
AB AKOLA GROUP

GROUP POLICY ON THE PREVENTION OF PSYCHOLOGICAL VIOLENCE AND MOBBING

1. GENERAL PROVISIONS

- 1.1. The purpose of the Group Policy on Prevention of Psychological Violence and Mobbing ("**Policy**") of **AB Akola Group**, legal entity's code 148030011, registered office at Subačiaus St. 5, Vilnius, the Republic of Lithuania, is to provide for and implement effective and efficient actions in the company and in the companies controlled by it ("**Group**" and each of the companies individually – "**Company**") in order to protect employees from the risk of verbal aggressive behaviour towards them ("**Psychological Violence**") and from the risk of power imbalances in the workplace, manifested by consistent and sustained inappropriate behaviour directed against an employee, which undermine the employee's physical, social or psychological well-being and reduce his/her productivity and job satisfaction ("**Mobbing**").
- 1.2. The Policy has been prepared in accordance with the Labour Code of the Republic of Lithuania, the Methodological Guidelines for Assessing Psychosocial Occupational Risk Factors, the International Labour Organisation Recommendation No. 206 concerning the Elimination of Violence and Harassment in the World of Work and the Methodological Guidelines on the Prevention of Psychological Violence in the Work Environment and on the Improvement of the Psychosocial Conditions of Work, prepared by the State Labour Inspectorate.

2. EMPLOYEES' RIGHTS AND COMPANY RESPONSIBILITIES

- 2.1. All employees of the Group must uphold culture and values of respectful communication and co-operation, and to declare their intolerance of any form of Psychological Violence and Mobbing, making it clear that such acts are unlawful and are not tolerated by the Group.
- 2.2. Every employee of the Group, irrespective of race, nationality, age, social status, beliefs, orientation or occupation, has the right to:
 - (a) a working environment free from tension, stress, Psychological Violence and Mobbing;
 - (b) respectful communication, businesslike working relationships, a clearly defined role at work and clearly defined responsibilities;
 - (c) the possibility of reconciling the demands of work and private life;
 - (d) to be able to report Psychological Violence and Mobbing at work without being subjected to a hostile reaction and to get the help he/she needs;
 - (e) participate in the assessment of occupational risks, the study of the psychological climate within the Group, and the development and implementation of a culture against Psychological Violence and Mobbing;
 - (f) to Psychological Violence and Mobbing recognition and resolution training at the Company's expense;
 - (g) cooperate with trade unions, employees' representatives and organizations defending employees' rights.
- 2.3. For the purposes of preventing Psychological Violence and Mobbing, the Company:
 - (a) ensures that there is a designated person to whom employees who have experienced Psychological Violence and Mobbing may refer ("**Responsible Person**");
 - (b) creates and maintain a safe working environment, where any behaviour that violates the dignity of the individual, discriminatory behaviour, Psychological Violence and Mobbing are not tolerated;
 - (c) organises and provides, where necessary, training for employees on the prevention of Psychological Violence and Mobbing;
 - (d) does not tolerate any act or behaviour that has the characteristics of Psychological Violence and Mobbing;

- (e) allows all employees to propose solutions to improve the psychological climate in the Company;
 - (f) promptly investigates and resolves cases of Psychological Violence and Mobbing, provides necessary assistance to the victims of such violence and holds the perpetrators accountable;
 - (g) makes all employees aware of the possible consequences of unwanted, disrespectful and unethical behavior.
- 2.4. The Responsible Person in the Company undertakes to:
- (a) promptly record and investigate all reports of Psychological Violence and Mobbing received;
 - (b) to investigate all suspected or identified cases of Psychological Violence and Mobbing in accordance with the principles of confidentiality, objectivity and impartiality;
 - (c) ensure the confidentiality of the employees making the notifications;
 - (d) keep the Company informed of the Company's compliance with the Policy.
- 2.5. Employees of the Company shall prevent all acts of Psychological Violence and Mobbing by informing the Responsible Person about such acts.

3. PSYCHOLOGICAL VIOLENCE AND MOBBING THAT IS NOT TOLERATED IN THE GROUP

- 3.1. In the Group the following tactics constitute Psychological Violence and Mobbing:
- (a) humiliation – conduct by one person or group towards another person or group which intentionally or accidentally affects the latter's self-esteem. A person who perceives the behaviour as humiliating experiences a sense of humiliation. The humiliation implies, directly or indirectly, the inferiority of the person humiliated, the superiority and the social hierarchy of the person humiliating;
 - (b) intimidation – hostile, unethical, degrading, humiliating, aggressive, abusive, insulting acts which attack the honor and dignity, physical or psychological integrity of an individual or group of employees, or are intended to intimidate, embarrass or reduce an employee or a group of employees to a defenseless and helpless position;
 - (c) demeaning of competence – manifested by persistent bad publicity about the person, persistent belittling of the person's work, public questioning of the person's competence, persistent biased criticism, etc.;
 - (d) social isolation – manifested by avoidance of communication with the person, even on work-related issues, denial of all information necessary for the person's work, encouragement to engage in a boycott of communication by other members of the team, and ignoring the person.
- 3.2. Within the Group, the following acts constitute Psychological Violence and Mobbing:
- (a) boycott – social isolation of the person, withholding of information necessary for the work, partial or incomplete provision of information, etc.;
 - (b) harassment – abusive behavior, disrespectful communication, unjustified claims, etc.;
 - (c) bullying – hostile, unethical, humiliating, aggressive, abusive, insulting actions, statements, etc.;
 - (d) misrepresentation, defamation – the dissemination of information that is untrue and likely to harm the honor and dignity of a person, the transmission of misleading information with intent to deceive etc.;
 - (e) material prejudice – the appropriation, destruction or damage of tools for work or of other things, etc., with the intention of making the person's work more difficult or disruptive.
- 3.3. Psychological Violence and Mobbing within the Group shall be deemed to include the following:
- (a) impact on self-expression and communication – actions that make it more difficult for a person to actualize him/herself as a social being and to relate to others, such as limiting the ability to express his/her opinion, constant interruptions, raised tones, shouting, loud reprimands, the person's work is the target of constant criticism, the person's private life is criticized, the person is harassed by telephone, threats are made verbally, in writing, the person is avoided, is distanced by contemptuous glances and gestures, contact is avoided by innuendoes, by indirect words, and etc.;
 - (b) attack in the area of social relations – communication with the person is severed (no more talking, no more communicating, no more reacting, workplace is moved to another room, away from co-workers, attempts are made to prohibit co-workers from interacting with the person, social relations are severed at the verbal and non-verbal level, the distance between the person and his/her co-workers is emphasized locally);
 - (c) attack on reputation, authority – to undermine a person's reputation and convince them of their

inferiority: the person being attacked is subject to constant negative feedback, constant gossip, mockery, ridicule, rumors, suspicions that the person may be insane, imitation for the sake of ridicule, attacking a person's political or religious views, ridiculing their private life, ridiculing their nationality, race, gender, age, forcing them to do work which has a detrimental effect on their subconscious, or making them feel that their contribution to the workplace is being negatively evaluated without justification, the person is subjected to a morbid attitude, all decisions of the person are questioned, swearing or other negative words, sexual innuendo or verbal sexual advances are addressed to the person, the person's authority and reputation are attacked through informal channels of communication by means of prejudicial negative attitudes, prejudices, and stereotypes, and the person's defence is made more painful and difficult by the use of such actions, since the stereotypical information is not discussed and is not based on objective proof;

- (d) interference with professional and quality of life – assignment of meaningless tasks that are not in keeping with one's competence, removal from areas for which the person was responsible, assignment of excessive (discriminatory, inadequate) workload, over-controlling and unrealistic deadlines, assigning tasks that exceed the person's abilities, knowing in advance that they will not be performed or will not be performed without reproach, assigning work tasks that are offensive, assigning work tasks that exceed the person's qualifications for the purpose of denouncing in order to show that the person is incapable of doing the job;
 - (e) direct assault in the field of health – forcing a person to do work that is harmful to health, threatening the use of physical force, using physical force to teach a lesson, abusive behaviour, inflicting material damage or incurring costs, sexual harassment.
- 3.4. An observed case of Psychological Violence and Mobbing in the Group shall be dealt with by concrete actions and joint efforts, including measures to prevent the risk of Psychological Violence and Mobbing.

4. PREVENTIVE ACTIONS AGAINST PSYCHOLOGICAL VIOLENCE AND MOBING

- 4.1. The Group shall make every effort to create a working environment in which an employee or group of employees shall not be subjected to hostile, unethical, degrading, humiliating, aggressive, abusive, insulting or offensive acts which violate the honour and dignity of an individual or a group of employees or violate their personal physical or psychological integrity, or which have the purpose or effect of intimidating, embarrassing, or reducing the individual or the group of employees or the staff members concerned to an insensible and helpless position.
- 4.2. The Group will not tolerate any and all forms of repeated behaviour of an offensive, insulting or otherwise abusive nature directed against an individual employee which is detrimental to the employee's professional, material, social or psychological well-being, affects the employee's mental and physical health, reputation or impairs the employee's productivity. The Group shall make every effort to prevent this from happening and take preventive action.
- 4.3. The Company identifies preventive actions against Psychological Violence and Mobbing:
- (a) Primary Prevention – actions to address the manifestations of Psychological Violence and Mobbing and thereby reduce its negative impact on employees:
 - (i) improving the psychosocial working environment by ensuring that work-related decisions are based on the principles of justice, fairness, equal opportunities and respect for human beings, that work organisation optimises workload, that work is distributed equally, taking into account the full-time workload, that good relations between staff are taken into account, and that problems are dealt with efficiently and that situations of continuing stress are avoided. Employees must be clear about what is expected of them at work and receive adequate training in how to do their job;
 - (ii) cases of possible Psychological Violence and Mobbing are immediately recorded and analysed, allowing staff to report incidents with detailed explanations, specifying the perpetrators, the situation, the circumstances and possible witnesses;
 - (iii) developing the Company's culture with a commitment to ensuring the safety and health of employees in all aspects of their work. Clearly defining the duties and responsibilities of employees. Intolerance of Psychological Violence and Mobbing and encouragement of debate, respect for different positions and opinions;
 - (iv) Improving the physical working environment to ensure a safe, comfortable workplace;
 - (b) Secondary Prevention – the development of the Company's policy against Psychological Violence and Mobbing:
 - (i) employees are made aware of this Policy;

- (ii) providing training to employees on Psychological Violence and Mobbing (employees are trained on how to identify potential situations of Psychological Violence and Mobbing, possible solutions to Psychological Violence and Mobbing, communication skills to prevent and/or reduce Psychological Violence; how to promote a positive work environment and legal remedies. Managers are trained to understand and explain the Company's anti-psychological violence and anti-mobbing strategy, to spot inappropriate behaviour by themselves and their employees, to assess the work environment and to provide measures to prevent Psychological Violence and Mobbing at work, to support employees who have been affected, to ensure confidentiality of information on employees who have experienced violence in accordance with the legislation in force, to be supportive of the employees and to foster a mutually respectful working environment);
- (c) Tertiary prevention – comprehensive support for survivors of Psychological Violence and Mobbing, and disciplinary sanctions for perpetrators:
 - (i) reducing the level of psychological trauma and stress of employees who have experienced or witnessed Psychological Violence and Mobbing by promptly and effectively addressing potential cases of Psychological Violence and Mobbing, providing guidance, ensuring the availability of medical psychological services and providing referrals to, and contacts for, all necessary psychological support resources (psychologists, psychiatrists, social workers, psychological helplines) for all employees;
 - (ii) facilitating the sharing of experiences by organising staff meetings, encouraging staff to talk about their experiences, to inform those in charge and to seek help and support from colleagues;
 - (iii) try to resolve problems informally by talking to the perpetrator, recommending psychological counselling, or, if that is not enough, by finding a breach of employment duties or a serious misconduct.
- 4.4. Employees are required to cooperate with each other, to resolve situations peacefully, to treat colleagues ethically and courteously, and in the event of any conflict or disagreement between employees, to contact the Responsible Employee, either verbally or in writing, and to resolve the situation, without resorting to Psychological Violence or Mobbing.
- 4.5. In order to ensure a good working atmosphere, the Company aims to:
 - (a) promote mutual respect among employees;
 - (b) appropriately involve new employees;
 - (c) avoid situations in which the employees are constantly working alone without the help of colleagues;
 - (d) not tolerate Psychological violence and Mobbing at work, investigate reports or allegations received and, if confirmed, terminate and hold those responsible accountable;
 - (e) where possible, encourage employees to enjoy leisure time together.

5. PROCEDURES FOR RECORDING AND DEALING WITH CASES OF PSYCHOLOGICAL VIOLENCE AND MOBING AT WORK

- 5.1. All employees who are experiencing stress at work or other difficulties at work as set out in this Policy have the right to contact the Responsible Person in writing. In the notice, the employee must state:
 - (a) the circumstances which cause the employee to feel that he/she is under stress or a person who may be violating the employees' rights;
 - (b) the circumstances of the infringement (the factual circumstances must be as precise and specific as possible), the time, and, where possible, evidence of the infringement (email correspondence, chat logs, etc.);
 - (c) a detailed position on how the employees' rights or legitimate interests have been violated;
 - (d) suggestions (if the employee has any) for dealing with the situation described by the employee;
 - (e) the employee's email address for communication regarding the handling of the report, if necessary.
- 5.2. Where a report is made in relation to the actions of a Responsible Person, the employee shall submit the report to the manager of the Company in accordance with the procedure set out in paragraph 5.1 of the Policy.
- 5.3. Procedure for dealing with possible cases of Psychological Violence and Mobbing at work:
 - (a) commences unreasonably promptly, but not later than within 5 (five) working days, from the time when the Responsible Person has been provided with written information in the manner referred to in paragraph 5.1 of the Policy, or the Responsible Person has become aware of the information by other means (information published in the media or otherwise);

- (b) a case of possible Psychological Violence and Mobbing shall be immediately registered, ensuring the confidentiality of the reporting employee (the report may be de-personalised, password-protected etc.);
 - (c) the Responsible Person shall have the right to ask the employee who may have experienced or observed an incident of Psychological Violence and Mobbing, the persons who may have been involved in the incident (witnesses, victims, potential perpetrators of violence) and other employees for explanations, clarification of the information given, either in written or oral form, and the provision of any evidence available;
 - (d) an employee who may have experienced or observed an incident of Psychological Violence and Mobbing, persons who may have been involved in the incident (witnesses, victims, potential perpetrators), and other employees are obliged to co-operate with the Responsible Person and provide all information necessary for the investigation of the case;
 - (e) once the information has been collected, the Responsible Person shall prepare a conclusion on the recommended action to be taken and submit it to the manager of the Company, who shall make the final decision.
- 5.4. The Responsible Person shall consider the employee's report no later than 20 (twenty) working days after receipt. The overall time limit for consideration of the report may be extended only for important reasons and only by a reasoned decision of not more than 10 (ten) working days.
- 5.5. Psychological Violence and Mobbing against another employee may be considered as a serious breach of employment duties, on the basis of which the Company may terminate the employment contract with the employee for the fault of the employee.
- 5.6. The Responsible Person shall ensure:
- (a) providing the necessary assistance to affected employees;
 - (b) the confidentiality, objectivity and impartiality of the staff reporting the Psychological Violence and Mobbing towards all participants in the possible case of Psychological Violence and Mobbing;
 - (c) that employees will be protected from hostile behaviour or negative consequences if they report a possible or perceived incident of Psychological Violence and Mobbing.

6. POLICY IMPLEMENTATION AND ENFORCEMENT MONITORING

- 6.1. The manager of the Company is responsible for familiarising employees with this Policy and for the implementation of this Policy.
- 6.2. In order to protect persons reporting violations of the Policy from any negative consequences, the Company undertakes to ensure that reports of violations of the Policy are made and access to such reports is limited to the Responsible Person. The Responsible Person undertakes not to disclose the identity of reporting persons to other employees of the Group or to other third parties, except as necessary to investigate the breach. Nevertheless, the Company undertakes to protect the person who has reported a breach of the Policy from any adverse impact.
- 6.3. All reports of possible breaches of the Policy shall be duly investigated by the Responsible Person within a period of 1 (one) month, which may be extended for a further period of 2 (two) months depending on the complexity of the report. The Responsible Person shall inform the person submitting the report of the extension.
- 6.4. If the Responsible Person has been contacted but has not taken any action within the time limit set out in paragraph 6.3 of the Policy, the person may report a breach of the Policy by filling in the form on the website of AB Akola Group www.akolagroup.it or by e-mail to law@akolagroup.it.
- 6.5. The person responsible for overseeing the implementation of the Policy within the Group shall be appointed by decision of the AB Akola Group manager.
- 6.6. Every employee of the Group shall have the right to comment and provide feedback on the Policy, its effectiveness and to make suggestions for amending or supplementing the Policy. Suggestions shall be submitted in person to AB Akola Group by e-mail to law@akolagroup.it.

7. FINAL PROVISIONS

- 7.1. The Policy comes into force on the date of its approval.
- 7.2. Each Employee is informed of the Policy in accordance with the procedures set out by the relevant Company.
- 7.3. Immediately after the approval of the Policy, the Policy is posted on the website www.akolagroup.it and is available to Employees at any time there.

- 7.4. The Policy is binding on all employees of the Group, regardless of the duration of their employment. Each employee is personally responsible for compliance with the Policy.
- 7.5. 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 legislation.