

Internal Legislation	Group vehicle fleet management policy
Process name	Transport management
Validating company	AB Ignitis grupė
Owner – Department	Group asset management and administration
Approving Person/Body	Board of AB Ignitis grupė
Date of approval, decision No.	Coincides with the date of approval

GROUP VEHICLE FLEET MANAGEMENT POLICY

1. PURPOSE AND SCOPE

1.1. The purpose of the Policy is to establish general principles for the management of the **Group's** vehicle fleet, to define the main provisions to be followed by **Group companies** in their activities when managing their vehicle fleets and implementing strategic objectives.

1.2. **Vehicles** are used and managed in Group companies based on the principles of transparency, usage efficiency and cost-saving.

2. DEFINITIONS

On-call employee	An employee who is granted the right to keep the Official Vehicle at home outside working hours in order to be able to promptly travel to work at any time of the day in the event of an accident or incident.
Fuel	Liquid combustible materials for internal combustion engines (petrol, diesel, liquefied petroleum gas, etc.) and electricity used to charge electric engines.
ECO driving	A modern, responsible and rational driving style, where driving takes into account the dynamics of traffic flow and is safe, conserves the vehicle and uses less Fuel.
IG	Position level in the structure of the Group companies' employees.
Mobility Programme	A measure ensuring the employee's environmentally friendly means of travel (mobility), allocated instead of a Service vehicle. The mobility programme measures are defined by this Policy and the Policy implementation guidelines.
Mobile employee	An Employee who does not have a permanent workplace in the Company's office premises and who spends most of the time working by using a Vehicle.
GHG	Gases in the atmosphere that contribute to the greenhouse effect.
Polluting fuel	Petrol, diesel, liquefied petroleum gas.
Vehicle classes	Vehicle groups defined according to the market classification provided on the website of UAB Autotyrimai. (LT – http://www.autotyrimai.lt/klasifikacija/ , EN – http://www.balticautoresearch.com/classification/).

Other terms and abbreviations shall be understood as defined in the Glossary of Terms.

3. GROUP VEHICLE MANAGEMENT OBJECTIVES

3.1. In implementing the Group's GHG emission reduction objectives, the measures must be planned and actions taken to ensure the possibility to:

3.1.1. Reduce GHG emissions generated from Polluting fuels consumed within the Group by 42 percent by 2030 (inclusive) (compared to 2020), with data being compared by recalculation – determining the amount of Polluting fuels consumed per 1 Employee over different periods;

3.1.2. Achieve a net-zero balance of GHG emissions during 2040–2050.

3.2. Companies must implement measures to reduce the amount of Polluting fuel consumed by Vehicles powered by Polluting fuel:

3.2.1. increase the number of electric vehicles in the Official Vehicle fleet;

3.2.2. Ensure that in the **Shared fleet of official Vehicles**, electric vehicles account for not less than 50 percent of all vehicles in this fleet;

3.2.3. Implement software to calculate routes requiring the lowest Fuel consumption, aim to reduce repeated trips (when performing tasks, visiting clients), encourage the use of video conferencing equipment and thus reduce the number of off-site meetings;

3.2.4. Do not limit the mileage of electric vehicles used in company operations. Review the annual mileage limits of Vehicles powered by Polluting fuels at least once every two years;

3.2.5. Aim to encourage Employees to choose electric vehicles from the Shared fleet of official Vehicles more often than Vehicles powered by Polluting fuels;

3.2.6. Periodically organise theoretical **ECO driving** training for Vehicle drivers (Employees);

3.2.7. When analysing the Official Vehicle driving indicators, organise practical ECO driving training for drivers (Employees) who do not drive ecologically;

3.2.8. Reduce the fleet of Official Vehicles assigned to Employees in Group companies, encourage Employees to use the Shared fleet of official Vehicles, taxi and car-sharing services, to cycle, walk, use public transport and trains;

3.2.9. Encourage Employees to commute together, implement computer or smartphone applications for ride-sharing management.

3.3. **Key executives**, to whom Official Vehicles are assigned according to the principles for the allocation of Vehicles, shall be assigned only environmentally friendly (electric) Official vehicles.

4. PRINCIPLES FOR ACQUISITION AND ALLOCATION OF VEHICLES BY GROUP COMPANIES

4.1. **Vehicle acquisition.** When acquiring Vehicle operating lease services or Vehicles, companies must promote fair competition, apply non-discriminatory requirements to suppliers, manufacturers' makes and models, and aim to acquire these services/goods on the most advantageous terms.

4.2. It is recommended that Vehicles defined as belonging to the prestige sector in the Vehicle classification should not be used in the operations of Group companies (classes BC2, D2, E2, F, G&H, I2b1, I2b2, I3b I4).

4.3. **Vehicle allocation.** Vehicles must be allocated to Employees of Group companies in accordance with the principles set out in Annex 1 of this Policy.

4.4. Before initiating a purchase, the need for Vehicles must be coordinated with the Group's Transport Management functional division, and their acquisition must be carried out according to the recommendations provided by the Group's Transport Management functional division via e-mail. Company Vehicles must comply with applicable safety requirements, be technically sound, be equipped with safety features for driving, and not pose a threat to the health or life of Employees and the public.

4.5. IG17-level and higher-level managers (excluding Key Executives), as well as in other exceptional cases provided for in this Policy, may be allocated a **Mobility Programme** measure to ensure mobility, in accordance with the principles set out in Annex 1 of the Policy. Mobility Programme measures are aimed at environmentally friendly means of travel by Employees:

4.5.1. the acquisition of electric or non-polluting vehicles is encouraged, to which Group companies contribute by granting a monthly monetary compensation;

4.5.2. the use of car-sharing and taxi services is encouraged, to which Group companies contribute by granting a monthly limit for the use of these services at the Company's expense.

4.6. **Conclusion of Loan for Use agreements for Personal vehicles.** In the case of a Loan for Use, the Company compensates the Employee for Fuel and may compensate operational costs. Loan for Use agreements may be concluded in accordance with the principles set out in Annex 1 of the Policy, and also with Employees working in remote divisions not accessible or hardly accessible by public transport, with Employees who may be called to the workplace at any time outside working hours (during accidents/incidents), and in exceptional cases, when hiring an Employee who is difficult to attract from the labour market to perform critically important work functions.

4.7. The Company compensates Fuel expenses based on the manufacturer's declared average Fuel consumption per 100 kilometres, and for Polluting fuels no more than up to 8 l/100 km.

4.8. When the Company compensates Employees for operational costs of a Personal vehicle in the cases specified in Clause 4.6, the calculation of the benefits is based on the procedure established by the Head of the Group's Asset Management and Administration Function.

5. VEHICLE ADMINISTRATION

5.1. When managing their Vehicle fleets, companies must:

5.1.1. encourage Employees to develop safe driving skills and a culture of preserving Vehicles and the environment;

5.1.2. ensure that the Employee compensates the Company for damage caused by their fault, which arose due to the use of the Vehicle, breaches of its condition and/or missing equipment;

5.1.3. ensure that Vehicles are used according to their intended purpose and for the purposes established in this Policy. Company vehicles must not be confused with personal property or used for personal benefit or the benefit of a third party. The use of Company vehicles for personal purposes is only permitted in cases specified in the Policy and according to the procedures established in the Companies;

5.1.4. ensure that the data on the use of the Company's Vehicles (regarding managed Vehicles and their quantity or other changes, mileage, and occupancy (time used for work purposes), Fuel consumption) is submitted to the Group's Asset Management and Administration Function no less frequently than quarterly.

6. REVIEW AND UPDATING OF THE POLICY

6.1. The Group's Asset Management and Administration Function is responsible for initiating the review and update of the Policy.

6.2. The Policy and its implementing internal legal acts must be aligned with the strategic objectives of the Group and ensure compliance with laws, sub-statutory legal acts and/or contractual obligations.

7. FINAL PROVISIONS

7.1. This Policy is approved by the Management Board of AB Ignitis grupė.

7.2. The Head of the Asset Management and Administration Function controls the implementation of the Group's Vehicle Management Principles, approves the Policy implementation guidelines, and establishes the rules for Vehicle use.

7.3. The Policy is publicly available.

8. ANNEXES

Annex 1. Principles for the allocation of Vehicles and Mobility Programme measures.