

# UMEGA GROUP

## SUSTAINABILITY REPORT 2024

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## ABOUT THE REPORT

Umega Group, AB (hereinafter referred to as UMEGA GROUP), through this document, discloses the sustainability-related changes that took place in 2024. The Group has taken decisive steps towards becoming a sustainable organisation. This report sets out the objectives and actions that support our main ambition – to ensure that the Group’s activities are as favourable as possible for people and nature. Achieving this within the manufacturing sector is not easy, yet the UMEGA GROUP is committed to taking every possible measure to assess its environmental impact and to seeking solutions that can make it more positive.

In 2024, UMEGA GROUP took fundamental steps in advancing sustainability within the company and laid a solid foundation for its sustainability journey ahead. Key sustainability documents were developed, processes were started to guide operations across the Group, closer engagement with partners and stakeholders is being fostered, and an organisational culture is being nurtured that involves employees in sustainability processes.

This is UMEGA GROUP’s first sustainability report. It will become an annual publication for stakeholders, presenting the Group’s commitments, actions, and progress in the field of sustainability. The report discloses the steps taken, self-assessment, and objectives across the Environmental, Social and Governance (ESG) areas. It has been prepared in line with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The report is publicly available on the Group’s website [www.umegagroup.com](http://www.umegagroup.com) in both Lithuanian and English, allowing all stakeholders to become familiar with it.

### TABLE OF CONTENTS

A Message from the CEO.....	3
About Umega Group.....	5
History of Umega Group.....	8
Values.....	9
Key Events of 2024 .....	11
Markets and Achievements.....	12
UN Sustainable Development Goals.....	14
Stakeholders.....	19
Sustainability Impact Materiality Assessment.....	23
Risks, Their Management and Opportunities.....	27
Sustainability Priorities and Targets.....	30
Umega Group’s Sustainability Documents.....	31
Umega Group Environmental Protection.....	32
GHG Emissions.....	34
Other Environmental Aspects.....	39
Circularity.....	42
Key Initiatives and Plans.....	44
Environmental Indicators.....	45
Umega Group People.....	46
Health and Safety.....	52
Remuneration, Benefits, Protections, Training.....	56
Human Rights.....	64
Umega Group Governance.....	66
Sustainability Management Model.....	67
Business Model.....	68
Reporting Channels.....	76
Anti-Corruption.....	79
Business Ethics.....	80
Supply Chain.....	82
Sustainability in the Supply Chain.....	84
Appendices.....	88

The year 2024 was marked by significant challenges for the manufacturing sector, including an unstable geopolitical situation, economic shifts, changing trade policies, and changes in government in export markets. Although this creates a difficult-to-predict environment, the factories managed by UMEGA GROUP maintain their strength – the ability to adapt and respond swiftly to changes and customer needs.

Sustainability is important to our customers and partners, so we join them in this in this approach and foster collaboration in this area.

In 2024, the Board made the decision to strengthen our position on sustainability and address the needs not only of our customers but also of other stakeholders. The creation of core policies and codes was initiated, training was launched for all employees, and a person responsible for sustainability across the Group was appointed. Supported by all managers, this person drives the necessary changes and engages with stakeholder groups to ensure that UMEGA GROUP’s sustainability direction is purposeful, consistent, and enables confident progress towards becoming a sustainable organisation.

As we embark on these fundamental changes, we invite our suppliers to join us on this journey, collaborate with us, share best practices, and together celebrate the progress towards sustainability across the entire value chain.

Although UMEGA GROUP is not required to disclose sustainability-related information, we have chosen to publish sustainability reports so that all stakeholders can see our commitments, the actions we have taken, our future targets, and the progress we are making.

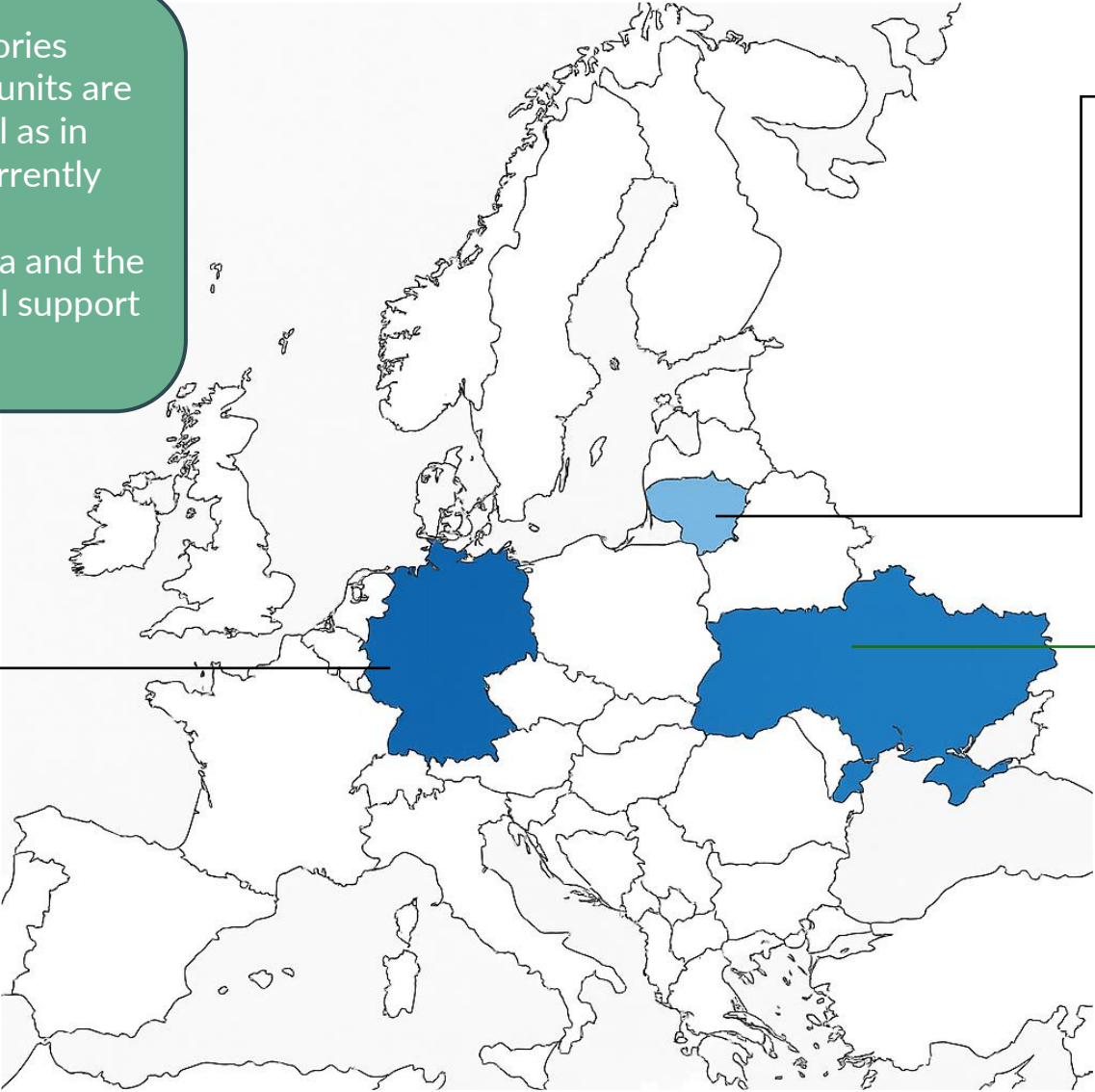
The year 2025 will be dedicated to measuring and assessing our environmental impact, and to setting targets for reducing negative impacts. As Europe aspires to become a climate-neutral continent by 2050, we will also develop our Climate Neutrality Plan, enabling us to contribute to this shared EU goal.



**Gediminas Čeika**  
CEO of Umega Group AB








UMEGA GROUP operates factories in Lithuania and Germany. Its sales units are located in these countries as well as in Ukraine, where operations are currently suspended. Final products are produced in Utena and the surrounding district, where technical support is also provided.



**German**

-  Neustadt/Wied
-  Neustadt/Wied
-  Neustadt/Wied

**Lithuania**

-  Ukmergė
-  Utena
-  Utena District
-  Ukmergė, Utena, Vilnius
-  Utena, Utena District

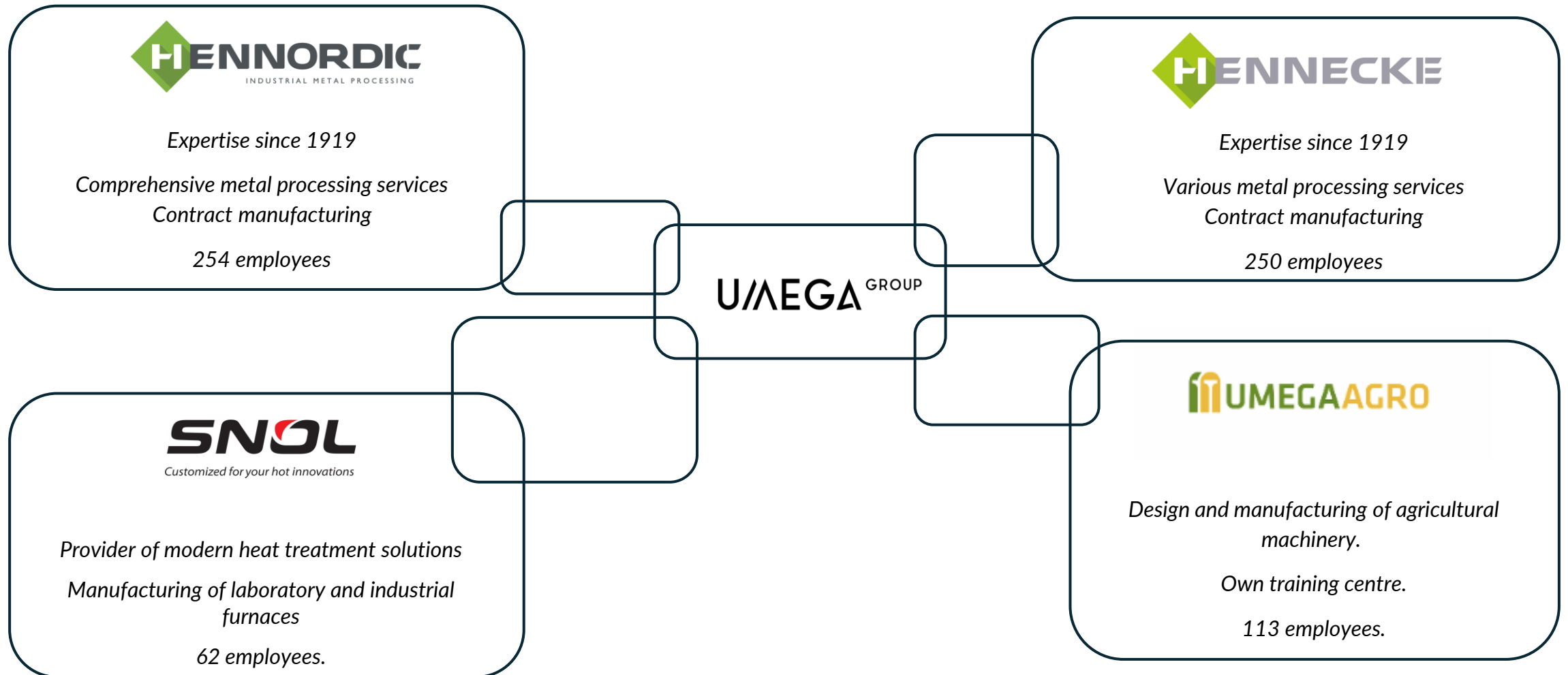
**Ukraine**

-  Kyiv

-  **Factories**
-  **Sales units**
-  **Technical support**

# MANUFACTURING

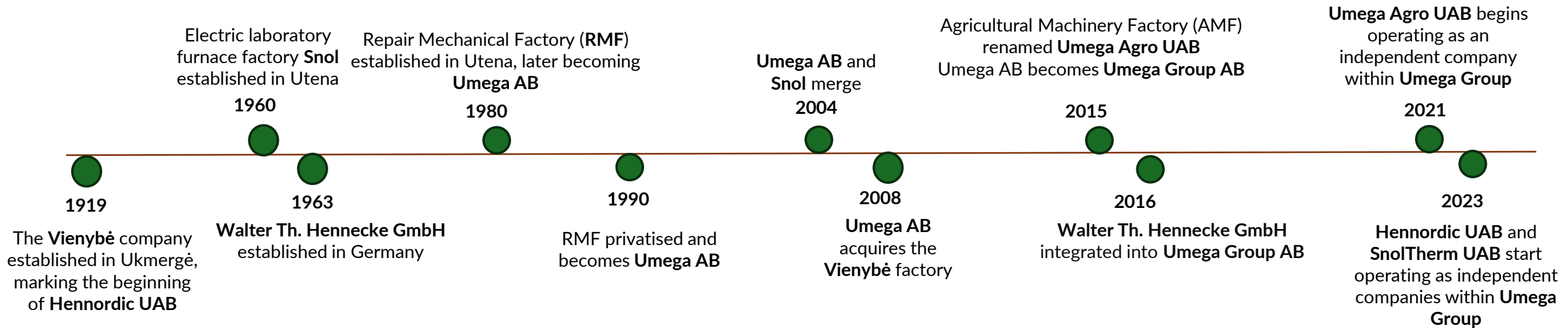
An international group of companies, *expertise, years of experience, continuous improvement, value for customers, innovation, a broad product range, customised solutions, speed, flexibility, and quality.*





# HISTORY

An international group of companies with a rich heritage of craftsmanship, which has grown and transformed into factories providing comprehensive metal processing services. These factories produce components daily for the products of renowned global manufacturers and can offer durable solutions for the automotive, furniture, e-mobility, electronics, renewable energy, defence, and other industries, as well as for agriculture.



## VALUES

**Experience and responsibility.** We take pride in our craft and in the strong relationships we build. Our people drive our success. We encourage collaboration, value diverse perspectives, take responsibility for our actions, foster creativity, and learn from calculated risks and experience.

**Quality and innovation.** By continuously improving our products and processes, we deliver outstanding results. Curiosity and learning drive us to exceed expectations. By embracing new ideas and turning challenges into opportunities, we push boundaries and foster meaningful progress.

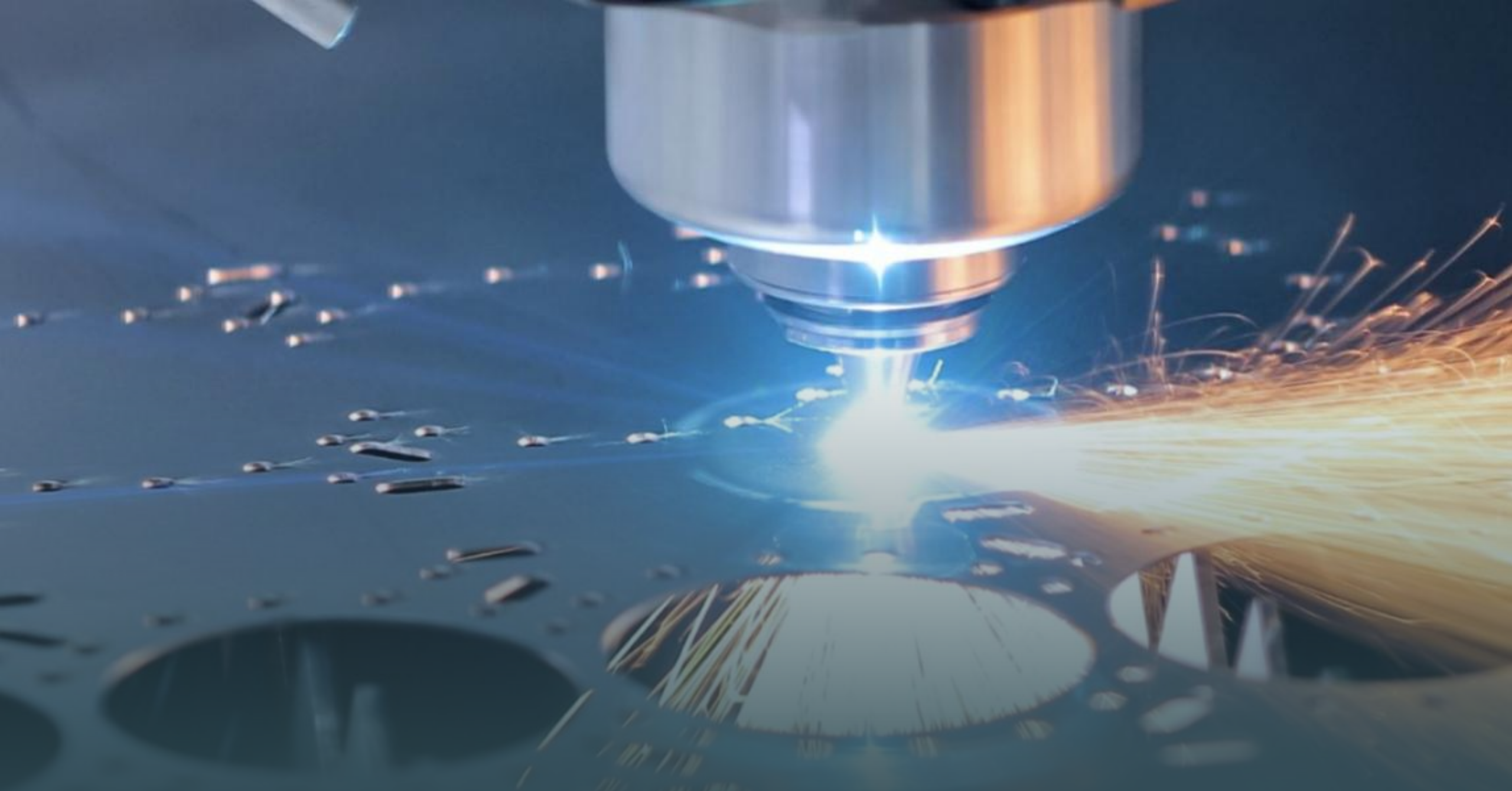
**Respect and transparency.** We treat everyone fairly and honestly. Respectful and open communication is the foundation of our culture, building trust and encouraging dialogue. We listen carefully, value every voice, and ensure that our actions align with our words.

**Our values define our commitment to long-standing craftsmanship, sustainable partnerships, innovation, and high-quality products that serve for as long as possible and create value.**

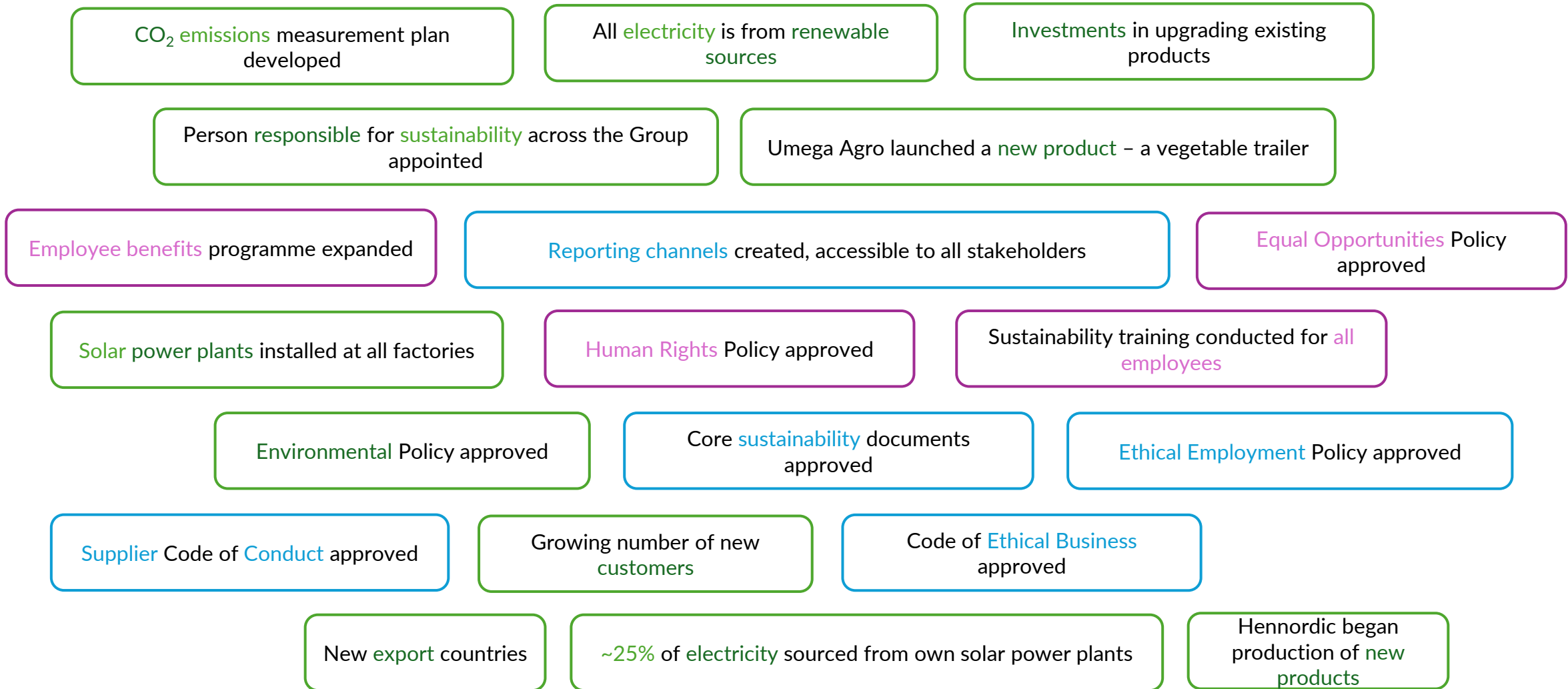
When creating products or bringing our customers' ideas to life, we follow innovations, implement them in our processes, and work together with our partners to anticipate future needs. **Sustainability** is therefore an inherent part of our activities and one of the key foundations of our partnerships.

**Sustainability** encompasses all areas of our company's activities. To achieve progress and growth, it is very important to us that our stakeholders are aware of our goals and the actions guiding us towards becoming a sustainable organisation.

We aim to preserve nature for future generations, be a responsible and attractive employer, a trusted business partner, and a community member that meets expectations.



## KEY EVENTS OF 2024



## KEY EXPORT MARKETS OF UMEGA GROUP



## ACHIEVEMENTS

9 companies

>700 employees

>EUR 70 million in turnover

4 factories

3 countries

65,000 m<sup>2</sup> of factory space

ISO 14001 and ISO 9001

Solar power plants installed at all factories



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We have joined the **United Nations Sustainable Development Goals initiative**, as these goals cover the areas where we have an impact on both people and the environment, and we strive to make that impact as positive as possible.

UMEGA GROUP's goals identified below are long term, aligned with stakeholder expectations as well as with our goals as a group of companies. Guided by them, we not only conduct our operations but also seek to foster positive change in these areas.

Sustainability is a very important part of our business, encompassing all areas of our operations. In pursuit of these goals, we continuously monitor the geopolitical situation, market developments, and the state of the manufacturing sector, while enhancing our technologies, implementing innovations, and consistently striving to meet the needs of our customers and stakeholders. We also work to assess and manage risks, recognising that this is essential for setting long-term plans and business strategy, ensuring consistency in our actions, and accelerating the achievement of our goals and positive impact. We will pursue these goals not only within our own companies, but also in collaboration with our business partners and suppliers, as we believe this is the most effective way to drive overall positive change across the sector.



## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



3.4., 3.9., 3d.

Employee health and well-being  
 Disease prevention  
 Safe working conditions  
 (regular training, third-party monitoring, internal audits, visits by supervisory authorities)  
*Occupational health and safety policy*  
 Continuous monitoring, all necessary measures and prevention.  
 Target of zero workplace accidents.  
 Strict supervision of working and rest schedules.  
 Flexible working hours.  
 The possibility of partial remote work.  
 Possibilities for caring for family members and dependants.  
 Various programmes encouraging employees to take care of their health and maintain a healthy lifestyle (exercise, nutrition, adequate rest).  
 Programme of additional benefits.



5.1., 5.2., 5.5.

Equal opportunities in recruitment and career advancement.  
 Equal pay for equal work.  
 Zero tolerance of discrimination.  
 Aim to increase the number of women in management positions.  
*Equal Opportunities Policy* in place.  
 Training on this topic.  
*Violence and Harassment Prevention Policy* in place, with training conducted on this topic.  
 Fostering an organisational culture.  
 Development of internal talent.  
 Training programmes to support professional development and upskilling.



6.1., 6.2., 6.3.

Access to clean drinking water and appropriate sanitary and hygiene conditions for employees.  
 Collection of chemical waste and handing over to licensed waste management companies.



7.1., 7.2., 7a

Green electricity  
 Investments in renewable energy.  
 Efficient energy use, energy-saving solutions, and adoption of the latest energy-efficient technologies.  
 Heating based on burning straw and wood scraps purchased from farmers.  
 All electricity sourced from renewable energy. Around one-quarter generated by our own solar power plants.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



10.2., 10.3  
 Equal Opportunities Policy in place.  
 Training on this topic.  
 Non-discrimination principles embedded across all processes.  
 Human Rights Policy in place. Training on this topic.  
 Solutions are sought to increase the representation of women in governance.



11.6, 11a  
 Relations with local communities.  
 Factories located in regional areas, with employees drawn from local communities.  
 Local residents employed, regularly trained, and given opportunities to improve their qualifications and develop professionally. Thus, supporting the attractiveness of smaller towns as places to live and work.  
 Green energy solutions beneficial to both people and the environment.  
 Continuous air quality monitoring.  
 Emissions kept within the prescribed limits.  
 Proper waste management and sorting.



12.2, 12.4, 12.5, 12.6  
 Responsible sourcing of raw materials  
 Responsible use of resources  
 Circularity: use of recycled metal in raw materials, reuse of metal scraps, proper waste management and use, transfer for reuse and recycling, reintegration of used water into production.  
 Waste reduction and responsible waste management.  
 Strict procedures for the use, storage, handling, and transfer of chemical substances.  
 Preparation of sustainability reports.



13.1  
 Environmental Policy ISO 14001  
 Renewable energy  
 Calculation of GHG emissions  
 Installation of all necessary filters in factories  
 Identification and management of climate-related risks.  
 Employee training on climate change, its impacts, and potential mitigation measures.

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



### 14.1

Monitoring of wastewater with continuous third-party supervision.

Compliance with all applicable requirements. Wastewater reports submitted periodically and made publicly available on the companies' websites.

All necessary equipment installed to ensure no hazardous wastewater is discharged into the environment or water bodies.



### 15.1

Use of state-of-the-art technologies, equipment, and strict monitoring to ensure that production does not pollute land or soil, nor pose risks to plants, animals, or biodiversity.

Monitoring of wastewater with continuous third-party supervision.

Compliance with all applicable requirements. Wastewater reports submitted periodically and made publicly available on the companies' websites.

All necessary equipment installed to ensure no hazardous wastewater is discharged into the environment, protecting soil, flora and fauna.



### 16.1, 16.3, 16.5, 16.10, 16b

Human rights, violence and harassment prevention, operational transparency, and functioning anti-corruption mechanisms are ensured across all companies. Regular employee training, fostering a respectful, safe, and trust-based organisational culture. Functioning reporting channels in place. All employees have the opportunity, both directly and anonymously, to inform the employer about complaints, observations, or situations of concern in the workplace.

From 2025, suppliers will also be familiarised with core sustainability documents and key requirements to foster collaboration in this area.



## STAKEHOLDERS

It is very important for us to understand and respond to the expectations of our stakeholders. We pay a great deal of attention to both our internal and external stakeholders.

To gain deeper insight into stakeholder interests and perspectives, we dedicate time and effort to identifying key stakeholder groups. Stakeholder interests and perspectives are analysed annually during UMEGA GROUP's strategic sessions, with the heads of the companies reviewing long-term goals.

Collaboration with stakeholders provides the companies with insights that support continuous development, enable the pursuit of new business opportunities, help assess the alignment of long-term goals, and mitigate sustainability-related risks.

The tables below outline UMEGA GROUP's key stakeholder groups, the channels through which we engage with them, their interests and expectations regarding our Group's sustainability performance, and how we respond to them.

Stakeholder Group	Communication	Stakeholder Expectations
<b>Employees</b>	Meetings, surveys, joint activities, training, events. Open-door policy. Internal communication. Reporting channels – opportunities to report unsatisfactory situations confidentially and anonymously.	Safe working conditions. Opportunities for professional development, fair pay, and equal opportunities at work. Pride in the employer.
<b>Customers</b>	Continuous communication through multiple channels, with designated contacts who listen to expectations, respond, and collaborate with the team to find solutions.  Meetings, visits, surveys, audits.	High-quality products, reliability, flexibility, sustainable solutions.  Reputation. Compliance with requirements.  GHG measurement and emission reduction.  Sustainability reports.  Circularity.
<b>Suppliers</b>	Continuous communication through multiple channels, with designated contacts. Contracts and agreements.  Meetings, visits, surveys, audits.  Supplier evaluation.  Supplier Code of Conduct.	Reliability, fair contracts, transparency of payments.  Business continuity.  Long-term partnerships.
<b>Shareholders and investors</b>	Regular meetings, visits, and reports.  Board meetings.  Audited annual reports	Sustainable growth, transparency, risk management, financial return, compliance with requirements. Reputation.
<b>Management</b>	Regular meetings, visits  Business strategy.  Reports	Reputation for sustainable business  Financial return. Risk reduction  Compliance with requirements and disclosure of sustainability-related information
<b>Communities</b>	Employees are part of local communities, and the group maintains relations while taking local residents' expectations into account. Joint events. Reporting channels.	Environmental protection, social responsibility, and strengthening the local economy.  Job stability.  Taxes paid.
<b>Authorities</b>	Reports, visits, and inspections. Official surveys, seminars, and consultations.	Compliance with legislation and requirements. Transparency. Cooperation.

Stakeholder Group	UMEGA GROUP response
<b>Employees</b>	<p>Safe work environment ensured. Programmes, training, and regular instruction implemented under the Occupational Health and Safety Policy.</p> <p>Fair and competitive remuneration. Additional benefits. Work-life balance.</p> <p>Equality principles and human rights ensured.</p> <p>Employee engagement encouraged. Surveys. Reporting channels. Equal opportunities for growth and career development provided.</p>
<b>Customers</b>	<p>Continuous quality improvement, enhancement of customer service, flexibility and responsiveness.</p> <p>Sustainability integration. Measurement of CO<sub>2</sub> emissions. Self-assessment of environmental and social impacts.</p> <p>Compliance with requirements. International certifications. Circularity.</p> <p>Customer questionnaires and membership in international platforms providing sustainability data.</p> <p>Sustainability report published.</p> <p>Supply chain requirements enforced through the Supplier Code of Conduct.</p>
<b>Suppliers</b>	<p>Strengthening partnerships, clear contractual terms, timely payments.</p> <p>Sustainable supply chain.</p> <p>Supplier Code of Conduct, Code of Ethical Business, Human Rights Policy.</p> <p>Monitoring. Assessment. Collaboration with reliable suppliers. Transparency. Objectivity.</p>
<b>Shareholders and investors</b>	<p>Regular provision of financial statements. Sustainable growth. Risk assessment and management. Competitive advantage.</p> <p>Sustainability report. Transparency.</p>
<b>Management</b>	<p>Sustainability strategy and objectives.</p> <p>Sustainability report.</p> <p>Competitive advantage and financial return.</p>
<b>Communities</b>	<p>Taxes paid, support for regional economies. Reputation as a reliable employer. Stable jobs. Transparency. Partnerships.</p> <p>Participation in community initiatives. Support projects.</p> <p>Joint celebrations and events.</p> <p>Publicly accessible sustainability report. Reporting channels.</p>
<b>Authorities</b>	<p>Compliance with legislation, open dialogue, cooperation.</p> <p>Reporting. Disclosure of sustainability-related information.</p>



## SUSTAINABILITY IMPACT MATERIALITY ASSESSMENT

Evaluating impacts, risks, and opportunities enables us to focus on the key areas of sustainability, highlight priorities, and set objectives with concrete actions in sustainability.

Through this materiality assessment, we aim to identify the key sustainability areas that require the greatest attention and action both within our own operations and across our value chain. The process is based on the double materiality principle, taking into account both the impact materiality (how UMEGA GROUP affects people and the environment) and the financial materiality (how various sustainability topics affect the operations and financial performance of UMEGA GROUP).

Below are the material sustainability areas that are important to both UMEGA GROUP and our stakeholders. These areas will receive the greatest attention in order to reduce negative impacts and enhance positive impacts.

**ENVIRONMENTAL**

**SOCIAL**

**GOVERNANCE**

Area	Impact	Potential or Relevant Impact	Where in the Value Chain It Occurs	Expected Timeframe	Own Operations or Business Relationships	Impact Materiality	Financial Materiality
Climate Change Mitigation	GHG emissions, their measurement, and setting climate neutrality targets.	Relevant	Across the value chain	Short, medium, long	Own operations Business relationships	Material	Material
Air pollution	Air emissions do not exceed the prescribed limits. All necessary air filtration systems are installed, with great attention paid to their maintenance.  The Group does not require pollution permits.  Heating for the facilities is provided by boilers fuelled with straw and wood scraps collected from local farmers. Emissions from these boilers do not exceed the pollution limits.	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material
Water pollution	Water consumption is kept to a minimum.  Two out of three factories hold discharge permits for wastewater; the third does not require one. Facilities for treating both surface and domestic wastewater are installed.  Wastewater testing is regularly conducted according to Environmental Monitoring Programmes for Business Entities, coordinated with the Environmental Protection Agency and supervised by relevant authorities. Data are published on the companies' websites.	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material
Materials of concern	The use and storage of chemical and hazardous substances are strictly controlled in full compliance with health and safety requirements. Raw materials meet the RoHS and REACH requirements. After use, the materials are handed over to certified waste management companies.	Relevant	Upstream  Own operations	Short, medium, long	Own operations	Material	Material
Raw materials	When selecting raw materials, preference is given to suppliers holding sustainability certifications. Other procured materials also come with all necessary certificates of origin ensuring no links to conflict-affected areas worldwide (no purchases from Russia or Belarus).	Relevant	Across the value chain	Short, medium, long	Own operations	Material	Material
Packaging	When procuring metals, the share of recycled metal is taken into account. Business partners set targets to include recycled metal in raw materials. Frequently, customers investing in sustainability across their supply chains select reliable raw material suppliers for manufacturers themselves. Customers also show interest in our circularity initiatives.  To ensure stability, suppliers from the EU are chosen.				Business relationships		
Circularity	Packaging is reused within the company's operations and subsequently handed over for recycling.  We are reducing the use of foam, replacing it with corrugated cardboard that is already recycled. Heating for the administrative premises is provided by boilers fuelled with straw collected from local farmers.						
Waste	All metal scraps from manufacturing are collected in compliance with all applicable requirements and handed over to certified metal recyclers.	Relevant	Own operations	Short, medium, long	Own operations	Material	Material
Circularity	All waste is also transferred to certified waste collectors and recyclers.  Sludge is handed over to certified waste management companies and recyclers.  Waste is sorted at all production sites.  All companies have implemented waste management procedures, which are strictly overseen, with all legally required reporting provided.  Environmental inspections initiated by authorities are conducted across the companies.		Downstream		Business relationships		

Area	Impact	Potential or Relevant Impact	Where in the Value Chain It Occurs	Expected Timeframe	Own Operations or Business Relationships	Impact Materiality	Financial Materiality
Working conditions	Safe workplaces are created not only in the physical sense but also by ensuring social protections, continuity, and opportunities for professional development and growth.	Relevant	Own operations	Short, medium, long	Own operations	Material	Material
	Turnover among unskilled employees does not disrupt the companies' operations; additional employees are successfully hired as needed. However, this remains a general trend across the sector. Although the Group makes efforts to attract new employees and collaborates with educational institutions and local communities, fewer young people are choosing careers in metal processing.						
	Training is conducted regularly, and one of the companies has its own training centre.						
	Additional benefits for employees are regularly expanded, and incentive programmes are in place.						
	Employees in non-production roles are offered the possibility to work remotely.						
Working hours	Strict compliance with working and rest schedules is maintained. Responsible employees are appointed to oversee compliance.	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material
	Night shifts are organised in accordance with the procedure established by laws, maintaining a proper work–rest balance and providing higher pay. All overtime work is voluntary. Factories do not operate on weekends, except in exceptional cases for which double pay is provided.						
	Close supervision is maintained to ensure adherence to working and rest hours, shift schedules, and a work–rest balance that is both favourable to employees and compliant with laws.						
	The majority of employees work under open-ended contracts. Fixed-term contracts are only used to hire additional employees to support increased production volumes.						
Fair remuneration	The Group has an approved Remuneration Policy.	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material
	The labour market and its developments are continuously monitored to ensure competitive pay.						
	Men and women performing the same work receive equal pay.						
	All employees receive a fair pay. Salaries are increased annually.						
Social dialogue	The Group facilitates the establishment of works councils, trade unions, and associations.	Potential	Own operations	Short, medium, long	Own operations	Material	Not material
Health and safety	Safe jobs and working conditions are ensured. A great deal of attention is paid to briefings, training, and employee supervision in order to prevent accidents. Although the number of accidents has been low and only minor injuries have occurred in recent years, the Group's goal is to achieve zero accidents. Therefore, employees receive training on occupational safety rules periodically and as needed, and additional training is conducted for those performing higher-risk tasks. Accidents are also analysed to identify how they could have been prevented and what employee errors contributed to them. Funds are allocated for additional health services to encourage employees to take care of their health outside working hours as well.	Relevant	Own operations	Short, medium, long	Own operations	Material	Material
Gender equality	The entire sector faces the same challenge of attracting more women. Although equal opportunities are provided for recruitment, work, and pay, the metal processing sector is still not particularly attractive to women, although there are women working in non-production roles.	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material

Area	Impact	Potential or Relevant Impact	Where in the Value Chain It Occurs	Expected Timeframe	Own Operations or Business Relationships	Impact Materiality	Financial Materiality
<b>Corporate culture</b>	<p>The values of the Group companies companies were established in 2017.</p> <p>The corporate culture is grounded in human rights, equality, respect, non-discrimination, mutual support, and the pursuit of shared goals. These values are reflected in the Group's policies and codes of conduct.</p> <p>Training is conducted on human rights, equality, non-discrimination, tolerance, inclusion, diversity, and business ethics.</p> <p>Engagement with stakeholders is maintained.</p> <p>A great deal of attention is paid to violence and harassment prevention, with dedicated training and a policy in place.</p> <p>Despite operating in different cities, the factories collaborate and exchange knowledge, employees, and customer orders.</p>	Relevant	Own operations	Short, medium, long	Own operations	Material	Not material
<b>Protection of whistleblowers</b>	<p>All employees can use various channels to report potential cases of corruption, misconduct, illegal actions, or any situation that they find unsatisfactory or potentially hazardous. Employees have been informed about the available channels, receive training, and the information is publicly accessible on the website. These channels also allow stakeholders to report potential breaches of ethics, human rights, or other violations, including cases of corruption.</p> <p>Responsible employees are appointed to handle reports.</p>	Relevant	<p>Upstream</p> <p>Own operations</p> <p>Downstream</p>	Short, medium, long	<p>Own operations</p> <p>Business relationships</p>	Material	Not material
<b>Suppliers</b>	<p>Supplier selection and evaluation are carried out.</p> <p>A supply chain management model is in place.</p> <p>Supply chain risks are assessed.</p> <p>Each supplier is required to familiarise themselves with and sign the Supplier Code of Conduct, which outlines sustainability principles in the areas of environmental protection, human rights, and business ethics.</p> <p>Collaboration is maintained with reliable suppliers.</p>	Relevant	<p>Upstream</p> <p>Downstream</p>	Short, medium, long	Business relationships	Material	Material
<b>Anti-corruption</b>	<p>The principles of anti-corruption are set out in the Code of Ethical Business, which all employees are familiarised with, and dedicated training is conducted.</p>	Relevant	<p>Upstream</p> <p>Own operations</p> <p>Downstream</p>	Short, medium, long	<p>Own operations</p> <p>Business relationships</p>	Material	Material
<b>IT security and cybersecurity</b>	<p>In response to the current geopolitical situation and the increased risk of cyberattacks, the Group is reviewing its IT security policy and developing a Cybersecurity Policy. Preparations are underway for training to ensure that every employee is aware of potential threats and risks and knows how to act to prevent them.</p>	Potential	<p>Upstream</p> <p>Own operations</p> <p>Downstream</p>	Short, medium, long	<p>Own operations</p> <p>Business relationships</p>	Material	Material

## RISKS, THEIR MANAGEMENT AND OPPORTUNITIES

Area	Risks	Risk management and opportunities
<b>Climate change mitigation</b>  <b>GHG measurements</b>	Increasingly strict requirements and rising customer expectations, potential reputational damage if CO <sub>2</sub> targets are not met, and possible reduction in orders.	<p>More efficient processes, sustainable customers, and access to financing.</p> <p>Scope 1 and 2 measurements are being conducted. The Group plans to measure Scope 3 emissions for 2025. Based on their results, CO<sub>2</sub> reduction targets will be set.</p>
<b>Air pollution</b>	Filter failures or improper maintenance may lead to non-compliance with requirements.	<p>Investments in more efficient equipment improve operational performance.</p> <p>Special attention is paid to the maintenance of filters.</p>
<b>Water pollution</b>	Accidental wastewater spills. Water from the well not meeting hygiene standards.	Proper maintenance, monitoring, and modern wastewater solutions reduce risks and costs. Wastewater is monitored according to the established procedure. Volumes are made publicly available on the companies' websites. The quality of the well water is monitored in accordance with the relevant requirements.
<b>Waste</b>	Increasingly strict requirements. Risk of non-compliance. Fines may be imposed due to improper sorting.	Circularity is one of the key objectives for manufacturing companies. The Group aims to further enhance circularity, even though it already hands over all waste for recycling, uses raw materials containing recycled metal in production, heats its buildings with biofuels, and employs recycled packaging.
<b>Hazardous, chemical substances and mixtures</b>	Improper use, accidents and pollution. Non-compliance with requirements, reputational damage.	Strict oversight, safety measures, and compliance. Chemical substances and mixtures are handled according to a strict procedure to protect employees' health and the environment, following safety data sheets. Compliance with the REACH and RoHS requirements, continuous monitoring of regulatory updates. Waste generated from the use of chemical substances and mixtures is responsibly collected and handed over to certified waste collectors and recyclers. Chemical substances and mixtures are not stored in large quantities, reducing the risk of major spills. In case of a spill, an adequate supply of sorbents is maintained. Regular employee training is conducted, and all necessary information is stored in databases accessible for all employees working with chemical substances and mixtures.

## RISKS, THEIR MANAGEMENT AND OPPORTUNITIES

Area	Risks	Risk management and opportunities
<b>Working conditions</b>	Employee shortages, turnover, and dissatisfaction.	<p>Motivated employees, an attractive employer image, and additional benefits for employees.</p> <p>Incentive programmes are in place, with benefits programmes for employees regularly updated. Work–rest balance is monitored, and the benefit programme offerings help employees rest properly, take care of their health, and spend their leisure time meaningfully. Fuel costs are reimbursed for employees living within 20 km of the workplace. An employee satisfaction survey is planned to be carried out. Employees are encouraged to voice dissatisfaction through the reporting channels or by communicating directly with their managers.</p>
<b>Remuneration</b>	Non-competitive pay can drive employee departure.	<p>Competitive pay attracting qualified employees.</p> <p>The Group continuously monitors the labour market and the sectors in which it operates. Offered salaries are above market averages.</p> <p>Information on additional benefits, training, and career opportunities is communicated. Collaboration with educational institutions and local communities is maintained.</p>
<b>Health and safety</b>	Accidents, insurance costs, and State Labour Inspectorate fines.	<p>A safe workplace enhances the attractiveness of the organisation as an employer. Modern solutions, regular training, AI solutions in monitoring.</p> <p>Employees are regularly trained and instructed. Solutions are sought to prevent human errors. A culture of mutual care and peer monitoring is promoted to prevent mistakes and harmful consequences in a timely manner.</p>
<b>Gender equality</b>	Legal risks and reputational damage due to discrimination. Customer expectations.	<p>A more diverse team, compliance with EU directives, reputational benefits, and meeting customer expectations.</p> <p>The number of women working in metal-processing companies remains low because of the current situation in the sector, which is rarely chosen as a career path by women. However, efforts are made to communicate that equitable conditions are provided to all, as well as the opportunities to grow, pursue a career, and receive pay and additional benefits.</p> <p>Solutions are sought to attract more women to managerial positions and to the Board.</p>

## RISKS, THEIR MANAGEMENT AND OPPORTUNITIES

Area	Risks	Risk management and opportunities
<b>Protection of whistleblowers</b>	Insufficient action, reports of violations are discouraged.	<p>An effective reporting channel enables timely intervention to stop inappropriate activities, rectify situations, thus preventing employee dissatisfaction and department, reputational damage, and legal consequences.</p> <p>Various reporting channels are available for employees to report incidents or situations related to private or public interests. All employees have received training on the opportunity to express their opinions or report potentially illegal or harmful activities affecting the company, individuals, the environment, or the state. Confidentiality is guaranteed, and whistleblowers are protected from any adverse consequences.</p>
<b>Suppliers</b>	Supply chain risks. Unsuitable or unreliable suppliers. Delays in raw material supply, delays in product delivery, poor-quality raw materials.	<p>A great deal of attention to supplier selection and the quality of supplied materials. Lists of reliable and backup suppliers. Ongoing collaboration with suppliers, their evaluation and risk assessment. A functioning supply chain management model in place. Collaboration with suppliers on sustainability issues. The Supplier Code of Conduct which suppliers must familiarise themselves with and adhere to. Plans are in place to check our suppliers' compliance with the Code for any potential breaches.</p>
<b>Anti-corruption</b>	Instances of corruption = reputational and legal damage	<p>Business ethics and the anti-corruption policy strengthen investors' confidence.</p> <p>The Code of Ethical Business is in place, all employees have been familiarised with it, and dedicated training is conducted. The Code clearly outlines situations to avoid (e.g., conflicts of interest), actions that are not tolerated (fraud, deception, money laundering, attempts to influence, etc.), and essential principles that must be followed to prevent instances of corruption.</p>
<b>IT security and cybersecurity</b>	Vulnerabilities in IT systems, data leaks	<p>Protected data, business continuity, and company reliability.</p> <p>The IT security policy is under review, and an audit is planned to identify ways to further strengthen IT security, ensure the protection of both our own and business partners' data, and the ability to respond quickly to potential external system breaches. Efforts are made to comply with the Cybersecurity requirements and to prepare for possible attacks. Employee training is planned in 2026.</p> <p>An ERP system has been implemented, acting as a safeguard so that only authorised personnel can access data. System access is fully traceable, showing who accesses it and when. Confidentiality agreements are signed.</p>

## SUSTAINABILITY PRIORITIES AND GOALS

Given that the manufacturing sector is experiencing a challenging and difficult-to-predict time, and that customer expectations on sustainability are rising, UMEGA GROUP has accordingly set operational priorities accordingly for the coming years.

During the planned period, these sustainability areas will receive increased attention, with a focus on measurements, self-assessments, and target-setting, as well as the development and improvement of internal company processes and higher requirements for the supply chain.

These priorities are regularly reviewed in response to stakeholder expectations and may be adjusted accordingly.

ENVIRONMENTAL	GHG MEASUREMENT: Scopes 1 and 2; Scope 3	2024–2025
	SETTING CO <sub>2</sub> REDUCATION TARGETS, CLIMATE NEUTRALITY PLAN	2025–2026
	CIRCULARITY	since 2024
	ELECTRICITY FROM RENEWABLE SOURCES	since 2018
SOCIAL	ETHICAL EMPLOYMENT Updated training	since 2024
	EMPLOYEE ENGAGEMENT, Updated training	since 2024
	HEALTH AND SAFETY Updated training	since 2024
	CAREER DEVELOPMENT AND PROFESSIONAL GROWTH Updated training	since 2024
GOVERNANCE	RISK ASSESSMENT	since 2024
	SUSTAINABILITY IN THE SUPPLY CHAIN	2025–2026
	SUSTAINABLE PROCUREMENT	2025–2026

## CORE SUSTAINABILITY DOCUMENTS

In 2024, UMEGA GROUP developed all the policies and codes currently required, defining the directions for sustainable operations across the Group.

To ensure these documents are applied in day-to-day activities, procedures and processes were established to support sustainable actions, drive change, and implement solid steps towards becoming a sustainable organisation.

All employees, business partners, and suppliers have been familiarised with all core documents, and training for employees has been initiated. This training is intended to become a regular and integral part of UMEGA GROUP's daily activities.

UMEGA GROUP's policies and codes are publicly available on the Group's website, and stakeholders are invited to familiarise themselves with these documents:

[www.umegagroup.com](http://www.umegagroup.com)

### ENVIRONMENTAL

ENVIRONMENTAL POLICY

CLIMATE NEUTRALITY PLAN  
*(to be developed following CO2 measurements)*

### SOCIAL

HUMAN RIGHTS POLICY

CODE OF ETHICAL EMPLOYMENT

EQUAL OPPORTUNITIES POLICY

WORKPLACE VIOLENCE AND HARASSMENT PREVENTION POLICY

HEALTH AND SAFETY POLICY

### GOVERNANCE

SUPPLIER CODE OF CONDUCT

RULES ON THE PROCESSING OF PERSONAL DATA

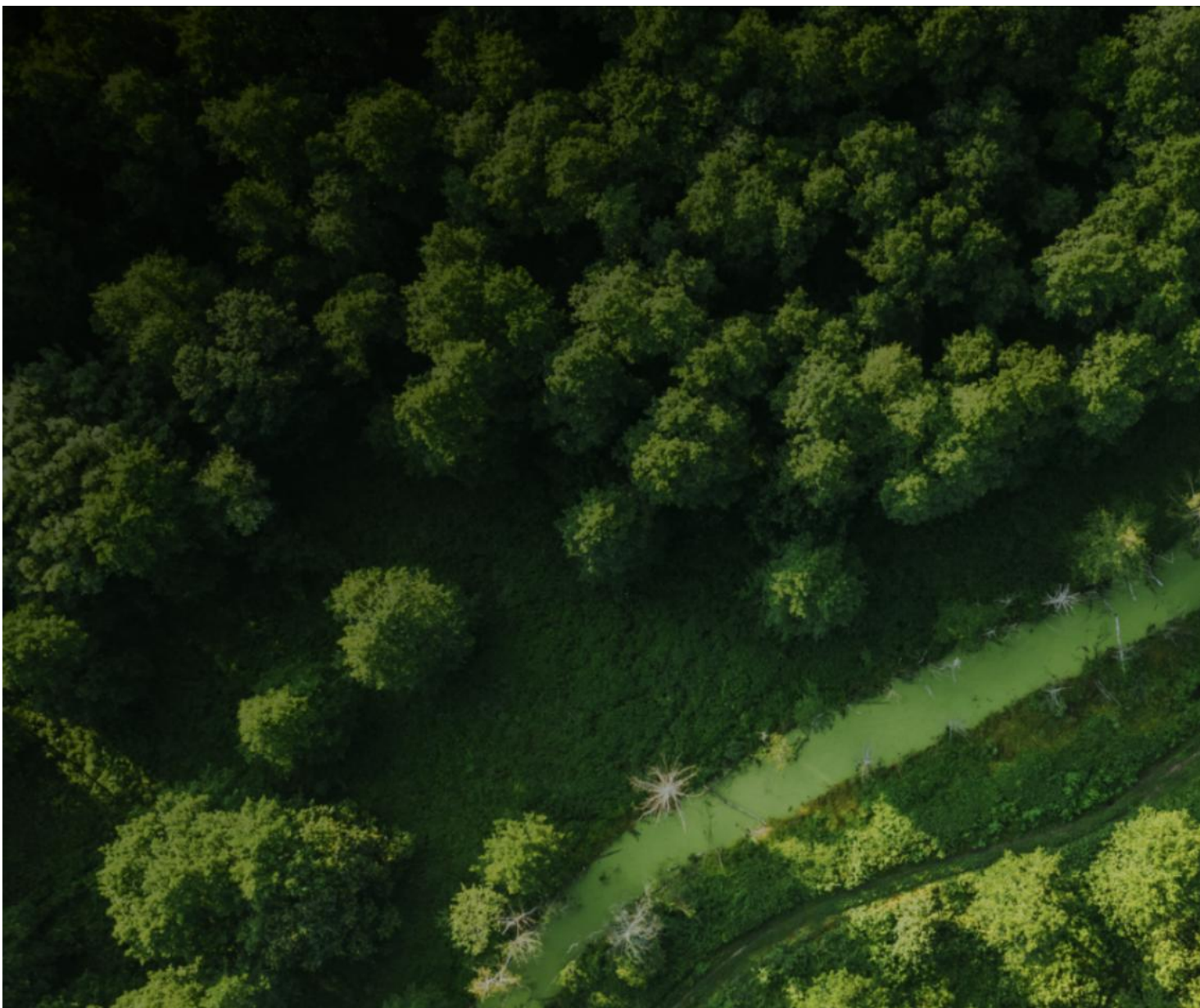
IT SECURITY POLICY

CODE OF ETHICAL BUSINESS

REMUNERATION POLICY

CYBERSECURITY POLICY

SUSTAINABLE PROCUREMENT POLICY



**UMEGA** GROUP

## ENVIRONMENTAL PROTECTION

## WE STRIVE TO REDUCE OUR NEGATIVE IMPACT

UMEGA GROUP sets itself ambitious expectations in the area of climate neutrality, yet remains heavily dependent on anticipated breakthroughs in cleaner technologies and on solutions that would allow for product transport without generating CO<sub>2</sub> emissions.

Trends and technologies are constantly monitored and implemented in the Group's factories. Impact is measured and reported to the relevant authorities and the public. The latest solutions are being implemented to minimise the Group's environmental impact as much as possible. In 2024, UMEGA GROUP updated its Environmental Policy and continues to actively educate employees.

When selecting raw materials for production, priority is given to certified, recycled, or partially recycled metals. Production waste is handed over to certified waste management companies, thereby ensuring circularity. Efforts are also made to put reusable packaging back into use, along with metal components and parts. The Group heats its facilities using biofuel and

takes pride in using 100% renewable electricity, a quarter of which is generated by its own solar power plants.

In 2024, Scope 1 and 2 greenhouse gas emissions were calculated. The Group plans to calculate its Scope 3 emissions in 2025 and aims to set CO<sub>2</sub> reduction targets and approve its Climate Neutrality Plan in 2026.

### ENVIRONMENTAL POLICY

**100%**

of the electricity we purchase comes from renewable sources

Circularity

~25% of the energy from our own solar power plants

GHG measurements

HENNORDIC UAB is **ISO14001** certified

## GHG emissions

Umega Group AB accounts for GHG emissions in accordance with the GHG Protocol, covering **Scope 1** (direct) and **Scope 2** (indirect) emissions. **Scope 3** emissions for 2024 have not been calculated; their accounting will begin in 2025.

GHG accounting presented in this report for 2024 covers only Umega Group companies based in Lithuania that are engaged in actual operations, have physical premises, and a significant number of employees – i.e., the accounting reflects a material part of the Group’s activities: Umega Group AB, Hennordic UAB, Umega Agro UAB, and SnolTherm UAB.

The following companies are not included in GHG accounting:

Walter Th. Hennecke GmbH – a manufacturing company operating in Germany which plans a separate sustainability report and separate GHG accounting

SnolTherm GmbH and SNOL UKRAINE – commercial representation offices in Germany and Ukraine, without physical premises, employing a total of 3 employees;

Hentech UAB and Snolvalda UAB – real estate leasing companies based in Lithuania, without physical offices, each employing 1 employee (*part-time, the same employee also works at another Umega Group AB company*).

### Scope 1 GHG stationary emissions

Scope 1 refers to direct emissions from sources that are owned or directly controlled by an organisation. These emissions arise from fuel combustion in vehicles, space heating, and the use of refrigerants such as CFCs in cooling equipment, among others.

**Stationary emissions** are those arising from fuel consumption for space heating or operating equipment (e.g. to power generators). Only fuel consumed on the company’s premises is accounted for within this scope, whether for space heating or production processes. Manufacturing companies record emissions from natural gas and biomass under this category; however, CO<sub>2</sub> emissions from biomass combustion are considered biogenic and, in line with the GHG Protocol, are not included in the Scope 1 emissions total. Only CH<sub>4</sub> (methane) and N<sub>2</sub>O (nitrous oxide) emissions resulting from incomplete combustion or low combustion temperatures are included, converted into CO<sub>2</sub> equivalents, while biogenic emissions are reported separately. No emissions are reported under this category for UMEGA GROUP’s Vilnius office (as the office forms part of a business centre, emissions are not directly controlled; the building operates on an air-to-air system and holds a BREEAM certification).

Fuel	Quantity	Energy Content	Share of Renewable Energy	CO <sub>2</sub> e Emissions	Biogenic CO <sub>2</sub> emissions
Natural gas	241,254.53 m <sup>3</sup>	2,557.30 MWh	-	455.22 t	
Wood chips	144.80 t	627.47 MWh	627.47 MWh	4.30 t	252.995 t
Straw	1,330.82 t	4,288.24 MWh	4,288.24 MWh	29.36 t	1,543.752 t
<b>Total:</b>		7,473.01 MWh	4,915.71 MWh	488.88 t	1,796.75 t

Sources: IPCC 2006 Vol. 2: Energy, Chapter 2 Stationary combustion  
 Gas energy content coefficient – data provided by the supplier  
 GWP: 2021 IPCC Sixth Assessment Report (AR6)

**Scope 1 GHG mobile emissions**

**Mobile emissions** arise from the fuel consumed by vehicles owned or leased by a company. Only data relating to vehicles that are either owned by the organisation or used under lease agreements are included in the accounting.

The companies use both owned and leased passenger cars; SnolTherm and Umega Agro use diesel tractors; and the manufacturing companies operate various types of forklifts in their activities – diesel, petrol, gas, and electric. Electric forklifts are not included in Scope 1 emissions accounting, as their energy consumption is classified under electricity and reported within the Scope 2 emissions context. Nevertheless, they remain relevant from a sustainability assessment perspective.

It is important to note that fuels reimbursed to employees and consumed in vehicles owned by employees or leased for their use are not included in Scope 1 emissions. Such emissions fall under Scope 3, which has not been calculated for 2024. Scope 1 mobile emissions have been calculated based on actual fuel consumption, applying the fuel-based method.

Fuel	Quantity	Energy Content	Share of Renewable Energy	CO <sub>2</sub> e Emissions
Diesel	19,100.15 L	200.76 MWh	-	48.000 t
Petrol	34,371.58 L	325.43 MWh	-	71.644 t
LPG	16,675.67 L	121.05 MWh	-	25.964 t
<b>Total:</b>		647.24 MWh	0	145.61 t

Source: Defra 2024

**Scope 2 GHG emissions**

Within Scope 2, UMEGA GROUP reports only electricity-related emissions, as no other energy is purchased. The manufacturing companies operating in Lithuania – Hennordic, SnolTherm, and Umega Agro – generate part of their electricity on-site using solar panels. According to the GHG Protocol, all electricity generated and consumed for own needs is not included in Scope 2 emissions and is considered emissions-free; however, the generated amounts must be reported separately. The remaining electricity is purchased, and all manufacturing companies use only electricity produced from renewable energy sources (RES). The building housing UMEGA GROUP’s office in Vilnius is also powered by green electricity. All companies included in UMEGA GROUP’s GHG accounting hold renewable energy certificates verifying the origin of the electricity consumed. Although the market-based method (GHG Guidelines) treats all renewable electricity as a zero-emission source, the GHG Protocol requires that emissions also be reported using the location-based method for comparison purposes.

Electricity	Quantity, Energy Content	Share of Renewable Energy	Location-Based CO <sub>2</sub> e Emissions	Market-Based CO <sub>2</sub> e Emissions
<b>Purchased/Consumed</b>	3,747.59 MWh	3,747.59 MWh	464.70 t	0.00 t
<b>Generated/Consumed</b>	1,171.00 MWh	1,171.00 MWh	-	-
<b>Total:</b>	4,918.59 MWh	4,918.59 MWh	464.70 t	0.00 t

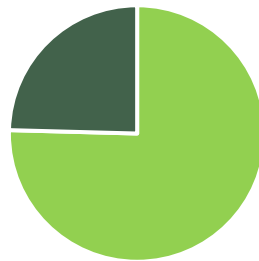
Sources: GHG Protocol guidance on accounting for renewable electricity and related emissions  
 EEA, Greenhouse gas emission intensity of electricity generation, country level, 2024

## Total Scope 1 and 2 emissions and energy consumption in 2024

Scope	Quantity, Energy Content	Share of Renewable Energy	CO <sub>2</sub> e Emissions *	CO <sub>2</sub> e Emissions **	Biogenic CO <sub>2</sub> emissions
Scope 1 emissions	8,120.25 MWh	4,915.71 MWh	634.49 t	634.49 t	1,796.75 t
Scope 2 emissions	3,747.59 MWh	3,747.59 MWh	0.00 t	464.70 t	-
Not accounted for**	1,171.00 MWh	1,171.00 MWh	-	-	-
<b>Total:</b>	<b>13,038.84 MWh</b>	<b>9,834.30 MWh</b>	<b>634.49 t</b>	<b>1099.19 t</b>	<b>1,796.75 t</b>

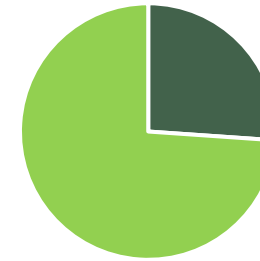
\* Total emissions under the market-based method - where electricity is from renewable sources, emissions are zero.  
 \*\* Total emissions under the location-based method - where the emission factor of electricity is included for comparison.  
 \*\*\* Self-generated electricity (using solar panels), not included in emissions calculations.

Energy Consumption Indicator  
75% renewable energy



■ Share of renewable energy, MWh    ■ Other energy sources, MWh

Scope 1 and 2 Emissions  
74% biogenic emissions



■ CO<sub>2</sub>e emissions, t    ■ Biogenic CO<sub>2</sub> emissions, t

**WATER**

UMEGA GROUP's water consumption is insignificant (indirect).

**Hennordic** consumes municipal water for facility use and in production processes. After treatment, approximately half of the water is returned to the cycle.

**Umega Agro** consumes municipal water solely for facility use.

**SnolTherm** consumes well water both for facility use and in production processes. After treatment, approximately 35% of the water is reused.

**WASTEWATER**

Continuous monitoring, data publicly available.

Protective measures are in place to ensure that wastewater does not pollute soil or water. All wastewater is treated using biological and sorption-reduction treatment systems.

All manufacturing companies conduct wastewater testing, monitoring data is published on the companies' websites.

**HAZARDOUS SUBSTANCES**

All chemical substances and mixtures comply with the REACH and RoHS requirements. An inventory of chemical substances and mixtures is maintained. Production waste is responsibly collected, sorted, and handed over to certified waste management companies.

\*data on Walter Th. Hennecke GmbH is not included

**AIR POLLUTION**

Air pollution is monitored in compliance with all applicable requirements. Monitoring is carried out by a third party, which provides regular reports.

All necessary air pollution control and treatment equipment has been installed in the factories. They ensure that emissions of pollutants (particulate matter, NOx, CO, VOCs) do not exceed the limits established by legal regulations.

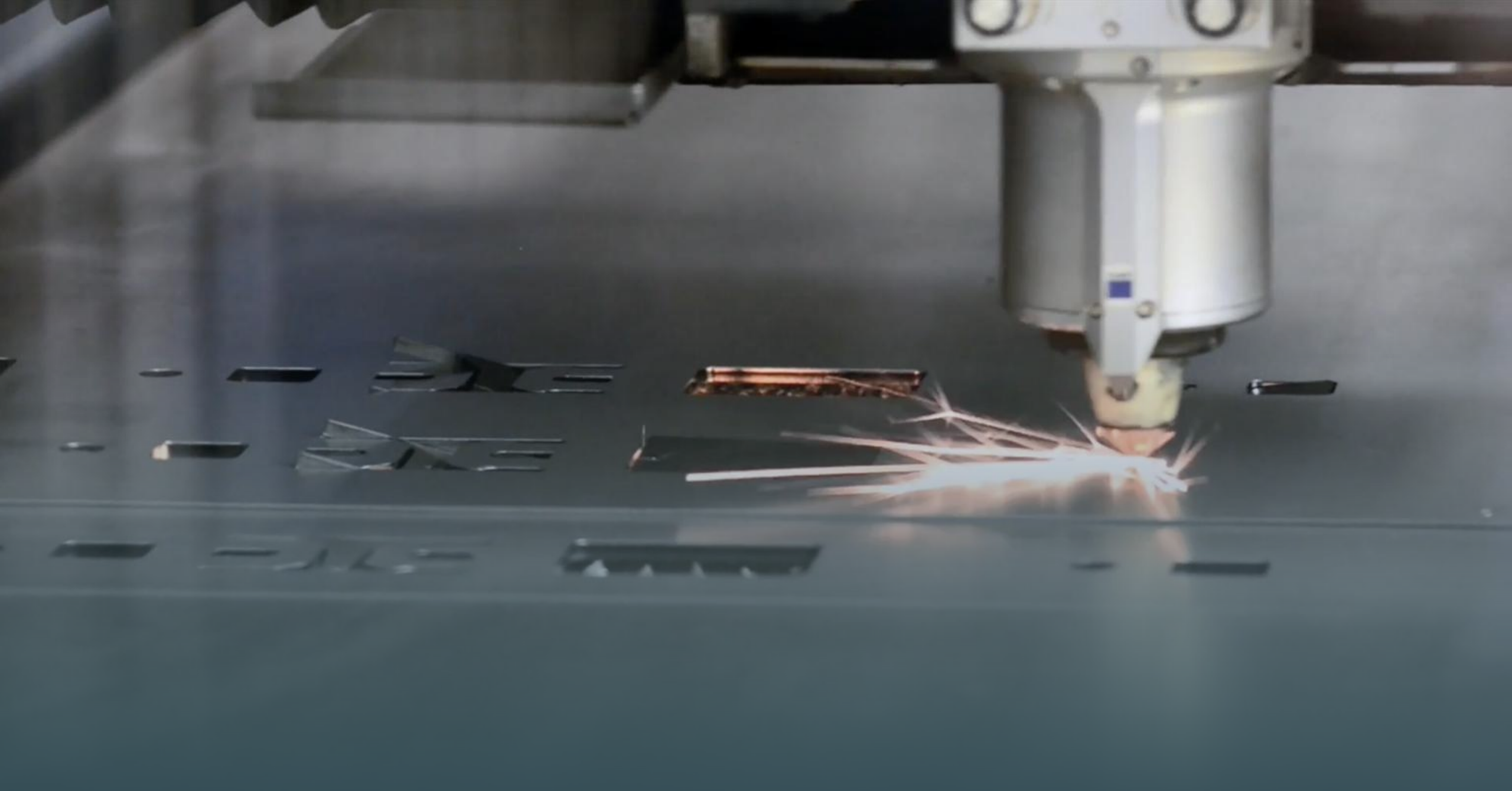
In 2025, new air pollution sources inventories and measurements are planned across all factories, as required by the laws of the Republic of Lithuania.

According to the Environmental Monitoring Programs for Economic Entities, annual measurements of significant pollution sources are carried out. Emissions of pollutants (particulate matter, NOx, CO, VOCs) are monitored to ensure they do not exceed the established limits and to minimize negative environmental impact. Annual monitoring data is publicly available on the manufacturing companies' websites.

**NOISE POLLUTION**

Two factories are located in industrial areas, so noise measurements are not relevant, although their operations do not generate harmful noise levels. The third factory operates within half a kilometre of an allotment garden community, but its operations do not generate any noise. According to the relevant legislation, none of the factories are required to measure odours.

\*data on Walter Th. Hennecke GmbH is not included



Circularity is one of the key priorities in our environmental protection strategy. It is important to our customers, and we communicate the same expectation to our suppliers. Our goal is to embed circularity as widely as possible across the entire value chain.

**Raw Materials** We purchase only certified metal raw materials. In 2024, UMEGA GROUP companies used nearly 6,000 tons of metal, mostly carbon steel and ~3% of stainless steel and aluminum. Where possible, we aim to source raw materials with the higher recycled metal content (around 20%). All cardboard purchased is 100% recycled.

**Production** By carefully selecting raw materials, manufacturing responsibly, and supplying products to our customers, we strive to ensure that every stage of the process has the least possible impact on the environment. All metal products are fully recyclable.

**Water** Only a minimal amount of water is used, across group approximately 33% of the water returns to the production process. .

**Heating** All buildings are heated using on-site boilers (except for UMEGA GROUP’s main office in Vilnius). Locally sourced straw and biofuel are used as fuel.

**Renovation of Production and Administrative Buildings** All of our administrative buildings (with the exception of UMEGA GROUP’s main office, which is located in a BREEAM-certified building) and the majority of our production facilities have been renovated – not through demolition, but by giving the existing structures *a second life*.

**Product Upgrade, Improvement, and Repair** We are constantly seeking ways to make our products more durable. We improve and, where possible, upgrade them – for example, Umega Agro trailers and SnolTherm furnaces. Upon customer request, we also repair our products.

**Waste** We strive to recycle metal scraps and defective parts remaining after production. If recycling is not possible, we hand them over to certified waste recyclers. We also aim to reuse packaging where possible or send it for recycling.

\*data on Walter Th. Hennecke GmbH is not included

**CIRCULARITY, EFFICIENCY, AND RESPONSIBILITY**

**Raw material, resource, and energy efficiency** UMEGA GROUP is committed to using resources and raw materials as efficiently as possible. We take measures to save electricity and water, ensuring accurate calculations to avoid unnecessary consumption. Sheets of special sizes and tubes of special lengths are sourced to minimise offcuts. Any offcuts are repurposed in the production of other products. Our factories also use advanced *Nesting Software Integration*, which allows precise planning of metal cutting layouts to maximise raw material utilisation and reduce waste. This approach significantly increases both production efficiency and resource effectiveness.

**Resource-efficient painting** In our painting processes, we carefully plan and mix only the exact amount of paint needed to avoid waste. Any unused paint is meticulously collected – where possible, it is reused, and the remainder is handed over to certified waste management companies and waste recyclers.

**Proper equipment maintenance** All equipment in our factories is regularly maintained, inspected, upgraded, and repaired when necessary to ensure a longer service life. More than half of the forklifts in use are powered by lithium-ion batteries, which offer longer durability and lower environmental impact compared to conventional alternatives.

**Waste sorting** All waste in our factories is carefully sorted. Each type of waste is clearly marked with special labels to ensure it is placed in the correct collection point. Afterwards, all waste is handed over to certified waste management companies.

**Responsibility** UMEGA GROUP is a member of associations that are committed to the proper management of packaging, tire, and electronic waste, and also takes part in raising public awareness about the collection, management, and impact of such waste on people and the environment. Through this, the companies demonstrate their commitment to upholding manufacturer responsibility principles and contributing to a sustainable waste management system in Lithuania. UMEGA GROUP’s memberships include: *Žaliasis taškas (Hennordic, SnolTherm, Umega Agro)*, Distributors of Electronics Association (*SnolTherm*), and Manufacturers and Importers Association (*Umega Agro*). These organisations help ensure that companies responsibly manage waste from packaging, electronics, batteries, oil, and end-of-life vehicles, comply with regulatory requirements, and reduce environmental impact. Membership also involves educational activities, reporting, and adherence to transparency principles.

**Key Initiatives and Plans for 2025–2030**

Within company operations:

- measures to reduce CO<sub>2</sub> footprint;
- more efficient use of energy and resources;
- renewable electricity;
- circularity.

Within the supply chain:

- measures to reduce CO<sub>2</sub> footprint;
- renewable electricity;
- circularity.

By 2026, we aim to approve the **UMEGA GROUP Climate Neutrality Plan**, setting the overarching goal:

**climate neutrality by 2050**

## ENVIRONMENTAL INDICATORS

<b>GHG EMISSIONS</b> (Scopes 1 and 2)	634.49 t	<i>Methodology: GHG Protocol. Detailed information on emissions: p. 38.</i>
<b>WATER</b>	7,550 m <sup>3</sup>	
From municipal sources	4,710 m <sup>3</sup>	
From on-site wells	2,840 m <sup>3</sup>	
Consumption	0	
Water returned to the production cycle	2517 m <sup>3</sup>	<i>Applicable at Hennordic and SnolTherm factories</i>
<b>WASTEWATER</b>	7,550 m <sup>3</sup>	
<b>AIR POLLUTION</b>	22.78 t	Data from 2020–2022 inventories. Inventories are conducted every five years, as required by the law of the Republic of Lithuania. The next inventory is planned for 2025. Annual monitoring studies are conducted at all factories.
<b>ENERGY</b>	13038.84 MWh	
Renewable energy	9834.30 MWh	All electricity used is green, generated from renewable sources.
Portion generated by on-site power plants	1,171.00 MWh	25% of electricity is produced by the company's solar power plant.
Biofuel	4915.71 MWh	
<b>WASTE</b>	1,634.34 t	
Hazardous	23.143 t	
Non-hazardous	1611.20 t	
Sent for recycling or energy recovery	1,480.776 t	
All waste management	100%	All waste (hazardous and non-hazardous) is managed by certified waste management companies.
		<small>*data on Walter Th. Hennecke GmbH is not included in the table</small>

U/MEGA GROUP

PEOPLE



## PEOPLE AND THE ENVIRONMENT FOR THEM TO WORK AND GROW

UMEGA GROUP employs more than 700 **people** across its companies. Our employees consistently implements innovations, hones skills, and applies long-standing craftsmanship in metal processing sector, allowing them to adapt flexibly to customer needs and create long-term value. Employee competence, industry knowledge, and commitment to continuous improvement foster a loyal customer base and reinforce our reputation as a reliable manufacturer.

UMEGA GROUP has adopted core policies and codes that uphold **ethical employment practices, human rights, and equal opportunities** within the company. These documents outline how employees should interact with each other and with stakeholders and clearly indicate where employees can seek guidance if they encounter questions, unclear situations, or potential breaches of business ethics, human rights, or legal requirements.

We strive to meet the needs of every employee by creating a **safe and supportive work environment**, fostering collegial and close relationships, and ensuring that employees know the employer is always ready to assist. Managers are prepared to respond to feedback and suggestions. We value dialogue and openness among employees at all levels, as well as between managers and their teams. We believe that open relationships not only maintain a positive workplace climate but also enable changes that improve work quality, employee wellbeing, and help achieve UMEGA GROUP's shared goals – driving growth for both the business and the people behind it. We are committed to providing fair and attractive working conditions. Our core documents are based on the *United Nations Universal Declaration of Human Rights* and the *core principles* and labour standards of the *International Labour Organization*.

## PEOPLE, THEIR GROWTH AND OPPORTUNITIES

We are committed to ensuring that every employee has the opportunity to grow, advance in their **career**, and achieve their personal and professional goals. We are proud that our people are ambitious and proactive. Our employees participate in sports events and various social initiatives, strengthening connections with local **communities**. Most of our employees live in these communities, as our factories are located in regions, smaller towns, or districts.

We believe that everyone should be treated with respect and fairness. That is why we are dedicated to creating a fully safe, supportive, and inspiring workplace where each individual can achieve results and pursue professional ambitions. We uphold **equal opportunities** and assess employees solely based on their competencies.

In 2024, we placed strong emphasis on **sustainability training**, which was attended by almost all employees. When presenting the *United Nations Sustainable Development Goals* and exploring UMEGA GROUP's opportunities to contribute to them and create a positive impact, discussions were held with managers at different levels across all companies. We actively encourage employees to engage with and take an interest in our sustainability journey.

We also invest in attracting new talent and providing regional residents with opportunities to gain a qualification and secure employment. At the Group's **Training Centre**, employees can acquire up to **12 professional qualifications**. Both current and future UMEGA GROUP employees receive training here.

EMPLOYEES

All UMEGA GROUP employees work under open-ended employment contracts. Fixed-term contracts are only concluded in cases where additional employees are needed to meet increased production demand.

We are proud that our companies bring together people of different ages and generations, who collaborate, share knowledge and experience. This diversity helps us find the most suitable solutions, adapt to changes while maintaining craftsmanship and quality, and ensure that customers receive the highest possible value.

Employees who have worked in our factories for decades pass on their knowledge and experience to younger colleagues, who bring fresh perspectives into the processes. Customers expect flexibility, quick adaptation, and high quality. It is precisely the teamwork across generations, combined with the adoption of innovations and technologies, that enables us to meet customer expectations and remain among their trusted manufacturers.

Since UMEGA GROUP is committed to meeting employee expectations, in 2025–2026 we plan to conduct an *Employee Satisfaction Survey*, with the goal of gathering feedback from all UMEGA GROUP employees.

EMPLOYEES	2024
Total number of employees across the Group	455
Employees working full-time	453
Employees working part-time	2
Average length of service	7.26

\*data on Walter Th. Hennecke GmbH is not included here

749,336 working hours per week

EMPLOYEE AGE	2024
18-24	19
25-36	119
37-56	206
57-66	97
66<	14

\*data on Walter Th. Hennecke GmbH is not included here

## DIVERSITY AND INCLUSION

We take pride in the craftsmanship in metal processing that has been built up across UMEGA GROUP companies for over a century. We greatly value the way in which the older generation passes on its knowledge and skills to younger colleagues, and we support **senior employees** who, even after reaching retirement age, choose to stay with us and continue contributing to shared value creation. We are pleased that our companies also provide employment opportunities for people **with disabilities**. The diversity of our companies is enriched not only by employees of different ages, but also by people of various **nationalities** and citizens of other countries. Every day, we strive to ensure that everyone feels valued and has equal opportunities.

Across UMEGA GROUP companies, 23% of employees are women and 77% are men. Like other metal-processing manufacturers, we face the challenge that **women** tend not to choose this sector due to prevailing stereotypes and the nature of the work. However, we collaborate with educational institutions and organise meetings with communities, presenting our activities and the opportunities we offer to everyone, regardless of gender. For the same reason, we currently have fewer women than men in managerial positions. However, we believe that as societal attitudes continue to evolve, more women will seize the opportunities provided to grow, develop and become managers and members of the Board. At UMEGA GROUP, women are encouraged to pursue their careers and aspire to management roles on an equal footing with men.

\*data on Walter Th. Hennecke GmbH is not included

**DIVERSITY AND INCLUSION**

DIVERSITY AND INCLUSION	2024	Comments
Average age	45.2	
Overall gender ratio (women/men), %	22% / 78%	There is a general trend that women are less likely to pursue careers in metal processing or to choose engineering studies.
Women in management, %	12%	So far, women have mostly been attracted to positions in procurement, finance, accounting and human resources. However, we are making every effort to communicate that equal opportunities are provided for both women and men across the Group companies to work and build their careers.
Women on the Board, %	0%	The number of women on the Board is 0, while the total number of the Board members is 8. Traditionally, women have tended not to choose careers in the metal processing sector. However, the Management is considering the possibility of including women as independent members of the Board in the future, if suitably qualified candidates are identified.
Citizens of other countries (non-citizens of the Republic of Lithuania)	2	Ukrainian citizens employed under the same conditions and provided with the same social protection as citizens of the Republic of Lithuania.
Employees of retirement age	34 persons	In 2024, employees aged 64 and above represent 7.47% of the total workforce. Due to the nature of production work, such roles can be more challenging for older employees. The decision to continue working is made by the employees themselves, and the company supports their choice.
Employees with disabilities	12 persons	Employees with disabilities represent 2.64% of the total workforce. While the nature of production work present certain challenges, the company ensures that all necessary conditions are provided and fully supports their decision to work.
Employees of other nationalities (non-Lithuanian)	8 persons	Employees of non-Lithuanian nationality make up 1.76% – a very small share of the total workforce.

\*data on Walter Th. Hennecke GmbH is not included in the table

## HEALTH AND SAFETY

The health and safety of our employees remain our highest priority, as expected by our stakeholders. We continuously monitor and train our employees, provide them with the best protective equipment, and improve the working environment to ensure it is as safe as possible. Work involving hazardous materials is strictly controlled, and employees are regularly trained and encouraged to look out for one another to prevent accidents. Our factories are regularly inspected by state authorities to assess working conditions.

Although our conditions meet all regulatory requirements and we consistently invest in improvements, it is not yet possible to completely eliminate accidents, despite our best efforts. Every incident is analysed, the causes investigated, and measures implemented to prevent recurrence. Following any accident, the affected employee receives all necessary assistance, and preventive and corrective actions – such as refresher training, briefings, adjustments to work processes, and review of procedures – are taken, tailored to the specific situation. We all strive to achieve a shared goal – **zero** workplace accidents.

Mandatory and periodic health checks for all UMEGA GROUP employees are carried out annually and fully covered by UMEGA GROUP. Additionally, workplace health checks are organised based on employee needs – for example, flu vaccinations or comprehensive eye examinations – and these are also covered by UMEGA GROUP.

We provide all employees with opportunities to gain knowledge and receive training on health, helping them maintain wellbeing not only at work but also in their personal lives. It is important to us that everyone knows how to take proper care of themselves.

Workplace health and safety across all UMEGA GROUP companies is ensured by SDG, a market-leading company with years of experience in this field. SDG not only monitors compliance and oversees processes, but also provides consulting, training, and tailored recommendations specific to each company and situation. We believe that engaging third-party experts allows us to maintain continuous oversight of critical areas across all companies, ensures employee safety, and provides an external perspective, guaranteeing objective evaluation and opportunities for continuous improvement.

\*data on Walter Th. Hennecke GmbH is not included here

ACCIDENTS AT WORK

ACCIDENTS IN THE WORKPLACE	2024	Comments
Number of workplace accidents across the Group	7	All incidents occurred due to employee errors. Injuries were minor.
Number of serious injuries	0	
Accidents caused by employee error	100%	
Lost workdays due to accidents	182	

\*data on Walter Th. Hennecke GmbH is not included in the table

WORK INCAPACITY

SICKNESS ABSENCE	2024	Comments
Total workdays of all employees	112,702	
Workdays lost due to sickness	6,984	
Workdays lost due to sickness (%)	6.2 percent	Proportion of workdays lost due to sickness out of total employee workdays

\*data on Walter Th. Hennecke GmbH is not included in the table

In 2024, there were no safety non-compliances, and no product safety incidents or product recalls were recorded.

All UMEGA GROUP companies hold the necessary quality certificates and have procedures in place to ensure product safety. They are committed to ensuring that all products manufactured and supplied comply with applicable health and safety requirements, EU and national legislation, as well as international standards. Companies regularly monitor and assess product safety indicators. All products have valid quality and safety certificates.

Our goal is to protect customer health, ensure product quality, and maintain transparency throughout the supply chain.

To fulfil these commitments, we implement the following measures:

- all products are tested in laboratories in accordance with applicable legislation and standards;
- we rely on international quality and safety standards and regulations (ISO 9001, ISO 14001, CE, EC 167/2013, etc.) as well as industry-specific quality and process standards (AMS2750G, CQI-9, ISO 3834-3, DIN 2303, etc.);
- regular risk assessments are conducted to evaluate the impact of products on health and safety;
- we ensure that product labelling and information provided to customers comply with all requirements;
- a complaints and incident management system is in place, allowing us to respond promptly to any product safety issues.

PRODUCT SAFETY BREACHES	2024	Comments
Product safety breaches	0	
Number of product recalls due to safety concerns	0	
Number of product recalls due to health hazards	0	
Customer incidents related to product safety	0	
Number of customer reports on product safety or health risks	0	<i>One customer recommendation was received regarding SnolTherm, related to the colour of cables in the control panels. Changes were implemented to enhance safety for personnel operating the furnaces.</i>

\*data on Walter Th. Hennecke GmbH is not included in the table



In Lithuania, there is no officially defined concept of fair pay. The country does have a minimum monthly salary (MMS), which is intended to ensure that employees receive a basic standard of living, and it is often linked to inflation and changes in living costs. The MMS is an important social protection that helps combat poverty and ensure dignified livelihoods.

*Average salary* is also published annually. UMEGA GROUP strives, wherever possible, to pay its employees as high a salary as possible, enabling them to live with dignity and feel fairly rewarded for their work. Therefore, when reviewing remuneration with a view to increasing it, we focus not on the MMS but on the national average salary. All employees receive a salary higher than the MMS, and for the majority of employees (excluding highest-earning managers and unskilled positions), salaries are close to the national average. Moreover, our factories operate in regions with a lower cost of living, meaning that with the same salary, our employees can afford more than they would in the capital or other major cities. UMEGA GROUP aims to pay all employees at least the national average salary in Lithuania, and in many cases above.

HR managers continuously monitor the market, analysing and comparing UMEGA GROUP employee salaries with those in other companies within the same sector, focusing on the median and the 50th and 75th percentiles. Currently, salaries are paid at approximately 85% of the market median in the national manufacturing sector.

Each year, lists are prepared identifying employees whose salaries fall below the market median. These lists are provided to managers, who work together with HR to find solutions to increase salaries, ensuring that the employer remains attractive in a highly competitive market and can offer both existing and new employees the best working conditions and fair pay.

When paying employees for overtime, night shifts, or work on public holidays, UMEGA GROUP companies comply with the Labour Code of the Republic of Lithuania, which sets strict rules regarding consent to work such hours or periods, as well as increased pay for such work. UMEGA GROUP strictly adheres to this legislation and its employer obligations.

REMUNERATION

EMPLOYEES AND THEIR PAY	2024	Comments
Earning 90% of the national average salary	80%	Excluding the highest-earning managers and employees in unskilled positions
Earning above the national average salary	35%	
Earning above the minimum salary	100%	
Average unadjusted gender pay gap	15%	Calculated as: average unadjusted gender pay gap = $\frac{\text{average male salary} - \text{average female salary}}{\text{average male salary}} \times 100$

\*data on Walter Th. Hennecke GmbH is not included in the table

## ADDITIONAL BENEFITS FOR EMPLOYEES

All UMEGA GROUP employees start the week with Fresh Fruit and Juice Mondays, when they are offered healthy snacks and drinks. Drinking water is available to employees at all times.

To promote wellbeing, employees are provided with free access to a swimming pool and a gym.

Bonuses are awarded on work anniversaries, for long service within the Group, and for referring new employees.

For those living more than 20 km from the workplace, fuel expenses are reimbursed.

Employees also have access to the MELP benefits platform, which offers more than **400** discounts at private health and dental clinics, sanatoriums, opticians, cafés, bookstores, shops, and for purchases such as furniture, children’s goods, and groceries.

In addition, employees receive financial support in the event of the loss of a close family member.

## SUPPORT FOR EMPLOYEES CARING FOR CLOSE RELATIVES

All UMEGA GROUP employees are granted equal opportunities to care for their family members, as provided by the laws of the Republic of Lithuania.

Employees are supported not only in caring for their children, including the use of *designated parental leave days*, but also in looking after parents or other close relatives in need of care. In line with the Labour Code of the Republic of Lithuania, these provisions are incorporated into the UMEGA GROUP companies’ Rules of Procedure.

## FLEXIBLE SCHEDULE

All UMEGA GROUP companies provide opportunities for hybrid working. As a general rule, employees work two days from home and three days in the office.

Employees may also choose to start and finish earlier – for example, from 7 a.m. to 4 p.m. instead of the standard 8 a.m. to 5 p.m. Flexible arrangements are available not only for administrative employees but also for employees in production. The Group strives to offer the best possible conditions and choices to support work–rest and, more broadly, work–life balance.

## SOCIAL PROTECTION

All UMEGA GROUP employees are entitled to the same social protection, which is ensured by the employer through the payment of salaries. Under the laws of the Republic of Lithuania, employers are obliged to cover the mandatory components of remuneration, including compulsory health insurance and social security contributions. These cover healthcare and treatment in state medical institutions, statutory medical services, sickness benefits, maternity benefits, pensions, etc. Thus, every employee receiving a salary also benefits from social protection and health insurance. The portion of remuneration allocated to these contributions is indicated on each employee’s payslip.

## SOCIAL DIALOGUE

UMEGA GROUP recognises the importance of involving employees in corporate governance, addressing their expectations, and listening to their suggestions and needs. In line with the provisions of the law of the Republic of Lithuania, all heads and HR managers of the Group provide the necessary conditions for the establishment of Labour Councils and associations. However, employees themselves have not yet shown an interest in initiating or engaging in such activities.

To ensure employees' voices are always heard, UMEGA GROUP companies follow an open-door policy, allowing employees to approach their HR manager or line manager with questions, proposals, or initiatives. Managers are obliged to receive them, listen, and take action.

Regular meetings are organised to provide opportunities for all employees to express their opinions, share feedback, and work together to find solutions.

In addition, all UMEGA GROUP companies operate grievance mechanisms and dedicated reporting channels for different issues and interests (see *Reporting Channels* – p. 76). This not only complies with the laws of the Republic of Lithuania and EU requirements, but also reflects good business practice and our commitment to maintaining open dialogue with employees.

\*data on Walter Th. Hennecke GmbH is not included here

## TRAINING

To ensure that all UMEGA GROUP employees gain a deeper understanding of the Group’s sustainability direction – both environmental and social – and can actively engage in these processes while contributing to the organisation’s sustainability journey, regular training sessions are organised. In 2024, all UMEGA GROUP employees began participating in sustainability training, structured by topic (Human Rights, Environmental Protection and UN Goals, Ethical Employment, Ethical Business, Prevention of Violence and Harassment, Supplier Code of Conduct), with part of the programme continuing into 2025.

By the end of 2024, **85%** of employees (excluding those who joined in 2025) had completed the training. Our goal is for **100%** of employees to complete all modules by the end of 2025.

Employees are consistently encouraged to propose ideas and initiatives, as well as to openly share feedback and report any situations of concern. UMEGA GROUP is committed to being a transparent organisation towards all stakeholders – both internally and externally.

The total number of training hours for employees in 2024 amounted to **8,429**. On average, each employee received **5** hours of training. This included sustainability training, as well as professional development, upskilling, and certification programmes. Certain certificates are awarded to individual employees and remain valid even if they change employers.

UMEGA GROUP operates its own **Training Centre**, where employees – and those wishing to join the Group – can learn and acquire one or more of **12** professional qualifications. In this way, the Group not only develops talent internally but also provides regional residents with the opportunity to gain a qualification, secure employment, and build a career. By investing in skills development in the regions where it operates, the Group also helps to reduce outward migration, encouraging people to remain, work, and build their lives locally. This is particularly important given the national trend of young specialists seeking opportunities in major cities or abroad.

TRAINING

TRAINING	Number of Hours Per Year	Comments
SDG safety instruction sessions	4625	
Training center courses and trainings	2304	
Other seminars and Sustainability training	1500	
Total training hours	8429	
Training hours per employee	5	Calculated as: Average training hours per employee = total training hours / total number of employees who participated in training

\*data on Walter Th. Hennecke GmbH is not included in the table



## HUMAN RIGHTS

Human rights are an integral part of sustainability within our companies. We are committed to adhering to the *United Nations Universal Declaration of Human Rights*. In 2024, a Human Rights Policy was developed, and a training programme was launched, which will become a regular practice across UMEGA GROUP companies.

Our human rights commitments are also reflected in other sustainability documents relating to employee ethics, employer conduct, and engagement with business partners and suppliers. Implementing these commitments is important to our management, shareholders, and employees alike.

Our primary objective is a fully safe working environment. We ensure that every employee is aware of potential hazards, receives all necessary information, and has access to protective measures. Employees are also encouraged to look out for colleagues, provide support, and report any situations that require additional attention to safeguard physical and psychological wellbeing.

In 2024, particular attention was given to ensuring equal opportunities, with a dedicated policy developed and training provided to all employees. In addition, group-wide training on the prevention of workplace violence and harassment is organised, alongside a group-wide policy developed to ensure that every employee understands unacceptable behaviour and knows where to report any incidents.

## HUMAN RIGHTS

We have communicated our human rights commitments to our business partners and suppliers. In 2025, we aim to encourage companies within our supply chain to implement processes that protect and uphold human rights within their own operations.

UMEGA GROUP complies with all labour law requirements and labour standards to ensure that employees' human rights are respected, including safe working conditions, fair pay, non-discrimination, and equal opportunities. We also respect employees' rights to freedom of association and collective bargaining. Channels have been established for employees to report, confidentially, any misconduct, workplace issues, or questionable activities. We strive to maintain close, trust-based, and respectful communication, enabling employees to provide feedback and suggestions directly to managers or colleagues. Employees are encouraged to actively participate in company processes and change initiatives, helping UMEGA GROUP remain the best place for them to work and grow.

### CORE UMEGA GROUP POLICIES IN THIS AREA:

HUMAN RIGHTS POLICY

EQUAL OPPORTUNITIES POLICY

WORKPLACE VIOLENCE AND HARASSMENT PREVENTION POLICY

### PRIORITY IN 2025:

HUMAN RIGHTS IN THE SUPPLY CHAIN

**UMEGA** GROUP

**GOVERNANCE**



**SUSTAINABILITY MANAGEMENT MODEL**

**BOARD**

Approves strategic decisions related to sustainability

**CHIEF EXECUTIVE OFFICER**

Approves sustainability documents, procedures, and implementation plans

**EMPLOYEE RESPONSIBLE FOR SUSTAINABILITY**

Communicates on sustainability matters with business partners, suppliers, and stakeholders, and ensures the achievement of sustainability objectives across all UMEGA GROUP companies, through the involvement of:

**COMPANY HEADS, HR MANAGER, AND ENVIRONMENTAL MANAGER**

## BUSINESS MODEL

UMEGA GROUP specialises in metal processing and has years of experience in developing products, providing services, performing contract manufacturing, and creating patented solutions for customers across various industrial and agricultural sectors. *(See more on Value Creation, p. 71).*

Business areas and customers are divided into **two segments**, with each manufacturing company specialising in a specific segment and steadily attracting more customers. *(See more on Business Segments, p. 70)*

UMEGA GROUP companies produce different products for different customers, while sharing human resources, technologies, knowledge, and production processes. This ensures efficiency, business continuity, and on-time order fulfilment for customers. The companies manufacture both components for future customer products and finished products for end-users, such as agricultural machinery trailers or laboratory ovens.

UMEGA GROUP customers include large and medium-sized international companies from Scandinavia, Europe, and the USA, as well as well-known brands whose products are sold worldwide.

UMEGA GROUP's goal is to remain a reliable, flexible, and competent manufacturer that meets all requirements for its customers, while also being recognised as an innovative developer of durable products for various sectors operating globally.

**BUSINESS MODEL**

**UPSTREAM**

**OWN OPERATIONS**

**DOWNSTREAM**

Financial resources  
 Production resources  
 Employees and culture  
 Renewable energy  
 Raw materials and chemical substances  
 Intellectual property, craftsmanship, experience  
 Circularity  
 Suppliers and business partners

Strategy and values  
 Metal processing and product manufacturing  
 Technological development, innovation, and product development  
 Quality assurance  
 Renewable energy  
 Supply chain management  
 Waste and pollution management  
 Circularity  
 Sales

Products and services  
 Economic value  
 Logistics  
 Market expansion and exports  
 Waste and packaging management and recycling  
 Circularity  
 Customers and end-users  
 GHG emissions  
 Regulatory oversight and reporting

**BUSINESS SEGMENTS**

UMEGA GROUP divides its customers into **two segments:**

**CONTRACT MANUFACTURING FOR INDUSTRY**

**IN-HOUSE PRODUCT MANUFACTURING FOR INDUSTRY**



Since **1919**, the company has been providing metal processing services across Europe, guided by responsibility, respect, and innovation. Flexible, high-quality solutions support sustainable growth and long-term partnerships, tailored to each customer’s needs. Each year, it produces over **2 million** units of various components, semi-finished products, and finished products. Products are exported to more than **20** countries.



The company offers heat treatment solutions worldwide – reliable and customisable furnace and oven solutions for industries such as aviation and pharmaceuticals. With over **60** years of experience, it exports to more than **90** countries, producing over **4,000** units and **120** unique projects annually. It has sales offices in Germany and Ukraine.



As a comprehensive partner in sheet metal processing services, the company develops solutions based on experience, advanced technologies, and a strong customer focus. Precision, on-time delivery, and efficiency ensure that each project is executed according to individual customer requirements.



The company manufactures high-quality trailers and agricultural machinery using advanced materials and highly skilled specialists. Each year, it produces over **4,000** contract manufacturing units, more than **40** different trailer models, and over **200** unique, in-house developed products. Exports reach **18** countries.

VALUE CREATION

QUALITY, FLEXIBILITY, SOLUTIONS, INNOVATION

UMEGA GROUP companies provide comprehensive metal processing services, conduct research, and develop patented products for industrial and agricultural customers. We offer integrated solutions, ranging from individual components to complete equipment and systems production, including full maintenance and distribution.

Our strength lies in being an international group that shares experience, knowledge, and both human and production resources across companies in different countries. As a manufacturer, we not only deliver products developed by highly skilled specialists, but are also close to our key target markets.

UMEGA GROUP's advantages include long-standing craftsmanship in metal processing, the ability to adapt to customer needs, compliance with required standards, and durable products designed to last. Our components and products are distributed across all continents.

Sustainability is embedded in both our strategy and daily operations. We strive to remain a reliable and standards-compliant manufacturer for customers for whom sustainability is also a key priority. It is therefore vital for us to meet their expectations and grow together. Sustainability is also an area in which we actively collaborate with our business partners and suppliers.

GOVERNANCE

Sustainable relationships with customers

Employee skills and experience

solutions  
Sustainable  
Circularity

Product development, innovation, and technology

High-quality engineering solutions

Flexible order customisation and manufacturing

Operations based on certifications

Reliability and long-term partnerships

Craftsmanship, years of experience, and continuous improvement

Stable and safe jobs, fair pay, equal growth opportunities, and additional benefits

Investments and growth

Contribution to regional development

Engagement with local communities



L = 90  
VF = 50  
S = 2.5  
No. 211719

L = 45  
VF = 50  
S = 2.5  
No. 211719

L = 35  
VF = 50  
S = 2.5  
No. 211719

L = 30  
VF = 50  
S = 2.5  
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L = 150  
VF = 50  
S = 2.5  
No. 211719

L = 30  
VF = 50  
S = 2.5  
No. 211719

L = 35  
VF = 50  
S = 2.5  
No. 211719

L = 45  
VF = 50  
S = 2.5  
No. 211719

L = 90  
VF = 50  
S = 2.5  
No. 211719

B = 12  
H = 30  
L = 150  
S = 2  
No. 211719

B = 12  
H = 30  
L = 150  
S = 2  
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B = 12  
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B = 12  
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B = 12  
H = 30  
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S = 2  
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No. 211719

## UMEGA GROUP BOARD

The UMEGA GROUP Board consists of eight members, elected for a four-year term.

The Board shapes the Group's strategy and governance structure, oversees strategy implementation, and makes decisions on development, investments, financial management, risk control, and other governance matters.

The Board also develops the group-wide sustainability policy, supervises its implementation, and has initiated the sustainability direction across UMEGA GROUP companies. A decision was made to implement sustainability in response to customer and stakeholder expectations, guiding the companies toward becoming more sustainable organisations and increasing their competitiveness in markets where manufacturing companies face increasingly strict sustainability requirements.

At present, achieving gender balance on the Board is not possible. Due to the characteristics of the sector, women tend not to pursue careers in metal processing. However, the Board is committed to exploring ways to attract competent women into group-level management positions to improve gender balance on the Board and across all UMEGA GROUP company management.

The Group operates in accordance with the laws of the Republic of Lithuania, its articles of association, and other applicable legislation.

**UMEGA GROUP MANAGEMENT**

NAME, SURNAME	COMPANY	JOB TITLE
Gediminas Čeika	Umega Group	CEO
Tomas Džiugas	Hennordic	Director
Karolis Gaidys	Umega Group	Executive Director
Marius Stankūnas	Hentech	Director
Andrius Buraitis	Umega Agro	Director
Gediminas Čeika	SnolTherm	Director
Larisa Kuzmenko	Snol Ukraina	Director
Andrius Ignatavičius	Snol GmbH	Director
Marius Stankūnas	Snolvalda	Director

\*data on Walter Th. Hennecke GmbH is not included in the table



## REPORTING CHANNELS

UMEGA GROUP fosters an open relationship between managers and employees, ensuring that anyone can ask questions, express concerns, and provide suggestions.

A **Transparency Line** has been established for situations where an employee cannot raise an issue with their line manager that may be important for the Group's growth, reputation, protection of human rights, or the preservation of other core values. The Transparency Line is available for any concerns that employees may have, including matters affecting private interests.

The **Whistleblower Protection** was created in accordance with the law to safeguard the public interest. Both employees and stakeholders are encouraged to use these channels to prevent or promptly address any breaches of codes or policies within UMEGA GROUP companies.

During sustainability training, it is consistently emphasised that every employee has the right to voice opinions, observations, and concerns. Managers are also expected to listen, provide appropriate responses, and take action to ensure that both employee and stakeholder expectations are met and that UMEGA GROUP operations are conducted smoothly, transparently, and as sustainably as possible.

UMEGA GROUP highlights that it is a group of companies committed to continuous improvement, growth, and meeting the expectations of customers, business partners, employees, and other stakeholders. This requires ongoing feedback and dialogue. Within the Group, employees are constantly reminded of their responsibility to report any doubts or potential cases of non-transparency. At the same time, it is emphasised that no employee who reports such concerns – or who refuses to follow instructions to act unlawfully or non-transparently – will face penalties or negative consequences.

In the future, employee surveys will be conducted to assess how safe employees feel in openly discussing such matters.

TRANSPARENCY LINE

Any stakeholder may anonymously and confidentially report any questionable activity by UMEGA GROUP employees or business partners.

WHISTLEBLOWER PROTECTION CHANNEL

Stakeholders associated with UMEGA GROUP operations can also confidentially report illegal actions or potential breaches of applicable laws within the Group.  
 Reports are submitted through the channel in the format required by the Law on the Protection of Whistleblowers of the Republic of Lithuania. The purpose of submitting a report is to safeguard the public interest, not private interests.

REPORTS

Since 2024, the website has provided statistics showing the number of complaints and reports received.

In 2024, there were 0 complaints and 0 reports, both internally and externally.

In its corporate history, UMEGA GROUP AB has had no incidents or violations related to human rights, equality, non-discrimination, workplace violence and harassment, or IT security. There have also been no cases of corruption, fraud, conflicts of interest, bribery, unlawful pressure, or money laundering.

UMEGA GROUP makes every effort to ensure that all developed documents are effective, that training is regularly refreshed, and that an organisational culture is fostered which guarantees a safe, friendly, and respectful working environment for everyone.

AREA	NUMBER OF REPORTS
Human rights, equality, non-discrimination	0
Occupational health and safety	0
Environmental protection	0
IT safety	0
Conflicts of interest	0
Bribery, attempted influence, unlawful pressure, fraud, money laundering	0
Violence and harassment	0

\*data on Walter Th. Hennecke GmbH is not included in the table

## ANTI-CORRUPTION

Operating in different markets, we always comply with applicable laws and respect our competitors. We do not tolerate corruption in business relationships and expect the same standards from our business partners and suppliers. Our principles, designed to ensure transparency in our operations, are outlined in the *Ethical Business Code* and the *Supplier Code of Conduct*. These documents reflect the key anti-corruption principles:

- avoidance of corruption and bribery;
- proper interaction with public officials;
- gifts and hospitality policy;
- donations, charitable activities, and political connections;
- risks related to third parties.

In 2025, we plan to conduct surveys among our suppliers to understand the sustainability situation in their companies and assess potential related risks. We aim not only to ensure transparency within our own companies and mitigate threats, but also to share information with our business partners and suppliers so that the same ethical business principles prevail throughout the entire value chain.

Ethical business training is provided to all new employees, and ongoing dialogue is encouraged so that employees can consult their manager or colleagues if they have any concerns about potentially non-transparent actions within the Group. Special attention is given to employees whose roles and activities carry a higher risk of exposure to corruption.

We strictly adhere to all competition and antitrust laws applicable to our operations.

**WE SET HIGH ANTI-CORRUPTION STANDARDS THROUGHOUT THE ENTIRE SUPPLY CHAIN**

### UMEGA GROUP POLICIES:

ETHICAL BUSINESS CODE

SUPPLIER CODE OF CONDUCT

**ETHICAL BUSINESS**

As a responsible business, it is essential for us to ensure that all processes within our companies are conducted transparently and in accordance with the highest standards of business ethics. These standards are outlined in our Codes of Ethics, which provide guidance on how employees should interact with business partners and other stakeholders, ensuring that core values and laws are respected and that the reputation of UMEGA GROUP is not compromised. Employees are regularly trained and encouraged to seek guidance whenever even the slightest doubt arises.

The Code of Ethics also clearly defines actions and behaviours that are unacceptable, so that businesses working with us understand what is not tolerated within UMEGA GROUP.

Transparency is key to meeting the expectations of our stakeholders.

To attract and retain employees, and to maintain relationships with customers and business partners, we emphasise the importance of being recognised for ethical behaviour, service quality, and integrity. We continuously improve our processes, monitor daily operations, and strive to:

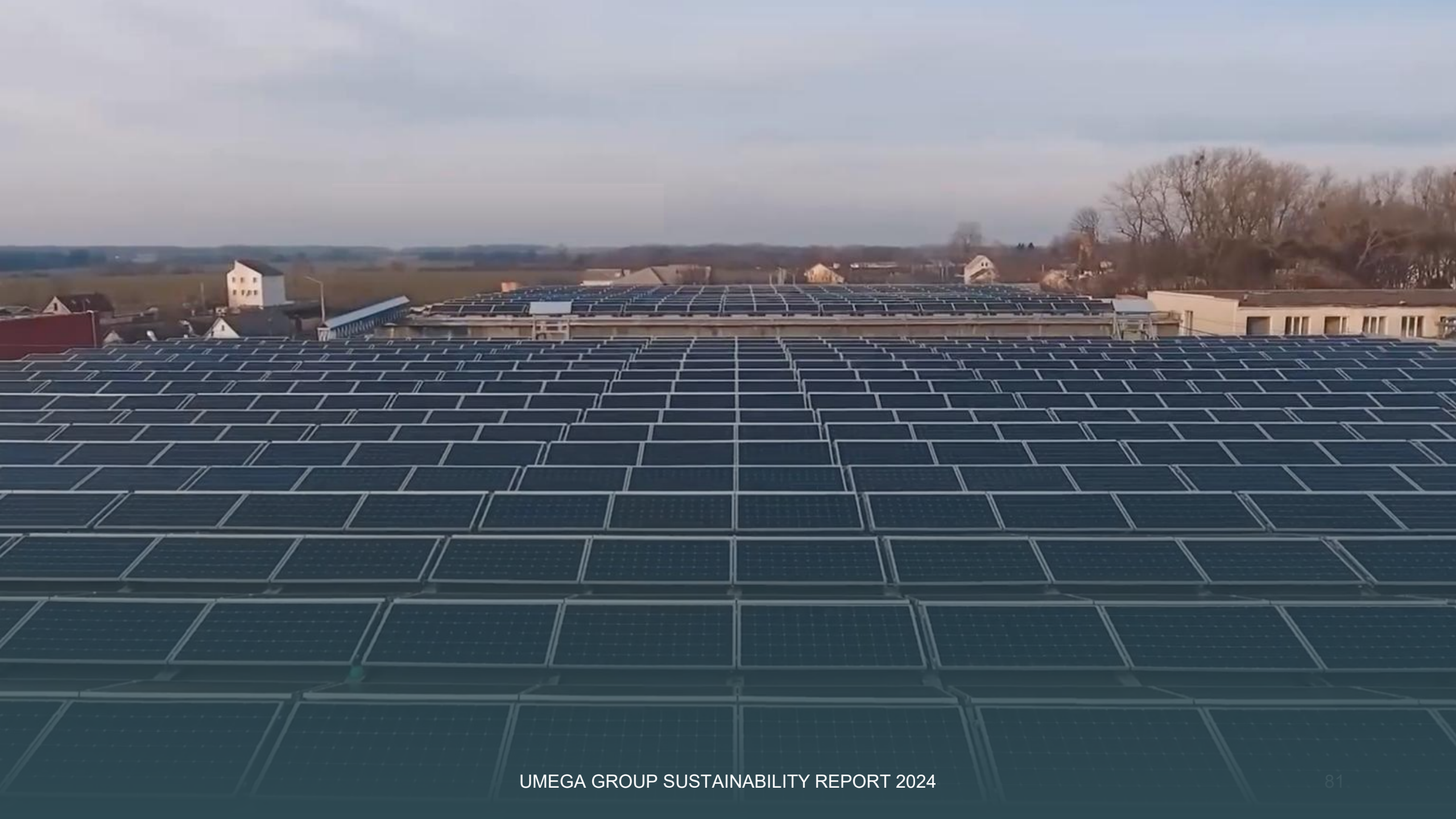
- prevent potential corruption and other illegal or unethical business practices;
- respect human rights throughout our value chain;
- manage sustainability risks and impacts across our entire supply chain (see *Risks and Their Management* - p. 27).

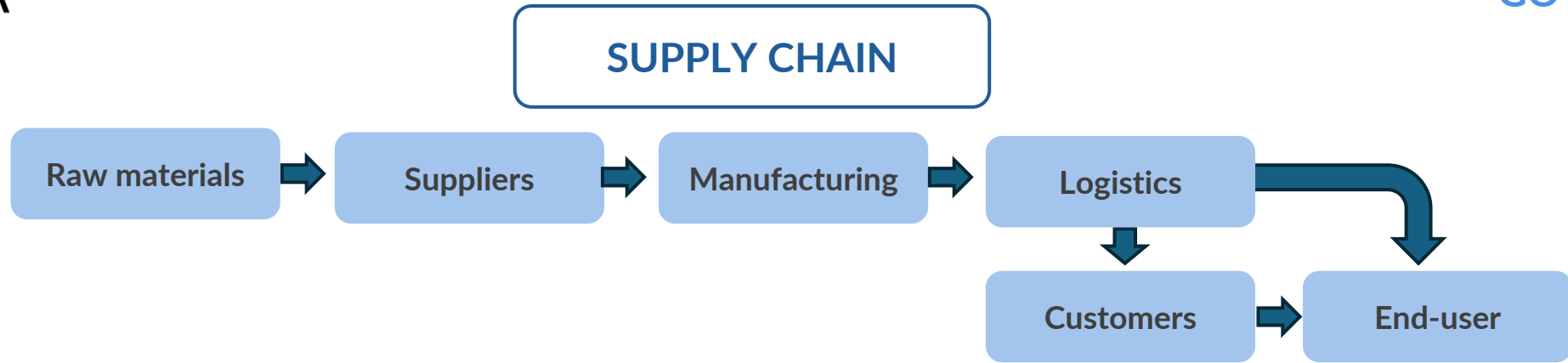
**UMEGA GROUP POLICIES:**

ETHICAL BUSINESS CODE

SUPPLIER CODE OF CONDUCT

**WE SET HIGH BUSINESS ETHICS STANDARDS THROUGHOUT THE ENTIRE SUPPLY CHAIN**





We must ensure proper production processes every day. To fulfil our commitments to customers and guarantee product quality, we work consistently with our suppliers. This includes their responsible selection, diversification, risk assessment, and continuous monitoring, since the quality of the raw materials they provide, timely delivery, and the transportation of our products to customers directly impact our results and reputation as a manufacturer.

UMEGA GROUP has made sustainability one of its key objectives and strives for continuous progress in this area, which requires the active engagement of our suppliers. We have prepared a *Supplier Code of Conduct* and, together with other core sustainability documents, familiarise our suppliers with it so they clearly understand our sustainability goals, how we pursue them, and what is expected of them. This ensures alignment in our approaches and objectives, making the supply chain increasingly sustainable and minimising its impact on both people and the environment.

When sourcing raw materials, we emphasise that their extraction must not be associated with human rights violations, military conflicts, funding of armed groups, or child exploitation.

**SUPPLIERS**

UMEGA GROUP’s supply chain has a strong regional focus. Walter Th. Hennecke GmbH, operating in Germany, sources almost all raw materials and goods from local German suppliers while working closely in synergy with UMEGA GROUP companies in Lithuania. For the Lithuanian manufacturing companies – Hennordic UAB, Umega Agro UAB, and SnolTherm UAB – the majority of suppliers are based in Lithuania and Europe.

This geographical distribution of suppliers reflects UMEGA GROUP’s strategic goal of building a resilient, transparent, and sustainable supply chain. It allows for more effective management of supply risks, faster response to changes, shorter transportation distances, easier monitoring of supplier compliance with EU sustainability and labour law requirements, and stronger support for the local economy.

**Geographical distribution of supply turnover for UMEGA GROUP manufacturing companies:**

REGION	Percentage	Additional Information
Lithuania	78.5%	
European Union (EU)	20.8%	the largest shares (in order) go to Poland, Germany, Italy, Finland, and Sweden
Other European countries (non-EU)	0.6%	United Kingdom, Serbia
Other countries	0.1%	Taiwan, US, China, etc.

\*data on Walter Th. Hennecke GmbH is not included in the table

SUSTAINABILITY IN THE SUPPLY CHAIN

UMEGA GROUP’s goal is to drive positive sustainability changes across the entire value chain, and therefore it seeks to involve its suppliers in these processes.

UMEGA GROUP sets itself high standards in the areas of human rights, health and safety, responsible employment, and ethical conduct. These standards reflect rapidly evolving legal and customer requirements, and the Group also seeks to ensure that its supply chain upholds no less strict requirements.

In 2024, UMEGA GROUP actively developed sustainability policies and codes, which it has begun familiarising its supply chain participants with. A **Supplier Code of Conduct** was also developed, which UMEGA GROUP invites all of its suppliers to follow. The Supplier Code of Conduct covers such areas as responsible employment, human rights, environmental protection, business ethics, and anti-corruption.

Looking ahead, we will also set GHG emission reduction targets for our supply chain and expect commitment and evidence of responsible action from suppliers.

Today, we expect our supply chain participants to:

- respect the fundamental human rights defined in the UMEGA GROUP’s *Human Rights Policy*;
- ensure responsible employment;
- comply with business ethics and anti-corruption requirements as outlined in the UMEGA GROUP’s *Supplier Code of Conduct*;
- uphold no less strict environmental protection requirements than those defined in the UMEGA GROUP’s *Environmental Policy*.

## SUSTAINABILITY IN THE SUPPLY CHAIN

### In 2025, we plan to:

- launch supplier surveys to assess the sustainability situation within their companies and identify related risks;
- familiarise suppliers with the *Supplier Code of Conduct*;
- obligate suppliers in writing to comply with sustainability requirements;
- encourage suppliers to seek solutions for efficient energy use, adopt renewable electricity sources, measure their GHG emissions and plan for reduction, and integrate circularity into their operations;
- familiarise and train all Procurement Department employees across our companies on the Sustainable Procurement Policy, provide additional training, and start implementation.

RESPONSIBLE BUSINESS		
BUSINESS ETHICS	Objective	Progress
100% of employees trained in business ethics and anti-corruption	2025	<i>Started in 2024</i>
100% of employees familiarised with the Responsible Employment Code and trained accordingly	2025	<i>Started in 2024</i>
Sustainability data and progress declared on the <i>EcoVadis</i> platform	2025	<i>Since 2025</i>
Increasing stakeholder engagement in sustainability processes	2025	<i>Since 2025</i>
SUPPLY CHAIN SUSTAINABILITY	Objective	Progress
10% of supply chain partners familiarised with the <i>Supplier Code of Conduct</i>	2025	<i>5% implemented since 2025</i>
10% request rate for sustainability data	2025	<i>5% implemented since 2025</i>
20% of supply chain partners familiarised with the <i>Supplier Code of Conduct</i>	2026	<i>Since 2025</i>
20% request rate for sustainability data	2026	<i>Since 2025</i>
PROCUREMENT		Comment
Sustainable procurement and ESG-related training	100 percent	<i>All employees involved in procurement and supplier relations across the Group have been trained.</i>

\*data on Walter Th. Hennecke GmbH is not included in the table

## CONTACTS

Employee responsible for the report:

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### **Umega Group AB**

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Tel. +370 626 42079

[www.umegagroup.com](http://www.umegagroup.com)

### **Transparency Line**

<https://umegagroup.com/lt/kontaktai/>

### **Reporting Channel**

<https://umegagroup.com/lt/pranesimu-teikimas/>



# CERTIFICATE

No. ZE 2187-2024



This is to certify that

**Umega Group, AB**

consumes electricity generated from Lithuanian renewable energy sources (RES).

By consuming green energy, customer actively contributes to RES development in Lithuania, reduces its climate impact and contributes to climate change mitigation efforts.

**The certificate is valid until 2024-12-31**

Ignitis CEO  
Artūras Bortkevičius

A handwritten signature in black ink, appearing to be "Artūras Bortkevičius".

# APPENDICES

**BREEAM®** Code for a Sustainable Built Environment [www.breeam.com](http://www.breeam.com)

**Interim Certificate: Design Stage**  
The assessment of:

**FLOW**  
Lvivo g. 21A  
Vilnius  
09313  
Lithuania

has been carried out according to Technical Manual:  
**BREEAM International New Construction 2016**  
Office  
Shell and Core  
and based on the Assessment Report produced by:  
**UAB SEES Group**  
has achieved a score of: **87.9%**  
**Outstanding**

Certificate Number: **BREEAM-0080-5796** Issue: **01**

**BRE Global Limited is accredited by UKAS. The assessment process is certified by BRE Global Limited in accordance with the requirements of Scheme Document SD123**

18 July 2023  
Date of Issue

*Catherine Butcher*  
Signed for BRE Global Ltd, Catherine Butcher


UAB „Architektūros kurybine grupe“  
Architect


UAB „Eika“  
Developer

UAB „Verslo investicijos“  
Client for the Assessment

Kestutis Kvietkauskas  
Licensed Assessor

KK15  
Assessor Number

 This certificate is issued to the Licensed Assessor Organisation named above based on their application of the assessment process in accordance with Scheme Document SD123. The certificate is valid on the date of issue on the basis of the data provided by the client and verified by the Assessor Organisation. To check the authenticity of this certificate visit [www.breeam.com/verify](http://www.breeam.com/verify), scan the QR Tag or contact us: [tbreeam@bre.com](mailto:tbreeam@bre.com) T: +44 (0)202 211 8811. This certificate remains the property of BRE Global Limited and is issued subject to terms and conditions available at [www.breeam.com/terms](http://www.breeam.com/terms). The use of the UKAS accreditation mark indicates accreditation in respect of those activities covered by the Accreditation Registration Number 0007 which can be verified by visiting [www.ukas.com](http://www.ukas.com). BRE Global is a registered trademark of BRE (The Building Research Establishment Ltd, Community Trade Mark: 15779551).

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SD123 Cert. No. BREEAM-0080-5796

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**BREEAM®** Code for a Sustainable Built Environment [www.breeam.com](http://www.breeam.com)

**Interim Certificate Number: BREEAM-0080-5796** Issue: **01**

**FLOW**  
Lvivo g. 21A  
Vilnius  
09313  
Lithuania

Assessed for: UAB „Verslo investicijos“

by: UAB SEES Group  
Assessor Company

Kestutis Kvietkauskas  
Licensed Assessor

KK15  
Assessor Number

**BREEAM International New Construction 2016**  
Office  
Shell and Core  
Overall Score: **87.9%**  
Rating: **Outstanding**

**Category Scores**

Category	Score
Management	100
Health and Wellbeing	91
Energy	100
Transport	89
Water	100
Materials	67
Waste	86
Land Use and Ecology	80
Pollution	33
Innovation	50

18 July 2023  
Date of Issue

*Catherine Butcher*  
Signed for BRE Global Ltd, Catherine Butcher

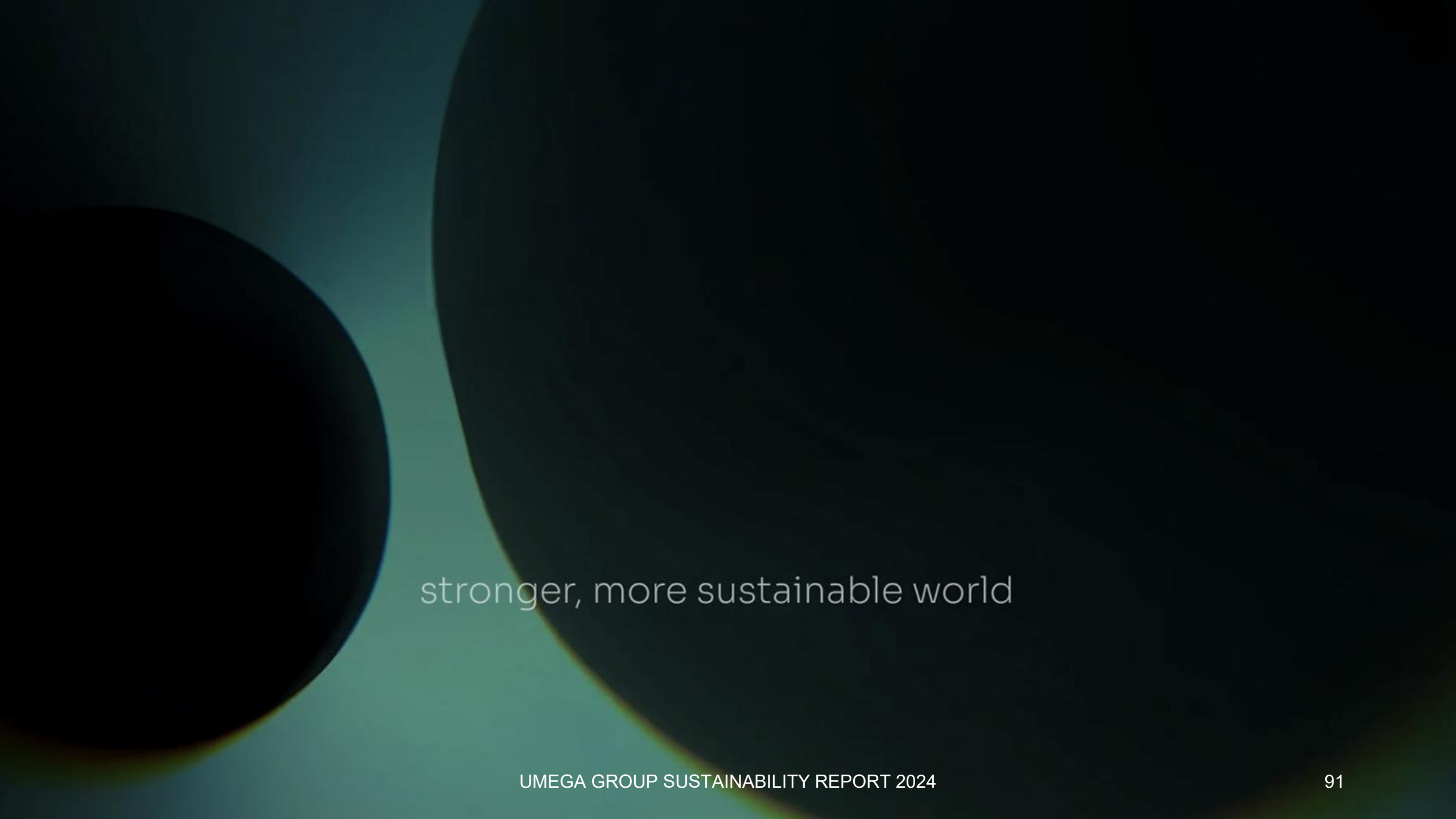
 This certificate is issued to the Licensed Assessor Organisation named above based on their application of the assessment process in accordance with Scheme Document SD123. The certificate is valid on the date of issue on the basis of the data provided by the client and verified by the Assessor Organisation. To check the authenticity of this certificate visit [www.breeam.com/verify](http://www.breeam.com/verify), scan the QR Tag or contact us: [tbreeam@bre.com](mailto:tbreeam@bre.com) T: +44 (0)202 211 8811. This certificate remains the property of BRE Global Limited and is issued subject to terms and conditions available at [www.breeam.com/terms](http://www.breeam.com/terms). The use of the UKAS accreditation mark indicates accreditation in respect of those activities covered by the Accreditation Registration Number 0007 which can be verified by visiting [www.ukas.com](http://www.ukas.com). BRE Global is a registered trademark of BRE (The Building Research Establishment Ltd, Community Trade Mark: 15779551).

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