



**Social  
responsibility  
report and  
sustainability  
report 2021**

AB "Rokiškio sūris",  
Lithuania

# Table of contents

<b>Message from CEO</b> .....	3
<b>About the report</b> .....	4
<b>About the company</b> .....	5
Highlights, main facts, achievements.....	5
Business model.....	6
Strategy - vision, mission, values.....	9
Governance.....	10
Risk management.....	16
<b>Sustainability approach</b> .....	21
Principles and commitments.....	22
Materiality analysis.....	23
Stakeholder engagement.....	24
Materiality matrix.....	25
Contribution to SDGs.....	27
Memberships and partnerships.....	28
<b>Environmental management</b> .....	30
<b>Social management</b> .....	39
<b>Economic management</b> .....	51
<b>GRI Index</b> .....	55
NASDAQ ESG Disclosures.....	59
UN Global Copact Index.....	60



# Message from CEO



Dalius Trumpa  
CEO of AB "Rokiškio sūris"

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Even during the greatest hardships, we always cared about sustainability and last year is proof of that. Despite all financial challenges, we chose to continue to invest in sustainable solutions. We are pleased to say that despite the instability in the markets during the COVID-19, operations of the companies in the Group have not been disrupted and have not prevented us from reaching our environmental, social and governance goals.

We marked the beginning of last year by setting new sustainability goals and promises for our entire community. We trained our management team and formed a sustainability working group to be able to accelerate the embedding of a sustainability mindset across the Group companies as a whole, and foster a wider sustainability change journey.

The efforts did not go unnoticed, our innovative solution to generate renewable energy from wastewater was ranked among the 3 finalists in the innovation category of Baltic Sustainability Awards.

We are aiming to see increasingly clear strategies and leadership at AB Rokiškio sūris which will help dairy and its wider ecosystem adjust to the new realities of the global industry, as they emerge. With a revised 3-year strategy plan we are aiming

to strengthen our efforts in environmental, social and governance (ESG) areas.

Today, I am proud to announce that the Group reaffirms its support for the Ten Principles of the United Nations Global Compact Goals involving Human Rights, Labour, Environment and AntiCorruption. In this annual sustainability report, we also describe the actions we take to continually improve the integration of Sustainable Development Goals into our strategy, company culture and operations.

We commit to sharing this information with our stakeholders using our primary channels of communication and would like to thank our team members, customers, suppliers, and partners for their unwavering commitment and support in our overall effort towards sustainability.



# About the report

This Rokiskio suris' AB (hereinafter – the Group) Social Responsibility Report and Sustainability Report (hereinafter – Sustainability Report) covers the activities of all the Group's companies in the period from 1 January until 31 December 2021. The report is integrated in the Company's annual report as well as published as a separate document.

This Social Responsibility Report and Sustainability Report (hereinafter „Sustainability Report“) has been prepared in accordance with the GRI Standards (update 2021) for the first time. The information presented in the report represents the best available information at the moment of disclosure but was not audited. The disclosures are guided by the materiality principle and support United Nations Global Compact (UNGC) principles. Disclosures also represent the Group's contribution to the UN Sustainable

Development Goals (SDGs).

Information has also been prepared in accordance with the Nasdaq ESG Reporting Guide and covers the main activities and achievements of the Group in the environmental, social and governance (ESG) areas. This report fully meets the requirements for a social responsibility report, as it is stated in Lithuanian legislation.



The Sustainability Report should be read in conjunction with the Consolidated Annual Report.

Consolidated Annual Report



## Previous reports and contact point

The previous Corporate Social Responsibility Report published on 7 April 2021 as part of the Consolidated Annual Report covering the previous calendar year, as well as other sustainability information can be accessed on the website ([www.rokiskio.com](http://www.rokiskio.com)).

We know the importance of understanding stakeholder perspectives, so we'd appreciate your feedback on this report and our performance. Please email us at [ausra.ziboliene@rokiskio.com](mailto:ausra.ziboliene@rokiskio.com) (contact person - Aušra Zibolienė, Assistant to the CEO).





# About the group of Companies

Sustainability Report 2021 | AB "Rokiškio sūris"

## — Business overview / Key facts



# 461 553

tonnes of milk processed



# 41

export markets



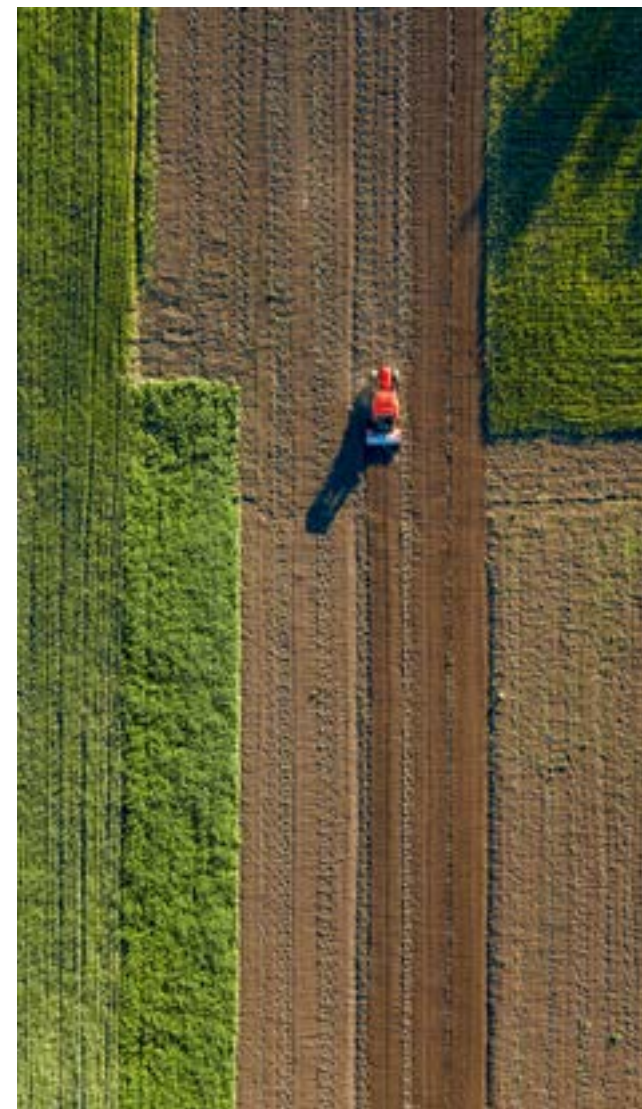
# 35 357

tonnes of different kinds of  
cheese manufactured and  
sold



# 1 326

employees



An overview of the Group's business activities in 2021 is provided in the Consolidated Annual Report 2021 Section: Types of main activities of the company and the company group

# Business Model

Rokiskio suris, AB Group based in Lithuania (headquarter – Pramonės g. 3, Rokiškis) is a public limited liability company and consists of the parent company AB Rokiskio suris and five subsidiaries.



Rokiskio pienas, UAB



Rokiskio pieno gamyba, UAB



DairyHub.It, UAB

(not included in the report due to its insignificance)



Latvian company Jekabpils piena, SIA

(not included in the report due to its insignificance, unless noted otherwise)



Latvian company Kaunata, SIA

(not included in the report due to its insignificance)

Consolidation of Information is made in accordance with the International Financial Reporting Standards (IFRS).

The main activity of the joint-stock company Rokiskio suris, AB is the activity of dairies and cheese production.

The main products are cheeses, butter, dry dairy products and short shelf life dairy products.

# Subsidiaries

The main activity of pieno gamyba, UAB is the production of fresh dairy products (milk, kefir, sour milk, butter, curd, curd cheese, sour cream, glazed cheeses, desserts) and milk powders.

The main activity of pieno gamyba, UAB is the production of fresh dairy products (milk, kefir, sour milk, butter, curd, curd cheese, sour cream, glazed cheeses, desserts).

The activity of SIA Jekabpils piena kombinat is the purchase of raw milk. The activity of SIA Kaunata is the purchase of raw milk.

DairyHub.It, UAB started its operations in 2021, and its main activities cover sales of dairy products.

Operations of the Group Rokiškio sūris, AB are organized according to the **main functions**:

raw milk purchasing

production

sales

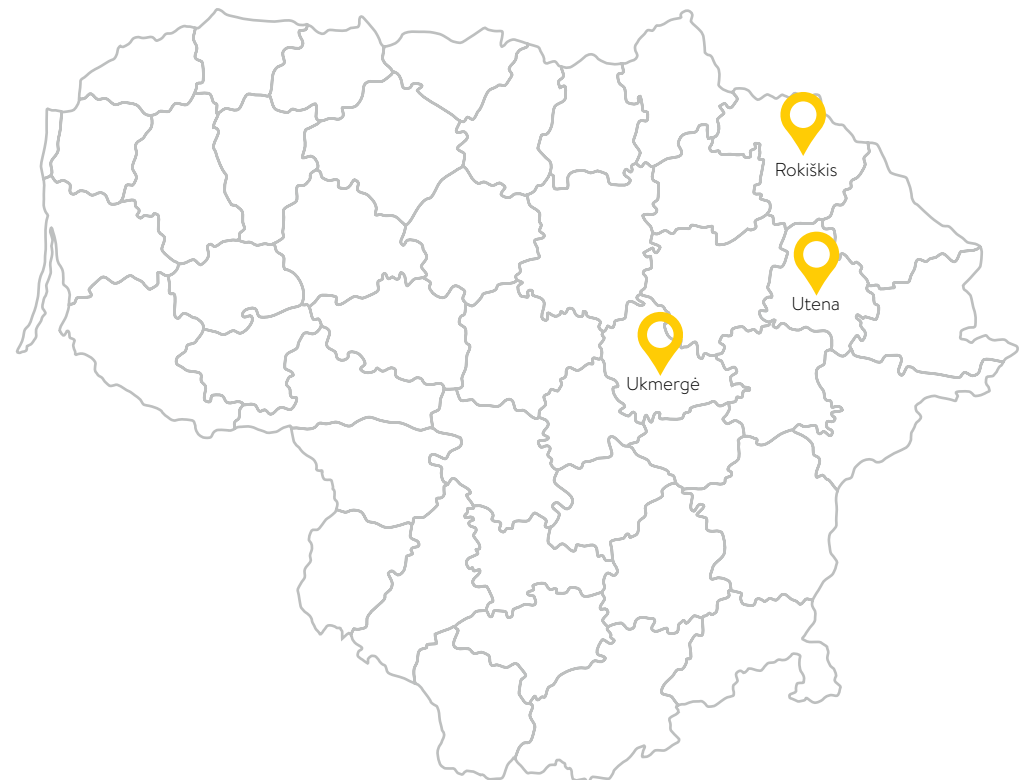
logistics

finance management

security

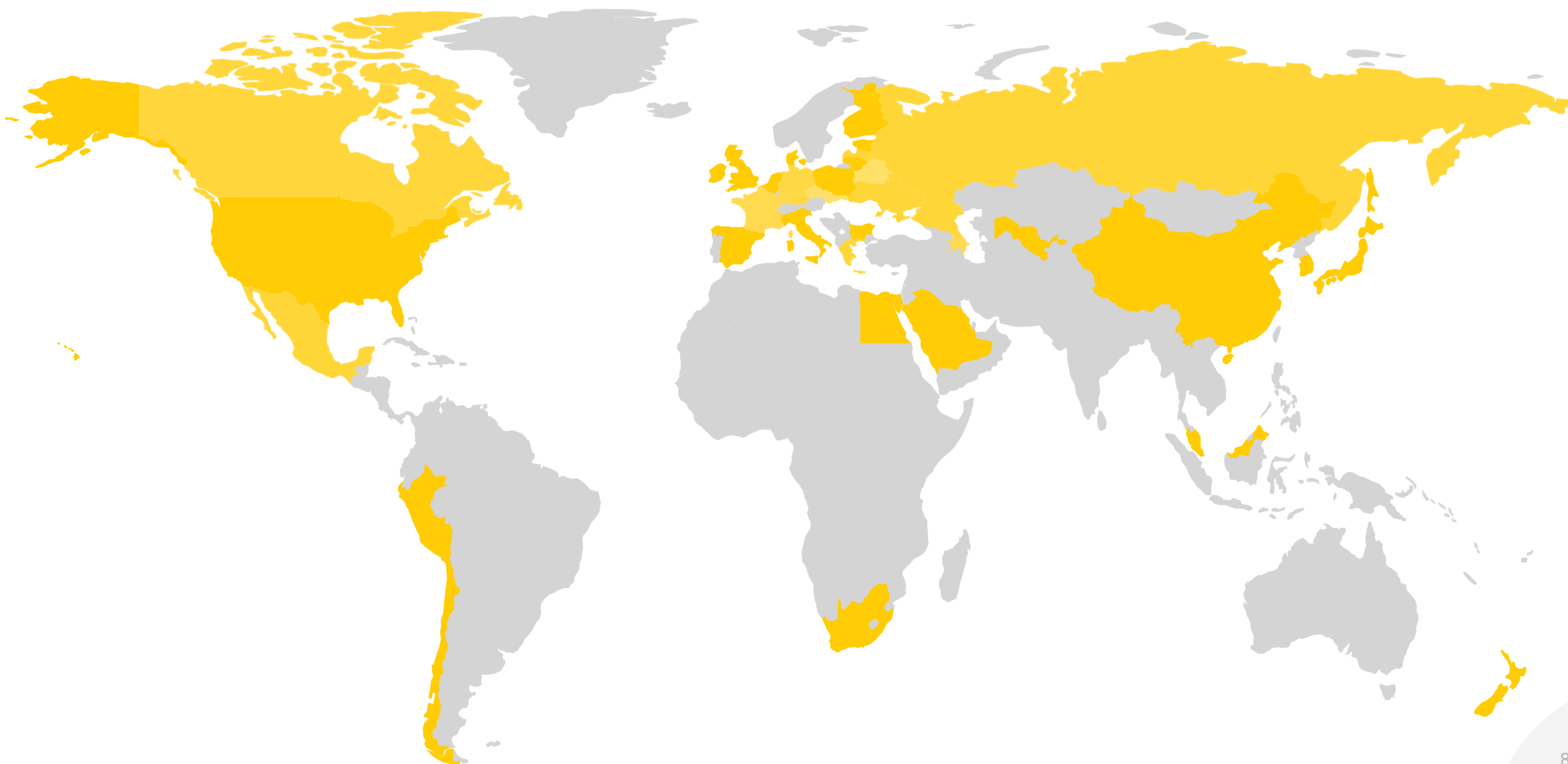
## Production is performed in **three specialized factories:**

Rokiškis (fermented cheese, lactose, whey protein concentrate), Utena (short shelf life dairy products, butter, milk and whey powders) and Ukmergė (curds)



The supply chain consists of two parts: supply of raw milk (procurement department) and supply of other materials (purchasing department).

AB Rokiškio sūris Group is the largest Lithuanian milk processing company, producing and providing consumers with more than 300 names of products. The largest part of the company's production is exported. In 2021, the Rokiskio suris Group exported its products to 41 country worldwide





# Strategy:

## vision, mision, values

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In order to ensure that all members of the Group's management bodies have a clear understanding of its objectives, directions and aspirations, the Group's strategy for long-term strategic goals and objectives is being prepared. The Group operates in accordance with a 3-year strategic plan approved by the Board, which sets out the Group's vision and mission and defines its objectives as well as long-term aspirations.

The Management has planned the next update of the strategic plan in 2025 with sustainability being one of the main focus areas.

The main provisions of the strategic plan are set out below:

**Mission:** Trusted dairy professionals

**Vision:** Processing more than 1 million tonnes of raw milk per year, as Lithuania turns into Baltland

(A more in depth overview of the strategic initiatives in accordance with the 3-year strategic plan is outlined in the Consolidated Annual Report 2021 (please refer to section: Strategy and objectives of the group.)

### Objectives:

Leadership in the dairy sector in the region

Flexible production of premium quality products and sales that exceed customer expectations

To be the most attractive and reliable partner for dairy farmers

To continuously increase value for shareholders

Achieving sustainability objectives along the entire chain of operations

### Core values and strengths:

Cohesive team of over 1300 employees and good management practices

Modern technology

Good workmanship

Financial stability

Speed and flexibility in decision making and responding to external changes

Continuous improvement (The Group pays a lot of attention and dedicated financial resources to the development of professional and general competencies, abilities and skills of its employees)

# Governance model

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Currently, there are 3 management bodies in the Group: General Meeting of Shareholders; Board of Directors; Chief Executive Officer (Director). They act for the benefit of the Group and its shareholders, and pursue laws and legal acts of the Republic of Lithuania.

The General Meeting of shareholders is the supreme body of the Group. The Board of the Group is elected by the General Meeting of Shareholders and the term of office of the members of the Board is 4 years.

The shareholders' meeting is held at least once a year. The Group also submits notifications through the Central Regulated Information Base of the AB Nasdaq Vilnius Stock Exchange regarding significant events from the economic, social and environmental point of view.

According to the Group's Articles of Association, the Board consists of 6 members (2 of whom are independent members). The Group's Board Chairman is not an employee of the Group.

In compliance with the best corporate governance practices the Company's Articles of Association determine the following functions and responsibilities of the Board:

The competence of the Board is in accordance with the provisions of the Law on Companies of the Republic of Lithuania (Articles 33 and 34).



## The Board shall consider and approve:

1. the annual report of the Company and the Group;
2. the management structure of the Company and the positions of its employees;
3. the positions to be filled by competitive recruitment;
4. the regulations of the Company's branches and representative offices.
5. The Board shall elect and dismiss the Chief Executive Officer of the Group, determine his remuneration and other terms and conditions of his employment, approve the regulations governing his duties, and grant him incentives and penalties.
6. The Board shall adopt:
  - decisions for the Company to become a founder or participant of other legal entities;
  - decisions to establish branches and representative offices of the Company;
  - decisions on the investment, transfer, lease of fixed assets with a balance sheet value exceeding 1/5 of the Company's authorised capital (calculated separately for each type of transaction), unless the Articles of Association state a different value;
  - decisions on pledges and mortgages of fixed assets with a book value exceeding 1/5 of the company's authorised capital (calculated as the total amount of the transactions), unless the Articles of Association specify a different value;
  - decisions on guaranteeing or indemnifying other persons for the performance of obligations of the company in an amount exceeding 1/5 of the company's authorised capital, unless a different amount is specified in the statutes;
  - decisions to acquire fixed assets for a price exceeding 1/5 of the company's authorised capital, unless the articles of association specify a different price;

The Board is responsible for convening and holding General Meetings of Shareholders in a timely manner

8. The members of the Board shall be obliged to protect the Group's commercial (industrial) secrets and confidential information which they have become aware of in their capacity as members of the Board.

There were no critical concerns communicated to the Board during the reporting period.

There is also an Audit Committee which consists of 3 members (2 male and 1 female, 2 independent members).

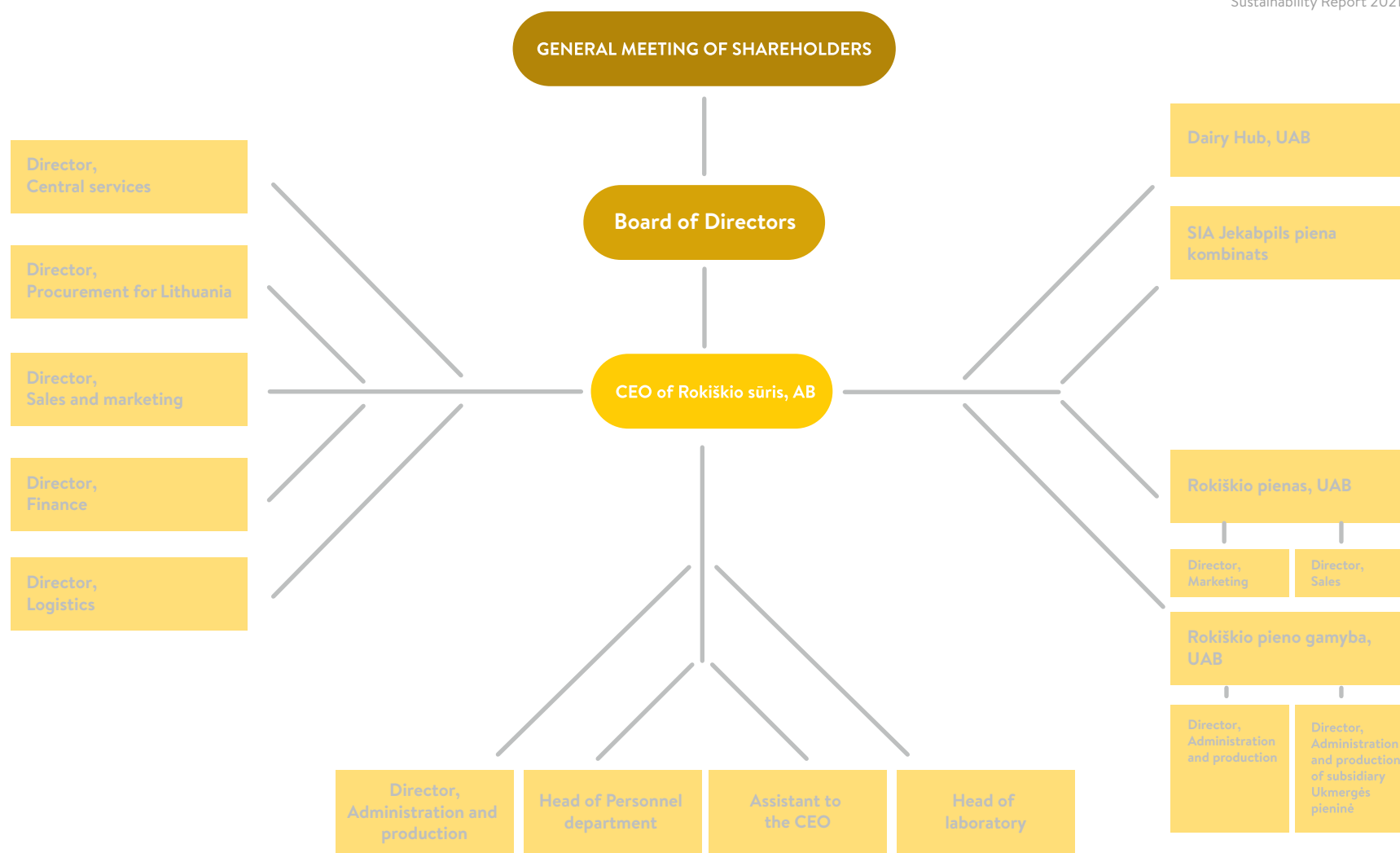
The functions, rights and duties of the Audit Committee shall be regulated by the Regulations on the Establishment and Activities of the Audit Committee of AB "Rokiškio sūris", approved by the General Meeting of Shareholders of the Company, as well described in other documents regulating the activities of the Audit Committee.

## The main functions of the Audit Committee include:

1. Monitor the process of preparing the financial statements of the Group and its Subsidiaries;
2. Monitor the effectiveness of the Group's internal control, risk management and internal audit systems;
3. To make recommendations to the Board of Directors of the Group in relation to the selection of the external audit firm and to monitor the audit process;
4. To monitor the independence and objectivity of the external auditor and the audit firm;
5. To inform the Board of Directors of the Group of significant deficiencies in internal control over the financial statements identified by the external and internal auditors and to make recommendations for their remediation;
6. Act honestly and responsibly for the benefit and welfare of the Group and its shareholders.

There is currently no Supervisory Board at the Group.





10 December 2021 Decisions adopted by the Extraordinary General Meeting of Shareholders of AB "Rokiškio sūris":

1. The Chief Executive Officer of the Group is authorised to sign the new version of the Articles of Association of Rokiškio sūris AB.

2. The following persons have been elected to the Board of Directors of AB Rokiškio sūris for a term of office of 4 (four) years: Antanas Trumpa (Chairman of the Board in the previous term), Darius Norkus (Sales and Marketing Director of Rokiškio sūris AB), Ramūnas Vanagas (Director of Preparations for Lithuania of Rokiškio sūris AB), Paul M Campbell (independent member), Jonas Vaičaitis (independent member) and Thijs Bosch (Managing Director for Europe of Fonterra Co-operative Group Limited).

# Members of the Management of the Group

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**Dalius Trumpa**  
Chief Executive Officer



**Antanas Kavaliauskas**  
Director of Finance



**Ramūnas Vanagas**  
Director of Milk Purchasing for Lithuania



**Jonas Kvedaravičius**  
Director of Vindication



**Jonas Kubilius**  
Director of Logistics



**Darius Norkus**  
Sales and Marketing Director

# Members of the Sustainability Group

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**Aušra**



**Rimantas**



**Rosita**



**Eugenijus**



**Audronė**



**Aida**



**Rasa**



**Kazys**



The requirements for candidates to nominate members of the Group's management bodies do not discriminate against candidates for age, gender, education or professional experience. The key criteria for selecting members of the management bodies is the candidate's competence.

**Top management** has developed and continues to implement and maintain the following policies:

[Food Safety, Quality and Environmental Policy](#)



[Equal Opportunities Law Policy](#)

[Remuneration Policy](#)



[Business Ethics Policy](#)



[Ethical Employment Policy](#)



[Personal Data Protection Policy](#)

[Human Rights Policy](#)

All policies are also introduced to each employee of the company. Specific measurable goals for the responsible divisions of the Company Group are also set in order to maintain the positions stated in the above documents. The implementation and results of the goals are reviewed at least once a year during the annual management review.

For a more in depth overview of the governance practices please refer to the Consolidated Annual Report 2021 (please refer to section: Management bodies of the company)

# Risk Management

Group management performed a review of the largest risks and prepared a risk management framework. The risk management framework was approved by the Board of Directors.

Risk area	Risk	Risk Management
<p>Risks related to the environment</p>	<p>Our activities consume large amounts of energy and natural resources. This poses a risk of environmental pollution directly and/or indirectly, as well as air pollution from technological installations. Use of chemicals. This poses risks to workers, products and the environment. Physical environmental pollution: noise, smell, light treatment of industrial and surface wastewater. Discharge of pollutants with industrial and improper management of waste from operations poses a threat to the environment surface wastewater. Regulation and compliance. Risks are manifested in the high volume of regulation and change in legislation. Environmental concerns of residents, neighbouring businesses and local authorities. The company is located in an industrial area of the city and is adjacent to both other businesses and residential areas.</p>	<p>Vehicle replacement, maintenance, control of operating conditions. Choice of suppliers of energy resources. Resource saving, accounting and control measures. Control, automation, modernisation of technological processes. Monitoring the use and impact of natural resources. Employee training, personal protective equipment. Accounting and control. Process automation. Control measurements and assessment. Deployment of technical tools. Focus on design. Maintenance, operating conditions, process control. Pollutant concentration studies, discharge accounting. Use of the reserves of the urban wastewater treatment plant. Cleaning and maintenance of sand oil traps and effluent. AB Rokiškio sūris receives most of its water supply from its own waterworks and treats wastewater at its own facilities. The technological operation of wastewater treatment plants is strictly controlled, and monitoring is carried out and reports are submitted and made public in accordance with the established procedures. Part of the water is purchased from the city's waterworks and part of the wastewater is managed by the city's water management company. The water supply and wastewater treatment services for companies in Utena and Ukmergė are provided by the urban water management companies.</p> <p>Waste sorting, process control.</p> <p>Ensuring proper storage conditions.</p> <p>Process management.</p> <p>Staff training.</p> <p>Handing over to authorized handlers.</p> <p>Certified management system compliant with ISO 14001:2015 Environmental Management Systems.</p> <p>Requirements and guidelines for use.</p>

Risk area	Risk	Risk Management
		<p>Reporting and evaluation of the set reports.</p> <p>Disseminating information about Group's news in the local press and on the internet.</p> <p>Active cooperation with local authorities, residents and business communities.</p> <p>Assessment of the impact of the planned activities in accordance with the established procedures Climate control systems have been installed in the production facilities, which not only maintain the set temperature and humidity parameters, but also operate in a recuperative mode.</p>
<p><b>Energy risk</b></p>	<p>We consume a lot of electricity, heat and water in our operations. All production and non-production equipment relies on electricity to operate. This poses a risk to the uninterrupted supply of electricity. The supply of electricity, thermal energy (steam) and water influences the production and technological processes.</p>	<p>Electricity is supplied by an independent energy supplier under the terms of a contract. Distribution is provided by the Energy Distribution Operator. Medium-voltage switchgear is fed from two independent sources, which feed the power transformers. If one substation loses voltage, the other is immediately energised. We have installed 90 MW of solar power plants. Heat energy is supplied by centralised urban heating networks using biofuels (wood) in Rokiškis and Utena. We also generate our own heat with two boiler plants in Utena and Ukmergė, which use natural gas Strict contractual conditions for the supply of thermal energy (steam), defining maximum requirements for pressure and temperature. Installed steam metering to control and ensure consumption and demand of the respective workshops. Boilers for hot water production. The heat pumps recover part of the heat from the environment and reduce the amount of purchased thermal energy by 4.1%. Rokiškis receives most of its water supply from its own waterworks and treats wastewater at its own facilities..</p>
<p><b>Food safety and quality</b></p>	<p>In order to achieve one of the most important objectives of Rokiškio sūris AB - to ensure food safety and quality and to avoid product recalls, the existing and potentially dangerous risk factors (biological, chemical, physical) have been identified, and the favourable conditions for their occurrence and increase have been analysed. The risk assessment consists of an evaluation of the likelihood of a risk factor occurring and the severity of its consequences. The risk assessment covers the entire product production chain, from the purchase of raw materials to the delivery to the customer.</p>	<p>Based on the level of risk identified and the methodology adopted by the Codex Alimentarius Commission, categories of control measures are identified and control measures are defined. Identification of the control measures for the main risk factors at play; Assessment of the effectiveness of operational controls to reduce risks to an acceptable level; Establishing the necessary action plans to improve the control system; Regular risk management and monitoring of the objectives set.</p>



Risk area	Risk	Risk Management
<p>Occupational risk factors: Physical factors</p>	<p>Potential risks may occur in these areas:</p> <ul style="list-style-type: none"> <li>Inadequate workplace design;</li> <li>Failure to comply with the general minimum requirements for work equipment;</li> <li>Mobile self-propelled, non-self-propelled work equipment;</li> <li>Potentially hazardous equipment;</li> <li>Stability and robustness of structures;</li> <li>Escape routes and exits;</li> <li>Fire detection and extinguishing;</li> <li>Electrical installation;</li> <li>Activities of other undertakings in the performance of services and other works for the company.</li> </ul>	<p>Workplaces and work equipment are maintained. Deficiencies that may affect workers' health and safety are addressed. Work equipment controls are clearly visible, identifiable and labelled. Work equipment is equipped with a control system that allows it to be stopped completely and safely. Emergency stop devices shall be provided for this purpose. Where there is a risk of injury to a worker as a result of mechanical contact with moving parts of the work equipment, such parts shall be covered by guards and protective devices shall be fitted to prevent access to dangerous areas. Work equipment shall bear the necessary safety and health signs to ensure the safety of workers. Workers shall receive the necessary information on the use of work equipment, on-the-job training and instruction, i.e. they shall be made aware of the hazards they may encounter as a result of work equipment.</p> <p>Mobile work equipment shall be so equipped and constructed as to minimize the risks to the worker. Such equipment is subject to regular maintenance, training and periodic health checks. Potentially hazardous installations are operated in the company in accordance with the law on maintenance of potentially hazardous installations. Potentially hazardous installations are supervised and potentially hazardous installations supervisors are appointed. Employees working with potentially hazardous equipment are trained, periodically checked for their knowledge and periodically checked for their health. Maintenance is carried out to ensure the stability and robustness of structures, in accordance with the Technical Building Regulation. Permanent monitoring of the condition of the structures, as well as periodic and specialised inspections of the structures are carried out. Evacuation routes shall be maintained and marked. Appropriate fire extinguishing equipment and fire safety engineering systems are in place, taking into account the dimensions and purpose of the buildings, the equipment in the buildings, the characteristics of the materials stored in the buildings, and the number of employees in the workplaces. Fire extinguishers and fire safety engineering systems are subject to maintenance testing. The fire reservoir has been reconstructed. It is fully compliant with the relevant laws as foreseen by the LR. The fire extinguishing equipment is labelled. A ventilation system is installed in the workplaces. Ventilation equipment is maintained and updated. Fire safety training and drills are organised for the staff. Hazardous areas in workplaces are marked. Floors in workplaces are solid and stable. Workers are provided with special footwear that is slip resistant. Electrical wiring shall be installed in such a way as to avoid the risk of fire or explosion and to protect workers from direct or indirect contact with electrical wiring. Periodic resistance measurements of electrical installations shall be carried out in accordance with the procedures laid down by law. In order to ensure the health and safety of workers and to avoid risks arising from the activities of another undertaking and risks to their workers from the activities of the company, a description of the procedures for cooperation and coordination of actions shall be drawn up and coordinating persons shall be designated.</p>

Risk area	Risk	Risk Management
<p>Social factors</p>	<p>Recruitment and employment. Employee qualification, and integrating employees into work processes. Retaining staff and reducing turnover.</p>	<p>Search for workers at the labour exchange. Cooperation with educational institutions. Recommendations from in-house staff. Internal company resources (to encourage employees to improve their skills and qualifications). The company has a system of performance appraisal and development of employees. Staff development plans are drawn up each year. Training is organised both by sending employees to external seminars organised by suppliers and within the group. The company strives to build a stable workforce by maintaining good relations, providing opportunities for development, growth, participation in decision-making, and benefits under the Collective Agreement. These social factors are not solely dependent on the actions of the company. The company may have to increase its investment in robotizing production processes, i.e. replacing manual labour with robots.</p>
<p>Economic factors: Supply of raw materials</p>	<p>Small farms Seasonality; Competition; Lack of a long-term public regulatory framework. Evolution of raw milk prices during winter and summer periods. Significant milk price movements on world markets.</p>	<p>To mitigate potential risks and their impact, milk producers are paid milk price premiums for long-term cooperation, higher milk quality, loyalty and balancing seasonality in milk production. Risks are managed by additional imports of milk from other countries (Estonia, Latvia) and by diversifying the purchase of raw milk from different sized suppliers in Lithuania.</p>
<p>Sales of products</p>	<p>The Group's principal activity is milk processing. Its main product is rennet cheese. Revenue from the sale of cheese accounts for the majority of revenue. The Group's revenue, profit and cash flow may be adversely affected by changes in demand and prices in the markets for cheese and other products such as milk sugar, butter, WPC. The production of long-ripened hard cheese is a lengthy technological process which takes between 9 and 24 months. This lengthy process may have a negative impact on the company's cash flow and results of operations. Internal competition between local producers. Cheaper Polish production on the Lithuanian market. Increase in the volume and range of cheaper products from other EU countries.</p>	<p>Finding alternatives to imports. Increasing the product range. Finding new markets. Cooperation with business partners. Risk assessment of each customer.</p>

Should the Group of companies cause or contribute to critical negative impacts through its activities, it shall act in accordance with its internal Procedure for the Management of Food Safety, Quality and Environmental or other emergencies. The Group's commitments to remediation of negative impacts are established in its Policies.

The Group of companies have a grievance system established. All complaints are evaluated and addressed. When they are considered substantiated, appropriate action is taken; if necessary, immediate action is taken. After the complaints are analyzed, preventative actions are taken to avoid the recurrence of non-conformities. The results of the analysis of complaints are made available to the responsible persons, including the Management.

A procedure for the Management of nonconforming products, processes, activities is in place. Corrective actions are taken for each nonconformity identified according to a Corrective Action procedure. For the monitoring of the environmental impact, a program is carried out in agreement with the Environmental Protection Agency.

A more in depth overview of the risk management is outlined in the Consolidated Annual Report 2021 (please refer to section: Risk factors and risk management).





# Sustainability

## Approach

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Due to the growing need for sustainable activities in the market and in order to meet the requirements of our stakeholders, we will implement a system of sustainability development, evaluation and control that covers all business functions, develops a common understanding of sustainability, and communicates its achievements to the stakeholders. The system will ensure that all our activities are guided by the principles of sustainability. We will not be limited by the results and good practices already achieved, but also look for new areas where a more sustainable approach can be applied.

At the moment, the Group operates in accordance with a 3-year strategic plan, approved by the Board. The plan sets the Group's mission, vision and includes its objectives, directions, as well as long-term aspirations. In 2022 we plan to update our strategic plan, which will fully integrate sustainability and the material topics (see the Materiality analysis).

The day-to-day management of our impacts on the economy, environment, and people is delegated to the Sustainable Activity Group, which reports to the Director of the Group. The members include senior executives and other employees, who's roles and responsibilities directly relate to the significant sustainability aspects of the Group.

Currently the promotion of sustainability along our value chain is embedded in the Food Safety, Quality and Environmental policy, developed and implemented by the Management. The policy is introduced to each employee of the Group of companies and divided into specific measurable objectives for each respective department. The implementation of the objectives is monitored on a daily basis and reviewed at least once a year at the annual meeting of the Management.

The information gathered in the sustainability report, including the material topics, is presented for reviewing and approving to the annual General Meeting of Shareholders.

In order to advance the collective knowledge, skills, and experience for sustainable development, in 2021 our employees responsible for sustainability participated in an external sustainability training program. We will continue to provide even more employees with the training, in order to further enhance our common understanding of sustainability, necessary for successful sustainability integration.

The processes for evaluating the performance of the Group's management bodies in overseeing the management of the organization's impacts on the economy, environment, and people are yet to be created.

Among our sustainability initiatives is a membership in the Sedex organization for building a responsible supply chain and a subscription to EcoVadis business sustainability ratings network. Our strategic partner for sustainability is our investor Fonterra, a New Zealand multinational publicly traded dairy cooperative.

# The main principles and commitments

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## The Group's strategic direction reflects the main sustainability principles we pursue in our daily activities:

We take into account the environmental, social and economic aspects of our operations and strive to create value in a holistic and sustainable way. That strengthens synergies between financial and non-financial return goals.

We seek to make a positive contribution to the Sustainable Development Goals (SDGs), representing our material sustainability impacts (see Our Goals and Contributions to SDGs section).

We contribute to the implementation of the European Green Deal and the Paris Agreement, with a commitment to reduce net emissions to zero by 2050.

We encourage circular economy by working on innovative packaging solutions as well as rational and sustainable resource management and use.

We recognise the importance of comprehensive stakeholder involvement in shaping sustainable development actions and we promote ethical, transparent and honest cooperation with all stakeholders.

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# Materiality analysis

In 2021 we conducted our first materiality analysis following the GRI guidelines. The analysis allowed us to identify our sustainability priorities in order to formulate our sustainability strategy and determine the sustainability report's content.

## The materiality analysis was performed in the following steps:

We conducted a sector analysis and put together a list of environmental, social and governance (economic) topics, which are relevant for sustainability among our industry peers. The analysis also included an overview of recommendations specific to the dairy industry by Dairy Sustainability Framework (DSF), Sustainability Accounting Standards Board (SASB) and MSCI Industry Materiality Map.

We analyzed our stakeholders and conducted a survey to find out the areas of sustainability that matter the most to them. The survey took place between 15 November and 10 December 2021 and was answered by 393 respondents, representing each stakeholder group, except academic community - this group was contacted, however, no response was received. The views of our consumers were represented by the Lithuanian Consumers Alliance.

We assessed all the topics according to their impact on society and environment, as well as their strategic relevance to our Group, and put together a materiality matrix, which was reviewed and approved by the Management.

# Stakeholder engagement

We view our stakeholders as those individuals or organisations that are highly interested in and/or significantly impacted by our business activities, and those who can significantly influence our ability to achieve our strategy. It is our interest and responsibility to ensure an ongoing meaningful engagement with our stakeholders, while exchanging the necessary information about the Group and receiving their feedback for improvement.

## Our main stakeholder groups and shared interest:

Shareholders and other investors	Running a profitable and sustainable business in compliance with all the applicable laws and Group statutes
Clients (Wholesale buyers of products)	Building a long-term B2B collaboration
Employees and their representatives	Creating good working conditions, ensuring health & safety, developing employee competencies and improving process efficiency
Consumers	Responding to market needs, developing safe, high quality products
Raw milk suppliers	Building long-term partnerships to create mutual value and improve conditions on dairy farms to meet the environmental and animal welfare requirements
Suppliers of other materials and services	Screening suppliers on ethical business practices and environmental performance
Government institutions	Ensuring compliance with the laws of the Republic of Lithuania, receiving consultations and financial support for the Group's investment projects
Media	Providing transparent and reliable information to the public
Local communities and NGOs	Supporting the local community through various sponsorship engagements, which also contributes to the wellbeing of our employees
Academic community	Collaborating for research in the areas of new product development, packaging and operational processes; education of the younger generation



# Materiality matrix

**Importance to stakeholders**

Importance to stakeholders	Very high	<ul style="list-style-type: none"> <li><b>E</b> Animal care</li> <li><b>E</b> Product packaging and waste</li> </ul>	<ul style="list-style-type: none"> <li><b>E</b> Climate change</li> <li><b>E</b> Production waste</li> <li><b>E</b> Water conservation</li> <li><b>S</b> Human rights</li> </ul>	<ul style="list-style-type: none"> <li><b>S</b> Product safety and quality</li> <li><b>S</b> Working conditions and employee wellbeing</li> </ul>
	High	<ul style="list-style-type: none"> <li><b>E</b> Soil health</li> <li><b>E</b> Use of resources</li> <li><b>E</b> Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li><b>G</b> Compliance with regulations and fair tax payment</li> <li><b>E</b> Sustainable and responsible supply chain management</li> <li><b>E</b> Circular economy</li> </ul>	<ul style="list-style-type: none"> <li><b>S</b> Supporting local communities</li> <li><b>G</b> Use of innovative technologies</li> </ul>
	Medium	<ul style="list-style-type: none"> <li><b>S</b> Talent attraction and retention</li> <li><b>G</b> Science and education</li> <li><b>G</b> Market development</li> <li><b>S</b> Diversity and equal opportunities at work</li> <li><b>G</b> Transparency and stakeholder engagement</li> <li><b>G</b> Data security and privacy</li> </ul>	<ul style="list-style-type: none"> <li><b>G</b> Business ethics and anti-corruption</li> <li><b>S</b> Responsible marketing and communications</li> <li><b>S</b> Resilience of the rural economy</li> </ul>	<ul style="list-style-type: none"> <li><b>G</b> Responsible capital investment</li> </ul>
		Medium	High	Very high

**Impact on society and environment**

The following matrix is a visual representation of social, environmental and governance (economic) topics that are the most relevant to our business sustainability. All of these topics are important, however, we prioritise them according to their relative importance to stakeholders and their impact on society and environment.

Legend:

- E** environmental topics
- S** social topics
- G** governance (economic) topics

Based on the analysis, the following 14 topics are considered material:

**PRODUCT SAFETY AND QUALITY:** Ensuring the quality of dairy products, their safety to consumer health and good nutritional value

**WORKING CONDITIONS AND EMPLOYEE WELLBEING:** Ensuring a good working environment and safe working conditions, including work organisation and work activities, training, health, safety, physical and emotional well-being, working time and work-life balance

**CLIMATE CHANGE:** Calculation and strategic reduction of the greenhouse gas emissions across the value chain; energy efficiency; using renewable energy

**PRODUCTION WASTE:** Industrial waste management; strategic waste reduction; separation and management of waste streams

**WATER CONSERVATION:** Responsible management of water availability and quality, rational use of water throughout the supply chain

**HUMAN RIGHTS:** Protecting the human rights of everybody affected by our business activities

**SUPPORTING LOCAL COMMUNITIES:** Establishing and maintaining mutually beneficial relationships with the communities in which we operate, including social and educational projects

**USE OF INNOVATIVE TECHNOLOGIES:** Deploying innovative technologies across the business chain, using digital technologies to improve business efficiency and productivity

**ANIMAL CARE:** Treating animals responsibly and with care (ensuring that they are free from hunger and thirst, discomfort, pain, etc.); rational use of antibiotics for the treatment of animal diseases; responsible policy of cooperation between livestock and feed suppliers; responsibility for the entire lifecycle of the animals

**PRODUCT PACKAGING AND WASTE:** Responsible product packaging design and responsibility for the entire lifecycle of packaging; innovative packaging solutions

**RESPONSIBLE CAPITAL INVESTMENT:** Applying environmental, social and governance criteria to corporate investments





**COMPLIANCE WITH REGULATIONS AND FAIR TAX PAYMENT:** Compliance with all legal requirements for the dairy industry and fair payment of taxes




**SUSTAINABLE AND RESPONSIBLE SUPPLY CHAIN MANAGEMENT:** Taking into consideration the sustainability practices of suppliers to positively contribute to the environmental, social, and economic factors of their activities




**CIRCULAR ECONOMY:** Applying the circular economy model to the business value chain

# OUR GOALS AND CONTRIBUTIONS TO SDG's




In 2015, the United Nations agreed to pursue sustainable international development and to achieve 17 Sustainable Development Goals (SDGs) by 2030. These goals set a universally accepted direction for sustainable development, and we are committed to make a positive contribution towards the goals. Our activities contribute the most to the 10 SDGs listed in the table below.

Material topics	Most relevant SDG's	Most relevant SDG targets	Our long-term sustainability direction	Our goals for 2022
Environmental				
Climate change	 	7.2 7.3 13.1 13.2	<p>To join the climate change initiative to keep temperatures below 1.5 (2) °C, set science-based targets and put in place a carbon reduction and CO2 neutrality strategy. In the short term, pursue a policy of reducing the use of fuel, energy, water and other materials per unit of output.</p> <p>Transition to 100% renewable energy by 2050. In the interim we are aiming to have 50% of energy coming from renewable sources by 2025.</p> <p>Reduce overall GHG emissions by 25% by 2025 and achieve appropriate benchmarks across all key business units.</p>	<p>To reduce the Group's fuel consumption by 1% compared to 2021.</p> <p>Group wide integration of renewable energy sources and action plan for implementation.</p>
Water conservation		12.2 12.6	To control our water consumption, increase the use of recycled water, and continuously seek for process improvements.	
Sustainable and responsible supply chain management			<p>To reduce environmental impacts throughout our supply chain by encouraging suppliers to adopt environmentally friendly practices that are also beneficial for the community, within their own operations and across their supply chains.</p> <p>To work with suppliers to achieve common goals to produce sustainable food products. To cooperate with suppliers that apply Good Agricultural Practices and monitor the safety of their products. To continuously improve our audit programme to achieve better results over time.</p>	
Circular economy		12.4 12.5	We aim to have a packaging strategy in place by the end of 2023 ensuring lower usage of plastics and increasing packaging recyclability.	

Material topics	Most relevant SDG's	Most relevant SDG targets	Our long-term sustainability direction	Our goals for 2022
<b>Environmental</b>				
Production waste		12.4 12.5	To improve the recycling of waste generated and require sustainable waste management from upstream suppliers, to join a zero to landfill initiative.	To reduce the Group's fuel consumption by 1% compared to 2021.  Group wide integration of renewable energy sources and action plan for implementation.
Product packaging and waste			To reduce the amount of packaging put on the market. To look for more environmentally friendly packaging that is easily recyclable, safe and/or made from recycled materials. To guarantee that packaging does not contain hazardous or toxic chemicals.	
Animal care			To increase the volume of milk purchased with a somatic cell count below the previous year's average and to reduce the volume of milk purchased with a somatic cell count above the targets. To continue to actively collaborate with dairy farms, recommending investment in new buildings to improve housing conditions, in increasing herds, and continuing farm evaluations to achieve change over time.	
<b>Social</b>				
Human rights		8.8	To continue to ensure equal working conditions for all employees, equal opportunities for professional development, vocational training, retraining, practical work experience, and equal benefits irrespective of an employee's gender, race, nationality, caste, origin, social status, religion, beliefs or opinions, age, sexual orientation, disability, ethnic origin, or religious belief. To continue to support and respect internationally proclaimed human rights throughout our business activities, to ensure the protection of human rights in our operations, and to prevent any violation of human rights.	Establish Group guidelines for cooperation with local communities, according to which the Group's companies work in local communities to increase community involvement in various activities (cultural, events, other initiatives) through patronage, sponsorship and support. Continue to work actively to ensure the implementation of all codes of conduct (starting from supplier code of conduct) and policies in force in the Group's companies, regularly update employee knowledge, and consistently adhere to and develop the social policy model throughout the Group.
Product safety and quality		12.4	To produce products made from the highest quality raw materials. To expand our offer of healthier products, such as sugar-reduced products, an organic product line, a line of reduced-fat products, products with enriched proteins, etc. Particular attention will be paid to products whose end consumer is infants.	

Material topics	Most relevant SDG's	Most relevant SDG targets	Our long-term sustainability direction	Our goals for 2022
Working conditions and employee wellbeing	 	10.2 10.3	To continue to create healthy and safe working conditions throughout the value chain, and a friendly atmosphere for employees to feel good, to develop their skills and knowledge.	<p>In 2022, annual training for all staff will be provided to enhance their skills in relevant areas. Moreover, following our top management training in the field of sustainability in 2021, we will be putting an emphasis on the middle level managers in 2022.</p> <p>We are also planning to conduct an employee experience survey - eNPS (Employee Net Promoter Score). This survey reveals how employees feel about different organisational experiences, how satisfied they are with the Group and whether they would recommend it to their friends and colleagues.</p>
Supporting local communities		11.a	To continue to positively impact the local community through support for various initiatives, job creation, and cooperation with the district municipality to create a more comfortable and quality life for the residents of the city and district. To focus on projects with long-term benefits, community education and capacity building. To continue to maintain close relations with local communities in order to contribute to better living and leisure conditions for community members, particularly focusing on activities for children and youth.	

## Governance (Economic)

Use of innovative technologies		9.4	To continue to ensure equal working conditions for all employees, equal opportunities for professional development, vocational training, retraining, practical work experience, and equal benefits irrespective of an employee's gender, race, nationality, caste, origin, social status, religion, beliefs or opinions, age, sexual orientation, disability, ethnic origin, or religious belief. To continue to support and respect internationally proclaimed human rights throughout our business activities, to ensure the protection of human rights in our operations, and to prevent any violation of human rights.	<p>To update our strategic plan to integrate sustainability and the material topics</p> <p>To establish environmental, social and governance (ESG) criteria for our investments.</p> <p>To continue the independent third party sustainability assessment through EcoVadis. The last assessment was concluded on 6 October 2021, where the Group was given 62 points (out of 100) and received a silver medal.</p>
Responsible capital investment		16.5	To ensure that the Group's investments are in line with our strategic goals while also contributing positively to our environmental, social and governance impacts.	
Compliance with regulations and fair tax payment			To ensure an ongoing compliance with all the applicable legislation. To continue to adhere to the approved Group's tax strategy. To continue to implement the approved internal policies related to regulatory compliance, including the Food Safety, Quality and Environmental Policy, Sustainable Purchasing Policy, Ethical Employment Policy, Business Ethics Policy.	



# Animal Care

The Group's main raw material - cow's milk is purchased from farms in the Baltics - Lithuania, Latvia and Estonia. We ensure to only buy milk after concluding thorough milk purchase and sale agreements, which also inevitably cover the topics of animal welfare. By signing this contract the seller agrees that the milk sold comes from cows kept in herds which are included in the surveillance system of the EU competent authorities and complies with the EU regulations.

Group's and partnering farms are regularly checked to ensure the highest ethical standards of animal welfare conditions are met. We carry out a self-monitoring programme, in accordance with pre-established schedules twice a year. The programme allows us to visit the dairy farms and assess compliance for the welfare requirements. In rare cases where farmers do not comply with the requirements, the audits could occur more often and the business partnership could become at risk.

In addition to the on-farm monitoring by our in-house specialists, there are also periodic audits of the farms by Fonterra's internationally approved audit team. The audit criteria in this case are: acceptability of the raw milk farm, milk testing, farm infrastructure, on-farm quality management, animal health and morbidity management and safety/sustainability.

We only buy raw milk from EU compliant farms that ensure the welfare of cows according to the five principles of freedoms:

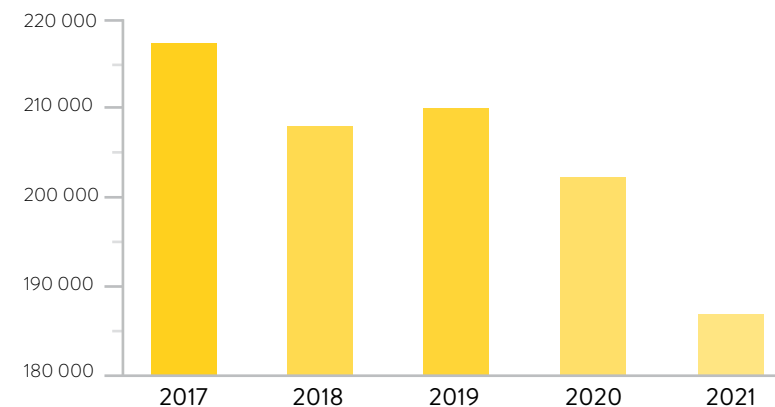
<p><b>freedom from hunger, thirst and malnutrition;</b></p>	<p><b>freedom from discomfort;</b></p>	<p><b>freedom from pain, injury or disease;</b></p>
<p><b>freedom to express normal behaviour;</b></p>	<p><b>freedom from fear and distress.</b></p>	

We work closely with the Lithuanian accredited laboratory Pieno tyrimai, UAB, which provides up-to-date information on the relevant industry related topics to us and the dairy farmers. Pieno tyrimai, UAB conducts seminars for farmers, runs a programme for animal performance control, conveys feed quality testing programmes and PCR testing programme which helps identify causes of mastitis in cows. All this has a major impact helping dairy farms implement sustainability practices whilst maintaining growth.

Although Rokiskio suris, AB can only partially influence the introduction and improvement of sustainability practices on farms, these aspects are strongly controlled by local governmental bodies. In order to help, we actively support farms that are implementing modern practices, organise trainings and help introduce a variety of monitoring systems, which in turn has a direct impact on our operations, organisational efficiency and quality of production.

We are aware that only the highest quality milk can produce quality dairy products. To produce the highest quality milk, we need to ensure the milk comes from healthy animals (milk is only bought from farms with healthy herd status). We monitor the somatic cell count (SCC) by analysing milk at bulk tank level each time milk is collected from the farms. Over the last five years, according to the statistics provided by Pieno tyrimai, UAB, the SCC of milk purchased by Rokiskio suris, AB has decreased by ~9%. This is due to the fact that we have increased our share of raw milk bought from large farms. This ensures higher quality milk as the farms are strictly monitored, have high sustainability standards, balanced and consistent animal feed, modern facilities and highly skilled staff.

**Somatic cell count\* ( per cm<sup>3</sup> )**



\*Somatic cell count is an indicator of milk quality. The lower the count, the higher the milk quality.

# Product packaging & waste

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Food packaging first and foremost must comply with the regulations and ensure the quality and safety of the product throughout its shelf life. Dairy products are extremely sensitive to potential environmental influences and therefore the functionality and design of the packaging is key when ensuring customer safety. Constantly increasing global consumption patterns have led to the emergence of environmental problems, some of which are a rapid depletion of resources and a significant increase in the amount of waste being generated.

We are responsible for the management of packaging waste, public health and environmental concerns and therefore do everything in our control to choose packaging manufacturers whose beliefs are in line with ours. We prioritise partners that use the latest technologies to minimise waste and avoid toxic chemicals. The main types of packaging used across our operations and product ranges are plastic, wood, cardboard, metal and in some circumstances combined material packagings. Their environmental impact is linked to the production, waste management and raw material extraction, therefore we aim to use resources as conservatively as possible and constantly look for innovations in the ever evolving packaging market. The Group works in accordance with public environmental regulations and therefore ensures full accountability for product packaging and waste it generates. The procedure ensures we track packaging production and packaging waste and guarantee the payment of taxes for environmental pollution caused. The management of packaging waste is entrusted to the licensed packaging waste management organisation in Lithuania, Zaliasis taskas.

Our food safety, quality and environmental policy shows our commitment to meeting the needs of our customers, environmental protection and resource conservation, complying with legal requirements, and continuously improving processes to ensure sustainable operations. Please find the policy [here](#).

Aiming to reduce the total amount of waste produced, we have reduced the weight of our cardboard boxes, which is our secondary packaging for transportation, whilst at the same time strengthening its functioning abilities. In addition to that, in 2021, 54% of cheese production, instead of being packaged in cardboard, was wrapped in recyclable laminated film. We have also started using reusable wooden and plastic pallets in our operations. For loose products, a reduced-weight three-layer pack is used instead of a four-layer pack. In 2021, a quarter of the lactose content was packed in bags fitting a tonne of production, instead of 25 kg bags used previously. This has allowed us to reduce the weight of the packaging by five times.

# Production

## waste

We acknowledge that raw materials must be used as economically and environmentally efficiently as possible. Where waste can not be avoided, waste products shall be separated and used for biomass production (composting or electricity generation), feed or other management approved methods. **87% of our waste is turned into biomass.** All other waste generated must be separated and passed on to waste management facilities, where they are disposed appropriately.

Generated waste is managed in accordance with the local environmental requirements. Contracts are in place with waste handlers, waste accounting is maintained, and waste management procedures are in place in the internal departments with designated team members in charge. We aim to avoid waste where possible and make the most efficient use of the raw materials. For example internal process improvements have allowed us to make use of whey and ensure 100% of the material is used for alternative product production. All waste is accounted for in a government-established electronic system - the Single Accounting System for Products, Packaging and Waste and annual reports are generated. We conduct an analysis and comparison of data with the previous period, and implement improvements where necessary. The contract for the collection and management of packaging waste for our own-use packaging has been concluded with the waste manager Ekonovus UAB and Ekobaze UAB. The reduction in biodegradable waste occurred due to a change in the way milk waste is handled - in our instance if milk is recycled and used as animal feed, it will not be classified as waste.

Our food safety, quality and environmental policy commits us to meeting the needs of our customers, protecting the environment, conserving resources, complying with legal requirements, and continuously improving processes to ensure sustainable operations. You can find the policy [here](#).

Waste category (t)	2020	2021
Biodegradable waste	5 890,4	4 813,7
Hazardous waste	28,7	36,2
Other waste*	674,2	670,2
<b>TOTAL:</b>	<b>6 593,3</b>	<b>5 520,1</b>

# Climate change

Although our GHG emissions from production facilities are proportionally small, emissions from energy consumption, mobile sources and product distribution are significant. Greenhouse gasses are gasses that contribute to the warming of the climate by absorbing infrared radiation. Besides the widely known carbon dioxide (CO<sub>2</sub>), there are two other major greenhouse gasses associated with dairy production: nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>). In order to calculate the total greenhouse gas emissions (the carbon footprint) for our organisation, different greenhouse gas emissions are converted into carbon dioxide equivalents (CO<sub>2</sub>e). The conversion of different gasses reflects their global warming potential.

To manage environmental risks and improve environmental performance, Rokiskio suris, AB has voluntarily implemented the ISO 14001 Environmental Management System standard since 2001, whilst other branches since 2002 and 2003.

The management system has been certified and independently audited by Bureau Veritas Lit, UAB and no observations or non-conformities have been identified during the audits in 2021. The internal environmental procedures govern the organisation's environmental and energy performance accounting activities. In accordance with these procedures, the data is analysed and presented to the Management. Proposals are made to achieve objectives and improve processes, improvement plans are drawn up and investments are made where necessary. We are committed to the Paris Agreement target to keep warming below 2 degrees and to pursue efforts to limit the temperature increase to 1.5 °C. This commitment reflects the latest science and is aligned with our long term ambitions. Base year for the calculations is 2020

## SCOPE 1 & 2

The calculations were made in accordance with Greenhouse Gas Protocol (GHG) and Intergovernmental Panel on Climate Change (IPCC) guidelines. All direct Scope 1 emissions relate to activities under the Group's control. This includes transport using the Group's vehicles and other direct emissions from our product facilities. Scope 2 emissions relate to the indirect emissions caused by our energy purchases, i.e. electricity and heat. We have included CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O and refrigerant gasses (HFC and PFC) in the Scope 1 and Scope 2 calculations and have converted them into CO<sub>2</sub> equivalents.

The following are included in the assessment of the CO<sub>2</sub>e emissions of THE Group of companies: AB Rokiškio sūris, UAB Rokiškio pieno gamyba, UAB Rokiškio pieno gamyba branch Ukmergės pieninė, SIA Jekabpils piena kombinats, milk buying points, rented warehouses.

In accordance with GHG protocol the Group is reporting its biogenic CO<sub>2</sub> emissions separately. Emissions account for 19.6 t CO<sub>2</sub> eq. for Scope 1 and 33 772 t CO<sub>2</sub> eq. for Scope 2 emissions in 2021. Largest part of biogenic CO<sub>2</sub> emissions came from purchased heating services.

Emissions, t CO <sub>2</sub> eq.	2020	2021
Scope 1	25 659	27 856
Scope 2*	17 843	13 330
<b>TOTAL:</b>	<b>43 637</b>	<b>41 298</b>

\*Calculated using the "market based method", based on actual electricity purchases. If calculations were made using the "location based method", i.e. based on the country-specific nature of energy production, the total Group's Scope 2 emissions in 2021 would be 13,086 t CO<sub>2</sub> eq

# GHG Emissions intensity

Emission intensity is calculated by dividing annual emissions by the number of units of economic activity, which in this case are revenue, number of employees, tonnes of production and fat and protein corrected milk. It shows us how much of CO<sub>2</sub> emissions are created from the Group's activities, calculated over a set of activity units. Energy indicators have reduced in 2021 because the revenue had increased, whilst the total GHG emissions have decreased, as quarter of the energy comes from renewable sources.

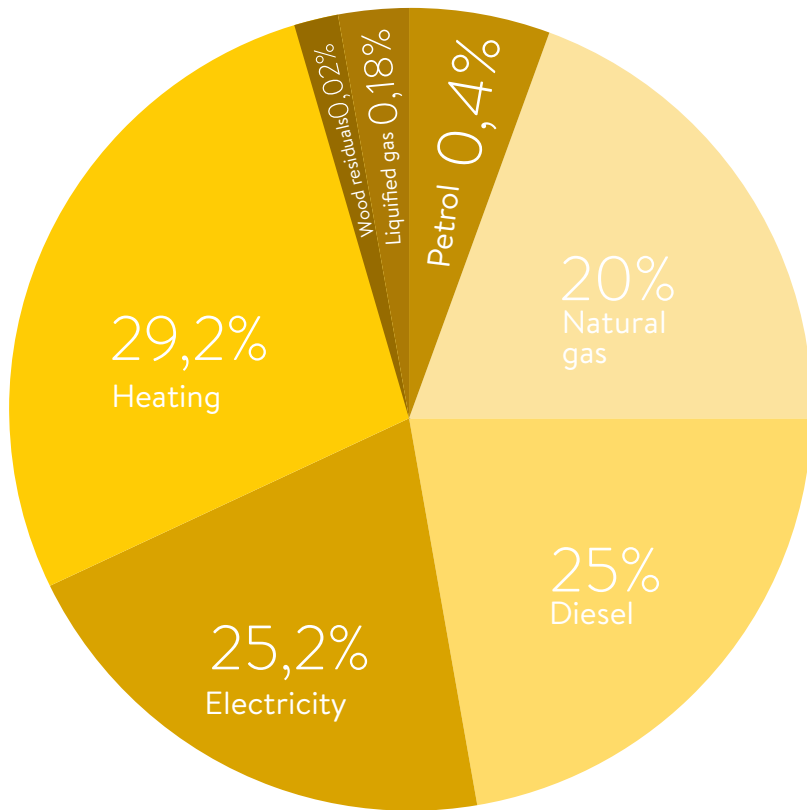
	2020	2021
t CO <sub>2</sub> e / 1 m. Eur revenue	0.20634	0.16421
t CO <sub>2</sub> e / 1 employee	31.39	31.06
t CO <sub>2</sub> e / t production	0.406	0.394
t CO <sub>2</sub> e / l energy corrected milk*	0.077	0.074

\* 3.4% fat, 3.0% protein

We have included Scope 1 and Scope 2 emissions to calculate GHG emissions intensity



# Energy



In 2021, our group of companies consumed 737 170 gigajoules (GJ) of energy in the course of their activities. Energy consumption in 2020 accounted for an almost equivalent amount of 736 082 GJ. It is worth noting that the largest proportion of energy used was for electricity and heating and although there are no energy conservation initiatives in place at the moment, we will actively look for energy conservation systems to implement and increase energy efficiency throughout the upcoming years. Total fuel consumption within the organization from non-renewable sources is 337, 983 GJ (that takes into account natural gas, diesel, petrol and LPG). Total fuel consumption within the organization from renewable sources is 175 GJ (that comes from beech sawdust). A total of electricity and heating used over the course of 2021 is 401,033 GJ. A total of electricity and heating sold is 220 GJ. We have used the conversion factors that come from EEA/EMEP Air Pollutant Inventory Guidebook 2019, Table 3-28

GRI 302-1, Nasdaq E3, Nasdaq E5  
GRI 302-3, Nasdaq E4

# Energy intensity

The energy intensity ratio uses energy consumption within the group and is calculated by dividing absolute energy consumption by the chosen, organisation-specific metrics - revenue, number of employees, tonnes of production and fat and protein corrected milk (3.4% fat, 3.0% protein). We calculate energy intensity based on the data accumulated for the previous financial year. Types of energy included in the intensity ratio are fuel, electricity and heating.

	2020	2021
GJ / 1 m. Eur revenue	3.49137	2.93906
GJ / 1 employee	531.0840	555.93481
GJ / t production	6.87	7.05
GJ / l fat and protein corrected milk*	1.30317	1.31964
Revenue (m. Eur)	210 829	250 818
Number of employees	1 386	1 326
Production (t)	107 207	104 589
Fat and protein corrected milk (l)*	564 838	558 615

\* 3.4% fat, 3.0% protein

# Water conservation

Sanitation and hygiene in dairy production are essential, therefore we consume relatively large amounts of groundwater. We do our best to use water conservatively and where it is safe to do so, we replace groundwater with treated water.

Rokiskis has its own waterworks sites, where it extracts and treats water for internal use. 38% of water is produced within the internal waterworks plant, whilst the remaining 62% come from centralised water production plants. The internal waterworks plant is used conservatively and in alignment with all local regulations to ensure no damage is done to the local ecosystem. The Lithuanian Geological Service ensures the natural resources used are controlled and reports are submitted in accordance with the established procedures. The extraction and responsible use of the resources is regulated by the Ministry of Environment. It oversees the activities through a system of permits, reports and fees. In order to conserve groundwater, we use treated water for some internal processes, which accounts for 9.1% of our total water consumption.

To effectively manage water consumption and its efficiency we comply with the rules provided by Lithuanian Geological Services. Our water captation sites are maintained regularly and water consumption is monitored thoroughly. **The Group has a number of water conservation practices in place, some of which include:** regularly maintained and sealed pipelines and automated washing systems.

The food safety, quality and environmental policy shows our commitment to meeting the needs of our customers, protecting the environment, conserving resources, complying with legal requirements, and continuously improving processes to ensure sustainable operations. More information can be found [here](#).

Water consumption	2020	2021
m3	1 632 730	1 673 157
litres	1 632 730 000	1 673 157 000
megalitres	1632,73	1673,16

The Group measures water consumption in m3, in accordance with internal established procedures.

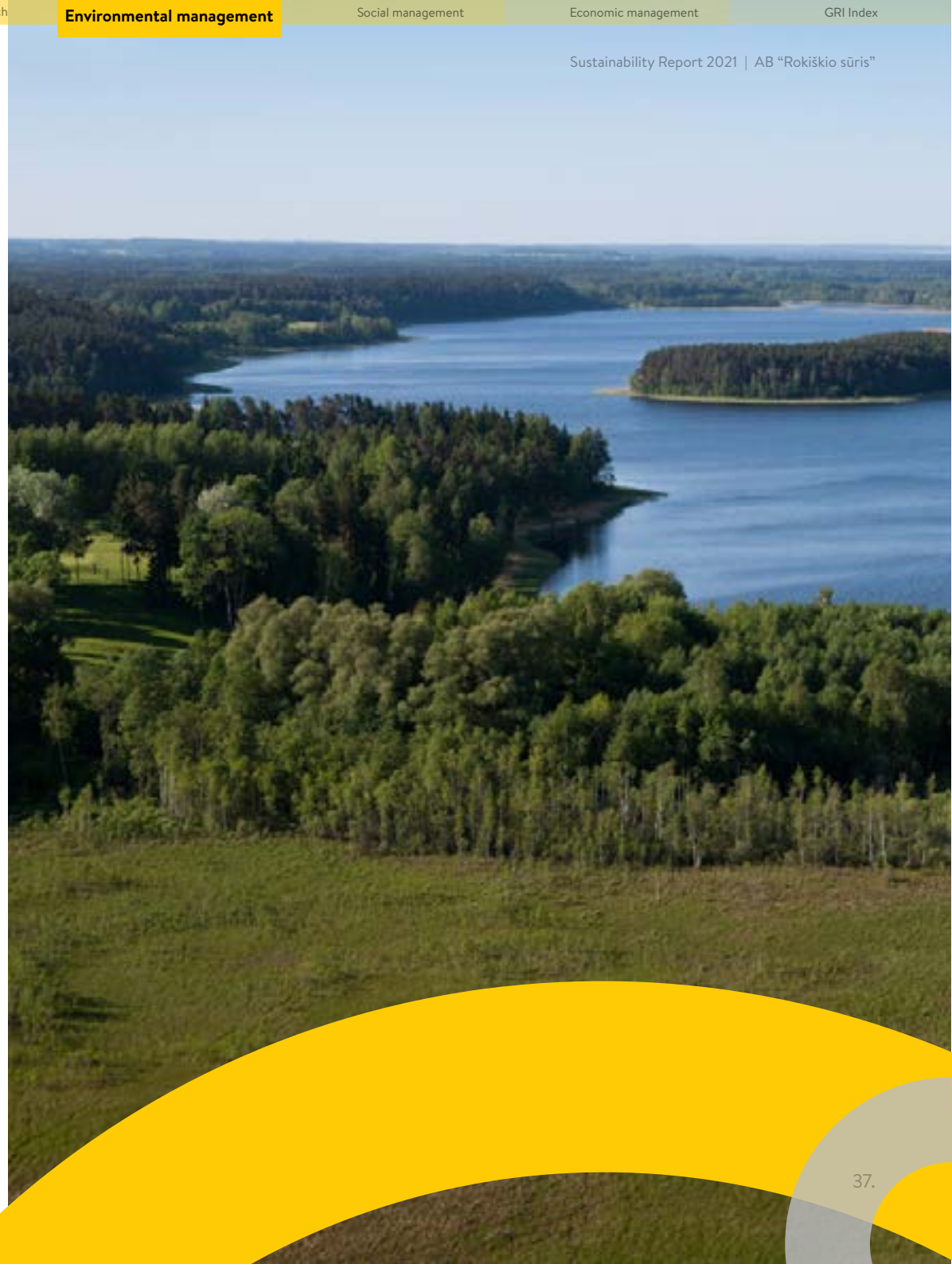
Note: The Group does not take into account the water consumed on dairy farms. Water consumption is measured using tested measuring devices.

	2020	2021
Water consumption (litres)	1 632 730 000	1 673 157 000
Total production (tonnes)	107 207	104 589
Litres of water used per tonne of production	15 607	15 557

# Sustainable supply chain management

We assess all suppliers across our supply chain against social, economic and environmental criteria. We understand the risks involved in supply chain management and therefore are committed to responsible purchasing and the overall security. 100% of our all new suppliers are screened on environmental and social criteria. For environmental screening they are asked to provide ISO 14001 environmental management system certificate. When it comes to social criteria - the standards are included in the sales contract which has to be signed pre-purchasing. A periodic evaluation of suppliers is carried out once a year in December.

Our guidelines for the conduct of suppliers can be found [here](#).



# Circular economy

We have several practices in place that allow us to use our resources efficiently and effectively: increased yield efficiency, whey processing facilities and practices that allow us to create higher added value products. We were responsible for a total of 5 520,1 tonnes of waste produced in 2021. Waste that is not suited for secondary use, is used for biomass, composting or alternatively in bio-power plants to generate electricity. This therefore allows us to ensure a certain extent of circularity across our operations. Although we do not carry waste biotransformation processes ourselves, it is passed on to other legal handlers, that we work with to ensure appropriate use of waste is made. For example we work with farmers and other agricultural companies who use sludge left after cleaning our sewage waters to fertilise agricultural fields or use modern techniques which allow us to recycle whey into purified water for sanitary use. All of the hazardous and non-hazardous waste generated is passed on to specialised waste management organisations that ensure good care is taken.

**In 2021, 3,591.7 t of dairy production waste was transformed into biogas and compost.**

## Case study:

**In 2021, we participated in the first-ever Rimi Baltic Sustainability Awards. The international jury of experts awarded Rokiskio suris, AB the second place (the first runner-up) for the project "Renewable energy generated by heat pumps using heat from waste" among the total of 104 entries. This circular economy solution - a heat pump power plant that extracts thermal energy from wastewater - allows us to generate renewable energy from waste. The produced energy ensures proper climate control of the factory and provides a complete supply of hot water for the production needs. All excess energy is directed towards the creation of steam necessary in our manufacturing processes - so nothing goes to waste. This innovation allows us to reduce CO2 emissions, cut our spending, ensure a circular process and work towards a cleaner planet. We hope that our successful example will encourage more companies to create similar solutions for their own sustainability.**

Our food safety, quality and environmental policy shows our commitment to meeting the needs of the customers, protecting the environment, conserving resources, complying with legal requirements, and continuously improving processes to ensure sustainable operations. You can find the link [here](#).

# Social management

Respect and care for people, their rights and their well-being is at the heart of the Group's culture. We will continue to create healthy and safe working conditions throughout the value chain, and a friendly atmosphere for employees to feel good, to develop their skills and knowledge.

The average number of employees in the Rokiskio suris Group in 2021 is 1326. The total number of employees on 31 December 2021 was 1235 (of which 689 male, 546 female; 809 were based in Rokiskis, 289 in Utena and 137 in Ukmerge).

Employees (headcount) by contract type in 2021	Part time	Full time	Temporary	Permanent
Women	96	450	30	516
Men	7	682	35	654
Total	103	1132	65	1170

All data in this report on staff composition, remuneration, etc. are based on the number of employees as at 31.12.2021. The average number is given as a guide and is always presented in the annual reports, but no other data can be derived from it.

The number of employees increases slightly during the summer season, when the volume of raw material purchased is highest (and thus production is higher) but this only accounts for about 10% of the total.

Number of workers, who are not employees: 39. Nature of work to be performed: safety, cleaning services, maintenance of cleaning equipment; repair, installation work; maintenance of air-conditioning systems; maintenance of electrical systems.



# Diversity

We recruit under the principles of equality, fairness and transparency for all candidates.

Our Equal opportunities policy emphasises that we do not discriminate against race, gender, nationality, political or religious beliefs, health or disability. Recruitment and the course of recruitment are determined only on the basis of a person's subject characteristics and criteria related to the work in the respective position. In all cases, the focus is on the ability to do the job well.

## Employees by age group

Age of employees	31/12/2021 Number (Share %)	
	Female 546 (44,21%)	Male 689 (55,79%)
Under 30	35 (6,41%)	43 (6,24%)
30-50	204 (37,36%)	317 (46,01%)
Over 50	307 (56,23%)	329 (47,75%)

Percentage of individuals within the organisation's governance bodies in each of the following diversity categories:

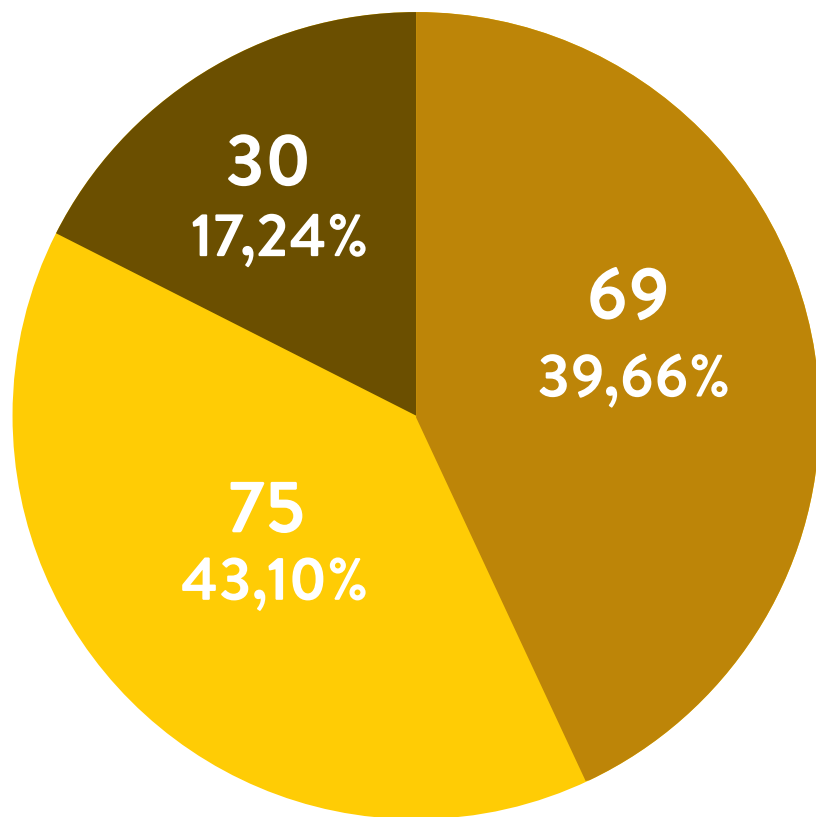
6 members of the Board:

By Gender: male - 100%

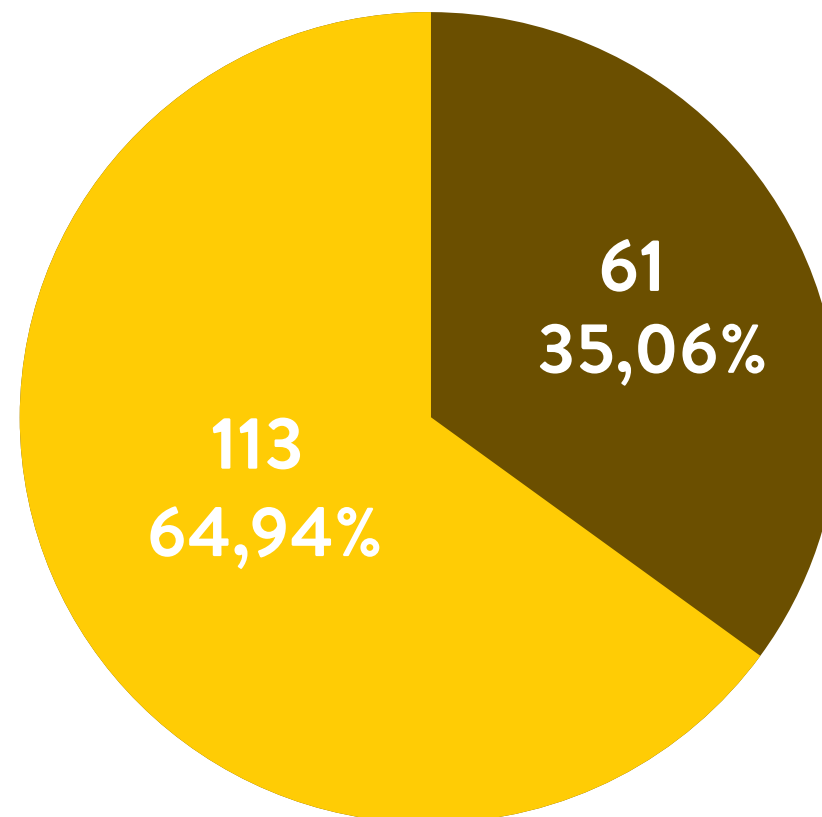
Age group: under 30 - 0 ;30-50 - 16.67% over 50 - 83.33%

# New hires and turnover

**174** | New employees

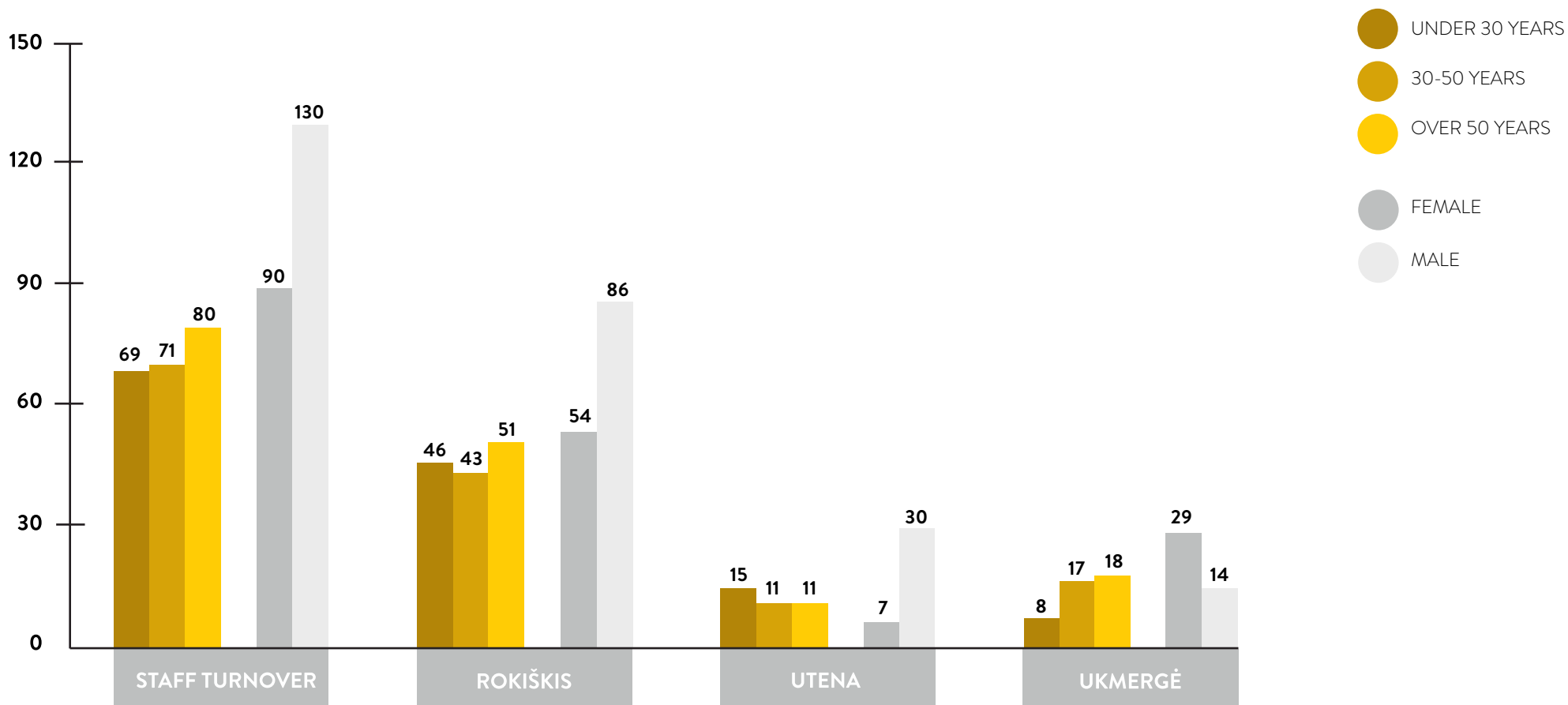


- Under 30
- Between 30 and 50
- Over 50



- Women
- Men

# Total number and rate of employee turnover during the reporting period



Ethical employment policy - The company speaks out against forced, involuntary work as well as against the exploitation of children. Only persons who meet the prescribed age in the laws of the Republic of Lithuania are hired.

# Remuneration and its distribution

People are the Groups most important asset and a lot of attention is paid to making sure they feel valued and motivated at work. The Remuneration Policy regulates the procedure for the remuneration of employees. The Group has implemented a remuneration policy that covers all forms of remuneration, including fixed remuneration, performance-based benefits, pension modules and severance payments. The Company's Remuneration Policy is also approved by the General Meeting of Shareholders.

## Pay ratio in 2021

Company	Ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees
Rokiskio suris, AB	1:0,3117
Rokiskio pienas, UAB	1:0,5186
Rokiskio pieno gamyba, UAB	1:0,3108

In 2021, the salary of the highest earners (in all companies) remained unchanged, while the salary of all other employees increased by 5%.

The remuneration system of the Group is based on the principles of gender equality. Therefore, different remuneration for equal work is not applied.

Company	Ratio of the salaries of men working in the organisation to the median ratio of women's salaries
Rokiskio suris, AB	1:0,8277
Rokiskio pienas, UAB	1:0,7029
Rokiskio pieno gamyba, UAB	1:0,9513

# Additional incentives

The Group defines additional incentives in its Collective agreement which was revised in September 2020.

The purpose of this Collective Agreement is to create conditions for a harmonious collective activity, to guarantee a level of work, remuneration, health and safety and other working conditions for various categories of employees which goes beyond the legal requirements and laws of the Republic of Lithuania, government resolutions and legal acts. The Group aims to provide even better employment for its employees.

The following additional incentives are offered for Group's employees:

A material allowance of 1 minimal monthly salary shall be paid once a year to an employee raising a disabled child;

A funeral allowance is paid to employees of the Group in the event of the death of a family member (spouse, parent, child); In the event of the death of an employee of the Company, a one-off funeral allowance is granted to the family of the employee;

On work anniversaries (20th, 25th, 30th, 35th, 40th, 45th, 50th), an additional allowance is paid to employees of the Company;

Support is provided to the Company's employees with serious and prolonged illnesses and injuries;

Company employees, family members of employees, employees who have worked for the Group and retired employees are granted a discount for medical treatment at the Company's preventive health centre;

Employees who have reached retirement age and retire from the Group are paid a severance pay higher than the severance pay provided for in the Labour Code,

Unpaid leave provided for the celebration of an employee's marriage, for the attendance of an employee at the funeral of a deceased family member, shall be paid in accordance with the general procedure for granting leave. In addition, leave shall be granted for the marriage of employees to their children.

During 2021, a Group 400 employee benefited from the social guarantees of the Collective Agreement.



# Human rights

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The Company is well aware of its responsibilities to customers, employees, partners, the environment and society, therefore in conducting business, adheres to the principles of human rights protection and ensures that the Group respects and promotes international human rights protection in its business.

The Group is not involved with the negative impacts on human rights through its activities or as a result of its business relationships. [Human Rights Policy](#), which is communicated to all employees, is in place to support the position.

The principles of intolerance of children and forced labour are also described in the Group's Human Rights Policy. This document, which is prepared by international legal acts, defines that the Group does not tolerate forced labour of children and other groups of persons.

Any violation or suspected violation of the Policy must be reported to a supervisor for enquiry or communicated confidentially through the channels specified in the Policy. The Company undertakes not to disclose the identity of the person making the report.

Reports received shall be dealt with in accordance with the Group's procedures.

Employees have the opportunity to express their views and make suggestions anonymously or by contacting their head of department or the company's director directly. Companies are guaranteed the right to participate in trade union activities. The companies have a trade union committee that protects the labour, economic and social rights and interests of its members, defends the right of its members to employment, social guarantees, develops professional qualifications, forms professional ethics, and seeks to increase the wages and other income of food industry employees.

Since 2018, the Group has elected a Labor Council consisting of 11 members. The Council was re-elected on 26 May 2021. The Council is established for a term of three years, starting from the beginning of the Council's term of office. Employees of group

## Non-discrimination

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The Group is pleased that in 2021 no cases of employee discrimination were recorded. The mechanisms currently in force are effective, and the work ethic of employees and management complies with the principles of non-discrimination defined by the Group.

An equal opportunities policy, approved by the Board, is drawn up by the laws in force in the Republic of Lithuania and the most important principles of international human rights. The policy also emphasises no tolerance for discriminatory behavior based on race, gender, nationality, political or religious beliefs, health or disability.

## Working conditions and employee wellbeing

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It is vital that the Group's employees feel safe in the work environment. Employee safety is a priority for the Group. The Company is continuously reviewing its work processes and implementing various preventive measures to minimise the factors that may adversely affect employee health or safety.

# COVID-19: business continuity and safety measures

The Group ensured a stable activity without significant disruptions despite another year of the COVID-19 pandemic. This had a positive impact on the wellbeing of our employees and a general atmosphere in the Group of companies.

In 2021, we continued to implement the following safety measures:

Providing employees with all the necessary personal safety equipment;.

Regulating the floor space per person;.

Performing body temperature checks of employees;.

Adopting preventive measures to reduce the risk of exposure to COVID-19 from third parties;.

Establishing a procedure for a response if an employee tests positive for COVID-19;.

Regular testing of employees;.

Remote working as much as possible.

Since the beginning of the COVID-19 pandemics, the Group has been monitoring the number of cases and has fully financed the testing of employees. The same preventive and control actions were implemented throughout the Group.

For example, here is the data from [the headquarters in Rokiskis](#):

In 2020, 83 PCRs and 146 rapid antigen tests were carried out in Rokiskis, paid by the company (the first positive case was recorded on 26 November 2020).

In 2021, about 150 PCRs and about 1500 rapid antigen tests were carried out.

The Group will continue the same practice in 2022, since the use of rapid antigen tests has proven itself to be the most effective strategy for management of the pandemic and business continuity.

# Occupational health and safety

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All employees, including newcomers, must comply with the established work safety requirements at the workplace and update their knowledge regularly.

The Group's Occupational Health and Safety Management System is implemented in accordance with legal requirements:

Article 12 of the Law of the Republic of Lithuania (organisation of occupational safety and health measures in enterprises) stipulates that the employer shall appoint one or more occupational safety and health specialists or establish an occupational safety and health service Authority in order to ensure the safety and health of employees and the standards in force in the **Group's companies**:

Social Responsibility Standard (SA 8000:2014) (at Rokiskio pienas, UAB and Rokiskio pieno gamyba, UAB);

The International Food Safety Standard IFS Food Version 7;  
Environmental safety standard (ISO 14001:2015).

The Occupational Safety and Health Management System applies to all activities.

# Accidents at work

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During 2021, 12 accidents occurred in the group companies. During these incidents, workers suffered minor injuries, contusions of the shoulders; sprains of ligaments. Accident-affected workers recovered quickly. No employee was required to register for long-term incapacity.

To avoid similar accidents in the future, additional instructions of workers at the workplace were provided. Accidents at work are also recorded in the "Logbook of accidents records".

Risk assessment of the degree of potential injury or damage to health in the event of a hazardous situation is carried out in accordance with the regulations for the assessment of occupational risks approved by Order of the Minister of Social Security and Labour of the Republic of Lithuania.

In accordance with the Occupational Safety and Health Act of the Republic of Lithuania, in order to ensure the safe work of contractors, the Group has also adopted requirements for contractors carrying out work on the company's territory, industrial and other premises. These requirements are communicated to the persons in charge of the contractors by the Group's coordinator, who monitors the work carried out by the contractors.

Occupational safety and health training is also provided to heads of departments.

Employees can use the company's on-site preventive health centre. Employees receive priority access to treatment at this facility, and are also given discounts on treatment fees, and, with a doctor's appointment, can benefit from one type of treatment free of charge once a year such as procedures related to problems with the mobility apparatus. Registrations for psychological counselling are also available

# Additional benefits

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Employees have access to the Group's preventive health centre as well as access to psychology consultations. More information can be found in the Collective Agreement which defines additional benefits for each employee beyond what is provided for by the laws of the Republic of Lithuania, Government resolutions and other Legal acts.

## Training

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Rokiskio suris, AB staff training and improvement of special and general skills is one of the most important priorities of the company, as only educated employees with appropriate knowledge and experience can create a quality product.

Training plans are drawn up annually, taking into account the Group's goals and the adequacy of employee competence to achieve these goals. The Group's employees are provided with opportunities to deepen their knowledge and improve in various trainings, seminars, conferences, as well as the company supports the acquisition of vocational education in the country's universities, colleges or other educational institutions awarding a degree. Much attention is paid to foreign language learning. The company continuously carries out internal training of employees, taking into account the nature of work and the requirements for the workplace and product quality.

In addition to organising in-house training for employees, the Group also provides opportunities for external training and development. For example, in 2021, the Group's management team completed an organisational sustainability course at “Sustain Academy”.

Rokiskio suris, AB also organises special courses and training for the country's farmers so that they can successfully take care of the health of their herds, properly maintain milk milking, refrigeration and storage equipment, and modernise the dairy farm. Modern dairy farming, milk quality and herd health determine the success of the dairy business.

# Product safety and quality

Product safety and quality is our top priority. The Group's top management has established, implements and monitors food safety, quality and environmental policies. Last revision date: 14.01.2022 (available at [www.rokiskio.com](http://www.rokiskio.com))

In 2021, all (100%) of significant product and service categories were assessed in terms of health and safety impacts.

There is a process in place to identify and clarify the key requirements and needs of customers. The feedback from this process is used as input for continuous improvement of the Group's operations/performance. Throughout the reporting period, the Group has received 19 complaints regarding product safety & quality (6 were addressed to the factory in Rokiskis, 5 - Utena, 8 - Ukmergė). However, there were no cases where the company did not comply with legislation or its internal policies.

The company has a system in place for managing complaints and written reports from competent authorities, including the follow-up of any other actions that have to be taken in the event of non-conformities or non-compliance. The results of the analysis of complaints are made available to the relevant responsible persons and senior management.

Food safety and quality systems are audited by trained internal auditors. Periodically they are also tested by Food safety system certification's audit companies as well as by major buyers of our production.

The national control authority (the State Food and Veterinary Office) has carried out inspections to verify compliance with legal requirements. No deficiencies were found during the 2021 inspections.

The company's food safety and quality system is audited by independent auditing companies to assess compliance with food safety standards (FSSC 22000, IFS).

The IFS scores as follows:

Rokiskis: 97.59% (2021), 98.18% (2022)

Utena: 95.54% (2021), 95.34% (2022, this figure is still preliminary)

Ukmerge: 97.84% (2022)

# Supporting local communities

The company seeks to maintain the status of a reliable social partner by contributing to solving current social problems of our society and supporting various institutions, organisations or their projects, as well as promoting various initiatives. Rokiskio suris, AB supports various cultural events and the local community, sports development projects, and helps to improve socially sensitive society and its living environment.

The Group is most active and has close relationships with the local communities where it operates, i.e. Rokiskis, Utena, Ukmerge. Traditionally, the following events have been supported for many years: the Rokiskis Professional Theatre Festival "Vaidiname žemdirbiams", the Rokiskis Amateur Theatre Festival "Interrampa" and the Rokiskis Classical Music Festival.

In 2021, Rokiskio Suris Group allocated 323 468 EUR to support various community related initiatives. Additionally, the Group usually supports local community events and initiatives with its various products.

In 2021, AB Rokiškio sūris was awarded for its contribution to the well-being of the Rokiškis region at the "Business Kites" awards event organised by the Rokiskis Municipality

The Group also cooperates with various local farmers in order to create an efficient and sustainable dairy farm. Rokiskio suris, AB follows the Lithuanian Government's policy in agriculture, both in the implementation of sustainability principles, strategies and recommendations, and in the creation of competitive dairy farms in the global market. The focus on competitive dairy farming is primarily aimed at helping farmers to develop a sustainable approach to dairy farming: ensuring good quality of raw milk, generating as little waste as possible in the dairy supply chain, and using fewer resources.

Any potential negative effects to the community (such as noise and odour) arising from production activities of plants in Rokiskis and Utena are managed in accordance with Directive 2010/75/EC of the European Parliament and of the Council on industrial emissions (Integrated Pollution Prevention and Control - IPPC) AB Rokiskio suris and UAB Rokiskio pieno gamyba are classified as installations subject to an IPPC permit. The Best Available Techniques (BAT BREF), resource consumption and emission levels of AB Rokiškio sūris are in line with those achieved in the European Union, IPPC Reference Document on the Best Available techniques in the Food, Drink and Milk Industries.



# Economic management

## Use of innovative technologies

Our sustainability performance is closely linked to the use of innovative technologies. It is through innovation that we can achieve some of our sustainability goals, such as CO2 emissions reduction, more efficient use of resources, better working conditions for employees, and improvement of business efficiency and productivity. Therefore, investment in innovative technologies in our business and the supply chain represents one of the areas where we can achieve a significant positive impact. In cases when manual work is replaced by robotic systems and a potential negative impact occurs for employees, we provide them with opportunities to change their qualifications, their roles, learn new skills, and use their abilities.

We evaluate every new project related to innovative technologies on its effectiveness and impact on the Group's overall sustainability. Modern technologies are introduced in a wide range of areas that are essential for the Group's development, penetration of new markets, improvement of product quality and existing production processes, environmental protection, improvement of working and recreational conditions.

In this area, we mainly collaborate with our strategic investor Fonterra, sharing experience and best practices.

## Case study:

**The Grand Cheese Packaging Line project was completed in 2021. A modern, robotic hard cheese Grand packaging line was introduced to significantly and radically change the way this cheese is prepared for packaging. A digital image processing system for detecting external defects in the cheese was fully integrated into the packaging line. Optical quality analysis of the products is performed before the cheeses are wrapped in film and vacuum packed. The robotic (2 robots) line ensures traceability of production, preservation of information, constant inspection of the product to ensure product safety and quality, increased productivity, and better working conditions for employees.**

# Responsible capital investment

To achieve our long-term business goals and objectives, we allocate a significant part of Group's funds to capital investments. During the financial year 2021, the value of investments made by the Group amounted to EUR 14.9 million. To make sure that these investments generate long-term financial results and also contribute to our sustainability, we must take into account the environmental, social and governance (ESG) factors when making investment decisions.

# Compliance with regulations and fair tax payment

Compliance with all legal requirements for the dairy industry and fair payment of taxes is a fundamental condition for our sustainability. Our commitments to compliance, fair and ethical business practices are embedded in internal policies (Food Safety, Quality and Environmental Policy, Ethical Employment Policy, Remuneration Policy, Business Ethics Policy, Sustainable Purchasing Policy). Processes are in place to monitor, disseminate and evaluate the legislation. No significant instances of non-compliance with laws and regulations have occurred during the reporting period.

The Group's approach to tax is to correctly calculate, fairly declare and pay all taxes due in accordance with the laws of the Republic of Lithuania. The monitoring and control of the fair tax payment is a responsibility of a Finance Director, and legislative compliance is ensured through independent third-party audits of financial reports. The annual reports are audited by an international independent auditor appointed by the General Meeting of Shareholders. The Group's stand-alone and consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as required under the rules of the European Union.

In 2020 Rokiskio suris, AB was presented with an award by the State Social Insurance Fund Board, which is provided to stable businesses paying the highest taxes to the state. This award recognises our Group as a reliable employer that pays salaries and taxes without any disruption.



# Business ethics and anti-corruption

The Group has a zero-tolerance approach to corruption in all its forms. This is clearly and publicly declared in our Business Ethics Policy, which applies to all the Group's employees, representatives, intermediaries, suppliers, and subcontractors, to prevent corruption along the business chain. We support the UN Global Compact and adhere to its principle to work against corruption and bribery.

The government is not present in the Group's shareholding structure. Financial assistance received from the government in 2021 includes:

Support from the Ministry of Agriculture for private storage of products for Rokiskio suris, AB – EUR 119.056,75

De minimis financial support for Rokiskio pieno gamyba, UAB – EUR 29.541

Real estate tax relief granted for Rokiskio suris, AB – EUR 3.960

During the annual audit, the potential risk of conflicts of interest is assessed and the independent auditor presents his/her opinion, stating that: "During the reporting period, there were no injurious transactions failing to comply with the Group's objectives or normal market conditions, infringing the interests of the shareholders or other groups of persons, or adversely affecting or threatening to adversely affect in future the Group's operations or performance. There were no transactions concluded due to conflicts of interests between the obligations of the Group's managers, controlling shareholders, or other related parties toward the Group and their private interests and/or obligations."

The annual audited consolidated financial statements and the annual consolidated report is available to all stakeholders.

# Data privacy

The Group has a Personal data protection policy, which sets out the requirements for the processing and protection of personal data, the purposes, principles, grounds, rules, procedures, rights of data subjects and the procedure for their implementation, technical and organizational measures for data protection. In processing personal data, the Group follows the following essential principles:

the principle of fairness,

legality and transparency;

the purpose limitation principle;

the principle of accuracy;

the principle of data reduction;

the principle of limiting the storage period;

the principle of integrity and confidentiality.

In order to implement the above-mentioned data protection principles, the Group ensures that data is collected and processed fairly and lawfully. All reasonable steps shall be taken to ensure that personal data are kept up to date, accurate and stored only for a specified period of time. Depending on the category to which the data subject belongs, the data collected shall be used only on a fair and lawful basis:

The above policy is communicated to employees and / or published on the Group's website [www.rokiskio.com](http://www.rokiskio.com), giving them access to them, and to express their observations on violations or suspected violations of working conditions or rights, directly to the trade union, personnel department, anonymously email by post, telephone, as well as through offer boxes in the Group.

There were no complaints concerning breaches of data privacy and losses of personal data during the reporting period.



## Statement regarding EU Taxonomy-eligible economic activities in 2021

The economic activities of the Group in the year 2021 are Taxonomy non-eligible as described in the delegated acts of the EU's Taxonomy Regulation 2020/852. The Group's turnover, capital and operational expenditure can be seen in the financial statements of the Annual Report.



# GRI content index

Statement of use	Rokiskio suris, AB has reported in accordance with the GRI Standards for the period January 1 - December 31 2021	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standards	Not applicable	
<b>GRI 2: General Disclosures 2021</b>		
Disclosure		Location
<b>1. The organisation and its reporting practices</b>		
GRI 2-1	Organisational details	6p.
GRI 2-2	Entities included in the organisation's sustainability reporting	6p.
GRI 2-3	Reporting period, frequency and contact point	4p.
GRI 2-4	Restatements of information	4p.
GRI 2-5	External assurance	4p.
<b>2. Social management</b>		
GRI 2-6	Activities, value chain and other business relationships	6p.
GRI 2-7	Employees	39p.
GRI 2-8	Workers who are not employees	39p.
<b>3. Governance</b>		
GRI 2-9	Governance structure and composition	10p.
GRI 2-10	Nomination and selection of the highest governance body	10p.

GRI 2-11	Chair of the highest governance body	10p.
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	21p.
GRI 2-13	Delegation of responsibility for managing impacts	21p.
GRI 2-14	Role of the highest governance body in sustainability reporting	21p.
GRI 2-15	Conflicts of interest	53p.
GRI 2-16	Communication of critical concerns	19p.
GRI 2-17	Collective knowledge of the highest governance body	21, 48p.
GRI 2-18	Evaluation of the performance of the highest governance body	21p.
GRI 2-19	Remuneration policies	43p. <a href="#">Remuneration Policy</a>
GRI 2-20	Process to determine remuneration	43p. <a href="#">Remuneration Policy</a>
GRI 2-21	Annual total compensation ratio	43p.
<b>4. Strategy, policies and practices</b>		
GRI 2-22	Statement on sustainable development strategy	3,21p.
GRI 2-23	Policy commitments	21p. <a href="#">Food Safety, Quality and Environmental Policy</a>
GRI 2-24	Embedding policy commitments	21p.
GRI 2-25	Processes to remediate negative impacts	20p. How we embed each of our policy commitments is also described throughout the Environmental, Social and Economic management sections



GRI 2-26	Mechanisms for seeking advice and raising concerns	20p.
GRI 2-27	Compliance with laws and regulations	52p.
GRI 2-28	Membership associations	21p.
<b>5. Stakeholder engagement</b>		
GRI 2-29	Approach to stakeholder engagement	24p.
GRI 2-30	Collective bargaining agreements	44, 48p.
<b>GRI 3: Material Topics 2021</b>		
GRI 3-1	Process to determine material topics	23p.
GRI 3-2	List of material topics	25p.
GRI 3-3	Management of material topics	25p. Management approach of each material topic is also described in corresponding paragraphs throughout the report
<b>Economic topics</b>		
<b>GRI 201: Economic Performance 2016</b>		
GRI 201-4	Financial assistance received from government	53p.
<b>GRI 207: Tax 2019</b>		
GRI 207-1	Approach to tax	52p.
<b>Environmental topics</b>		
<b>GRI 302: Energy 2016</b>		
GRI 302-1	Energy consumption within the organisation	35p.
GRI 302-3	Energy intensity	35p.

## GRI 303: Water and Effluents 2018

GRI 303-5	Water consumption	36p.
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## GRI 305: Emissions 2016

GRI 305-1	Direct (Scope 1) GHG emissions	33p.
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GRI 305-2	Energy indirect (Scope 2) GHG emissions	33p.
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GRI 305-4	GHG emissions intensity	34p.
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## GRI 306: Waste 2020

GRI 306-3	Waste generated	33p.
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GRI 306-4	Waste diverted from disposal	38p.
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## GRI 308: Supplier Environmental Assessment 2016

GRI 308-1	New suppliers that were screened using environmental criteria	37p.
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## Social topics

### GRI 403: Occupational Health and Safety 2018

GRI 403-1	Occupational health and safety management system	47p.
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GRI 403-2	Hazard identification, risk assessment, and incident investigation	47p.
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GRI 403-5	Worker training on occupational health and safety	47p.
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GRI 403-6	Promotion of worker health	47p.
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GRI 403-9	Work-related injuries	47p.
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### GRI 405: Diversity and Equal Opportunity 2016

GRI 405-1	Diversity of governance bodies and employees	40p. Information unavailable for 405-1 b., as the Group is not compiling the diversity data per employee categories
<b>GRI 406: Non-discrimination 2016</b>		
GRI 406-1	Incidents of discrimination and corrective actions taken	45p.
<b>GRI 413: Local Communities 2016</b>		
GRI 413-2	Operations with significant actual and potential negative impacts on local communities	50p.
<b>GRI 414: Supplier Social Assessment 2016</b>		
GRI 414-1	New suppliers that were screened using social criteria	37p.
<b>GRI 416: Customer Health and Safety 2016</b>		
GRI 416-1	Assessment of the health and safety impacts of product and service categories	49p.
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	49p.

# NASDAQ ESG disclosures index

Nasdaq ESG metrics	Title	Location
<b>Environmental data</b>		
E1	GHG Emissions	33p.
E2	Emissions Intensity	34p.
E3	Energy Usage	35p.
E4	Energy Intensity	35p.
E5	Energy Mix	35p.
E6	Water Usage	36p.
E7	Environmental Operations	21, 33p.
E8	Climate Oversight / Board	10, 21p.
E9	Climate Oversight / Management	10, 21p.
E10	Climate Risk Mitigation	Information not available, the Group is not compiling such data
<b>Social data</b>		
S1	CEO Pay Ratio	43p.
S2	Gender Pay Ratio	43p.
S3	Employee Turnover	41p.
S4	Gender Diversity	40p.

S5	Temporary Worker Ratio	40p.
S6	Non-Discrimination	45p.
S7	Injury Rate	47p.
S8	Global Health & Safety	47p.
S9	Child & Forced Labour	45p.
S10	Human Rights	45p.
<b>Governance data</b>		
G1	Board Diversity	10p.
G2	Board Independence	10p.
G3	Incentivized Pay	43p.
G4	Collective Bargaining	44p.
G5	Supplier Code of Conduct	27, 37p.
G6	Ethics & Anti-Corruption	53p.
G7	Data Privacy	53p.
G8	ESG Reporting	4p.
G9	Disclosure Practices	4, 21, 27p.
G10	External Assurance	4p.

# UN Global Compact index

UN Global Compact principle		Location
1	We support and respect the protection of internationally proclaimed human rights.	45p.
2	We ensure that business practices are not complicit in human rights abuses.	45p.
3	We uphold the freedom of association and the effective recognition of the right to collective bargaining.	45p.
4	We do not tolerate forced and compulsory labour of any kind.	45p.
5	We do not tolerate child labor.	45p.
6	We do not tolerate discrimination in employment and occupation.	45p.
7	We adopt a precautionary approach to environmental challenges.	33p. Also please see the entire Environmental Management section
8	We conduct environmentally responsible activities.	33p. Also please see the entire Environmental Management section
9	We encourage the development and diffusion of environmentally friendly technologies.	51p.
10	We fight corruption in all its forms including extortion and bribery.	53p.