

APPROVED
by decision of the Board of
Lietuvos Energija, UAB dated
January 29, 2014 (Minutes of
the Meeting No. 4)

**SOCIAL RESPONSIBILITY POLICY OF
LIETUVOS ENERGIJA GROUP**

Objective: To establish the general directions and provisions for social responsibility of Lietuvos Energija Group that could be used to establish a socially responsible and harmoniously developed business culture and practices of Lietuvos Energija Group.

Application scope: Lietuvos Energija Group companies.

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1. Terms and abbreviations used

1.1. Concepts and/or abbreviations in this Policy shall have the following meanings:

Social Responsibility Policy or Policy	Social Responsibility Policy; this document.
Lietuvos Energija	Lietuvos energija, UAB (company code 301844044, registered office address: Žvejų g. 14, 09310 Vilnius).
Group of Companies	Lietuvos Energija and legal entities directly or indirectly managed by it.
Company	Lietuvos Energija Group company.
CCS	Lietuvos Energija's Corporate Communications Service
CCD	The Company's Corporate Communications Department
Social Responsibility	The Company's ideology, policies and practices reflecting the company's behavior, which involves the voluntary inclusion of social and environmental issues in its activities and following the value principles of respect for people, the public and the environment in its relations with all

	(according to the Ministry of Social Security and Labor definition).
Sustainable development	A compromise between environmental, economic and social public objectives which makes it possible to achieve the common good for the current and future generations without exceeding the limits of allowable environmental impact (according to the National Strategy for Sustainable Development, approved by the Government of the Republic of Lithuania)

2. General provisions

- 2.1. The Group of Companies constitutes the country's energy sector, part which is strategically important for national security, therefore it is important to take into consideration the ethical, social, and environmental business aspects in its activities as an employer, market participant and member of the public. Consistent implementation of the principles of this Policy should not only help the Group to acquire public trust, and strengthen the positive reputation of the Group, but it will also help it contribute to the creation of the common public good.
- 2.2. The principles established in the Group's Social Responsibility Policy and their implementation are detailed in the appropriate Company procedures or other internal regulations.

3. Social Responsibility directions

- 3.1. The Group of Companies, acting on the basis of its Vision, Mission, Values and Strategic Objectives, is realizing its social responsibility through targeted activities in four main areas – environment protection, relationships with its employees and the public, and market activities.

4. Social Responsibility in environment protection

- 4.1. The Group promotes advanced tools and technologies, uses them in its activities and implements processes which meet ecological standards and help reduce environmental impact of its activities.
- 4.2. Acting on the basis of sustainable development and pollution prevention principles, the Group implements cost reducing activities, pays attention to waste sorting, and promotes rational resource management and usage.
- 4.3. The Group promotes and actively participates in ecological initiatives and preventive programs which ensure environmental protection.

5. Social Responsibility in relationships with employees

- 5.1. The Group's employees are the main and most important factor of its successful operation, therefore it aims to apply advanced performance management and reward systems, to create conditions for personal, professional and general competency improvement and building, it aims to ensure equal rights for the employees in compliance with the prohibition of discrimination by age, gender, origin and beliefs which is established in the RL Constitution and labor laws.
- 5.2. The Group aims to pay special attention to employee health protection, occupational disease prevention, and physical activity promotion.
- 5.3. The Group recognizes the right of its employees to voluntarily join professional unions or associations and their right to negotiate with the employer.

6. Social Responsibility in relations with the public

- 6.1. The Group supports and promotes cooperation between the business and the public on the basis of common sustainable development interests, it aims to ensure long-term business and public progress, it contributes to public social development and wealth creation, it is accountable to the public for its activities.
- 6.2. The Group is caring for public education in the energy sphere (safe use of electricity, energy efficiency improvements, etc.) by voluntarily creating its own and getting involved in public initiatives, it promotes civic virtues, responsibility, conservation and conscientiousness, and actively cooperates with local communities.
- 6.3. The Group promotes the professional activities of young people, it actively cooperates with secondary and higher education schools, academic community, and it creates conditions for student traineeships.
- 6.4. The Group promotes and supports volunteering activities of both its own employees and the public for the purposes of public benefit.

7. Socially responsible activities in the market

- 7.1. The Group advocates ethical, transparent and fair cooperation with clients, suppliers, and investors, and it cooperates with partners who are rendering assistance in the implementation of socially responsible business principles.
- 7.2. The Group aims to ensure that all information is provided in a clear and understandable way, that it is timely and is not misleading.
- 7.3. The Group shall not tolerate any forms of corruption and it is a matter of principle for it to prevent them both within the company and outside it, by acquainting its employees with fair business principles and ethical norms and by promoting a fair business policy and transparent relationships with government institutions, cooperation with organizations which promote an ethical and socially responsible view of business in Lithuania.

8. Final provisions

- 8.1. The Policy constitutes an integral part of the Group's local regulations.
- 8.2. The Companies are implementing the Policy to the maximum possible extent, by ensuring compliance with the principles established in the Company statutes, Corporate Governance Guidelines for the state-owned group of energy companies which are approved by the Order of the Minister of Finance of the Republic of Lithuania No. 1K 205 on June 7, 2013, the provisions of the RL law on power industry and other current legal acts of the RL. The Policy is to be applied at the Group of Companies level, without violating the provisions of the European Union's Third Energy Package.
- 8.3. The Companies shall prepare the Policy implementation procedures, rules, processes or other social responsibility related local regulations and documents of the Company, in accordance with the provisions of this Policy and observing the requirements of legal acts and Company statutes. Drafts of local regulations prepared by the Companies for the implementation of the Policy must be agreed with Lietuvos Energija prior to their approval according to the procedure established in the Company.
- 8.4. The CCS Director is responsible for the preparation of the Policy or amendments thereto. The CCD head or the employee responsible for the Company's communications is responsible for the timely implementation of the Policy, for the supervision implementation, and for initiation of amendments to the Policy or to its individual provisions. If the Company does not have an employee responsible for communications, or if the current internal procedures of the Company do not specify to whom the communications function is assigned, the head of the Company shall be responsible for implementation of this Policy in the Company.
- 8.5. The Policy may be amended or updated at the CCS or CCD initiative as required, but at least every 3 years, taking into consideration the changes effected in the Group of Companies, decisions of Lietuvos Energija management, Lietuvos Energija CEO, and other factors.
- 8.6. This Policy applies to all employees of the Group of Companies. Employees of the Companies shall be acquainted with this Policy in accordance with the procedure established by their local regulations.
- 8.7. The Policy, supplements and amendments thereto are approved by the Board of Lietuvos Energija.