



/Translation from the Lithuanian language/

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)

PROCUREMENT POLICY OF AB GRIGEO GROUP

1. GENERAL PROVISIONS

- 1.1. The Procurement Policy of AB Grigeo Group (the '**Policy**') sets out the basic principles and guidelines for procurement by AB Grigeo Group.
- 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**'). The document is also intended for all employees of the Group companies involved in procurement-related activities in order to inform them with the Company's procurement principles.
- 1.3. Further details on the implementation of this Policy are set out in the Procurement Procedures of individual Group companies. In implementing the principles of this Policy, the Group companies may also adopt other internal regulations establishing the rights and obligations of the Group company and its responsible employees with respect to procurement.

2. THE GROUP'S APPROACH TO PROCUREMENT

- 2.1. Procurement activities are designed to strengthen the Group's competitiveness and profitability by setting sustainable and competitive price levels, mitigating business risks, ensuring adequate quality and meeting the Group's sustainability and supply requirements.
- 2.2. The Group shall be committed to responsible conducting its procurement activities. The Group shall be committed to long-term and good business relationships and beneficial cooperation.
- 2.3. All Group employees engaged in procurement activities must comply with the Group's Code of Ethics. Similarly, the Group's suppliers are expected to comply with the Group's Code of Ethics.
- 2.4. The Group's management must ensure that employees who arrange and conduct procurement comply with applicable legal requirements, act for the benefit of the relevant Group company and in the best interests of the Group as a whole, as well as arrange and conduct procurement in a transparent, fair and impartial manner, in accordance with the principles of confidentiality and cooperation and without abusing their rights. In arranging and/or conducting procurement, an employee shall avoid any conflict of interest, shall not participate in the preparation, discussion or adoption of decisions, contracts and/or agreements or shall abstain from making relevant decisions or performing other job duties, if the duties are or may be related to the employee's personal interests.
- 2.5. The Procurement Departments of the Group companies shall be responsible for all purchases, all negotiations of supply contracts and the signing of agreements with suppliers, in close cooperation with the relevant stakeholders, unless otherwise specified in the Procurement Procedure of the Group company concerned.
- 2.6. All procurement activities shall be conducted in such a way that the Group complies with ethical, environmental and social sustainability requirements in all parts of the supply chain.

- 2.7. The Group shall cooperate with suppliers in a manner that is perceived as fair, professional and operating to the highest standards of business ethics and procurement.
- 2.8. To the extent possible, the Group shall use its full purchasing power and jointly organise purchases by the Group companies.
- 2.9. The Group encourages fair competition, which is sought through the use of competitive tendering or competitive bidding. The choice of suppliers shall ensure long-term continued access to the best suppliers, products and services at the lowest life-cycle cost and guarantee compliance with sustainability requirements.
- 2.10. In order to maintain continuous competition and lower risk, the Group shall avoid single-source procurement whenever possible and assess all risks associated with the procurement.
- 2.11. An appropriate level of segregation of duties shall be established in all relevant parts of the procurement process. No single employee or business unit should be assigned all of the key functions, responsibilities and decision-making rights with regard to any procurement transaction or decision, such as identifying business needs and selecting a supplier, or submitting a purchase request and confirming a purchase order.
- 2.12. In order to mitigate risks and to define responsibilities and obligations, the Group shall make agreements and purchase orders in writing, laying down the terms and conditions applicable to all suppliers, unless otherwise provided for in the Procurement Procedure of the Group company concerned.

3. FINAL PROVISIONS

- 3.1. This Policy shall be approved and amended by the Board of the Company.
 - 3.2. This Policy shall be reviewed on an annual basis and updated as necessary.
 - 3.3. The responsibility for drafting and updating the Policy shall rest with the Company's Vice-President for Procurement and Logistics.
 - 3.4. The Policy shall apply to the extent that it does not contradict the laws of the Republic of Lithuania and/or other applicable regulations.
 - 3.5. The Policy or any amendments thereto shall be submitted to the Group companies and published on the Company'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 Company's Vice-President for Procurement and Logistics.
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