

**PRIVATE LIMITED LIABILITY COMPANY PLASTIKSĒ
SUSTAINABILITY POLICY**

1. General provisions

- 1.1. UAB PLASTIKSĒ (hereinafter referred to as the **Company**) produces high quality plastic packaging for the food, cosmetics, chemical and pharmaceutical industries.
- 1.2. The Company conducts its business to the highest standards of transparency, governance, ethics, social and environmental responsibility.
- 1.3. This Sustainability Policy applies to all the Company's business processes and decisions.
- 1.4. The Company's management reviews the Company's strategic targets annually and adjusts them as necessary.
- 1.5. This policy has been reviewed and updated in the light of changes in the market situation, legal regulations and the Company's performance.
- 1.6. The Company's Sustainability Policy reflects the Company's ambition to organise and carry out its activities by continuously raising and updating its goals and targets in the areas of social, environmental and governance responsibility.
- 1.7. The Company's strategic sustainability target is to become a sustainable and leading producer of plastic packaging in the European Union.
- 1.8. In implementing the Sustainability Policy, the Company also complies with other EU and national legislation and internal documents approved by the Company's management related to sustainability regulation:
 - 1.8.1. Environmental/recycling policies;
 - 1.8.2. Supplier Code of Conduct;
 - 1.8.3. Remuneration system;
 - 1.8.4. Corruption prevention policies;
 - 1.8.5. Rules of Procedure;
 - 1.8.6. Policy and procedures for ensuring the psychological safety of employees;
 - 1.8.7. Equal opportunities policy;
 - 1.8.8. The rules of procedure of the Work Council;
 - 1.8.9. Description of the Remote work;
 - 1.8.10. Description of Fire Safety;
 - 1.8.11. Personal Data Protection Regulation;
 - 1.8.12. OECD recommendations for Multinational enterprises;

1.8.13. United Nations Guiding Principles on Business and Human Rights (UNGPs), including the principles and rights set out in the eight core conventions referred to in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights;

1.8.14. Other documents governing the Company's activities.

2. Environment

The Company's main Sustainability Strategic targets related to environment and sustainability of the production process:

2.1. Certify RPET packaging and implement EFSA technology.

Short- and medium-term targets:

- Certification of the RPET packaging product to EN 15343:2007/RecyClass in 2025;
- Introduce EFSA technology in RPET production with RecyClass certification and ensuring quality control throughout the entire production cycle - from raw material sourcing to final product production in 2025;
- Introduce an environmental management system according to ISO 14001 in 2027.

2.2. Analyse climate change scenarios.

Short-term targets:

- Conduct a climate-related risk and vulnerability assessment under the climate change scenarios IPPC RCP2.6 and RCP8.5 in 2025.

2.3. Increase renewable electricity generation.

Short- and medium-term targets:

- Prepare a project for the development of an additional solar power plant in 2025;
- Install additional solar modules to expand energy production in 2026;
- Aim for at least 7% of the Company's total electricity demand to be generated from renewable energy sources in 2028.

2.4. Reduce the intensity of greenhouse gas (GHG) emissions.

Medium- and long-term targets:

- Reduce GHG emissions intensity per tonne of raw materials processed by 2% in 2026 compared to 2024;

- Reduce GHG emissions intensity per tonne of raw materials processed by 3% in 2027 compared to 2024;
- Reduce GHG emissions intensity per tonne of raw materials processed by 5% in 2028 compared to 2024;
- Reduce GHG emissions intensity per tonne of raw materials processed by 8% in 2030 compared to 2024;
- Depending on the customer needs and the import needs of product markets, open small new production factories in the European Union to reduce transport costs and GHG emissions in 2031.

2.5. Introduce additional energy management measures and optimise energy consumption.

Short- and medium-term targets:

- Carry out an energy cost analysis and identify the most energy intensive activities in 2025;
- Reduce energy intensity per tonne of raw materials processed by 2% in 2026 compared to 2024;
- Provide training for employees on energy efficiency and their role in saving energy in 2026;
- Reduce energy intensity per tonne of raw materials processed by 4% in 2027 compared to 2024 by introducing additional energy management measures (e.g. monitoring systems);
- Reduce energy intensity per tonne of raw materials processed by 6% in 2028 compared to 2024 by optimising processes and introducing additional energy management measures (e.g. monitoring systems);
- Implement an energy management system according to ISO 50001 in 2030.

2.6. Reduce waste in production processes.

Short- and medium-term targets:

- Reduce the amount of waste generated in production processes by 3% in 2025 compared to 2024;
- Reduce the amount of waste generated in production processes by 5% in 2026 compared to 2024;
- Reduce the amount of waste generated in production processes by 8% in 2027 compared to 2024;
- Reduce the amount of waste generated in production processes by 10% in 2028 compared to 2024;

- Reduce the amount of waste generated in production processes by 12% in 2030 compared to 2024.

2.7. Improve policies to reduce air pollution.

Medium- and long-term targets:

- Develop a monitoring plan for air pollution indicators in 2026;
- Conduct an inventory analysis of air pollution sources and their emissions in 2027;
- Implement the Company's pollution monitoring system in 2028;
- Introduce additional pollution control measures in production processes by 2030;
- Reduce the pollutants air emissions by 10% in 2031 compared to 2026.

The Company operates with the aim of minimising its impact on the environment. In compliance with the legislation relating to environmental protection, the Company:

- 2.8. creates the assumptions and conditions for working within the Company, receiving the Company's goods and services, and conducting the Company's business in the most accessible and sustainable ways, aligning with the best market practices;
- 2.9. cooperates with scientific and public administration institutions, local communities, the surrounding population, non-governmental organisations, other businesses or other stakeholders interested in the Company's operations on sustainability issues and the possible impact of environmental mitigation measures;
- 2.10. uses as few or no hazardous substances as possible in the development of the product, or substances whose impact on human health and the environment are unclear, and which do not pose a threat to human health or cause harm to the environment;
- 2.11. reduces the amount of defective goods from the total quantities produced and improves the efficiency of production processes;
- 2.12. complies with waste management legal requirements, aims to reduce the amount of waste associated with its activities and ensures proper waste management, minimising the risk of negative environmental impacts;
- 2.13. reduces the consumption of raw materials and natural resources, including water, and ensures their efficient use;
- 2.14. minimises the generation of wastewater and the potential impacts on ambient air, soil and water;
- 2.15. shall, as far as possible and proportionate, conduct an environmental impact risk assessment of its activities and seek to prevent the occurrence of such risks, and shall set targets for reducing

- environmental and climate impact of its activities, and implement appropriate measures;
- 2.16. applying circular economy principles seeks responsible and environmentally friendly raw materials sourcing, to incorporate environmental criteria into its procurement procedures, and, when developing products and services, considers criteria related to eco-friendliness, energy efficiency, reuse and recycling;
 - 2.17. educates employees on sustainability solutions and innovations related to the Company's current or planned operations, changes to the Sustainability Policy and other sustainability documents;
 - 2.18. in cooperation with the entities, employees and stakeholders referred to in Section 5.9 of this Sustainability Policy, the Company shall assess the impact of its activities and changes on its activities on the Company's sustainability targets;
 - 2.19. systematically monitors the environmental impact of its activities and participates in initiatives to improve environmental conditions.

3. Human rights

The Company respects human rights and treats all its employees and third parties with respect and dignity. The Company shall ensure that its employees have full access to fundamental human rights and:

- 3.1. does not tolerate discrimination of race, gender, sexual orientation, family or social status, the presence of children, religious beliefs, political opinions, nationality, disability, or age, either in recruitment, employment, during the course of employment, or in the termination of employment;
- 3.2. does not tolerate any form of psychological, physical, sexual or verbal harassment, intimidation, threats, mobbing or bullying;
- 3.3. respects the freedom of expression and the right to privacy of employees, and shall not take any action that may restrict or otherwise adversely affect the exercise of these freedoms;
- 3.4. respects the right to privacy of its employees, customers and other parties involved in these activities when collecting personal data or implementing employee monitoring measures;
- 3.5. informs the Company's responsible persons (and makes sure that there is an opportunity to provide such information) of any potential or actual adverse human rights impacts, and takes corrective actions to address identified non-compliances and prevent further incidents of this nature;
- 3.6. ensures the safety of those who report and testify about human rights violations or similar incidents.

4. Working conditions

The Company's main Sustainability Strategic targets related to working conditions:

4.1. **Introduce a quality inspector or other alternative posts on shifts.**

Short-term targets:

- Continuous improvement of the ISO 9001 and FSSC 22000 systems through the introduction of quality inspectors or alternative positions on shifts, the introduction of new measuring equipment and the organisation of regular food safety team meetings in 2025.

4.2. **Encourage the professional development of employees.**

Short- and medium-term targets:

- Provide at least 4 hours of training per employee in 2025;
- Provide at least 8 hours of training per employee in 2026;
- Provide at least 12 hours of training per employee in 2027;
- Provide at least 14 hours of training per employee in 2028.

4.3. **Improve policies on employee diversity and inclusion.**

Medium-term targets:

- Ensure that at least 40% of women are in management positions in 2027 and 2028.

4.4. **Monitor employees' safety and promote health initiatives.**

Short- and medium-term targets:

- Monitor the number of accidents at work and take continuous measures to prevent them;
- Start funding training for employees' sports teams (football, basketball) in 2025;
- Enter into an agreement with the Elektrėnai swimming pool for partial membership funding for employees in 2025;
- Introduce health and safety management system in accordance with ISO 45001 in 2027.

The Company creates a working environment for its employees that enables them to perform their work tasks safely, properly and productively and:

- 4.5. creates employees' development plans on topics relevant to employees and organises relevant training;
- 4.6. assesses employees' suggestions and insights for improving organisational performance

through questionnaires and various forms of surveys, listens to and reflects on employees' expectations;

- 4.7. conducts regular safety training;
- 4.8. provides clearly visible visual aids in the workplace with instructions for safe working;
- 4.9. promotes physical activity for employees and third parties and contributes to health improvement initiatives;
- 4.10. concludes (regularly reviewing, updating) employment contracts with its employees that comply with the legal requirements, clearly defining the terms and conditions of employment, the number of working hours, the conditions for overtime pay, the remuneration and the frequency of remuneration;
- 4.11. pays all its employees on time and provides clear information about their wages and fringe benefits for each period;
- 4.12. respects the right of its workers to form and join unions, works councils and collective bargaining without fear of reprisals;
- 4.13. does not tolerate child labour and provides additional benefits and guarantees for workers under 18;
- 4.14. ensures that the activities do not involve any form of slave-like practices, forced labour, prison labour, debt bondage, human trafficking or physical punishment;
- 4.15. in accordance with the specific nature of the work performed by its employees, provides safety and health instructions, safety trainings, ensures compliance with requirements and instructions, provides employees with collective and personal protective equipment (including supplementary equipment), appropriate work tools, and takes decisions to eliminate the risk of work-related accidents, injuries and illnesses to employees;
- 4.16. enables its employees to report (including anonymously) unsafe or otherwise unhealthy working conditions to the persons responsible, and ensures proper investigation and remediation of any findings;
- 4.17. ensures equality, integration and zero-tolerance for all forms of discrimination.

5. Operational planning and business ethics

The Company's key Sustainability Strategic targets, which relate to the planning and execution of the Company's activities:

5.1. Increase operational efficiency.

Short- and medium-term targets:

- Increase the Company's profits by introducing new product designs in 2025;
- Consult on the implementation of LEAN in the Company in 2025;

- Join international organisations of PET producers, RPET raw material producers in 2025;
- Renew the “EcoVadis” certificate and ensure compliance in 2025;
- Upgrade and modernise at least part of the Company's equipment and infrastructure in 2025, with more sustainable and efficient operations. Allocate 30% of net profit, including: 10% for improving quality systems, 10% for upgrading equipment and 10% for infrastructure;
- Upgrade and modernise at least part of the Company's equipment and infrastructure in 2026, with more sustainable and efficient operations. Allocate 40% of net profit, including: 15% for improving quality systems, 15% for upgrading equipment, 10% for infrastructure;
- Upgrade and modernise at least part of the Company's equipment and infrastructure in 2027, with more sustainable and efficient operations. Allocate 45% of net profit, including: 20% for quality systems, 15% for upgrading equipment and 10% for infrastructure and communications;
- Building new and modern, energy-efficient production facilities and new facilities for employees’ rest and canteen in 2027;
- Upgrade and modernise at least part of the Company's equipment and infrastructure in 2028, with more sustainable and efficient operations. Allocate 50% of net profit including: 20% for quality systems, 15% for facilities, 10% for infrastructure and 5% for improving communications.

5.2. **Developing services.**

Short- and medium-term targets:

- Expand the service offering to existing and new customers by integrating customised product packaging into production processes with solutions for at least 5 customers in 2025;
- Expand the range of services by introducing at least 2 new label types in 2026 and applying them in production for at least 5 customers;
- Expand the range of services by starting with the creation and development of new designs, creating at least 5 new designs based on client needs in 2027;
- Develop an action plan for the New Product Research Unit in 2027 and establish a unit to research new production technologies and formulations;
- Extend the range of services by offering multi-product bundling (jar, lid, label) to at least 8 customers in 2028;
- Begin research on two new production technologies or formulations such as next generation RPET or HDPE packaging in 2028.

5.3. Analysis of stakeholder engagement methods and value chain.

Short-term targets:

- Map the Company's value chain, identifying suppliers and stakeholders in 2025;
- Optimise the processes for surveying and monitoring the expectations of stakeholders - suppliers, customers and employees in 2025.

5.4. Improve supply chain transparency.

Short- and medium-term targets:

- Analyse the sustainability requirements of suppliers and establish a clear assessment of sustainability in 2025;
- Analyse the sustainability requirements of suppliers and establish a clear assessment of sustainability in 2026;
- Involve at least 40% of suppliers in the sustainability assessment in 2027;
- Ensure that at least 50% of suppliers would have signed the Supplier Code of Conduct in 2028;
- Ensure that at least 80% of suppliers would have signed the Supplier Code of Conduct in 2029.

5.5. Establish an effective corruption prevention mechanism.

Medium-term targets:

- Identify and begin training on corruption and bribery prevention, according to the responsibilities and roles with elevated risk exposure in 2026. Make all other employees aware of the Company's anti-corruption policy;
- Ensure that 100% of targeted employees with elevated corruption risk are trained in corruption prevention in 2027;
- Ensure public dissemination of information on the anti-corruption policy on the Company's website and internal platforms in 2028.

5.6. Provide a framework of measures to create a transparent environment within the Company.

Medium-term targets:

- Conduct a corruption risk assessment in 2026;
- Conduct a study to determine the organisation's tolerance level of corruption in 2027;

- Develop and adopt the Company's Transparency Policy and Anti-Corruption Code of Conduct in 2028.

5.7. Change the governance structure and create a new governing body, the Board of Directors.

Short- and medium-term targets:

- Update the Company's organisational structure to reflect the current needs of the Company in 2025;
- Consolidate the structure of the collegial management body - the Board - in the Company's organisational framework in 2026;
- Confirm the composition of the collegial management body - the Board - and put in place the first governance processes in 2027;
- Consolidate the functioning of the collegial management body - the Board - in the Company's organisational system in 2028.

In the conduct and planning of its business, the Company and its representatives shall comply with all laws and regulations, observe the highest standards of business ethics and:

- 5.8. participates in national and/or international exhibitions to find technological solutions for the production and use of new products and to present its products;
- 5.9. plans its activities in line with global sustainability principles and strategic rules;
- 5.10. conducting sustainability monitoring activities and preparing and submitting sustainability-related reports in accordance with the legal framework;
- 5.11. conducts their activities in accordance with the principles of fair competition, and does not engage in any form of collusion (for example, in the sharing or allocation of markets or customers, or in price fixing) that restricts fair competition;
- 5.12. avoids situations that could give rise to a conflict of interest and, in the event of a potential or actual conflict of interest, immediately alerts all stakeholders (including the Company's responsible persons) if such a conflict of interest, its possibility or threat has arisen and promptly take measures to manage and/or eliminate the conflict of interest;
- 5.13. refrains from accepting or providing any gifts that may be considered unlawful, or from providing goods, services or works free of charge for the purpose of gaining an unfair advantage;
- 5.14. refrains from making any unlawful payments or gifts to other representatives of the Company, civil servants, political parties, politicians, candidates for political office or any other persons;

- 5.15. complies with legal requirements relating to the provision of charitable donations;
- 5.16. does not tolerate bribery, influence peddling, money laundering, abuse of positions or any other form of corruption, nor offer, pay, promise or accept from any of its clients, suppliers, partners or their representatives any undue reward or other unlawful advantage, nor cheat, defraud or otherwise engage in any unlawful practice;
- 5.17. implements corruption prevention measures to manage the risk of corruption in its activities and report potential cases of corruption to the relevant authorities in accordance with the procedures laid down in the applicable legislation;
- 5.18. ensures the security and confidentiality of the information entrusted to the Company, and properly manages personal and other data in accordance with the provisions of the legislation and the agreements signed with the Company.
- 5.19. Through proactive social action, the Company:
 - 5.19.1. invites local students to attend educational sessions about the Company's production activities as part of its vocational experiential guidance activities;
 - 5.19.2. educates children in day-care centres about the use, recycling and creative solutions for plastic waste.
- 5.20. have no association with internationally sanctioned persons or persons associated with them;
- 5.21. take preventive and other measures to prevent the recurrence of corruption in the future.

6. Monitoring compliance with the sustainability policy

- 6.1. The Company's employees, service recipients, suppliers, customers or any other stakeholders are obliged to notify the Company of possible violations of this Sustainability Policy, unethical or unfair behaviour that may have consequences for the Company or the Company's targets under this Sustainability Policy. Such notifications shall be made to the Company by email at [\[sustainability@plastikse.com\]](mailto:sustainability@plastikse.com).
- 6.2. The monitoring of the indicators and intermediate results planned to be achieved in the Sustainability Policy, as well as the monitoring and control of compliance with the principles set out in the Policy, shall be carried out by a person appointed by the Director of the Company. A report for the previous calendar year on the implementation of the Sustainability Policy and other sustainability commitments referred to in Clause 1.8 of this Sustainability Policy, as well as information on the overall sustainability situation in the Company, shall be prepared by the Responsible Person and submitted to the Chief Executive Officer of the Company no later than by 30 April of the current year.
- 6.3. The Company may establish a dedicated *ad hoc* or permanent working group to provide additional oversight and monitoring of Sustainability Policy issues at the Company level.
- 6.4. Violation of the provisions set out in this Sustainability Policy, which is also a violation of the

law, shall give rise to the liability provided for in the law.

7. Final provisions

- 7.1. Employees and members of the management and supervisory bodies are familiar with this Sustainability Policy and comply with its provisions.
 - 7.2. The Company strives to ensure reliable partnerships with suppliers, contractors and other business partners. The Company's relations with them are guided by the principles of transparency, honesty and ethical behaviour. The provisions of the Sustainability Policy are available to all existing and potential partners of the Company.
 - 7.3. The Sustainability Policy is published on the Company's website.
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