



Internal legislation	Innovation Development Policy of the Group
Title of the process	Innovation Development
Approving company	Ignitis Group
Owner - department	Innovation Development Department
Approving person / body	The Board of Ignitis Group
Date of entry into force	2020-06-29

INNOVATION DEVELOPMENT POLICY OF THE GROUP

1. PURPOSE AND SCOPE

1.1. The purpose is to set the innovation development objectives and principles within the Group of Companies in order to effectively collect, implement and develop Innovations in the Group of Companies.

1.2. The Policy shall apply to the companies within the Group of Companies.

2. TERMS

2.1. General terms are defined in the Glossary of Terms: Group of Companies / Group, Company, Innovation, Employee, Pilot Project, Internal Legislation.

2.2. **Priority activities** - activities identified in the strategic business plans of the Group of Companies.

2.3. **Third party** - a natural or legal person that does not belong to the Group of Companies.

3. GENERAL PART

3.1. Considering the Group's strategy, the efficient and rapid development of Innovations is understood as one of the strategic activities of the Group of Companies that contributes to the achievement of the strategic objectives of the Companies and increases their competitiveness. With a rapid development of the energy sector, the aim is to expand the activities of the Group of Companies on the existing and new markets, paying sufficient attention to the integration of the new technologies into the Group's activities. The Policy defines the main principles, the observance of which will help to achieve the timely implementation of the objectives set to the development of Innovations within the Group:

- a) to search for, analyse and develop new energy solutions, involving the Group's employees;
- b) to test the latest technologies in the Group's infrastructure quickly and efficiently;
- c) to make up new services that would create value for the Group and / or for the Company.

4. PRINCIPLES OF THE DEVELOPMENT OF INNOVATIONS

4.1. **Forecasting.** In the Group of Companies, the Innovation Management Function constantly monitors energy trends in Lithuania and abroad, analyses them, searches for the application of technologies in the activities of the Group of Companies and informs thereof the responsible Employees of the interested Companies of the Group.

4.2. **Dynamic.** The Innovation projects which are developed in the Group of Companies must be dynamic, quickly adapting to the changing market conditions and new business needs. The Pilot Projects of Innovations must be carried out efficiently, by adapting the fastest possible processes.

4.3. **Openness.** In the Group of Companies, the Innovation activities must be communicated transparently, presenting relevant news, trends and the latest information on the projects being developed. Every Employee of the Group of Companies must have an opportunity to enquire about and receive more information about the projects carried out in the Group, present his / her idea or contribute to the implementation of the existing innovative ideas.

4.4. **Cooperation.** In the Group of Companies, the development of Innovations must be based on the cooperation between different areas, functions and Companies in order to achieve the common goal, *i.e.* to create value for the Group and contribute to the implementation of the Group's strategy.

4.5. **Education.** In the Group of Companies, the culture of Innovations must be fostered so that the Employees of the Group of Companies comprehend the importance of Innovations, potential benefits thereof for the activities of the Group of Companies and implementation of the objectives set for the Companies properly.

5. PARTICIPANTS AND RESPONSIBILITIES

5.1. **The Board of Ignitis Group** shall set the Innovation development goals and principles in the Group of Companies when approving this Policy.

5.2. **The Head of the Innovation Management Function** shall formulate the Innovation management strategy and Policy, be responsible for monitoring the implementation of the Innovation management strategy and Policy, principles of organization, efficiency and results of the Group's Innovation management, setting and achievement of indicators.

5.3. Considering the development of Innovations as an integral part of the Company's business processes, **the heads of the Companies** shall pay appropriate attention and resources to the development of Innovations.

5.4. **The Employees of the Group of Companies** shall get involved in the Pilot Projects of Innovations and other ongoing projects of the Group of Companies for the purpose of the analysis, initiation and execution.

6. FINAL PROVISIONS

6.1. The Head of the Innovation Management Function shall be responsible for the implementation and control of this Policy.

6.2. This Policy and internal legislation implementing it shall be in line with the strategic objectives and Priority activities of the Group of Companies and global best practices for Innovation development, reflect the existing technological changes and trends.