

2020

*SOCIAL RESPONSIBILITY  
REPORT*



*AB „ROKIŠKIO SŪRIS“*

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## ABOUT THE REPORT

In order to achieve transparency and accountability in its activities, AB Rokiškio sūris (hereinafter - the Company) submits a social responsibility report (hereinafter - the report). The company's report has been prepared in accordance with the principles of the Global Compact initiated by the United Nations (UN) and the recommendations of the Global Reporting Initiative (GRI), which help to assess and disclose economic, environmental, labor, human rights, societal and market - related indicators.

One of the prerequisites for sustainable growth and profitability is sustainable and responsible business in areas such as corruption prevention; children's rights; responsibility for environmental protection; health and well-being; data and privacy protection; freedom of expression, the application of practices in all aspects of business and strategy, and we therefore strive and strive to make sustainable activities an integral part of our business, so that sustainability is a feature of any activity we undertake. We strive to be open, transparent and maintain constant contact with the public, therefore we take into account ethical, social and environmental aspects of business and contribute to the creation of public welfare as an employer, market participant and member of society.

This report presents the Company's achievements and work in social responsibility activities related to environmental protection in relations with employees and society. The report describes the Company's actions and achievements in the field of social responsibility in 2020.

The report is presented in Lithuanian and English, published on the Company's website [www.rokiskio.com](http://www.rokiskio.com), as well as on the Nasdaq Baltic website together with the annual financial report.

## ABOUT THE COMPANY

AB Rokiškio sūris Group (hereinafter - the Group) consists of the parent company AB Rokiškio sūris and four subsidiaries. (30 June 2019: parent company and four subsidiaries):

- UAB „Rokiškio pienas“
- UAB „Rokiškio pieno gamyba“
- Latvian company SIA Jekabpils piena
- Latvian company SIA Kaunata

The main activity of the joint-stock company Rokiškio sūris group is the activity of dairies and cheese production. The main products are cheeses, butter, dry dairy products and fresh dairy products.

The main activity of AB Rokiškio sūris is the production and sale of fermented cheeses, whey products, skimmed milk flour.

#### Subsidiaries:

The main activity of UAB Rokiškio pienas is the sale of fresh dairy products and fermented cheeses.

The main activity of UAB Rokiškio pieno gamyba 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.

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. AB Rokiškio sūris Group exports its products to 49 countries around the world.

#### Company strategy and goals

In its activities, AB Rokiškio sūris follows the 3-year strategic plan approved by the Board, the main provisions of which are set out below:

##### **MISSION**

- **ROKIŠKIO SŪRIS, AB = RELIABLE DAIRY INDUSTRY PROFESSIONALS**

##### **VISION**

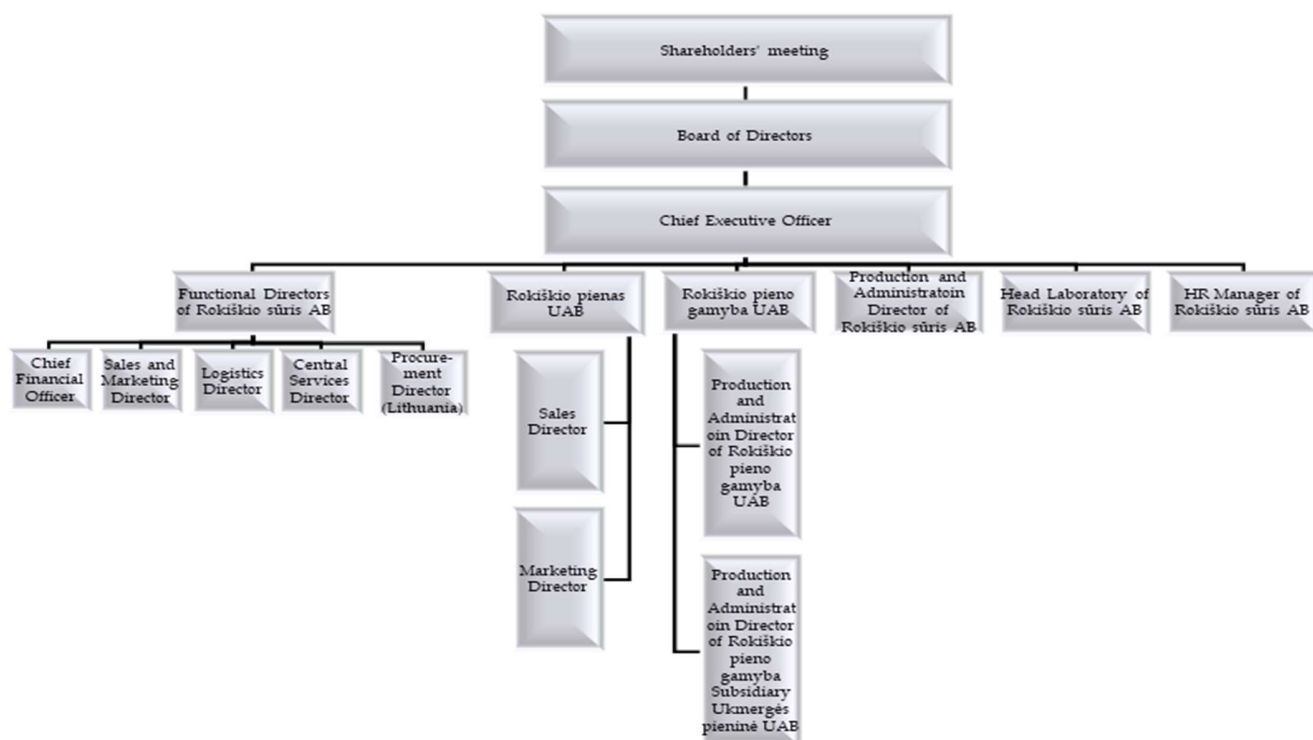
- **PROCESSING MORE THAN 1 MILLION TONNES OF RAW MILK PER YEAR, AS LITHUANIA TURNS INTO BALTLANDIA**

##### **OBJEKTIVES**

- **REGIONAL LEADERSHIP IN MILK PROCESSING SECTOR**
- **FLEXIBLE PRODUCTION AND SALES OF TOP-QUALITY PRODUCTS EXCEEDING CONSUMER EXPECTATIONS**
- **BEGIN THE MOST ATTRACTIVE AND RELIABLE DAIRY PRODUCTION PARTNER FOR FARMERS**
- **CREATING CONTINUOUS ADDED VALUE FOR SHAREHOLDERS**

#### AB Rokiškio sūris Group structure

The management structure of Rokiškio sūris, AB Group (hereinafter - the Group) is organised based on the key functions, i.e. sales, manufacturing, finance management, milk procurement, logistics, central services and business development. Functional directors form and develop the strategy, tactics and targets of the Group based on these functions.



**Members of the Board of AB Rokiškio sūris:**

(Elected by the General Meeting of Shareholders on 13 December, 2017)

|                                      |                      |  |
|--------------------------------------|----------------------|--|
| Chairman of the Board of the Company | Antanas Trumpa       | Since 13 December, 2017  |
| Deputy Chairman of the Board         | Antanas Kavaliauskas | Board member since 2005 (elected for a new 4-years term by the General Meeting of Shareholders on 13 December, 2017) |
| Board member                         | Ramūnas Vanagas      | Board member since 2006 (elected for a new 4-years term by the General Meeting of Shareholders on 13 December, 2017) |
| Board member                         | Paul M Campbell      | (Elected for a 4-years term by the General Meeting of Shareholders on 13 December, 2017)                             |
| Board member                         | Darius Norkus        | Board member since 2008 (elected for a new 4-years term by the General Meeting of Shareholders on 13 December, 2017) |

## Company management

### Members of the Management of the Company

| Position                      | Name, surname        |
|-------------------------------|----------------------|
| Director                      | Dalius Trumpa        |
| Director, Finance             | Antanas Kavaliauskas |
| Director, Development         | Ramūnas Vanagas      |
| Director, Central services    | Jonas Kvedaravičius  |
| Director, Logistics           | Jonas Kubilius       |
| Director, Sales and Marketing | Darius Norkus        |

### 2020 BUSINESS OVERVIEW

An overview of the Company's activities in 2020 is provided in the 2020 Consolidated Annual Report.



# Environment

## ENVIRONMENTAL PROTECTION

Environmental protection is one of the areas of social and economic responsibility of AB Rokiškio sūris. In allocating funds for environmental measures, co-operation is established with the European Union Support Fund for Agriculture and Rural Development, the Lithuanian Environmental Investment Fund.

**Our environmental goal: to continuously reduce the negative impact on the environment, to implement pollution prevention measures, resource conservation, sustainable development.**

### Informing the public

When planning new economic activities, development or modernization of existing activities, the Company follows the Law on Impact Assessment of Planned Economic Activities.

Every month in the district newspaper "Gimtasis Rokiškis" we inform the public and share information about the achieved results, innovations and various relevant information.

### Ambient air protection

The available stationary pollution sources are inventoried and operated in accordance with the Integrated Pollution Prevention and Control Permit issued by the Environmental Protection Agency.

In 2020, the pollutants released into the ambient air did not exceed the established annual emission limit value. The following environmental measures are applied to achieve good ambient air quality:

- Biodegradable biodegradation of wastewater during treatment to reduce the potential for undesirable odors.
- Undesirable odors are treated in the biofilter during wastewater treatment
- Particulate matter (lactose) in the production line is returned to the product, the exhaust air is filtered
- Vehicles are replaced with new, less polluting ones.
- Energy efficiency measures are being implemented (renovation of buildings, recuperation systems, implementation of an efficient energy accounting and management system, etc.).

The company monitors pollutants from stationary pollution sources in order to control the emission of nitrogen oxides into the atmosphere from the cheese smelter. The set annual pollution standards in 2020 were not exceeded.

### Water protection

We treat industrial wastewater generated during milk processing in our own biological treatment plants with nitrogen and phosphorus removal. Biodegraders are installed in the buffer tank to prevent the undesirable odor of industrial wastewater. A pollution measuring device has been installed for the monitoring of industrial wastewater pollution. Wastewater treatment efficiency is very high:



BDS7 - 99.8%  
Suspended solids -98.7%  
Total nitrogen - 96.1%  
Total phosphorus - 98.2%  
Fat - 99.6%

The water remaining during whey processing is purified - filtered by reverse osmosis. The efficiency of reverse osmosis filtration is so high: BOD7 - 96.9%. Part of the treated water is used for sanitation purposes, thus saving 15.3% of groundwater resources.

Monitoring of discharges with treated wastewater and monitoring of the Alseta Lake wastewater receiver to monitor the water status is carried out. The annual emission standards in 2020 were not exceeded. No adverse effects on Lake Alseta have been identified.

Surface wastewater collected in the area is treated in sand-oil traps. Permissible concentrations of pollutants were not exceeded in 2020. Surface wastewater is discharged into the city's stormwater networks under a contract.

#### Protection of groundwater and soil

AB Rokiškio sūris operates two gas stations. One in Rokiškis near the company, the other in Obeliai (15 km from Rokiškis). Groundwater monitoring programs are underway. No contamination with petroleum products has been identified.

Sewage treatment sludge generated in biological treatment plants is used for fertilization of agricultural fields in Rokiškis district according to the coordinated fertilization program. Studies of sewage sludge have shown that it is a high fertilising product that meets the requirements of Class A, Category I. In 2020, 5,803 t were used for field fertilization. natural weight of sewage sludge, which required 276 ha of agricultural land.

No data were available on soil contamination.

#### Waste management

The amount of waste generated in the activities of AB Rokiškio sūris in 2020 slightly decreased and was 5.51 t / t. raw material. Including 0.2% hazardous waste. 2.6% of packaging waste was handed over to secondary raw material handlers.

A large part of the generated waste is sewage sludge 19.8%. Sewage sludge was used to fertilize agricultural fields.

Other waste generated is transferred to contracted waste managers. It is possible to separate 66.7% of milk treatment waste transferred to biomass production, later to renewable electricity production. The established waste accounting is maintained in the Unified Product, Packaging and Waste Accounting Information System (GPAIS), the established reports are submitted.

### Use of chemicals

Detergents and disinfectants are used in milk processing processes for sanitary and food safety purposes. Using state-of-the-art technology, automatic washing stations (CIPs) have been installed in many processes. Efforts are being made to use less hazardous or even non-hazardous substances or mixtures. Only permitted chemicals are used for technological processes, strict accounting and control is performed. All substances and preparations used have up-to-date safety data sheets.

### Use of natural resources and raw materials

AB Rokiškio sūris extracts groundwater and uses it for production purposes. The water site is registered, water resources are approved, accounting and control of used resources are performed, reports are submitted in accordance with the established procedure.

In 2020, 69% of groundwater was extracted. We buy the other part of the required water from UAB Rokiškio vandenys.

Groundwater monitoring is carried out. The amount of groundwater used does not pose a risk to the aquifer of the well, no negative impact on the slope and no pollution has been identified.

In order to reduce resource use, we saved 15.3% of water by using treated water. By increasing the energy efficiency, the amount of returned condensate is increased by 87%, and the installed heat pump reduces the amount of purchased steam by about 10%.

In order to reduce the use of fuel and emit pollutants into the atmosphere, the vehicle fleet is gradually being renewed, old cars are being abandoned. In 2020, 13 vehicles were purchased and 23 vehicles were written off or sold. Routes are optimized in order to save fuel, control fuel rates for vehicles and keep track of consumption. Among the used cars 7 pcs. with hybrid drive.

In order to save natural resources, the packaging of products is optimized to use as little packaging as possible. We are constantly looking for ways to save on packaging in cooperation with customers and suppliers.

Comparison of the company's environmental performance with relevant industry standards set in the European Union, IPPC Reference Document on the Best Available Techniques in the Food, Drink and Milk Industries (BAT) for the food and drink industry, presented in Chapter 15 Environment, non - financial information.



## SOCIAL RESPONSIBILITY

### General provisions

AB Rokiškio sūris social responsibility activities are based on the Company's values and the most important principles of its activities: socially responsible and transparent business, implementation of rational innovations, and retention and development of competent personnel. In order to maintain the status of a socially responsible and transparent business partner, the company seeks to maintain relations with employees and the public through transparent and responsible activities in the market and in the field of the environment.

Since 2012, the implemented standards “Social Responsibility SA8000” have been operating in the subsidiaries UAB Rokiškio pienas and UAB Rokiškio pieno gamyba. This standard is a requirement for a company that wants to demonstrate a socially responsible approach to creating and maintaining working conditions through independent assessment.

Company policy in accordance with the above-mentioned standard: “In conducting its business, the Company is based on internationally recognized human and employee rights. We strive to treat all employees fairly and respectfully. We expect and strive for our suppliers and subcontractors, as well as the downstream significant supply chain, to follow the same principles. We believe that dialogue between employer and employees is and can contribute to the sustainable success of the company and its employees.”

By meeting the social responsibility requirements of this standard, the company will be able to:

- develop, maintain and implement policies and procedures to address issues that it may manage or influence.
- Assure stakeholders that the company's policies, procedures and practices meet the requirements of this standard.

Principles of social responsibility:

Accountability (for impact on society, economy, environment);  
Transparency (decisions and activities that affect society and the environment); Ethical (decent) behavior;  
Respect (listen and respond) the interests of stakeholders;  
Respect the rule of law;  
Adhere to international standards of conduct;  
Respect human rights.

Social responsibility and support measures are important to maintain good partnerships with local communities and society at the national level.

### Risk factors

These social risk factors do not depend solely on the actions of the company. The company may be forced to increase investment by robotizing production processes, i. e. replace manual work with robots.

| Recruitment and employment   | Employee competences, and integration into work procedures  | Employee retention and reduction of turnover level   |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Recruitment via the Labor Exchange base.</li> <li>• Cooperation with education institutions.</li> <li>• Recommendations of current employees.</li> <li>• Internal human resources (employee empowerment to train and improve).</li> </ul> | <ul style="list-style-type: none"> <li>• Performance evaluation and training system.</li> <li>• Training plans made yearly.</li> <li>• External as well as internal training sessions.</li> </ul> | <ul style="list-style-type: none"> <li>• The company is keen to have a stable team in the way of retention of good relationship, and providing favourable conditions for personal improvement, participation in decision making, as well as various privileges.</li> </ul> |

## EMPLOYEES

Employees are the main assets of the Company, which determine the efficiency and success of the Company's operations. The company's personnel policy is focused on the development of competent employees, teamwork and organizational culture.



The Panevėžys Branch of the Board of the State Social Insurance Fund, presented AB Rokiškio sūris with an award, which is given annually to stable companies that pay the highest taxes to the state. With this award, the company Rokiškio sūris has been recognized as a reliable employer, paying salaries and taxes without any disturbances.

The average number of employees of AB Rokiškio sūris Group in 2020 was 1386, compared to 2019 (1453) it decreased by 4.62% or 67 employees. The decrease in the number of employees is related to the decrease in raw milk purchasing points, which has led to a decrease in the number of milk purchasing point managers and employees in the logistics department.

In 2020, employees make up 81.5% (2019 - 82.3%) of all the Company's employees; specialists - 17.96% (2019 - 17.1%); 0.54% of management personnel (2019 - 0.60%).

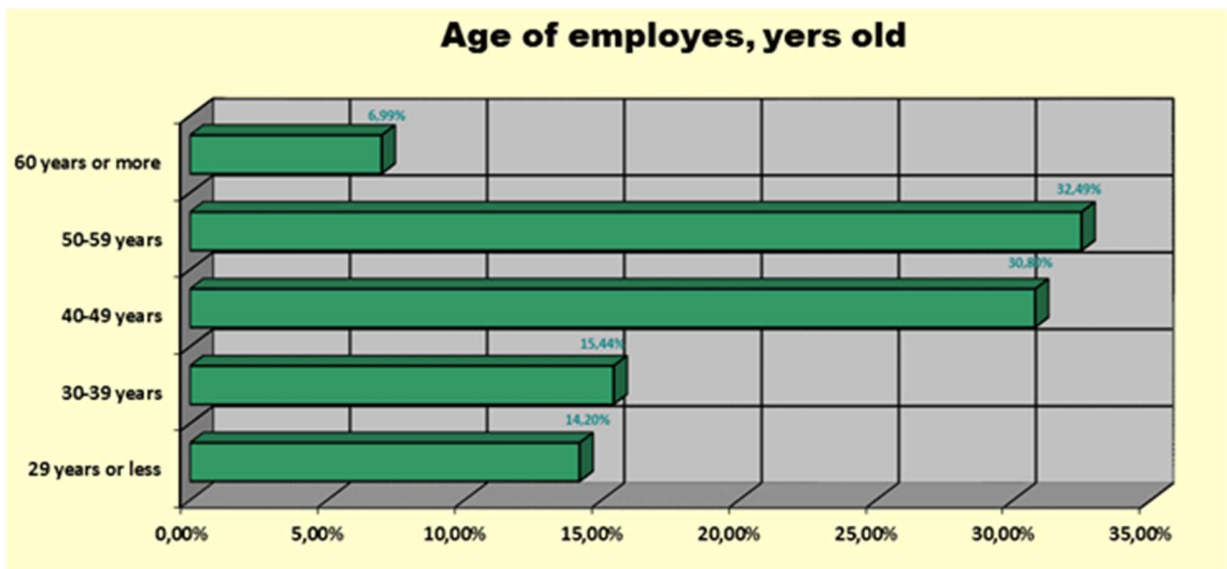
### Employees of the Group of the Company by category

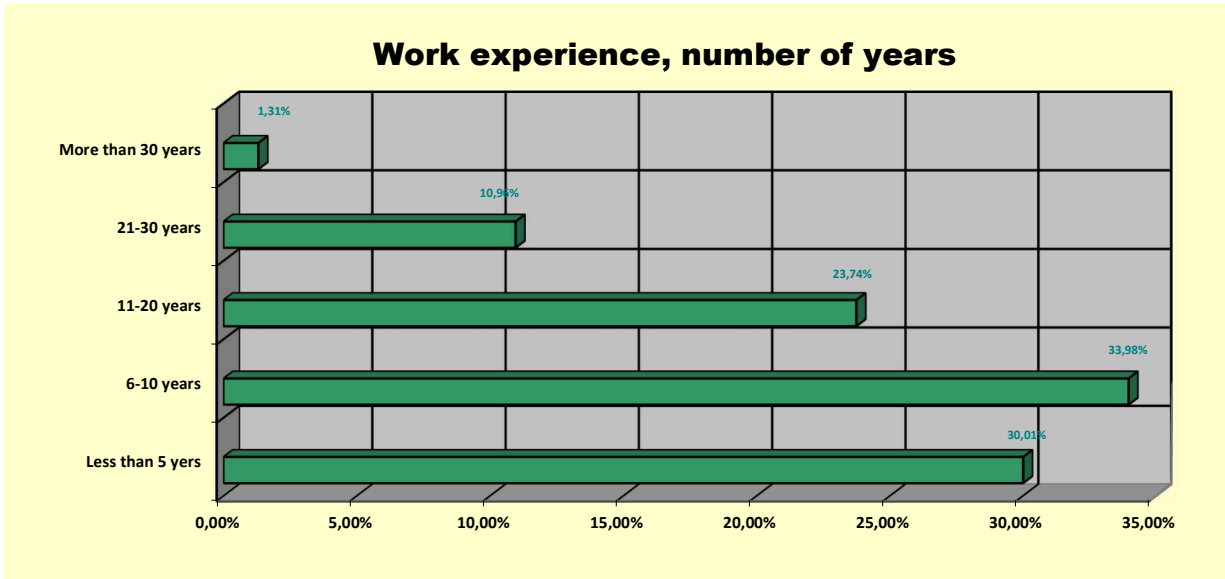
| Employee group       | Average number of employees |               | Change<br>(per cent) |
|----------------------|-----------------------------|---------------|----------------------|
|                      | 31 Dec., 2020               | 31 Dec., 2019 |                      |
| <b>Management*</b>   | 8                           | 8             | <b>0.00</b>          |
| <b>Professionals</b> | 249                         | 249           | <b>0.00</b>          |
| <b>Workers</b>       | 1,129                       | 1,196         | <b>-5.61</b>         |
| <b>Total:</b>        | <b>1,386</b>                | <b>1,453</b>  | <b>-4.62</b>         |

\* Directors are classified as the management of the Company

As of 31 December 2020, 54.8% of men and 45.2% of women worked in AB Rokiškio sūris Group (as of 31 December 2019 - 54.2% and 45.8%, respectively).

The average age of the Company's group employees is 45 years. The average age of employees was the same in 2019.

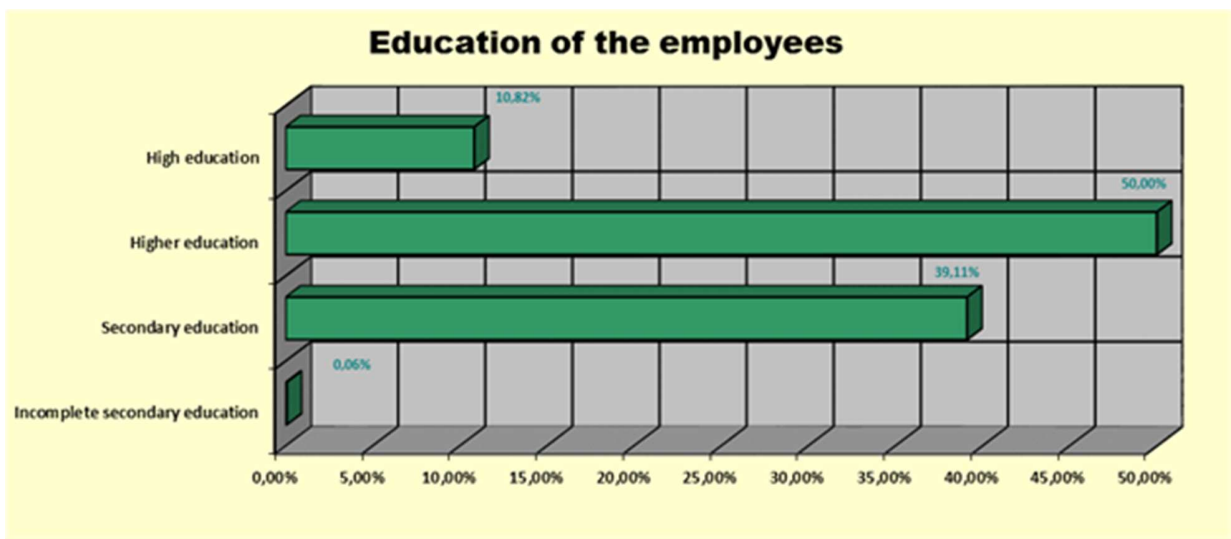




Education of the company group employees

The company employs highly qualified employees, of which: with higher education - 10.82% (2019 - 10.81%); higher - 50.0% (2019 - 49.07%); secondary - 39.11% (2019 - 40.06%); incomplete secondary - 0.07% (2019 - 0.06%).

| Education            | 2020.12.31 | 2019.12.31 | Change % |
|----------------------|------------|------------|----------|
| High                 | 150        | 157        | -4.46    |
| Higher               | 693        | 713        | -2.81    |
| Secondary            | 542        | 582        | -6.88    |
| Incomplete secondary | 1          | 1          | 0        |



## WORK ENVIRONMENT

### Policies and standards

Since 2012, the implemented standards “Social Responsibility SA8000” have been operating in the subsidiaries UAB Rokiškio pienas and UAB Rokiškio pieno gamyba. This standard is a requirement for a company that wants to demonstrate a socially responsible approach to creating and maintaining working conditions through independent assessment. The purpose of SA8000 is to establish requirements based on international human rights standards and national labor laws that protect all employees within the scope and influence of the company, producing products or providing services within the company, including employees employed by the company itself, as well as its suppliers and subcontractors.

At the end of 2020, the Company was scheduled to conduct an audit in accordance with the SMETA 4 audit principles. Main areas: 1) labor standards; 2) health and safety at work; 3) environmental protection; 4) operational practice. However, to ensure the safety of staff and auditors due to COVID-19, it was moved to January 2021 and performed remotely. The audit was performed by UAB Bureu Veritas Lit. The audit report is posted to the SEDEX account at [www.sedex.com](http://www.sedex.com).

In order to ensure teamwork, optimal use of work resources, continuous improvement, and being responsible to each other and the society, the Company and its employees follow the current procedure for payment for work and its annexes, rules of procedure, internal training organization, Company policies:

**Ethical employment policy**, which aims to establish the norms of behavior promoted by the Company, such as free choice of work; the right of association and the freedom to bargain collectively; safe working environment; intolerance of discriminatory behavior, timely payment of wages; working time in accordance with LT legislation, providing permanent employment, speaking out against cruel and inhuman and discriminatory behavior.

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.

**Human rights policy.** 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 Company respects and promotes international human rights protection in its business and human rights, and opposes any violations thereof.

In order to create a positive work environment, we work diligently not to violate other people's rights and adhere to the core values of respect for employees, honesty and openness.

Does not tolerate interference with employees' private family life or household. Taking into account the laws of the Republic of Lithuania, processes and uses personal data for specific purposes and only with the consent of the relevant person. Everyone has the right of access to data which has been collected concerning him or her.



We recruit the principles of equality, fairness and transparency for all candidates. Endeavors to ensure that there are no barriers to the employment of suitable candidates.

Ensures that the time worked by employees complies with the provisions of the legal acts of the Republic of Lithuania and mandatory standards.

**An equal opportunities policy** that emphasizes intolerance of discriminatory behavior based on race, gender, nationality, political or religious beliefs, health or disability. The company provides equal opportunities for all employees during work. 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. The company organizes its work in such a way that all groups of society are represented in its staff and each employee feels respected and can fully use his or her abilities.

**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 Company 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 Company 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:

All the above policies are communicated to employees and / or published on the Company'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 Company.

In 2020, no violations or suspected violations related to the policies listed above were recorded.

### Remuneration system

The remuneration system is a part of the Company's internal work rules, remuneration procedure and its annexes, which include internal documents governing the Company's performance and internal control standards.

Responsibility for the implementation of the Company's regulations is defined in the Company's Internal Regulations.

The procedure for payment for work is approved at the meeting of the Company's management in coordination with the trade union committee.

The remuneration package of the Company's employees includes financial, non-financial and emotional remuneration.

The financial remuneration system includes:

- 1) fixed remuneration for the work performed, i.e. the monthly salary stipulated in the employment contract. Fixed salary forms the principal component of remuneration. The salary of individual employees is determined on the basis of the person's position and his/her performance.
- 2) piecework pay – remuneration paid to the workers of production shops and employees of sale department warehouses based on the quantity of actual work and pre-approved rates. The rates are approved by the meeting of the Management of the Company, subject to the approval of the trade union committee. Where dictated by production needs, rate adjustments are approved by order of Director.
- 3) Variable part of remuneration – paid in accordance with the provisions of the approved incentive fund and adopted alongside with the Payment for Work Procedure. Variable remuneration is calculated based on long-term perspective, thus ensuring that the assessment is based on long-term sustainable profit so that profit-related remuneration is paid with due consideration of the main economic cycles. The variable remuneration of employees is determined by individual employee performance, the employer and the overall profits of the Company. When carrying out the assessment of an employee's performance, financial and non-financial criteria are taken into consideration alongside with different variables of conduct related to the values of the Company, including the assessment of the employee's compliance with internal and external regulations. The financial and non-financial criteria which serve as the framework for calculating the variable remuneration are defined in the regulations on the allocation of variable remuneration. For incentive purposes, employees also receive one-off incentive payments under the collective agreement.

**Non-financial compensation** is a form of indirect compensation which the Company uses to promote the employee involvement effort and loyalty as well as the enrichment of employee well-being and activity in the Company. It includes different corporate events, the expression of acknowledgement and appreciation by awarding exceptional performers, health promotion and employee development.

**Emotional compensation** is difficult to gauge but it is a strong factor of employee involvement in the activities of the Company which covers the reputation, organisational culture and values of the Company, career opportunities offered by the Company, different internal communication programs carried out by the Company: employees have the opportunity to share their ideas and voice their concerns.

The Company has an efficient and fair remuneration system in place; the aim of the system is to attract, maintain and motivate employees. All employment contracts with employees of the Company, including those with the management, have been drawn up in accordance with the requirements of the Labour Code of the Republic of Lithuania. Employees are hired and dismissed in accordance with the requirements of the Labour Code.

**Average monthly salary at Rokiškio sūris, AB Group, by employee group**

| Employee group       | Average monthly salary (gross), EUR |               | Change<br>(per cent) |
|----------------------|-------------------------------------|---------------|----------------------|
|                      | 31 Dec., 2020                       | 31 Dec., 2019 |                      |
| Managers             | 2,780                               | 2,712         | 2.50                 |
| Professionals        | 1,432                               | 1,404         | 1.99                 |
| Workers              | 1,248                               | 1,164         | 7.21                 |
| <b>Group average</b> | <b>1,290</b>                        | <b>1,215</b>  | <b>6.17</b>          |

The average monthly salary is calculated in accordance with the Resolution of the Government of the Republic of Lithuania No. 496, 21/06/2017

From 2018 until now, the Company has applied the procedure of remuneration for work, according to the variable components of remuneration established in the Company, depending on the Company's performance, market situation and other factors. The variable components of remuneration are allocated to each department in accordance with an approved functional management system. This payment procedure is approved by the Head of the Company.

Each production workshop or division of the Company has an approved procedure for the distribution of the promotion fund, which provides for the criteria for evaluating the work of all employees and their promotion. Employee performance appraisal is one of the most important tasks in the company in order to organize work as efficiently as possible, to achieve the set goals, positive relationships between managers and their subordinates, increasing employee motivation.

### Social dialogue

Since 2018, the Company has elected a Labor Council consisting of 11 members. The Council is established for a term of three years, starting from the beginning of the Council's term of office.

Employees of group companies are guaranteed the right to participate in trade union activities. The companies have a trade union committee that protects the labor, 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.

In September 2020, the Collective Agreement was approved. The purpose of this collective agreement is to create conditions for harmonious collective activities, to guarantee the level of work, wages, safety and health and other working conditions of various categories of employees

better than provided by the laws of the Republic of Lithuania, Government resolutions, legal acts and to provide better company and social guarantees. employees. The following additional guarantees for employees are provided:

- A worker raising a disabled child is paid a material allowance of 1 MMA once a year;
- Funeral allowance is paid to the Company's employees in the event of the death of a family member (spouse, parents, child); Upon the death of an employee of the Company, a one-time funeral allowance is granted to his family;
- On the occasion of the anniversary of work (20th, 25th, 30th, 35th, 40th, 45th, 50th) additional benefit is paid to the Company's employees;
- Support is provided to the Company's employees who have severe and long-term serious illnesses and injuries;
- Employees of the Company, family members of employees, employees who have worked in the Company and retired, are granted a discount for treatment in a medical institution operating in the Company;
- Employees who have reached retirement age and retire are paid higher severance pay than provided for in the Labor Code of the Republic of Lithuania.
- Unpaid leave provided for the marriage of a Labor Code employee of the Republic of Lithuania, for the employee's participation in the funeral of a deceased family member, is paid in accordance with the general procedure for granting leave. In addition, employees are granted leave when their children get married.

The rights and obligations of the Company's employees are provided for in their job descriptions. Employment contracts do not provide for special rights and obligations.

During 2020, 291 employees of the Company's Group used the social guarantees of the Collective Agreement, which were in force before the Collective Agreement and were in force until then.

## Competence development

AB Rokiškio sūris 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 Company's goals and the adequacy of employee competence to achieve these goals. The company'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 2020, the Company's production masters studied according to the unique 5-day general skills training program "Masters Academy".

AB Rokiškio sūris also organizes special courses and trainings 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 modernize the dairy farm. Modern dairy farming, milk quality and herd health determine the success of the dairy business.

In 2020, due to the situation due to the Covid-19 pandemic, many planned external training projects had to be postponed or switched to distance learning.

### Company organizational culture and employee relations

In order to strengthen relations with its employees, the Company organizes a three-yearly festival of production workers' families, where families show their abilities in sports, singing, puzzles and other competitions.

The company organizes festivals that have already become traditional: outgoing concerts on the occasion of Christmas, and New Year's events.

In 2020, these initiatives were postponed due to the situation due to the Covid-19 pandemic.

### Employees safety and Health

In view of the global situation due to the COVID-19 pandemic and in order to ensure the best possible protection of the health of the Company's employees, as well as to control the spread of COVID-19 disease and ensure its prevention, the Company has prepared a number of measures. Employees are provided with personal protective equipment. Regulated employee flows. Dispensers for disinfectant fluids are installed to ensure the hand hygiene of employees and other persons. Employees are monitored and temperatures are measured. Preventive measures are in place to avoid the risk of contracting COVID-19 from third parties. Preventive and response actions in case of illness have been prepared. Employee testing is performed.

In order to ensure the safety and health of employees, the company applies a number of preventive measures aimed at preserving the working capacity, health and life of employees at work.

Persons hired by the company are required to undergo health examinations for infectious diseases as well as for occupational risk factors that exist in the workplace, as well as for the operation of certain work equipment established by law. Employees working in the company undergo health examinations periodically, in accordance with the procedure established by legal acts.

The company has approved the procedure for instructing and training on occupational safety and health issues. Individuals hired by the company are introduced to introductory occupational safety and health instruction. During this briefing, they are introduced to the company's activities, organization of occupational safety and health, occupational risk factors in the company, personal hygiene requirements, notification procedures in the event of an accident at work, traffic rules in the company's territory and production units. This instruction is given by occupational safety and health specialists. At the workplace, employees are instructed by department heads. Workers are introduced to the workplace, work equipment, occupational risk factors in a specific workplace, how to safely perform specific work, technological production work operations. Periodic occupational safety and health training is carried out at workplaces every year. In the Company, employees are instructed on the issues of occupational safety and health by additional instruction in accordance with the procedure established in the instruction procedure. The company operates potentially dangerous equipment and performs works that may pose a threat to the safety and health of employees. Employees performing these works, operating potentially hazardous equipment, are trained in the Company or are trained by vocational training providers in accordance with the

approved training and knowledge testing procedures in the Company. Depending on the means of work, working conditions meet the requirements of occupational safety and health, an occupational risk assessment is performed. Workers are provided with personal protective equipment to protect against the effects of risk factors. Issuance, storage, drying, cleaning, washing of personal protective equipment is organized in accordance with the procedure established by the company.

The company instructs employees on fire safety issues. Introductory fire safety, recruitment, and recurrent training are conducted annually by department heads. The company organizes theoretical and practical fire safety training.

If the company employs employees of other companies, i.e. performs work or services in the company under signed contracts, the work is organized in such a way as to guarantee the safety and health of all employees. Safety and health requirements have been prepared to ensure that the work or other actions performed by the workers in the Company's territory, production and other premises are consistent.

The company is modernizing work equipment, reducing ergonomic risk factors. Workplaces are being robotized, technically obsolete equipment is being replaced with new ones, and work equipment is being automated.

Potentially hazardous equipment is maintained in accordance with the Maintenance of Potentially Hazardous Equipment Act.

The company is equipped with modern living rooms, which can accommodate not only women's and men's changing rooms, shoe dryers, but also modern, contemporary kitchen and dining room.

In 2020, the Company had three minor injuries at work.

## Society

### **Practice opportunities**

The Company cooperates with universities and educational institutions and annually provides opportunities for both students and schoolchildren who want to get acquainted with the Company, see what the working day of the people working here looks like, visit the Company, and do internships.

In order to attract and develop the younger generation, the Company recruits schoolchildren and students during the summer holidays.

### **Environmental management campaign**

Every year, the company's employees together with their family members took part in the traditional help "Manor Park - Green Face", which coincided with the voluntary social action "Let's do it", but in 2020, given the situation, this beautiful tradition had to be postponed.

### **Patronage activities**

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, organizations or their projects, as well as promoting various initiatives, supporting various cultural events and the local

community, sports development projects, improving socially sensitive society. group living environment.

### Corruption prevention

The Company has a Business Ethics Policy (hereinafter referred to as the Policy), which clearly and publicly declares a negative attitude towards bribery and corruption. The provisions of this policy apply to all employees, agents, intermediaries, suppliers, subcontractors of the Company in order to prevent all links. The policy is publicly available on the Company's website [www.rokiskio.com](http://www.rokiskio.com).

Bribery or offering or taking other benefits is prohibited in the company. In its activities, the Company follows the principles of business practice: responsibility, transparency, reliability, thus expressing strong support in the fight against corruption.

The Company provides opportunities to anonymously report suspected or attempted bribery and corruption, or suspected or actual violations of this Policy.

In 2020, no reports of violations were registered.