

skarta



Social and Business Conduct Policy

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skarta

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Scope and Purpose of the Policy

The purpose of this policy is to outline the overall intentions and direction of how the company will relate to

- our approach to societal and labour-related matters, as well as the way we conduct business (this includes key health, safety, and quality related matters along with key human rights considerations).
- the health and safety of our own employees as well as the quality of our operations and products produced to our own use (including data privacy).
- our consideration of basic human rights throughout all our business activities (including child labour and forced labour considerations).

All decisions and actions taken by the organization must be consistent with and designed to accomplish the commitments made in the policy.

In complying with this policy, Skarta Energy will also ensure compliance with all necessary legal and regulatory requirements by monitoring applicable legislation and regulation and putting actions in place to comply with these requirements.

Social and Business Conduct Policy

1. Aim and objectives

The overall aim of this policy is to provide guidance on ensuring that our Social and Labour principles are effectively implemented and integrated into the business activities and that the principles of responsible business conduct are being adhered to through specific management activities and actions to report on performance, set targets and manage risks.

To achieve the above aim, some key issues have been identified as being material to Skarta Energy's sustainability and will be the focal point of this policy and of supporting policies and plans. These material matters include:

- Employee Engagement, Diversity & Inclusion

2. Achieving the aims and objectives

Our objectives will be achieved through embedding our policy commitments throughout our activities and business relationships. We will also achieve our objectives through the following key focus areas:

- Measuring our level of employee engagement, as well as the diversity and inclusivity of our employees. Skarta Energy will ensure that our culture and hiring and promotion practices embrace the building of a diverse and inclusive workforce.

3. Reporting and Target Setting

To track our impact, Reporting is done against a number of key metrics, guidelines and indicators. This enables us to fully understand our current impact and put into place specific actions to improve our impact.

- Net new hires: Organic net new hires
- Net new hires: Total net new hires
- Net new hires: Annual percent attrition
- Employee turnover: % year-over-year change for full-time employees
- Employee turnover: % year-over-year change for part-time employees
- Gender of employees: % women (full-time equivalents)
- % of employees hired locally
- Gender of employees in management team: % women (Full-time equivalents)
- Results of employee survey
- Percentage of employees responding to survey
- Most recent score in the latest employee engagement survey (max 2 year old data)
- Average hours of training per year per employee
- Incidents of discrimination and corrective actions taken
- Non-compliance with laws and regulations in the social and economic area

Together with this, Skarta Energy will annually review our performance on ESG-related KPI's and set annual targets to help improve our ESG performance. This will be supported by our Sustainability strategy and functional leadership who will integrate strategies into our operational procedures and activities to improve on performance, including training and awareness promotion activities.

4. Risk Management

Skarta Energy will, on a periodic basis, identify and monitor the key ESG Risks and document them. We will also develop responses to these risks to make sure they are sufficiently mitigated and integrated into the business activities. Lastly, we will monitor our response to these risks to ensure that they are sufficiently managed. Key risks include:

- Increasing public and investor focus on ESG matters, potentially leading to reputational risk or opportunity and impacts on the perception of the company.
- New regulations which may lead to regulatory issues or, in extreme cases, sanctions.
- Climate change, loss of biodiversity, which may lead to impacts on operations such as a shortage of resources.
- Asset devaluation and long-term risk, mainly associated with Climate risk (physical, transition and litigation risk)

- Social consequences of PortCo activities that range from employee treatment to boycotts to labour violations
- Access to information: lack of access to reliable, factual and consistent data.
- Any ESG incidents, which could have legal and reputational damage to the company.

Mitigation activities includes the following:

- Continuous monitoring of regulation and investor preferences
- Sufficient tools and knowledge, as well as a clear process for monitoring risks
- Maintaining and updating policies and procedures.
- Continuous engagement with stakeholders and the general public
- Using financial and non-financial data, industry benchmarking, and artificial intelligence to gather accurate, reliable, and consistent data

Skarta Energy will further aim to engage our most relevant stakeholders, such as regulators, investors and shareholders, customers and other relevant bodies on ESG matters to ensure that any potential ESG issues and risks are identified and adequately addressed.

Health, Safety and Quality Policy

1. Aim and Objectives

The overall aim of this policy is to provide guidance on maintaining the health and safety of our own employees as well as ensuring the quality of our operations and products produced to our own use.

To achieve the above aim, some key issues have been identified as being material to Skarta Energy's sustainability and will be the focal point of this policy and of supporting policies and plans. These material matters include:

- Product Design & Lifecycle Management
- Employee Health & Safety
- Customer & Stakeholder Satisfaction
- Operations & Product Quality
- Profitable & Sustainable Business

2. Achieving the aims and objectives

Our objectives will be achieved through embedding our policy commitments throughout our activities and business relationships. We will also achieve our objectives through the following key focus areas:

- Ensuring the incorporation of environmental, social, and governance (ESG) considerations in our own operations and characteristics of products produced to our own use, while also addressing customer, stakeholder, and societal requirements for sustainability. Skarta Energy will further manage the lifecycle impacts of products, such as those related to raw material

extraction, material and component manufacturing, transportation, construction, use-phase resource intensity, and other environmental and social externalities that may occur during their use-phase or at the end of life.

- Creating and maintaining a safe and healthy workplace environment that is free of injuries, fatalities, and illness (both chronic and acute). Skarta Energy will further implement safety management plans and instructions, develop training requirements for employees and contractors, and conduct regular audits of our practices as well as those of our subcontractors. Skarta Energy will also consider opportunities to ensure and promote physical and mental health as well as coping at work of employees through technology, training, corporate culture, regulatory compliance, occupational health services, monitoring and testing, and personal protective equipment. Employees are participated, consulted, and communicated on occupational health and safety matters.
- Measuring the level of the satisfaction of our customers and most relevant stakeholders. Skarta Energy will also be in active and close dialogue with the main stakeholders to ensure that stakeholders' expectations and requirements are met. Skarta Energy will further aim to develop our operations based on the feedback from customers and important stakeholders.
- Maintaining and developing certified Quality and Occupational health and safety management system that covers all our operations. Skarta Energy's operation is based on process-oriented approach. Skarta Energy will further aim to continuously improve our processes and operations to ensure the quality of the products produced to our own use as well as increase the profitability and sustainability of the business.

- Using only partners, subcontractors, and material suppliers whose level of performance in quality as well as environmental, social and governance (ESG) matters meets our requirements and who are committed to complying with our Supplier Code of Conduct. Skarta Energy will further aim to evaluate our suppliers to ensure sustainable purchasing and high-quality products. It includes supplier audits and setting criteria for used suppliers.
- Monitoring and management of risks related to all our operations. Skarta Energy will further identify, analyze and assess, mitigate and monitor risks (and opportunities) related to business as well as occupational health and safety in a systematic manner.
- Ensuring sufficient resources and competent personnel. Skarta Energy will further aim to develop our employees' competence with trainings to ensure the quality of the products and operations as well as the profitability and sustainability of the business. Skarta Energy will also ensure sufficient resources through systematic recruiting plan.
- Continuous monitoring of laws and regulation regarding our operations and putting actions in place to comply with these requirements.

3. Reporting and Target Setting

To track our impact, Reporting is done against a number of key metrics, guidelines and indicators. This enables us to fully understand our current impact and put into place specific actions to improve our impact.

- Work-related injuries: Number of work-related injuries
- Work-related injuries: Number of work-related fatalities
- Work-related injuries: Days lost due to injury
- Lost time injury frequency rate (LTIFR)
- Absence rate during the reporting period

- Occupational health and safety management system
- Hazard identification, risk assessment, and incident investigation
- Worker participation, consultation, and communication on occupational health and safety
- Employee training
- Promotion of employee health and wellbeing
- Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- Business profitability and sustainability
- Stakeholder feedback and satisfaction
- Non-compliance with laws and regulations in the social and economic area

Together with this, Skarta Energy will annually review our performance on ESG-related KPI's and set annual targets to help improve our ESG performance. This will be supported by our Sustainability strategy and functional leadership who will integrate strategies into our operational procedures and activities to improve on performance, including training and awareness promotion activities.

4. Risk Management

Skarta Energy will, on a periodic basis, identify and monitor the key ESG Risks and document them. We will also develop responses to these risks to make sure they are sufficiently mitigated and integrated into the business activities. Lastly, we will monitor our response to these risks to ensure that they are sufficiently managed. Key risks include:

- Increasing public and investor focus on ESG matters, potentially leading to reputational risk and impacts on the perception of the company.

- New regulations which may lead to regulatory issues or, in extreme cases, sanctions.
- Climate change, loss of biodiversity, which may lead to impacts on operations such as a shortage of resources.
- Asset devaluation and long-term risk, mainly associated with Climate risk (physical, transition and litigation risk)
- Social consequences of Skarta Energy activities that range from employee treatment to boycotts to labour violations
- Access to information: lack of access to reliable, factual and consistent data.
- Any ESG incidents, which could have legal and reputational damage to the company.

Mitigation activities includes the following:

- Continuous monitoring of regulation and investor preferences
- Sufficient tools and knowledge, as well as a clear process for monitoring risks
- Maintaining and updating policies and procedures.
- Continuous engagement with stakeholders and the general public
- Using financial and non-financial data, industry benchmarking, and artificial intelligence to gather accurate, reliable, and consistent data

Skarta Energy will further aim to engage our most relevant stakeholders, such as regulators, investors and shareholders, customers and other relevant bodies on ESG matters to ensure that any potential ESG issues and risks are identified and adequately addressed.

Data Protection Policy

1. Aim and Objectives

The overall aim of this policy is to provide guidance on maintaining data security through specific management activities and actions to report on performance, set targets and manage risks.

To achieve the above aim, some key issues have been identified as being material to Skarta Energy's sustainability and will be the focal point of this policy and of supporting policies and plans. These material matters include:

- Customer Privacy, especially personal data - which means data relating to a living individual who is or can be identified either from the data or from the data in conjunction with other information that is in, or is likely to come into, the possession of the Data Controller.
- Data Privacy - referring to information in a form that can be processed

2. Achieving the aims and objectives

Our objectives will be achieved through embedding our policy commitments throughout our activities and business relationships. We will also achieve our objectives through the following key focus areas:

- Managing of risks related to the use of personally identifiable information (PII) and other customer or user data for secondary purposes such as marketing through affiliates and non-affiliates. Skarta Energy will further monitor and manage any social issues

that may arise from our approach to collecting data, obtaining consent (e.g., opt-in policies), managing user and customer expectations regarding how their data is used, and managing evolving regulation.

- Adhering to the requirements of the GDPR 2016/679 (General Data Protection Regulation 2016/679) by implementing a procedure that addresses the following measures:
 - Obtaining and processing Personal Data fairly
 - Keeping data only for lawful purposes
 - Processing data in ways that is only compatible with the purposes for which it was initially given
 - Keeping personal data safe and secure
 - Keeping personal data accurate, complete and up-to-date
 - Ensuring data is adequate, relevant and not excessive
 - Retaining data only for the specified period and keeping record of secure information
 - Assigning clear roles and responsibilities
 - Implementing data breach notifications as required
 - Setting out the rights of data subjects
 - Securing personal data to ensure that only required users can access the data.

3. Reporting and Target Setting

To track our impact, Reporting is done against a number of key metrics, guidelines and indicators. This enables us to fully understand our current impact and put into place specific actions to improve our impact.

- Substantiated complaints concerning breaches of customer privacy and losses of customer data

- Number of privacy complaints (customer, regulator)
- Response time to data subject requests
- On-time regulator notification for privacy breaches

Together with this, Skarta Energy will annually review our performance on ESG-related KPI's and set annual targets to help improve their ESG performance. This will be supported by our Sustainability strategy and functional leadership who will integrate strategies into our operational procedures and activities to improve on performance, including training and awareness promotion activities.

4. Risk Management

Skarta Energy will, on a periodic basis, identify and monitor the key ESG Risks and document them. We will also develop responses to these risks to make sure they are sufficiently mitigated and integrated into the business activities. Lastly, we will monitor our response to these risks to ensure that they are sufficiently managed. Key risks include:

- Increasing public and investor focus on ESG matters, potentially leading to reputational risk and impacts on the perception of the company.
- New regulations which may lead to regulatory issues or, in extreme cases, sanctions.
- Climate change, loss of biodiversity, which may lead to impacts on operations such as a shortage of resources.

- Asset devaluation and long-term risk, mainly associated with Climate risk (physical, transition and litigation risk)
- Social consequences of Skarta Energy activities that range from employee treatment to boycotts to labour violations
- Access to information: lack of access to reliable, factual and consistent data.
- Any ESG incidents, which could have legal and reputational damage to the company.

Mitigation activities includes the following:

- Continuous monitoring of regulation and investor preferences
- Sufficient tools and knowledge, as well as a clear process for monitoring risks
- Maintaining and updating policies and procedures.
- Continuous engagement with stakeholders and the general public
- Using financial and non-financial data, industry benchmarking, and artificial intelligence to gather accurate, reliable, and consistent data

Skarta Energy will further aim to engage our most relevant stakeholders, such as regulators, investors and shareholders, customers and other relevant bodies on ESG matters to ensure that any potential ESG issues and risks are identified and adequately addressed.

Human Rights (including child and forced labour) Policy

1. Aim and Objectives

The overall aim of this policy is to provide guidance on ensuring that we, as well as parties throughout our supply chain maintain basic human rights through specific management activities and actions to report on performance, set targets and manage risks in alignment with the UN Guiding Principles on Business and Human rights, the International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, as well as the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, and the eight ILO core conventions.

To achieve the above aim, some key issues have been identified as being material to Skarta Energy's sustainability and will be the focal point of this policy and of supporting policies and plans. These material matters include:

- Human Rights & Community Relations

2. Achieving the aims and objectives

Our objectives will be achieved through embedding our policy commitments throughout our activities and business relationships. We will also achieve our objectives through the management of our relationship with businesses and the communities in which they operate, including, but not limited to, management of direct and indirect impacts on core human rights and the treatment of indigenous peoples. Skarta

Energy will further manage and mitigate any socio-economic community impacts, community engagement, environmental justice, cultivation of local workforces, impact on local businesses, license to operate, and environmental/social impact assessments.

3. Reporting and Target Setting

To track our impact, Reporting is done against a number of key metrics, guidelines and indicators. This enables us to fully understand our current impact and put into place specific actions to improve our impact.

- Incidents of discrimination and corrective actions taken
- Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
- Operations and suppliers at significant risk for incidents of child labour
- Operations and suppliers at significant risk for incidents of forced or compulsory labour
- Incidents of violations involving rights of indigenous peoples
- Operations that have been subject to human rights reviews or impact assessments
- Employee training on human rights policies or procedures
- Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening
- Operations with local community engagement, impact assessments, and development programs
- Operations with significant actual and potential negative impacts on local communities
- Non-compliance with laws and regulations in the social and economic area

Together with this, Skarta Energy will annually review our performance on ESG-related KPI's and set annual targets to help improve their ESG performance. This will be supported by our Sustainability strategy and functional leadership who will integrate strategies into our operational procedures and activities to improve on performance, including training and awareness promotion activities.

4. Risk Management

Skarta Energy will, on a periodic basis, identify and monitor the key ESG Risks and document them. We will also develop responses to these risks to make sure they are sufficiently mitigated and integrated into the business activities. Lastly, we will monitor our response to these risks to ensure that they are sufficiently managed. Key risks include:

- Increasing public and investor focus on ESG matters, potentially leading to reputational risk and impacts on the perception of the company.
- New regulations which may lead to regulatory issues or, in extreme cases, sanctions.
- Climate change, loss of biodiversity, which may lead to impacts on operations such as a shortage of resources
- Asset devaluation and long-term risk, mainly associated with Climate risk (physical, transition and litigation risk)

- Social consequences of PortCo activities that range from employee treatment to boycotts to labour violations
- Access to information: lack of access to reliable, factual and consistent data.
- Any ESG incidents, which could have legal and reputational damage to the company.

Mitigation activities includes the following:

- Continuous monitoring of regulation and investor preferences
- Sufficient tools and knowledge, as well as a clear process for monitoring risks
- Maintaining and updating policies and procedures.
- Continuous engagement with stakeholders and the general public
- Using financial and non-financial data, industry benchmarking, and artificial intelligence to gather accurate, reliable, and consistent data

Skarta Energy will further aim to engage our most relevant stakeholders, such as regulators, investors and shareholders, customers and other relevant bodies on ESG matters to ensure that any potential ESG issues and risks are identified and adequately addressed.