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Supplier Code of Conduct

JSC Litnaglis - Žlibinų rd. 8, Gładžiaĩ, Plungė dist, LT-90107, Lithuania

Version 1.0

Approved by: General Manager Mindaugas Bondauskis
Date of approval: 29/07/2026
Annual policy owner: Project Manager Jūratė Grigutienė

This Code should be read alongside the **JSC Litnaglis Environmental, Social and Governance Policy**, which sets out the standards the Company applies to its own operations.

1. Definitions

Term	Meaning
Litnaglis / the Company	JSC Litnaglis, a steel nail and steel wire manufacturer registered in the Republic of Lithuania.
Supplier	Any entity that supplies goods, materials, services or works to Litnaglis under a contract or purchase order. The term includes the supplier's employees, agents, experts, consultants and any other person working with the supplier on a basis other than employment.
Subcontractor	Any subcontractor, sub-supplier or third party engaged by a Supplier in order to fulfil obligations owed to Litnaglis.
Code	This Supplier Code of Conduct.

Terms not defined here carry the meaning given to them in applicable Lithuanian and European Union legislation.

2. Purpose and application

Litnaglis manufactures steel nails and steel wire in Plungė, Lithuania, for distributors, wholesalers, pallet manufacturers and retail chains in the European Union and the United States. Our customers hold us accountable for the conditions under which our products are made, and that accountability extends up our supply chain.

This Code sets out the minimum standards Litnaglis expects from its Suppliers. It applies to Suppliers of raw materials, coatings and process chemicals, packaging, equipment, logistics and transport, and services.

Compliance with this Code may be made a precondition of any purchase contract with Litnaglis.

Suppliers are responsible for communicating this Code to their own Subcontractors engaged in fulfilling obligations to Litnaglis, and for ensuring that the substance of this Code is reflected in those contractual relationships.

This Code does not replace applicable law. Where law imposes a stricter standard, the stricter standard applies. Where this Code imposes a stricter standard than local law, this Code applies.

3. Proportionality

Litnaglis applies this Code proportionately. The depth of assurance the Company seeks reflects the value, risk and criticality of what a Supplier provides:

- **Critical Suppliers** — suppliers of steel wire rod and wire, coatings and process chemicals, and any Supplier whose materials enter the product. These Suppliers are expected to acknowledge this Code in writing, to provide origin and conformity documentation, and to respond to information requests and, where warranted, audit.
- **Standard Suppliers** — packaging, logistics, equipment and services. These Suppliers are expected to acknowledge this Code and to comply with Sections 4, 6 and 7.
- **Low-value or occasional Suppliers** — expected to comply with applicable law and with the principles of this Code, without formal acknowledgment.

Litnaglis determines the category applicable to each Supplier and may change it.

4. Human rights and labour standards

The Supplier shall respect and protect human rights and fundamental freedoms, treat all workers fairly and with respect for their dignity, and shall:

- 4.1 Prohibit forced labour.** Not use forced, bonded, indentured or compulsory labour in any form, including modern slavery, human trafficking and debt bondage, as prohibited under ILO Convention No. 29 and its 2014 Protocol. Workers shall be free to leave their employment on reasonable notice. The Supplier shall not retain workers' identity documents, require deposits, or charge recruitment fees to workers.
- 4.2 Prohibit child labour.** Not employ, directly or indirectly, any person below the minimum age set by ILO Convention No. 138 and applicable national law, and in no case any person under 15 years of age. Workers under 18 shall not perform hazardous work or night work.
- 4.3 Provide equal opportunity.** Provide equal opportunity and equal treatment in recruitment, remuneration, training, promotion and termination regardless of sex, age, family or social status, nationality, race, sexual orientation, disability, pregnancy or maternity, political or religious belief, or any other characteristic not based on job-related requirements.
- 4.4 Prohibit harassment and abuse.** Prohibit direct and indirect, physical and verbal harassment, discrimination, psychological violence, corporal punishment and any other exploitative conduct in the workplace.
- 4.5 Provide written contracts.** Provide every worker with a written employment contract, in a language the worker understands, clearly setting out the essential terms of employment.
- 4.6 Pay fair wages and respect working time.** Ensure that remuneration, benefits and working time meet or exceed the requirements of applicable law and any applicable collective agreement in respect of working hours, minimum wage, overtime, adequate breaks and rest periods, sick leave and annual leave. Wages shall be paid regularly and on time. Wage deductions as a disciplinary measure are prohibited.

4.7 Respect freedom of association. Recognise workers' right to freely join or form organisations and trade unions and to bargain collectively, without fear of retaliation, intimidation or harassment.

4.8 Ensure health and safety. Provide safe and healthy working conditions, comply with applicable occupational safety legislation, supply workers with necessary tools and personal protective equipment at no cost to the worker, assess occupational health and safety risks, provide adequate training, investigate accidents and take preventive action, and maintain a safe and hygienic working environment including access to drinking water and sanitation and, where provided, safe worker accommodation.

4.9 Enable and protect reporting. Implement a means for workers to raise concerns about unsafe working conditions, discrimination, harassment and other violations, confidentially where possible, and protect workers and their representatives who report or witness violations from retaliation, hostile treatment or other adverse consequences.

4.10 Respect privacy and protect data. Respect the privacy of workers, customers and other stakeholders when collecting personal data or deploying worker monitoring. Personal data received from Litnaglis shall be protected against unlawful use, processed in accordance with Regulation (EU) 2016/679 (GDPR) and applicable national law, and secured with technical and organisational measures meeting Article 32 of the GDPR.

5. Raw material origin, traceability and product conformity

This Section applies to Critical Suppliers.

5.1 Origin documentation. The Supplier shall provide mill test certificates or equivalent documentation establishing the country of origin of the steel or other material supplied. Origin declarations must be accurate and supportable by documentation retained for the period required by applicable law.

5.2 Sanctioned material. The Supplier shall not supply material of sanctioned origin, and shall not supply material processed in a third country using inputs of sanctioned origin where this is prohibited. The Supplier shall notify Litnaglis immediately if it becomes aware that material supplied does not meet this requirement.

5.3 Conformity. Materials supplied shall meet the specifications, tolerances and standards stated in the purchase order or contract. The Supplier shall provide test certificates and declarations of conformity as required.

5.4 Wood packaging. Suppliers of wooden pallets and wooden packaging shall comply with ISPM 15 heat treatment and marking requirements where the packaging is destined for export markets requiring it, and with EPAL specifications where EPAL pallets are supplied. The Supplier shall provide evidence of treatment and certification on request.

5.5 Chemicals. Suppliers of process chemicals and coatings shall provide current safety data sheets, and shall notify Litnaglis of any change in composition, classification or regulatory status of a supplied substance, including changes affecting REACH registration or authorisation.

5.6 Change notification. The Supplier shall not change the origin, composition, specification or manufacturing location of a supplied material without prior written notice to Litnaglis.

6. Environment

The Supplier shall conduct its operations in an environmentally responsible manner, in compliance with applicable environmental legislation, permits and standards, and shall establish procedures to reduce the negative environmental impact of its activities.

The Supplier shall:

- 6.1** Hold the environmental permits and authorisations required for its operations, and provide evidence of these on request.
- 6.2** Operate an environmental management system meeting **ISO 14001**, **EMAS**, or an equivalent recognised standard — or, in the alternative, apply an effective environmental policy and set of measures that demonstrably manage environmental risk and reduce negative impact. Litnaglis regards certification as preferable but does not require it as a condition of supply.
- 6.3** Reduce the volume of waste generated and ensure its safe, lawful and responsible handling, reuse and recycling, using licensed operators for regulated waste streams.
- 6.4** Handle, store and dispose of chemical substances safely and in accordance with applicable regulation and safety data sheets, minimising negative environmental impact.
- 6.5** Include environmental criteria in its own purchasing processes and pursue responsible sourcing of raw materials.
- 6.6** Give preference to energy from renewable sources where commercially available.
- 6.7** Where the Supplier is a manufacturer, work towards measuring the greenhouse gas emissions associated with its operations and, on request, provide available data on the emissions embedded in materials supplied to Litnaglis. Litnaglis is developing its own emissions accounting and will not request data from Suppliers on a basis it does not apply to itself (scope 1 & scope 2).
- 6.8** Give preference to lower-emission vehicles when delivering goods or providing services to Litnaglis.
- 6.9** Reduce packaging material use and, where practicable, increase the share of recyclable and recycled-content packaging.
- 6.10** Develop the environmental competence of its workforce.

7. Business ethics

The Supplier shall conduct its business honestly, ethically and in compliance with applicable law, and shall:

- 7.1 Compete fairly.** Comply with applicable competition and antitrust law, and apply standards and procedures ensuring its personnel do not participate in anti-competitive conduct.
- 7.2 Not participate in cartels or bid rigging.** Not enter into agreements with competitors on prices, on the division or allocation of markets or customers, or into any other arrangement that restricts fair competition.
- 7.3 Prohibit corruption.** Prohibit and act against all forms of corruption, including bribery, kickbacks, facilitation payments and gratuities, whether offered, promised, given, requested or accepted, and whether direct or through a

third party. The Supplier shall apply standards and procedures ensuring that its personnel and third parties acting on its behalf do not engage in such conduct in order to win new business, retain existing business or secure any other improper advantage. This includes compliance with applicable extraterritorial anti-bribery legislation.

7.4 Avoid conflicts of interest. Avoid any conflict of interest and refrain from any activity prohibited by law, disclosing to Litnaglis any situation that gives rise to, or could reasonably appear to give rise to, a conflict.

7.5 Observe limits on gifts and hospitality. Not offer gifts or hospitality to Litnaglis personnel in circumstances where the gift or hospitality could influence, or could reasonably appear to influence, an employee's decision relating to the Supplier.

7.6 Prevent money laundering. Not be involved, directly or indirectly, in money laundering in any form, and take appropriate measures to prevent and detect illegitimate payments.

7.7 Comply with sanctions. Warrant that neither the Supplier, its beneficial owners, its engaged Subcontractors nor their beneficial owners appear on the sanctions lists published by the Republic of Lithuania, the United Nations, the European Union or the United States, and that the Supplier is not owned or controlled by any entity appearing on those lists. The Supplier shall notify Litnaglis immediately if this ceases to be the case.

7.8 Comply with trade and customs law. Comply with applicable export control, customs, origin declaration and trade remedy requirements.

7.9 Maintain accurate records. Maintain accounting records in accordance with legal requirements.

8. Monitoring compliance

8.1 The Supplier shall maintain management systems adequate to ensure compliance with applicable law and with this Code, proportionate to the Supplier's size, complexity and risk environment, and shall on request provide evidence and explanation.

8.2 The Supplier shall notify Litnaglis of any identified or suspected non-compliance with this Code that could damage Litnaglis' reputation, cause harm, or affect the performance of contractual obligations. A good-faith report of possible non-compliance will not adversely affect the Supplier's relationship with Litnaglis, provided the Supplier acts to remedy it and does so.

8.3 The Supplier shall engage only Subcontractors whose operations comply with mandatory legal requirements, and is responsible for ensuring that the substance of this Code is reflected in its contracts with them.

8.4 On request, the Supplier shall provide complete and accurate information and evidence of compliance with applicable law and this Code.

8.5 For Critical Suppliers, Litnaglis may carry out assessments, reviews and audits, request information, and initiate visits to the Supplier's premises and operating sites in order to satisfy itself that this Code is being observed. Audits will be conducted on reasonable notice during normal working hours, and Litnaglis will treat information obtained as confidential. The Supplier undertakes to cooperate with any such assessment and to permit access to relevant information, premises and operating sites.

8.6 The Supplier shall take reasonable measures to remedy any identified non-compliance and to prevent recurrence. A Supplier encountering difficulty in doing so is encouraged to approach Litnaglis so that a joint solution can be sought.

8.7 Where a Supplier provides false information, fails to correct identified non-compliance, or where a violation cannot be remedied, Litnaglis reserves the right to assess the consequences for the contracts in force between the parties. This may affect decisions on continued cooperation, up to and including termination.

9. Reporting violations

Suppliers, their workers and other interested parties are encouraged to report suspected violations of this Code, or of law, in connection with Litnaglis' operations or supply chain.

Reports may be submitted by e-mail to **anonimas@litnaglis.com**. Reports are treated confidentially and are reviewed by the Litnaglis HR Manager, who is responsible for proper assessment of the information received, confidentiality, appropriate decision-making and feedback to the person reporting.

Litnaglis protects any person who makes a report in good faith from retaliation or adverse consequences.

10. Acknowledgment

By signing below, the Supplier confirms that it has read and understood the JSC Litnaglis Supplier Code of Conduct, that it will comply with the standards set out in it, and that it will communicate those standards to its Subcontractors engaged in fulfilling obligations to Litnaglis.

Supplier legal name	
Registration number	
Registered address	
Category of supply	
Name of signatory	
Position	
Signature	
Date	

Please return the signed acknowledgment to: **supply@litnaglis.com** (international suppliers) or **[pirkimai@litnaglis](mailto:pirkimai@litnaglis.com)** (local suppliers)].