

UAB Vingės terminalas



SUSTAINABILITY REPORT

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Overview. General information

About the sustainability report

UAB Vingès terminalas understands the importance of sustainability in today's business environment. Sustainability is essential for businesses in all sectors. Particularly within the logistics and transport sector due to significant contributions to GHG emissions, GDP, and number of people employed. We understand the importance of transparency and accountability in our operations, so we decided to integrate sustainability principles into our day-to-day business operations. We are confident that investing in sustainability pay offs. We have no doubt that focusing on sustainability will create added value not only for the company's reputation, but also for the environment, employees, partners, suppliers, customers and the general public. Additionally, companies that prioritize sustainability are more familiar with their own business risks and are better prepared to adapt to regulations, market changes, and potential resource shortages.

This is our first sustainability report, which aims not only to reveal the goals set in the company's sustainable business strategy, but also to evaluate our progress in their implementation. We have assessed and provided information on the current situation in all sustainability matters (ESG – Environmental, Social, Governance). Before we take further steps towards sustainability, we must conduct a thorough analysis of our various areas of activity. This sustainability report aims to offer stakeholders, including customers, shareholders, employees, and the general public, insights into our company's sustainability initiatives, achievements, and key areas. By preparing this report, UAB Vingès terminalas confirms its commitment to promoting positive environmental and social changes. The sustainability report was prepared in accordance with the EFRAG (European Financial Reporting Advisory Group) voluntary sustainability reporting standards for SMEs (a draft that was made public on 22 January 2024). The annual data are submitted as at 31 December 2023 and correspond to the period covered in the financial statements. While companies are typically exempt from presenting comparative information for previous reporting periods when preparing their first sustainability report, we have chosen to include such data deliberately, in order to enhance transparency and provide a clearer view of the current situation. Therefore, where possible, indicators are presented together with comparable data for the previous period. By presenting the dynamics of these indicators along with narrative explanations, we aim to enhance stakeholders' understanding of our activities. The presented information is at the company level and it is not consolidated.

Facts about the company

UAB Vingès terminalas was founded in 1994.

The number of employees is 146 (135 in 2022).

Revenue – 6.1 million EUR (EUR 6.8 million in 2022).

The balance sheet assets – 2.4 million EUR (EUR 2.9 million in 2022).

More detailed information regarding the results of operations and the activities is disclosed in the company's annual report for the year 2023.

Market overview. Business model, vision, mission and strategy

UAB Vingès terminalas was founded in 1994 and has been successfully operating in the market for 30 years. Having a logistics center in a convenient location, experienced employees, reliable partners and a wide range of services, today the company provides high-quality warehouse logistics, customs brokerage, and complex transportation services to its customers.

Our vision

To lead in the sector, providing reliable, high-quality logistics services. To expand operations in an efficient and sustainable way, taking into account the environment around us and the public interest. To be a reliable partner for our customers.

Our mission

To create convenience for our customers by managing all logistics operations in the customer's supply chain.

Our strategy

Our strategy is to develop and sustainably expand the company's activities, meeting our customers' needs, ensuring a high quality of services provided, increasing the profitability of our operations.

We are committed to responsibly developing our company's activities, with a keen focus on key sustainability areas: environmental protection, social issues and governance.

We aim for balanced development across all areas of our activities, with sustainability as a core principle.

By monitoring global climate change, we are committed to achieving climate-neutral CO₂ emissions by 2050.

We have started to use renewable electricity sources and aim to ensure that from 2025 all electricity used by the company will come from renewable sources. Additionally, we plan to install our own solar power plant by 2035.

We are committed to make a positive impact to the inclusion and empowerment of society. Our social responsibility target is to increase participation of workers with disabilities in the company's activities every year, in collaboration with the Employment Service, to foster the integration of socially vulnerable workers into the labor market. We will also maintain dialogue and cooperation with communities.

Double materiality

Assessment of Impact materiality and Financial materiality

The assessment of double materiality is the process by which a company identifies material information on the impact, risks and opportunities of sustainability. We want to better understand and assess our company's responsibility to the environment, employees, customers and society, so it is important to define the areas where we do or feel a material impact in our activities. At the company, we conducted a 2023 assessment of double materiality. In this sustainability report, we provide all relevant and correct information identified during the assessment on the impacts, risks and opportunities for all environmental, social and governance issues that have been determined to be material from the perspective of the impact materiality, or from the perspective of the financial materiality, or from both of those perspectives. The expectations of stakeholders, environmental and social responsibility were essential in this process. The main stakeholders identified were:

- company employees
- customers
- partners
- suppliers
- communities
- shareholders
- regulatory authorities.

Nature and the environment around us is a "silent" stakeholder.

The company's employees are one of the most important stakeholders, so we create a working environment for our employees that allows them to perform their work tasks safely, properly and productively.

We carry out our activities in accordance with the principles of fair competition and other requirements of the applicable legal acts of the Republic of Lithuania. We are guided by the principles of transparency and fair behavior in relation to regulatory authorities and adhere to the highest standards of business ethics in relation to customers, partners and suppliers.

The assessment of double materiality was carried out taking into account the list of sustainability issues presented in ESRS (European Sustainability Reporting Standards) 1 "General requirements" in AR 16. When identifying sustainability issues that are material for the company, all three areas of sustainability were assessed – environment, social issues and governance.

The assessment of the impact materiality took into account the company's activities, business relationships and stakeholders. After analyzing the information, the identification and assessment of positive and negative (actual and/or potential, where possible to measure) impacts and the identification of material issues, considering the thresholds set, were done. The severity of the impact was determined by scale (how strong the negative impact is or how positive it is in terms of benefits for people and the environment), its scope, i.e. how widespread the impact is, and its irremediability (whether the negative impacts can be remedied). The assessment of the impact materiality followed the assessment principles set out in the ESRS: any of the three characteristics (scale, scope or irremediability) could lead to a severe negative impact, but for the assessment of potential negative impacts on human rights, the severity of the impact took precedence over the likelihood. In assessing the impact materiality, the management used assumptions, business plans, actual performance and external publicly available information.

The assessment of financial materiality considered how impacts and dependencies are sources of risks and opportunities, i.e. it assessed how the company's business model depends on changes in the quality, availability and pricing of natural resources. It also took into account whether the adverse effects could lead to certain negative financial consequences for the Company's operations under the applicable legal framework (e.g. increased reputational risk, including potential fines, chances of cancellation of contracts and/or non-receipt of orders, branding risk, or increased recruitment or employee costs), and for the Company's relationships with its business partners. The starting point for financial materiality is the assessment of risks or opportunities that affect or are reasonably likely to affect the financial position, performance, cash flows, access to finance or cost of capital in the short, medium and long term. The assessment of financial materiality considered whether there is a dependence on natural and social resources (as a source of financial impact) and assessed the risks and opportunities that affect the future expected changes in cash flows. After identifying all possible risks and options, an assessment has been made as to which of them are material for the reporting purposes. The assessment was carried out on the basis of a combination of two elements: the likelihood of occurrence and the scale of the financial impact, by setting thresholds and taking into account how those risks and opportunities contribute to the financial impact in the short, medium and long term. The assessment of financial materiality was based on management's assumptions regarding forecasts/scenarios compiled by and potential financial effects that

are not currently recognized as assets and/or liabilities in financial statements, but have, or are likely to have, a material impact on the financial performance in the future.

The key material areas identified are presented with a brief description of each area, how it affects the environment and people, the actual and potential impact on the Company's current and future financial position and performance, as well as its strategy):

Employee health and safety – Ensuring employee safety and fostering health reduces the risk of work accidents and injuries, improves the morale and productivity of workers. Investing in a comfortable and safe working environment for employees ensures that the actual and potential impact on the company's current and future financial situation and activities is optimally managed.

Employee diversity, equality and inclusion – Promoting equal opportunities, gender equality and diversity at work helps to attract talent, improves the psychological state of employees, helps to diversify ideas and respond to the needs of various clients, and reduces legal and conflict opportunities risks.

Employee training – Promotion of professional and personal development of employees, enhancing their competencies, is one of the essential sustainability factors that helps the company to achieve its targets. The training programs not only improve employees' skills, but can also broaden their understanding of sustainability principles, strategy development and practices.

Climate change. Energy. GHG emissions – Responsible management of electricity consumption and GHG emissions not only strengthens the company's reputation and attractiveness, but also significantly contributes to the reduction of climate change. The reduction of greenhouse gases emissions generated by the business activity, electricity generation from renewable sources, installing charging stations for electric vehicles on company premises, and implementing other environmentally friendly solutions for customers/employees are important aspects of our sustainability targets.

Waste and packaging management – Managing and reducing waste generated in our operations is an integral part of our daily activities, as the volume of cargoes we handle increases, so does the amount of waste we manage. The consequences of improper waste management have a significant impact on the environment. We strive to ensure that we have a positive environmental impact through waste sorting and recycling as we increase our operations.

Prevention of corruption – Through the implementation of corruption prevention policies and procedures, our aim is to prevent bribery and unethical behavior within the organization. Establishing clear guidelines and promoting an integrated culture of transparency and integrity can reduce the risk of legal violations and reputational damage.

Risk management – Helps to identify, evaluate and address potential threats or events that could affect our operations, projects or objectives. Proper implementation of the risk management process and procedures helps to avoid the unexpected and ensure the long-term success and sustainability of the company. In addition, effective risk management can mitigate external threats such as geopolitical risks, natural disasters or internal risks (process failures, fraudulent behavior of employees), rationalize the allocation of resources, increase investor/customer confidence, and ensure compliance with the legislation applicable to the activities carried out, thus avoiding fines or other legal consequences.

Safety and quality of services – Ensuring high-quality and safe storage and handling of customer cargoes is an integral part of the successful activities of the logistics company. The safety of services guarantees that the customer's cargoes entrusted to the company do not pose any danger to either people or the environment, and the quality of services ensures that the stored or transported cargo meets the needs and standards of customers and is suitable for use. Non-compliance with strict safety and quality standards can have a negative impact on the company's reputation and customer trust, putting employee health at risk. Implementing effective safety and quality management practices can increase customer confidence in the company and its services, leading to greater customer loyalty, return for future business, and sustainable growth.

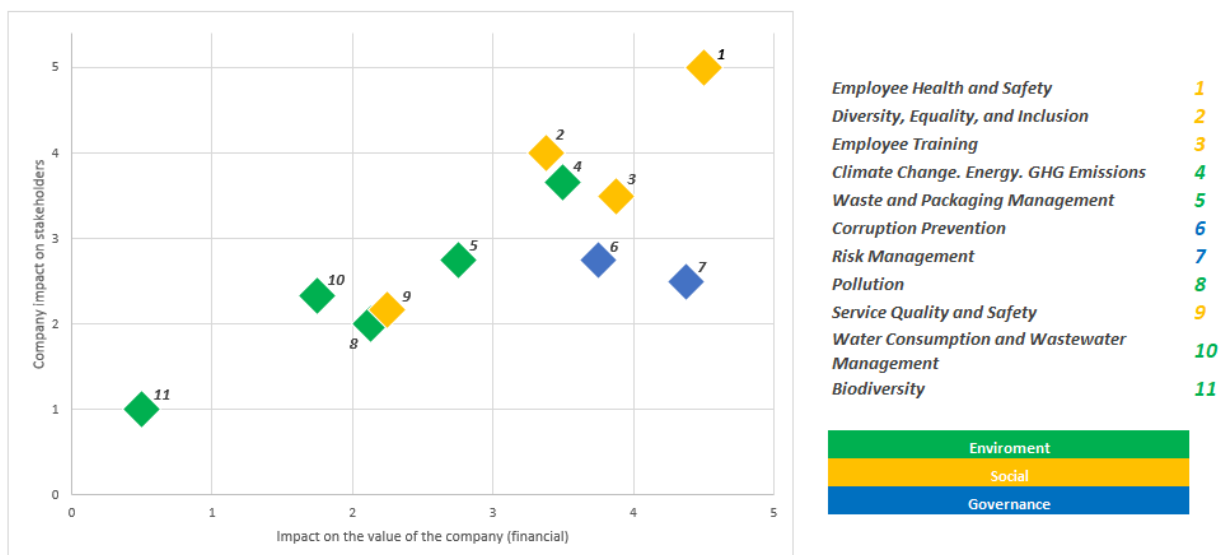
Pollution – Pollution presents a significant challenge to sustainable development, causing negative effects on both the environment and human health. Our company's operations can contribute to various forms of pollution, including air, water and soil and noise pollution. For instance, vehicle exhaust emissions and small particles contribute to air pollution, while wastewater from our activities can have negative affect on water bodies. Implementing pollution prevention technologies such as oil traps and water treatment plants can mitigate emerging environmental risks and ensure compliance with environmental legislation requirements.

Water consumption and wastewater management – The company source groundwater from the well. Water then is cleaned and provided for use, to ensure proper sanitary conditions. Once used, the water undergoes treatment before being discharged into the environment. The collected rainwater from the premises undergoes cleaning with oil traps to prevent harmful substance leakage. Additionally, rainwater collected from the building's roof is utilized to replenish fire water tanks, enhancing our resource efficiency and reducing water costs. In order to manage wastewater more sustainably, all the water used in the company undergoes treatment, and the third independent party ensures that the water treatment plants are maintained in accordance with their technical requirements. Efficient water consumption and wastewater management are an important part of the company's sustainable business strategy, which

will help reduce the negative impact on the environment and contribute to the long-term success of the business.

Biodiversity – The double materiality assessment concluded that the company's activities have no impact on biodiversity.

The double materiality assessment identified sustainability matters where the company has the greatest impact on the environment and people, and the impact on the company's value (financial materiality), cash flow and cost of capital. These findings are presented in a double materiality matrix.



Risk management

Risk management is the process of identifying, assessing and controlling threats to an organization's capital and income. This process not only helps our organization to protect resources and future capital, but also improves decision-making, promotes sustainability, and increases our accountability, enhancing stakeholders' trust in us. We strive to meet the requirements of various stakeholders, so in 2023 we implemented Quality and Environmental management standards. We have certified warehousing, customs broker and complex transportation services with ISO 9001:2015 and ISO 14001:2015 certificates. Constantly improve the quality of our services, take care of the needs of our customers, conserve the environment and the resources it provides- these are the goals we pursue daily, so we review and update the emerging risks once a year. In 2023, the most important risks for the company were identified, defined, and decisions that would help manage these risks were made.

Business risks relate to the environment in which the company conducts its activities and affects the financial results of the company. These include the company's competitiveness, the economic viability of

its largest customers, the political and economic environment in the European Union, and legal regulations. The increase in the cost of energy (gas and electricity), the growth of wages affects the company as the cost of services increases. By reducing the risks mentioned above, the company is making the provision of services more efficient by digitizing and standardizing workplaces, as well as improving planning processes. The company ordered and conducted a detailed audit of the premises' energy consumption, after which new heating/cooling/ventilation equipment was ordered.

In 2022, a risk risen **due to the Russian/ Belarusian military invasion of Ukraine**, as a result of the increasing sanctions imposed on Russia, Belarus, i.e. the risk of export or transit cargoes and, accordingly, a decrease in cash flow. After assessing and mitigating the risks, services provided by the company were diversified - correspondingly, more services are provided to customers in the EU and Asian markets.

The company assesses **the competitive and economic environment**, conducts research on customer behavior, strengthens its own brand, improves the internal control system, manages its service range and pricing.

The risk of adverse and unplanned regulatory changes. Risks associated with changes in market conditions, changes in the regulatory and legal environment (both anticipated and unanticipated). We constantly monitor the situation, actively participate in our business associations, communicate with public authorities, raise business issues in joint working groups, to find the right solutions. We take appropriate decisions within the company.

The risks of compliance with the current legislation are managed through the monitoring of draft legislation, using additional legal consultancy assistance, performing contract audits, and improving orders/contract templates.

Debt risk is managed by monitoring the client's stock of goods and vehicle flows, which can be used as levers, including the right of retention until the debtor fulfils the obligation. We monitor the creditworthiness of debtors using controls including credit approvals, limits and prepayment requirements. Successful long-term cooperation is based on signed contracts defining the terms, conditions and responsibilities of both parties.

Operational risks include risks related to activities within the company. This includes the security, reliability, and safety of internal processes and operations, and the safety of employees. We develop and implement appropriate procedures and information systems to support business processes, all of which ensure the functioning of an adequate internal control system and proper collaboration with related third parties.

Risks associated with the operation of information technology. Data protection and protection of personal data is carried out by improving internal control procedures, communicating with trusted IT professionals, implementing procedures that ensure cyber security.

Human resource risk is managed by monitoring the labor market, adapting the benefits to employees that correspond to market conditions, improving internal processes for training employees and strengthening company culture. In 2022, the company recruited an HR specialist responsible for HR management and communication with current and future employees.

The risk of compliance with environmental protection and sustainability is managed by applying new approaches to improve energy efficiency in company premises, waste sorting and packaging improvements.

Occupational health and safety risks are managed by creating a safer and more comfortable working environment, by respecting employees' working hours and holiday schedules, and by carrying out regular health checks.

Governance of material areas

We feel a social responsibility, therefore, we aim to make a more significant contribution to reducing climate change. In 2023, we took additional actions to ensure the company's strategy's development towards sustainability. The company implemented ISO 9001:2015 and ISO 14001:2015 standards, which help better protect, manage, mitigate, and correct actual or potential negative impacts and related risks.

Material area	Governance
Employee health and safety	No new actions or policies were implemented in 2023. The company conducts constant occupational safety and health trainings in the workplace. We have set ourselves the target to reduce the number of workplace accidents to 0. The company will continue to conduct regular training in safe work and over the next three years, additional measures will be implemented - all employees will be provided with additional protective equipment, clearly visible visual aids in the warehouse with instructions for safe work.
Employee diversity, equality and inclusion	Since 2017, the company has enforced the Equal Opportunities Policy. This policy ensures equal opportunities for all regardless of gender, race, nationality, language, origin, social status, belief, belief or opinion, age, sexual orientation, disability, ethnicity and religion of workers. In 2023, to address this matter effectively, the company adopted the Code of Ethics and the Rules on Preventing

	<p>Violence and Harassment. The Code of Ethics defines the principles of ethical behavior of all employees, fundamental values in leadership and communication, helps to eliminate conflict situations, to determine the boundaries of acceptable and unacceptable behavior. The policy is valid internally, between the company and employees. Guidelines on non-discrimination, non-harassing, respect and ethics between employees and the company are noted. The reporting process for non-compliance with the code is clearly outlined. The Rules on Preventing Violence and Harassment facilitate the implementation of measures to prevent violence and/or harassment, manage psychosocial risks, and create a safe working environment for all company employees. They also enable effective and objective identification and prevention of conflict situations within the company. Instances of violence and harassment in the workplace between employees and the company are described. The process of reporting non-compliance with the policy is outlined. The company also has a significant cooperation with UAB Paslaugos logistikai. Through this partnership, individuals with mild physical disabilities (deaf, poorly hearing) work in our company, thus promoting the integration of people with disabilities into the labor market. In 2023, there were 6 such employees in UAB Vingès terminalas.</p>
Employee training	<p>The company provides training for employees. In 2023, compared to the previous reporting period of 2022, the total number of training hours increased by approximately 36 percent (140 hours in 2023 compared to about 90 hours in 2022). Training sessions are conducted by hiring lecturers either onsite at the company premises, at external training service organizations, or through online platforms. Additionally, logins to various platforms covering regulatory, financial, legal, and personnel issues are purchased to support professional development. In 2022, employees received approximately 2.5 hours of training on average, while in 2023, this figure increased to about 3.5 hours per employee. For the management of this area, the target for 2024 is to allocate 6 hours of training per employee per year. Qualified and well-trained employees contribute to enhanced productivity, innovation, and overall operational efficiency within the company.</p>

<p>Climate change. Energy. GHG emissions.</p>	<p>In 2023, the company took significant steps towards enhancing its environmental management practices by implementing the ISO 14001:2015 and ISO 9001:2015 standards, alongside adopting a Quality and Environmental policy. As part of this initiative, an assessment of environmental aspects was conducted. In accordance with the Quality and Environmental policy, the company undertakes to ensure the continuous improvement of the integrated management system in accordance with the requirements of ISO 9001:2015 and ISO 14001:2015 standards and increase its effectiveness. The company undertakes to protect the environment (including pollution prevention) and its resources as much as possible, to minimize any negative impact on the environment. The policy is valid within the company as a commitment, and affects various stakeholders – employees, customers, suppliers and the environment. In 2024, it is planned to set specific short- and long-term environmental goals and highlight them in the sustainability report. The company's ambition to organize and carry out its activities by constantly setting and updating targets and objectives in the areas of social, environmental protection and governance responsibility is planned to be defined in the sustainability policy for 2024. In order to manage this sustainability matter, in 2023 an agreement was signed with the owner of a remote solar power plant. Most of the green electricity needed by the company is being supplied from March 2024.</p> <p>In 2023, we implemented an electricity and thermal energy reduction project, which included the installation of new lighting equipment and the modernization of the heating system to save on the amount of thermal energy and electricity used. The project included the installation of heating/cooling units and the replacement of LED luminaires. In 2023, the roof of the administrative building was replaced.</p>
<p>Waste and packaging management</p>	<p>In 2023, we conducted an environmental assessment to better understand our environmental footprint. Anticipating a growth in our operational volume, we foresee an increase in waste generation. As a proactive measure, we intend to continue cooperation with UAB Ekobazė (contract signed in 2019), to handle</p>

	the recovery and recycling of various waste types. Additionally, in 2024, we aim to start recycling within our administrative premises.
Risk management	In 2023, as part of the ISO 9001:2015 implementation process, risks were assessed and an action plan developed. An assessment of the company's activities (strengths, weaknesses, opportunities and threats – SWOT) and an analysis of the political, economic, social and technological (PEST) environment were also carried out. We have identified our weaknesses in terms of employee capacity, infrastructure and business development, the company's strengths and opportunities to expand its activities. During the PEST analysis, various factors were identified, such as the emergence of new competitors, evolving EU directives and regulations, environmental concerns, and geopolitical tensions. We will be regularly updating these analyses, continuously monitoring emerging risks, and disclosing them annually.
Prevention of corruption	In 2023, we repeatedly defined relevant legislation for our operations and evaluated our compliance with legal requirements. In 2024, we plan to implement the Supplier Code of Conduct. The company's Supplier Code of Conduct will reflect the company's commitment to having a sustainable supply chain and will make suppliers aware of the expectations set in the areas of social, environmental protection, and governance responsibility. The company will also have a Corruption Prevention Policy in place and effective from 2024. The purpose of this policy is to set out the company's basic principles and requirements for the prevention of corruption and to provide guidelines for ensuring compliance with them, the implementation of which creates the conditions for implementing the highest standards of transparent business conduct in the company.
Safety and quality of services	In accordance with the ISO 9001:2015 quality standard, we are committed to meeting and exceeding our customers' requirements, delivering the highest quality services, meeting and fulfilling our commitments and legal obligations and satisfying the requirements of our stakeholders. We are committed to

	<p>improving the quality and safety of our services and have set short-term targets to help us achieve this:</p> <ul style="list-style-type: none"> - Gather customer feedback on provided services; - Reduce our environmental impact; - To have trained and qualified internal auditors for ISO standards; - Develop the culture of the organization and improve communication; - Implement good sustainability practices; - Deploy new software and technologies.
Pollution	<p>In 2023, an environmental assessment was conducted to identify our environmental impact. We have established short-, medium-, and long-term objectives aimed at reducing atmospheric pollution resulting from our operations. The company also has an intermodal (rail) transport project under development. This is a new area of activity for our company, which will be continuously developed. By combining road and rail transport, we will significantly reduce our CO₂ footprint and air pollution.</p>
Water consumption and wastewater management	<p>For the use of the company, groundwater from the well is extracted. We are committed to protecting the environment and its resources to the best of our ability, including responsible water consumption and wastewater discharge. We will continue our rainwater collection, treatment, and reuse activities.</p>

Recognizing the urgency to address climate change, we have set ourselves targets that will facilitate our company's transition to a sustainable economy. We will work towards mitigation of the impact of climate change on the company's operations and adapt to the challenges posed by climate change. Our sustainability objectives cover short (1 year), medium (up to 5 years) and long (over 10 years) periods and are related to a wide range of sustainability matters.

Towards sustainable logistics– less CO₂ and polluting vehicles:

- We will aim to use only 100 percent renewable electricity from 2025. An agreement signed in 2023 with the remote solar power plant owner ensures that the majority of our required green electricity will be supplied from March 30, 2024.

- We will transport our forwarded cargoes using sustainable methods. The company is implementing and developing an intermodal project (transporting cargo by rail).



Decent working conditions, remuneration, training:

- We will reduce the number of accidents and fatalities at work to zero. The company will provide regular safety training, additional protective equipment for employees, and install clearly visible visual displays in the warehouse with safety instructions.
- We will offer 30 new jobs by 2030. We will expand the scope of our existing services and offer new ones.
- Trainings and development – each employee will receive a minimum of 6 hours of training per year. We will annually renew training plans on topics relevant to our staff and provide trainings.

Climate change mitigation, reducing CO₂ emissions:

- By 2030, we will reduce our carbon footprint by 25 percent.
- By 2050, we will achieve net-zero GHG emissions in all our operational operations.
- By 2030, we will strive to procure sustainable vehicles for the company's needs, install charging stations for electric vehicles and other necessary infrastructure, and encourage employees to choose zero-emission vehicles, by giving them the opportunity to charge their EVs for free at work.

Responsibility for meeting sustainability targets

Acknowledging that sustainability is an ongoing journey rather than a final destination, we are committed to continuous monitoring and control of sustainability issues, targets, impacts, risks, and opportunities. The company's CEO and HR partner are responsible for overseeing and continuously monitoring significant sustainability issues. The control procedures implemented within the company are noted in the management of material areas section.

Environmental information

GHG emissions calculations

The calculation and understanding of the company's environmental footprint allow for a comprehensive assessment of its impact on the environment. When preparing the sustainability report for the first time, the company decided to take advantage of the exemption provided by the Voluntary European sustainability reporting standards for SMEs and medium-sized enterprises, focusing solely on Scope 1 and Scope 2 emissions and comparing them with the previous reporting period of 2022.

Operational borders definition is an essential step in a company's GHG accounting process. This step determines which operations fall within the organizational boundary of the enterprise and how emissions from each operation are consolidated, as outlined in the GHG protocol enterprise standard and ISO 14064-1:2018 standard. Considering the financial accounting method, we have employed an operational control approach for our emissions inventory, enabling us to account for all GHG emissions under the company's control. Direct emissions data is sourced from invoices or the company's internal accounting system. The carbon footprint, expressed as CO₂ equivalent (CO₂e), is obtained by multiplying the activity data by the confirmed emission factors. Scope 1 GHG emissions are emissions directly from sources owned or controlled by the company. GHG is emitted by all fuel-burning vehicles owned or rented by the company – cars powered by internal combustion engines, as well as boilers, stoves, a diesel electric generator. Fuel consumption data (primary data) at the company were obtained from the internal accounting system. Scope 2 GHG emissions occur indirectly through the production of purchased electricity, steam, heat, or cooling consumed by the company. Consumption data are sourced from invoices. In 2023, we consumed 428.21 MWh of electricity, compared to 415.95 MWh in 2022.

We used the conversion factors provided by DEFRA (the Department for Environment, Food & Rural Affairs) to calculate the GHG and the emission factors provided by Carbon Footprint Ltd, which are used to calculate GHG emissions from the use of electricity.

Scope 1 CO₂e emissions in tones:

	2023	2022	Change
Vehicle	138	122	+13 percent
Buildings	71	89	-20 percent
Total CO ₂ e	209	211	-1 percent

Scope 2 CO₂e emissions in tones:

	2023	2022	Change
Electricity	200	160	+25 percent
Heating	–	–	
Total CO ₂ e	200	160	+25 percent

In 2023, as the organization expanded its activities, both the number of employees (+ 8 percent) and the amount of fuel consumed (+13 percent) increased. We anticipate that by 2030, the planned infrastructure of electric car charging stations on the company's premises will encourage employees to opt for zero-emission vehicles, offering them the opportunity to charge their cars at work for free. In 2023, electricity consumption also grew by 24 percent. We strive to develop an energy-sustainable and environmentally friendly business, so the increasing consumption of electricity encourages us to look for more sustainable solutions. Therefore, we have planned to transition to green electricity by 2025, exclusively using renewable energy in our operations. In 2023, we made the decision to adopt a mixed method of space heating/ventilation, resulting in a 20 percent reduction in gas consumption and an increase in electricity consumption. Understanding the importance of our company's contribution to a sustainable future, we are already making decisions in our operations aimed at reducing our CO₂ footprint. In May 2023, we signed a five-year lease contract for a remote solar power plant. Since March 2024, the company has been utilizing the green electricity generated by this power plant in its operations. By 2035, we will also aim to become electricity power producer ourselves. In 2023, we implemented projects to reduce both electricity and thermal energy consumption. According to the calculations done by UAB Mepco, the annual greenhouse gas savings amount to 20.37 tons of CO₂. The company changed its lighting system, resulting in savings on electricity needed for illuminating the warehouse and administrative premises, amounting to 16.77 MWh per year.

To reduce the amount of thermal energy used, the heating system was modernized in 2023. The revamped heating ventilation system not only led to a significant reduction in gas consumption, but also notably improved the working conditions of employees by maintaining optimum indoor temperatures throughout the seasons. The annual savings in thermal energy will amount to 60.58 MWh.

Water consumption

Efficient water consumption and wastewater management are essential for minimizing environmental impact. The water used within the company is sourced from a well owned by the building's owner and is primarily intended to maintain proper sanitary conditions for both employees and customers. Data on water consumption is collected from internal accounting devices within the company. In 2022, the

company utilized 1,425 m³ of water (equivalent to 10.5 m³ per employee), while in 2023, water consumption increased to 1,734 m³ (equivalent to 11.8 m³ per employee), representing a 22 percent increase compared to 2022. Since the water used is intended not only for employees, but also for customers, the amount of water consumed increases accordingly as the number of employees or the customer base grows. Information regarding the utilization of rainwater collected by the company is provided in the Double Materiality section.

Responsible consumption. Circular economy and waste management

In the company we promote the rational use of resources. Our target as a responsible business is to operate sustainably: to reduce pollution, strive to prevent the accumulation of excess waste from our activities, and, if such waste is generated, manage and recycle it appropriately. Waste is sorted at the company and handed over to the waste manager UAB Ekobazė. The table shows the quantities of waste generated and transferred for recycling (tones):

Waste code:	Type of waste	2023	2022	Change
	Total amount of waste generated, of which:	36.61	35.48	+ 3.1 percent
20 01 99	otherwise undefined fractions	24.10*	11.96	
20 01 01	paper and cardboard		11.96	
15 01 02 02	other plastic packaging	12.51	11.56	+7.6 percent
	Percentage of recycled waste from total waste	100 percent	100 percent	

* This figure also includes paper and cardboard

The increase in the amount of waste generated in our operations was not only due to the growing number of handled cargoes but also because of changes in the services provided. The increased demand for stickering, labeling, marking, and packaging services results in a significant accumulation of plastic and paper waste in the company. This only confirms the importance of proper waste management.

Employees

General information

The company ensures all fundamental human rights principles. All personnel are employed in accordance with the legislation of the Republic of Lithuania. We strive to ensure that our employees feel safe. The company has the Code of Ethics, an Equal Opportunities Policy, and its implementation procedures, and the Rules on Preventing Violence and Harassment. Every employee in the organization is employed under standard open-ended employment contracts.

At the end of 2023, the number of employees was 146 (compared to 135 in 2022).



Gender equality and diversity. Remuneration policy

Since 2017, the Equal Opportunities Policy has been in force at the company. This policy ensures equal opportunities for all employees, irrespective of gender, race, nationality, language, origin, social status, beliefs, opinions, age, sexual orientation, disability, ethnicity, or religion. The Code of Ethics outlines guidelines on non-discrimination, non-harassment, respect, and ethical conduct among employees and the company. In both 2022 and 2023, no complaints regarding discrimination-related incidents were received.

In 2023, compared to 2022, the number of employees increased by 8.15 percent. The need for employees in the company fluctuates: as the nature of services changes, order volumes increase, both our company's human resource demands and profit-generating opportunities rise.

The table below shows the gender breakdown of employees:

Number of employees	2023	2022	Percentage change
Men	46	48	- 4.15 percent
Women	100	87	+ 13 percent
Total	146	135	+ 8.15 percent

In the company, we promote inclusion and equal opportunities for all. In cooperation with UAB Paslaugos logistikai, our company employs individuals with mild physical disabilities (deaf, poorly hearing), thus contributing to the integration of people with disabilities into the labor market.

Regardless of gender, employees performing the same work are paid the same salaries – a principle ensured by the Equal Opportunities Policy, approved in the company back in 2017. The remuneration

policy within the company is described in the Rules of Procedure and the Remuneration System. Rules of procedure establish working hours, the payment procedure for labor, general duties, and requirements. Remuneration System regulates wage calculation, sizes according to positions and employee categories, bonuses, and payment terms. Despite the predominance of women among employees due to the nature of the company's activities, we ensure non-discrimination in recruitment and hiring processes, with job offers extending equal rights and opportunities to both genders.

Employees are entitled to take family-related leave according to legislation (maternity, paternity, parental and carers' leave), considering their personal and family circumstances. Due to family-related reasons, leave was granted to 4 percent of employees in 2023.

The table illustrates the number of employees who were entitled to and/or took such leave in 2022 and 2023:

Number of employees	2023		2022		Change
	Was entitled to leave	Exercised the right to take a leave	Was entitled to leave	Exercised the right to take a leave	
Men	3	3	0	0	–
Women	3	3	2	2	+ 34 percent
Total	6	6	2	2	+ 67 percent

Employee health and safety

Properly implemented occupational safety policy guidelines can help to reduce the risk of workplace accidents and injuries, improve the morale and satisfaction of employees. All employees of the company are trained in safe working practices. This training takes place in the workplace and is provided by external occupational safety consultants. In 2023, the company recorded one accident (there were no accidents in 2022), not classified as serious injuries. After the accident, the employees of the enterprise were additionally reminded of the rules and requirements for safe work, and a technical inspection of the equipment used in the event was carried out. In order to avoid future accidents, the company will continue to provide regular training in safe work, allocate additional protective equipment for employees, install clearly visible visual displays in the warehouse with instructions for safe work.

Employee remuneration. Collective agreements and professional development

Competent employees are the company's most valuable asset. The company is committed to providing equal opportunities by remunerating employees for their work and providing opportunities for professional development and qualification enhancement. Employee remuneration is based on the nature of their work, hours worked, and level of responsibility they undertake. The remuneration of employees

is determined by the functions and duties they perform. Persons in similar positions receive a similar salary with minimal fluctuations. The company's remuneration policy is outlined in the Rules of procedure and the Remuneration System.

Upon starting work in a company, all employees are required to familiarize themselves with the following procedures developed and approved at the company:

1. The Rules of procedure;
2. Equal opportunities policy;
3. Policy on the Use of Information and Communication Technologies, Employee Monitoring, and Workplace Surveillance;
4. Employee Personal Data Protection Policy;
5. A memo for Employees on Ensuring Protection of Company Trade Secrets;
6. Occupational Safety and Health Instructions;
7. Fire safety instruction.

Additionally, the company has approved internal procedures that cover the business processes of its departments. These are introduced to employees working in a particular structural unit as required by the functions performed. The duration of a new employee's transition to independent work typically ranges from one week to three months, depending on the complexity of their duties. During this critical onboarding period, we prioritize mentoring as a cornerstone of our commitment to fostering a sustainable working environment – assigning experienced employees to share their knowledge and experience and help the new employee to integrate.

Employee training is conducted continuously both internally and with the help of external consultants. In 2022, approximately 90 hours of training were conducted, increasing to about 140 hours in 2023. In 2022, each employee received about 2.5 hours of training, whereas in 2023, this increased to 3.5 hours. Training sessions are held either on-site at the company premises, at facilities of training service providers, or remotely. Starting from 2024, our aim is to provide up to 6 hours of training per employee per year.

Continuous monitoring of staff progress is an integral part of our commitment to sustainability. Informal and flexible daily communication with employees fosters an environment where expectations, suggestions and observations are shared in real time, allowing us to address and correct problems quickly. In our many years of experience, we have found that this achieves the maximum positive result. We assess the quality of our services based on data from customer surveys. The company there has a Works Council. The Works Council is composed of 5 employees, as mandated by the Labor Code of the Republic of Lithuania.

Business Conduct. Responsible Business Practices

The main ethical business principles of UAB Vingės terminalas, such as respect, honesty and impartiality, transparency, responsibility and confidentiality, shape our organizational structure and management approach. The company's Code of Ethics, The Rules of procedure, core values, and conduct norms clearly define principles of employee communication and cooperation, which both company executives and employees agree to follow. The Code of Ethics outlines principles of ethical conduct and behavior for all employees, fundamental values in leadership, operations, and communication, helping to resolve conflict situations and establish boundaries between acceptable and unacceptable behavior. Every employee is informed of the company's internal rules at the start of his/her employment and at the time of any subsequent changes, and signs and agrees to comply with them. To protect whistleblowers, each company's policy sets out a process for reporting non-compliance with the Code/policy and provides for whistleblower protection. The company strives to follow responsible business practices and support public institutions in order to help and increase the inclusion of disadvantaged and disabled people in society. In 2023, UAB Vingės terminalas provided 2 financial donations to VšĮ Vilniaus Kurčiųjų Centras. The company takes measures to ensure information technology security. We use a firewall to protect our IT network and a VPN to connect to the corporate network. As we store both our and our customers' data, the company utilizes several antivirus programs. For enhanced reliability and security, we employ two-factor authentication when connecting to cloud applications.

We adopt a zero-tolerance stance towards corruption and bribery in our activities. Since 2023, we have been working intensively on measures to prevent corruption within the company and in the supply chain. Therefore, starting from 2024, the company will implement the principles of the newly adopted Corruption Prevention Policy. This policy aligns with the United Nations Convention against corruption, establishing key principles, requirements for preventing corruption within the company, and guidelines for ensuring compliance. Its implementation creates conditions for upholding the highest standards of transparent business conduct within the company. Additionally, starting from 2024, the company will also implement a Supplier Code of Conduct. In conducting their activities, the company's suppliers are required to adhere to all laws and other regulatory legal acts. They are also expected to uphold the highest standards of business ethics, refrain from any illegal payments or gifts to the company, civil servants, political parties, politicians, candidates for political office, or any other individuals, and to abstain from bribery, influence peddling, trading, money laundering, misuse of office, and any other forms of corruption. The Company did not have any incidents, convictions, or fines for violations of anti-corruption

or anti-bribery laws in 2023. More detailed information about cases in which the company is involved is disclosed in the company's 2023 annual reports.

CEO

Dainius Petravičius