

**SCHWENK
NORTHERN EUROPE
CODE
OF ETHICS**



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MESSAGE FROM MANAGEMENT

Being a family-owned company in operation for six generations we are certain that there is a direct link between the business principles and high ethical standards laid down in this Code of Ethics and SCHWENK's continued growth and success.



It is equally undeniable that SCHWENK's strength lies with its employees, therefore we rely on each of our employees to respect the values of SCHWENK and other principles of this Code of Ethics, because only together we can produce and provide high quality goods and services and earn the trust of our clients, partners and other stakeholders.

SCHWENK is an international company, which is why we conduct our business in accordance with applicable local laws, as well as international obligations, including human rights, regardless of location.

We at SCHWENK, believe that it is very important to treat all stakeholders involved in our business with respect. We must also not forget to show respect amongst ourselves – employees towards each other. Furthermore, as the business environment continues to evolve, it is necessary to respect local

communities and future generations by pursuing sustainable business solutions and thinking about the opportunities and prosperity of future generations.

Our goal is to cultivate and maintain a strong common culture at SCHWENK, regardless of location and business unit, and to achieve this, we expect each employee to adhere to the principles set forth in this Code of Ethics in our professional collaborations, both internally and externally, and in decision making. We are confident that complying with the Code of Ethics will help us avoid failures, violations and resulting negative consequences, and maintain the good reputation of SCHWENK.

Although this Code of Ethics is not intended to be a manual that contains answers to all questions, we recommend that you treat it as a road map that sets out the principles to guide your daily work at SCHWENK.

We expect you to adhere to our values and the requirements of this Code of Ethics at all stages of SCHWENK's business chain, locations and operating structures, as it is our responsibility not only to the company, its clients and partners to make SCHWENK a well trusted business partner, but also towards each other to create a work environment that is pleasant to return to everyday.

Best Regards,
Reinhold Schneider
CEO SCHWENK Northern Europe
Chairman of the Management
Board SCHWENK Latvija

SCHWENK VALUES

Our success is rooted in our values, which, as the business environment and industry evolve, are pillars that remain unchanged and continue to form the foundation of our operations. These values reflect our identity – who we are, how we act and what we believe in.



1.HEALTH AND SAFETY:

our mission is zero harm – everyone should return home safe and sound. We constantly work to transform corporate value of Health & Safety practices into a personal one.



2.COLLABORATION:

respecting individuality and diversity, we collaborate for a shared value – within a team, within our customers and communities. Collaboration goes beyond cooperation, it is co-creation, mutual trust and long-term work with the approach of shared value.



3.GROWTH:

growth and development of business, communities and individuals. With bold, but thoroughly assessed investment and innovations we achieve continuous growth and development. We evaluate courage and initiative, which goes hand in hand with individual and corporate responsibility. We believe in regional strength, in human power and bright minds.



4.RESPONSIBILITY:

we continue with pride and build with responsibility for next generations to come. We live the material we use – we love it and respect it. Each individually and as a company we take full responsibility for our decisions and actions. We honour our long roots and act with responsibility towards our customers, communities and planet Earth in order to build for a lifetime and leave the best legacy we can for next generations.

HEALTH AND SAFETY

Health and safety are priorities for SCHWENK in any activity we do, regardless of location and business unit. Ensuring a safe work environment is a team effort as it depends not only on the safe conduct of one individual employee but on the safe conduct of all employees, therefore proactive involvement of each employee is essential.



We have developed a variety of safety instructions, regulations and policies that are based on statutory requirements and updated according to industry best practice, so we expect that it is your personal priority, as an employee, to carry out your job safely, not only by following these documents, but also applicable workplace safety legislation.

We also provide our staff with regular trainings, including trainings designed to perform specific work duties, and personal protective equipment needed to perform their work safely. You, in turn, must always commit to following these procedures in the course of performing your work duties, applying and sharing information from safety trainings, and using personal protective equipment properly.

In addition to your direct responsibilities, you must always take care of the safety of everyone at our workplace, as well as other people who may be affected by SCHWENK's operations. Everyone must remember that no action or decision, regardless of how important, is worth sacrificing their health and safety or that of other colleagues or stakeholders.

We urge you to protect yourselves and your fellow human beings not only while performing your work duties, but also beyond.

You must be prepared to act when you suspect or know there is a safety risk. It is your responsibility to cease and ensure that our subcontractors also cease any work or any circumstances that are deemed unsafe or where there is a safety risk.

Our subcontractors must be certified and before commencing cooperation with SCHWENK must commit to adhere to our health and safety policies. If your job responsibilities include the coordination of engagement of and collaboration with subcontractors, you must ensure that the subcontractors respect the same health and safety requirements and treat health and safety the same way as we and our company.

If you are a mid- to high-level manager, you must set an example for other employees in meeting safety requirements and are expected to demonstrate a clear commitment to holding safety as the highest priority when carrying out your duties and management functions.

We trust that you will be able to objectively evaluate your well-being every day before you start work, as it is unacceptable and unsafe to work when you are not healthy or under the influence of legal or illegal substances, including alcohol.

Ensuring safe working environment and the prevention of workplace violence is of utmost importance to our company. Any weapons, including firearms, inside the workplace pose a potential threat to the safety of our employees and are strictly prohibited at all times inside company premises and on company property or while you are engaged in work on behalf of the company, whether on-site or off-site.

If you observe circumstances that present an endangerment or are likely to endanger safety and health, report them without delay to your immediate supervisor or Health and Safety Department and try to prevent them, if possible.

HUMAN RIGHTS

Respect for human rights is the cornerstone of SCHWENK's operations, regardless of country of operation and business unit.



We support and respect the protection of internationally recognized human rights principles – the Universal Declaration of Human Rights and International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the ten principles of the United Nations Global Compact.

We condemn human rights violations in our business, including in the supply chain, and in the operations of our cooperation partners. We will take any reports of potential human rights violations at our company, as well as in the business of our cooperation partners, seriously.

EMPLOYMENT

Employees are at the heart of SCHWENK's success and progress, and our company complies with all applicable international and national employment laws at all stages of its operations to ensure fair, safe and humane working conditions.

We do not violate the right of our employees to freedom of association, privacy, the ability to enter into collective agreements and to remuneration in line with their duties and the market situation. We do not tolerate discrimination in the workplace, especially in relation to the factors described below, as well as child labour or forced labour.

As a company, we provide our employees with the employment rights arising from this section of the Code of Ethics and rely on you as employees to respect these rights and ethical principles towards each other, as only by working together we can ensure a fair, respectful and productive work environment.

Equal Opportunities

In our view, the diversity of our employees holds great value, and employees with their unique professional and life experience make a significant contribution to the growth and success of SCHWENK.

We undertake to ensure equal opportunities for our employees, regardless of location and business unit, and to categorically prevent discrimination against employees based on:

race, religion, age, nationality, gender, sexual orientation, political views, trade union membership, marital or disability status, and other personal characteristics.



We recruit, hire and promote employees solely on basis of their professional qualifications and experience in the performance of the respective work, and do not allow our decision to be influenced by the personal characteristics listed above. We also terminate employment relationships strictly in accordance with applicable employment law, not based on subjective, unfounded considerations.



Mutual Respect and Harassment

At SCHWENK, it is important that employees are provided with a work environment, in which they feel free to communicate with other colleagues and express their views and ideas, thus achieving their full potential. To create such an environment, we need to respect each other in our daily work.

Any form of harassment at the workplace is strictly forbidden. Harassment is any unwanted, offensive or discriminatory behaviour that creates a hostile, degrading work environment. Examples of harassment include unwanted sexual advances or insinuations, bullying, inappropriate comments or jokes, and threats of any kind. Also, deliberate rumours, slander and social isolation in the workplace will not be tolerated.

We expect every employee to contribute to open and honest communication, meaning that you need to listen to and respect the opinions of other colleagues, regardless of their professional qualifications and

position, and the fact that your views may differ. Criticism is acceptable when it comes to promoting the work process or protecting the company's interests, but it must be constructive and respectful of the parties involved.

We encourage each of you to think about how you would feel if you had been treated by another colleague the same way you treated him or her, and to bear in mind that we are all different, our experiences may differ, and our views may not concur. For example, what one perceives as an innocent joke can be offensive to another person.

In any group of people, disagreements are a natural occurrence, but it is important to resolve them in an open and constructive way, based on valid arguments, rather than using personal insults against each other.

Personal Views and Involvement in Politics

Our company recognizes the fundamental right of employees to freedom of expression and supports employees' rights as individuals to participate in the political process, including donating to political parties, in accordance with applicable laws, but it is important to distinguish public activities and expression on behalf of SCHWENK from personal public activities and expression.

If you take part in political activities as an individual, you must undertake to express only your personal views and, in case of doubt, state that your views are personal and in no way reflect SCHWENK's views. The same applies to other forms of personal expression in public.

You must make sure that your personal political views do not influence the performance of your professional duties and your cooperation with clients, suppliers and any other business partners. You must also undertake not to use SCHWENK's reputation and resources, including your working hours, to further your political activities and interests.

ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT

SCHWENK's operations, which include the production of cement and concrete, extraction of raw materials from quarries and logistics activities, have an impact on the environment and community.

We have volunteered to take steps to improve the environment and the well-being of our society, both through sustainable solutions in the production and extraction of raw materials, and through partnerships with local communities and non-governmental organizations.

Environmental Protection

We always comply with the requirements of applicable national and international environmental legislation, as well as the terms and conditions of permits issued to us for the operation of our plant, the extraction of raw materials and related operations. In the absence of such requirements, we set high standards ourselves.

For us, environmentally responsible behaviour means the following:

- pollution prevention, monitoring and control of air emissions;
- reduction of ecological footprint, which includes the rational use of earth's resources and the conservation of biodiversity in our locations and surrounding area;
- reduction of physical environmental factors, including noise, vibration, lighting and transport intensity. When planning traffic flow, designing and operating equipment, the impact of these factors on the company's employees and the surrounding population and community shall be considered;
- rational use of water resources, which includes accurate resource accounting, saving (reducing wasteful use) and promoting reuse, or substitution with a lower quality resource;
- maintaining and promoting a circular economy model, which includes the reduction and non-generation, reuse, recycling or incineration of waste with energy and material recovery;
- saving energy, installing energy efficient equipment, making efficient use of electricity, replacing fossil fuels with alternatives;
- responsible rehabilitation of quarries upon completion of quarrying in accordance with applicable laws;
- providing environmental incident and complaint management, including incident detection, effective investigation, identification of responsibilities and actions to reduce the risk of recurrence.



We ensure that procedures and systems are in place at all SCHWENK sites, such as the Environmental Management System, which foresees and regulates environmental impact assessment, cooperation with environmental stakeholders and management of environmental incidents and complaints. Meeting environmental objectives, obtaining the resources necessary for their achievement, improvement, control, monitoring is the responsibility of the Environmental Department and the Plant Manager.

If at any stage of SCHWENK's business operations you notice or suspect an environmental risk, you are required to report this immediately to the Plant Manager and the Environmental Department.

We promise continuous and gradual development to improve our environmental performance and reduce the impact of our business on climate, future generations' well-being and biodiversity.

Corporate Social Responsibility

SCHWENK appreciates being able to carry out its operations in each of its locations, therefore we want to reach out to local communities and contribute to their development.

In addition to our environmental incentives, we collaborate with local communities and their municipalities at each of our locations to carry out various projects of local importance, as long as they are in line with SCHWENK's values. We also implement social responsibility activity programs to promote the overall growth and development of regions.

To facilitate young people's interest in science and considering the importance of scientific development in promoting environmental protection and technology, we collaborate with universities and other educational institutions by offering internships at our company, scholarships, or supporting student participation in projects of potential interest to our industry.

Finally, we collaborate with public entities and non-governmental organizations and take initiatives to share our experience, implement solutions and good business practices, not only to contribute to the development of the construction industry, but also to benefit society by promoting environmental protection and safety at work.

FAIR BUSINESS PRACTICE

SCHWENK operates in an international environment and conducts its operations legitimately, both in accordance with applicable international law and directly applicable domestic laws at each location.

We rely on the competence and professional experience of our employees to ensure that our operations comply with applicable laws, and each of you has a duty to regularly monitor compliance with the law in the areas of your responsibility.

Even though the laws applicable to our places of business may differ, there are a number of principles, which are important in maintaining fair business practice, that SCHWENK expects its employees to respect regardless of their location.

Conflict of Interest

We respect the right to privacy of every employee, but at the same time we expect employees to ensure that their private lives do not conflict with the business interests of the company.

A conflict of interest arises when personal, social, financial or political interests overlap with professional responsibilities. A typical conflict of interest situation is when an employee, or employee's family members, relatives or friends, have a financial interest in a company that directly or indirectly acts as a supplier, client or contractor of SCHWENK, or when the employee benefits from transactions with such a company. When carrying out your work duties, you must always act in the best business interest of SCHWENK, not for your own benefit and driven by personal gain and avoid conflicts of interest as much as possible.

SCHWENK is aware that you may have friends, family members, relatives, acquaintances employed by or affiliated with our clients or suppliers. When SCHWENK is dealing with its business partners, you must ensure that your friendship and close relationships do not affect the best interests of SCHWENK, i.e., you must not take any decisions with respect to SCHWENK's business partners in conflict of interest situations with you. It is your responsibility to disclose your potential conflicts of interest to the Ethics Committee in a timely manner, even if you feel that the situation will not affect your work and involvement of management is not required. In case of doubt, proactive action will be considered to your benefit.

Additional Employment and Involvement in Other Companies

Additional employment, whether as an employee with another employer, as a member of the board or advisory board of another company, or in any other status, is permitted only with prior agreement of the management and without prejudice to the legitimate interests of SCHWENK.

Any employment in companies competing with SCHWENK, its suppliers or clients is only permitted in individual cases and subject to prior approval by the management.

In any case, before you enter into an employment relationship with another employer or start up your own company, or become a board or advisory board member in your own or another company in parallel with employment at SCHWENK, you need to obtain approval from the management of SCHWENK, even if you feel that your new duties will not affect your current job responsibilities. Please keep in mind that the approval given by SCHWENK management is not unlimited and can be limited or revoked at the discretion of SCHWENK in accordance with applicable laws.



Prevention of Corruption, Gifts

We express zero tolerance for bribery wherever our operations take place. This means that no employee of the company may give or promise or have another person give or promise on his or her behalf an unjustified advantage to a person in a responsible position, whether in the public or private sector. Small amounts or so-called "incentive" payments in exchange for speeding up the administrative process in the interest of the company are also not allowed. In addition, the company's employees must not accept or ask for any unjustified advantage either.

If you are being put under pressure to give a bribe, or if you suspect that another employee is involved in taking/giving a bribe, you must report it immediately in the manner set forth in this Code of Ethics.

A bribe is not always in the form of financial means, it can also be disguised as a gift. While gift giving is a legitimate way to build business relationships and show respect, they should never be used to influence the objectivity of the people with whom you are doing or planning to do business with. Always objectively evaluate the gifts received or intentions to give gifts and avoid giving or receiving expensive gifts or gifts unusual in the business environment.

Examples of gifts that are acceptable and appropriate in the business environment include promotional items, such as stationary, gifts of seasonal character, and impersonal items, often intended for common use in office. However, examples of inadequate and unacceptable gifts include cash or cash equivalents, such as checks, gift cards or gift certificates, and luxury items, such as expensive watches or pens, fine wine or expensive electronics. If you perceive the value of the gift to be received to exceed 100 EUR, approval of your supervisor is necessary.

Participation in an event organized by a supplier, client or other business partner is permitted only if there is sufficient and documented justification related to doing business and that the cost of the event is reasonable.

You must always ensure that gifts and other decency gestures are never used or done in business to gain or give an undue advantage, and you must also avoid potential situations where a gift or gesture can be misunderstood as such, even if it was not actually so intended.

Before giving or accepting a gift always consider how it would affect your and/or the company's reputation if the act of giving or receiving the gift would become public.

Competition

We stand for free and legitimate competition in all countries where SCHWENK operates. We comply with applicable competition laws at all our locations.

We must not agree with competitors on pricing, market distribution, production volumes, tendering, third party transactions and/or any other act or omission that has the purpose or effect of preventing, restricting or distorting competition. We do not abuse the market position of the company to implement price discrimination by making transactions dependent on purchasing other products or refusing the supply thereof. We do not take unlawful actions against competitors to stop their operation or to force them to leave the market.

You must consult with the Legal Department prior to drafting and signing contracts and before any action that affects, is likely to affect and/or relates to the field of competition law. It is impossible to completely avoid contact with competitors and it may as well be in full compliance with applicable laws (for example, if the competitor is also a client or supplier), but in all cases of doubt, you must consult the Legal Department prior to such contact.

Competition law: what can and cannot be done

- information about markets and competitors shall be obtained only from public and legitimate sources, documenting those sources;
- attendance of meetings of industry associations/federations shall be preceded by an appropriate agenda, a signed list of participants and subsequently minutes of meeting signed by all participants;
- prior to handing over trading conditions, deal or promotional offers to suppliers or clients, feedback from the Legal Department shall be obtained;
- it is not permitted to discuss current or future prices, costs, pricing mechanisms, sales strategies, discounts, promotions, special conditions for clients and any other issues that may affect the competitiveness of the business with your direct competitors or client competitors.
- it is prohibited to discuss and agree, either internally or externally, on the following topics:
 - limiting prices;
 - limiting clients or client types our clients may resell to;
 - demanding exclusivity from clients;
 - blocking competitors or distributors;
 - limiting sales territories or geographic markets.
- it is not permitted to discuss with third parties the corporate or business practices of other third parties.

Often the best approach is to avoid unnecessary contact with competitors, especially, if your work or circumstances could give the impression that pricing, trading conditions and programs or other competition-related topics are being

discussed. If a person in your presence starts talking about these topics, end the conversation. Make it clear to those around you that you do not want to participate in any anti-competitive agreements. Then contact the Legal Department immediately.



Money Laundering

Money laundering is a process in which individuals or organizations try to hide the source of proceeds of crime or otherwise make this source of illegal proceeds appear legal, i.e., hide the trace of criminal origin so that its true source or its owner could not be identified.

If you have any concerns about payments or transactions, or if a party refuses to provide transaction or transaction identity information in the course of business, or if you suspect that they are involved in money laundering activities, you must immediately report your concerns in the manner set forth in this Code of Ethics, and you must withhold from the transaction until the legality of the transaction has been confirmed.

Money laundering attempts may include the following:

- a request is made to or from countries not related to the contract or invoices in question;
- a request is made to carry out a transaction in a currency not specified in the relevant contract or invoices;
- a request to pay a large sum of money in cash is made;
- a request includes third parties or intermediaries that do not have an obvious role in the transaction;
- a third party has complex shareholder structures;
- a third party refuses or is unable to identify the legal source of the funds.

You should be extra careful and alert when dealing with unusual client or partner transactions, and in case of suspicion, review and, if necessary, terminate cooperation with the respective client or partner.

We do not do business with individuals, companies and organizations subject to national or international sanctions. You are required to conduct client and business partner research prior to entering into a business relationship, with emphasis on clients and business partners whose country of origin or place of registration is outside the EU or EEA, or their true beneficiary is a non-EU citizen.

Fraud

We do not tolerate fraud and fraudulent statements or deception in the business of SCHWENK.

Fraud can be defined as any intentional act or omission intended to deceive others, thereby causing the victim to suffer loss and/or allowing the perpetrator to profit.

You are prohibited from intentionally misrepresenting material facts on which others rely and which encourage others to act in a certain way in your dealings with other employees and the management, as well as in your relationships with clients and business partners, thereby causing damage to the company and third parties. In addition, it shall be remembered that deception is also possible when inadvertently or intentionally withholding material facts and thereby making the rest of the information misleading.

Transaction and Financial Records

Transaction and financial records of our company must always be accurate and comply with regulatory requirements. Records include not only financial statements but also other documents such as the business plans, budget, cost statement and other supporting documents for our business decisions. We adhere to the generally applicable accounting principles, which state that data and other records must be completely accurate, timely, and systematic.

Not only employees of the Controllershship Department, but also other employees are responsible for accurate and complete record keeping of transactions, business deals and finances. Employees who are responsible for coordinating transactions and concluding agreements on behalf of SCHWENK must ensure that all transactions involving the company are transparent and cost-effective. You must keep accounting records that are required by law and the company's internal requirements.

You may not engage in activities or dealings on behalf of SCHWENK for which you will not be able to answer questions or report on.

You must understand that keeping accurate business and financial records affects the reputation and credibility of our business and facilitates compliance with legal and regulatory requirements.

RELATIONS WITH STAKEHOLDERS

Any action we take, even short-term, occasional communication with stakeholders, whether they are our clients, subcontractors, public entities, authorities or other partners, contribute to the public image of SCHWENK, and it is important to follow the principles set forth below in our relations with our stakeholders.

Relations with Clients

The primary purpose of our business is to serve the interests of our clients and to add value to their business. We conduct our business in accordance with regulatory requirements and industry's best practices. Our relations with our clients are characterized by the following principles:

- Advertising of our products and services is always true and accurate;
- We offer our clients high quality goods and services according to the respective standards;
- We provide accurate information on the quality and availability of our goods and services, delivery times and payment terms;
- We promise our clients only what we can accomplish; if, due to unforeseen circumstances, we are unable to fulfil our promises to the client, we must, without undue delay, inform our supervisor and the client and find the best possible solution together;
- We collect client feedback regularly and use it to improve our products and services.

You must observe the above principles when dealing with clients and be respectful towards the representatives of clients in your daily communication.

We also encourage our clients to adhere to the principles of this Code of Ethics and applicable laws and regulations. You must report in the manner set forth in this Code of Ethics if our clients engage in illegal or unethical practices.

Relations with Suppliers

We choose suppliers through fair tenders based on our needs and a set of objective criteria (competitive prices, quality, experience, ability to meet SCHWENK's health and safety requirements, adherence to sustainable business practices, etc.). We ensure equal treatment of all tenderers.

If you, as an employee, are responsible for procurement or otherwise coordinate dealings with suppliers, you must be able to demonstrate that the selection of each supplier has taken place through a fair tender, is economically founded and is recorded pursuant to principles described in this Code of Ethics.

We also expect our suppliers to follow the same good business practices as we do to deliver quality and reliable products and services. In our supply chain we encourage suppliers to adhere to the ten principles of the UN Global Compact and expect them to prevent any form of corruption, respect human rights and international labour standards, and promote responsible environmental practices.

We encourage our suppliers to adhere to the standards and regulations of this Code of Ethics. You must report in the manner set forth in this Code of Ethics if you have any suspicion that the company's suppliers engage in illegal or unethical practices.

It is important for us to choose suppliers that support our values and deliver high quality products and services.



Relations with the Public

We often employ local people and work with local suppliers and contractors, so maintaining a good relationship with local communities and the public in general is very important to us.

We do business sustainably. We are building a better future by interacting with the society and considering its needs and legitimate interests.

We actively engage in public debate, engage with various stakeholders in initiatives that benefit the public, and, where appropriate, offer our expertise and experience in law-making, as well as preparing political and legal decisions.

Relations with Public Administration, Municipalities and Their Capital Companies

In our dealings with state and municipal authorities, as well as state and municipal capital companies, we act in accordance with the applicable laws and regulations, this Code of Ethics and SCHWENK's policies.

Before establishing contact with state and municipal authorities, state and municipal capital companies or any representatives of the above, you must make sure that you have the authority to cooperate with them on behalf of SCHWENK and that you understand the applicable laws, the Code of Ethics and SCHWENK's policies. In case of any questions, uncertainties or doubts, please check with the Legal Department before contacting state and municipal authorities, as well as state and municipal capital companies.

We cooperate with and participate in the procedural activities of state authorities in the cases prescribed by law conducted not only within our company, but also within our clients and partners.

Communication and Use of Social Media

Outside of the company, including on social media, you may not make any statements about its performance, initiatives, processes, business plans or other internal matters and events without express authorization. It is also prohibited to publicly comment on competitors' actions and make assumptions or comments about market rumours. However, it is permitted and furthered to share on your private social media accounts information already posted on company's official social media accounts.

In the event that you are contacted by an external stakeholder, such as a media representative, analyst, non-governmental organization or investor representative, asking for your views on the company, its activities, you must immediately notify the Communication Department, the main task of which is to manage internal and external communication channels of the company, and wait for its instructions.

Only SCHWENK's official representatives or specially designated employees are authorized to provide information on the company to the media, analysts or other external parties, and such communication must be coordinated with the Communication Department.

PROTECTION OF SCHWENK'S RESOURCES

All of the company's assets and resources are dedicated to achieving SCHWENK's business goals and long-term success.

The company's resources include company's assets such as monetary funds, products and raw materials, any business information obtained in the course of work, intellectual property, real estate, company vehicles, machinery, equipment, spare parts, tools, employee hours and work results, computer systems and software, telephones, wireless communication devices, copiers et al.

You should use the company's resources only for legitimate business purposes and remember that they are not primarily for personal use. You are also expected not to use the company's resources for illegal, inappropriate or unethical purposes.

Personal use of the company's resources is permitted only if provided for by the company's internal policies, regulations or subject to management's approval. Limited reasonable personal use of tools such as computers, e-mail, phones, and the internet may be acceptable provided that such use does not result in unreasonable costs and does not interfere with the performance of work duties.

You must refrain from using social networks for personal purposes during working hours, especially, while using company devices and internet connection provided by the company. Use of social networks or internet during working hours is allowed if it is a part of your work duties or for purposes of fulfilment of a work-related task. Above all, it is your responsibility to ensure that any use of social networks or internet during working hours, regardless of its purpose, does not hinder your focus and productivity towards your work duties.

It is forbidden to create, view, store, request or distribute any content that is offensive, illegal or inappropriate through the use of the company's devices. This includes material that is frightening, threatening, abusive, discriminatory or sexually explicit.



It is your responsibility to ensure that the company's resources made available to you are not damaged, wasted or stolen. The consequences of unauthorized physical misappropriation of the company's resources, or wasting, damaging the company's resources, or deliberate misrepresentation of the company's time and other resources used may result in termination of employment and initiation of criminal proceedings.

The principles of protecting the company's resources described here also apply to any property and information entrusted to SCHWENK by its business partners. You must respect and take into consideration the ownership rights of others and you must not allow any unlawful use of the property owned by others in SCHWENK's operations.

Protection of Information

SCHWENK protects its trade secrets and other business-related information, as well as the trade secrets and business information of its clients, suppliers and other business partners, including personal data, obtained by SCHWENK either directly or indirectly in the course of cooperation and business relations, hereinafter – Confidential Information.

Confidential Information includes information concerning price quotes, sales and/or marketing proposals, branding strategies, creative designs and concepts, technical data, web designs, trade secrets and know-how, research, product plans, products, customer technical requirements, software, programming techniques, algorithms, services, suppliers, supplier lists, customers, employee lists, customer lists, markets, developments, inventions, processes, technology, designs, drawings, engineering, apparatus, techniques, hardware configuration information, marketing, forecasts, business strategy, finances.

Many of you have access to or are provided with Confidential Information in the course of performing your work duties. You must understand that Confidential Information about SCHWENK is the property of our company, while Confidential Information about third parties is the property of those third parties.

It is your responsibility for legal and ethical reasons, to protect Confidential Information and use it solely for the performance of your work duties. You must not disclose such Information to anyone outside the company, including your family and friends, except when required in accordance with your work duties, when you are legally authorized to do so, or when required by persons prescribed by law in accordance with the procedures prescribed by law.

If you suspect unauthorized disclosure of Confidential Information or have doubts about the legal basis why certain information has been made available to you, contact the Legal Department.

You are also responsible for limiting the circulation of Confidential Information within the company – this information shall only be shared among employees on a need-to-know basis.

Confidential Information must not be disclosed even after termination of employment with SCHWENK.

Unauthorized use, disclosure or dissemination of Confidential Information may result in termination of your employment relationship, as well as civil or criminal liability.

Be careful not to accidentally disclose Confidential Information in conversations or while using documents, company computer, e-mail in public places or sending unencrypted digital data (via USB flash drives, CDs/DVDs, e-mail attachments) outside the company.



Personal Data

SCHWENK respects the privacy rights of all its employees and representatives of its business partners. We treat personal data responsibly and in accordance with all applicable personal data protection laws.

We have implemented all legal and organizational measures required by law to ensure safe processing of personal data within our company and the information systems we use. We grant our employees access to personal data only on a need-to-know basis.

If you have access to personal data (any information, by which you can or could identify a person) in the course of performing your work duties and/or carry out any activities with personal data in the course of performing your work, you are required to:

- act in accordance with the applicable personal data protection laws;
- act in accordance with contractual obligations;
- obtain, use and process personal data only for the performance of your duties and for legitimate business purposes;
- limit access to personal data to persons who need to know it for the purpose of performing their duties and for legitimate business purposes (need-to-know basis);
- report any possible leakage of personal data to the Legal Department immediately.

We have procedures in place to address incidents where personal data may be compromised due to unauthorized access, disclosure or loss of personal data, and you are required to comply with them.

As far as personal data is concerned, you must comply with the above rules on the protection and non-disclosure of Confidential Information.

Intellectual Property

Intellectual property refers to inventions, business methods, know-how, trade secrets, patents, copyrights (literary and artistic pieces, software, video, design) and trademarks (names and logos).

Considering the above, any improvement, innovation or development, know-how arising in the course of business activities or arising, directly or indirectly, from the performance of your or other SCHWENK employees' duties shall be the property of SCHWENK and shall be considered SCHWENK's intellectual property.

You must protect the intellectual property of SCHWENK and comply with the above non-disclosure rules for the protection of Confidential Information.

It is your responsibility to ensure that SCHWENK's trademarks, such as the name and logo, are used consistently and in coordination with the Communication Department.

SCHWENK recognizes and respects the intellectual property of third parties and intends to prevent and avoid the consequences of potential infringement of third-party rights. You must strictly refrain from using third party intellectual property unless previously authorized by the third party, and in case of doubt contact the Legal Department.

RESPONSIBILITY OF MANAGERS



SCHWENK's internal culture is influenced by many factors, and one of the most important factors is the competence and attitude of managers. People who are entrusted by the company to manage other employees play a special role in shaping our company's culture and work environment.

As managers, you are responsible for ensuring that there are no unlawful acts or breaches of this Code of Ethics within your area of responsibility that could have been prevented or limited by appropriate supervision. It is your responsibility to ensure that your employees comply with this Code of Ethics, and you are encouraged to discuss it and related matters with your employees.

You must set an example for your team regarding compliance with this Code of Ethics and create an environment where employees are encouraged to freely express their views, including constructive criticism, about the work process and to share their concerns about compliance with the Code of Ethics.

You must not encourage or coerce employees to violate ethical principles or the law for commercial gain or personal gain.

If an employee, with good intentions in mind, reports to you as a manager possible breaches of this Code of Ethics, you must ensure that the employee is protected from any adverse treatment as a result of such reporting, even if the report proves to be unfounded. You must forward the reports to the Ethics Committee.

SCHWENK believes that trust between the manager and the manager's subordinates should work both ways. If you, as an employee, believe that your manager should do more to develop a culture of ethics and compliance in the workplace, or that your manager violates the principles of the Code of Ethics, talk about it with your manager or report as required by the Code of Ethics.

The term "employees" in this section also includes subcontractor employees.

COMPLIANCE WITH THE CODE OF ETHICS AND REPORTING OF BREACHES

Each employee is personally responsible for compliance with this Code of Ethics.

The requirements of the Code of Ethics must be met at any point in SCHWENK's operations and throughout the chain of operations.

Breach of the Code of Ethics will trigger a corresponding reaction resulting in not only potential disciplinary action but may also result in dismissal from the company depending on the degree of the breach. In case of unlawful conduct, breaches of the Code of Ethics will be reported to the appropriate authorities for further investigation.

The company understands that errors and dishonesty may occur in the work process, but it is your responsibility to assist in the timely detection, correction, and prevention of errors and dishonest practices. If you see any process or transaction going erroneously or in a non-transparent manner, or if you suspect a colleague has taken, or intends to take an action that may be contrary to this Code of Ethics, you must report it immediately in accordance with the procedure prescribed herein, even if the report may prove to be unfounded.

If you observe yourself or someone else regularly using phrases such as "it has always been done this way", "everyone does it", "maybe just this time", "no one will find out", think carefully about the action planned, ask your supervisor for help or report in accordance with the procedure prescribed herein.



If you find yourself in a situation where you have doubts about the compliance of potential conduct with the Code of Ethics, first ask yourself the following questions:

- Is it legal?
- Is it ethical?
- What resonance will my decision make?
- Can my actions negatively affect the trust of clients and other stakeholders of SCHWENK?
- What would be my attitude towards such conduct if someone else had done it?

If the answer to any of the above questions is negative in its nature, raises concerns or you are not sure about the answer, consult with your supervisor, the Legal Department or any of the Ambassadors of the Code of Ethics.

The Ambassadors of the Code of Ethics are your fellow employees with outstanding professional and ethical behaviour appointed by the Management Board of SCHWENK Latvija. They are your confidants to whom you can safely turn for advice and report concerns, as well as potential breaches regarding the Code of Ethics without fear of retaliation.

In order to promote freedom of reporting, impartial review of the report and to ensure that the recipient of the report is not the person who the report is about, the company provides several channels of communication to report a possible breach of the Code of Ethics.

Report potential breaches of the Code of Ethics, as well as any other questions related to this Code of Ethics to the following departments/persons, either in person, by e-mail, or in writing:

- Ethics Committee, e-mail address: code@schwenk.lv;
- Ambassadors of the Code of Ethics;
- Legal Department;
- HR Department;
- your supervisor/head of department.

You can also submit your report anonymously but revealing your identity will make it easier to review the report. If you have revealed your identity, we will take reasonable precautions to prevent you from being adversely affected by the reporting.

Your report will be reviewed by the Ethics Committee formed to evaluate and ensure the compliance of SCHWENK's operations with the requirements of the Code of Ethics, which acts in accordance with the operating rules of the Ethics Committee. The Ethics Committee consists of four permanent members and, if applicable according to the operating rules of the Ethics Committee, one or more ad hoc members. Permanent members of the Ethics Committee are the CEO, CFO and Directors of HR and Legal areas. Other Directors may become ad hoc members of the Ethics Committee. Review of reports is carried out in a confidential, diligent, professional, objective, comprehensive, timely and legal manner. No retaliation against a reporter is tolerated by the company.

Reports regarding potential breach of the Code of Ethics by any of Directors will be reviewed by the CEO and CFO. Reports regarding potential breach of the Code of Ethics by the CEO or CFO should be sent to the Managing Director of SCHWENK Building Materials Group.

All matters concerning application and supervision of the Code of Ethics in SCHWENK business units in Northern Europe (other than in Latvia) are resolved and decided by the CEO and CFO. When dealing with potential breach of the Code of Ethics the CEO and CFO have the right to appoint on a case-by-case basis other members of the Ethics Committee to assist with the investigating process.

Whistleblowing

In addition to reporting channels mentioned above, SCHWENK also acknowledges the employees' right to report unlawful or unethical conduct by the company or its employees by using the whistleblowing mechanism.

When doing so, you must explicitly indicate in your report that it is to be considered as a whistleblowing report, as well as observe other provisions stated in the applicable law regarding whistleblowing. We, in turn, will be able to treat your report as confidential and protect your identity and comply with other provisions in accordance with the applicable law.

Whistleblowing reports will be reviewed by the Ethics Committee and must be sent electronically to its e-mail address code@schwenk.lv.

LETTER OF COMMITMENT

Hereby I acknowledge that I have received the SCHWENK Code of Ethics, I will read it, and in case of necessity I will ask questions to fully understand the values and standards of behaviour in our organization.

I understand that compliance with the Code of Ethics is mandatory for every employee of SCHWENK Northern European business units. I also believe that by complying with the Code of Ethics we all contribute to the creation of a better working environment, in which we can become better professionals and individuals. I confirm that I am in compliance with these standards and that I have disclosed any actual or potential conflicts of interest. In addition, I understand that the Code of Ethics is available on web pages of SCHWENK Northern European business units, that I have received its hard copy, and that I need to consult it whenever I have a question or concern.

Place and date:

Name and Surname:

Signature:



SCHWENK

