



Internal legislation	<b>Group Sustainability Policy</b>
Name of the process	Sustainability management
Process owner (department)	Communication office
Approving company	AB Ignitis grupé
Approving person / body	Board of AB Ignitis Grupé
Date of entry into force	2020-08-31

## GROUP SUSTAINABILITY POLICY

### 1. PURPOSE AND SCOPE OF APPLICATION

- 1.1. The purpose of the Policy is to establish the general principles of sustainability of AB Ignitis Grupé group of companies (hereinafter referred to as the Group) and the measures for the implementation of these principles in the companies of the Group, which would create a business culture and practice based on corporate responsibility and sustainable development.
- 1.2. The Policy shall apply to all companies of the Group.

### 2. TERMS

- 2.1. General terms are defined in the Glossary of Terms: Company, Employee, Function, Functional area, Group, Holding Company.
- 2.2. **Sustainable development, sustainability** shall mean the general terms that describe the way in which the countries of the world, the private, public, non-governmental sector, social groups and other organisations develop, based on a balance between economic growth, social welfare and environmental prosperity. An essential provision of these terms is the use resources in a way that meets the needs of the current generation without making it difficult for future generations to meet their own needs.
- 2.3. **Sustainable Development Goals** shall mean the agreement reached by all United Nations members in 2015 on a common agenda for global development by 2030. It is based on the 17 Sustainable Development Goals, which include the pursuit of peace, welfare and the broad prosperity of humankind and the planet now and in the future, as well as promoting partnerships to achieve these goals.
- 2.4. **Sustainable Development Committee** shall mean a permanent committee, established by the decision of the Management Board, comprised of the Group's specialists with the competence of making proposals regarding the Group's sustainability activities, reduction of greenhouse gas emissions in the Group's operations, promotion of energy efficiency and management of green investments.
- 2.5. **European Green Deal** shall mean a roadmap for action presented by the European Commission on 11 December 2019, aiming to make Europe the first climate-neutral continent by 2050, boosting the economy, improving human health and the quality of life, caring for nature and leaving no one behind.
- 2.6. is a permanent committee, established by the decision of the Management Board, comprised of the Group's specialists with the competence of making proposals regarding the Group's sustainability activities, reduction of greenhouse gas emissions in the Group's operations, promotion of energy efficiency and management of green investments.
- 2.7. **Paris Agreement** shall mean an agreement between states to strengthen the global response to the threats posed by climate change. The aim is to limit the increase in the average temperature of the earth to 2 °C compared to the pre-industrial level and to continue to aim to limit the increase of the average earth temperature to no higher than 1.5 °C.
- 2.8. **Global Compact** shall mean a United Nations initiative for business that encourages businesses to make a voluntary commitment and to be accountable for their sustainable and responsible activities and to adhere to the ten principles of responsibility in the areas of human and labour rights, environmental protection and the fight against corruption.
- 2.9. **Policy** shall mean the Group Sustainability Policy; this document.
- 2.10. **Investigation Commission** shall mean an Investigation Commission formed by the decision of the Director of the Holding Company's Business Resilience Service to investigate a specific possible violation of legal acts.

### **3. PRINCIPLES OF SUSTAINABILITY**

- 3.1. Due to the nature of their operations and their strategic importance to national security, it is important for the Companies of the Group to take into account the economic, environmental and social aspects of their operations and to create value in a harmonious and sustainable way that strengthens synergies between financial and non-financial return goals.
- 3.2. In line with its vision, mission, values and strategic goals, the Group implements its sustainability policy through targeted activities in three key areas: economic, social and environmental. By strategically operating in these areas, the Group relies on good corporate governance practices in line with the recommendations of experts and international institutions.
- 3.3. The Group is committed to the principles of the Global Compact in the areas of human rights, labour rights, environmental protection and the fight against corruption:
  - 3.3.1. The Group supports and respects internationally recognised human rights;
  - 3.3.2. The Group is committed to not being complicit in human rights violations;
  - 3.3.3. The Group guarantees the freedom of association, including membership in trade unions, and recognises the right of Employees to collective bargaining;
  - 3.3.4. The Group does not rely on compulsory or forced labour and seeks to contribute to its elimination in the environment in which it can exercise influence;
  - 3.3.5. The Group does not use child labour and seeks to contribute to its elimination in the environment in which it can exercise influence;
  - 3.3.6. The Group does not discriminate and seeks to contribute to the elimination of discrimination in respect of employment and occupation in the environment in which it can exercise influence;
  - 3.3.7. The Group undertakes preventive measures to ensure environmental protection;
  - 3.3.8. The Group undertakes initiatives to increase environmental responsibility where it can exercise influence;
  - 3.3.9. The Group promotes the development and dissemination of environmentally friendly technologies;
  - 3.3.10. The Group shapes an environment intolerant of corruption and fights all forms of corruption, including bribery and trading in influence.
- 3.4. Through its strategic activities, the Group seeks to make a direct contribution to the Sustainable Development Goals, in particular in the areas of sustainable energy development, the fight against climate change, the promotion of innovation, sustainable growth and productive and decent work.
- 3.5. The Group contributes to the implementation of the European Green Deal and the Paris Agreement, with a commitment to reduce net CO2 emissions to zero by 2050.
- 3.6. The Group encourages rational and sustainable resource management and use as well as responsible and efficient energy consumption; it itself initiates and seeks to participate in other organizations' initiatives that increase the efficiency of energy consumption and that are dedicated to achieving Lithuania's energy savings goals.
- 3.7. The Group recognises the importance of comprehensive stakeholder involvement in shaping sustainable development actions and promotes sustainable, ethical, transparent and honest cooperation with customers, employees, shareholders, suppliers, communities, the media and other stakeholders.

### **4. MEASURES TO IMPLEMENT THE PRINCIPLES OF SUSTAINABILITY**

- 4.1. In different areas of sustainability, Group policies for specific sub-areas of sustainability shall be developed as needed.
- 4.2. The principles enshrined in the Policy provisions and their implementation may be further specified in other internal legal acts of the Group and/or Companies of the Group.
- 4.3. The Holding Company prepares plans for the implementation of the principles of sustainability in the Group as set out in the Policy, integrates the principles of sustainability set out in the Policy into the Group's strategy and operational plans, coordinates the implementation of the energy efficiency improvement objectives set for the Companies of the Group.
- 4.4. It is sought to acquaint all Employees of the Companies of the Group with the sustainability activities of the Group and to involve and encourage Employees in their formation and implementation.
- 4.5. The Holding Company undertakes to review regularly the Group's environmental, social and economic impact and the priorities of its sustainability activities (*materiality assessment*), taking into account the expectations of stakeholders and the latest available scientific information.

- 4.6. The Group shall report at least annually on its sustainability activities and their impact through publicly available separate and/or integrated sustainability reports based on best disclosure practices and recognised international standards.
- 4.7. By strengthening its commitment to sustainability and the positive impact in the environment in which it can make an impact, the Group shall join sustainability initiatives and organisations, encouraging partnerships to achieve the Sustainable Development Goals.
- 4.8. Anonymous reports about possible violations of sustainability principles can be submitted to the Trust Line by e-mail [pasitikejimolinija@ignitis.lt](mailto:pasitikejimolinija@ignitis.lt) or by leaving voicemail on the answering machine via the phone number +370 640 88889. The operating principles of the Trust Line are set out in the Rules for the Implementation and Operation of the Group's Internal Reporting Channels of Violations.
- 4.9. Reports of possible or intended violations of the principles of sustainability shall be examined in accordance with the procedure established by the rules of procedure of the Investigation Commission.

## **5. FINAL PROVISIONS**

- 5.1. The Policy shall be approved and amended by the decision of the Board of Ignitis Group.
- 5.2. The Head of the Communication Function shall formulate the Sustainability Policy and its implementation plan.
- 5.3. The revisions of the Policy shall be provided to the Company's Board by the Head of the Communication Function.
- 5.4. The Head of the Sustainable Development Functional Area shall be responsible for the implementation of the Policy measures.
- 5.5. The Head of the Communication Function shall be responsible for monitoring the implementation of the Policy.
- 5.6. Recommendations for the Sustainability Policy, its implementation plan and the evaluation of its implementation shall be submitted to the Board of the Holding Company by the Sustainable Development Committee, the members of which are approved by the Board of the Holding Company with direct accountability to it.
- 5.7. Considering Sustainable Development to be an integral part of business and operational processes, the Group Companies' Managers pay due attention and provide necessary resources to Sustainable Development.
- 5.8. The Group Employees shall follow the principles of sustainability in their activities.
- 5.9. The Policy is publicly available on the Company's website. A link to it is provided on the websites of the Companies of the Group.

## **6. RELATED LEGISLATION**

- 6.1. *Rules of Procedure of the Investigation Commission.*