

## **POLICY ON SUSTAINABLE EMPLOYMENT**

We esteem the relationship with our employees and accomplish success through the contribution and commitment of each employee. We are determined to develop open and participatory working environment based on recognizing universal human rights at which all employees are valued, empowered and encouraged to do their best.

The policy covers the following elements:

- Comparable Terms and Conditions
- Working and Living Conditions
- Freedom of Association
- Reasonable Working Hours
- Grievance Mechanisms
- Local Legal Compliance & Kordsa Requirements
- Capability Building
- Equal Opportunities and Ensuring Gender Equality
- Prohibitions Forced and Child Labor

### **- Comparable Terms and Conditions**

We abide by the principle of “equal pay for equal work” in fixing the wages of our employees. We are offering equal benefits to all employees performing in the same job functions or similar tasks. We don’t pay one employee at a rate of pay less than another employee on the basis of sex or race when they perform substantially the same kind of work.

We ensure our wages remain comparable with the fair living wage index where this is available for the local markets/sites.

### **- Working and Living Conditions**

We provide a safe and healthy workplace environment by minimizing the factors leading to industrial accidents, occupational diseases and health risks and giving importance to raise awareness. We believe that most injuries and occupational illnesses, as well as safety and environmental incidents are preventable, and our goal for all of them is zero.

We are committed to maintaining a workplace that is trustworthy, complies with legal requirements and industry acceptable standards and is free from violence, harassment, exploitation, abuse or intimidation and other unsafe or disruptive conditions.

We treat all employees fairly and honestly regardless of where they work.

We aim to provide an adequate standard of living for our employees and their families. We foster a work environment where each of us can perform best, innovate and develop. We respect the right to rest and leisure, including vacation with pay, and the right to family life, including parental leave and comparable provisions as applicable. Our employees’ lifestyles reflect the diversity of our people. Flexible work-time arrangements empower employees to use opportunities to balance their employment with their personal or family lives by helping them to better plan their leisure time.

- **Freedom of Association**

We respect the freedom of our employees to associate or not associate with a union of their own choosing under local law without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we establish a constructive dialogue and engage in negotiations or consultation as required with their freely chosen representatives. We respect to the collective bargaining right of our employees.

- **Reasonable Working Hours**

We adhere to applicable laws or industry standards, relating to minimum wages, working hours, overtime and benefits. We respect working hours comply with national laws and benchmark industry standards.

The working hours for the employees employed directly or via 3rd Party Labor agencies are capped at the legally prescribed limit or maximum 12 hours a day including overtime, whichever is the lower. One day resting period per week is provided to these employees after 6 consecutive days of work. If any exception is needed due to a genuine need for business continuity of production or service i.e. seasonal work, then this need to be approved by regional COO and HR Group Manager.

- **Grievance Mechanisms**

The most important mechanism in place for presenting a grievance is Kordsa Ethics Line accessible through web or by phone. Alternatively, employees can raise concerns to their managers, their HR department and/or the Global/Local Ethics Compliance Officer and/or the Ethics Board. All reporting through channels are kept confidential in order for our employees to express grievances and report possible compliance violations without fear of retaliation. The Global Ethics Compliance Officer and the Ethics Board have the responsibility to investigate and resolve all complaints and notifications concerning violation of the Code of Business Ethics of Kordsa Group Companies and related policies. We ensure concerns are appropriately addressed in a timely manner. You may find further information related to the channels and Ethics Board on Kordsa Business Ethics Code.

- **Local Legal Compliance & Kordsa Requirements**

Our practices are in accordance with all current laws and regulations concerning employment and working conditions.

- **Capability Building**

We encourage our employees to fully utilize their potential by offering training and education opportunities such as onboarding and/or Health and Safety. Also, we provide career advancement opportunities to our employees through which they can develop their skills and capabilities because we ensure that our employees feel connected with their job and our mission, feel valued for their contribution, and are motivated to grow with Kordsa.

- **Equal Opportunities and Ensuring Gender Equality**

All our employment practices including, but not limited to, hiring, placement, promotion-transfer-rotation, termination, layoff, recall, transfer, leaves of absence, compensation, remuneration, social benefits and trainings are conducted on a non-discriminatory basis and are all performed based on capability, performance and experience.

We provide equality of opportunity and treatment for the purposes of eliminating discrimination based on race, color, gender, sexual orientation, gender identity, religion, political opinion, nationality, social origin and status, indigenous status, disability, age or other status of individuals unrelated to the individual's ability to perform work. Ignorance and inaction do not constitute excuses for discrimination.

- **Prohibitions Forced and Child Labor**

We are committed to elimination of all forms of forced and compulsory labor and the effective abolition of child labor. We ensure that the overall terms of employment are voluntary and we adhere to the minimum age provisions stated in the applicable laws and regulations.

We are resolute in upholding human rights in everything we do and don't tolerate such discrimination in others. The Policy, is a component part of Kordsa Human Rights Policy and Kordsa Business Ethics Code.