APPROVED by
AB "Lietuvos geležinkeliai" Board
Decision No. SPR-VL(LTG)-5/2024
of January 16, 2024

STAKEHOLDER ENGAGEMENT POLICY

1. Purpose and Scope of Application

1.1. AB Lietuvos geležinkeliai Group of Companies (hereinafter referred to as the Group) recognises that the involvement of stakeholders is a very important aspect of the Group's activities. We aim to create long-term sustainable value for all stakeholders – employees, customers, partners, government and communities. It is therefore very important for the Group to have a good understanding of the needs, expectations and preferences of our stakeholders. In order to achieve this, we are constantly engaging with all stakeholder groups. The Group considers that stakeholder engagement is essential to achieve the objectives identified in the Group's long-term strategy.

1.2. The Policy is addressed to all employees of the Group whose activities involve relations with stakeholders.

1.3. The Policy shall be consistent with and not contradict the provisions of other functional policies adopted by the Group, as well as legal acts in force in the Republic of Lithuania.

1.4. The Policy shall apply to LTG Operational Units for which the involvement of stakeholders is managed:

1.4.1. AB Lietuvos geležinkeliai
1.4.2. AB LTG Cargo
1.4.3. LTG Cargo Polska sp. z o. o
1.4.4. UAB LTG Link
1.4.5. AB LTG Infra
1.4.6. UAB Geležinkelio tiesimo centras

1.5. With respect to an LTG group company acting as a public railway infrastructure manager, the provisions of this Policy shall apply and be applied to the extent that they do not conflict with the regulatory requirements for impartiality in the management of the public railway infrastructure manager, for financial transparency, for the allocation of the capacity of the public railway infrastructure and for the calculation and payment of the minimum access package fee.

1.6. For the purposes of our Policy, "Stakeholders" shall be defined as any person or organisation:
(a) who has, or may in the future have, a material relationship with the Group; or
(b) who may be affected by the Group's activities; or
(c) who has expressed in writing to the Group a serious and credible interest in providing (or in connection with providing) funding:
(d) in relation to rail-related services;
(e) railway infrastructure; or
(f) network.
In each case, the participation will be carried out in such a way as to meet the reasonable needs of the relevant stakeholder.

2. Terms

2.1. The following terms and abbreviations shall be used in this Policy.

Term / Abbreviation	Definition / Explanation
Stakeholder(s)	A person or group with an interest in the decisions or activities of an organisation.
Dialogue/cooperation with stakeholders	Activities undertaken to enable dialogue between an organisation and one or more stakeholders with the aim of informing the organisation's decisions.
Relations with future generations	A Group approach that takes into account the impact of long-term decisions on future generations.

Term / Abbreviation	Definition / Explanation
Relationship with the stakeholder	Any deliberate act that results in contact with the stakeholder for the purpose of informing and/or seeking his/her views.
Map of stakeholders	A document that includes stakeholders who influence and are influenced by the LTG to achieve its objectives. They are weighted according to the magnitude of the impact and the level of interest in LTG.
External communication (public relations)	Communication with stakeholders through publicly available means (media, public events, etc.).
Internal communication	Any deliberate action that results in contact with employees in order to increase employee awareness of the Group's activities and engagement.
Trademarks	Trademarks of AB Lietuvos geležinkeliai Group.

3. Objectives / Principles / Model

3.1. In order to involve stakeholders in its decision-making process and to build a relationship of openness and trust with them, all the Group's companies **adhere to the following objectives**:

Always take into account the economic, environmental and social impacts that are relevant to the organisation and its stakeholders.

Understand the key concerns and expectations of stakeholders for the Group.

Respond consistently and quickly to issues and concerns of stakeholders.

3.2. Key principles:

The Group identifies and involves stakeholders in a systematic and consistent manner. For this purpose, a Group-wide **map of stakeholders** will be created.

The Group endeavours to promote accountability in stakeholder participation to enable interactive, non-discriminatory and transparent participation with the possibility to resolve conflicts and complaints quickly.

The Group strives to be inclusive, transparent and open in its activities, recognising and prioritising the needs of vulnerable and disadvantaged stakeholders.

The Group aligns its objectives and actions with the top priority areas of stakeholders, based on its own assessment.

The Group aims to resolve stakeholders' complaints in a timely and appropriate manner to the satisfaction of the parties.

The Group engages with stakeholders in a non-discriminatory and interactive way to encourage feedback and positive engagement in its activities.

The Group aims to report and communicate the results of its engagement with stakeholders to internal and external stakeholders and groups in a variety of appropriate ways, including, but not limited to, through an annual performance report, notifications on the Group's official website and the Group's official social networks, one-to-one meetings, etc.

3.3. Policy application model:

A coordination model has been chosen to manage stakeholder involvement. Corporate Affairs shall be responsible for compiling and updating the overall Map, collecting information on stakeholder contacts, providing advice and training, formulating messages, and developing centralised model processes where separate processes are required. Contacts with stakeholders shall be managed in a centralised, semi-centralised, decentralised way. These divisions and responsibilities shall further be clarified in the methodology.

Each business unit must involve stakeholders in each of its activities in accordance with this Policy and ensure that they maintain and contribute to the Group's relationships with stakeholders. As the largest rail transport group in the Baltic States, we interact with many stakeholders. These include:

- individuals (e.g. passengers or railway line neighbours);

- customers (and groups thereof);
- national funders (Government, Ministry of Transport)
- local self-government;
- end-users of freight;
- companies that are part of our supply chain;
- regulators;
- trade unions;
- media;
- public.

3.4. Managing stakeholder involvement. Governance follows a continuous cycle: planning, execution, monitoring, analysis (Fig. 1).

Planning. Depending on the location on the Map, individual or joint action plans are prepared for stakeholders. They can be annual, intended for a specific project, a specific stakeholder or a specific situation. The plans take into account the Group's strategy, objectives, positioning, the business plans of its management and corporate functions, the market situation and the results of the analysis of past actions. Each plan must include the following:

3.4.1. A summary of the importance to the Group of a number of stakeholders or of an individual stakeholder, and an assessment of the approach to the Group.

3.4.2. The desired outcome (objective) of a relationship with one or more stakeholders.

3.4.3. Actions and measures to achieve the result.

3.4.4. The person responsible for relations with the stakeholder (if the stakeholder is singled out).

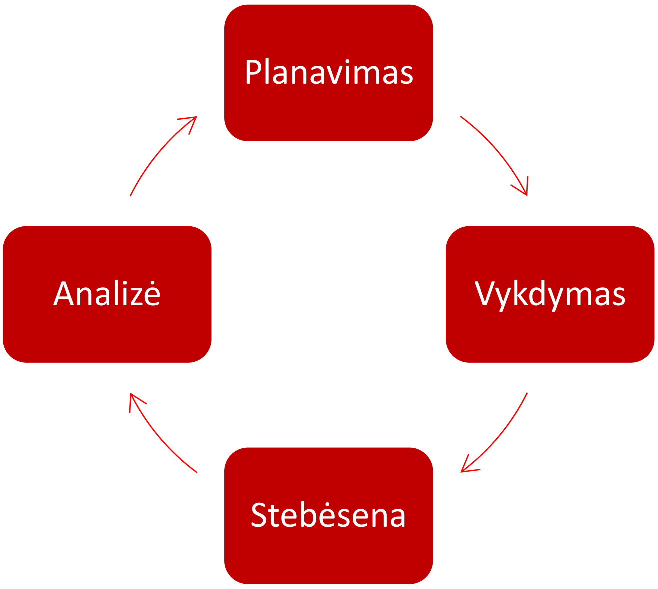

Fig. 1. Stakeholder engagement management cycle

Execution. The Action Plan uses specific functions – Public Relations, Internal Communication, Brand Management, International Relations, Corporate Functions, Business Units – to achieve the results envisaged. Recommendations may also be made to Operational Units or Corporate Functions on actions they should take to increase stakeholder involvement.

Monitoring. Stakeholder engagement is assessed through monitoring tools such as annual, quarterly and daily media monitoring reports and a business reputation survey. In addition to the above, feedback from business and other organisations, as well as from the stakeholders themselves, is used to assess stakeholder involvement.

Analysis. It evaluates the data collected during the monitoring process and measures whether the objectives have been met.

4. Final Provisions

4.1. The Policy and its amendments shall be approved by the LTG Board.

4.2. The review and updating of the Policy shall be initiated and coordinated by the Director of the Corporate Affairs Function.

4.3. The Policy shall be reviewed at least once a year in the event of major changes to LTG's long-term strategy, changes to the LTG Group's organisational management structure, or changes to the operational functions of the Group.

4.4. The Policy shall apply to the extent that it does not conflict with the laws of the Republic of Lithuania and/or other applicable legal acts.