



WESTERN SHIPYARD GROUP

CORPORATE SOCIAL RESPONSIBILITY POLICY



For more than five decades, the Western Shipyard (WSY) Group has been the largest marine engineering company in Lithuania, uniting 21 companies with different specialisations and providing a full range of services related to a ship's life cycle. The key areas of activity of the companies in the group are the implementation of shipbuilding, ship repair and conversion projects, complex ship design and engineering solutions, the manufacture of large and complex metal structures and equipment, maritime cargo handling, and the provision of agency services.

The corporate social responsibility policy created by the Western Shipyard Group is a voluntary commitment to specifically develop sustainable business practices, which can be achieved through purposeful economic, social, and environmental actions.

The Group realises that each action or failure to take action has a respective consequence, including consequences for society.

The Group is proud of its history and reputation. Along with the experience already gained, we are able to work

constructively on any issues with public organisations and authorities whose competent decisions help to enhance the well-being of our Group, our customers, partners and society in general.

Social responsibility means a sustained action that is inseparable from the creation of a business value. The Group respects cultural and social traditions and values the educational, cultural, and sporting achievements of all the countries it cooperates with. To promote cultural and social activities, we openly support the initiatives of our employees and provide financial support.

The principles enshrined in the present Corporate Social Responsibility Policy are implemented on the basis of the procedures and internal documents of the companies of the WSY Group, the legal acts of the Republic of Lithuania (hereinafter 'the RL') and international legal acts regulating the areas of activity of the Group.

Purpose: To determine key sustainability related areas and guidelines for creating and developing a sustainable business culture and practices within the WSY Group of companies.

Application: applies to all companies in the WSY Group.

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TERMS AND ABBREVIATIONS USED

'Policy' means the Corporate Social Responsibility Policy of the WSY Group.

'WSY' means the group of companies of Western Shipyards.

'Companies in the Group' means the companies directly controlled by the WSY.

'Stakeholders' mean all those who may be affected, directly or indirectly, by the activities of the WSY Group, and who may have an interest in the activities of the WSY Group and may have a direct or indirect influence on such activities. E.g.: local communities, the employees, customers, business partners, trade unions, and shareholders of the WSY Group, the media, etc.).

GENERAL PROVISIONS

1. The Policy is approved and amended by the order of the CEO of the WSY Group.
2. The Chief Human Resources Officer is responsible for the interpretation of the provisions of the Policy (as needed), and for the development and submission of the recommendations concerning the implementation of the Policy at least once every two years.
3. The managers of the companies in the Group must strive to ensure that all employees familiarise themselves with the provisions of the Policy and adhere to these principles as well as encourage external Stakeholders to follow the principles set out in the Policy.
4. WSY publishes this Policy on its internal website.

DIRECTIONS IN CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Policy forms an integral part of the WSY Group.

The Policy covers the following areas: the Group's business ethics in the market and the prevention of corruption, environmental protection, and responsibility towards employees in terms of their education, health and safety, as well as ensuring equal rights and responsibilities towards Stakeholders.



CORPORATE SOCIAL RESPONSIBILITY IN BUSINESS: EFFICIENT AND TRANSPARENT BUSINESS



Corporate social responsibility in business encompasses the following: transparent and responsible activity, intolerance to corruption, as well as ensuring competitiveness and the fair payment of taxes.

1. The WSY Group follows the principles of fair competition and acknowledges that fair competition is a universal value that provides the greatest possible benefit to our customers as well as being the basis for the operation of the economy. All taxes in the course of the activities of the WSY Group are paid transparently. A policy of transparent accountability to shareholders is in place.
2. We do not accept, directly or indirectly any gifts or bribes where there is a reason to believe that the purpose of such a gift or bribe is to influence our actions or decisions.
3. We avoid any actions that may adversely affect the WSY Group's opera-

tions, objectivity or cause bias. We understand that objectivity in our activities may be undermined if there are personal interests or obligations that conflict with the legitimate business interests of the WSY Group.

4. The WSY Group promotes the improvement of management and quality of work by implementing management and employee leadership for engagement in the continuous improvement process through the Integrated Management System (IMS): setting mutual goals, planning their achievement, providing resources and demonstrating responsibility for compliance with the obligations concerning the requirements of customers, laws, regulatory enactments, and applicable procedures of the companies in the WSY Group.

5. The WSY Group seeks to raise its technical and economic level through innovative development based on advanced technologies in accordance with the principles provided for in the Efficient Production Policy of the WSY Group. principus.

CORPORATE SOCIAL RESPONSIBILITY IN THE FIELD OF ENVIRONMENTAL PROTECTION



In carrying out its economic activities, the WSY Group ensures compliance with the following basic environmental protection principles:

1. Meet and take into account the needs and expectations of stakeholders and build mutually beneficial relationships based on a balance of interests and objectives pursued;
2. Comply with the requirements of the legal acts of the Republic of Lithuania and international legal acts applicable to the companies in the WSY Group, as well as with other assumed obligations;
3. Apply preventive measures concerning any potential pollution and use the best production techniques available; or Implement and apply innovative solutions and advanced technologies that reduce environmental impact;
4. Use natural resources, tools, and materials rationally and sparingly;
5. Reduce the quantities of waste generated in the course of activities of companies in the WSY Group, and ensure a safe and responsible management of such waste;
6. Assess the risks concerning the likelihood of accidents and provide for the necessary consequential measures of mitigation;
7. Involve employees at all levels in the ongoing processes concerning the Environmental Protection Management System and increase their awareness and responsibility in the field of environmental protection;
8. Regularly analyse and evaluate the adequacy of the Environmental Protection Management System and continually improve its effectiveness.

CORPORATE SOCIAL RESPONSIBILITY IN RELATIONSHIPS WITH EMPLOYEES



Social responsibility regarding relationships with employees means ensuring a proper care of the health and safety of employees, their equal rights, and investing in the competencies of employees, promoting their career and personal well-being.

1. The WSY Group has developed an organisational culture based on values and advocates equal rights and opportunities for all employees regardless of their gender, race, nationality, language, origin, social status, age, sexual orientation, disability, ethnicity, membership of a political party or association, religion, faith, beliefs or opinions, intention to have a child (children), as well as of any other circumstances unrelated to the qualities concerning the performance of employees. The WSY Group does not tolerate any direct or indirect discrimination, abuse, sexual harassment, psychological violence, bullying, and abuse of a position. The implementation of these provisions is governed by the Rules of Procedure (including annexes).

2. The WSY Group ensures that working conditions comply with the applicable labour laws and legal acts of the RL and strives to provide each employee with fair working conditions, ensuring a work-life balance and a feeling of being respected and protected by promoting teamwork and mutual support. At the same time, we aim to ensure that the employees themselves also follow the rules of procedure, the requirements concerning safety at work, to protect themselves and colleagues, and respect their work and working time. To achieve this, the WSY Group systematically analyses the work environment and takes continually makes improvements. To ensure the continuous growth and improvement of the WSY Group through

the perfection of the organisational culture, employee opinion assessment is carried out at least every eighteen months to two years based on employee surveys. The results of the surveys are used for activity plans and actions to improve the situation. Employee performance issues are discussed during annual employee performance appraisal interviews.

3. The decisions of the WSY Group concerning recruitment, competence development, payment for work or others benefits, and promotions are based on objective criteria and non-discriminatory factors.

4. The remuneration of a potential or actual employee of a company in the Group is determined based on the objective criteria relating to the employee's abilities, competence, qualifications, experience, and knowledge. The approved remuneration policies concerning the managers, specialists, and officers of the WSY Group as well as the employees of the WSY Group, encourages appropriately remunerate employees who achieve the desired objectives.

5. The WSY Group continuously pays a great deal of attention to employee safety at work, health protection and the prevention of occupational diseases. All managers in the WSY Group undertake to create safe and healthy working conditions for all employees, to provide safe equipment and implement safe technological processes at the workplaces, and to provide employees with collective

and personal protective equipment. The approach of the WSY Group to occupational health and safety issues is based on prevention and a culture of dialogue and aims to ensure that a culture of safe working is a part of all employees' daily work.

6. The WSY Group recognises the right of the employees to join or to be voluntary associated with a trade union and the right to bargain with the employer. A Collective Agreement has been prepared and operates in the WSY Group. It is published on the intranet of the WSY and is updated every four years. The said agreement applies not only to the members of the employee trade union but also to all the employees of the WSY Group.

CORPORATE SOCIAL RESPONSIBILITY IN RELATIONSHIPS WITH THE PUBLIC/ STAKEHOLDERS



1. The WSY Group maintains open business relations with all stakeholders and is accountable to shareholders and the public for its activities.
2. Once a year, the WSY Group presents financial and non-financial reports to the shareholders and social partners.
3. The WSY Group participates in various social initiatives and cooperates with educational institutions to encourage young people to choose engineering specialties, thus contributing to the sustainability of the engineering industry and the appropriate career choice of young people.

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