

APPROVED

By the Resolution of the Board of AB Grigeo
of 6 April 2023

(Minutes No 23/03 of the Board Meeting of
6 April 2023)

ENVIRONMENTAL POLICY OF AB GRIGEO GROUP

1. GENERAL PROVISIONS

- 1.1. The Environmental Policy of AB Grigeo Group (the '**Policy**') sets out the provisions and guidelines of AB Grigeo Group on environmental protection. The purpose of the Policy is to establish guidelines for the management of the Group's impact on the environment in order to manage environmental risks and mitigate environmental impacts.
- 1.2. The Policy applies to AB Grigeo Group, which consists of AB Grigeo (the '**Company**') and its subsidiaries, including but not limited to UAB Grigeo Packaging, UAB Grigeo Baltwood, AB Grigeo Klaipėda, UAB Grigeo Recycling, SIA Grigeo Recycling and AT Mena Pak (the '**Group**').
- 1.3. The Policy makes an integral part of the Group strategy, the mission of which is creating a circular future. As part of its strategic commitment to its stakeholders, the Group focuses on efficient and more sustainable recycling and manufacturing processes, the production and performance improvement of environmentally friendly products, responsible supply chain management and boosting of energy efficiency.
- 1.4. The Group's activities make a significant part of the circular economy, which is why one of the Group's key sustainability commitments is preserving the environment. The Group has committed to complying with the environmental legislation, with zero tolerance for its breaches, and following good manufacturing practices.
- 1.5. The Group aims to contribute to the European Green Deal and, to this end, takes into account the EU Taxonomy Regulation, which is constantly updated, when planning and making investments, in order to have as many of the Group's activities as possible classified as qualifying taxonomic economic activities in future.
- 1.6. The following definitions are used in the Policy:
 - 1.6.1. **ISO 14001** means the standard for an environmental management system adopted by the International Organisation for Standardization (ISO).
 - 1.6.2. **Greenhouse gases (GHG)** means a group of gases that contribute to global warming and climate change.
 - 1.6.3. **Circular economy** means an economy based on the life cycle, which follows the principle of cascading and virtually eliminates ultimate waste. It is based on three key principles: eliminating waste and pollution, keeping products and materials in the consumption cycle for as long as possible and restoring natural systems.

2. ENVIRONMENTAL PRINCIPLES AND GROUP COMMITMENTS

- 2.1. The Group accepts responsibility for the environmental impact of its activities and undertakes to:
 - 2.1.1. Develop a responsible, sustainable and circular business model based on the Group's long-term strategy;

- 2.1.2. Comply with the legal and environmental requirements applicable to the Group's activities, the provisions of the Code of Ethics, standards and other Group's commitments;
- 2.1.3. Make sure that environmental issues are addressed in accordance with the highest international standards, using the best available manufacturing practices and tools, and the most efficient processes to minimise environmental impact;
- 2.1.4. Introduce technologies and innovative solutions reducing the Group's GHG emissions;
- 2.1.5. Responsibly maintain and modernise its infrastructure and facilities in order to improve the environment and the quality of public life;
- 2.1.6. Regularly analyse the actual and potential environmental impact of the Group's activities, products and facilities, assess risks and plan preventive and other measures to reduce, avoid and eliminate risks;
- 2.1.7. Promote the rational and sustainable use and management of natural and energy resources, giving priority to the use of renewable resources;
- 2.1.8. Ensure responsible management of water as a key resource in the supply chain and improve the quality of wastewater;
- 2.1.9. Reduce the amount of waste generated by the Group's activities by applying the waste hierarchy (prevention - reuse - recycling - other uses (e.g. energy recovery) and disposal) and ensuring responsible waste management;
- 2.1.10. Strengthen the Group's internal culture and values by building staff competence and developing a responsible approach to environmental protection;
- 2.1.11. Initiate and support educational and informative literacy projects, initiatives and social campaigns, involving employees and other stakeholders, with regard to environmental protection and the circular economy;
- 2.1.12. Offer customers innovative solutions, enabling the development of environmentally friendly products and solutions for a more sustainable future, and improve business processes;
- 2.1.13. Cooperate on environmental issues with customers, business partners, the community, public authorities, bodies and agencies;
- 2.1.14. When selecting suppliers, give priority to those whose activities meet the requirements of quality, environmental protection and sustainable forestry standards (the Group gives preference to the FSC® certification system);
- 2.1.15. Respect the local environment in which the Group operates. The Group takes precautionary management actions to mitigate and remedy the potential adverse impact on the environment and people. Creating a safe and healthy environment for employees and local communities is one of the Group's top priorities;
- 2.1.16. Publicly report to its shareholders and the public by providing timely, clear and understandable operational and financial results that reflect the Group's environmental impact.

3. PUTTING ENVIRONMENTAL PRINCIPLES IN PLACE

- 3.1. In order to minimise its environmental impact, the Group focuses on environmental areas with significant (critical and/or major) impacts on both the Group and its stakeholders.
- 3.2. In accordance with the principles of ISO 14001 put in place by the Group's companies, the Group maintains and strives to continuously improve its integrated environmental management system.
- 3.3. Following the principles of this Policy, the Group companies shall, in accordance with the applicable legislation and the established/implemented standards, adopt internal regulations

(procedures, provisions, policies, etc.) setting out the rights and obligations of the Group company and its responsible employees in the field of the environmental protection.

- 3.4. Group companies are encouraged to implement and regularly improve an environmental protection system in accordance with the ISO 14001 international standard.

4. REPORTING BREACHES OF ENVIRONMENTAL REQUIREMENTS

- 4.1. Breaches of environmental requirements may be reported through the internal whistleblowing channel by e-mail to pranesejuapsauga@grigeo.lt or otherwise.
- 4.2. The procedure for setting up and operating the Group's internal whistleblowing channel is available on the Company's web site.

5. FINAL PROVISIONS

- 5.1. This Policy shall be approved and amended by the Board of the Company.
 - 5.2. This Policy shall be reviewed on an annual basis and updated as necessary.
 - 5.3. The responsibility for drafting and updating the Policy shall rest with the Sustainability Manager of AB Grigeo Klaipėda.
 - 5.4. The Policy shall apply to the extent that it does not contradict the laws of the Republic of Lithuania and/or other applicable regulations.
 - 5.5. The Policy or any amendments thereto shall be submitted to the Group companies and published on the Group's web site immediately after their approval by the Company's Board. The responsibility for the publication of the Policy and its amendments shall rest with the Sustainability Manager of AB Grigeo Klaipėda.
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