit to the abuse involved.
- 1.3. Exploitation shall include, as a minimum, the exploitation of the prostitution of others or other forms of sexual exploitation, forced labour or services, including slavery or practices similar to slavery, or the exploitation of criminal activities, etc.
- 1.4. The consent of a victim of trafficking in human beings to the exploitation, whether intended or actual, shall be irrelevant where any of the means set forth above has been used.
- 1.5. We – KG Constructions Group, UAB (hereinafter – the **Company**) and its subsidiaries: 1) KG Energija, UAB; 2) KG TRANSPORTAS, UAB; 3) KG Constructions, UAB; 4) Lignas, UAB; 5) KG Service, UAB; 6) KGC Sweden AB; 7) KGC Denmark, ApS; 8) KGC Facades UK Ltd; 9) KGC Switzerland AG; 10) KGC Norway AS; 11) Lignas Sweden AB (hereinafter – the **Group**) – have zero tolerance for slavery and human trafficking in any part of our business, including our supply chains.
- 1.6. We have a number of policies in place to ensure all our employees have the right to work and are paid fairly, that we act with integrity and ethically, and that we have effective measures in place to ensure slavery is not present anywhere in our business or supply chain. All people are hired / recruited centrally (through HR) to ensure that there is no abuse in different departments. There is also an option to use temporary employment agency's workers if necessary.
- 1.7. Our principles of fair treatment and respect are also applied to our relationships with customers, suppliers, contractors, shareholders and other stakeholders.
- 1.8. This Policy applies to all members of the Group, and to all:
 - 1.8.1. persons working for or on behalf of the Group in any capacity, including all employees, directors, officers, agency workers, seconded workers, volunteers, interns and agents;



- 1.8.2. contractors, suppliers, external consultants, agencies, third-party representatives, and business partners. Where they have their own Anti-Slavery and Human Trafficking policy, we expect the supplier to adhere to that policy or have a possibility to follow their own policies if they set equal or even higher standards.
- 1.9. We expect the same high standards from all of our suppliers. As part of our contracting process, we include specific prohibitions against modern slavery, and we expect that our partners will hold their own partners to the same high standards.
- 1.10. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains.
- 1.11. The Group specifically prohibits the use of work paid recruitment fees, compulsory overtime, child labour, discrimination, confiscation of identification documents and any act which may directly or indirectly impede freedom of movement, freedom of association, or the freedom of a worker to terminate their employment with the Group.
- 1.12. The Group companies, which are established outside the Republic of Lithuania, may hold their own policy as required under local law.

II. Identifying Modern Slavery

- 2.1. Modern slavery may be found in our business, our supply chains, and outsourced activities.
- 2.2. There is no typical victim of modern slavery, and some victims do not understand they have been exploited or that they are entitled to help and support. However, the following key signs could indicate that someone may be a victim of modern slavery, human trafficking, or forced labour:
- 2.2.1. the person is not in possession of their own passport, identification or travel documents;
 - 2.2.2. the person's wages are being paid to a bank account in another name, which may be an indicator of debt bondage or withholding of wages;
 - 2.2.3. the person is acting as though they are being instructed or coached by someone else;
 - 2.2.4. the person is working excessive overtime;
 - 2.2.5. the person allows others to speak for them when spoken to directly;
 - 2.2.6. the person is dropped off and collected from work;
 - 2.2.7. the person is withdrawn or appears frightened;
 - 2.2.8. the person does not seem to be able to contact friends or family freely;
 - 2.2.9. the person has limited social interaction or contact with people outside of their immediate environment;
 - 2.2.10. there are signs of abusive working or living conditions.
- 2.3. This list is not exhaustive. A person may display a number of the indicators set out above, but they may not necessarily be a victim of slavery or trafficking.

III. Responsibility for the Policy



- 3.1. The managers of the Group companies have overall responsibility for ensuring this Policy complies with our legal and ethical obligations.
- 3.2. The Slavery Compliance Officer of the Company has primary and day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.
- 3.3. Management at all levels are responsible for ensuring those reporting to them understand and comply with this Policy and are given adequate and regular training on it and the issue of modern slavery in supply chains.
- 3.4. Everyone is invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries are encouraged and should be addressed to the Slavery Compliance Officer.

IV. Compliance with the Policy

- 4.1. All Group staff members must read, understand and comply with this Policy.
- 4.2. The prevention, detection and reporting of modern slavery in any part of our business or supply chains is the responsibility of all those working for us or under our control. Everyone is required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 4.3. You must notify HR as soon as possible if you believe or suspect that a conflict with this Policy has occurred or may occur in the future.
- 4.4. You are encouraged to raise concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any supplier/partner tier at the earliest possible stage directly to HR by email or orally.
- 4.5. If you believe or suspect a breach of this Policy has occurred or that it may occur, you must notify the HR as soon as possible. If you are unsure about whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery, raise it with the HR. You can notify HR via email or orally.
- 4.6. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the HR immediately.
- 4.7. In any of circumstances mentioned in paragraphs 4.3, 4.5 or 4.6 occurs, after HR receives such notifications, the CEO must be informed no later than within 5 (five) business days after notification is received. If the issue raised is relevant to this Policy and reasonable, the HR and the CEO starts internal investigation, contact a person who notified the possible conflict with this Policy if it is needed for additional information or clarifications. The investigation shall be executed in a timely



manner. After investigation ends, the decision is drafted and public institutions are notified if necessary.

- 4.8. If you want to report any incidence or suspicion of modern slavery and wish to remain anonymous, you may report in accordance with the Company's Whistleblowing Policy.
- 4.9. Reports related to modern slavery are accepted in a simplified procedure and dealt with in a separate commission.
- 4.10. Each supplier must comply with this Policy, or its own anti-slavery policy if they set equal or even higher standards.

V. Training

- 5.1. Training on this Policy, and on the risk our business faces from modern slavery in its supply chains, forms part of the induction process for all individuals who work for us, and regular training (at least once a year) will be provided as necessary. The trainings are moderated by the appointed person. The training material is kept for 3 (three) years after termination of employment contract of each employee. The exact date of trainings is announced in advance by HR.
- 5.2. Our commitment to addressing the issue of modern slavery in our business and supply chains must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and reinforced as appropriate thereafter. Each employee who works with Company's suppliers, contractors and business partners are responsible for ensuring that they are acknowledged with this Policy. The acknowledgment shall be included in the contract/agreements with all suppliers, contractors and business partners.

VI. Breaches of this Policy

- 6.1. Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for repetitive misconduct or gross misconduct.
- 6.2. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this Policy.
- 6.3. The relevant member of the Group may terminate its relationship with a supplier/partner if it is in breach this Policy. Alternatively, the relevant member of the Group may elect to work with the supplier/contractor to resolve such issues.