



CORPORATE SOCIAL RESPONSIBILITY REPORT



Corporate social responsibility is a significant cornerstone of SAF Tehnika strategy. The Company operates in such a way that its products and services would create added value to the customers as well as benefit the society as a whole. The following core principles guide our daily work: high quality standards in each of the Company's lines of business, responsibility towards the environment, delivering on our promises when interacting with employees, shareholders, buyers, suppliers, society, and nation. We have incorporated these core principles in SAF's corporate values:

- We keep our promises;
- We keep things simple;
- We are competent;
- We keep innovating.

SAF Tehnika acknowledges that these particular principles are essential preconditions for Company's successful development and growth in the long run.

EMPLOYEES

The key to successful operation of any company is people who are working in it. SAF Tehnika is no exception. Employees have been and will always be the greatest asset of SAF Tehnika. The Company continues to grow and expand into new markets, and the number of its employees has exceeded 200. Over the years we have continued to attract top specialists, talented students and graduates. SAF Tehnika maintains a stable and motivating work environment at the Company, as well as a strong work ethic. We pursue development, openness and equality; therefore, the Company makes sure that everyone has an opportunity to unlock their potential, share their ideas, and encourages their personal growth within SAF. At the same time, we try to create a sustainable, effective and safe work environment. We like to call ourselves a tech company with a human heart.

EMPLOYEE DEVELOPMENT

The Company is focused on professional development and personal growth of its employees. SAF Tehnika continuously invests in staff trainings and development, and ensures opportunities for professional growth of all the employees. The higher the qualification of an employee, the more advanced the Company is. In order to gain experience, our specialists from different departments participate in trade shows and events abroad, go on business trips, establish new contacts and maintain relations with the existing cooperation partners. Each year the Company also organizes corporate training – employees attend various courses, seminars and conferences both in Latvia and outside its borders. For many years SAF Tehnika has cooperated with the Latvian Electrical Engineering and Electronics Industry Association (LETERA) and with a number of training companies.

For those employees who continue their studies in educational institutions, the Company provides opportunities for a part-time job. Those who receive knowledge in the job-related field have an opportunity to use our paid educational leaves.

HEALTH AND SAFETY AT WORK

All SAF Tehnika's employees are provided with health insurance policies. The Company holds regular mandatory health checks at the Company's premises, as well as vaccinations against various diseases and vision examinations. The Company takes work safety very seriously. Employees undergo regular trainings regarding occupational health, work safety and fire safety issues. We provide safe and hazard free working environment. Employees have ergonomic workplaces with the appropriate protective gear and equipment provided by the Company if and when needed. SAF provides a compensation for purchasing optical glasses and contact lenses if they are necessary for performing work duties.

REMUNERATION AND ADDITIONAL BENEFITS

SAF Tehnika honestly and fully complies with labor law requirements in countries where Company's workers and full-time representatives reside; we are a socially responsible company towards both our employees and the state. Employees are motivated by bonuses and additional payments for their individual and corporate achievements in addition to the fixed remuneration. All employees receive paid meals and a free parking at the premises. In some departments, where it is possible, a bonus system has been introduced based on personal achievements. On special occasions such as marriage or childbirth employees receive additional financial support. The Company also provides material aid to those employees who have lost a close family member. Employees who have been working for the Company for 5 or more years get an extra compensated holiday in addition to their annual vacation. The Company's employees participate in various leisure activities – both in annual events and activities that have become a tradition for the Company. Each quarter we organize team erudition challenge called Brain Games, kids day, darts tournament and many more. The New year's party is the central event of the year. This year company celebrated its 20 year anniversary organized as surprise party for employees. SAF Tehnika traditionally competes at the city's public running or cycling marathons, as well as company-wide sports event called SAFathlon. During this month-long challenge for the third year in a row teams collect points for distances they have made by running, cycling and walking. We are pleased that with each year SAF Tehnika has become more attractive as an employer in the eyes of potential job seekers. It is evident from by an increased level of proficiency and operational excellence of our employees, as well as by the number of applications for the announced vacancies and internships.

RESPONSIBLE MANUFACTURER

In its operations SAF Tehnika fully complies with corporate management standards and organizes the Company management in accordance with "Corporate Management Policies" and guidelines approved by Riga stock exchange "Nasdaq Riga". We are focusing on reducing the Company's environmental impact. As an environmentally responsible manufacturer we make an effort to ensure that SAF equipment is manufactured as compact and sustainable as possible. Already today we can provide the functionality of our products by using alternative energy sources only. SAF Tehnika carefully monitors all production processes. From the smallest components to the fully functioning devices, the Company's production processes are oriented towards reducing environmental impacts of business activities. Whenever possible, the Company chooses local suppliers of components, as well as localizes all production processes. For the raw materials that are not available at the local market or that we are unable to produce ourselves, SAF Tehnika chooses carefully selected suppliers, SAF Tehnika selects suppliers that comply with the same policies of environmental protection in their business activities. The Company complies with the all-time requirement to maintain the quality management system in accordance with the Latvian state standard LVS EN ISO 9001:2015 that requires efficient control and improvement of all processes and lines of business. By fulfilling the standard of requirements the Company can increase the quality of its production and ensure its long-term development and growth. Compliance auditing of the Quality System in SAF Tehnika is performed once a year, and recertification of the Quality System is carried out once every three years. The accredited certification organization "Bureau Veritas" regularly performs recertification auditing to certify the Company's compliance with the ISO 9001:2015 requirements. The Quality System is also regularly audited by inspectors who represent particular customers and/or regions. For instance, such audits were recently performed by representatives of certification organizations from Belarus and Russia. To monitor customer satisfaction SAF Tehnika has implemented the Net Promoter's Score which allows us to see the overall long-term customer satisfaction and enables us to respond to specific problems immediately. We have intensified our efforts to reduce paper document turnover by introducing a number of online document flow systems, thus using less printing paper. All of the paper waste is recycled. Furthermore, we continue our cooperation with organizations such as "Zaļais punkts" ("Green Dot") for waste management, and recycling of other materials. In early 2020 the Company switched entirely from using bottled drinking water to filtering and using tap water supply at the premises.

SOCIAL RESPONSIBILITY

Every spring SAF Tehnika takes initiative to organize its own World Clean Up day in order to clean the environment from waste and make it a better, safer and more enjoyable place to live in. SAF employees have commonly cleaned the 17th century Daugavgrīva fortress in Riga for it to gradually regain its respectable appearance and become more attractive to visitors, as well as nature trails in Gauja National Park where we have constructed easier access to collect spring water and built a camping place. More and more employees of SAF Tehnika choose to be environmentally conscious by commuting to work by bicycle, thus contributing to reduction of vehicle emissions. The Company provides secure bike parking spaces, showers and changing facilities. Recently the first electrical car charging point was created on the Company's parking lot.

RESPONSIBILITY FOR NEXT GENERATIONS

SAF Tehnika is a unique company on a global scale. We are one of the rare market players in the field of wireless microwave data transmission with more than 20 years of experience and base of knowledge. We ensure that the knowledge we have is going to be passed on to the next generations. We encourage and motivate young people to pursue the studies of natural sciences whenever we can. Every year, several employees of the Company visit educational institutions as guest lecturers to share their knowledge and pass on their hands-on industry experience.

Groups of pupils and students are regular visitors of SAF with our employees demonstrating and explaining the practical applications of lessons learned at school. During the tours, we introduce young people to the Company's history, production processes, field of work, products and their development. Seeing the real-life day-to-day operations of a company serves as an element of motivation for pupils in their future career choices. By visiting the Company, young people can see the practical application of natural sciences. We welcome interns from various educational institutions. Most of our young trainees come from RTK and RTU technical universities. Since 2013, we have been successfully cooperating with "Riga Technical University's Development Fund", through which paid internship competitions are announced. We are happy to offer summer jobs to students, especially to our former interns – they are able to successfully replace the Company's employees during their vacation time. The Company's management and employees are frequently asked for their assistance and evaluation of graduate thesis (for Bachelor's and Master's degree at universities) and graduation papers of vocational school students. In this respect we have a longstanding and successful cooperation with Riga Technical College (RTK), Riga Technical University (RTU), and Latvian University (LU).

