

 	UAB LTG Kompetencijų centras Safety
Safety Management Principles	No P/FN13/LTG/2 Version

APPROVED

By Decision No SPR-L1(KORP)-32/2025
of the Chief Executive Officer
of AB Lietuvos geležinkeliai
of June 19, 2025

SAFETY MANAGEMENT PRINCIPLES

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1. Purpose and scope

1.1. The Safety Management Principles (hereinafter referred to as the "Principles") set out a unified model for safety management in the LTG Group, as well as the general principles for the design and implementation of organisational and technical measures to promote a safety culture and ensure a high level of safety.

1.2. The implementation and application of the principles are defined in detailed internal legal acts (methodologies, process standards, rules, etc.). The management of information security and the protection of personal data are detailed in the principles governing these security areas.

1.3. The Principles apply to all companies in the LTG Group. The scope of application of detailed documents (methodologies, process standards, rules, etc.) is determined at the time of their approval.

1.4. In respect of an LTG Group company acting as a public railway infrastructure manager, the provisions of these Principles shall be effective and apply to the extent that they do not conflict with the principles of autonomy, independence, financial transparency, prohibition of cross-subsidisation of activities, or any other conditions of operation laid down by law for the public railway infrastructure manager.

2. Definitions

2.1. For the purposes of these Principles, the following terms and abbreviations are used.

Term / Abbreviation	Definition / Explanation
Assets	Assets with an economic value that are used and/or controlled by the LTG Group with the expectation that they will generate future benefits
Rail transport activities	The transport of passengers, luggage and/or freight by rail, the management, development and maintenance of railway infrastructure, and other activities directly related to railway infrastructure and the transport of passengers, luggage and/or freight. The scale of activities is defined by the total number of passengers or freight transported by the Operational Unit (OU), the number of employees employed by the organisation and/or the length of railway tracks managed. This data is published on the company's website https://ltg.lt/ as part of the annual activity report of the LTG Group and each OU.
KC	UAB LTG Kompetencijų centras
KC Safety	UAB LTG Kompetencijų centras Safety
Control measures	Safety measures to control emerging or existing safety risks
LTG	AB Lietuvos geležinkeliai, understood as the parent company of the LTG Group of companies, which performs management (holding) functions in its subsidiaries.
LTG Group	A group of undertakings consisting of LTG and entities directly or indirectly controlled by it.
LTG TOP management	Holding company executives who exercise the highest level of direction or control over the LTG Group of companies: LTG's Chief Executive Officer and LTG's HR-L2 level managers who report directly to him, as well as the LTG Group Board. LTG TOP management reports on their performance to the LTG Group's General Meeting of Shareholders.

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Term / Abbreviation	Definition / Explanation
LTG Strategy	A business planning document defining the overall direction of development of the LTG Group, setting out performance objectives and deliverables for a period of at least 5 years
Safety	No unacceptable risk of harm. Safety includes all technical and organisational measures to ensure the safe operation of rail transport, including fire and civil safety, environmental protection, LTG facilities and Active Physical Protection, as well as measures to preserve the performance, health and life of employees at work. These measures include preventive action to protect passengers, other rail users and other persons, as well as railway infrastructure, rolling stock and freight and luggage from railway accidents, incidents and their consequences.
Safety event, incident	A technical, ecological or social event caused by the activities of an LTG Group company, which has caused damage to human health, vital living/working conditions, property and/or the environment, the performance of vital state functions, or public order, or any other violation of the Safety Requirements, which provokes the aforementioned events, and/or which causes or may cause a negative impact on Safety (including events that have not yet happened). Safety events also include personal data and physical protection breaches, information and cyber security events, unauthorised access to Assets and insured events.
Safety level	LTG Group's safety record for specific activities, as assessed against established criteria.
Safety non-compliance	Failure to comply with a specified safety requirement.
Safety measures	A set of actions that either reduce the frequency of occurrence or mitigate the effects of a threat in order to achieve and/or maintain an acceptable level of risk.
Safety risks	The potential possibility or uncertainty of future adverse factors affecting Safety. The level of safety risk can be assessed as: – a ratio between the frequency rate of Safety related events resulting in harm and the severity of that harm; – a ratio between the degree to which a worker's health is likely to be affected by harmful and/or dangerous factors in the working environment and the likelihood of exposure to those factors.
Safety management risk	Management strategies, procedures and activities are systematically applied to perform safety risk analysis, level identification and management tasks.
Safety objectives	Safety management deliverables.
Safety Management System	The totality of measures established by an organisation to ensure that the organisation conducts its activities in a safe manner (in relation to all Safeties).
Standardisation	Setting uniform standards and requirements.
Monitoring	Measures taken by the organisation to ensure the adequacy and effectiveness of the application of the Safety Management System.

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Heads of structural units	HR L3-L5 level managers and specialists in operational units who are directly involved in Safety management and/or have an indirect impact on Safety. Heads of structural units report on Performance to the OU management.
Identity traits	Gender, race, nationality, citizenship, language, origin, social status, religion, beliefs or opinions, age, sexual orientation, disability, ethnicity, health status, marital and family status, political party membership, trade union or association, religion, intention to have a child, the exercise by the employee of any of his/her rights under the law, circumstances unrelated to the employee's personal qualities, or other matters unrelated to his/her personal qualities.
Operational unit (OU)	A company belonging to the AB Lietuvos geležinkeliai Group of companies, except LTG and KC. The equivalent of an operational unit is a structural unit of LTG or KC carrying out rail transport activities.
OU Top management	Managers who exercise the highest level of direction or control over an Operating Unit: The Chief Executive Officer (CEO) of the OU and the HR-L2 level managers directly reporting to him, as well as the OU Board, who, taking into account the decisions of the LTG TOP management, shape the directions and methods of the strategic activities of the CEO, which enable the Group to move closer to fulfilling the vision of the LTG Group, the fulfilment of its mission and the achievement of its business objectives. Top management reports on Safety performance to TOP management.

2.2. Other terms used in the Safety Management Principles shall be understood as defined in the Railway Transport Code of the Republic of Lithuania, the Republic of Lithuania Law on Railway Traffic Safety, the Republic of Lithuania Law on Safety and Health at Work, the Republic of Lithuania Law on Environmental Protection, the LTG Operational Architecture Principles and other legal acts.

3. Safety aims and objectives

3.1. The aim of Safety is to develop and implement a purposeful, unified and innovative safety management model integrated into activities, which ensures safe and efficient operation of the LTG Group and sustainable development and implementation of the business strategy, while fostering a culture of safety and ensuring a high level of awareness among employees, whereby a safe and health-safe working environment becomes an integral part of every employee's work, regardless of his/her identity, but tailored to each of them as much as possible.

3.2. In order to manage safety risks arising from its own and/or other entities' activities, and taking into account the results of the safety monitoring and risk management analysis, safety targets are formulated annually for each Operational Unit, set in the LTG Group's corporate strategies and, where necessary, updated, with the aim of achieving zero (0) safety incidents, i.e. a safe railway traffic and working environment, minimised negative impact of its activities on the environment and on climate change, and the protection of the assets of the LTG Group of companies.

3.3. The main objectives of Safety are related to the enforcement of legislative requirements and the implementation of safety requirements in each of the Safety areas, including:

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3.3.1. **occupational safety and health:** ensuring safe and healthy working conditions for workers in all aspects of their work, including the development of health promotion and psychological well-being measures, by implementing the functions of the Occupational Safety and Health Service; implementing preventive measures (technical, medical, legal, organisational and other) for the prevention of accidents at work and occupational diseases, by laying down the procedures for the implementation and control of these measures;

3.3.2. **rail traffic safety:** the organisation and implementation of a set of technical and organisational measures for railway transport to ensure that passengers, other railway users and other persons, as well as railway infrastructure, rolling stock and freight and luggage carried, are protected against railway transport disasters, accidents, incidents and their consequences, as well as against the unauthorised acts of others;

3.3.3. **Asset safety:** Protecting LTG Group assets from theft, destruction or damage, managing insurance and reducing the associated financial losses;

3.3.4. **environmental protection:** protection of the environment from physical, chemical, biological and/or other effects or consequences arising from the LTG Group's economic activities or use of natural resources;

3.3.5. **physical protection:** protecting LTG Group facilities from emerging threats and adverse events by providing physical protection and controlling access to facilities;

3.3.6. **fire and civil safety:** preventing fires and ensuring emergency/event preparedness;

3.3.7. **personal data protection:** effective protection of personal data processed and prevention of potential personal data breaches by promoting greater involvement of staff and managers, ensuring the ability to identify potential personal data breaches in a timely manner;

3.3.8. **information safety:** the management of threats of reckless, negligent, deliberate, malicious acts or vulnerabilities of information handling personnel and cyber security events that could disrupt the operations of the LTG Group and/or the Operational Unit, or cause financial or reputational damage, by ensuring the confidentiality, availability, and integrity of information;

3.3.9. **safety regulation:** documenting safety performance, ensuring that the necessary Safety authorisations and certificates are obtained and renewed on time.

3.4. Safety objectives are also linked to sustainability priorities in the environmental and social spheres, where the LTG Group's activities are managed in collaboration with institutions, partners and stakeholders to address safety risks and develop sustainability opportunities by reducing the level of risk to the public, affected communities, value chain employees, customers and end users.

4. Role of the safety function in the LTG Group

4.1. As the LTG Group continues to implement its day-to-day operations, enter new areas of activity, increase and diversify its revenue streams, and achieve greater productivity, efficiency and flexibility, it is essential to continuously manage safety risks arising from day-to-day operations and changes, and to ensure that its operations comply with legal requirements, thus ensuring a high level of safety.

4.2. The governance of the safety function in the LTG Group is centralised, with a standardised operating model and partially centralised roles implementing this model.

4.3. In the LTG Group, the safety functional leader and service provider is KC Safety, which aims to ensure the safety of each Operational Unit by implementing centralised safety management functions (see Figure 1):

4.3.1. the integrity and coherent functioning of the safety management elements (components);

4.3.2. efficient and effective implementation of safety-related processes;

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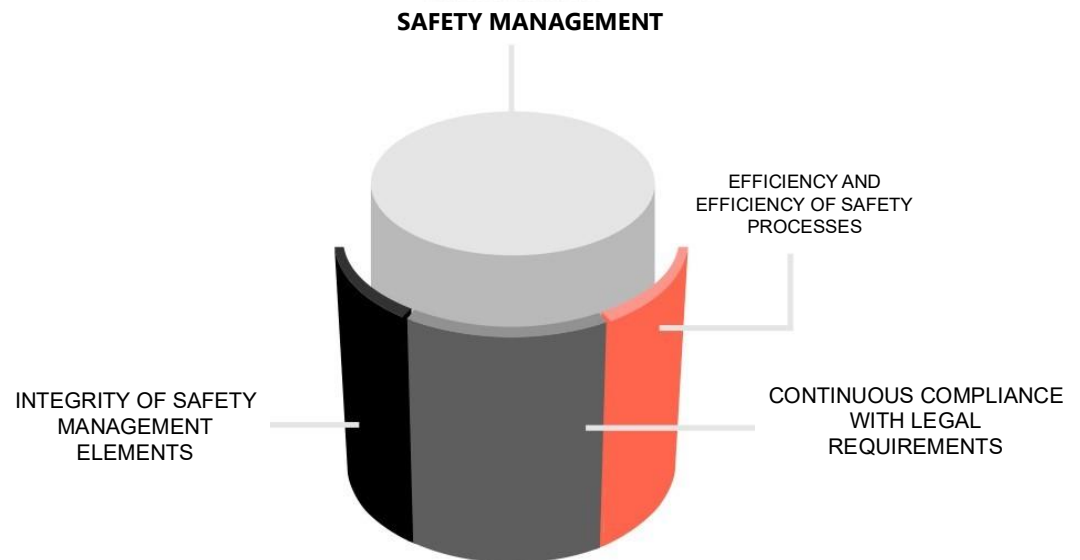


Figure 1: Role of safety management in the LTG Group

4.3.3. ongoing compliance of the LTG Group's operations with the requirements of safety legislation.

4.4. In order to achieve standardised and effective safety management across the LTG Group, KC Safety provides centralised safety services across the Operational Units through the Safety management framework, which consists of:

4.4.1.a **safety management system**, including the development of a safety management system in accordance with the importance and requirements of Commission Delegated Regulation (EU) 2018/762 of 8 March 2018 establishing common safety methods on safety management system requirements pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council and repealing Commission Regulations (EU) No 1158/2010 and (EU) No 1169/2010 (hereinafter referred to as "Regulation (EU) 2018/762"), and its support and assurance of conditions for certified activities;

4.4.2. **safety risk and change management**, including the assessment of safety risks arising from the activities of the company and other entities and the identification of measures to eliminate and/or reduce them to tolerable levels, as well as the management of changes in internal and external safety-related circumstances;

4.4.3. **safety competence management**, which ensures that the personnel of the undertaking and other entities involved in the operation have the level of competence, including knowledge, skills and medical fitness, to carry out their work safely and to carry out safety-critical tasks properly;

4.4.4. **assessment and improvement of safety performance**, ensuring the implementation of the safety management system, monitoring its performance and continuous improvement, including the management of identified safety non-conformities and safety investigations. Performance evaluation is also based on the results of safety monitoring and allows management to assess the achievement of safety aims, the effectiveness of preventive measures, the safety performance of the company and to identify measures to improve safety management through evaluative analysis.

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4.5. Centralised safety services are provided within the LTG Group of companies when there is a need for standardised services across the LTG Group and/or when centralised provision of the services results in more efficient delivery or a higher quality of services. The main objectives of safety management (see point 4.3) are implemented by KC Safety in the Operational Units, except where for objective reasons (differences in national law, etc.) the LTG TOP management determine otherwise.

4.6. The safety services provided by KC Safety are set out in the catalogue of safety services provided by KC, and the key elements of safety management and the persons, roles and responsibilities responsible for their implementation, taking into account the roles set out in the LTG Group and Operational Unit process standards and related operating procedure descriptions, instructions or decisions, are detailed in the Operational Unit Safety Management System descriptions and organograms, or in other documents, where the preparation of safety management systems is not mandatory.

4.7. The implementation of decentralised safety management activities is defined by the Operational Unit in the process management documents, ensuring a level of safety management at least equal to the requirements of Regulation [\(EU\) 2018/762](#) and other EU and national legislation, and documented in the safety management system in coordination with the KC Safety Manager and, where appropriate, the LTG Business Resilience Director.

4.8. Due to the specificities of national safety legislation, differences in linguistic competence and the distance of operations, no standardised safety services are provided to the LTG Group's operational units registered and operating in other countries. These operational units are required to develop and implement a safety management system in line with KC Safety, in accordance with the Principles, European Union and national legislation, which, in accordance with Regulation (EU) 2018/762, sets out the safety requirements arising from the legislation, their implementation and the persons (or external consultants) responsible for it. In order to ensure the proper functioning of the safety management in these business units, undertakings are required to provide the Safety Committee with regular and pre-agreed safety information and, in the event of deviations in safety performance, to anticipate and report on the measures that will be taken to ensure the proper functioning of the safety management system.

5. Principles of safety management

5.1. Safety assurance across the LTG Group is based on the provisions of international safety management standards (ISO 45001:2023, ISO 45004:2024, ISO 14001:2015, ISO 22301), the Commission Delegated Regulation (EU) 2018/762 of 8 March 2018 establishing common safety methods on safety management system requirements pursuant to Directive (EU) 2016/798 of the European Parliament and of the Council and repealing Commission Regulations (EU) No 1158/2010 and (EU) No 1169/2010, as well as Commission Implementing Regulation (EU) No 402/2013 of 30 April 2013 on the common safety method for risk evaluation and assessment and repealing Regulation (EC) No 352/2009, and other European Union and national legal acts, and is implemented in accordance with the six (6) guiding principles (see Figure 2):

5.1.1. **Fostering a safety culture:** LTG Group fosters an integrated safety culture and a high level of employee awareness, making a safe and healthy working environment an integral part of every employee's job.

5.1.2. **Systematic approach:** LTG Group implements comprehensive and systematic safety measures to ensure the safety of all LTG Group activities and the business environment, not just individual parts;

5.1.3. **Proportionality:** LTG focuses safety measures on the riskiest areas of the Group's operations, where safety risks are the greatest or most likely to occur in the future;

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5.1.4. **Innovation:** Safety is managed through cutting-edge technological and operational management solutions focused on the appropriate management of the threats posed by Industry 4.0 and the exploitation of opportunities;

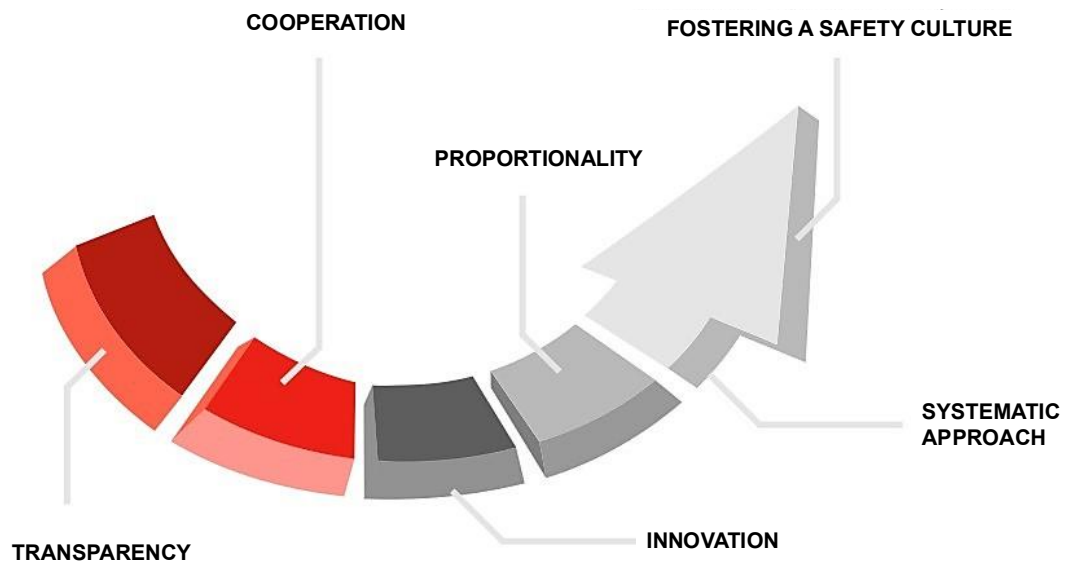


Figure 2: Key principles for the implementation of the safety management function

5.1.5. **Cooperation:** fostering close cooperation among themselves, involving business functions and units in Safety management, jointly addressing emerging challenges and fostering a safety culture;

5.1.6. **Transparency:** Safety is managed in accordance with uniform, clear and documented decisions and safety-related information is publicly available to stakeholders.

6. Safety management model

6.1. Safety management in the LTG Group is ensured in line with the business strategy and in line with each company's assessment of the effectiveness of its Safety Management System, by applying a unified operating model and by maximising standardisation and centralisation of activities.

3.3. For the implementation of the principles in accordance with the standardised Safety Management Model, each Operational Unit shall comply with Regulation (EU) 2018/762, the international management system standards ISO 45001 (Occupational health and safety management systems — Requirements with guidance for use) and ISO 14001 (Environmental management systems — Requirements with guidance for use) and national legislation setting out general safety practices related to the requirements of safety management systems, a Safety Management System for the company is established, the guidelines for which are described in a management description of the system.

6.2. The Safety Management System interconnects the key elements of Safety management in a plan–do–check–act (PDCA) cycle (see Figure 3) and includes 4 (four) stages:

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6.2.1. **Planning.** It identifies and analyses the major safety risks and selects risk control measures to reduce the risks arising from its own activities, as well as those of other entities, as low as reasonably practicable (ALARP).

Taking into account the major risks in the field of Safety, Safety aims are set and risk management plans are drawn up, which include proactive Safety measures to prevent safety events and incidents before they occur.

6.2.2. **Doing.** In cooperation with the functions and Operational Units, Safety measures are implemented to achieve Safety aims and a high level of Safety, as well as to resolve problems, provide expert assistance and advice.

6.2.3. **Checking.** Continuous monitoring of safety performance and performance evaluation, analyses, safety inspections and audits are carried out to ensure that operations comply with established safety and regulatory requirements.

6.2.4. **Acting.** Complex investigations are carried out to properly assess the circumstances of safety events and incidents, to find out their real causes and to take immediate and appropriate action to prevent recurrence.



Figure 3: Safety Management Model elements (components)

Taking into account the results of research and monitoring, systematic proposals are made for adjustments to the LTG Group's activities in line with best practices in other areas of activity or in other countries, and the search for and implementation of innovative safety solutions is carried out in the context of opportunities provided by Industry 4.0.

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6.3. To ensure comprehensive and effective Safety management in the LTG Group companies, the *plan-do-check-act* cycle is complemented by the Safety management elements, which operate at each stage of the model as an integral part:

6.3.1. **Leadership** which ensures the proper functioning of the Safety Management Model, a high level of safety culture where employees are concerned about their own safety and that of their co-workers, and the effective involvement of employees in the safety management process, enabling them to make suggestions for improving safety performance;

6.3.2. **Support** which ensures comprehensive standardised governance, documentation, high level of staff competence and development of the governance of the function, implementation, review and improvement of the processes of the Safety Management Model.

7. Safety management roles and responsibilities

7.1. The LTG Group Safety management includes (see Figure 4):

7.1.1. **LTG Group Board and the Audit Committee of the Board**, by shaping the LTG Group's development directions and strategic objectives to be achieved, enabling the Group to safely approach the fulfilment of the LTG Group's vision, the achievement of the Group's mission, and the assessment of safety performance;

7.1.2. **LTG Chief Executive Officer**, by encouraging and obliging managers and employees at all levels of LTG Group companies to ensure Safety within their respective competences, by approving these Principles, and by monitoring and taking responsibility for the Safety performance of the LTG Group;

7.1.3. **LTG Business Resilience Director**, by planning and coordinating the strategic direction of the Safety management activities, monitoring the achievement of the strategic safety management objectives and results, developing the Safety function, coordinates the development of the Safety Management Model within the LTG Group and monitors and controls its operation within the risk management framework.

7.1.4. **LTG Risk and Compliance**, by providing a consistent and common principles-based framework for the LTG Group risk management and regulatory compliance to help activities achieve the safety objectives of the LTG Strategy;

7.1.5. **Head of the KC**, by ensuring the quality and efficient delivery of Safety services by managing the LTG KC activities and tools;

7.1.6. **KC Safety**, in accordance with the requirements of European Union regulations and directives, international and national normative documents and LTG Group legislation, by taking functional leadership in the development of the LTG Group Safety Management Model, establishes standardised safety management processes, approves methodologies, process standards, rules and instructions implementing the Principles and assists the Operational Units in ensuring the operation of the Safety Management Model by providing high quality, efficient and continuously improving safety services.

7.1.7. **Top management of operational units:**

7.1.7.1. by ensuring, through overall accountability and responsibility for safety, that managers and other authorised persons at different levels of the Operational Unit are committed to safety in the performance of their duties and in their dealings with employees, contractors and partners, and encourage the active involvement of employees in the implementation of the requirements of the safety management system and its improvement;

7.1.7.2. ensure that the safety policy and objectives of the OU are defined, understood and aligned with the strategic directions of the operational unit;

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7.1.7.3. to fulfil the employer's obligation, ensure that the company's Safety Management System is established, implemented and enforced by designating persons authorised by the employer and giving specific instructions to the company's top and senior management and other responsible persons. The top management of the Operational Units monitor the results of the safety management of the OU;

7.1.7.4. integrate the requirements of the safety management system into business processes and ensure its effectiveness in assessing and managing the risks it poses;

7.1.7.5. encourage staff to implement safety requirements and improve the safety management system, foster a positive safety culture.

7.1.8. **Business Resilience Partners of the Operational Units**, appointed by the OU top management as required and in coordination with the LTG Business Resilience Director, who ensure the interaction between Business Resilience and the Operational Unit, provide support in predefined areas for the implementation and improvement of the Safety Management System.

7.1.9. **Heads of structural units and other responsible persons authorised to carry out Safety management tasks**, who, in their day-to-day activities, ensure the implementation of the Safety objectives and regulatory requirements in the subordinate structural units or in the areas of activity entrusted to them.

7.1.10. **LTG Internal Audit** which audits and evaluates Safety management activities at all specified levels, making recommendations, suggestions and observations for improving performance and addressing identified weaknesses.

7.2. Cooperation with Safety authorities, bodies and organisations in the event of Occurrences, Incidents or Control, in Safety certification procedures is carried out in the presence of the KC Safety, or by the KC Safety or its representative in the Operational Unit, in accordance with the authority granted.

7.3. Safety-related functions may be delegated, i.e. delegated, with authority and responsibility for the performance of those functions to a junior member of staff, where such delegation of functions and responsibility is possible within the scope and competence of those functions. The transfer of safety functions shall be documented.

7.4. Safety responsibilities are not limited to those accountable or responsible for Safety processes and procedures (process owner and process manager), but cover all functions related to the implementation of Safety management tasks, including those not directly involved in Safety management and/or having an indirect impact on Safety (e.g. assigning work, planning activities and providing information to staff on activities, providing oversight), including executive staff and regardless of hierarchical level of the position.

7.5. Participants in Safety management activities shall report to senior management on the performance of the Safety Management System. Accountability in the Safety areas may not be delegated (transferred). Safety-related tasks are reported and accepted and evidence of them is provided and maintained in accordance with the processes and procedures of the Safety Management System.

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8. Final provisions

8.1. The Principles and any amendments thereto shall be approved by the LTG CEO.

8.2. The revision and updating of the Principles shall be initiated and coordinated by the KC Safety Manager.

8.3. The Principles shall be reviewed at least once a year in the event of major changes to LTG's long-term strategy, changes in the LTG Group's organisational governance structure, operational functions, or changes in the requirements of applicable legislation.

8.4. The Principles shall apply to the extent that they do not conflict with relevant legislation.
