

	Lietuvos geležinkeliai AB Strategy and Business Development
<i>Sustainability Policy</i>	Version 03

APPROVED

By a decision of the Board
of AB “Lietuvos geležinkeliai”
on 3 of September 2026
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SUSTAINABILITY POLICY

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1. PURPOSE AND SCOPE

1.1. The objective of this policy is to establish the principles and priorities of the LTG Group's sustainability activities, and to define the key sustainability-related activities and the management model in the areas of social, governance and environmental matters.

1.2. The implementation and application of this policy are set out in detailed internal regulations (methodologies and processes) approved by the LTG Group and the legal entities directly and indirectly controlled by the LTG Group.

1.3. The implementation of the sustainability priorities and principles set out in the Policy may be further detailed in other internal regulations of LTG Group companies. Internal documents of LTG Group companies relating to sustainability management must comply with the provisions of this Policy and, where necessary, must be regularly updated in line with changes to the provisions of this Policy.

1.4. The Sustainability Policy applies across the entire LTG Group, with the aim of ensuring the development of a common understanding of sustainability and a culture of sustainability, as well as meeting the expectations of the LTG's stakeholders.

1.5. With regard to LTG Group companies performing the functions of a public railway infrastructure manager, the provisions of this Policy shall apply to the extent that they do not conflict with the requirements laid down by law concerning the impartiality of the public railway infrastructure manager's management, financial transparency, allocation of public railway infrastructure capacity, and the calculation and payment of charges for the minimum access package, as set out in legislation.

2. DEFINITIONS

2.1. Key terms and abbreviations used in this Policy.

Term	Definition
ESG	The environmental, social and governance aspects that make up the concept of sustainability.
Sustainable Development Goals (SDGs)	Global objectives set by the United Nations, to be achieved by 2030. The agenda comprises 17 Sustainable Development Goals, which declare the pursuit of peace, well-being and comprehensive prosperity for humanity and the planet, both now and in the future, and encourage unity in achieving these goals.
Corporate function	Top-level activities of the LTG Group.
LTG Group/Group	A group of companies comprising AB "Lietuvos geležinkeliai" (LTG) and the legal entities it controls, either directly or indirectly.
LTG	AB "Lietuvos geležinkeliai".
LTG Board	The Board of AB "Lietuvos geležinkeliai".
Paris Agreement	The Paris Agreement on climate change (Council Decision (EU) 2016/1841 of 5 October 2016) – an agreement between states aimed at managing the risks associated with the threats posed by climate change. The aim is to limit the rise in the global average temperature and to continue

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Term	Definition
	to strive to keep the increase in the global average temperature below 1.5°C.
Global Compact	A voluntary global initiative launched by the United Nations, aimed at organisations that commit to adhering to ten universally recognised principles in the areas of human rights, labour relations, environmental protection and the fight against corruption, and to systematically integrate them into their operations, strategy and organisational culture.
Policy	A document setting out the company's management guidelines, principles, and long-term and short-term objectives, formulated in accordance with the LTG or Business Unit's strategy, legal regulations, business model and the standards governing the LTG Group's management systems.
Stakeholders	Legal or natural persons, or groups thereof, organisations, bodies or institutions (of any legal form, regardless of their beneficiaries) that have differing expectations, needs or influence in relation to the LTG Group or its operations.
Sustainability	General terms describing a model of development based on a balance between environmental prosperity, social well-being and economic growth. This concept encompasses the principles of balanced development and the responsible use of limited resources.
Sustainability Report	A section of a company's annual management report which, in accordance with the requirements of the European Sustainability Reporting Standards (ESRS) and in implementation of the provisions of the Corporate Sustainability Reporting Directive (CSRD), provides information on the areas covered by the ESRS.
Green Deal	A set of European policy initiatives aimed at reforming the EU's climate, energy, transport and tax policies in such a way that Europe becomes a climate-neutral continent by 2050, economic growth is decoupled from the use of natural resources, and a socially just transition ensures that no person and no region is left behind.

3. PRINCIPLES OF SUSTAINABILITY

3.1. The sustainability policy is based on the operational principles set out in the United Nations Global Compact, the resolutions of the Paris Agreement, and the provisions of European Union strategic documents (the European Commission's Communication on promoting corporate social responsibility, the Green Deal), the International Labour Organisation's declarations on fundamental principles and rights at work, as well as the Management Coordination Centre established by the Government of the Republic of Lithuania to ensure the implementation of good

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governance principles in state-owned enterprises, and other recommendations in the field of sustainability.

3.2. The LTG Group's operations take into account environmental, social, governance and economic aspects of its activities, with a view to achieving sustainable value creation, which is realised by striking a balance between financial and non-financial returns and taking into account the needs of stakeholders.

3.3. The LTG Group strives for open and active cooperation, based on mutual communication, trust and integrity, with all stakeholders. In its cooperation with stakeholders, the LTG Group endeavours to take into account their expectations and suggestions regarding sustainable development, and is guided by the values adopted by the Group.

3.4. The LTG Group undertakes to regularly review its impact on the environment and society, taking into account the expectations of stakeholders and the latest available scientific information.

3.5. **Key principles for implementing the LTG Group's sustainability activities:**

3.5.1. **Double materiality assessment.** An assessment of the LTG Group's impact on the environment and society, as well as the influence of sustainability factors on the Group's own financial success, which helps to identify material ESG topics and the scope of reporting.

3.5.2. **Integration of sustainability.** The LTG Group integrates environmental, social and governance priorities into its strategic planning and operational management; sustainability objectives are linked to the LTG Group's strategic and operational goals and targets at the level of the LTG Group's companies and corporate functions.

3.5.3. **Engagement promotion.** The aim is to involve internal and external stakeholders in all initiatives and activities designed to implement sustainability priorities and to encourage their active participation.

3.5.4. **Continuous monitoring and improvement.** The implementation of sustainability activities is continuously monitored, and ways to improve sustainability performance are constantly sought. Efforts are made to ensure that business partners and suppliers adhere to sustainability principles, and their activities are monitored.

3.5.5. **Responsibility and accountability.** The LTG Group reports on its sustainability activities and their impact at least once a year by publishing separate sustainability reports and/or reports integrated into its annual report, prepared in accordance with current ESRS requirements and best disclosure practices.

3.5.6. **Transparency and public communication.** Data and information on the LTG Group's progress in the field of sustainability are disclosed publicly in accordance with globally recognised standards and in formats and ways tailored to a wide range of stakeholders, both within the LTG Group and externally.

4. SUSTAINABILITY PRIORITIES

4.1. The LTG Group identifies key topics in each area of its operations and sets priorities based on where and how, through its activities, the LTG Group has the greatest impact on the environment and society, can create the greatest value and, through the efficient use of resources, bring about meaningful and measurable change over a specific period. ESG priorities contribute to the fulfilment of the LTG Group's mission and vision and reflect the organisation's values and the expectations of its stakeholders.

4.2. Considering the nature of its activities and key ESG topics, LTG identifies the following activities:

4.2.1. **Environmental protection.** The LTG Group implements environmentally friendly

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technologies, reduces greenhouse gas emissions and aims to transition to climate-neutral operations; it identifies and manages risks associated with climate change, improves the efficiency of energy and other resource use, implements measures to prevent noise, vibration and pollution prevention measures, contributes to the conservation of biodiversity, and promotes the implementation of circular economy principles across all areas of its operations.

4.2.2. Social responsibility. The LTG Group adheres to universally recognised human rights principles and strives to implement them throughout the value chain, including its own employees, those of its suppliers and partners, customers and communities. In fostering an inclusive organisational culture, the LTG Group promotes diversity, equality and non-discrimination; ensures safe and healthy working conditions; systematically looks after the physical and emotional wellbeing of its employees; and encourages their professional and personal development. The LTG Group is constantly improving the physical and digital accessibility of its services and infrastructure, implementing the highest security standards and ensuring respectful customer service, whilst ensuring the timely and transparent dissemination of information, prompt feedback and strict protection of personal data for all stakeholders.

4.2.3. Governance. The LTG Group adheres to high standards of business ethics and best practices in risk management, develops transparent relationships with suppliers based on sustainability principles, and implements an anti-corruption policy based on the principle of zero tolerance. The consistent application of good governance practices and the strengthening of governance ensure responsible decision-making and the organisation's long-term credibility and resilience.

5. SUSTAINABILITY OPERATING MODEL

5.1. To ensure the implementation of sustainability priorities and activities, the LTG Group has adopted a partially centralised and standardised operating model, which defines clear responsibilities and allows for the decentralisation of activities at the level of corporate functions, divisions and LTG Group companies.

5.2. In different ESG areas, specific policies, principles, strategies and/or action plans are drawn up or updated as required. The relevant corporate function within LTG is responsible for drafting these documents, whilst Strategy and Business Development coordinates the integration of these documents into the sustainability Policy and/or the LTG Group's strategy.

5.3. The policy defines LTG's responsibilities and roles relating to the implementation of sustainability principles at all levels of the organisation:

5.3.1. The LTG Board is responsible for approving the sustainability policy and other policies related to its implementation, the LTG strategy – which incorporates sustainability priorities – and the annual sustainability report.

5.3.2. The Audit and Risk Committee is responsible for providing recommendations on the reliability and effectiveness of the sustainability reporting process, reviewing the results of assurance on the information presented in the annual sustainability report, and monitoring the preparation of sustainability information in this report in accordance with applicable legislation and standards.

5.3.3. The Chief Executive Officer is responsible for ensuring the integration of ESG priorities into the LTG Group's strategic and operational management, the proper functioning of the sustainability management model, ensuring the allocation of responsibilities within the LTG Group, and keeping the LTG Board informed of progress in implementing sustainability objectives and initiatives.

5.3.4. The heads of LTG Group companies are responsible for identifying sustainability goals, initiatives and measures, and integrating them into the strategies and operational plans of Group

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companies, whilst ensuring alignment with the LTG Group's sustainability priorities, goals and intended outcomes.

5.3.5. Managers and staff in corporate functions contribute, within their areas of responsibility, to the implementation of the LTG Group's sustainability goals; they identify the sustainability requirements, goals, measures and indicators relevant to their area; they participate in the implementation of sustainability initiatives; and they provide the necessary data and information to the sustainability function.

5.3.6. The Sustainability Function within the Strategy and Business Development department is responsible for improving sustainability policy and the sustainability management model, coordinating the assessment of double materiality and the identification and integration of sustainability priorities into the LTG strategy, providing methodological support to LTG Group companies and corporate functions in setting sustainability objectives, priorities, measures and indicators, monitoring the implementation of sustainability targets and analysing indicators, collecting sustainability data and preparing reports in accordance with the ESRS or other international standards, and collaborating with external stakeholders on sustainability matters.

6. FINAL PROVISIONS

6.1. The Sustainability Policy and any amendments thereto shall be approved by the LTG Board.

6.2. The review and update of the Sustainability Policy are initiated and coordinated by the Strategy and Business Development (Sustainability function).

6.3. The Sustainability Policy is reviewed as and when necessary, but at least once every two years, as well as in the event of a fundamental change to the LTG Group's strategy, the LTG Group's organisational management structure, or the emergence of other strategically significant circumstances.

6.4. The Sustainability Policy does not conflict with applicable legislation or the LTG Group's documents.

6.5. The Sustainability Policy is published on the LTG Group's website.