



APPROVED BY THE CEO OF AB
„KLAIPĖDOS NAFTA“ AS OF 22
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STAKEHOLDER POLICY

No POL015

VERSION 1

STAKEHOLDER POLICY

I. PURPOSE

The *Stakeholder policy* of AB "Klaipėdos Nafta" (hereinafter referred to as the "Company" or KN) provides principles and guidelines for the development of KN relations with stakeholders, ensuring opportunities to identify key issues of importance for the stakeholders for the Company's sustainable business development.

II. FIELD OF APPLICATION

The *Stakeholder Policy* (hereinafter referred to as the "Policy") applies to all employees of the Company and its subsidiaries.

III. REFERENCES

[KN Code of Conduct](#) describes the work in the KN, presents the Company's values and sets standards of conduct and decision-making. The Code of Conduct helps KN to establish and maintain long-term relationships with colleagues, clients, suppliers, authorities, business partners and other stakeholders. The principles and concepts defined in the Code of Conduct reflect a commitment to conduct our business worldwide in accordance with the highest standards of ethics and good faith.

KN communication guidelines is a document that is aimed at ensuring that the information published by KN complies with the requirements of legal acts of the Republic of Lithuania and the principles of transparency, openness and accountability recognized in accordance with good governance practices, contributes to strengthening the reputation of KN by providing requirements to the published information and its quality.

[KN quality, environmental, health and safety policy](#) is the Company's obligations to clients, employees and the environment to continuously improve the appropriateness, adequacy and effectiveness of the quality, environmental protection and occupational health and safety management system in accordance with standards ISO 9001: 2015, ISO 14001: 2015 and ISO 45001: 2018.

["Nasdaq Vilnius" code of governance](#) defines the principles to be followed in order for investors to have a common understanding of the transparency of the organization's governance and operations, and to increase stakeholder confidence in the organization and its governance system.

[Guidelines to ensure the transparency of SOE \(State Owned Enterprise\) activities](#) regulate the disclosure of data, information and documents of state-owned companies, peculiarities of preparation of financial statements, additional requirements for annual and interim reports of state-owned companies, annual and interim activity reports of state-owned companies, as well as preparation and publication of summary reports and information on state owned companies, their activities and governance.

IV. DEFINITIONS AND ABBREVIATIONS

Stakeholder shall refer to a person or organization that has or is likely to incur in the future a direct or indirect impact from the activities of KN or its subsidiaries, as well as who may have an interest in or influence on KN or its subsidiaries.

Stakeholder engagement shall refer to a two-way process initiated by the Company during which stakeholders provide input for the Company to identify, better understand or respond in a timely manner to the issues of the sustainability of operations and areas of impact. That said, the Company strives to explain properly its decisions, actions or activity results to the stakeholders.

State Owned / Controlled Enterprise (SOE) – as foreseen by The OECD Guidelines on Corporate Governance of State-Owned Enterprises, any enterprise, in which the state exercises ownership, should be considered as an SOE.

Shareholder Letter of Expectations is a document by which the Ministry of Energy of the Republic of Lithuania, representing the government, provides the Company with information on the goals and expectations raised by the state.

V.STAKEHOLDERS

The Company operates in accordance with the highest standards of Corporate governance, including its relations with stakeholders. Sustainable dialogue with stakeholders and mutual value creation are important principles of open and responsible operation of KN.

The main stakeholder groups of KN include, but are not limited to, the following:

- KN employees and their representative organizations.
- KN collegial bodies.
- Shareholders.
- State and municipal institutions.
- Clients.
- Business partners.
- Neighbouring communities.
- Activity supervision and regulatory authorities.
- Decision-makers at national and regional level.
- Opinion leaders and shapers.
- The media.
- Social partners.

The list of stakeholders is not finite and may be updated on a regular basis, especially, if circumstances change. A detailed overview of the Company's stakeholders is provided in Annex No 1 to this Policy.

VI.MAINTAINING RELATIONSHIP WITH STAKEHOLDERS

In its relations with stakeholders, KN is guided by the Company's values, which are *Respect*, *Cooperation*, *Professionalism*, and *Improvement*. In the context of stakeholder relations, this means:

- *Respect* – we value the diversity of the opinions and responsibly accept the feedback provided to us on the aspects of the Company's activities to be improved. As the SOE, KN acknowledges right of the State to be informed on the progress of delegated for the Company strategic objectives, which represent strategic interests of the State. Except from that, the Company considers all stakeholders to be equal from the perspective of information sharing with stakeholders and receiving input from them.
- *Cooperation* - we seek meaningful and multifaceted involvement of stakeholders in the processes of improving the Company's operations and accelerating a positive impact that a Company could contribute to. We understand that status of a Company of strategic importance enables us to use our knowledge, competence and experience to contribute to different aspects of sustainability at both the national and regional levels.
- *Professionalism* – in the relationship with stakeholders Company strives for a shared value. We take responsibility for our words and share commitments responsibly. We use our knowledge and skills

to find a constructive dialogue with stakeholders and to solve the issues they raise, which come from the Company operations.

- *Improvement* - we responsibly evaluate any constructive feedback and integrate it into our business processes, setting ourselves improvement goals and monitoring the progress.

We also seek to adhere to the principles of transparency, accountability, continuity, and political neutrality in our relations with stakeholders.

VII.IDENTIFICATION OF ISSUES RELEVANT FOR THE STAKEHOLDERS

In order to ensure a systematic approach to stakeholder relations, the Company strives to understand stakeholder expectations, taking into account the history and context of their relations with the organization, as well as the relevance of the actions or decision of the Company for the individual stakeholders.

To identify the issues related to the activities of the Company, which may be of relevance for the stakeholders, and to use the most effective ways to develop relationships with stakeholders, the Company applies unilateral or multilateral engagement means, taking into account the goals raised to the specific situation.

The Company shall revise key areas for stakeholders on a regular basis, selecting the most effective channels and ways of communication.

VIII.POLICY IMPLEMENTATION AND CONTROL

The Company's *Stakeholder Policy* is published on the Company's website.

KN *Stakeholder policy* is reviewed and updated periodically, but not less than every two years.

OVERVIEW OF THE MAIN STAKEHOLDERS

Stakeholder	Ambition	Why is it important?	How do we seek to develop relations?
Clients	<ul style="list-style-type: none">• To help clients maintain a competitive advantage and move to more sustainable forms of energy.• To ensure that clients have access to international energy markets.	Satisfied clients are the foundation for long-term growth and business sustainability.	<ul style="list-style-type: none">• To provide our <i>know-how</i> to create added value for clients.• To provide services to clients efficiently, in a timely manner and with high quality.• To seek innovations and offer innovative solutions that add value for the clients.
Business partners and business community	Open, cooperative, proactive members of the business community, a sound example of the Company's business sector.	Working together with partners, we can contribute to strengthening the value chain, increasing business competitiveness and creating a greater value for the members of community.	<ul style="list-style-type: none">• In the course of development of professional contacts, sharing good practices and experiences or raising and calling for a common solution of the issues relevant to the business community.• Communicating on projects, sharing experience and knowledge.• Getting involved in solving issues relevant to the sector by offering own competencies.
Employees and employee representatives	KN's innovative, adaptable and multicultural teams are in demand worldwide.	People are the core asset of our Company and they are always at the heart of our technology-based operations.	Ensuring that the members of the team have the opportunity: <ul style="list-style-type: none">• to achieve high personal results;• to continuously learn and improve;• to earn a competitive salary;• to feel proud of creating change and connecting energy markets around the world. Develop a relationship with the employees or their representative organizations that is based on values and mutual dialogue.

Stakeholder	Ambition	Why is it important?	How do we seek to develop relations?
Shareholders	An open and transparent stock exchange participant that meets the highest standards set by investors and earns the expected return for shareholders.	The listing of a Company increases confidence in its operations and governance locally and internationally. In turn, this contributes to the long-term success of the business.	<ul style="list-style-type: none"> • Transparent, open and timely communication with investors, providing them with regular and reliable data on the Company's results and business plans.
State institutions	We ensure the national energy independence and meet other goals set for a strategic Company via State letter of Expectations and / or other legislation.	By participating in the governance of a state-controlled Company within the set rules and principles, the state pursues business value growth, dividend or profit-sharing yields, ensuring national security interests, implementing strategic projects or other objectives set by law and formulating expectations for companies accordingly. Clearly presented expectations of the government contribute to the increase of the welfare of the state.	<ul style="list-style-type: none"> • Business is developed responsibly, increasing the value created for Lithuania and all shareholders through Company business decisions. • Activities are carried out in such a way as to ensure work safety, safe and reliable operation of managed infrastructure, and proper care of the environment. • The Company operates in accordance with the highest standards of transparency, governance, ethics and social responsibility, thus setting an example for other organizations in the country and promoting overall progress.
Municipal institutions	Creating value for the regions, where the Company operates	The Company acts as responsible member of community, which aims at creating mutual value, i.e. revealing its full business potential as well as contributing to the success of the region it operates in.	<ul style="list-style-type: none"> • Activities are carried out in such a way as to ensure work safety, safe and reliable operation of managed infrastructure, and proper care of the environment. • Engagement into the process of solving issues relevant for the specific region by offering own competencies, know-how or other available resources.

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			<ul style="list-style-type: none"> • Contributing to the increase of the potential of the regions through own business contacts or communication to business partners.
Neighbouring communities	<ul style="list-style-type: none"> • To increase trust in the Company and ensure the legitimacy of its activities. • To contribute to promoting a positive impact in relationships with communities in society. 	A sustainable and credible neighbourhood, an involvement of communities related to the long-term perspective of the Company activity and "the right to act".	<ul style="list-style-type: none"> • Developing an open dialogue, responding to the need to know and understand the issues that are most relevant to communities and the impact that the Company has on them, in line with the principle of good neighbourliness.
Media, opinion shapers	To be an open and cooperative partner for the media and opinion shapers in providing correct and reliable information.	We understand that information about our activities as of a strategic Company is important for our stakeholders, and, considering this, we engage in an active dialogue.	<ul style="list-style-type: none"> • Our goal is to build and maintain professional relationships with the media and opinion shapers. • We show initiative by sharing value-creating knowledge and insights. • When sharing information, we respect customer data and comply with contractual obligations.
Supervising and regulatory institutions	<ul style="list-style-type: none"> • To be a reliable and professional partner in the development of business sector regulation. • Impeccable compliance. 	<p>We work with supervision and regulatory institutions to understand their needs and objectives and to offer our knowledge and expertise in shaping market regulation practices.</p> <p>We understand that impeccable compliance increases the confidence of all stakeholders in the Company and strengthens its reputation.</p>	<ul style="list-style-type: none"> • We are available and accessible to supervising and regulatory authorities, share information, knowledge and insights with them regarding the sector the Company operates in. • Information, requested by Supervising and regulatory institutions, is provided on the timely basis and of proper quality.
Decision-makers	To develop business responsibly, increasing the value created for Lithuania by the adopted decisions.	As a Company of strategic importance, we understand the interest of decision-makers so that our activities would best	<ul style="list-style-type: none"> • We develop professional relationships and share our knowledge, expertise and insights on global energy sector trends.

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Stakeholder	Ambition	Why is it important?	How do we seek to develop relations?
		meet the interests of the country and create the greatest value for it. The Company adheres to the principle of political neutrality in its activities and does not provide support to any politician or political party in either financial or non-financial terms.	<ul style="list-style-type: none">• We take the time to provide context and discussion about Company decisions that are important at the national level.
Social partners	To be an open and cooperative partner focused on increasing the well-being of the community.	Working together with partners, we can contribute to creating a greater value for the community and promoting the development of sustainability initiatives.	We contribute to the development of general educational or activity programs that contribute to solving problems relevant to society by promoting the ideas of corporate responsibility and sustainability.