




Approved by:

CEO of the company Linas Karzinauskas
Dated 10-01-2024

KG CONSTRUCTIONS GROUP, UAB MODERN SLAVERY STATEMENT

I. Introduction

- 1.1. The following statement has been published in accordance with the Charter of Fundamental Rights of the European Union, European Convention on Human Rights and Modern Slavery Act 2015 and sets out the actions that KG Constructions Group, UAB (hereinafter – the **Company**) and its subsidiaries and/or otherwise related undertakings have taken and is continuing to take to ensure that the inherent risk of modern slavery and unethical labor practices within our industry is not taking place within our business or supply chain.
- 1.2. KG Constructions Group has a zero-tolerance attitude to any form of modern slavery. The respect for human rights and the elimination of modern slavery from our supply chains is our key goal.
- 1.3. To date the focus of our work to combat modern slavery has been centered on the development of key policies, the implementation of capable procedures and controls in defense against any form of modern slavery taking place within the business and/or our supply chain. The Company understands that this requires an ongoing review of both its internal practices in relation to its labor force and, additionally, its supply chains.
- 1.4. We also recognize that tackling modern slavery successfully relies on strong, open collaboration with our suppliers, our people, and our key stakeholders. We understand that it is our responsibility to set an example to our supply chain partners and our clients and work with them to tackle the existing issues.
- 1.5. The Company does not enter into business with any organization which knowingly supports or is found to involve itself in slavery, servitude and forced or compulsory labor.

II. Organizational structure

- 2.1. KG Constructions Group, UAB operates from Lithuania and is a holding company of the following companies: 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**).



- 2.2. The main general activities of the Group are aluminium and timber unitized curtain walling design and engineering, production, delivery and installation for residential, commercial and public buildings.
- 2.3. The Group operates in Lithuania, Latvia, Finland, Sweden, Denmark, Norway, the United Kingdom and Switzerland. One-off projects are also being launched in other European countries (Poland, Portugal, etc.).

III. Definitions

- 3.1. The modern slavery encompasses:
 - 3.1.1. Human trafficking;
 - 3.1.2. Forced work, through mental or physical threat;
 - 3.1.3. Being owned or controlled by an employer through mental or physical abuse or the threat of abuse;
 - 3.1.4. Being dehumanized, treated as a as property;
 - 3.1.5. Being physically constrained or to have restriction placed on freedom of movement.
- 3.2. As a modern slavery or forced labor is not considered:
 - 3.2.1. Any work required to be done in the ordinary course of detention imposed according to the legislation or during conditional release from such detention;
 - 3.2.2. Any service of a military character or, in case of conscientious objectors in countries where they are recognized, service exacted instead of compulsory military service;
 - 3.2.3. Any service exacted in case of an emergency or calamity threatening the life or well-being of the community;
 - 3.2.4. Any work or service which forms part of normal civic obligations.

IV. Our policies

- 4.1. The Company's policies are:
 - 4.1.1. Anti-Slavery and Human Trafficking Policy;
 - 4.1.2. Recruitment and Selection Policy;
 - 4.1.3. Corporate Social Responsibility Policy;
 - 4.1.4. Whistleblowing Policy;
 - 4.1.5. Business Ethics and Conduct Policy.
- 4.2. This Modern Slavery Statement shall apply for all Group companies, specified in Section 2. The Group companies, which are established outside the Republic of Lithuania, may hold their own Modern Slavery Statement and policies, as required under local law.

V. Supply chain



- 5.1. The Company considers its main exposure to the risk of slavery and human trafficking to exist in supply chain where their production may involve the provision of labor in a country where protection against breaches of human rights may be limited. Nonetheless, it has taken steps to ensure that such practices do not take place in its business nor the business of any organization that supplies goods and/or services to it.
- 5.2. The Company operates a supplier policy and conducts due diligence on all suppliers before allowing them to do business together. This due diligence includes an online search to ensure that particular organization has never been convicted of offenses relating to modern slavery, and on-site audits which include a review of working conditions.
- 5.3. The Company's Anti-Slavery Policy forms part of our contract with all suppliers/partners and they are required to confirm that no part of their business operations contradicts this Policy.
- 5.4. We believe all suppliers/partners have taken steps to eradicate modern slavery within their business, they pay their employees any prevailing minimum wage applicable within their country of operations, while reserving the right to terminate the contract at any time should any instances of modern slavery come to our attention.
- 5.5. In the event that modern slavery is exhibited or suspected by the Company originating from a supplier:
 - 5.5.1. The supplier/partners is to be immediately suspended as an approved supplier/partner;
 - 5.5.2. Further checks made with the supplier/partner to confirm or deny any suspicions;
 - 5.5.3. If suspicions are founded, then the supplier is to be removed from our approved supplier list;
 - 5.5.4. In addition, any customer or supplier/partner found to be in breach of the Charter of Fundamental Rights of the European Union, European Convention on Human Rights and/or Modern Slavery Act 2015, may have contracts which exist between the Company and/or Group and the supplier cancelled.

VI. Training

- 6.1. The Company regularly (at least once a year) provides training to our employees in understanding the issues around modern slavery. The trainings are moderated by 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.
- 6.2. Modern slavery awareness raising throughout Group's business operations provides the employees the opportunity to increase their understanding of the issues of modern slavery; what it is, how to spot the signs, and how to report it.
- 6.3. The Company provides the following training to staff to effectively implement its stance on modern slavery:
 - 6.3.1. Training on induction to The Company covering all our internal policies including modern slavery;
 - 6.3.2. Training on induction to The Company to explain what we are looking for when considering a new supplier to add to the approved supplier/partner list;
 - 6.3.3. An annual refresher for all staff to review and sign off that they have read and understood it.



- 6.4. The Company also provides specialist training to those departments who are specifically involved in managing recruitment and supply chains (such as HR, Procurement, Labor Supervision).

VII. Performance indicators

- 7.1. In the context of modern slavery, KPIs are important in driving the performance of our business and shaping the way it operates. We are developing clear KPI's, which sits behind each of our focus areas regarding the eradication of modern slavery.
- 7.2. 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, also posted on Company's website.
- 7.3. The appointed person will monitor our procedures and review the Anti-Slavery Policy regularly (at least once a year) and at least annually on publication of the Company's annual statement and initiate changes of if necessary. We will provide information and (if necessary) training on any changes which are made.
- 7.4. If there are no changes on this Policy, the review date shall be updated.

VIII. Slavery compliance officer

- 8.1. The Company has a Slavery Compliance Officer, to whom all concerns regarding modern slavery should be addressed, and who will then undertake relevant actions with regard to the Company obligations in this regard.