



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

**VALMIERA GLASS  
GROUP**

[www.valmiera-glass.com](http://www.valmiera-glass.com)

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**VALMIERA<sup>®</sup>  
GLASS**

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## INTRODUCTION

Sustainability is embedded in VALMIERA GLASS GROUP'S (VGG) business strategy and our way of doing business.

### Mission and vision

At the GROUP we are on a mission to achieve the extraordinary and redefine possibilities. Guided by our vision, we aspire to lead the way in the industrial glass fibre industry across Europe.

### Values

Our commitment to the vision is underpinned by a set of core values that drive us forward:

- ▶ **Ambition:** We are never content with our achievements. We always seek to push the limits of our abilities as a manufacturer, a company and human beings.
- ▶ **Ingenuity:** Our competence lies in our ability to use existing resources dealing with the challenge of creating something new, innovative and yet unseen.
- ▶ **Innovation:** We cannot afford to follow others, we need to find and choose an unusual path, a new way of shaping the glass fibre industry.

### Our key ESG commitments

Based on existing methods and technologies of glass fibre melting process, our ambition is to achieve the lowest possible greenhouse gas emissions by 2050 at the latest. Our commitment extends to the entire value chain, from sourcing raw materials to delivering sustainable products to our customers.

We envision a workplace where every employee thrives, supported by secure employment, fair wages, and a culture of well-being. We are also committed to empowering our team members through continuous training and development programs, offering career pathways to help them reach their full potential.

We are committed to conducting our operations with the highest standards of integrity, sustainability, and responsibility. To achieve this commitment, we have embedded responsible business practices within our corporate culture, supply chain, and stakeholder relationships and key components include transparency, accountability, and a dedication to continuous improvement.

Although these commitments are fundamental, they may be subject to evolution based on the analysis of our impacts and risks.

### About the environmental, social and governance (ESG) policy

Our ESG policy serves as a structured and comprehensive framework that unites sustainability with our day-to-day operations, decision-making processes, and corporate culture.

ESG policy covers the GROUP'S entire value chain including sourcing, own operations, and products sold and we apply responsible business practices along our entire value chain. In this policy, we outline our dedication to creating a positive impact on ESG factors. With transparency, accountability, and innovation as our guiding principles, we are committed to crafting a better tomorrow through our actions today.

This policy applies to THE GROUP and its group companies. This policy may be supplemented by additional local policies and procedures, where necessary, but such local policies may not fall below the standards set in this policy.

## **MANAGEMENT APPROACH**

At the GROUP, we recognize that sustainability is not only a moral imperative but also a critical element of our long-term success. We will continue integrating our sustainability governance into our business strategy and model. We are committed to adhering to international frameworks and standards covered in this policy and guiding our responsible business practices in the areas of environmental, social, and governance considerations.

At the GROUP, we recognize that effective leadership is pivotal in advancing sustainability and driving cultural change within our organization. By embedding sustainability into our management team's roles and responsibilities, we aim to create a culture where sustainability is not just a goal but a fundamental aspect of how we operate.

### **Allocating responsibilities**

The Management Board has the overall responsibility for the GROUP'S sustainability strategy and agenda, monitored by the Supervisory Board. The implementation is delegated to the Chairman of the Board of AS VALMIERAS STIKLA ŠĶIEDRA.

The Chairman of the Board is responsible for translating the Management Board's sustainability strategy into actionable plans, overseeing their implementation, and reporting progress to the Supervisory Board. The Chairman of the Board supervises and provides general leadership for the work of the Sustainability Committee.

Sustainability practices have been integrated into various GROUPS departments, resulting in the establishment of the Sustainability Committee led either by the Chairman of the Board or a delegated employee.

The Sustainability Committee works on best sustainability practices and strategy implementation in the GROUP. The Committee is responsible for ESG risk management within the GROUP, initiative, goal and task proposals for the sustainable development of the GROUP, participation in sustainability reporting based on actual legal requirements and other responsibilities, which are set out in the Regulations of Sustainability Committee of the GROUP approved by the Management Board of AS VALMIERAS STIKLA ŠĶIEDRA.

Members of the Sustainability Committee from country-level management play a crucial role in implementing the GROUP'S sustainability strategy at the local level. Their responsibilities include adapting strategies, ensuring compliance, engaging stakeholders, and driving local sustainability initiatives aligned with local priorities and requirements.

The Sustainability Committee reports directly to the Management Board of AS VALMIERAS STIKLA ŠĶIEDRA.

## **Necessary qualification**

It is ensured that the management team and the members of the Sustainability Committee receives regular and up-to-date education and training, at least annually, on relevant sustainability topics, regulations, and best practices. This training equips them with the knowledge and tools necessary to understand and integrate sustainability considerations into their respective roles and responsibilities. Education and training may include workshops, events, online courses, and access to external resources to stay informed about evolving sustainability trends and industry-specific requirements.

## **Monitoring of compliance and progress on sustainability**

The Management Board maintains continuous oversight of policy adherence. Sustainability Key Performance Indicators (KPIs), as outlined in the GROUP'S sustainability strategy, are regularly monitored by the relevant departments and the Sustainability Committee, and reported to the Management Board.

For details on feedback mechanisms concerning policy adherence and progress, please consult the "Grievance mechanisms" section.

## **MATERIALITY PROCESS**

At the GROUP, we embrace a double materiality approach to sustainability. We assess how elements of our business, including products, customers, and the value chain, impact sustainability matters, and how sustainability matters pose risks and provide opportunities for us. This holistic approach enables us to identify opportunities for improvement and innovation.

To ensure transparency and credibility in our assessments and reporting, we are committed to following recognized sustainability reporting standards and guidelines, such as the European Sustainability Reporting Standards (ESRS) and ESRS 2 General disclosures. The GROUP conducts its impact and financial materiality assessment in accordance with these standards.

In addressing material sustainability topics and effectively managing related impacts, risks, and opportunities, we establish relevant targets at the GROUP. Our comprehensive set of policies and management systems ensures compliance with sustainability principles.

Furthermore, following our first double materiality assessment in 2023, we are committed to conducting regular reviews of our impacts, risks, and opportunities. These assessments will be conducted at least once every two years.



## STAKEHOLDER DIALOGUE

the GROUP'S strategic commitment extends to meaningful stakeholder engagement. We actively seek input from our key stakeholders to better understand their expectations and concerns, incorporating their valuable insights into our business strategy.

Our key stakeholders include:

- ▶ Customers;
- ▶ Employees;
- ▶ Environment;
- ▶ Suppliers;
- ▶ Affected communities.

We highly value the input and feedback of our stakeholders, considering their concerns as important insights. We are committed to actively engaging with our stakeholders to address their grievances, collaborate on solutions, and foster trust and cooperation.

## BUSINESS ETHICS

At the GROUP, our long-standing history is characterized by a steadfast commitment to responsible business conduct, a cornerstone of our company's success. We aspire to uphold the highest standards of ethics and transparency, both internally and throughout our value chain.

We seek to establish collaborative partnerships with our suppliers and customers to promote sustainable practices. Our business operations are guided by principles of honesty and integrity, ensuring not only alignment with stakeholder expectations but also compliance with all legal requirements.

The GROUP'S commitment to ethical business conduct is codified in our Code of Business Ethics, which serves as our guiding framework for ethical decision-making and behavior.

The GROUP is firmly committed to a policy of abstaining from making direct or indirect political contributions to any political party, candidate, or organization. We firmly believe that refraining from political contributions upholds the integrity and impartiality of our business operations, aligning with our unwavering commitment to responsible corporate citizenship.

the GROUP adheres to strict "Sponsoring guidelines" that govern our involvement in sponsorships and partnerships. These guidelines serve as a framework for ethical decision-making and behaviour when engaging in sponsorship activities, ensuring that our partnerships align with our core values and ethical principles.

## HUMAN RIGHTS

The GROUP acknowledges that human rights are universal values, and as a business, we bear a responsibility to uphold and respect them. "Human rights" encompass the inherent rights of all individuals and serve as the foundation for rights delineated in legislation and guidelines. These rights are applicable to every person, without exception, and at all times.

The GROUP is committed to mitigating, and ideally, preventing any human rights violations in collaboration with our clients and suppliers.

Our commitment to human rights is guided by established international standards, including:

- ▶ UN treaties and conventions, such as the Universal Declaration of Human Rights.
- ▶ Guidelines and declarations issued by international organizations, including the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the ILO Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.
- ▶ Adherence to national legislation.

Within our Code of Business Conduct, we emphasize our unwavering commitment to human rights. The GROUP respects human rights and does not tolerate harassment or discrimination in the workplace. We do not support illegal employment, and we require that our suppliers adhere to the same principles.

## **ENVIRONMENTAL IMPACT**

At the GROUP, we are deeply committed to environmental sustainability and recognize our responsibility to protect and preserve the environment for current and future generations.

We ensure full compliance with local, national, and international environmental regulations and standards. We strive not only to meet but to exceed these requirements to minimize our environmental impact.

We are dedicated to continuous improvement in our environmental performance. To this end, we set specific, measurable, and time-bound targets across various environmental aspects, such as energy efficiency and waste reduction. These targets guide our efforts to minimize our environmental footprint.

Transparency is integral to our commitment to environmental responsibility. We commit to transparent reporting of our environmental performance, including metrics related to greenhouse gas emissions, waste management, and other relevant indicators. Our reporting follows European Sustainability reporting standards, ensuring accountability, and enabling stakeholders to track our progress.





## **SUPPLIER MANAGEMENT**

At the GROUP, we are committed to responsible and ethical sourcing practices. Our Supplier Code of Conduct, available publicly on our webpage <https://www.valmiera-glass.com>, outlines our expectations for ethical and responsible behaviour from our suppliers. This includes any individual or legal entity providing goods and/or services to or on behalf of the GROUP, including sub-suppliers and sub-contractors. We require our suppliers to adopt and confirm ethical and responsible practices in their business operations and supply chains.

### **Compliance**

We insist on strict compliance with all relevant laws, regulations, and international standards. Suppliers are expected to meet legal and regulatory requirements related to environmental protection, labor rights, and product safety. Transparency in supply sources, materials, and manufacturing processes enables effective risk assessment and mitigation.

We conduct audits and assessments of our suppliers to identify quality, environmental, social, and governance risks and ensure adherence to our ESG standards. Non-compliance may lead to corrective actions, contract termination, or other appropriate measures.

### **Environmental responsibility**

We prioritize suppliers committed to environmental responsibility, encouraging them to minimize their environmental impact, reduce emissions, and adopt sustainable production practices.

### **Social responsibility**

We acknowledge those suppliers which uphold social responsibility by promoting fair labour practices, ensuring safe working conditions, and respecting human rights.

### **Collaboration**

We focus on establishing enduring, mutually beneficial relationships with our suppliers, recognizing that sustained collaboration builds trust and enhances our supplier management efforts. We actively engage with them to identify opportunities for improvement, innovation, sustainability, and to implement risk mitigation strategies.

### **Fair payment practice**

We commit to maintaining fair payment practices in all our business relationships. Timely and equitable payments to our suppliers and service providers are fundamental to our commitment, ensuring that all parties are treated with respect and fairness in financial transactions.

## **REPORTING AND TRANSPARENCY**

At the GROUP, we are committed to robust ESG reporting that provides an accessible and meaningful ESG information that aligns with the expectations and interests of a wide range of stakeholders. Through the following processes and commitments, we demonstrate our dedication to upholding transparency, accountability, and sustainability in all our efforts.

ESG data and progress will be reported annually. All stakeholders can access the sustainability reports on our webpage: <https://www.valmiera-glass.com>.

### **Data gathering, verification and management**

Our immediate goal is to establish structured processes for the systematic collection, verification, and daily management of ESG data, covering environmental impact, social responsibility, and governance practices. Our unwavering commitment extends to maintaining data accuracy, reliability, and relevance. We operate in full compliance with GDPR and other pertinent data protection regulations, ensuring the safeguarding of data handling.

### **Competent staff**

We recognize the importance of having knowledgeable and well-trained staff involved in sustainability reporting. We commit to providing our employees with the necessary knowledge and training to effectively engage in ESG reporting. We will also ensure that staff have the time and resources required for their sustainability reporting responsibilities.

### **Regulatory compliance**

We will publish the sustainability report compliant with the Corporate Sustainability Reporting Directive, European Sustainability Reporting Standards, and respective national legislation, offering a comprehensive overview of our ESG performance, goals, and achievements.

### **Third-party assurance**

To further enhance the credibility and reliability of our sustainability report, we will obtain third-party assurance through an independent audit. This external validation ensures accuracy and adherence to European Sustainability Reporting Standards and national regulations.

### **Multi-channel approach to reporting**

We are committed to proactively sharing our sustainability efforts and progress with stakeholders and information users using a multi-channel approach.

## **GRIEVANCE MECHANISMS**

At the GROUP, we hold a deep commitment to nurturing a culture of openness and accountability, where all stakeholders are valued, heard, and respected. Through the establishment of accessible and impartial grievance mechanisms, we demonstrate our unwavering dedication to responsible and ethical business practices. We ensure full

compliance with GDPR and other relevant data protection regulations regarding grievance mechanisms.

The GROUP has established and maintains a whistleblowing system, providing employees, shareholders, persons belonging to the administrative, management, or supervisory body of an undertaking, volunteers, and paid or unpaid trainees of the Company, and cooperation partners of the Company with the possibility to report violations in a safe manner while guaranteeing their protection.

The GROUP takes all necessary measures prescribed by legal acts upon receiving a report from a whistleblower, whether it pertains to criminal offenses, administrative offenses, violations of legal norms (acts or omissions), or breaches of the the GROUP'S ethical standards.

To ensure transparency, fairness, and accessibility, the following principles have been established:

### **Accessibility and anonymity**

The grievance mechanisms are easily accessible via our webpage <https://www.valmiera-glass.com> to all stakeholders, regardless of their location, language, or technological capabilities. We actively encourage the use of these anonymous channels to raise concerns, ensuring that stakeholders can voice their opinions without fear of reprisal.

### **Staff training**

It is essential that our staff involved in handling grievances understand the importance of the grievance mechanism and the GROUP'S commitments to addressing concerns promptly and responsibly. To achieve this, we provide necessary training and allocate resources to ensure that the GROUP'S team is well-equipped to manage grievances effectively.

### **Transparency**

At the GROUP, we are committed to treating all grievances with the utmost seriousness and respect, working diligently to investigate and resolve them in a timely manner. Our commitment to resolution extends to grievances related to environmental impact, social responsibility, governance practices, or any other area of concern.

We consider grievance mechanisms as opportunities for learning and improvement. Feedback received through grievances is carefully analysed, and necessary actions are taken to prevent similar issues from arising in the future.

In our annual sustainability reporting, we provide transparent information about the number and nature of grievances received, as well as the actions taken in response. This reporting ensures that our stakeholders are informed about our grievance-handling processes and the steps we take to address concerns.

## **ENTRY INTO FORCE AND REGULAR REVIEW**

This policy will take effect on its date of publication. It will be regularly reviewed and, where necessary, amended.

This policy is available publicly on the website [www.valmiera-glass.com](http://www.valmiera-glass.com).