



KN Energies Group Supplier Code of Ethics

Contents

1

About the Supplier Code of Ethics

2

Social Responsibility

3

Environmental Protection

4

Business Ethics

5

Compliance with the Code





About the Supplier Code of Ethics

Purpose

The purpose of the Supplier Code of Ethics (hereinafter – the Code) is to establish the key principles and recommendations that Suppliers shall follow to ensure responsible, transparent and ethical conduct when cooperating with AB KN Energies (hereinafter – KNE).

The Code aims to:

- promote responsible business practices;
- build cooperation based on trust, respect and professionalism;
- strengthen environmental, social and governance responsibility.

The Code is based on international initiatives and principles, including the UN Global Compact, International Labour Organization conventions and other international instruments.

Scope

The Code applies to all Suppliers participating in KNE procurements or performing contracts with KNE. In this Code, “Supplier” means a legal or natural person, including its employees, partners, subcontractors and others involved in fulfilling contractual obligations.

Suppliers are encouraged to apply the key principles of the Code to their subcontractors.

General Provisions

KN Energies develops advanced, regionally important sustainable energy infrastructure and seeks to contribute to a climate-neutral economy. The Company builds long-term, cooperative relationships with Suppliers, with particular focus on environmental protection, occupational health and safety, and high standards of business ethics, transparency and social responsibility.

To ensure consistent cooperation, KNE expects Suppliers to comply with applicable laws and follow the principles of this Code. These principles support transparent cooperation and sustainable business development.

The Code follows Lithuanian and EU legislation, KNE internal documents and procedures. Its recommendations cover key areas of responsible business: human and labour rights, environmental protection and fair business practices. The Code draws on international principles, including the UN Global Compact, International Labour Organization conventions and other international instruments.

2 Social Responsibility

KN Energies seeks to cooperate with Suppliers that adhere to the principles of professionalism and business ethics, respect human rights and ensure safe and healthy working conditions. Suppliers operate in compliance with applicable legal requirements, including labour law, human rights and personal data protection, as well as relevant international standards.

The Supplier aims to adhere to the following principles:

Ensure **equal opportunities** and **non-discrimination**:

- provide equal working conditions regardless of gender, age, social status, nationality, race, disability, political or religious beliefs, or other characteristics unrelated to work;
- provide equal opportunities for learning and professional development.

Ensure **fair working conditions**:

- pay fair remuneration and comply with working and rest time requirements;
- respect employees' right to join trade unions and participate in collective bargaining.

Provide **responsible conduct** within the organisation:

- allow employees to report violations anonymously;
- protect whistleblowers from negative consequences.

Ensure **personal data protection**:

- respect the right to privacy of employees, customers and other stakeholders;
- implement appropriate technical and organisational measures to ensure data security;
- process personal data in compliance with applicable legal requirements.

Respect **human rights** and principles of **employment relations**:

- not use forced or child labour;
- prohibit corporal punishment and other forms of exploitation;
- respect employees' dignity, privacy and rights;
- prevent discrimination, harassment, psychological or other violence in the workplace;
- base relationships with employees on professionalism and mutual respect;
- conclude clear, transparent employment contracts that comply with legal requirements.



Ensure **health and safety**:

- provide safe and healthy working conditions;
- comply with all applicable occupational health and safety requirements;
- take measures to prevent occupational diseases and accidents;
- ensure the safety of employees, visitors and other persons who may be affected by the Supplier's activities.

These principles cover the key requirements for employee rights, equal opportunities, labour relations, health and safety, and personal data protection established by applicable laws and international standards. Detailed requirements may be set out in applicable legislation and procurement or contract terms.

3

Environmental Protection

KN Energies, in carrying out its activities and procuring goods, services and works, seeks to minimise negative environmental impact, including climate change, environmental pollution, waste generation and the use of natural resources. Suppliers are encouraged to operate in an environmentally responsible and efficient manner, comply with applicable environmental requirements and consistently reduce their environmental impact.

These recommendations are applied proportionately to the scale of Suppliers' activities. More flexible requirements apply to smaller companies and more comprehensive requirements to larger companies. Suppliers are categorised in accordance with the Law on the Development of Small and Medium-Sized Enterprises of the Republic of Lithuania. The main environmental recommendations for Suppliers are provided below.



Depending on their size, Suppliers aim to follow these recommendations:

Large enterprises:

- implement and apply an environmental management system (ISO 14001, EMAS or equivalent);
- operate in compliance with environmental requirements;
- implement environmentally friendly solutions and reduce environmental impact;
- seek responsible sourcing of raw materials and integrate sustainability principles into procurement;
- give preference to energy from renewable sources;
- measure and manage CO₂ emissions and, where possible, assess the environmental impact of products;
- reduce waste generation;
- ensure waste sorting and recycling;
- handle chemicals safely;
- take back products no longer in use upon KNE's request;
- favour transport solutions with a lower environmental impact;
- set sustainable development objectives and implementation measures;
- assess and seek to reduce the environmental impact of activities;
- disclose environmental performance indicators where applicable.

Micro, small or medium-sized enterprises:

- have an environmental policy or apply measures to reduce environmental impact;
- operate in compliance with environmental requirements;
- implement environmentally friendly solutions and reduce environmental impact;
- give preference to energy from renewable sources;
- reduce waste generation;
- sort and recycle waste;
- handle chemicals safely;
- take back products no longer in use upon KNE's request;
- favour transport solutions with a lower environmental impact;
- assess and seek to reduce the environmental impact of activities.

4 Business Ethics

KN Energies conducts its activities honestly, ethically and in compliance with applicable legal requirements, and expects Suppliers to follow the same principles.

Fair competition

- conduct activities in accordance with fair competition principles;
- comply with competition laws;
- avoid any anti-competitive or cartel agreements.

Gifts and hospitality

- not provide gifts or hospitality to KNE employees that could influence decisions or create the impression of such influence;
- provide gifts or hospitality only for legitimate business purposes and in compliance with applicable requirements.

Transparency and accountability

- maintain accounting records in accordance with legal requirements and provide accurate and timely information;
- reduce dependency on Suppliers and manufacturers operating outside the EU, NATO, EEA or OECD.

Financial transparency

- not be directly or indirectly involved in money laundering;
- take measures to prevent such activities.

Anti-corruption

- not tolerate any form of corruption, including bribery;
- implement anti-corruption measures;
- identify and manage corruption risks;
- involve employees in anti-corruption initiatives.



Advanced business practices

- apply responsible and advanced business practices;
- promote innovation and invest in employee competencies, technologies and sustainable solutions.

Conflicts of interest

- avoid conflicts of interest and not engage in activities prohibited by law.

National security and sanctions

- comply with international sanctions and national security requirements;
- refrain from activities that could pose a risk to national security or conflict with the interests of the Republic of Lithuania and the European Union.

5

Compliance with the Code

KN Energies expects the Supplier to comply with the principles set out in this Code and, where necessary, be able to demonstrate such compliance. Where a procurement contract requires all or part of the Code to be applied, the Supplier undertakes to comply with those provisions and KNE has the right to verify compliance.

The Supplier agrees to comply with the following principles:

Cooperation and information

- inform KNE of any identified or suspected violations of the Code;
- ensure that employees reporting violations do not suffer negative consequences.

Remediation of non-compliances

- take measures to eliminate identified non-compliances, correct them within a reasonable time and inform KNE accordingly.

Violations

- refusal to cooperate or provide information may be considered a material breach of the Code.

Audits and control

- cooperate during inspections carried out by KNE and promptly provide the necessary information, subject to agreement on the scope, timing and procedure for providing data.



Reporting channel

Violations or difficulties in implementing the Code may be reported to the KNE contact person or through the Speak Up reporting channel:

Email:
SpeakUp@kn.it

Call or SMS:
+370 686 90155

Online form (anonymous):
[Speak Up form](#)