

GROUP'S PEOPLE AND CULTURE POLICY

1. PURPOSE AND SCOPE OF APPLICATION

1.1. The policy applies to all the Group's Employees and regulates the human activity management function of the Group, which aims to manage human potential and culture in such a way as to achieve the Group's strategic objectives in a sustainable way.

2. DEFINITIONS

2.1. [The Glossary List](#) contains the general definitions of the following: [Employee](#), [The Group, Company](#), [Remuneration](#), [Position level](#), [Internal regulatory document](#).

2.2. **'Career map'**: Group's Employees' positions divided into levels by the value and weight created by the activity of the position.

2.3. **'Management structure'**: Group's/Company's management structure which consists of the Organizational and functional structure.

2.4. **'Policy'**: Group's People and Culture Policy.

3. GENERAL PART

3.1. Group's Companies aim to maintain and attract the best employees who can professionally develop existing activities of the organisation and create new business opportunities and innovations, thus creating in a sustainable way a both traditional and innovative organisation. The aim is that Employees support the values of the organisation by being open, seeking for improvement and building partnerships.

4. PLANNING

4.1. In line with the Group's strategy, Companies shall be set targets with the required staff and the measures to be taken planned for the targets to be achieved and the corporate strategy implemented.

4.2. For Companies, the continuous improvement of Employee experience is important, and therefore measures are planned to improve Employee experience during all cycles of their presence in the organisation.

5. MANAGEMENT STRUCTURE

5.1. The Group's / Company's Management Structure contributes to the speed, flexibility and efficiency of business and is considered to be one of the measures to implement the Group's strategy. Management structure is shaped in accordance with the Group's/Company's operational objectives in order to generate the best results.

5.2. With the purpose to ensure flexibility of the Group's/Company's activities, effective decision-making and clear communication, the Group's/Company's Management Structure is formed as flat – one with a limited number of hierarchical levels by enabling Employees to act and assume responsibility. For faster operation and change implementation in the organisation, Companies use structures clustering into project, agile, and other inter-functional and flexible teams.

6. CREATING AND MAINTAINING ORGANISATIONAL CULTURE

6.1. In accordance with the values of the Group, the Group/Companies seek to be an attractive employer, promote Employee responsibility and sense of ownership, ability to work in various teams, innovativeness, and constant improvement.

6.2. Companies take care of their Employees, paying particular attention to their safety and health at work, social dialogue, equal opportunities, and diversity.

7. ATTRACTING EMPLOYEES

7.1. Responding to the Group's/Company's operational needs, the competences that are necessary for the achievement of Groups/Company goals are planned.

7.2. The aim is to attract Employees of impeccable reputation who act in accordance with the values and mission of the Group – to create an energy-efficient world.

8. EMPLOYMENT RELATIONS

- 8.1. It is aimed in the Group to create a unified experience during the processes of recruitment, adaptation, continuity of work activity and termination of employment relationships, which are jointly referred to as the Employee Cycle.
- 8.2. The Companies (employers) comply with all legal requirements, listen to the needs of Employees and, if required, improve working conditions for all Employees, providing additional benefits set out in the internal regulations.
- 8.3. Employees and the Company (employer) shall, in cooperation with each other, exchange information and, in the event of any circumstances that may affect the performance of the employment contract, inform each other about them in due time.

9. ADAPTATION

- 9.1. Special attention is paid to new Employees: their experience is important at every stage of their development. It is aimed to create good adaptive experience to new Employees and help them to integrate into Group's/Company's culture as efficiently as possible and to introduce them to direct functions and responsibilities.

10. CAREER WITHIN THE GROUP

- 10.1. In the Group, a uniform principle of providing internal career opportunities is observed. Employees are encouraged to take advantage of career opportunities both in horizontal and vertical directions. Career opportunities in the horizontal direction allow to expand Employees' professional knowledge, understanding of their activities, and to develop by assuming greater responsibilities.
- 10.2. Within the Group, career opportunities for Employees both in horizontal and vertical directions shall be promoted and assessed equally.

11. EDUCATION AND IMPROVEMENT

- 11.1. Development and constant learning are the values promoted by the Group, which also form a strategic advantage for the Group. The Group/Companies provide wide opportunities for Employees to improve, seek to know the talents of each Employee, help Employees to understand their strengths and potential, create opportunities to implement their best professional qualities and encourage them to take the associated responsibility.
- 11.2. Education is carried out through training in the workplace (tasks, projects, additional responsibilities, informal education, analysis), by learning from colleagues, in-house lecturers and through participation in formal trainings (external trainings, seminars, e-learning, etc.).
- 11.3. The Group is developing a system of Employees' learning from each other and from outside partners and aims to adapt it to the needs of the organisation and the Employees.

12. MANAGEMENT OF ACTIVITIES AND REMUNERATION

- 12.1. The Group uses a structured Remuneration system. Group's Remuneration system provides for clear, transparent and universally applicable principles, while providing for flexible remuneration solutions for individual operating segments. The aim is to ensure transparency, internal justice and external competitiveness of the Remuneration System, using the methods based on global practice.
- 12.2. The Group uses a Career Map aimed to ensure that each Employee is fairly rewarded for the value created for the Group.
- 12.3. The target setting and cascade system is designed for the management of individual/team targets for Employees as well as for management of corporate and Group's goals.
- 12.4. Employee Operation Management System has been designed to increase the team responsibility of Employees while seeking for the results that directly influence the fulfilment of the Group's strategic goals.

13. CHANGE MANAGEMENT

13.1.Changes result from the Group's development and continuous improvement. During implementation of changes, care is taken to ensure that every Employee understands the change taking place, contributes to it, and feels a part of the change and accepts it after it is implemented.

14. SOCIAL DIALOGUE

14.1.Social dialogue with representatives of Employees is encouraged and maintained within the Group.

14.2.In the Companies, meetings are organised periodically with Employees' representatives, where strategic projects and other relevant issues are discussed, and proposals of Employees' representatives are heard. Employees' representatives are invited to participate in working groups when dealing with issues related to Employees (working conditions, safety and health, remuneration, and social issues).

14.3.Collective negotiations are conducted with the trade unions operating in Companies with the aim to sign collective agreements.

14.4.Employees' representatives are provided with opportunities to study and improve their qualifications in the field of employee representation.

15. OPERATION ANALYSIS

15.1.Tools are developed for Employees to predict the consequences of possible solutions, and if necessary – to initiate changes and create a good micro-climate in the Company.

15.2.The Companies strive to be innovative and competitive, and therefore appreciate their progress in the field of people and culture while comparing themselves with external companies.

15.3.In case of external enquiries (state and municipal institutions as well as other legal and natural persons), methodologically substantiated and unified data on employment relations in the Companies shall be provided.

16. FINAL PROVISIONS

16.1.Reviewing and updating of the Policy shall fall under the responsibility of the AB Ignitis grupė People and Culture Department.

16.2.Implementation and control of the policy at the Group's level shall fall under responsibility of the Head of People and Culture. Implementation in Companies is carried out by Employees performing the Human and Culture function, or by GSC employees in case such service is provided. If there are no Employee for this function in the Company, and the GSC service is not provided, the implementation shall fall under the responsibility of the Head of the People and Culture.

16.3. The policy shall be made public.

17. RELEVANT REGULATIONS

17.1. [Group's Remuneration Policy](#)

17.2. [Group's Corporate Management Policy](#)

17.3. [Group's Equal Opportunities and Diversity Policy](#)