AB "PIENO ŽVAIGŽDĖS"
CODE OF BUSINESS ETHICS

The public limited liability company "Pieno žvaigždės" (hereinafter - the Company) is one of the largest and most modern milk processing companies in Lithuania and the Baltic States. It aims to be a leader in the production of dairy products, and in carrying out its activities the Company considers economic and social aspects as well as takes responsibility for the impact and consequences of its actions as a market participant, employer and community member. The Company owns production branches "Panevėžio pienas", "Kauno pienas", "Mažeikių pieninė", "Pasvalio sūrinė", and a logistics centre in Vilnius.

The Company's Code of Business Ethics sets out core business principles upon which the Company's business is based and the Company's employees are guided in establishing and maintaining relationships with customers, suppliers, partners, state authorities, and in communicating with each other.

The Company's business ethics is based on the following principles:

1. **Respect for human rights and freedoms.** We respect and guarantee the human rights established in the international and Lithuanian law, and do not tolerate any form of direct or indirect discrimination, or instructions to discriminate based on gender, race, nationality, language, origin, social status, faith, beliefs or opinions held, age, sexual orientation, disability, ethnicity, or religion. The Company also does not tolerate any form of harassment, psychological violence, bullying, or abuse of position. We do not employ persons below the minimum age stipulated by the laws of the Republic of Lithuania. We do not use forced or compulsory labour.

2. **Safe working conditions.** The Company's each employee shall be provided with safe and harmless to health working conditions irrespective of the type of employment contract, place of work, working environment, nature of work, length of workday (shift), employee's nationality, race, ethnic origin, gender, sexual orientation, age, social status, political or religious beliefs.

3. **Honesty and transparency.** Our relations with employees, clients, partners and the state are based on integrity and transparency. We believe that honest partnership can create lasting and meaningful relationships. We comply with the labour laws. We compete in the marketplace only in compliance with requirements as prescribed by law and do not engage in prohibited, anti-competitive activities. We strongly oppose any form of corruption, bribery or corrupt solicitation. In carrying out our business activities, we do not offer, solicit or promise any unreasonable reward to individuals for the purpose of directly or indirectly influencing them in their performing their functions and decision making. In order to ensure transparency and objectivity in our cooperation with suppliers and business partners, we do not accept any commercial offers of suspicious legitimacy. We openly set out applicable requirements and evaluation criteria to potential partners, and we define the principal terms and conditions of cooperation in contractual agreements: price, quality, delivery and payments terms for products or services. The Company pays state-imposed taxes, makes settlements with employees in a transparent manner and encourages other market participants to act in a transparent manner as well. The Company cooperates with and provides information to state authorities in compliance with requirements as prescribed by law.

4. **Avoiding conflicts of interest.** The Company's employees shall avoid situations where their personal interests are, or may be, in conflict with those of the Company. The Company's employees are obliged not to abuse their rights and duties, and to use obtained information only in the manner as prescribed by local laws and regulations of the Company, and only in the interests of the Company.

5. **Confidentiality.** The Company's employees shall respect and protect, in the course of their work and outside of work, any of the Company's confidential information that they may have received, or have become aware of, in performing their duties; and they shall not use any such information for their own benefit or that of third parties. The Company collects, compiles, uses and stores personal data in accordance with requirements as prescribed by law.

To ensure the effectiveness of business ethics, the Company's employees may submit notes about breaches of this Code, as well as report issues or questions related to this Code of Business Ethics, to their immediate supervisor, to a human resources unit, or to the Company's executives; or such notes may be deposited in special anonymous boxes located at the Company's production branches. The Company's management is responsible for the implementation of the provisions of this Code and for the intolerance of actions that do not comply with the provisions of this Code.

This Code of Business Ethics is not a confidential document. Its provisions may be communicated to the Company's customers, suppliers, partners, creditors and other persons.

Approved by:

/Signature/ Julius Kvaraciejus Chairman of the Board	/Signature/ Aleksandr Smagin General Manager

Approval date: 5 February 2020