



HUMAN RIGHTS & WORKING CONDITIONS POLICY

At AAGES, we commit to upholding the highest standards of human rights across all facets of our operations. This policy reflects our dedication to conducting business in a manner that respects the dignity, rights, and welfare of all individuals, including our employees, contractors, clients, and the communities within which we operate.

This policy applies to all AAGES GROUP employees, to individuals from other units who permanently or temporarily perform work on the company's premises and to all subsidiaries. We expect our business partners and other relevant parties to do the same, and to recognize and respect human rights. and extends to our suppliers, partners, and any other entities associated with our business.




POLICY COMPLIANCE

AAGES respects and supports the protection of human rights as proclaimed in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and other relevant international and national laws, such as LAW No. 53/2003 LABOR CODE, OUG. 96/2003 on maternity protection at the workplace, LAW No. 319 /2006 on safety and health at work, LAW No 202 / 2002 on equal opportunities and treatment between women and men,

OUR POLICY INCLUDES BUT IS NOT LIMITED TO:


Labor. AAGES commits to upholding the rights and welfare of its employees through a comprehensive policy framework. Employees are guaranteed fair compensation for their contributions, ensuring their hard work and dedication are duly rewarded. The organization emphasizes the importance of rest and personal time by providing annual leave for all employees. Equality of opportunity and treatment is a cornerstone of AAGES's corporate culture, fostering a diverse and inclusive environment. The dignity of every employee is respected, creating a respectful workplace. Safety and health precautions are rigorously implemented to protect employees from workplace hazards. AAGES supports employee growth through professional development opportunities, ensuring a pathway for advancement. The company maintains transparency and encourages open dialogue through regular information and consultation sessions. In cases of dismissal, AAGES ensures fair and legally compliant processes.

At AAGES, the standard working hours are set at 8 hours per day, 40 hours in total per week, aligning with legal standards. Overtime work is permitted under conditions specified in the Collective Labour Agreement and Labour Code, ensuring compliance with legal regulations.




Employees are entitled to two consecutive days of rest, typically Saturday and Sunday, with flexibility to adjust these days if necessary to ensure operational continuity. Nursing mothers receive breaks for breastfeeding, included within their regular working hours. Attendance is recorded through timekeeping systems. Special leave is granted for exceptional personal circumstances, subject to approval by direct supervisors and the general director, with a formal request process for leaves up to three days. This structured approach ensures a balanced work environment, respecting both the professional commitments and personal needs of employees.

AAGES is dedicated to fostering a workplace environment that guarantees equal opportunities and treatment across all levels of employment, ensuring no discrimination and harassment based on gender, nationality, religion or political view. This commitment extends to all aspects of employment, including hiring for all positions – ethical recruiting - ensuring equal pay for work of equal value, and offering equal access to professional development and advancement opportunities. Adherence to health and safety standards, along with access to benefits and social services, underscores our dedication to employee welfare. By aligning with Law No. 202/2002, AAGES underscores its commitment to a respectful, inclusive, and equitable workplace.




Compensation and benefits for all employees will meet or exceed the minimum standards required by law and reflect the prevailing industry standards. According to the human rights & working conditions management system, the performance of each employee is assessed annually by the team leaders and additional compensation is provided based on their achievements. We practice Salary Adjustment Policy to ensure that the salaries of all employees remain competitive and fair, aligning with changes in the national minimum wage. This policy demonstrates our commitment to providing a supportive and equitable work environment that acknowledges the importance of our employees' financial well-being. Additionally, transportation expenses are partially covered for employees commuting from distance, highlighting the company's commitment to employee welfare and support. In-line with our conviction concerning human rights to health, we facilitate the access to medical services of our employees by compensated screening programs, medical analyses, even dental care services ensured in-place.



We strictly prohibit the use of bonded, child, and forced labor in any part of our operations. AAGES's dual education program for students under 18 is a strategic educational initiative, distinct from **child labor**, designed in strict compliance with legal standards for young workforce engagement. This program, in collaboration with educational institutions, is focused solely on educational purposes, ensuring participants are not exposed to hazardous tasks or required to work at night. It emphasizes a secure, supervised learning environment, complete with safety measures, provision of meals, and a monthly scholarship. This approach underlines our commitment to contributing positively to the students' educational development while safeguarding their rights and well-being.


We have a **zero-tolerance** policy towards all forms of modern slavery in its operations and extends this expectation to its entire supply chain. This firm stance reflects our commitment to ethical business practices and human rights, ensuring that all stakeholders, including suppliers and partners, adhere to these same principles of integrity and responsibility.

AAGES upholds the right to freedom of association and collective bargaining, aligning with local laws. This respect extends to activities involving employers' associations, unions, and professional bodies, along with the benefits they offer.



AAGES is committed to supporting the **rights of women**, ensuring they are afforded equal opportunities and treatment across all employment facets. While the nature of production work at AAGES, which demands significant physical aptitude and involves strenuous tasks, may not currently have female representation, this is a reflection of the job's physical demands rather than an exclusionary policy by AAGES. Women play a vital role within the company, particularly in administrative positions, where their contributions are invaluable.


For pregnant employees and nursing mothers, AAGES takes extra precautions to ensure their health and safety. The company adheres strictly to the guidelines set out in OUG 96/2003, providing hygienic work conditions tailored to the needs of these employees. Additionally, AAGES facilitates the well-being of nursing mothers by offering designated nursing areas and allowing for nursing breaks within work hours. These measures underscore AAGES's commitment to a supportive and inclusive workplace environment, respecting and accommodating the unique needs of all its employees.



We commit to promoting diversity, equity, and inclusion within our workforce and in the communities we impact. We recognize and respect the rights of minorities, ensuring our operations do not adversely affect their rights and traditions. Situated in a region home to a significant Hungarian **minority**, this diversity is reflected in the composition of our workforce, mirroring the community's demographic structure. Our approach is rooted in inclusivity and respect for the unique backgrounds and traditions of all our employees, ensuring a workplace that values and represents the rich cultural diversity of our operational area.

Other aspects concerning human rights

AAGES is committed to respecting land, forest, and water rights, ensuring that our operations do not infringe upon these critical environmental and community resources. We understand the importance of these natural assets to local communities, and strive to operate in a manner that preserves their integrity and accessibility.



Furthermore, AAGES firmly opposes any form of forced eviction. Our business practices are designed to ensure that all expansions or operations are conducted ethically, with full respect for the rights of those who live on or use the land. We engage with **local communities** to understand their needs and concerns, aiming for mutual benefit in all our activities. Our commitment to environmental stewardship and social responsibility guides our approach, ensuring we contribute positively to the regions where we operate.

We ensure that any security measures implemented, whether through private contractors or public security services, are conducted with the utmost respect for human rights and legal standards. We engage security personnel who are trained in non-violent techniques and emphasize de-escalation, ensuring the safety of our operations, employees, and the communities in which we operate without resorting to excessive force. Our policies require **transparency, accountability**, and adherence to both local laws and international human rights principles, ensuring that our security practices protect all stakeholders involved.

Human Rights & Working Conditions Management

Responsibilities.

The Board of Directors and management at all levels are responsible for implementing this policy, with all employees expected to adhere to its principles. AAGES is dedicated to fostering a workplace where human rights and working conditions are prioritized, reflecting a deep commitment to ethical practices and the well-being of all employees. The operational leadership, comprised of the General Manager, specialized directors, department and workshop heads, and team leaders, plays a crucial role in ensuring the effective organization of all activities, safeguarding the company's assets, and judiciously managing resources to uphold strict work discipline. The company's operational leadership is tasked with several responsibilities, including the rational organization of production activities to clearly define each employee's duties and responsibilities, adherence to labor norms as per the collective labor agreement, and the examination of labor norms to ensure they match current technical conditions and fully utilize work time. They are also responsible for staffing, organizing professional training and development through company-organized courses or external providers, ensuring workplace safety, preventing and extinguishing fires, organizing activities to prevent work accidents and occupational diseases, and taking social measures to prevent accidents and quickly rectify technical defects in the production process. Moreover, they oversee the rational use of labor force, fixed assets, raw and auxiliary materials, energy, and fuel, systematically

monitor the activities and presence at work of subordinates, ensure a responsible work environment, provide new or transferred personnel with safety and health training, maintain order and cleanliness across all work sectors, grant employees all legal rights, manage financial obligations towards the state and employees, issue employment verification documents upon request, ensure the confidentiality of employees' personal data, and safeguard the work safety and health of pregnant women, new mothers, and nursing mothers in accordance with legal provisions. Operational leadership rights, as defined by applicable legislation, include issuing mandatory orders to employees within legal bounds, identifying disciplinary infractions and imposing corresponding sanctions as per law, the collective labor agreement, and the internal regulations. They may also draft reports on employees' deficient performance, request information from previous employers about a prospective employee with the individual's prior consent, hire and dismiss employees in compliance with the law, and oversee how job duties are performed.

AAGES has established a Human Resource Service, Health and Safety Service and a Fire Prevention and Extinguishing Service, in order to manage health, safety, and well-being of its workforce. This comprehensive approach to managing human rights and working conditions is integral to AAGES's operations, reflecting the company's dedication to creating a respectful, safe, and equitable working environment for all employees.

Human Rights & Working Conditions Management

Awareness and Communication.

Aspects related to Human Rights, Working Conditions, Health and Safety are clearly outlined in the company's Internal Regulation Order. This document is readily available to all employees, with printed copies placed in each hall, ensuring that the information is accessible to everyone. Furthermore, the rights, obligations, additional benefits, and safety measures are thoroughly presented during the trainings organized annually by the company. Newly hired staff are informed about these regulations by the Occupational Safety Department during the general introductory safety training, and this is acknowledged through their signature. The responsibility for disseminating and posting these regulations falls upon the heads of work sectors. This approach ensures that all employees are well-informed about their rights and responsibilities, as well as the benefits available to them and the safety protocols in place to protect their well-being at work. Policies concerning our expectations from stakeholders are publicly available on our website.

Grievance and Remediation.

AAGES acknowledges that despite rigorous policies and management practices, there might be unforeseen instances where our actions or lack thereof could lead to adverse human rights impacts. We are committed to upholding a transparent and responsive approach to addressing such issues, ensuring accountability and continuous improvement in our human rights practices.

We encourage all individuals, including our employees, clients, and members of the communities we operate in and other stakeholders, to report any concerns or potential human rights violations directly to us. AAGES has established a confidential grievance mechanism, accessible via email and a dedicated mailbox within our facilities, allowing for anonymous submissions. This system ensures that all grievances are reviewed and addressed promptly and effectively, without fear of retaliation.

Our senior management and management staff responsible for social responsibility and business ethics, oversees the grievance process. They are committed to fostering an environment of transparency, non-discrimination, and active problem resolution. Precedents are reported to the board. Our leadership ensures that all grievances, whether from internal employees or external stakeholders, are taken seriously and lead to meaningful action.

AAGES's commitment extends to ensuring that our employees are aware of their rights and the avenues available for expressing grievances. Direct supervisors and team leaders play a crucial role in maintaining open lines of communication with their teams, addressing any issues that arise promptly, and ensuring a workplace that respects and protects human rights.

In addition to internal mechanisms, AAGES is open to dialogue with external stakeholders, including local communities and industry partners, to ensure that our business practices align with our human rights commitments. We believe that active engagement and collaboration are key to identifying and addressing potential human rights impacts effectively.

We are dedicated to maintaining a workplace where no retaliation or negative consequences will be faced by anyone seeking advice or reporting violations or risks of human rights violations in good faith. Any act of retaliation against individuals who report concerns in good faith will lead to disciplinary action. We believe accountability is key to effective human rights management. We are committed to the continuous improvement of our grievance mechanisms, ensuring they are responsive and effective. We pledge to actively listen to concerns, provide appropriate remedies, and learn from any mistakes to enhance our human rights practices further.

Human Rights & Working Conditions Management

Monitoring by third parties.

AAGES utilizes advanced software to ensure detailed record-keeping and transparency in monitoring working hours, wages, holidays, sick leaves, and other employee-related metrics. This system enables the company to efficiently manage and monitor these aspects in real-time, ensuring compliance with labor laws. AAGES reports accurately to and actively collaborates with governmental bodies in case of verifications, such as the Territorial Labor Inspectorate and the County Employment Agency, among others, to facilitate the audit processes. This cooperation ensures that AAGES's practices meet legal requirements and standards for labor rights and working conditions.

Review and Improvement.

Our approach to human rights and working conditions management is underpinned by a commitment to continuous improvement, accountability, and learning from our experiences. Regular reviews of our policies, practices, and grievance mechanisms are conducted to ensure they remain effective and aligned with our values and international best practices. This policy will be regularly reviewed and updated as necessary to adapt to new challenges and ensure continuous improvement.

AAGES's commitment to human rights is integral to our corporate culture and operational excellence. We strive to be a responsible and positive force in all our areas of operation, recognizing that respect for human rights is fundamental to sustainable success.

This policy and the management system is intended to be aligned with AAGES's internal regulations and the additional human rights aspects you've highlighted. It should be integrated into the company's overall governance framework, ensuring adherence not only internally but also within its supply chain and business relationships.



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