

# Human Rights Policy

“Sirma Group Holding” JSC

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## Introduction

At „Sirma Group Holding“ JSC and its daughter companies, we are committed to conducting our business in a manner that respects and promotes human rights for all. This policy outlines our approach to ensuring that we uphold the highest standards of human rights within our operations, supply chains, and broader spheres of influence. We align our policy with the United Nations Universal Declaration of Human Rights and the principles of the International Labour Organization.

All policies established by „Sirma Group Holding“ JSC are binding and applicable across all subsidiary companies within the group, ensuring a uniform standard of practice and adherence to our core values and operational guidelines.

## Scope

This policy applies to all employees, contractors, suppliers, and partners of „Sirma Group Holding“ JSC and its daughter companies (Sirma, the Group), regardless of their position, location, or the nature of their affiliation with the company.

## Risks

Sirma has identified the following main risks related to the observance of human rights within its operations:

1. Violation of labor rights

The risks associated with labor rights violations include poor working conditions, low wages, forced labor, child labor and discrimination of all kinds. Violations of labor rights can lead to legal liabilities, inability to hire qualified staff, damage to reputation and loss of trust from customers and investors.

2. Dangerous and/or harmful working conditions

Dangerous and/or harmful working conditions can damage the health and work capacity of employees, thereby slowing down or making impossible the performance of assigned tasks, reducing the quality of products/services, reducing efficiency, making it difficult to attract qualified personnel and making the work process unsustainable .

3. Compromised access to personal data

IT products and services often use reams of personal data. Weak cybersecurity can result in an inability to protect the personal data of customers, employees, and users. Unregulated access to them can significantly jeopardize the personal freedom of the affected persons, payments on the relevant projects, Sirma's reputation, and customer relationships, as well as contribute to serious sanctions under the applicable European law (GDPR).

#### 4. Poor employee care and lack of inclusion

Providing a safe and inclusive work environment is a key concern for the IT sector. Risks include discrimination, harassment, lack of diversity and inclusion, lack of access to further qualification and inadequate support for employee mental health and wellbeing. Missing or insufficiently addressing these issues can lead to employee dissatisfaction, turnover and damage to the company's reputation as an employer.

#### 5. Risk of unethical use of technology

Although all technological solutions contribute to increased efficiency, there is a risk of unethical use of the technologies offered and implemented by Sirma. This includes concerns about the ethical implications of artificial intelligence (AI), facial recognition, surveillance technologies and other innovative technologies. The unethical use of technology can lead to a serious violation of the human rights of those affected persons.

## Policy Statements and Goals

With its activities, Sirma makes efforts to limit or completely eliminate the risks of non-compliance with human rights and is committed to striving to achieve the following goals:

1. Equality and Non-Discrimination: „Sirma Group Holding“ JSC and its daughter companies are committed to creating a workplace and business practices that are free from discrimination or harassment on any basis, including race, color, religion, sex, gender identity, national origin, age, disability, or any other characteristic protected under applicable law.
2. Freedom of Association: We respect the rights of our employees to freely associate, organize, and bargain collectively in a lawful and peaceful manner, without fear of harassment or intimidation.
3. Child Labor and Forced Labor: „Sirma Group Holding“ JSC and its daughter companies prohibits the use of child labor, forced labor, or any form of human trafficking within its operations and supply chain. We adhere to the minimum age provisions of applicable laws and regulations and support the elimination of exploitative labor practices.
4. Safe and Healthy Working Conditions: We are committed to providing a safe and healthy work environment for all employees and to comply with all applicable health and safety laws and regulations.
5. Decent and fair remuneration for work rendered: "Sirma Group Holding" JSC and its subsidiaries will strive for the achieve precise formulation of tasks for each project, the engagement of employees with the necessary qualifications, periodic and/or annual attestation of each employee for the results of her work, ensuring fair and decent remuneration for the work rendered in accordance with the labor legislation, best practices and competitive conditions at all times.
6. Environmental Stewardship: Recognizing the link between human rights and environmental protection, „Sirma Group Holding“ JSC and its daughter companies are dedicated to conducting their business in an environmentally responsible manner and encourage their suppliers and partners to do the same.
7. Privacy and Data Protection: We respect the privacy and personal data of our employees, customers, and partners and are committed to protecting it through our compliance with applicable privacy and data protection laws.
8. Preventing unethical use of technology: Sirma will make efforts to ensure that products and services it offers and implements are not used to the detriment of human rights.

9. Community Engagement: Sirma is committed to being a responsible corporate citizen by contributing to the well-being of the communities in which we operate.

## Indicators, measurement and control

“Sirma Group Holding” JSC and its subsidiaries will control the application of the above principles as follows:

**The control for partners and suppliers** is carried out at the start of the collaboration with them and then annually thereafter by the department managers/traders.

**The control for Sirma** is carried out by the line managers as follows: ongoing monitoring of the following indicators and annual reporting to the shareholders:

- General indicator of respect for human rights: number of signals submitted to the internal control for violations of human rights in Sirma;
- Indicators for a healthy and safe working environment:
  - Conducting an annual fire prevention briefing for every Sirma employee;
  - Conducting annual health examinations of each Sirma employee;
  - Availability of additional health insurance for each Sirma employee;
  - Number of sick leaves divided by the average number of employees;
- Indicators for providing additional qualification, non-discrimination and fair pay:
  - percentage ratio of male and female employees from the total number of employees;
  - percentage ratio of female managers and male managers to the total number of managers;
  - newly appointed employees and the percentage ratio of men to women;
  - number of completed trainings, total value of the spent budget and spent budget per average employee as an amount;
  - carrying out annual attestations of all employees by line managers;
  - average annual monthly salary and its ratio to the average for Bulgaria (and the average for the IT industry in Bulgaria, if such reliable data exists)
  - percentage ratio of male employees and female employees from the total number of employees;
  - percentage ratio of female managers and male managers to the total volume of managers;
  - newly appointed employees and the percentage ratio of men to women;
  - number of employees who left divided by the average number of employees expressed as a percentage;
  - average tenor of employment expressed in months and years.
- Indicator of commitment to the community: number of events and spent budget.

Data on the observance of human rights and the dynamics of the above indicators in Sirma will be published once a year in the Non-Financial Declaration / Sustainability Report.

## Implementation and Compliance

„Sirma Group Holding“ JSC and its daughter companies will implement this policy through a due diligence process that includes the identification, prevention, and mitigation of adverse human rights impacts. We will regularly review and update our practices to ensure ongoing compliance with this policy and relevant legal standards.

All employees, contractors, and partners are expected to understand and adhere to this policy. Violations of this policy may result in disciplinary action, up to and including termination of employment or business relationships.

## Reporting and Grievance Mechanisms

Employees and external stakeholders are encouraged to report any concerns or violations of this policy to the telephone of Internal Control +359882885616.

„Sirma Group Holding“ JSC and its daughter companies will investigate all reports and take appropriate action in a confidential and sensitive manner.

## Review and Monitoring

This policy will be reviewed annually to ensure it remains relevant and aligned with international human rights standards and best practices. The last review has been conducted in March 2024.

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