KG Constructions Group

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Approved by:

CEO of the company Linas Karzinauskas
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KG CONSTRUCTIONS GROUP, UAB CODE OF BUSINESS CONDUCT AND ETHICS

I. Vision

1.1. To implement the most advanced facade solutions in the world's major cities.

II. Principles

2.1. KG Constructions Group, UAB (hereinafter – the **Company**) values and principles are the foundation of this Code and the cornerstone of our culture. While the values guide us in our everyday work, the Code uses them to provide more specific guidance in relation to a number of issues.

2.2. As the Company, that operates from Lithuania, 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) Lignas Sweden AB (hereinafter – the Group), this Code shall apply for all specified Group companies. The Group companies, which are established outside the Republic of Lithuania, may hold their own Code, as required under local law.

2.3. The Code is by no means comprehensive. There will still be situations where it does not provide sufficient guidance. Then you will need to refer back to the values and your common sense or seek an advice.

2.4. Our main principles are:

2.4.1. Customer focus:

2.4.1.1. We respect and meet customer requirements and aim to exceed expectations;

2.4.1.2. We comply with contractual obligations, requirements of legislation and standards.

2.4.2. Leadership:

2.4.2.1. We implement changes for quality improvement and process efficiency;

2.4.2.2. We are constantly reviewing and improving processes and management systems.

2.4.3. Engagement of people:

2.4.3.1. We provide opportunities for employees initiate and implement change;

2.4.3.2. We encourage employees to improve processes and manage risk.

2.4.4. Continuous improvement:

2.4.4.1. We improve our activities by applying *lean* methods;

2.4.4.2. When assessing risk, we look for opportunities to improve processes.

2.4.5. Process approach:

2.4.5.1. We manage processes on a *plan-do-check-act* basis.

2.4.6. Evidence-based decision making:

2.4.6.1. We measure, analyse and only then make decisions.

2.4.7. Relationship management:

2.4.7.1. We seek a mutually beneficial relationship with all interested parties.

2.4.8. Environmental protection:

2.4.8.1. We conserve natural resources and sort waste;

2.4.8.2. We take into account the life cycle of the materials used.

2.4.9. Health and safety:

2.4.9.1. We provide safe and healthy work conditions;

2.4.9.2. We foster an approach to a safe work culture at all levels.

2.5. Within our sphere of influence, we strive to ensure that in our projects, our suppliers, subcontractors, customers and partners abide by the principles set out in our Code.

III. Mission

3.1. To accept and overcome challenges and share added value with employees and society.

IV. Build Trust and Credibility

4.1. The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching Company's goals solely through honorable conduct. It is easy to *say* what we must do, but the proof is in our *actions*. Ultimately, we will be judged on what we do. As an international Company working with some of Europe's largest clients, we hold ourselves to the highest standards of business ethics in the western world, regardless of the country in which we work. We make decisions through a prism of value rather than profit.

V. Respect for the Individual

5.1. We all deserve to work in an environment where we are treated with dignity and respect. KG Constructions Group is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste.

5.2. We respect and protect human rights, do not tolerate forced labour and are against child labour. We do not employ any person below the age of 18 or applicable higher legal minimum age. We do not use forced labour, slave labour or other forms of involuntary labour at our work sites. We do not allow any practice that would restrict free movement of employees.

5.3. KG Constructions Group is committed to providing a workplace that is free of discrimination of all types and from abusive, offensive or harassing behaviour. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

5.4. All KG Constructions Group's employees are also expected to support an inclusive workplace by adhering to the following conduct standards:

5.4.1. Treat others with respect at all times;
5.4.2. Address and report inappropriate behaviour and comments that are discriminatory, harassing, abusive, offensive or unwelcome;
5.4.3. Foster teamwork and employee participation, encouraging the representation of different employee perspectives;
5.4.4. Seek out insights from employees with different experiences, perspectives and backgrounds;
5.4.5. Avoid slang or idioms that might not translate across cultures;
5.4.6. Support flexible work arrangements for co-workers with different needs, abilities and/or obligations;
5.4.7. Confront the decisions or behaviours of others that are based on conscious or unconscious biases;
5.4.8. Be open-minded and listen when given constructive feedback regarding others' perception of your conduct.

5.5. No employee, customer, business partner or anyone else shall be discriminated against in employment or occupation on the grounds of sex, race, colour, age, pregnancy, sexual orientations, religion, political opinion, nationality, ethnic origin, disease, disability or any other basis that is protected under applicable law.

5.6. KG Constructions Group will not tolerate discrimination, harassment or any behaviour that is abusive, offensive or unwelcome.

5.7. Employees are employed paid and promoted solely on the basis of their abilities and performance. The KG Constructions Group's intention is to pay a reasonable salary to all employees and to promote their professional and personal development, support their current and future work plans.

VI. Create a Culture of Open and Honest Communication

6.1. At KG Constructions Group everyone should feel comfortable to speak his or her mind, particularly with respect to work ethics concerns. Although, the Company's reputation shall always be taken into account. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

6.2. KG Constructions Group will investigate all reported (by email or orally) instances of questionable or unethical behaviour in a timely manner. In every instance where improper behaviour is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

6.3. Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager (by email or orally), as most problems can be resolved swiftly. After HR or manager 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.

VII. Set Tone at the Top

7.1. Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behaviour does not simply happen; it is the product of clear and direct communication of behavioural expectations, modelled from the top and demonstrated by example.

7.2. To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At KG Constructions Group, we want the ethics dialogue to become a natural part of daily work.

VIII. Uphold the Law

8.1. KG Constructions Group's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or KG Constructions Group's policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

8.2. Because of the nature of our business, some legal requirements warrant specific mention here.

8.3. ***Bribery and Corruption, Anti-Money Laundering***

We shall at all times conduct ourselves in accordance with the company's Anti-Money Laundering, Anti-Bribery and Corruption Policy located here: https://kgcgroup.com/home/wp-content/uploads/2022/01/Anti-Money-Laundering-Anti-Bribery-and-Corruption-Policy_EN_27-01-2022.pdf.

8.4. ***Competition***

We communicate information about the company in a timely and accurate way, and we seek to inform and not mislead. We are dedicated to ethical, fair and vigorous competition. We will sell KG Constructions Group products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for KG Constructions Group or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

Within the Company we seek to see information exchanged smoothly and quickly. Knowledge relevant to the work may not be falsified, passed on selectively or withheld from other departments, unless contradicted by overriding interests.

8.5. ***Proprietary Information***

It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

8.6. ***Selective Disclosure***

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material non-public information with respect to KG Constructions Group, its securities, business operations, plans, financial condition, results of operations or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material non-public information.

8.7. ***Health and Safety***

KG Constructions Group is dedicated to maintaining a healthy environment. We are committed to ensuring the health and safety of our staff and anyone affected by our business activities and to provide a safe environment for all those attending our premises, in accordance with our Health and Safety Policy located here: https://kgcgroup.com/home/wp-content/uploads/2021/10/Quality_Environment_HealthSafety_Policy_ENG.pdf.

IX. Avoid Conflicts of Interest

9.1. ***Conflicts of Interest***

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of KG Constructions Group may conflict with our own personal or family interests. We owe a duty to KG Constructions Group to advance its legitimate interests when the opportunity to do so arises. We must never use KG Constructions Group's property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with KG Constructions Group.

Requiring anyone at KG Constructions Group to make a personal or corporate contribution to any candidate, political party, or holder of any governmental office is prohibited. Employee's status at KG Constructions Group shall not be jeopardized because of employee's participation or nonparticipation in lawful political activity.

Employees with a conflict-of-interest question should seek advice from management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the HR department.

X. Set Metrics and Report Results Accurately

10.1. ***Accurate Public Disclosures***

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform the HR if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

10.2. ***Corporate Recordkeeping***

We create, retain and dispose of our company records as part of our normal course of business in compliance with all KG Constructions Group policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with KG Constructions Group's and other applicable accounting principles.

We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of KG Constructions Group books, records, processes or internal controls.

XI. Promote Substance Over Form

11.1. ***Accountability***

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about Company's policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR (by email or orally).

HR receives such notification, 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 Code 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.

KG Constructions Group takes seriously the standards set forth in the Code, and violations can cause disciplinary actions up to and including termination of employment.

XII. Be Loyal

12.1. ***Confidential and Proprietary Information***

Integral to KG Constructions Group's business success is our protection of confidential company information, as well as non-public information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes but do not limit such things as pricing and financial data, customer names/addresses or non-public information about other companies, including current or potential supplier and vendors. We will not disclose confidential and non-public information without a valid

business purpose and proper authorization. We protect confidential information even after the employment or business relationship has ended.

12.2. ***Use of Company Resources***

Employees and those who represent KG Constructions Group are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

In order to protect the interests of the KG Constructions Group network and our fellow employees, KG Constructions Group reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or KG Constructions Group's intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

XIII. Role in the Society

13.1. ***Environment***

We are committed to protecting the environment and maintain organizational structures and procedures that ensure that at least a minimum of all relevant laws, regulations and standards are met, and recognize our responsibility to improve our environmental performance continuously.

13.2. ***Customers***

We always treat our customers with respect while striving to improve customer satisfaction continuously. We take responsibility and what we promise, we deliver. By being responsible, we build strong relationships with customers, partners and colleagues.

We expect each KG Constructions Group employee to contribute to these standards by providing high quality work, being fully familiar with applicable laws and regulations that are pertinent to their areas of responsibility and participating in training programs provided by the Company covering broad ranges of activities. Employees are also encouraged to exert diligence in identifying and preventing practices that could impair work quality, safety or compliance with law.

13.3. ***Community***

We respect the community around us, engage in societal issues, participate in public debates and have an active dialogue with our stakeholders. Our actions are always sustainable and socially acceptable

13.4. ***Lobbying and sponsorship***

We engage in legitimate activities relating to both national and international policy formation and are transparent about our sponsorships.

XIV. Do the Right Thing

14.1. Failure to comply will not be tolerated and may result in appropriate disciplinary action by the KG Constructions Group.

14.2. All employees are encouraged to act promptly when faced with violations of the Code. Such cases can be reported to the HR manager. However, deliberate misuse of the opportunity of notification will not be tolerated.

14.3. Any reprisal or retaliation against a person, who has reported a violation or suspected violation of the Code in good faith, is prohibited.

14.4. This Code is reviewed, changed and updated (if necessary) at least once a year by HR Manager. This Code is placed on Company's website for free access not only to all employees but also to all suppliers/partners.