

CODE OF ETHICS AND CONDUCT

SUPPLIER CODE OF ETHICS AND CONDUCT

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1. GENERAL PROVISIONS

The basis of the activity of the joint stock company „Pakaita" is honest, transparent, open and ethical business practices. We understand that we are responsible for our actions that affect our employees, customers, shareholders, business partners, and suppliers.

The company adheres to international human rights, working conditions, environmental protection, and anti-corruption standards.

This code of ethics and conduct is a company promise and a document summarizing the values and business principles we promote. It is an expression of the professionalism that the company's employees cultivate in their activities and that is expected from their partners. Obligation to follow the Code of Ethics and Conduct and compliance with the rules contained therein is one of the essential conditions for cooperation and working relationships.

With the code of ethics and conduct, we aim to reveal and consolidate the company's values, operating principles and standards of conduct.

The Code of Ethics and Conduct is reviewed and updated in light of changes in legislation and good international practice.

2. VALUES AND BASIC ETHICAL REQUIREMENTS

Cooperation, acceptance of responsibility, openness and courage to change are the Company's values, on which the provisions of this Code are based.

The company's employees undertake to actively support the accepted ethical requirements of the Company's activities, to act respectfully and honestly, to respect each of their clients, colleagues, and business partners.

The company respects the fundamental rights of its employees, treats them fairly and respectfully, creates safe working conditions, and provides everyone with equal opportunities in the professional field.

The main values of AB „Pakaita" are to adhere to honest business principles, to seek innovative solutions, to constantly improve, to look for new and more advanced work tools and methods, to create and operate transparently and reliably. Through our actions, we aim to become a more efficient and innovative Company, and sustainability and social responsibility are important to us when making decisions. We select and work only with suppliers who adhere to high standards of business ethics, who adhere to fair, decent and legal principles, who agree with our standards of business ethics and conduct, who respect human rights.

3. RELATIONS WITH EMPLOYEES

The success of our operations is determined by our employees. We respect and ensure human rights and freedoms, we foster democratic values, adhering to Universal human rights as defined in the United Nations Universal Declaration of Rights and the main conventions of the International Labor Organization.

With our words, actions, proposed solutions, we show benevolence, mutual trust, respect for each other and create a favorable and working environment for employees.

All suppliers must ensure that their activities do not violate human rights.

The company respects the rights of employees to communicate freely and recognizes their rights to voluntarily join trade unions or associations and their right to negotiate with the employer.

Mutual relations between the company's employees must be based on courtesy, tact, honesty, friendliness and trust.

4. FAIR TREATMENT AND EQUAL OPPORTUNITY

We do not tolerate any discrimination. We do not condone any behavior that may offend human dignity, and in particular we do not tolerate physical or verbal harassment, including any unwanted behavior that creates an intimidating, hostile, degrading, or humiliating atmosphere.

We stand for equal rights of employees and equal opportunities at work, regardless of gender, ethnic origin, race, nationality, citizenship, language, state of health, political views, membership in a political party or association, religious beliefs, sexual orientation, etc.

5. WORKING CONDITIONS

We are committed to fair employment practices based on fairness and non-discrimination. Discrimination in employment, pay, education, gender, race, nationality, religion, age, disability, marital status, sexual orientation, marital or civil partnership status will not be tolerated.

Forced or involuntary labor is not tolerated. As part of our commitment, we are responsible for implementing effective controls to ensure that our work and supply chain are free of slavery and human trafficking.

We offer equal opportunities for learning and development based on the talents and needs of our employees to help them reach their full potential.

Employees must be provided with a written employment contract in their native language to ensure that employees are aware of their legal rights and responsibilities. Employment contracts must specify working hours, salary, overtime compensation, payment frequency and notice periods. The salary is paid at least once a month. We strive to contribute to positive social and economic development.

The company respects the personality and individuality of each employee, and aims to create a working environment that encourages initiative and creativity.

Child labor is strictly prohibited and we must take precautions to avoid it.

We are committed to ILO Conventions 138 and 182, which prohibit the employment of any person under the age of 15 or below the age of compulsory education, whichever occurs first. Young workers will not perform any work which, by its nature and the circumstances of its performance, may harm the health, safety or morale of such workers.

6. ENSURING SAFE WORKING CONDITIONS

We strive to create safe and healthy conditions at workplaces and constantly improve them, ensure the safety of work processes, take into account health-harmful and dangerous factors of the work environment, and implement preventive measures. Employees are provided with appropriate personal protective equipment free of charge. The company complies with all relevant occupational health and safety legislation and requirements, organizes training and ensures that all employees are educated on health and safety issues. All employees are familiarized with the safety and health instructions according to their position in order to perform their work safely.

Work safety instructions, evacuation plans, fire safety instructions, first aid training and job-specific training are documented and regularly provided to all employees. Units are equipped with first aid kits. In the workplaces, a risk assessment must be carried out in accordance with the SAM legislation, and the health of employees is regularly checked.

We are all trained, instructed and certified to ensure the safety and health of Employees. At work, we follow the safety rules established by laws and internal regulations.

7. ENVIRONMENTAL PROTECTION

We and our suppliers throughout the supply chain must comply with local environmental legislation and international environmental requirements.

We make every effort and expect our suppliers to minimize the potential negative environmental impacts of our operations, products and services in our supply chain.

In our activities, we use the latest technologies and implement technological processes that meet ecological standards and help reduce the negative impact on the environment, promote rational management and use of resources.

The supplier supplies raw materials responsibly, in compliance with environmental requirements.

When using chemicals, their safety, material handling, storage and disposal are ensured.

The use of hazardous substances restricted by the European Union directive REACH is prohibited. The materials used are marked in the instructions and material safety data sheet.

We aim to inform and train Employees on environmental requirements and we reasonably expect that each Employee, while performing their duties, will strive to reduce any impact on the environment: conserve natural resources, raw materials and energy, properly manage waste and reduce their amount.

8. CONFLICTS OF INTEREST

Our actions and decisions are based on the principle of loyalty to the company. We avoid any conflict of interest that would affect unbiased judgment or work.

Business transactions must be conducted in a way that best meets the interests of the company. All conflicting situations related to labor relations are resolved within the company immediately.

When working and cooperating, we strive to avoid conflicts of interest in every possible way, and if there is even the slightest doubt, we inform and verify whether such activities will not conflict with the material or non-material interests of the Company and will not harm its reputation.

Business decisions must not be motivated or influenced by personal relationships or interests

9. CORRUPTION PREVENTION

In accordance with the provisions of the Prevention of Corruption Policy, we undertake not to give or accept bribes, we do not tolerate bribery, illegal prior agreements, unfair mutual activities, as well as such activities with clients and business partners.

As part of being a responsible business, we do not accept or give gifts that are unacceptable under the law.

Corruption is absolutely not tolerated in the company and it is expected that clients and business partners follow the same principle.

10. PRIVACY AND DATA PROTECTION

The company respects the privacy of all its employees, business partners and customers.

We process personal data of customers, employees, business partners and other entities only if there is an operational need, legal basis and purpose. We ensure the security of confidential information - we apply the necessary technical and organizational measures to protect information from unauthorized access, disclosure, accidental loss, alteration, destruction or other unauthorized processing.

Personal data is collected, processed, transferred, stored and destroyed legally, fairly and transparently.

The company's employees have the right to collect, process, transmit, store, destroy or otherwise use personal data only when performing their direct functions, defined in the job regulations or on the order of the Company's manager and only in accordance with the procedure established by legal acts.

Our overall goal is to ensure that everyone handling information takes responsibility for ensuring the security and privacy of such information in accordance with the approved personal data protection legislation of the Republic of Lithuania and information security and data privacy instructions.

11. SUSTAINABILITY AND SOCIAL RESPONSIBILITY

In the course of our activities, we aim to harmonize economic, social and environmental aspects in order to ensure the sustainable and efficient operation of the company.

The company's services are provided responsibly, after assessing the expectations and interests of the interested parties.

We protect the Company's resources and assets by conserving them, using them efficiently, understanding that our activities may have an impact on the environment, therefore we make decisions taking into account the conservation of natural resources, reduction of energy consumption and other factors favorable to the environment.

12. PROCEDURE FOR INVESTIGATION OF VIOLATIONS OF THE CODE OF ETHICS AND CONDUCT

The company promotes a policy of responsible business, therefore, employees are asked to inform their direct manager about observed or suspected cases of non-compliance with the Code of Ethics and Conduct or report by e-mail to skundai@pakaita.lt.

The Company maintains the full confidentiality of persons who report non-compliance with the provisions of this Code and provides protection as provided by law.

Reports on code violations are received by the company's general director. By his order, a commission is formed to examine the report.

The Commission decides on the scope and form of the investigation on a case-by-case basis. The investigation must be fair, objective and thorough, ensuring the rights of each party to present evidence and respond to the allegations made.

The decision regarding the violation of the Code of Ethics and Conduct is made by the company's general director, taking into account the results and proposals of the examination. The decision taken is published as soon as possible. The composition of the commission, the names of the parties, the date of the decision, a summary of the facts, the reasons for the decision, the provisions on which the decision was based, the conditions of the decision, and the applicable penalties are indicated in the written decision.

The Commission, having established that the requirements of the code have been violated, taking into account the insignificance of the violation or mitigating circumstances, may limit itself to the investigation and propose not to impose a penalty.

13. IMPLEMENTATION AND SUPERVISION OF THE CODE OF ETHICS AND CONDUCT

AB „Pakaita" has approved this Code of Ethics and Conduct and requests that all employees, our suppliers and all participants in their chain properly comply with the principles and norms established therein.

Any fundamental violation of this code entitles AB „Pakaita“ to suspend the execution of future orders, immediately terminate existing orders in production, and terminate the contract with the Supplier or Customer.

The Company's Code of Ethics and Conduct is published publicly on the Company's website so that all existing partners and Suppliers of the company have the opportunity to familiarize themselves with it.

Each employee must be properly familiarized with the Code of Ethics and Conduct.

The management of the company is responsible for the code, and it initiates periodic (at least once a year) revisions of provisions and necessary corrections.

By signing this code, business partners undertake to comply with the principles and norms established therein.

Name, surname

Duties

Company name

Date