

Integrated Quality, Environment and Energy Management Policy

I. General Terms & Conditions

1. The objective of the Integrated Quality, Environment and Energy Management Policy (hereinafter – the Policy) is to define the guiding principles of the joint-stock company AS "Pasažieru vilciens" (hereinafter – the Company) in the areas of quality, environment and energy management.
2. The overall aim of the Policy is to contribute to the Company's drive for continuous improvement in quality, environmental and energy management performance by providing a framework for setting, monitoring and controlling the Company's objectives, action plans and targets to contribute to the achievement of the Company's mission, sustainable development and goals.
3. The Company's quality management objectives are directly linked to the Company's overall strategic goal and the strategic targets, lines of action and values set out in the Medium-Term Operational Strategy.
4. Each employee of the Company contributes to the implementation of the Policy by acting in accordance with his/her competences and defined areas of responsibility, demonstrating an understanding of the principles of sustainability and contributing to process improvement.

II. Integrated Management System

5. The Company has implemented and maintains a Management System that integrates the requirements of international quality, environmental and energy management standards.
6. The Company's Management System is certified to the following standards:
 - 6.1. ISO 9001:2015 "Quality management systems. Requirements"
 - 6.2. ISO 50001:2018 "Energy management systems. Requirements with guidance for use"
 - 6.3. ISO 14001:2015 "Environmental management systems. Requirements with guidelines for use"
7. Scope of certified activity: Passenger transport by rail. Maintenance, repair and upgrade of electric train, diesel train and shunting locomotives. Repair of rolling stock traction units and aggregates.
8. The limits of the Environmental Management System:
 - 8.1. Physical limits – rolling stock, motive power depot, maintenance workshop for electric trains, rolling stock repair base (depot), and buildings associated with their operations.
 - 8.2. Limits of scope of activities – provision of diesel trains and diesel locomotives with petroleum products and other equipment materials, maintenance and repair of diesel and electric trains, management and maintenance of buildings.
 - 8.3. Exceptions - ticket offices and lounges.
9. Certified Company management systems are audited annually to ensure their continued compliance with the standard.
10. The Company conducts annual internal audits of its Integrated Management System in accordance with an approved Internal Quality Audit Plan.
11. Once a year, an analysis of the objectives and performance of each management system is carried out and an overall Integrated Management System Report is prepared, including proposals for improvements to the Integrated Management System.

III. Guiding Principles of Quality Management

12. The Company pursues a Quality Policy aimed at meeting the requirements of its customers and other stakeholders, ensuring high quality, sustainable and safe passenger transport in line with customer requirements.
13. The Company's quality objectives are to ensure continuous quality improvement, the achievement of its mission and strategic targets, by promoting sustainable development, effective process management,

customer satisfaction and stakeholder engagement, and by monitoring and reviewing objectives and action plans.

14. In implementing the Quality Policy and working towards the achievement of the objectives, the Company is committed to the following guiding principles:
 - 14.1. Moving towards service excellence and customer satisfaction – to continuously provide and develop sustainable, high quality, safe and customer-oriented passenger transport services in line with customer requirements, ensuring service accessibility for all segments of society, including passengers with reduced mobility.
 - 14.2. Effective process management – to develop the quality and efficiency of the Company's internal processes, promote the digitisation of processes and ensure compliance with regulatory requirements. To follow a process and risk management approach in the management of the Company to ensure sustainable and safe operations.
 - 14.3. Continuous improvement – to regularly assess performance based on process indicators, measurements, satisfaction surveys, analysis of customer submissions and proposals. To ensure continuous improvement of processes, management systems and the quality of services provided.
 - 14.4. Supply chain management – to continuously assess the supplied components, materials and equipment, as well as the services provided to the Company, to ensure high quality and compliance with requirements.
 - 14.5. Staff engagement, development and upskilling – to continuously promote the development of staff and provide training, as well as to improve professional qualifications and competencies.
 - 14.6. Relationship management and communication – to build open communication with the Company's stakeholders, to promote employee engagement and the realisation of ideas, by choosing cooperation partners responsibly, and by respecting equal and fair treatment and avoiding conflicts of interest.

IV. Guiding Principles of Environmental and Energy Management

15. The Company provides sustainable services and environmental and energy management focused on environmental protection and monitoring and remediation of historically contaminated sites, efficient use of resources and continuous improvement of performance, thus contributing to the achievement of the United Nations Global Sustainability Goals and meeting European Union and national targets for climate neutrality.
16. The Company's environmental and energy management objectives are to improve environmental performance, reduce energy consumption and develop sustainably.
17. In order to ensure continuous improvement of the Company's performance, reduce its environmental impact, promote the efficient use of energy resources and in pursuit of its objectives, the Company is committed to the following guiding principles:
 - 17.1. Environmentally friendly public transport services – to develop environmentally friendly public transport services, providing an alternative to car transport, and participate in the development of smart mobility to promote sustainable travel solutions.
 - 17.2. Regulatory compliance – to ensure continuous and full compliance with the requirements of regulatory enactments governing environmental and energy management, as well as the requirements of ISO standards 14001 and 50001.
 - 17.3. Environmental protection – to manage the risks of environmental pollution, minimise potential adverse impacts on the environment and limit environmental pollution, monitor historically contaminated sites and implement remediation measures. To find and implement ways to use resources more efficiently, reduce CO₂ emissions and waste. To promote the separation and recycling of waste from economic activities.
 - 17.4. Energy-efficient and environmentally friendly technologies – to promote the introduction and use of environmentally friendly and energy-efficient technologies in production processes, avoid the use of hazardous chemicals and, where such materials are needed, take appropriate measures to protect health and the environment.

- 17.5. Monitoring the performance of environmental resources and energy consumption – to record, monitor and regularly analyse environmental pollution and natural resource use indicators in order to address the causes of losses and minimise environmental impacts.
 - 17.6. Improving the performance of environmental resources and energy consumption – based on consumption performance, to develop measures to optimise the performance of environmental resources and energy consumption and to provide resources to implement environmental protection and energy efficiency measures.
 - 17.7. Sustainable procurement – to apply green public procurement principles to the procurement of goods and services.
 - 17.8. Creating a culture of responsible consumption – to raise the staff's awareness and change habits in the areas of environmental protection and the rational use of natural and energy resources. To educate employees on daily energy-saving measures, their long-term contribution and the impact of their actions on climate neutrality targets.
18. To ensure the implementation of the guiding principles set out in the Policy, the Company has established a permanent Environmental and Energy Management Team (hereinafter – the Team).

V. Accountability

- 19. The Council approves the Policy.
- 20. The Board sets objectives and targets in the areas of quality, environment and energy management.
- 21. The Corporate Governance and Strategy Unit ensures:
 - 21.1. Preparation of the Integrated Management System Report.
 - 21.2. Educating and informing staff.
- 22. The Team maintains the necessary documentation for environmental and energy management and produces an annual report on environmental and energy performance, achievement of targets and planned actions to improve performance.

VI. Miscellaneous

- 23. The Policy is binding on all employees of the Company, the Board and the Council.
- 24. The Policy has been communicated to staff and is available on the public website to all stakeholders.
- 25. The Policy shall be reviewed as necessary, but at least every three years.