

QUANT LATVIA SIA
HUMAN AND LABOUR RIGHTS POLICY

Versions:

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1.0	02.01.2023.

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1. ABBREVIATION AND DEFINITIONS

The Company – Quant Latvia SIA

Human rights – Human rights are rights inherent to all human beings, regardless of race, sex, nationality, ethnicity, language, religion, or any other status. Human rights include the right to life and liberty, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, and many more.

Labour rights – both legal rights and human rights relating to labour relations between workers and employers.

Sustainability – a development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

2. BACKGROUNDS INFORMATION AND PURPOSE

Sustainability is a core of Quant Latvia SIA business strategy. Ensuring respect for Human Rights is one of the fundamental areas, which the Company monitors across all its activities with zero tolerance for Human and Labour rights violations.

The purpose of this policy is to define principles and commitments of respecting human and labour rights (together called as “the Rights”) across activities and business relationships of Quant Latvia SIA and its managed funds. This means that the company and its managed funds’ personnel, business partners, suppliers, and other parties directly linked to its operations are expected to avoid infringement of human and labour rights and address any impacts on the rights if they occur.

The Company commits to meet its responsibility to respect internationally recognized human rights standards, in particular:

1. The International Bill of Human Rights
2. The OECD Guidelines for Multinational Enterprises
3. The UN Guiding Principles on Business and Human Rights (UNGPs)
4. The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work.

2.1. Scope of Human Rights

The Company shall ensure respect for all human rights defined in the International Bill of Human Rights (extract of rights in Annex I). However, the context and nature of the Company’s activities and business relationships in some circumstances may lead to a slightly higher risk to infringe on some human rights than others. Hence the following list of rights is particularly relevant and shall be considered as priority human rights areas:

1. Freedom from discrimination
2. Right to equality between men and women
3. Right to work
4. Right to just and favourable conditions at work
5. Freedom to choose and accept work
6. Right to form trade unions
7. Right to strike
8. Right to social security
9. Freedom of children from social and economic exploitation
10. Right to an adequate standard of living

11. Right to health
12. Freedom of association
13. Minority rights

The list of priority human rights areas and the risk of infringing the rights in the context of the Company's, managed funds activities and business relationships shall be reviewed regularly and if the circumstances change the priority areas shall be adapted accordingly.

2.2. Scope of Labour Rights

The Company shall ensure respect for labour rights defined in the conventions of the International Labour Organization's Declaration on Fundamental Principles and Rights at Work (extract in Annex II), in particular:

1. Freedom of association and the effective recognition of the right to collective bargaining.
2. The elimination of all forms of forced or compulsory labour.
3. The effective abolition of child labour.
4. The elimination of discrimination in respect of employment and occupation.
5. A safe and healthy working environment.

2.3. Integration of the Rights in Company's Processes

The company shall ensure that the Rights are respected in its activities and business relationships via integrating control measures in its main impact areas, i.e. investments, supply chain and company employees.

2.3.1. Investments

The Company shall ensure that the infringement of the Rights due to investments of its' managed funds is prevented. Therefore, the Company shall ensure that the Rights are integrated ESG due diligence processes in accordance with ESG Due Diligence Policy.

2.3.2. Supply chain

The Company expects all suppliers to operate ethically and ensure that the Rights are secured in their activities and labour relations. Therefore, the Company shall ensure that the clauses on respect for the Rights are integrated into the Third-Party Code of Conduct (henceforth – the Conduct).

The Company shall encourage all suppliers to commit to adhere to the Conduct and report any violations of the Rights connected to the supplier's activities. The Company shall ensure that the business relationships in the supply chain that carry higher risk to the Company's performance and reputation or carry higher risk of infringement of the Rights are monitored and preventative actions are taken. Therefore, the Company shall ensure that all strategic suppliers that material procurements are carried out with (procurements accumulating over 100 000 euros per year) sign and adhere to the Conduct.

2.3.3. Company employees

The Company shall ensure that the relationships with employees are based on respect, and fair treatment, adhering to the fundamental principles defined by the Rights. The Company shall also ensure that its employees understand and respect the Rights in their activities and work relationships.

The employees shall be encouraged to report any risks of infringement of the Rights to the management of the Company. The Company shall take actions to prevent those risks and violations and inform the employees about the resolution accordingly.

3. MONITORING

The company shall carry out monitoring of human and labour rights violations and shall transparently report the data on violations to its stakeholders via non-financial reports.

Moreover, the company shall regularly monitor data to ensure that the Rights are secured following the Company's sustainability strategy. The monitored data can include:

- Employee diversity and equality by collecting data separately for company management, board, and employees.
- Health and safety incidents in the forest activities
- Share of suppliers that have signed the Third-party Code of Conduct
- Violations of the Rights in the supply chains
- Violations of Third-party Code of Conduct

4. REPORTING VIOLATIONS

The Company shall ensure the oversight of the implementation of this policy and appoint a responsible person who would ensure that any breaches of the rights are investigated, addressed and prevented in the future.

Witnessed or faced violations by Company's employees shall be reported directly to the direct managers, via complaints management procedure or whistle-blower mechanism.

The violations that are faced or witnessed by external stakeholders, shall be reported via whistle-blower mechanism.

5. ENTRY INTO FORCE AND REVIEW

The policy enters into force after it is approved at the board meeting and an official order on the adoption and entry into force is signed by the Director of the company.

The policy shall be reviewed regularly at least once a year and updated if deemed necessary, especially if there priority human rights areas change. All updates shall be approved at the board meeting.

Quant Latvia SIA
Member of the Board

Jevgeņijs Pozdņakovs