

Human Resources Policy on Work Environment and Conditions

Owner/version/
approval

Owner: HR Manager

Version	Author	Date	Correction	Approved by
1.0	EFE	09.08.2024	Document created	IEL
2.0	IEL	22.10.2025	Document adjusted and extended	IEL

Purpose

The purpose of the human resources policy on work environment and conditions is to implement a unified and effective personnel management in LSEZ “Jensen Metal” SIA (further referred to as Jensen Metal or the Company) to ensure the attraction and retention of qualified, professional and motivated personnel, promote personnel development and loyalty, ensuring respect for the rights of the Company and employees in labour relations.

Background

The mission of Jensen Metal is to be trustworthy and efficient partner in sub-supplying high-quality steel, stainless steel, and aluminium components, machines, and systems.

Our work, attitude and all internal processes are based on the Company’s values:

- Value adding - every activity must create value
- Trustworthy - we keep our promises
- Competent - professionally skilled and diligent
- Committed - performance, insight and knowledge
- Orderliness - we are responsible, fair and honest

This policy supports the Company’s ESG and sustainability strategy by promoting ethical labour practices, diversity, and responsible human capital management.

Related internal regulatory acts, which determine work environment and conditions

Code of Conduct
 Quality Management System
 Information Security Policy
 Data Security and common IT practice
 Internal Rules
 Arrangements for remote working
 Salary Policy
 Internal Whistleblowing System
 Risk management and Contingency Plan
 Employee recruitment and hiring instruction/Darbinieku darbā pieņemšanas instrukcija
 Employee termination instruction/Darba attiecību pārtraukšanas procedūra
 Collective Agreement
 Competence management instruction

Human Resources Policy on Work Environment and Conditions

1. Commitment to ESG principles, compliance with laws and regulations

Jensen Metal is committed to incorporating ESG principles into our operations, including maintaining a work environment that promotes employee well-being, safety, inclusivity, and sustainability. The Company integrates ESG performance into strategic decision-making and annual reporting in line with the EU Corporate Sustainability Reporting Directive (CSRD). We continuously assess our social and environmental impacts and disclose progress transparently.

We are striving to ensure that the message of sustainable development, diversity in the workforce reach all our employees, therefore we provide internal sustainability training sessions.

Jensen Metal's *Code of Conduct* ensures that our business standards are upheld, and we urge our business partners to also commit to them.

We ensure all work environments and conditions to comply with applicable local laws and industry regulations.

2. Risk Management and Contingency Plan

Risk management is integral to the successful operation of our business and all employees must follow to identify, assess, and mitigate potential risks that could impact our operations. The Company's approach to risk management is proactive, focusing on preventing risks before they materialize.

All employees are expected to familiarize themselves with Contingency plan and understand their specific roles and responsibilities should it be activated. *Risk management and Contingency Plan* outlines the procedures to be followed during emergencies, resource allocation, and recovery strategies. Regular training sessions are provided to ensure that all employees are equipped to recognize and manage risks and actions effectively in their respective areas of responsibility in accordance with this plan.

3. Governance, transparency and reporting

We maintain transparency in our operations. *Internal Whistleblowing System* is created in accordance with the Whistleblowing Law, and it gives all employees and any other stakeholders the ability to facilitate lawful, honest, open, and transparent work of the Company.

We engage with employees, customers, suppliers, and other stakeholders to identify material ESG issues and continuously improve our human rights, labour, and ethical performance.

4. Quality Management System

Jensen Metal is committed to maintaining the highest standards of quality in all aspects of our operations. As part of our Quality Management System (QMS), all employees are required to adhere to established procedures and guidelines designed to ensure the delivery of consistent, reliable, and superior services/products. Regular audits and reviews are conducted to ensure compliance with QMS standards. Training is provided to ensure that everyone understands their role in maintaining the quality standards set by the Company's Quality Management System.

5. Social dialogue

The Company recognizes social dialogue as a cornerstone of sustainable labour relations and a key element in maintaining a positive and transparent working environment.

Jensen Metal is committed to promoting open, continuous, and constructive communication between management and employees, as well as their elected representatives. We ensure that all employees have the right to freely express their opinions, raise concerns, and participate in decision-making processes that affect their work environment.

The Company consults and cooperates with employee representatives on topics such as occupational health and safety, working conditions, and organizational changes. Through regular meetings, surveys, and feedback mechanisms, we encourage mutual understanding and shared responsibility in creating a safe, fair, and inclusive workplace.

The principles of social protection and support are outlined in the *Collective Agreement*, which provides additional measures for employee well-being, such as health and accident insurance, support during key life events, and social benefits.

Human Resources Policy on Work Environment and Conditions

6. Personnel planning, recruitment and hiring, termination

In the process of personnel resource planning, in cooperation with function managers, is analysed the number of employees and what skills and/or knowledge are needed to achieve the Company's goals.

Additionally, the available resources are evaluated, and what measures should be taken to effectively use the existing personnel resources.

The personnel recruitment, hiring and onboarding process is conducted in accordance with the *Employee recruitment and hiring instruction* and following the *Competence Management instruction*. We follow the principles of diversity and equal treatment in the employee recruitment process.

The conditions, process and responsibilities of dismissal of employees are specified in the *Employee termination instruction*.

7. Work environment standards and conditions

All basic conditions regarding the work schedule, environment, working hours, which are binding on all employees, are determined in the *Internal Rules*.

Employees working remotely must comply with the *Arrangements for remote working*.

All employees must adhere to the *Information Security Policy* and *Data Security and common IT practice*.

The position, responsibilities and conditions of each employee are defined in the employment contract, job description, official authorisations and internal orders.

7.1. Health and workplace safety

Jensen Metal employees must adhere to safety and emergency situation's instructions and risk assessments provided by outsource partners. This aligns with ensuring safe and healthy working conditions under ESG criteria.

We provide regular work environment monitoring audits and employee training, as well as make improvements and promptly eliminate nonconformities.

Occupational health and safety (OHS) performance is monitored through KPIs such as lost-time injury (LTI) and included in the Company's ESG reporting.

7.2. Forced labour

Jensen Metal strictly prohibits all forms of forced, bonded, or compulsory labour, including human trafficking and any practice that restricts an individual's freedom of movement or employment.

Employment at Jensen Metal is based on free and informed consent. All employees work voluntarily and are free to terminate their employment in accordance with Latvian labour law. The Company does not retain employees' personal identification documents, financial deposits, or any other form of security as a condition of employment.

This commitment extends to all business partners and suppliers. Through our *Code of Conduct* and supplier evaluations, we require our partners to uphold the same standards and to prevent any form of forced labour or modern slavery within their operations and supply chains.

If a violation is discovered, immediate corrective actions will be implemented, including cooperation with relevant authorities and the application of remedial measures.

7.3. Child labour

Jensen Metal strictly prohibits any form of child labour in its operations and supply chain.

We fully comply with the EU Directive on Corporate Sustainability Due Diligence, ILO Conventions No. 138 (Minimum Age) and No. 182 (Worst Forms of Child Labour), and the relevant Latvian legislation.

The Company does not employ anyone below the legal minimum working age as defined by Latvian law. We require all business partners and suppliers to adhere to the same standards through our *Code of Conduct* and supplier agreements. If a breach is identified, corrective actions will be taken immediately, including cooperation with authorities and the implementation of remediation programs where necessary.

The Company also supports educational and vocational initiatives aimed at providing youth employment opportunities consistent with national law.

Human Resources Policy on Work Environment and Conditions

7.4. Diversity, Equity and Inclusion (DEI)

Jensen Metal promotes diversity and equal opportunities in all aspects of employment, regardless of gender, age, nationality, disability, or other personal characteristics. The Company aims to create an inclusive workplace where different perspectives contribute to innovation, collaboration, and sustainable growth.

DEI performance is monitored through workforce composition metrics and gender balance indicators, which are reviewed annually and included in the Company's ESG reporting.

7.5. Labor relations issues

Labor relations issues, including violations at work, are evaluated and resolved in accordance with national laws and regulations

8. Competence management and development

Learning and development processes of the Company's employees are linked to performance management and aimed at achieving results. The Company creates an environment that supports learning and development and trains employees starting with the onboarding and mentoring process in the first days of work.

The Company provides opportunities for mandatory and in-service training and determines other training and development needs based on performance reviews and Company's priorities for achieving the best results. The Company also organizes internal trainings, using the knowledge of its specialists, on quality management, professional skills, etc. ESG-related skills and sustainability awareness are integrated into training programs to support the Company's environmental and social objectives.

The Company's competence management processes and responsibilities are defined in the *Competence Management Instruction*.

9. Performance management, compensation and motivation

The salary of the Company's employees contains two parts – fixed and variable part. Fixed part is the wage or hourly rate, but variable part is additional payments, different bonuses, compensations, presents in special occasions, etc.

Employees of the Company are evaluated once a year at the end of each financial year. Administration and service providers are evaluated by the direct manager in charge and the Human Resources Manager. Production employees are evaluated by the production manager in cooperation with foremen and/or team leaders. The employee evaluation is submitted to the procurator for approval.

Salary conditions and job evaluation criteria are determined in the *Salary Policy*.

The social protection program and support of the Company's employees is defined in the *Collective Agreement*.

9.1. Equal Pay

Jensen Metal is committed to the principle of equal pay for equal work and work of equal value, ensuring that employees are compensated regardless of gender, age, nationality, or any other characteristic unrelated to performance or job responsibilities.

The Company regularly reviews its compensation structures and job classifications to identify and eliminate any unjustified pay gaps. Salary reviews are conducted transparently and based on objective criteria such as skills, experience, qualifications, and performance outcomes.

We fully comply with the EU Pay Transparency Directive (2023/970) and relevant Latvian labour legislation to promote pay equity and transparency.

Employees have the right to request information regarding pay levels and pay criteria as defined by law. The Company ensures that such requests are handled confidentially and respectfully, without any form of retaliation.

Jensen Metal strives to create a culture of fairness and accountability, where equal opportunities and equitable remuneration are integral to our values and long-term sustainability goals.

Human Resources Policy on Work Environment and Conditions

9.2. Minimum wage and Living wage

Jensen Metal guarantees full compliance with Latvian labour law, ensuring all employees receive at least the legal minimum wage. In addition, we are committed to progressively achieving a living wage for all full-time employees beyond the probation period.

To achieve this, the Company sets a mid-term goal (by 2030/31): Achieve 90% for FTE after probation period of the defined living wage benchmark in Latvia across all roles. The benchmark is defined based on reliable external sources such as Eurofound and/or Figure Baltic Advisory.

The Company will regularly review wage levels, taking into account local cost of living, inflation, and market data. Progress toward these targets will be monitored through annual salary reviews and reported as part of our sustainability reporting.

10. Communication

We ensure regular, transparent, engaging and values-based communication. To reach all our employees, internal communication is provided using TV screens, information boards, e-mails and the MS Teams platform, as well as by cascading information through meetings, leaders and managers.
