

# "SOCIAL RESPONSIBILITY IS MORE IMPORTANT THAN EVER BEFORE"

We are glad you are reading this report. Since the founding of "Scandye", for us social responsibility has been much more than just a formal commitment. It has been the foundation of our business model. Every year we work to strengthen this foundation by embracing new social responsibility practices and innovations. While these annual social responsibility reports function mainly to provide information to our partners, it's also a great way for us to reflect on our achievements in social, economic, and environmental fields. Such a reflection allows us to identify new opportunities for improvement. What's more, the tradition of writing annual corporate social responsibility reports is instrumental in developing a culture of corporate transparency.



We believe that the most important principles of corporate social responsibility have to do with employee rights, environmental protection, and external social relationships. At Scandye, we use these principles as essential building blocks in the construction of our short-term and long-term business development strategies.

In today's world of tensions and crises, a strong adherence to social responsibility is more important than ever before. At our company, therefore, we are tirelessly seeking to balance corporate and personal goals with the needs of the larger community. In 2017/2018, "Scandye" demonstrated a continued commitment in the most important fields of social responsibility:

- Following the principles of the UN Global Compact, we are working against corruption in all its forms and are operating in an open and transparent fashion. These principles are inscribed in our Ethical Employment Policy.
- A special attention is given to the fostering of a safe working environment. This process begins with general practices (evaluation of professional risks and workplace safety improvement measures) and ends with specific investments (such as the availability of an automated external defibrillator in the factory floor).
- We care deeply about the inclusion of our employees in decision-making. We value their opinion and encourage both direct and anonymous messaging. Employee initiatives regarding workplace optimization are also encouraged through the LEAN tool Kaizen Teian.
  - We insure our employees against accidents.
- We installed a new preparation and dosage system for dyes and solutions. This system allowed to automate most of our laboratory processes.
- At "Scandye", we are very serious about preserving natural resources. Working with this goal in mind, we are continuing the implementation of the project for the secondary use of water whereby the water used in production is cleaned and reintroduced to the system of production.
  - As always, we are putting an extra effort to strengthen our relationship with the local community.

In this corporate social responsibility report for 2017/2018, we are both reporting the results of our social responsibility activities and setting new objectives for the future. This is "Scandye's" fifth annual social responsibility report, prepared according to the principles of the UN Global Compact.

I want to thank you personally for showing an interest in our company's progress in the fields of sustainability and social responsibility. I hope that this report will provide you with a clear understanding of our company's identity, values and accomplishments.

# 2018/2019 STRATEGY

Development of new services for clients-shareholders

Development of innovations and new products

Introduction of new measures to optimize the production process

Implementation of environmental projects to optimize the use of natural and energy resources

#### The Publication and Public Accessibility of Social Responsibility Report

\* The corporate social responsibility report of JSC "Scandye" is available at www.scandye.lt in both Lithuanian and English. The report will also be presented to UN Global Compact partners.

#### All interested parties can contact us for more information:

Indrė Anglickienė, Personnel manager, tel.: +370 444 74225, e-mail: personalas@scandye.lt Donata Armalienė, Quality manager, tel.: +370 41466, e-mail: quality@scandye.lt



# JSC "SCANDYE" BUSINESS PHILOSOPHY

MISSION - we are a flexible and sustainable company creating high quality and high value products in the field of textile dyeing and finishing.

**VISION** - to be an appreciated, reliable and reputable provider of wool dyeing and finishing services.

# VALUES:

**COOPERATION** - we are united by our common goals. we are open to cooperation. and we enjoy succeeding together.

**RESPONSIBILITY** - our activities are transparent. every decision is made with a sense of responsibility for the results.

**RELIABILITY** - we always keep our word. we respect the universal principles of morality.

PROGRESS - we seek new knowledge. and we always seek to implement the good practices.

## THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

The social responsibility report was prepared according to the ten principles of the Global Compact.

#### **10 Global Compact Principles:**

## **HUMAN RIGHTS**

- 1. Support and respect the protection of internationally proclaimed human rights;
- 2. Make sure that they are not complicit in human rights abuses.

#### LABOUR STANDARDS

- 3. The freedom of association and the effective recognition of the right to collective bargaining;
- 4. The elimination of all forms of forced and compulsory labour;
- 5. The effective abolition of child labour;
- 6. The elimination of discrimination in employment and occupation.

#### **ENVIRONMENT**

- 7. Support a precautionary approach to environmental challenges;
- 8. Undertake initiatives to promote environmental responsibility;
- 9. Encourage the development and diffusion of environmentally friendly technologies.

## **ANTI-CORRUPTION**

10. Businesses should work against corruption in all its forms, including extortion and bribery.

[http://www.unglobalcompact.org/aboutTheGC/TheTenPrinciples/index.html]



# JSC "SCANDYE" HISTORY

For fifteen years now, JSC "Scandye" has been upholding the best Scandinavian traditions in the field of textile dyeing and finishing. Scandye continues the traditions of one of the oldest of Denmark's textile companies Gabriel A/S, established in 1851, and Norwegian company Devold of Norway AS, established in 1853.



The shareholders of Scandye are Danish company Gabriel A/S (49.29%), Norwegian companies Flakk International A/S and Solberg Eiendom A/S JSC "Devold" (47.18%), JSC "Amber Holding" (3.53%). Our key clients are A/S Gabriel, JSC "Devold", and JSC "Baltijos tekstilė".

The company operates in the former "Mastis" factory building. Throughout 15 years of activity, "Scandye" has achieved fantastic results and developed a strong and cohesive team of dedicated employees. Today it is one of the most successful companies in Lithuania in the field of textile dyeing services.

The company invests in economically efficient technologies, the optimization of information management and technological development, and the professional growth of its employees. These commitments are fundamental to the high quality of our production. In 2017/2018, the number of employees working for the company remained unchanged.



2003 m.

Company starts operations in a former factory building.



2006 m.

Dyeing and finishing of yarn.

2009 m.

Successful introduction of quality management system that adheres to ISO 9001 and ISO 14001 standard requirements for the dyeing and finishing of woven and knitted fabrics.

2010 m.

Successful introduction of the LEAN system (optimization of processes in order to increase productivity).



2012 m.

Successful introduction of quality management system adhering to SA8000 standard requirements.

2018 m.

Jubilant and joyful celebration of the company's fifteenth anniversary.



#### 2005 m.

Start of production: dyeing and finishing of woven and knitted fabrics.



#### 2009 m.

Dyeing and finishing of synthetic fabrics.



#### 2011 m.

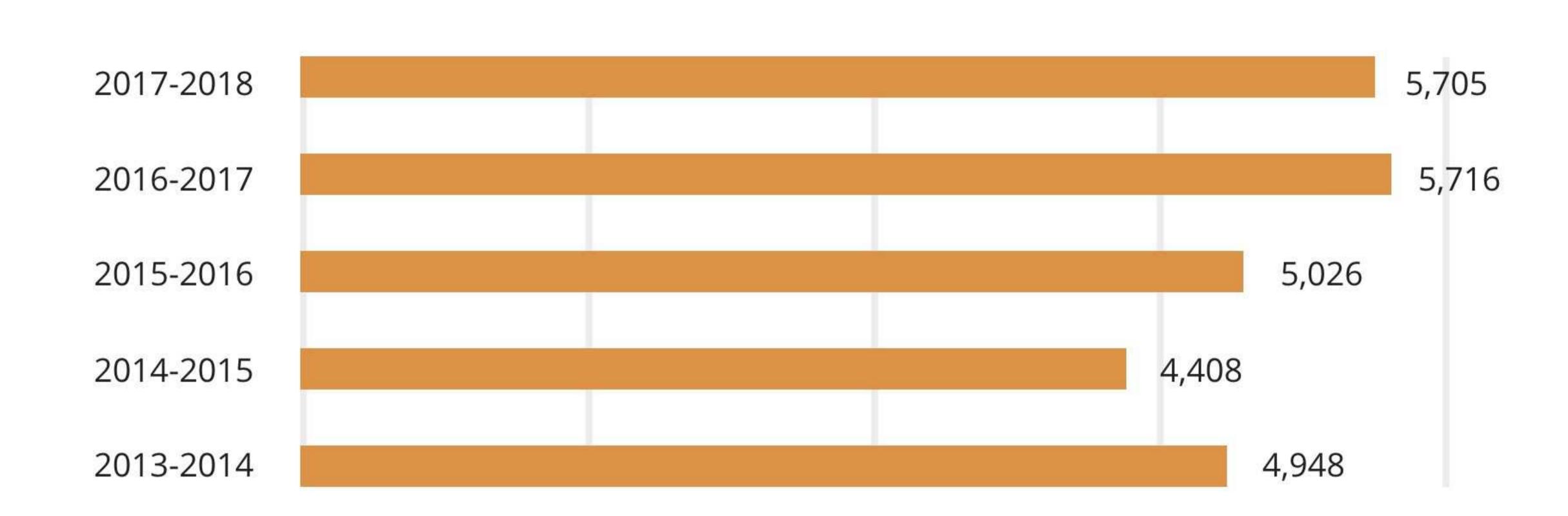
Successful introduction of quality management system adhering to OHSAS 18001 standard requirements.

#### 2017 m.

Quality management system, adhering to ISO 9001:2015, ISO 14001:2015, OHSAS 18001:2007, SA8000:2014 standard requirements, certified according to the updated versions of the same standards for the textile industry (dyeing and finishing of woven, knitted fabrics and yarn).

# JSC "SCANDYE" PRODUCTION AND REVENUE RESULTS

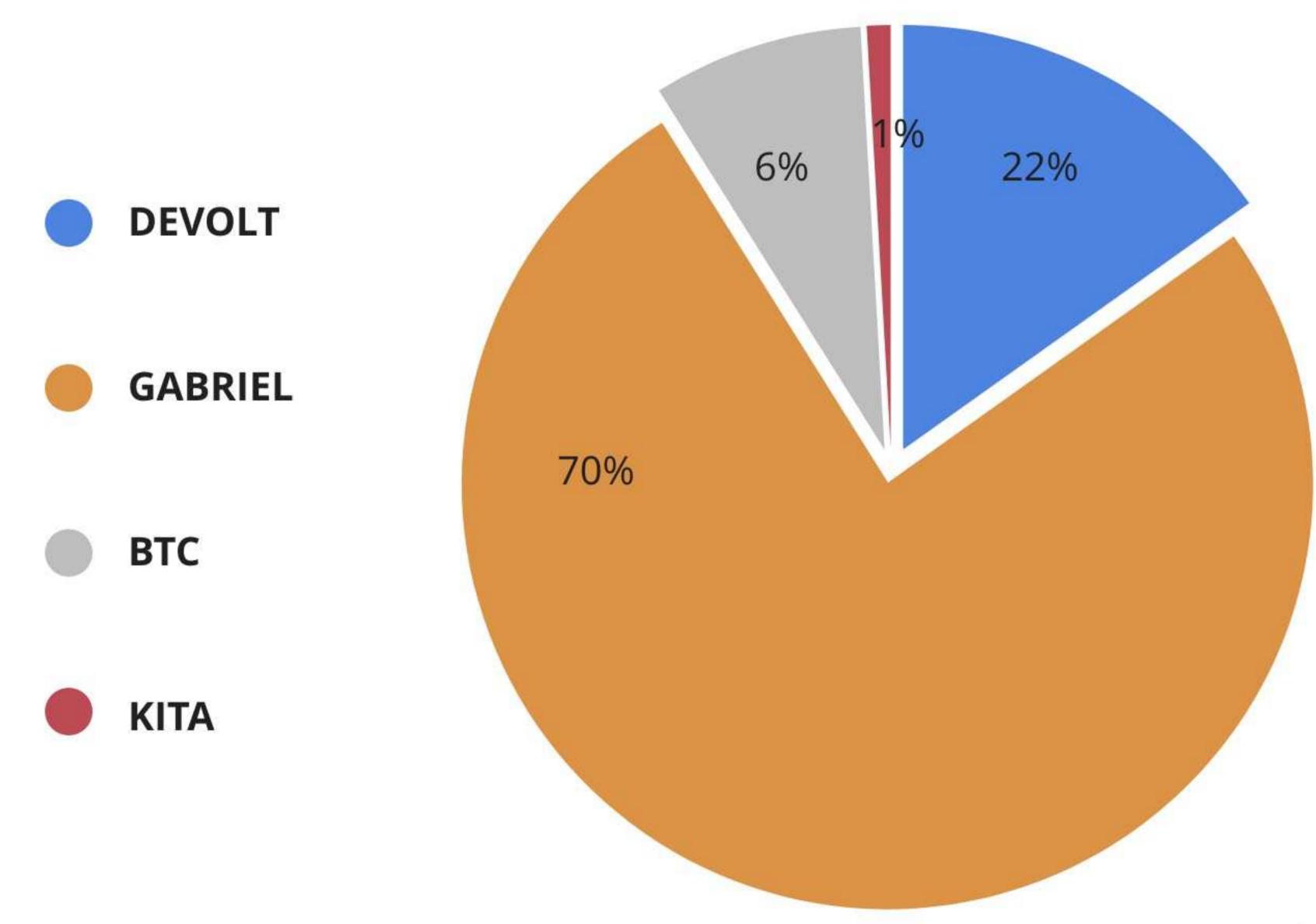
#### JSC "Scandye" annual revenues (mln EUR)



- In 2017/2018, the total annual production output amounted to 1851 tons. This number represents a 10% growth compared to 2016/2017 (1680 tons).
- In 2017/2018, annual revenues amounted to 5.705 million euros, which represents a 2% annual decrease compared to 2016/2017.

In 2018/2019, the company's shareholders are transferring more of their orders to "Scandye" which should result in marked revenue growth.

# MAIN BUYERS IN 2017/2018



\* The company's financial year runs from 1 October to 30 September.

# THE CULTURE OF UNCEASING PROGRESS

A strive for progress is the engine that keeps us going forward. Each year we make new investments in technological advancements, information management tools, and integrated management systems. We believe, however, that the most important investment is regular employee training. Regular training courses and the inclusion of employees in the decision-making process are "Scandye's" priorities that are essential to the company's growth.

The company continues the implementation of efficient management practices. The daily tools that help secure the efficiency of the management system are: daily accountability boards; entries in the discrepancy journal in all production zones; annual revision of production objectives and discussions on discrepancies; internal audits; annual evaluations of the workings of the management system (undertaken by the upper management); quality days with the clients; client satisfaction surveys. These tools help us evaluate the progress, and make the right decisions to optimize the processes that allow us to achieve our strategic objectives.

JSC "Scandye" is open to receiving complaints, and suggestions from all interested parties. All complaints, observations and suggestions are carefully analysed and evaluated. We are open to audits regarding the company's compliance to integrated management system standards (ISO 9001, ISO 14001, OHSAS 18001, SA 8000). If found necessary, preventive or corrective measures are taken.

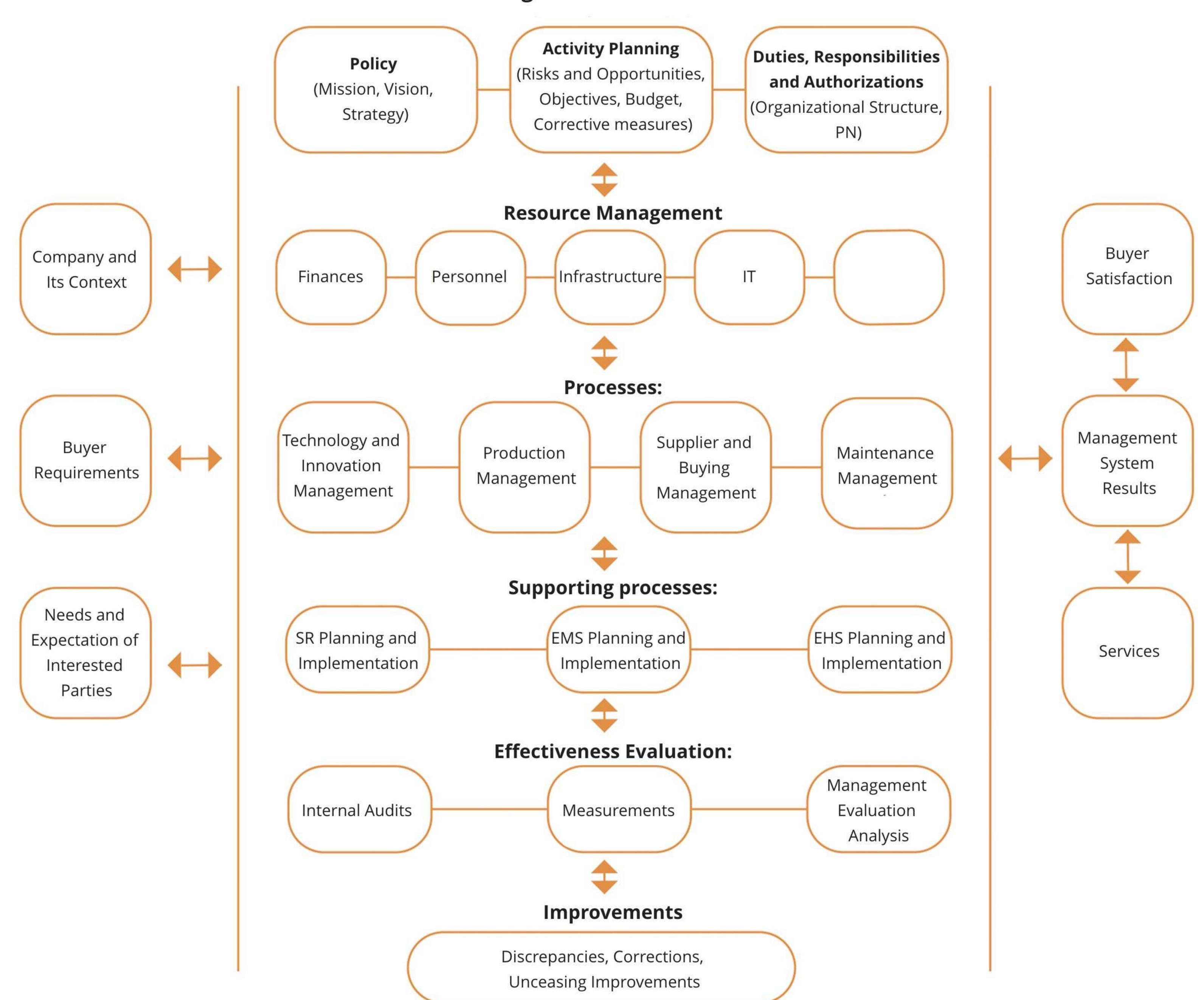


# INTEGRATED AND DOCUMENTED MANAGEMENT SYSTEM





## **Management Commitments**



## INTEGRATED MANAGEMENT SYSTEM

JSC "Scandye" operates under a number of international standards: quality management system (ISO 9001), environmental management system (ISO 14001), employee health and safety management system (OHSAS 18001), social responsibility management system (SA8000). Following these standards, every year "Scandye" formulates new ambitious objectives as a way to foster a culture of unceasing progress.

**Quality:** we are committed to high product quality which is achieved through technological progress and the optimization of production efficiency.

**Environmental Protection:** we are monitoring and minimizing emissions so that our operations do not have a negative impact on human health. Following the principles of pollution prevention, we are optimizing and rationalizing the use of natural and energy resources.

**Employee Health and Safety:** we are committed to workplace improvements and the elimination of workplace risks. What is crucial in this process is the constant improvement in our methods for evaluating and preventing risk factors and accident possibilities. Moreover, we are always working to be better prepared for extreme situations.

**Social responsibility:** ee show utmost respect to employee rights and working conditions. We are operating under a functional social responsibility management system.



In 2017/2018, Scandye continued organizing LEAN seminars for the employees. The seminar was supervised by professional LEAN School experts. Scandye has been committed to LEAN methods since 2010. These methods have contributed to the optimization of the company's overall productivity.

## **OBJECTIVE FOR 2018/2019:**

To renew certification according to a new employee health and safety standard ISO 45001:2018.



# JSC "Scandye" Certificates and Labels

Scandye production meets the requirements of our main client "Gabriel". These requirements prohibit the unsafe use of chemically hazardous materials. Most of the products are certified and come with organic labels. These labels prove that products are safe and environment-friendly.



This is a label for green Lithuanian energy. It means that 100% of electric energy used by Scandye was produced from renewable energy sources. Renewable energy is a way to reduce atmospheric waste which contributes to climate change.

This label (Oeko Tex) ensures that the products were made without using environmentally harmful chemicals or dyes. The label is a guarantee that the product was tested according to the international requirements of Oeko-Tex association. These requirements relate to chemicals which are or may be harmful: formaldehyde, chemical waste with acidic or basic properties, pesticides, phenols, heavy metals, special colorants, and phthalates. There are four basic groups of requirements that apply to different usage (relation to body) of textile.





The flower label is the "EU Ecolabel". It means that production meets the strict criteria for organic certification, and that production processes were based on principles of renewable energy, resource preservation, and reduction of hazardous materials. In the field of textile, the label refers to the quality of the materials, care of untreated wool, and the elimination of chemically hazardous or toxic materials, as well as heavy materials (in both the end-product, and the production processes). In other words, not only the product itself, but the whole life cycle of the product must be environmentally friendly.

"The Nordic Swan" is an environmental label that also encompasses certain aspect of social responsibility. Production processes must respect the environment and comply with the requirements of social responsibility: from the extraction of raw materials to the final product. These requirements apply to all countries of the world.





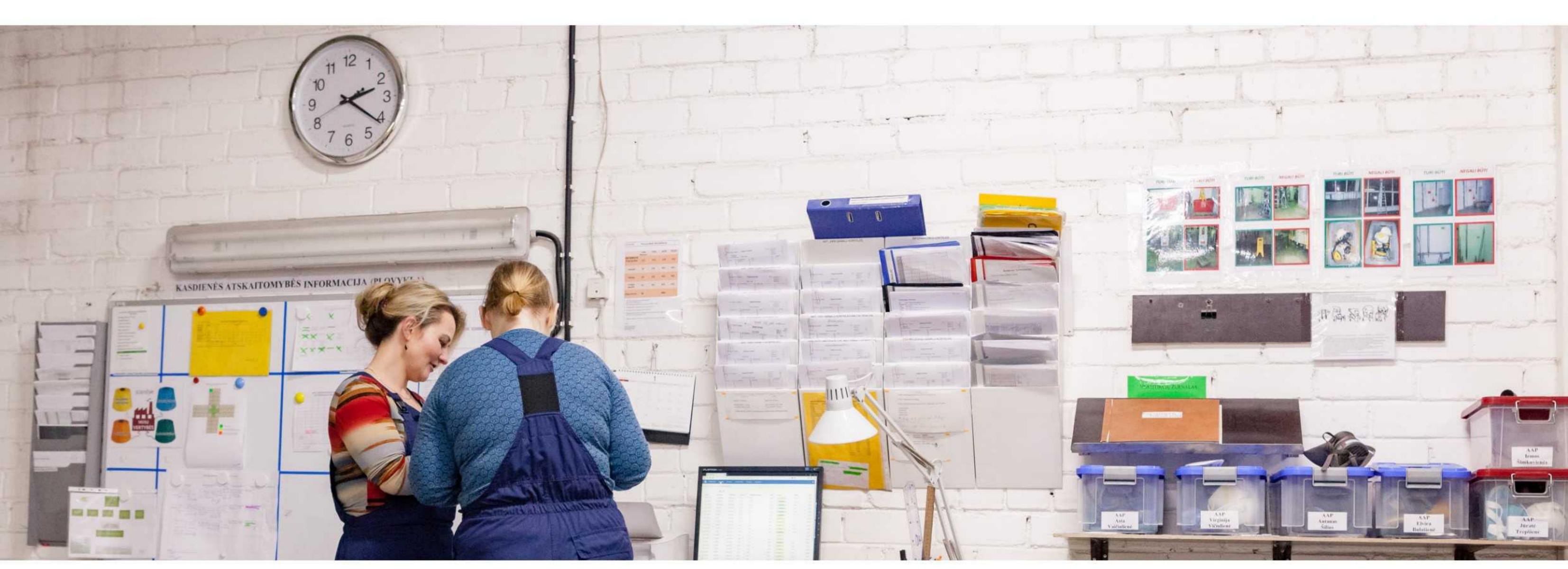
"Cradle to Cradle" is a label that relates to the life cycle of the product. Products must be biodegradable, whereas other products used in the production should be reusable in new production processes. The idea was developed by the team of Michael Braungart (Germany), and William McDonough (USA) in 2002. For "Cradle to Cradle" certification, the product undergoes testing in five different classes: renewable energy; water consumption; identification of health risks; social responsibility; recycling. According to this evaluation, specific tier certification is awarded.

## CULTURE OF SOCIAL RESPONSIBILITY

At Scandye, we believe that financial goals should go hand in hand with the principles of social responsibility. The principles of social responsibility guide us in our relationships with employees, clients, suppliers, and all other interested parties. We make sure that we are committed not only to achieving our strategic business objectives, but also to doing that in a socially responsible way. Social responsibility is a fundamental principle in an entire chain of the company's operations.

## **Equal Opportunities**

Adhering to the sixth principal of the Global Compact, Scandye has created a working environment that is free from all forms of discrimination. Our commitments in this respect are expressed in our Ethical Employment Policy. Specific measures are set out in our Rules of the Workplace. We are proud to say that, in 2017/2018, there were no internal, or external reports of discrimination.



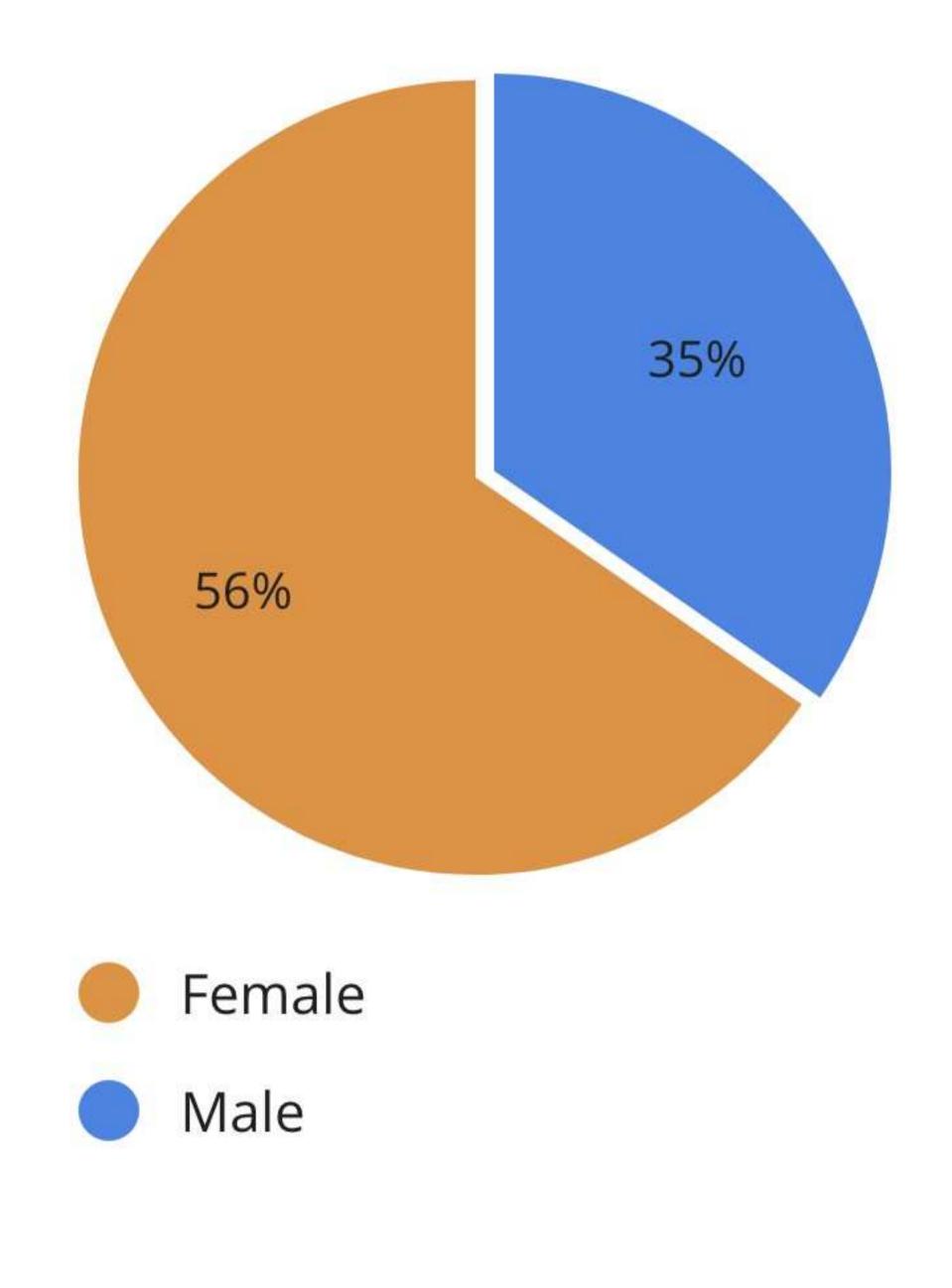
## Fair Pay

We guarantee a transparent and clear pay policy. The rules for calculating and paying wages and other payments are explained in our work pay policy document. This document is based on strict anti-discriminatory principles. Salaries, bonuses and other payments are made following these principles. We respect a right to minimum wage, and employ a special method for calculating the Minimum living wage.

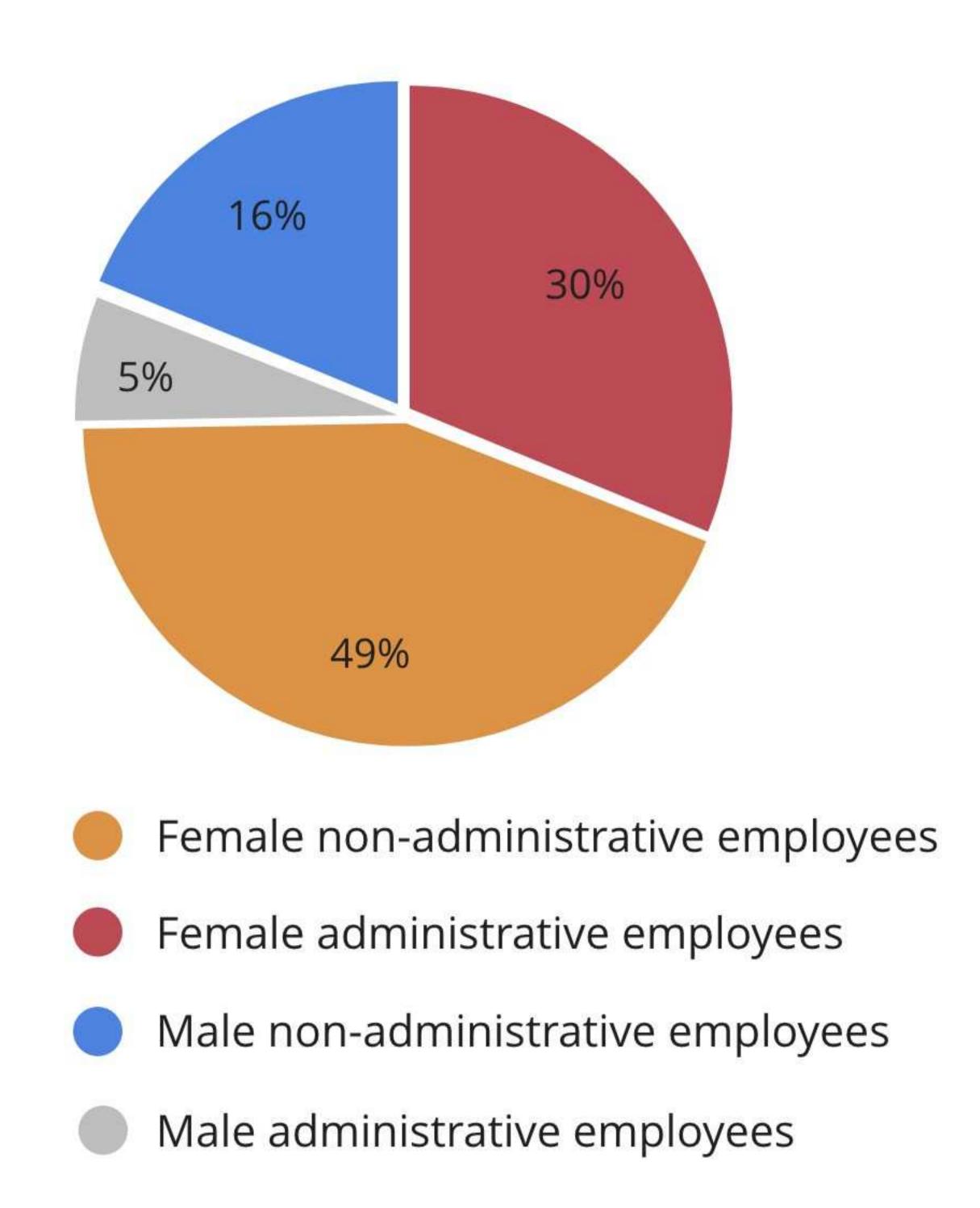
We introduced a new system for determining the qualification level of production operators and mechanics. The objective of this system is to motivate our employees to raise their qualification and to acquire skills in different working zones. Employee salaries were reviewed based on achieved qualification levels. This system guarantees that salaries are determined based on qualification, and not on gender, age or other characteristics that are not related to employee skills and work functions.

#### **GENDER**

# Employee Breakdown by Gender, 2017/2018



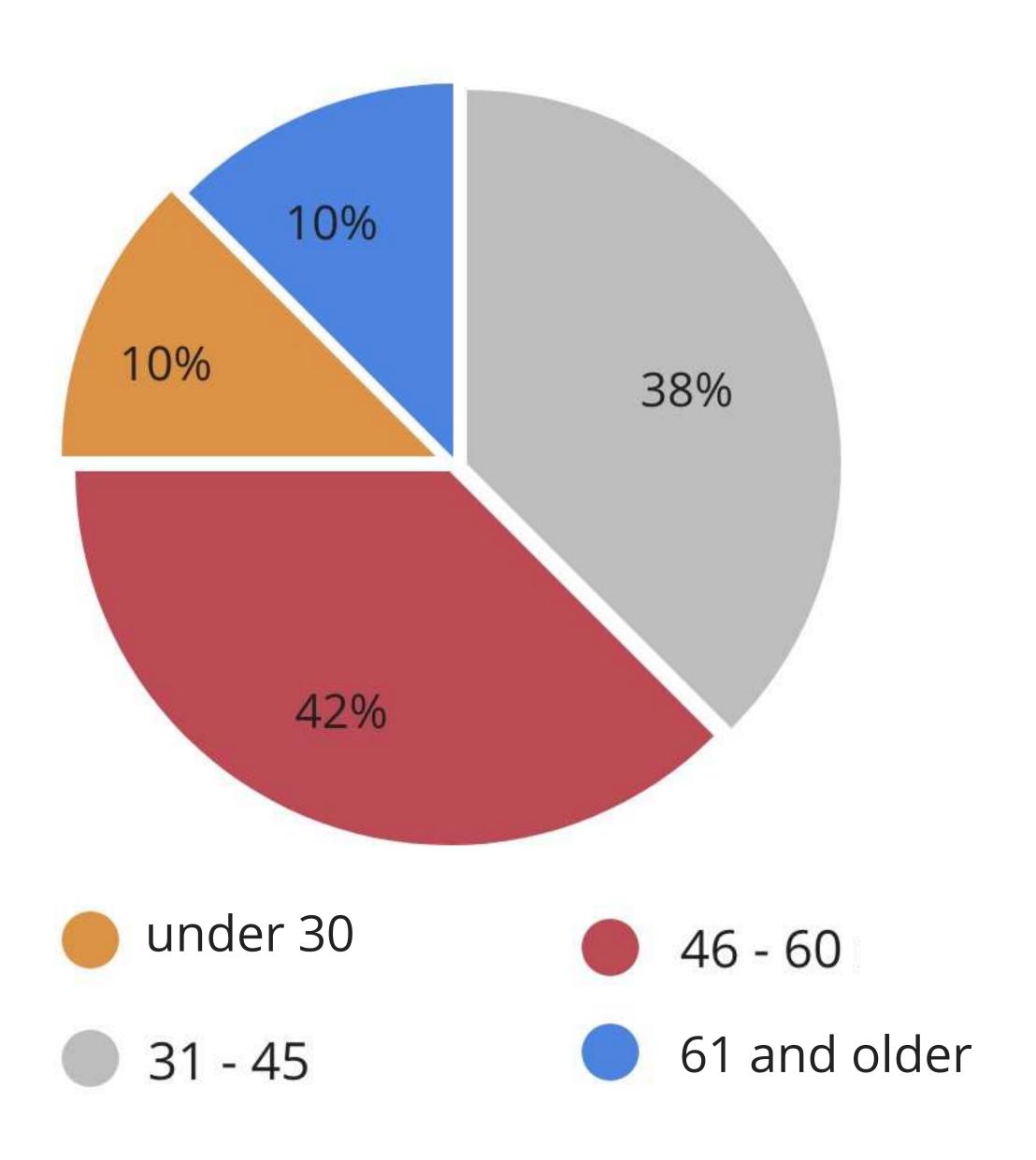
# Employee Breakdown by Position and Gender, 2017/2018



**Important:** as of September 30, 2018, Scandye had a workforce of 93 employees. The number is unchanged compared to the previous financial year. Gender distribution trends remain stable. Women outnumber men by a ratio of 2-to-1. Women in administrative positions outnumber men in administrative positions by a ratio of 3-to-1. In the non-administrative positions, there are 19% more females than males. These numbers are not a sign of discrimination, but rather a reflection of the fact that employment at Scandye is more often sought by women than by men.

#### AGE

#### Employee breakdown by age, 2017/2018



Administrative employees – 40 Non-administrative employees – 47 Non-administrative employees – 44

Important: ge average in both administrative and non-administrative remains unchanged. In the previous financial year, the numbers of employees under 30 and employees over 61 became equal. There are two main reasons for this development. First, staff turnover is low. Therefore, average age has a tendency to grow. Second, we are open to hiring older people because we do not practice age discrimination.

### EMPLOYEE TRAINING AND TRANSFER OF EXPERIENCE

In 2017/2018, the company allocated more than 200 hours for formal and informal training (1258 hours for production, and 841 hours for administration).

Employees were trained to perform special functions. Training programmes were also selected to renew employee knowledge of work health and safety, as well as environmental protection. During the training sessions, employees were encouraged to exchange knowledge and experience, so that they would get a better a grasp of the entire production process. High-qualification employees are learning to manage the production process in a more efficient manner. They are well trained to deal with personnel issues relating to staff turnover and sick leave.

## COMMUNICATION AND COLLABORATION

Scandye has made available a variety of ways for employees to speak out, make a complaint, and offer suggestions for workplace improvements:

- Direct communication with managers; regular general, shift and division meetings.
- Communication through representatives in the company's work council.
- Information exchange with the company's social efficiency team regarding compliance to SA8000 standard requirements.
- Indirect, anonymous and confidential sharing of information through the "Questions-Answers" boxes. The messages are addressed to the management, and the social efficiency team.
- Discrepancies related to social responsibility, employee safety and health, environment, and quality, are entered in F28 discrepancy journals.
- Employee initiatives are also encouraged through the LEAN tool Kaizen Teian. In 2017/2018, this initiative allowed to improve three workplaces (elimination of time waste, improvement of work safety). Initiative employees were financially rewarded. While the number of initiatives decreased, we remain committed to using Kaizen Teian programme because it brings obvious value. What matters is not the quantity of initiatives, but rather their quality.

## EMPLOYEE OPINION SURVEY



According to the results of the 2017/2018 opinion survey, employees feel good about working at JSC "Scandye". Percentage of general satisfaction stands at 85%. In 2017/2018, employees were more positive about their working environment: 2017/2018 – 92%, 2016/2017 – 87%. The results of the survey are also important in terms of suggesting how employee satisfaction can be further improved. Each year, we do our best to foster a comfortable and inspiring working environment, so that every employee can feel good at work.



## Table tennis.

## Christmas dinner and festive concert "Best of 90's"

## In August 2018, the company celebrated its fifteenth anniversary.

All employees travelled to the Lithuanian seaside. We first went on an exploratory excursion taking a ferry from the village of Mingė to the town of Nida. During the ferry trip, employees were entertained by a professional entertainer and a DJ.

In Nida, celebrations continued as all employees set down for a festive dinner in a restaurant. 25 employees were awarded with gratitude diplomas and small gifts of



# EXTRA BENEFITS FOR EMPLOYEES:



# SAFE AND HEALTHY WORK

We respect employee rights to life and health, and do our utmost to secure a safe and harmless working environment. In 2017/2018, no work-related accidents were recorder. Employee safety is one of the main objectives. At Scandye, we pay special attention to preventive measures. We work hard to identify risk sources. We record incidents and take proactive measures to eliminate potential risks. To improve work safety, division managers cooperate with all employees to identify and eradicate risks and discrepancies. Two different teams oversee employee safety and health: Employee safety and health council, and Employee safety and health committee. We pay special attention to employee education regarding safety and health topics, updating learning materials and improving their distribution. Both collective and personal safety measures are undertaken to secure employee health and safety, as well as to reduce professional risks.

In 2018, the National Public Health Laboratory undertook an evaluation of professional risks in 21 workplaces at Scandye. During the evaluation, experts examined physics-based, chemical, ergonomic, physical and psychosocial professional risk factors. In most workplaces, professional risk was determined to be very low (acceptable risk). In a small number of workplaces, professional risk was determined to be medium (tolerable risk). Immediately after the evaluation, Scandye adopted over 30 measures in order to eliminate and reduce the identified risk factors. Around 70% of these new measures have already been fully implemented. Examples: new LED lights installed in production facilities; additional lights installed in the warehouse facilities; introduction of extract ventilation in the chemical warehouse facilities.



## **IMPLEMENTED MEASURES 2017/2018**

- National Public Health Laboratory undertook an evaluation of professional risks;
- Workplace at the chemical station was improved by setting up a separate room for the operator;
- To eradicate the risks resulting from the use of hydrochloric acid, it was decided to introduce formic acid and citric acid;
- To improve the microclimate in production facilities, warm air curtains were installed near the lifting gates, thereby employing surplus heat;
- A new working cabinet was set up for quality controllers responsible for the printing of labels;
- A table tennis set was set up in the leisure area;
- EU-funded project "Kompetencijos LT" was implemented, giving Scandye's employees access to high-quality special training classes.
- An evaluation of chemical station risk factors was conducted leading to the formulation of a new Accident Readiness and Response Plan for the chemical station.
- In order to save lives in the case of heart attack, an automated external defibrillator was made available for use in the working facilities.
- Employees received training regarding first-aid and the proper use of the automated external defibrillator.
- Employees took a training course in evacuation and the use of fire extinguishers.

## SOCIAL RESPONSIBILITY OBJECTIVES 2018/2019

- To install mobile barriers near machinery that is close to walkways, so that employees are protected against accidentally touching hot machinery surfaces.
- To set up a voice alarm system, so that employees are efficiently warned in case of fire and evacuation necessity.
- To renew the company's plan for the management of extreme situations. The plan will be drafted together with the administration of Telšiai city municipality.
- To educate employees about the benefits of vaccinations.
- To continue community support projects.



## TIES WITH LOCAL COMMUNITY 2017/2018

#### **Financial Support:**

Telšiai district Drama Theatre of Žemaitė

#### Non-financial support (production scraps):

- Telšiai Faculty of Vilnius Academy of Arts
- Telšiai district Drama Theatre of Žemaitė
- Apeiron theatre
- Telšiai special school
- Sub district of Varniai

#### **Sharing of Knowledge and Experience:**

• Scandye continues the good practice of inviting students to visit the factory and learn about the industry.

#### TRANSPARENCY

At Scandye, we operate honestly and openly. We strive to build stable and trust-based relations with employees, suppliers, clients, the community, and the public institutions. We operate transparently and do not tolerate corruption. We do not accept gifts of any kind from job applicants. We work against corruption in all its forms, including bribes for public institutions. We are leading by example to promote fair competition, and to foster an ethical business culture.



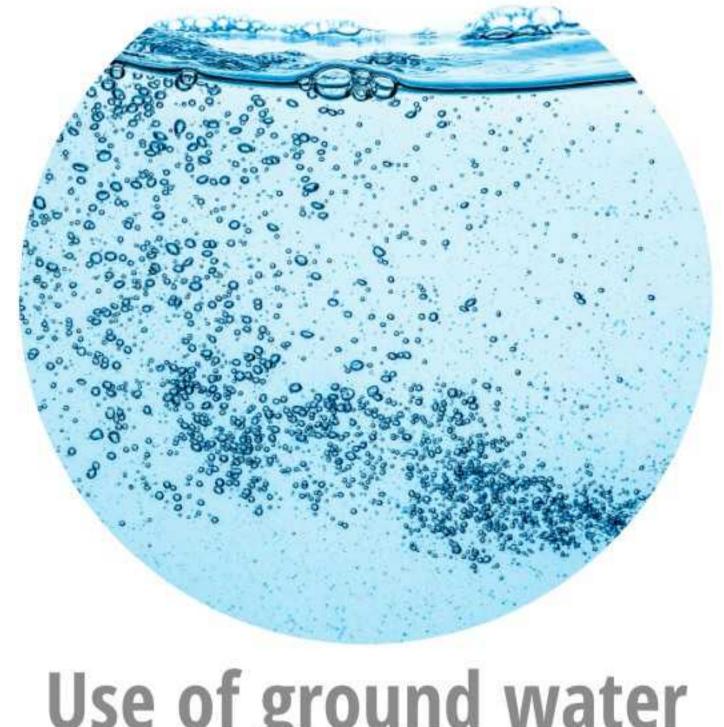
# ENVIRONMENT-FRIENDLY SOLUTIONS

We care deeply about the environment, its protection and preservation. We, therefore, pay special attention to crucial environmental objectives, and take measures to achieve these objectives.

#### ENVIRONMENTAL AREAS OF ACTION 2017/2018:



**Electricity consumption** 



Use of ground water



Use of natural gas



Industrial wastewater



PES waste



Chemical and dye control

CONSUMPTION OF ENERGY RESOURCES						
	<b>Water</b> usage (m3/kg production)		<b>Electricity</b> usage (KWh/kg production)		Natural gas usage (m3/kg production)	
	target	fact	target	fact	target	fact
2014-2015	0.158	0.142	1,55	1.53	1,10	1.03
2015-2016	0.14	0.131	1.50	1.38	1.05	0.93
2016-2017	0.13	0.124	1.18	1.231	0.8	0,815
2017-2018	0,12	0,126	1,18	1,27	0,80	0,82

In 2017/2018, consumption of energy resources grew due to the rise in PES production

### IMPLEMENTED MEASURES 2017/2018:

- As in the previous years, employees could receive bonuses for great energy saving results.
- The company changed all of its lighting from luminescence luminaires to LED luminaires (which do not emit mercury).
- Scandye is a proud participant in the initiative that aims to reduce the pollution of the Baltic sea. The project is based on a bold ambition to eliminate all prohibited waste by 2020.
- We extended our contract with Kaunas Hydroelectric Power Plant, from which we are buying 100% green Lithuanian energy. "Green Lithuanian Energy" is a label that marks electric energy produced in Lithuania from renewable energy sources.
- All dyes and chemicals used in production correspond to both EU regulations for chemical materials (REACH), and Oeco-Tex standards.

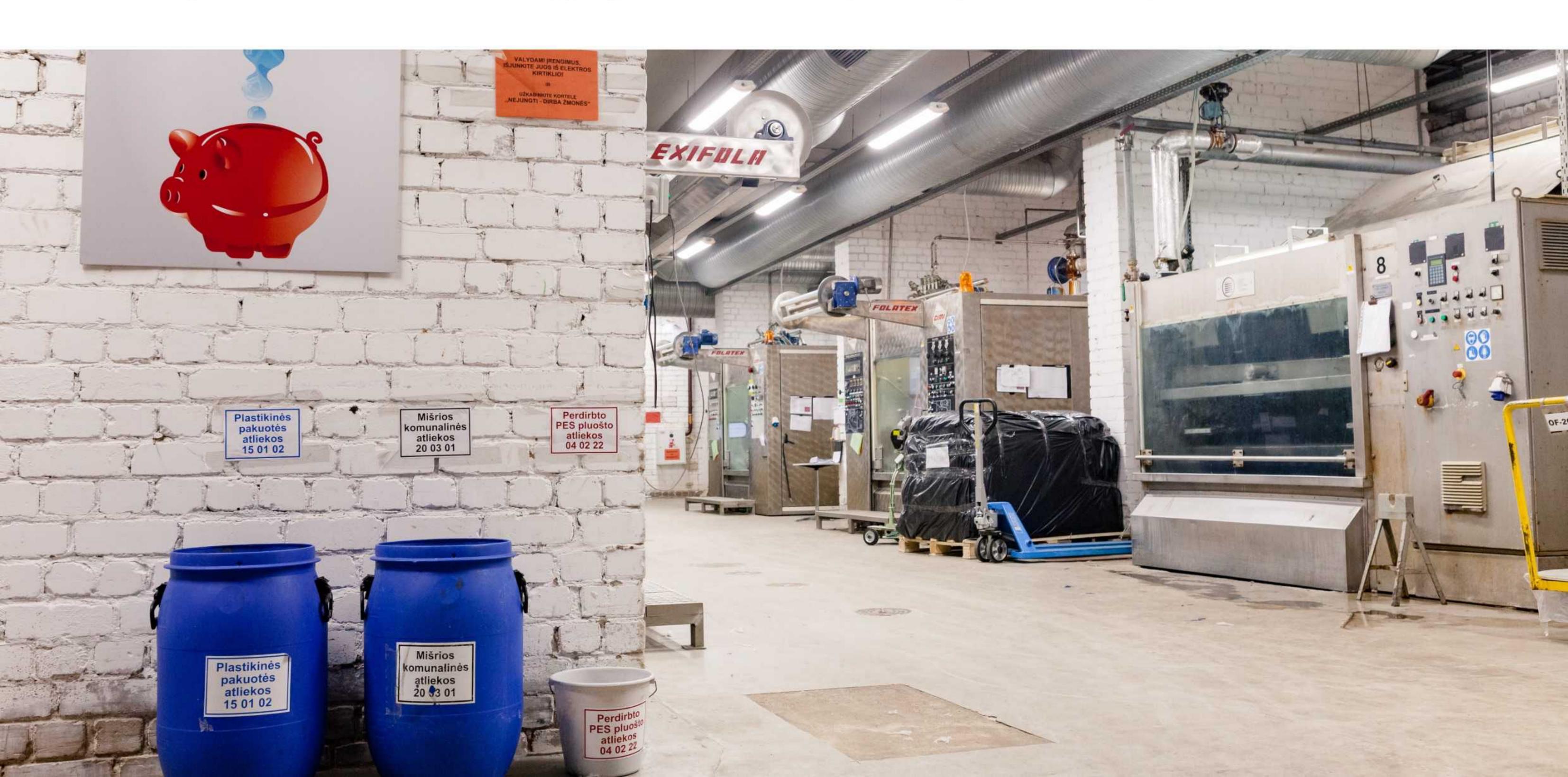
- We installed a new preparation and dosage system for dyes and solutions. This system allowed to automate most of our laboratory processes, thereby eliminating the possibility of human error and stabilizing production recipes.
- We further improved the working of our automatic dye and chemical dosage system which had been installed to eliminate direct employee contact with dyes and chemicals. The system also reduced chemical concentration in the working area. Furthermore, the usage of dyes and chemicals was optimized, and the need for reprocessing reduced.
- The company purchased two new Thies Soft TRD automated PES dyeing machines. This equipment allows us to save energy and materials, while also increasing production pace and improving employee safety.

## WASTE MANAGEMENT

- We extended our contract with the public agency "Žaliasis taškas" (Green Point) regarding the recycling of packaging waste. As a result, more than 87% of our paper and plastic packaging waste gets recycled.
- Scandye actively promotes waste sorting habits, waste reduction and recycling. Posters and special signs encourage employees to be conscious about energy conservation and recycling.
- In order to reduce the formation of PES waste, each month an analysis is undertaken to understand the reasons for PES waste formation. Analysis leads to measures that aim to tackle this problem.
- We are managing textile waste in an efficient way. Specially sorted wool waste is made available for secondary use. Textile PES waste is burned. Unrecycled waste is used as a fuel.

## **OBJECTIVES 2018/2019**

- 1. Taking into consideration the production of PES, Scandye aims to maintain optimal levels of energy resource use:
  - Gas: 0,86 m3/kg (current average 0,82 m3/kg);
  - Electricity: 1,3 kWh/kg (current average 1,27 kWh/kg);
  - Water: 0,12 m3/kg (current average 0,126 m3/kg).
- 2. Scandye will continue the implementation of the water treatment project "Waste Water Treatment and the Secondary Usage of Water in Production," which will help us reuse at least half of the water used in production.
- 3. Scandye will continue the implementation of its solar energy project.
- 4. Scandye will continue the LEAN training programme in order to optimize key environmental protection factors.



# ETHICAL EMPLOYMENT POLICY

We respect human rights and freedoms and, as an organization, we accept our responsibility to protect and realize those rights and freedoms. Conforming to the social responsibility standard SA8000:2014, the management's social commitments are inscribed in Scandye's Ethical Employment Policy. This policy is clearly formulated and available to all interested parties. These are the policy's main tenets:

- To implement ethical employment policy.
- To act transparently and practice a zero-tolerance policy towards corruption in all its forms, including extortion, bribery and unlawful forms of gratitude in relationships with interested parties.
- To adhere to social responsibility principles that are reflected in the laws of the Lithuanian Republic, International laws, and internal rules of the company.
- To improve the working of integrated management systems according to EN ISO 9001:2015, EN ISO 14001:2015, ISO 45001:2018, SA8000:2014 standards.
- To publish this policy in a way that is clear, easily understandable and accessible to all parties that are related to the company's activities.

#### **CHILD LABOUR**

To protect young persons from factors that may be harmful to their physical and mental development, Scandye does not employ persons under the age of 18.

#### **FORCED LABOUR**

Our respect for human rights and freedoms is incompatible with any form of forced labour, including unlawful employment conditions, employments fees, taking of personal documents, and restrictions of movement.

#### SAFETY AND HEALTH

We see it as our utmost priority to protect the safety and health of our employees. We guarantee a safe and healthy work environment. To make further improvements in this sphere, we always follow the suggestions of the Employee safety and health committee, and we always listen to complaints and suggestions from individual employees.

# FREEDOM OF ASSOCIATION, AND THE RIGHT TO COLLECTIVE BARGAINING

We respect and acknowledge the right of our employees to form or join trade unions, and to use unions as platforms for collective bargaining regarding work conditions. We abstain from any kind of measures that could be seen as restrictions of these rights. We are fostering a favourable environment for employee representation through an

#### DISCRIMINATION

We do not tolerate, and we fight against all forms of discrimination.

#### DISCIPLINE

We treat our employees with respect. We do not tolerate, and we do not practice physical punishments, nor do we practice psychological and verbal abuse. All disciplinary measures must, and do conform to the laws of the Republic of Lithuania.

#### **WORKING HOURS**

Working hours conform to the laws and working time regulations of the Republic of Lithuania. At Scandye, overtime work is not a common practice. When it is practiced, we make sure to pay bonuses, and to adhere to the laws regulating work and overtime hours.

#### **FAIR PAY**

We respect the right of the employees to a fair pay. Weekly rates must never be inferior to the national or industry-specific minimal wage standards. Employee salaries must be sufficient to cover all basic expenses, as well as unexpected necessary expenses. Salaries are paid on time and according to agreed time intervals, and with full compliance with the laws and regulations of the Republic of Lithuania. We do not tolerate, and we do not practice unlawful payments.

