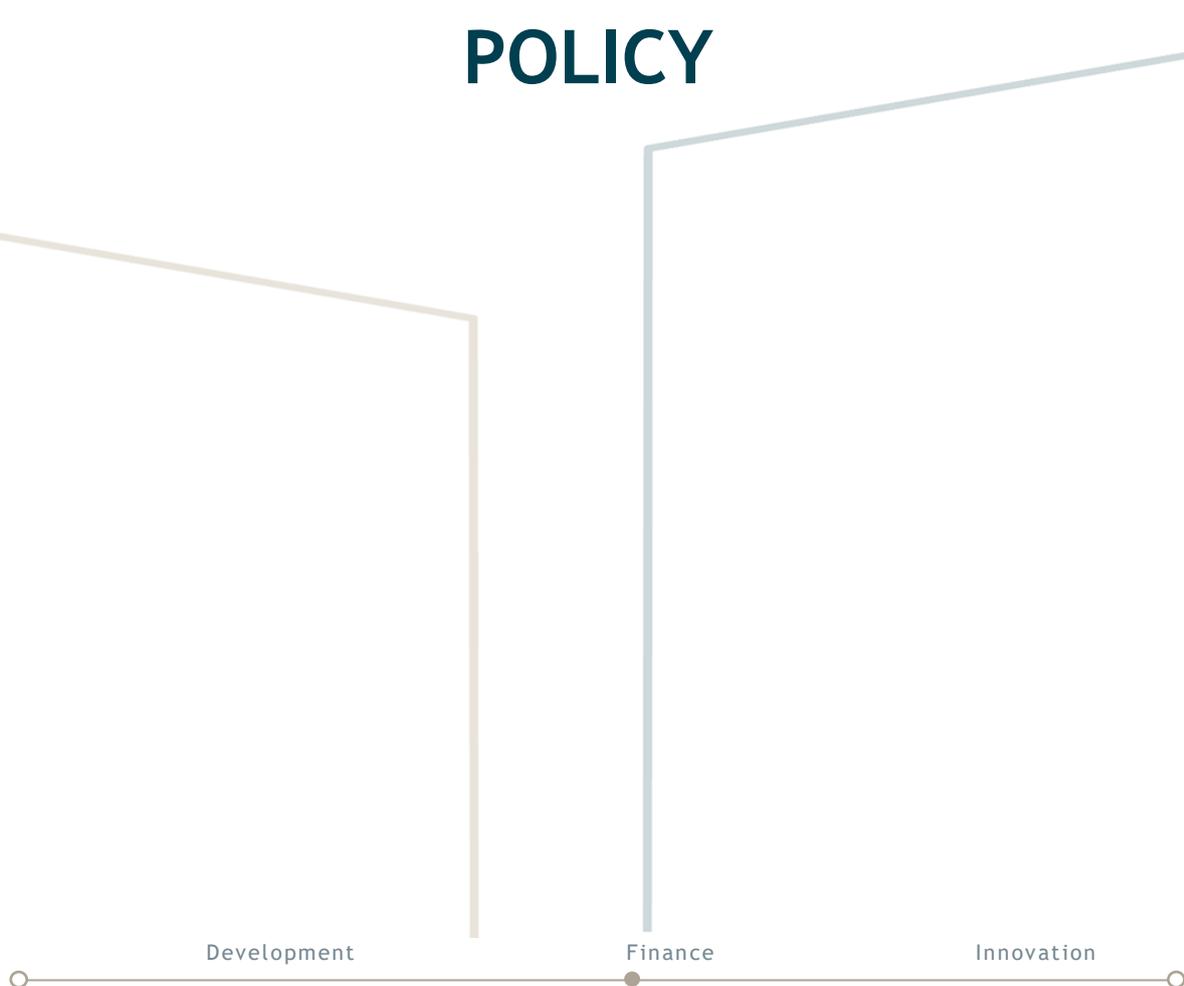


# VIPA

NACIONALINĖ  
PLĖTROS  
ĮSTAIGA

UAB Viešųjų Investicijų Plėtros  
Agentūra  
(Public Investment Development  
Agency)

## CORPORATE SOCIAL RESPONSIBILITY POLICY



23 November 2020

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## Introduction

The private limited liability company Viešujų Investicijų Plėtros Agentūra (Public Investment Development Agency) (hereinafter referred to as VIPA) is an innovative and transparent company financing sustainable development in the fields of public infrastructure and public interest that are important for the State and the public. The VIPA Corporate Social Responsibility and Environmental Protection Policy (hereinafter referred to as the *Policy*) reveals the corporate social responsibility vision and expectations of the Company and the companies managed by it as well as the target social and environmental objectives to be achieved. The Policy defines the guidelines for corporate social responsibility and environmental protection of VIPA and the companies managed by VIPA and the processes aimed at entrenching a sustainable workplace culture and practices at the Company.

The Policy is based on VIPA's vision, mission statement and values as well as the activity directions and objectives approved in its strategy. This is a voluntary commitment of the Company to purposefully formulate a sustainable development practice in compliance with the Principles of the United Nations Global Compact and the Guidelines of the Organisation for Economic Cooperation and Development (OECD) in implementing the provisions on respect for individuals, employees, the public, and the environment in which we operate.

***The main objective of the Policy: to define the directions of the Company's corporate social responsibility and environmental protection which will help embed the status of VIPA and the companies managed by VIPA as socially responsible companies and create the trust of the Target Groups by providing public information about the Company's operating results and their impact.***

Being a financial institution, VIPA recognises that the actions of the Company have an effect on the stakeholders; therefore, when planning its activities, VIPA takes into account the social expectations of the Target Groups, ensures transparent management, promotes ethical conduct in relationships inside and outside the Company, installs corruption prevention measures and contributes to the creation of the climate of sustainable financing and sustainable development in the country. VIPA considers sustainable development as a consistent and integrated social-economic, environmental and cultural combination which improves the wellbeing of the shareholder, the team and the entire society, reduces the environmental impact and represents the public interest.

VIPA prepares an integrated progress report on corporate social responsibility as an integral part of the annual report and includes it into the annual report of the Company.

1. The provisions of the Policy are applicable to VIPA and the companies managed by VIPA.

### Definitions

Abbreviation	Definition
Policy	VIPA Corporate Social Responsibility and Environmental Protection Policy
Companies managed by VIPA	Companies in which VIPA directly and/or indirectly holds the majority of votes or can directly or indirectly exert the decisive influence on another company
Target Groups	All related stakeholders who are or are likely to be directly or indirectly impacted by the activities of VIPA, as well as those who can be otherwise interested in the activities of the Company or can by themselves have an impact on the activities of VIPA (for example, the Company's employees, local communities, the public, incorporators, partners, creditors, investors, management, applicants, the media, etc.)

## 2. General provisions

- 2.1. The Policy is approved and amended by the decision of the VIPA Management Board, upon approval of the Supervisory Council.
- 2.2. The provisions of the Policy are complied with by all employees of VIPA and the Companies Managed by VIPA and the managing bodies of the companies, while acting within the limits of their competence, where necessary, follows the provisions of the Policy in approving the respective in-house documents.
- 2.3. VIPA and the Companies Managed by VIPA recognise that sustainable development is the main feature of appropriate management and a healthy environment is closely intertwined with it. Moreover, the Company recognises that sustainable development must be one of the key fields of activities and will make every effort to ensure that its policy and activities would meet both its current and future needs.
- 2.4. By promoting environmentally friendly and sustainable development, VIPA and the Companies Managed by VIPA use the concept “environment” in a broader sense in this Policy as encompassing not only ecological aspects but also the challenges related to employee protection and the priority areas of the Government of Lithuania such as cultural values, impact on residents, etc.
- 2.5. VIPA and the Companies Managed by VIPA ensure that projects financed by them are environmentally friendly and comply with the requirements of the applicable laws, and that their environmental impact is monitored and effective measures aimed at reducing such impact are applied in order to control environmental problems. They act in compliance with the principle that a proposed project may be not financed due to environmental reasons if a number of material environmental problems are determined, or if the proposed project resolves environmental problems inappropriately.
- 2.6. In their internal activities, VIPA and the Companies Managed by VIPA will seek to apply the best environmental management practices, including the efficient use of energy and resources, reduction of the amount of waste and waste recycling.
- 2.7. The VIPA Organisation Development Division is responsible for the interpretation of the provisions of the Policy (in case of any questions), provision of recommendations regarding the implementation of the Policy, collection of information related to the implementation of the Policy and submission to the VIPA Management Board and the Chief Executive Officer at least once per year.
- 2.8. Based on the information provided by the related divisions of VIPA and the Companies Managed by VIPA by the set deadline, the VIPA Organisation Development Division draws up an annual report on the Policy (as part of the Company’s annual report). The report on the Policy contains information about the corporate social responsibility and environmental protection activity carried out and planned to be carried out by VIPA and the Companies Managed by VIPA, the achievement of the objectives raised in the Policy, the current results, thus informing the Target Groups and the public about its business practices.
- 2.9. VIPA and the Companies Managed by VIPA ensure that all employees are familiarised with the provisions of this Policy and that they comply with these principles and encourage the Target Groups to follow the principles embedded in this Policy.
- 2.10. VIPA announces the Policy on its website.

### **3. Directions and responsibilities in the field of corporate social responsibility**

- 3.1. VIPA and the Companies managed by VIPA undertake to promote a dialogue with the Target Groups, including project promoters and other stakeholders related to the project, governments and business partners, other international institutions and the public. VIPA provides information and consultations in compliance with the following principles: transparency, compliance with the obligations and responsibility to the shareholders as well as willingness to listen and accept comments and application of the entrepreneurial attitude in performing its obligations.
- 3.2. This Policy is aimed at addressing the expectations of a sustainable society, environmental protection, prevention of corruption, employee training, respect for human rights, equality, workplace safety and health, and mutual trust with the Target Groups.

### **4. Responsibility on the market**

- 4.1. By carrying out their activities, VIPA and the Companies Managed by VIPA seek complementarity and provide financing to the public sector or public interest projects that cannot obtain financing (or sufficient financing) on the market. With a view to achieve its goals, VIPA and the Companies Managed by VIPA promote good faith in mutual cooperation with the Target Groups who help implement the socially responsible activities. By carrying out the activity of a promotional institution, VIPA seeks complementarity and does not provide financing if the applicant could receive sufficient financing from other sources under favourable conditions. VIPA does not compete with other financial market players (banks, venture capital management companies, etc.) and even on the contrary VIPA uses them to provide more favourable conditions for investments in areas where financing is inadequate or non-optimal under the market conditions.
- 4.2. VIPA and the Companies Managed by VIPA maintain their books and records in a responsible manner, regularly publish their financial and strategic activity reports on their websites and provide information for the purposes of corruption prevention policy so that the Target Groups and the public could have the possibility of evaluating the Company's activities, its environmental impact and relationships with its employees and the public.
- 4.3. VIPA and the Companies Managed by VIPA ensure that their procurement procedures are transparent, compliant with the principles of equality, non-discrimination, mutual recognition and proportionality and have zero tolerance for any unauthorised actions restricting competition.
- 4.4. VIPA and the Companies Managed by VIPA comply with the approved corruption prevention policy and the Employee Code of Conduct and encourage the employees and other Target Groups to report any potential violations, non-ethical or unfair conduct. VIPA has zero tolerance to corruption or other forms of influence and carries out consistent prevention of conflicts between the Company's interests and private interests.
- 4.5. The employees of VIPA and the Companies Managed by VIPA must comply with the requirements of the applicable legislation and the ethical principles. The employee who has violated the obligations provided for in the Employee Code of Conduct is imposed disciplinary sanctions, including the dismissal of such employee, under the established procedure.
- 4.6. VIPA and the Companies Managed by VIPA actively participate in international projects which contribute to the development of sustainable financing models, thus ensuring the principles and rules of the EU environmental law in financing projects.
- 4.7. With a view to implement environmentally benign and balanced development, the Company supports structural changes in various sectors. VIPA and the Companies Managed by VIPA are of

the opinion that progress on balanced and sustainable development is best achieved on the appropriate legislative and political basis through the promotion of environmental protection by applying the market mechanisms and having regard to the interests of vulnerable groups within society.

- 4.8. Projects financed by VIPA and the Companies Managed by VIPA must comply at least with the Lithuanian and EU environmental regulations and standards and the requirements for provision of information and consultations to the public. By designing financial products, VIPA and the Companies Managed by VIPA ensure that the environmental aspects are reflected in the provided financial instruments and other products. The Company does not finance projects if it is determined during the environmental impact assessment that they are in conflict with Lithuania's obligations under various international environmental agreements. Additional environmental efficiency standards and monitoring requirements can be established for projects.
- 4.9. By providing financing through intermediaries, VIPA and the Companies Managed by VIPA seek that intermediaries would ensure that the environmental obligations are properly performed in the projects implemented or financed by the intermediaries and that the principle of delegated responsibility applied to such projects is complied with.

## **5. Responsibility in the field of environmental protection**

- 5.1. Taking due account of the priorities and interests of the Target Groups, VIPA and the Companies Managed by VIPA, in carrying out their activities, search for and propose financial instruments in the environmental sector encompassing the modernisation of multi-apartment buildings, water management, energy savings or transition to renewable resources, etc. The knowledge and experience that the employees of VIPA and the Companies Managed by VIPA acquire during the lifecycle of projects are protected and it is sought to adapt them to future projects.
- 5.2. The desire to use renewable energy sources and energy-efficient buildings is based not only on the saving of costs but also on the contribution to environmental protection and the prevention of climate change. Therefore, when VIPA or the Company managed by VIPA makes investments in public infrastructure and energy efficiency, due account is taken of both the reduction of energy consumption and various social aspects, for example, the prevention of climate change, fixed and beautiful surrounding, safer society, etc.
- 5.3. The changing technologies enable to apply more effective construction and public infrastructure development process which has an impact on design solutions that allow for significant energy savings and reduction in greenhouse gas emissions. This rapid development of technology provides VIPA and the Companies Managed by VIPA with the possibility of directing the majority of the existing and future financial instruments towards financing of eco-friendly public infrastructure or (public interest) projects.
- 5.4. VIPA and the Companies Managed by VIPA promote employee education and awareness-raising by initiating and implementing environmental measures at the working environment (e.g. waste sorting, paper utilisation, energy-efficient office equipment, information and document management systems). In addition, every employee is encouraged to be individually responsible for eco-friendly solutions.

## **6. Responsibility in employee relations**

- 6.1. VIPA and the Companies Managed by VIPA seek to build an organisational culture based on values (professionalism, unanimity, persistence in the pursuit of ambitious goals) and supports equal rights and equal opportunities for employees at the workplace, regardless of gender, ethnic origin, race, nationality, social status, age, disability, religion, political affiliation or sexual orientation.
- 6.2. VIPA and the Companies Managed by VIPA ensure that the working conditions would comply with the applicable legal acts of the Republic of Lithuania and seek to create attractive working conditions related to the working hours, rest, leave, safety and health at work, maternity/paternity security and a good work-life balance. For this reason, the work environment is regularly analysed and improved. With a view to achieve the goals set for the Company, employee opinion surveys are conducted in periodic individual interviews.
- 6.3. At VIPA and the Companies Managed by VIPA, decisions related to recruitment, development of competencies, salary or other disbursements, or promotions are adopted on the basis of objective criteria and factors.
- 6.4. Employees of VIPA and the Companies Managed by VIPA receive equal pay for the same or equivalent work. The amount of the salary for a potential or current employee is determined on the basis of objective criteria related to the employee's skills, competence, qualifications, experience and knowledge. In compliance with the Code of Labour of the Republic of Lithuania and other applicable resolutions of the Government of the Republic of Lithuania, VIPA and the Companies Managed by VIPA apply the remuneration system which regulates the uniform salary structure applied to all employees, consisting of the fixed and variable components, which encourages every employee to seek to achieve the set performance indicators and promotes personal effectiveness of all employees. There are also additional incentives such as employee health insurance and the possibility of acquiring new knowledge in various training courses and international projects.
- 6.5. VIPA and the Companies Managed by VIPA pay adequate attention to the health of employees at the workplace, healthy lifestyle and health care, and prevention of occupational diseases. The concept of employee safety includes not only health care and life safety but also social guarantees. All employees are insured under supplementary health insurance depending on the years worked at the Company.
- 6.6. VIPA and the Companies Managed by VIPA comply with all the respective national laws or international labour standards related to employment of minors, depending on the higher level of the child's protection. If VIPA and the Companies Managed by VIPA are going to employ minors, they will not be economically abused, their work conditions will not be dangerous or preventing the child's education or detrimental to the child's health or physical, mental, spiritual, moral or social development. Before the start of employment, an assessment of work-related risks and regular monitoring of health, working conditions and work hours will be carried out for all persons who are under 18 years of age.
- 6.7. In the event of planned collective dismissals<sup>1</sup>, VIPA and the Companies Managed by VIPA will carry out an analysis of the alternatives to planned downsizing. In the analysis does not reveal any prospective alternatives, the Company will draw up and implement a collective dismissal plan in order to assess, reduce and mitigate the adverse impact of the downsizing on the employees in compliance with the national laws and the principles of non-discrimination and consultation. The dismissal process will be transparent, based on the rational, objective and consistent criteria and implemented in conjunction with the effective complaint mechanism. VIPA and the Companies

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<sup>1</sup> Collective dismissal includes all collective redundancies that occurred due to economic, technical or organisational reasons, or other reasons that are not related to the performance of job functions or other personal reasons.

Managed by VIPA will fulfil all legal and collectively agreed requirements in connection with the collective dismissal, including the provision of information to the state authorities, employees and their organisations and consultations with them. The final collective dismissal plan will reflect the results of the consultations with the employees and their organisations. All unpaid funds, social benefits and pension contributions as well as other payable amounts will be paid: a) after the employees have terminated their employment relationship or before such termination; b) in certain cases for the benefit of employees; according to the schedule set in the collective agreement; c) when the disbursements are paid for the benefit of employees, at the employees' request, the evidence of such disbursements will be provided. VIPA will publicly inform about the planned downsizing well in advance and, at the partners' request, will provide them with additional related information.

6.8. VIPA and the Companies Managed by VIPA seek to create an environment and requests their customers to create a work environment free of harassment, psychological violence, bullying or abuse of one's dominant position and implement the following measures:

- a) intended to effectively prevent any kind of violence, harassment, including sexual harassment<sup>2</sup>, abuse and coercion, gender-based violence, bullying, intimidation and/or exploitation;
- b) preventing any kind of violence and harassment, bullying, intimidation and/or exploitation, including gender-based violence;
- c) intended to provide assistance to persons who experienced psychological violence at the workplace.

Furthermore, every effort is made to fight against the aforementioned cases. The implementation of these provisions is regulated by the Employee Code of Conduct.

6.9. VIPA and the Companies Managed by VIPA acknowledge the right of employees to voluntarily join trade unions or professional associations and the right and possibility of negotiating with the employer. The employees of VIPA and the Companies Managed by VIPA are informed and have the right to elect employees' representatives, to form or join employee organisations (e.g. trade unions, work councils) at their choice and take part in collective negotiations under the national legislation. The Company will not discriminate or retaliate the employees who act as representatives, take part or seek to take part in such organisations or collective negotiations and will not interfere into the formation or activities of employee organisations. VIPA and the Companies Managed by VIPA will cooperate with such employees' representatives or organisations under the national legislation and provide them with information necessary for meaningful negotiations.

## **7. Responsibility in public relations**

7.1. VIPA and the Companies Managed by VIPA seek to maintain open and official relationships with all the Target Groups and are accountable to the shareholders and the public for their activities.

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<sup>2</sup> Violence and harassment refers to a range of unacceptable behaviours and practices, or threats thereof, whether as single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment. Gender-based violence is an umbrella term for any harm that is perpetrated against a person's will, and that results from power inequities that are based on gender roles. Gender-based violence includes acts that cause physical, mental or sexual harm or suffering, threats of such acts, coercion or other arbitrary deprivation of liberty. These measures will not be regarded as discrimination: special protection or assistance measures to rectify the past discriminatory acts; measures promoting employment opportunities within the limited territory; or the selection compliant with the national legislation where employees are selected for a certain job, having regard to the particular requirements applicable to such job.

- 7.2. The strategic business plans and annual reports of VIPA and the Companies Managed by VIPA are publicly available to the Target Groups and the public on their websites.
- 7.3. In accordance with the Law on Charity and Sponsorship of the Republic of Lithuania and the procedure for the provision of aid, VIPA and the Companies Managed by VIPA regularly allocate aid to the persons who have the status of the recipient of aid for the implementation of social, educational, artistic, cultural, scientific projects, national sports, artistic, cultural, scientific and social projects emphasizing and promoting the things that are important for the State, who meet the aid allocation criteria set in the aid provision procedure. Aid is provided by joining national campaigns initiated by the Office of the President of the Republic of Lithuania, state institutions or national movements. Information on the aid provided is available on the Company's website.
- 7.4. VIPA and the Companies Managed by VIPA encourage voluntary employee engagement in the activity that benefits society.