



**CODE OF CONDUCT  
AND ETHICS  
OF ŽALVARIS CORPORATE GROUP**

We, the Board and the Chief Executive Officer of Žalvaris Corporate Group, develop our business and make responsible decisions based on the conviction that the success of our Group depends directly on the daily conduct, personal responsibility, ethics and integrity of each employee.

Principles of conduct and ethics are inherent in our Group's internal operations, as well as in our relationships with customers, business partners, suppliers, shareholders, public officials and other stakeholders.

The rules of ethics and conduct that we set out in this Code, as well as their monitoring and compliance, require the involvement of all employees of the Group, including management and shareholders, with the aim of building a lasting reputation of trust.

To achieve this goal, we should work together to comply with national laws, international sustainable business standards and guidelines, and the highest standards of conduct and ethics that are common in business practice.

Assumption of responsibility for the impact of our Group's activities on the environment, people, society and the market economy is a core value for each employee, including management and shareholders. It is also the basis for the development of our Group's organisational culture.

With this Code, we openly express what we aspire to be: the most reputable business group in the waste management sector in Lithuania and Europe, guided by international principles of sustainable and ethical business development.

We expect that the customers, business partners and suppliers of the Group will be guided by the principles and values close to this Code, and a mutual agreement and trust will create assured and lasting business success.



Chief Executive  
Officer

A handwritten signature in black ink, appearing to read 'V. Sapožnikovas'. The signature is stylized and fluid.

Vitoldas  
Sapožnikovas

1 December 2021

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The Code of Conduct and Ethics of Žalvaris Corporate Group (hereinafter – *the Code, the Code of Conduct*) shall set out the principles of business ethics by which our Corporate Group (hereinafter – *the Group*) operates and the conduct the Group expects from its employees in their relationships with customers, business partners, suppliers, shareholders, public officials and other stakeholders.

This Code shall be the basis for the thinking, decision-making and personal action or omission of each employee of the Group, including management and shareholders, in the Group's business activities. It should guide all decision-making at all levels of the Group organisation.

In pursuit of the highest international standards of business ethics, we shall ensure, without exception:

- rights and freedoms of every human being,
- occupational health and safety,
- environmental protection and fight against climate change,
- fight against all forms of corruption.

Our Group recognises and commits to respect the international principles and standards of sustainable development and responsible business as set out in the following documents:

- Principles of the United Nations Global Compact,
- United Nations Sustainable Development Goals,
- International Labour Organization conventions,
- Paris Agreement on Climate Change,
- United Nations Convention against Corruption.

All internal policies, procedures, regulations and rules of the Group shall be consistent with this Code.

Each Group employee, individually and collectively, shall be responsible for the observance and proper application of this Code of Conduct, irrespective of his/her position or level of management.

We expect that our partners, suppliers, contractors, subcontractors, external consultants, representatives, agents and other stakeholders acting on behalf of our Group will comply with this Code.

We believe that we are bound with our customers by the principles and values of responsible business that are close to the Code. Where we see the need to do so, we will initiate a targeted dialogue on transparent and ethical conduct in the market and we will work together to find the best possible solutions for responsible business.

# I. PRINCIPLES OF ETHICAL CONDUCT

## WHAT OUR APPROACH IS

The basis for the thinking, decision-making and personal action or omission of the Group's employees and management is our values APPROACH. It guides all decision-making at all levels of the Group organisation.

*OUR APPROACH: Seeing waste management as a complex and responsible process, we aim to eliminate the environmental footprint of our organisations' activities, contributing to the implementation of the goals of sustainable activities of human, business and society.*

**OUR ROLE:** complex management of organisations' waste streams.

Responsibility for the impact of the Group's activities on the environment, human and society, and leadership in the waste management sector, is **OUR CORE VALUE** and the basis for the development of our organisational culture.





## HOW WE DEVELOP OUR BUSINESS

As one of the largest and longest operating waste management business groups in Lithuania, we apply high standards of business ethics in all our activities – we should be responsible, transparent, ethical, fair and open, and we should comply with the applicable national laws and international standards in all our activities. In doing so, we strive to create maximum value for our customers, partners, employees, society and shareholders.

We act responsibly – we act fairly in the market, comply with all established procedures and legal regulations, and do not tolerate or engage in unfair competition. We manage legal and financial risks.

We act transparently – we do not tolerate any form of corruption, we are accountable for our activities to shareholders and all stakeholders, and we publish public reports on our business and sustainability performance.

We act ethically – we protect personal privacy, intellectual property and confidential business information, prevent direct and indirect conflicts of interest, and ensure the proper and ethical conduct of the Group's employees in the market.

All business decisions should be made for the maximum benefit of the Group and its customers. The powers granted to the Group's employees, including managers of the Companies, may not be used for any purpose other than responsible business.

To create long-term value for the Group and its customers, we ensure the protection of the Group's business interests, communicate responsibly and ethically about the Group's activities and social initiatives, and strive to ensure that our employees conduct in a responsible manner in the market after they have left their positions in the Group.

## HOW WE CARE FOR PEOPLE

Within the Group, we respect and protect human rights and freedoms, as guaranteed by the principles of international law and national legislation.

We do not tolerate all forms of discrimination, harassment, sexual harassment and bullying among the Group's employees and in external relations with partners, suppliers and/or customers.

We ensure equal opportunities for employment, remuneration and career in the Group's companies. We invest in developing our employee competences and creating a motivating working environment.

The Group's activities are guided by the principles of fair work and respect for international employee rights, as provide for in the relevant International Labour Organisation conventions and national legislation.

We provide employees with the appropriate safety equipment and ensure safe and healthy working conditions.

The use of alcoholic, psychotropic or narcotic substances and irresponsible conduct in the workplace and during work hours are strictly prohibited.

We create conditions for employees to negotiate working conditions with management, encourage freedom of association and social or community initiatives that strengthen employees' personal motivation and team integration.



## HOW WE CARE FOR THE ENVIRONMENT

Reducing our impact on climate change and fully complying with environmental requirements is a fundamental principle of our Group's activities and a guarantee of quality for our customers.

The Group's mission is to carry out a waste management business based on the principles of the circular economy, professionally and responsibly recycling hazardous and non-hazardous waste into new products for the agricultural, transport, recyclable packaging, electricity and thermal energy sectors.

In the Group, we are guided by the following principles to protect the environment and reduce our impact on climate change:

- preventive environmental approach,
- minimising negative environmental impact,
- circular economy solutions in cooperation with customers, partners and suppliers,
- reducing greenhouse gas emissions and overall environmental footprint.

To achieve these goals, we:

- strictly comply with national laws and other legislation on environmental protection in the waste management sector,
- manage the waste generated by companies and organisations in a real, certified, transparent and verifiable way,
- report on waste management to private customers and public authorities,
- follow international principles and standards for accounting and reducing greenhouse gas emissions,
- initiate environmental and sustainable development training for employees, customers and other stakeholders,
- communicate publicly about environmental and climate change challenges and the Group's proposed solutions,
- publicly promote the principles of sustainable consumption and waste reduction, minimisation of the use of natural resources and environmental impact,
- support environmental initiatives and public and private projects.





## HOW WE ENSURE TRANSPARENCY

The Group is committed to the highest standards of business ethics, acting responsibly, transparently, ethically, fairly and openly.

Accordingly, we ensure that our customers avoid the legal, financial and reputational risks associated with waste management. Where we see the need to do so, we purposefully initiate a dialogue with our customers on transparent conduct in the market and together we seek the best possible solutions for transparent business.

We do not tolerate corruption in all its forms. In order to ensure anti-corruption, the Group strictly adheres to the principles of anti-corruption, their implementation and compliance.

The Group's reputation is based on compliance with national laws, other legislation and requirements for transparent and responsible business conduct, as well as continuous internal anti-corruption control.

Each employee and managers of the Group are individually responsible for knowing and complying strictly with laws and other legislation. We continuously initiate employee training to prevent corruption.

In all cases, the Group's employees are guided by the principles of responsibility, integrity, reasonableness and fairness, both internally within the Group and in their relationships with customers, partners, suppliers, contractors, sub-contractors, public officials, external consultants, the Group's business representatives and other stakeholders.

## II. RULES OF CONDUCT

The Rules of Conduct (hereinafter – the Rules of Conduct) of this Code shall be intended for the benefit of employees, managers and shareholders of the Group. They are purposely designed to be clear, understandable and easy to apply in practice. These rules aim shall be to ensure ethical and responsible conduct by all employees of the Group on every working day, in every workplace and in every situation, and some of them also shall apply outside the Group’s activities.

Responsible compliance with the Rules of Conduct shall be the basis for the creation, development and continuation of the Group’s organisational culture.

To achieve the highest reputation in the market, we shall act in accordance with the Group’s values Approach and shall respect the rules of conduct established on this basis:

Fields of Conduct	Rules of Conduct
PROTECTION OF CUSTOMER INTERESTS	<p><b>We provide our services in a factual</b>, certified, transparent and demonstrable way (<i>value – product / service quality</i>).</p> <p><b>We understand our customer needs and are flexible</b> – we provide individually tailored waste management, management organisation, audit, consultancy and training services (<i>value – variety, flexibility</i>).</p> <p><b>We act with integrity</b> – avoiding risks and providing seamless waste management solutions tailored to customers activities allow to operate more efficiently and avoid unforeseen costs (<i>value – cost reduction</i>).</p> <p><b>We protect our customer interests</b> – our customers operate avoiding the legal, financial and reputational risks associated with waste management (<i>value – risk mitigation</i>).</p> <p><b>We help to be socially responsible</b> – our solutions and proper waste management help our customers to implement their social responsibility (<i>value – social responsibility</i>).</p>
LEGAL, FINANCIAL AND ENVIRONMENTAL RESPONSIBILITY	<p>Group environment and climate change prevention</p> <p>Group corruption prevention</p> <p>Group compliance policy</p>

<p>EMPLOYEE PROFESSIONAL ETHICS</p>	<p>Application of the highest standards in professional conduct          Personal example of managers          Intolerance of corruption and its forms          Management of conflicts of interest          Gifts and hospitality policy          Intolerance of abuse of office          Responsible procurement          Reporting of unethical and improper conduct</p>
<p>RESPECT FOR COLLEAGUES, OCCUPATIONAL HEALTH AND SAFETY</p>	<p>Respect and cooperation          Ensuring equal opportunities          Intolerance of discrimination, harassment, sexual harassment and bullying          Ensuring workplace safety and health</p>
<p>PROTECTION OF THE GROUP'S BUSINESS INTERESTS</p>	<p>Lasting value creation and asset protection          Responsible external communication          Ethical conduct with stakeholders          Responsibility when leaving the Group</p>





### III. CODE OF CONDUCT IN PRACTICE

This section shall provide information on how this Code should be applied.

The Code shall clearly set out:

- what is expected of each employee, including managers and shareholders;
- questions we each need to ask ourselves before making decisions in the Group;
- procedure for private reporting of violations of this Code.

The purpose of this Code shall be to provide clarity to all employees of the Group, without exception, as to what is expected of them within the Group when they perform their duties within the Group and, in some cases, after their employment with the Group has terminated (*Responsibility when Leaving the Group*).

The Group shall encourage and motivate all employees to comply with the provisions of this Code, in particular the Rules of Conduct. For this purpose, the Group shall undertake to initiate periodic training to help employees learn, understand and assume responsibility for the proper application of this Code in practice.

The responsibilities of all Group employees shall include:

- know and follow all the rules of conduct and ethics set out in this Code;
- participate in training to understand the rules of this Code and assume personal responsibility;
- work within the Group in accordance with this Code systematically applying different aspects of it;
- be vigilant and require colleagues to comply with this Code;
- use the Group's whistleblowing procedure, to speak up openly and raise concerns where they are justified.

Accordingly, the Group does not and will not tolerate any violation of this Code of Conduct.

In the event of a violation of this Code, the Group shall take appropriate and mandatory measures against employees and managers who deliberately fail to comply with the Code of Conduct and violate its requirements, thereby putting the Group's business reputation at risk in the market.

#### HOW WE MAKE DECISIONS

**It is important to understand that while the Rules of Conduct of this Code can help employees and managers in their decision-making, there is no one specific rule for every situation.**

**Thus, each employee of the Group, in making the best possible personal decision in a given situation, should rely on his/her personal assessment as well as on the Group's values APPROACH and principles of ethical conduct.**

ASK YOURSELF BEFORE MAKING A DECISION:

- Is this legal?
- Is it fair, just and responsible?
- Is it in line with the Code of Ethics and Conduct of the Group?
- Do I know the legal, financial, environmental and reputational risks associated with my decision?
- Do I know that my decision will not damage the Group's relationships with customers, partners, suppliers, contractors, public officials, the media and the public?

Your answer to all these questions is  
"YES"



**FEEL FREE  
TO ACT!**

Your answer to one, several or all of  
these questions is "NO"



**STOP AND  
ASK!**

**If you have doubts about any of these questions and are unsure about the decision you need to make, seek advice from an appropriate colleague: your line manager, a manager with a higher level of authority, legal and/or compliance manager.**



## HOW WE SPEAK UP AND EXPRESS OUR CONCERNS

The Group is attentive to concerns raised by customers, suppliers, contractors, employees, public officials, shareholders and the wider community about the Group's actions or omission, and we are committed to listening carefully and understanding each of them, and then working to resolve the concerns raised by our stakeholders in a fair and effective manner.

**Any external stakeholder can contact the Group by the following means and contacts:**

Ph.: 8 800 00 653

Email: [info@zalvaris.lt](mailto:info@zalvaris.lt)

Address: Palemono str. 1, 52159, Kaunas, Lithuania

**Each employee of the Group, including managers, should report concerns or possible violations of this Code in a timely and open manner by the following means:**

- take advice from his / her line manager;
- if you he / she is uncomfortable or unacceptable talking to his / her line manager about a particular issue, he / she should talk to a manager higher in the chain of command;
- if certain actions are potentially unlawful and risk a serious violation of the Code, you should immediately contact the Legal or Compliance Manager or the Chief Executive Officer of the Group or notify by email address: [pasitikejimolinija@zalvaris.lt](mailto:pasitikejimolinija@zalvaris.lt).

**Reporting violations or potential violations shall be a right of employees of the Group and no employee will be penalised, dismissed or discriminated against for reporting violations.**

