

## **PRINCIPLES OF BUSINESS ETHICS AT AUGA GROUP, AB**

Being one of the largest agricultural business groups in the region, we apply particularly high standards of business ethics in our business operations.

We seek to create value for our clients and employees, shareholders and the public; thus, we must be honest and comply with the ethical principles and applicable laws in all our fields of business.

All employees and members of the management and supervision bodies of AUGA Group, AB (hereinafter referred to as the “Company”) must adhere to the values of the Company in their day-to-day operations. These principles are applicable to employees and members of the management and supervision bodies of all the companies of the Group, regardless of their official duties or level of management, including the CEO of the Company. The hopes are that these principles will be complied with by independent partners or consultants, representatives, intermediaries and other third parties acting on behalf of the Company.

The Company continuously monitors compliance with the principles entrenched in this document. Every employee is expected to become familiar with these principles, undertake to comply with them and inform about any actions that could violate the principles established herein. The Company strives to create value in the entire business chain. It is very important for us how we do this. We strongly believe that business is not only about the creation of value added for the shareholders.

### **ENSURING THE EFFECTIVENESS OF THE PRINCIPLES OF BUSINESS ETHICS**

Employees are encouraged to notify of any violations of these principles as well as submit any questions and complaints in connection with these principles to their immediate supervisor, the Human Resources Manager or the CEO of the Company, or to send them to the mail box created for this particular purpose ([etika@auga.lt](mailto:etika@auga.lt)).

### **FAIR TREATMENT OF EMPLOYEES AT THE COMPANY**

Compliance with the highest standards of business ethics starts inside the Company; therefore, we employ motivated and professional employees and further strengthen their loyalty.

Our aim is to provide employees with all the means necessary for the proper performance of their duties. We take care of our employees’ health and safety; thus, we constantly invest in the improvement of their working conditions. We do this in compliance with the applicable legislation and taking into account feedback from our employees.

We respect our employees and feel responsible for them. We expect the same – mutual respect and responsibility – from each of our employees.

We treat our employees fairly. Our selection process is focused on employees' work experience and competencies, on the basis of which we define the limits of responsibility and formulate assignments.

Every employee must clearly understand his/her role in the business operations of the Company. Remuneration of employees is fair and honest.

### **Compliance with international human rights standards**

Respect for human rights constitutes an integral part of the Company's core values. The Company complies with corporate practices and principles that are consistent with the principles of the Universal Declaration of Human Rights and the provisions of international labour conventions.

### **Ensuring equality and diversity**

We have zero tolerance for discrimination, humiliation, abuse or harassment due to employees' gender, age, nationality, race, religious and political beliefs or other personal features. All employees have equal opportunities for work and professional development at the Company and are evaluated on their performance at work.

This principle is strictly adhered to during the employee selection and salary negotiation process.

### **Health and safety**

We carry out our business operations in the field where employee safety is of vital importance; therefore, we strictly observe the established work safety requirements, constantly improve the workplace environment and implement prevention measures in order to minimise the factors that could have a negative effect on employee health or safety.

Before commencing his/her work at the Company, each employee must get familiar with the applicable work safety rules. We encourage our employees to refresh this knowledge on a regular basis.

We create the workplace environment in compliance with the applicable laws and best practices. We seek to completely prevent workplace accidents.

Each employee must notify the management if he/she becomes aware of any safety threat in any field of the Company's operations and propose ways to improve the workplace environment.

Employees are the key guarantor of the Company's development; therefore, we seek to ensure that all employees would be treated equally in relation to good working conditions.

## **Protection of private personal data**

Employees have the right to privacy and disclose to the employer only such information that is necessary for the drafting of various documents provided for in the legislation. The Company can verify and store personal data and information as well as carry out the monitoring of employee correspondence and use of the communication tools provided by the Company at the workplace only in strict compliance with the requirements established by law.

Only the data related to the purposes for which files are created can be collected and stored in the employee personnel files which are available for use to the duly authorised personnel of the Company only. Employees have the right to get familiar with the information stored in their personnel files, except for the exemptions provided for by law and, where necessary, request to rectify inconsistencies.

The Company does not intrude into its employees' private lives; however, employees in their daily activities must not damage the employer's reputation and refrain from any action that could cause dissatisfaction or distrust among its business partners, clients, or the public at large.

## **Protection of confidential information**

The Company guarantees the protection of confidential information about its employees.

Before starting to work at the Company, each employee is informed that any information about the Company that has not been disclosed or made available to the public is deemed as confidential and non-public. Each employee of the Company has the duty to ensure that such confidential and non-public information would be reliably protected. Employees must not share such information with any third parties (i.e. who are not the employees of the Company), including their family members or friends. Confidential and non-public information can be shared inside the Company only with those colleagues who must know such information for the performance of their job functions and only to the extent necessary for this purpose.

Documents containing confidential and non-public information and any personal data (both of the Company's employees and any third parties) must be stored or destroyed in compliance with the document storage and destruction requirements.

Taking due account of the fact that the Company's shares are publicly traded on the stock exchanges, all employees of the Company must be aware that the trade in the Company's shares using insider information or the provision of such information to others is illegal, and the person can be subject to administrative or criminal liability.

The obligation to protect confidential and non-public information is binding on employees even after the employment relationship with the Company has been terminated.

## **Alcohol and other psychotropic substances**

With a view to ensure the safety of employees and the quality of work, the Company applies a zero-tolerance policy to the abuse, illegal storage, disposal, distribution or production of alcohol or other psychotropic substances at the workplace. Employees may not arrive at work while being intoxicated either.

Employees who fail to adhere to this ethical principle are warned and may be dismissed.

## **Managing conflicts of interest**

Before starting to work at the Company, each employee must inform whether he/she is engaged or intends to be engaged in any activity that may lead to a conflict of interest. In any business relationship employees must act impartially and must not give impermissible benefit to other business entities or get involved in situations which lead or might lead to a conflict with the interests of the Company and have a negative impact on their own actions or the freedom of decision-making related to their job functions.

In case of any change in the circumstances, employees are required to notify their immediate supervisor thereof.

## **Work equipment**

At the Company, we adhere to the principle that the work equipment provided to employees may be used only for the performance of job functions rather than the achievement of personal goals. While using the Company's software, employees should not process, download, store or distribute any information that is illegal, non-compliant with the copyright legislation or indecent in any other respect. Employees may use the e-mail addresses assigned to them only for job-related purposes and not for their personal communication.

The Company's responsible persons must ensure that all software applications used by the Company are legal and were acquired lawfully.

When leaving the job, each employee undertakes to return to the employer all work equipment that he/she was provided with.

## **Business and financial documents**

All documents of our Company are prepared in accordance with best business practices and applicable legislation.

The Company has zero tolerance for falsification of documents. Each employee must ensure that documents would comply with the applicable requirements and be collected and stored in an

orderly manner. Each employee is responsible for ensuring the accuracy, completeness and conformity of documents with the applicable legislation.

Documents constitute a part of the Company's assets; thus, each employee must treat them in the same responsible manner as the rest of work equipment and tools.

### **Presentation of the Company**

It is very important that each employee would be well aware of the Company's aims, vision and mission statement and would adhere to the Company's values in his/her daily job-related activities.

Employees should avoid speaking publicly about the Company's business operations which are not related to their direct competencies. Media enquiries must be forwarded to the employees of the Company who are responsible for communication with these persons. When making a statement on important issues, the position must be coordinated with the management of the Company.

It is important to avoid making statements on behalf of the Company if they are used to express personal opinions and beliefs. This principle also applies to posts published on social media and the Internet.

### **HONEST CONDUCT IN THE SOCIETY**

The Company has to communicate with clients, partners, state authorities, non-governmental organizations, shareholders and local communities in respect of various issues on a daily basis.

Good and professional relationships with these organizations and persons are very important to us for shaping the Company's reputation and supporting the implementation of the Company's objectives. The relationships must be professional and completely transparent.

#### **Relationships with clients**

Relationships with clients are the most important thing for us. We work and make every effort for their benefit; therefore, we seek to maintain impeccable professional relationships with our clients.

We need to get to know our clients and understand their needs so that we could offer the best products to them. We always take our clients' preferences and comments into consideration.

We seek to ensure that the name of the Company would be associated with the impeccable quality of products and that consumers would feel secure that they are safe to use. In this field, our standards are much higher than those provided for by law.

## **Relationships with competitors**

We respect all the parties interested in our business, including our competitors as well. We treat them the way we want them to treat us.

We understand that competition is one of the main factors that promote business efficiency.

In our business operations, we apply only the methods that conform to the principles of fair and ethical competition and do not violate the provisions of the competition laws. Being the market leaders, we must demonstrate the highest level of competition practices.

Each employee must ensure that no confidential or insider information of the Company would be disclosed to its competitors. The most sensitive confidential information covers pricing, costs, investment plans, marketing strategy, supply chain, etc.

Employees should avoid discussing confidential information outside of their workplace. Business partners also must ensure that they will comply with the confidentiality undertaking and will not disclose any important information to competitors of the Company or use it for negotiation purposes.

## **Relationships with business partners**

We constantly expand the circle of our partners both in Lithuania and abroad. We make every effort to strengthen our relationships. We give priority to sustainable and long-term cooperation. And to those partners whose understanding of business ethics is compatible with our principles.

We strictly comply with our obligations and always request the same from our partners. We protect the confidential information of our partners. We understand that the disclosure of confidential information can damage not only our interests but the interests of our partners as well. Partner search is a never-ending process, thus, we are always open to new cooperation opportunities.

## **Relationships with government representatives and state authorities**

We comply with the applicable laws at all times, provide all necessary information to state authorities and respond to their comments.

In our communication with state authorities and government representatives, we apply particularly strict and high transparency standards.

## **Prevention of corruption, gifts and bribes**

We do not give or accept gifts in order to gain any advantage. We do not maintain any illegal and unethical relationships with state authorities and business or public advisors. We do not participate in any political activities.

Any type of corruption is unacceptable and incompatible with our approach to business. No activity involving manifestations of corruption may be carried out on behalf of either the Company or individual employees.

Having encountered any situations that pose a threat of corruption, employees must immediately notify the CEO of the Company thereof, and the CEO will report this to the state authorities fighting against corruption.

Support and charity are provided only within the limits of our social responsibility activities.

### **Relationships with the community**

The companies of the Group are active in almost all regions of the country, mainly in rural areas; therefore, the building and strengthening of relationships with local communities are of vital importance to us.

When carrying out business development activities, we must cooperate and maintain a dialogue with community members as well as to take any feedback into account.

We should remember that community members are the employees of our companies; therefore, we must protect our reputation and enhance our attractiveness on the labour market.

### **Relationships with shareholders**

Creating shareholder value is one of the main business objectives. We appreciate investor confidence and are interested in the increase of the value of shares.

We regularly share detailed and clear information about the major events and financial situation with our shareholders.

The Company publishes comprehensive, clear and accurate financial reports and provides explanations on major changes.

### **Environmental protection**

The Company's business model is directly related to environmental impact; therefore, a major focus is placed on this field. Our main aim is to minimize the negative environmental impact.

We can achieve this by making the production more efficient by applying methods that require the smallest amounts of water and energy resources, help save land resources and use less polluting technologies. The Company carries out its day-to-day operations in compliance with all applicable environmental laws and has all the permits necessary for its operations. Having regard to the fact that the Company develops the ecological business model, we strive to comply with very high standards that we set for ourselves in the field of environmental protection.

Searching for materials and technologies that would be the least harmful to the environment, we constantly improve our product packaging.

This process requires the involvement of all employees of the Company because each and every contribution, no matter how small, is important. We hold ourselves accountable for the environment and our actions.

### **Honesty in tax payment**

We comply with all applicable tax laws and seek to ensure that our obligations to the State are performed in a transparent, responsible and timely manner.

The Company does not use any tax evasion schemes and does not work with the partners who use such schemes in their operations.

### **Insider trading**

The Company's shares are traded on the Vilnius and Warsaw Stock Exchanges; therefore, we must comply with all rules that are applicable to confidential information that can affect the share price.

Persons who are entitled to have access to insider information undertake to ensure its confidentiality. In addition, persons who have insider information at their disposal comply with the applicable laws; they do not trade in securities using this information and do not advise other persons to trade in them using insider information.

### **Communication**

We constantly maintain relationships with the media and reply to any media enquiries but we do not announce any material information about the Company's business operations if we have not published it via the information system of the stock exchange first.

Only the managers of the Company can comment on the Company's financial performance and other major events.