

# AB AKOLA GROUP

## POLICY ON IMPLEMENTATION OF EQUAL TREATMENT

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### 1. DEFINITIONS

1.1. In this Policy, capitalised terms shall have the meanings set out below, unless the context gives them a different meaning:

<b>Company</b>	means <b>AB Akola Group</b> , legal entity's code 148030011, registered office address Subačiaus St. 5, Vilnius, the Republic of Lithuania;
<b>Direct Discrimination</b>	means any situation where one person is treated less favourably than another is, has been or would be treated in a comparable situation on grounds of sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion, except for the exceptions provided by law.
<b>Discrimination</b>	means direct and indirect discrimination, harassment, sexual harassment, instruction to discriminate on grounds of sex, race, nationality, citizenship, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, health, marital or family status, membership of a political party, trade union or association, religion (except where the employee works in religious communities, associations or centres, where the requirement for the employee regarding the religion, belief or convictions he / she professes, taking into account the ethos of the religious community, association or centre, is customary, lawful and justified), on the grounds of the intention to have a child, on the grounds of the employee's exercising or having exercised the rights provided for in the Labour Code of the Republic of Lithuania, on grounds other than those relating to the employee's personal qualities or on any other grounds laid down by the law;
<b>Equal Treatment</b>	means the implementation of human rights enshrined in international instruments on human and civil rights irrespective of sex, race, nationality, citizenship, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, religion. Equal Treatment at work means equal treatment of employees irrespective of the employee's sex, race, nationality, citizenship, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, religion;
<b>Harassment</b>	means any unwanted conduct which occurs with the purpose of violating the dignity of a person, creating an intimidating environment or that creates unpleasant consequences: a person's dignity is violated, an intimidating environment is created;
<b>Indirect Discrimination</b>	means neutral act (omission), assessment criteria that formally are the same but their implementation results or would result in Violation of Equal Treatment;
<b>Policy</b>	means this Policy on Implementation of Equal Treatment, together with any annexes, amendments and / or supplements;
<b>Sexual Harassment</b>	means unwanted abusive conduct of a sexual nature towards a person, whether expressed orally, in writing or in a physical act, where such conduct is motivated by the intention or the effect of such conduct to violate the dignity of a person, in particular by creating an intimidating, hostile, humiliating or offensive environment;
<b>Social Status</b>	means education, qualification or learning acquired by a natural person or his / her studies at higher education and research institutions, his / her property, income, need for state support provided for in legal acts and / or other factors related to the financial / economic situation of the person;

**Violation of Equal Treatment** means direct and indirect discrimination, instruction to discriminate, harassment;

- 1.2. References to paragraphs, annexes and other provisions are references to paragraphs, annexes and provisions of the Policy.
- 1.3. The headings of clauses and other provisions are for convenience of reference only and shall not affect the interpretation of the Policy.

## 2. GENERAL PROVISIONS

- 2.1. This Policy sets out the Company's main principles of Equal Treatment and procedures for their implementation.
- 2.2. The purpose of this Policy is to ensure equal treatment of all employees of the Company and persons applying for employment, both before and after the conclusion of an employment contract, irrespective of sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion.

## 3. PRINCIPLES OF THE COMPANY'S EQUAL TREATMENT POLICY

- 3.1. The Company does not tolerate any form of Discrimination or Harassment and is committed to ensuring that the dignity, rights, privacy of its employees are protected and to providing a healthy workplace free from Discrimination and Harassment and to the implementation of the principles of gender equality and non-discrimination on all other grounds. This means that in any of the Company's relationships with its employees, Direct Discrimination and Indirect Discrimination, Harassment, Sexual Harassment, and instructing to discriminate on the basis of sex, race, nationality, citizenship, language, origin, social status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, health, marital or family status, membership of a political party, trade union or association, on the grounds of the intention to have a child, on grounds other than those relating to the employee's personal qualities or on any other grounds laid down by the law are prohibited.
- 3.2. The Company and its employees shall be guided by the following principles in the exercise of their mutual responsibilities in relation to Equal Treatment:
  - a) apply the same selection criteria and conditions when employing, except where the nature of particular occupations or the conditions in which they are carried out make a particular characteristic of a person an essential and decisive occupational requirement, and where this objective is legitimate and the requirement is proportionate;
  - b) provide equal working conditions, access to improvement of qualifications, vocational training, retraining, acquiring practical work experience, as well as provide equal benefits;
  - c) apply the same criteria for assessing the work of employees and dismissal from work;
  - d) pay equal pay for equal work or for work of equal value;
  - e) take steps to ensure that employees are not subjected to Harassment, Sexual Harassment, or instructed to discriminate in the workplace, and that they are not victimised and are protected from hostile treatment or adverse consequences if they make a complaint of, or are involved in a case of, Discrimination;
  - f) take appropriate measures, within the limits of the possibilities and available financial resources, to enable persons with disabilities to apply for vacant positions within the Company, including for employment, career advancement or learning;
  - g) to ensure that all Company legislation provides for equal rights and opportunities irrespective of sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion;
  - h) develop, approve and implement measures to ensure Equal Treatment.
- 3.3. Employees on fixed-term employment contracts shall not be subject to less favourable working conditions, including remuneration, than those of employees on open-ended employment contracts performing the same or a similar job function in terms of qualification or ability. The Company shall not take into account, in determining the terms and conditions of employment, remuneration, training or promoting conditions, the difference in the duration of the employment relationship of fixed-term and of open-ended with the Company. The fact that an employee is employed under a fixed-term employment contract shall not relieve the Company of its obligation to ensure the learning, improvement of qualification, vocational training and career advancement of such employee.
- 3.4. Not all cases of unequal treatment of employees shall be considered as Discrimination or other breach of Equal Treatment. Discrimination does not include so-called positive discrimination:
  - a) special protection for women during pregnancy and childbirth and breastfeeding;
  - b) requirements for the safety of persons at work applicable to women only, which, taking into account the physiological characteristics of women, are designed to preserve their health;

- c) a particular job which can only be performed by a person of a particular sex;
- d) statutory age limits, where this is justified by a legitimate aim and that aim is pursued by appropriate and necessary means;
- e) a legal requirement to speak the national language;
- f) different rights apply in cases of citizenship as defined by law;
- g) special measures provided for by law in the fields of health, occupational safety and health, employment and the labour market, with a view to creating and applying conditions and opportunities that guarantee and promote the integration of persons with disabilities into the working environment;
- h) special temporary measures provided for by law to ensure equality and to prevent infringement of Equal Treatment on grounds of age, sexual orientation, disability, racial or ethnic origin, religion or convictions;
- i) cases where the nature of the professional activities in question, or the conditions under which they are carried out, make a particular human characteristic a normal and decisive occupational requirement, and where this objective is legitimate and the requirement is proportionate.

#### **4. RECRUITMENT AND DISMISSAL OF EMPLOYEES**

- 4.1. The recruitment, selection and employment process of the Company shall be the responsibility of the external service provider hired by the Company.
- 4.2. The criteria for selection for a position in the Company shall be clear, precise, comprehensive, based solely on the subject matter requirements of the applicant, and shall ensure Equal Treatment and non-discrimination, with the exception of the statutory rights relating to age, proficiency in the state language, prohibition from political participation, citizenship and other applicable differentiation rights, as well as except for cases where, due to the nature of specific types of professional activities or the conditions of their performance, a certain person characteristic is an essential and decisive professional requirement, and this purpose is legal and the requirement is proportionate.
- 4.3. Vacancies in the Company are advertised publicly through specialised search portals and / or databases selected by the external service provider hired by the Company.
- 4.4. Job advertisements shall specify the competences, experience and skills required for the job function. Vacancy notices are drawn up in such a way that they do not restrict eligibility for a position to candidates of a particular sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin or religion, except where, by reason of the nature of the specific occupational activities concerned, or the conditions of their pursuit, a particular characteristic of a person constitutes an essential and decisive occupational requirement, and where that purpose is legal and the requirement is proportionate.
- 4.5. In the job advertisement and / or the job interview, all requirements and questions shall be limited to the suitability of the employee to perform the job function, his / her competence, professionalism, experience and other similar criteria.
- 4.6. It is forbidden to request information from a candidate which does not relate to his / her state of health, qualifications or any other circumstances outside the immediate performance of the job. The Company's employees present at the interview may not ask any questions about the candidate's sex, age, sexual orientation, Social Status, disability, race or ethnic origin, religion, convictions or belief, or the candidate's role in the home or in the family, except where this is directly related to the proper performance of the job functions.
- 4.7. After the employment contract has been concluded with the job candidate, the Company informs the employee of the information he / she needs to provide about his/her marital status in order to ensure the application of the guarantees provided for by law. The employee may refuse to provide such information. In such a case, the employee shall be informed that if he / she fails to provide the information or documents specified, the Company will not be able to ensure the application of the statutory guarantees to the employee.
- 4.8. The Company's criteria for dismissal are limited to the employee's qualifications, inadequate performance of job duties and other circumstances provided for by law. The criteria for dismissal shall be applied equally to all employees, taking into account objective criteria.

#### **5. WORKING CONDITIONS, TRAINING, PAYMENT AND PROMOTION OF EMPLOYEES**

- 5.1. The Company is committed to ensuring Equal Treatment for all employees by:
  - a) ensuring that the Company's internal rules of procedure and other local regulations establishing the Company's general rules or organisation of work provide for equal working conditions for all employees;
  - b) providing all employees with equal working conditions (as far as possible taking into account the specific nature of the work performed by the employee), as well as opportunities for further training, professional development, retraining, practical work experience, and equal benefits;

- c) ensuring that employees benefiting from the guarantees provided for in the Labour Code of the Republic of Lithuania and other legal acts are guaranteed Equal Treatment at work, i.e. that such employees are not discriminated against or subjected to less favourable treatment as a result of such discrimination, by increasing the burden of their work, by pressure, by constant checks, by discriminatory treatment in their future career, in their professional activities and etc.;
  - d) ensuring that employees are not discriminated against or subjected to less favourable treatment as a result of decisions taken in relation to their duration of working time, working hours, flexible work, compulsory or additional leave, remote work, etc., by increasing the burden of their work, by pressure, by constant checks, by discriminatory treatment in their future career, in their professional activities and etc.;
  - e) ensuring that the employment relationship of an employee is not terminated at the will of the Company as employer on the grounds that the employee is exercising, or has exercised, any of the employee's statutory benefits;
  - f) ensuring that, where benefits are granted to employees, they are granted to all employees who are able and willing to receive them;
  - g) encouraging both sexes to take advantage of additional benefits: disseminating information on the right of men and women to benefit from social benefits, making it possible to reconcile work and family responsibilities in a more flexible way, and encouraging employees of both sexes with children to take advantage of the benefits provided for by law and by the Company, by informing them of the procedures for obtaining these benefits;
  - h) ensuring access to learning, skills development and training;
  - i) setting remuneration ceilings (minimum and maximum thresholds) for each occupation on the basis of objective criteria relating to the market situation;
  - j) differentiating the remuneration of an employee in a particular occupation within the remuneration ceilings of the occupation, taking into account the employee's qualifications, abilities, the degree of responsibility assigned to the employee, the nature of the work to be performed, the quality of the work to be carried out, the results to be obtained, and any other objective criteria;
  - k) ensuring that all employees are paid for the same or equivalent work within the remuneration ceilings of the occupation, regardless of the worker's sex, age, sexual orientation, Social Status, disability, race or ethnic origin, religion or belief, or the intention to have a child or children;
  - l) ensuring that the criteria used to select candidates for promotion relate exclusively to the individual's abilities, the quality of the work performed and his / her personal achievements in his / her professional field: no employee shall be discriminated against on the grounds of sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, religion, or the intention to have a child or children.
- 5.2. Extra pay, bonuses and all other incentives shall be applied on the basis of clear criteria that are known to the employees. If the procedures for the payment of certain benefits or incentives are not discussed or approved by the Company, the Company shall be guided by the general principles of Equal Treatment, good faith and reasonableness in granting such benefits or incentives.
- 5.3. Annual or other periodic performance appraisals shall be carried out on the basis of, and shall apply the same criteria to, all employees irrespective of sex, race, nationality, language, origin, Social Status, belief, convictions or views, age, sexual orientation, disability, ethnic origin, religion, or any other circumstance unrelated to the employee's occupation, performance of his / her job duties, professional accomplishments, or individual work performance.

## **6. PROTECTION OF EMPLOYEES AGAINST DISCRIMINATION AND VIOLATION OF EQUAL TREATMENT**

- 6.1. All employees and/or applicants for vacancies who believe that the Company has failed to ensure Equal Treatment or that a situation of Violation of Equal Treatment has arisen, shall have the right to submit a complaint to the Company.
- 6.2. Employees of the Company and/or applicants for vacancies may report any Discrimination or Violation of Equal Treatment in writing to the person appointed by the Chief Executive Officer of the Company to be responsible for the implementation of the Policy ("**Responsible Person**"). Employees and / or applicants for vacancies also have the right to make an anonymous report to these persons by any means available to them (in writing or by email).
- 6.3. Any employee of the Company who becomes aware of a possible Violation of Equal Treatment, or who receives information about a possible Violation of Equal Treatment, shall report it to the Responsible Person immediately, but in any event within one (1) business day from the date of receipt of the information at the latest, and shall provide information on all the circumstances.

- 6.4. Reports received shall be dealt with by the Responsible Person, who shall immediately take measures to assess the situation referred to in the report. The Responsible Person has the right to obtain information from, interview and take other measures to resolve the situation as soon as possible.
- 6.5. If necessary, the Responsible Person may set up a committee to investigate a possible case of Discrimination or Violation of Equal Treatment.
- 6.6. The committee shall consist of three (3) employees of the Company, who shall undertake to be impartial and to maintain confidentiality.
- 6.7. A report received shall be dealt with expeditiously, i.e. not later than 20 (twenty) business days from the date of receipt of the report, and shall be dealt with in an impartial and confidential manner.
- 6.8. The information relating to the report shall be treated as confidential and shall not be disclosed to persons who are not involved in the possible infringement or its investigation.
- 6.9. The Company ensures that an employee will be protected from hostile treatment or adverse consequences if the employee makes a complaint of Discrimination or a Violation of Equal Treatment, or is involved in a case of Discrimination against the Company, an employee of the Company, or any other person in any way associated with the Company. Any harassment or hostile treatment of an employee or applicant for a vacancy who has made a complaint of Discrimination and / or Violation of Equal Treatment is prohibited and shall constitute a serious breach of employment duties.
- 6.10. Where it is found that an employee of the Company has committed a Violation of Equal Treatment, depending on the nature of the violation, disciplinary action may be taken for breach of employment duties.
- 6.11. An employee and / or a candidate for a vacant position may lodge a complaint regarding a Violation of Equal Treatment with the Office of the Equal Opportunities Ombudsperson or any other competent authority with which the Company undertakes to cooperate during the investigation.
- 6.12. Where it appears that a complaint or report of a Violation of Equal Treatment has been made with the intent to harm the reputation of another employee, such conduct shall be deemed to be a gross misconduct.

## **7. POLICY IMPLEMENTATION AND MONITORING OF ENFORCEMENT**

- 7.1. The Responsible Person shall be responsible for familiarising employees with this Policy and for monitoring the implementation of this Policy.
- 7.2. The Responsible Person undertakes to:
  - a) in accordance with the principles of legality, impartiality and fairness, on the instructions of the Chief Executive Officer of the Company or on his / her own initiative, carry out investigations, surveys of employees on the needs, well-being and microclimate of the employees of the Company or of the individual unit;
  - b) advise or consult with other employees of the Company on Equal Treatment enquiries;
  - c) organise training on Equal Treatment;
  - d) make proposals for the implementation of the provisions of this Policy in the legal acts adopted by the Company, preventive and educational activities, and the dissemination of equal opportunities;
  - e) at least 1 (one) time a year to report to the Chief Executive Officer of the Company on the implementation of the Policy in the Company.
- 7.3. Every employee of the Company shall have the right to express comments and feedback on the Policy, its effectiveness and to submit proposals for amending or supplementing the Policy. Suggestions shall be made email at law@akolagroup.it.

## **8. FINAL PROVISIONS**

- 8.1. The Policy shall enter into force on the date of its approval. The Policy shall be approved by the Chief Executive Officer of the Company.
- 8.2. Each employee shall be made aware of the Policy in the following order:
  - a) immediately after the approval of the Policy, the Policy shall be sent to all existing employees by e-mail;
  - b) immediately after the approval of the Policy, the Policy shall be posted on the Company's server (or other location where all of the Company's internal memoranda, procedures and rules are stored) and shall be made available to Employees there at all times;
  - c) each new employee shall be made aware of the Policy on his or her first day of employment with the Company by being provided with the Policy by email or by being given access to the Policy at the location referred to in paragraph 8.2.b).
- 8.3. A letter, notice or document sent by electronic mail shall be deemed to have been served:

- a) on the same business day if sent at least 1 (one) hour before the end of the Company's business hours;
  - b) on the next business day if sent more than 1 (one) hour before or after the close of the Company's business hours;
  - c) on the next business day, if it was sent on a day of rest or public holiday;
  - d) the employee's next working day, if it was sent to the employee during the employee's annual leave or sick leave;
  - e) the employee's next working day after the secondment, if it was sent to the employee during the secondment and no internet connection was available during the secondment.
- 8.4. Immediately after the approval of the Policy, the Policy is posted on the website [www.akolagroup.lt](http://www.akolagroup.lt) and is available at any time there.
- 8.5. The Policy is binding on all employees of the Company, regardless of the term of their employment. Each employee is personally responsible for compliance with the Policy.
- 8.6. An employee who violates this Policy may be subject to the liability provided for in this Policy, the Labour Code of the Republic of Lithuania and other legal acts.