



THE WESTERN SHIPYARD GROUP

CORPORATE SOCIAL RESPONSIBILITY REPORT



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At the World Economic Forum in Davos in 2020, the most influential CEOs stressed that the dominant business goal of creating the greatest possible added value for shareholders is no longer the only goal. The business-related expectations of other participants concerning the operations of companies and their growth have taken on an increasingly higher value. A new trend is emerging in the business world: to create the greatest possible added value for companies by contributing to the well-being and development of society.

Being the largest group of companies in the marine engineering industry in Lithuania, Western Shipyard develops its activities in a transparent and responsible manner. It promotes the name of the State in the European maritime industry market, creates new jobs, and pays taxes to the State budget in a fair and transparent manner, all of which is based on the premise of social respon-

sibility, which is integral to sustainable business development.

We create economic benefits based on the values of being a socially responsible business. These core values and the principles of ethical and transparent business are at the heart of the WS Group. We strive to contribute to the development of public welfare, strengthening competitiveness, the preservation of the environment, building up the community, as well as developing long-term relationships with the different interest groups based on respect and tolerance.

The goal and ambition of all of us is to continue to ensure a fair sharing of the value created by the company through the combination of profitability and responsibility.

The sea is the future for all of us; therefore, we are making every effort to develop our marine engineering business while being socially responsible and making decisions based on the principles of social responsibility that will help the company progress even faster along the path of sustainable business development.

Arnoldas Sileika
Western Shipyard
General Manager

ABOUT THE REPORT

In preparing the corporate social responsibility progress report (hereinafter 'the report'), the Western Shipyard group of companies of (hereinafter 'the WSY Group') has been guided by the globally accepted and applied recommendations that help assess performance based on relevant indicators concerning the economy, environmental protection, employee relations, human rights, the market, and relationships with society.

This report is published together with the company's consolidated annual report and financial report.

The purpose of the present report is to inform stakeholders, customers (consumers), shareholders, investors, employees, suppliers, business/social partners, and the public about the corporate responsibility remit of WSY.

The report presents the activity of the WSY Group for 2020 in the field of corporate social responsibility related to business sustainability and transparency, environmental protection, and our relationship with employees and society.

The report describes the strategic directions, actions, and achievements concerning the corporate social responsibility remit of the company.

You are welcome to submit your questions, comments, or remarks related to this report and any improvements that can be made by e-mail to:
ala.minkeviciene@wsy.lt

The report has been published online and is also available through the company's intranet.

SECTIONS OF THE REPORT

Sustainable Business

Transparent and responsible activities, intolerance of corruption, ensuring competitiveness, and fair payment of taxes.

Environmental Protection

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

Employee Relations

The practice of social responsibility towards employees means ensuring proper care and attention towards the health and safety of employees, equal rights, and investments to increase the competencies of employees, promoting their career prospects and personal well-being.

Public/Stakeholder Relations

The WSY Group maintains open business relationships with all stakeholders, provides relevant and comprehensible information about the activities of the WSY Group, and cooperates with public and educational institutions.



SUSTAINABLE BUSINESS

The corporate social responsibility policy is implemented in accordance with the vision, values, and objectives, as well as related procedures and other internal documents of the companies in the WSY Group.

ABOUT THE WSY GROUP

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

Western Shiprepair (WSR), a company that has been operating smoothly in the ship repair field for many years, is one of the three ship repair companies controlled by BLRT Grupp. The company operates two floating docks intended for

use in repairs to Panamax-type ships. One of these docks is the largest dock of its kind in the Baltic States. WSR consistently focuses its activities on ship modernisation projects such as the installation of ballast water treatment systems and exhaust gas cleaning equipment and the implementation of ship repair and conversion projects. The WSR team undertakes about a hundred ship repair projects a year, of which ten percent are ship modernisation projects.

Western Baltija Shipbuilding (WBS), is a modern shipyard offering a full range of services from ship design to turnkey shipbuilding. The company's specialisation is building tugs, ferries, fishing, multifunctional ships, and vessels for the offshore industry, as well as ship hulls. The team of professionals at WBS has

earned the reputation of being excellent builders of grand blocks for cruise ships, which has enabled the company to hold a strong position in this market. The significant experience gained in the construction of vessels, ship hulls and blocks has helped to successfully implement even the most complex projects.

Not only have the ship servicing and shipbuilding been successfully developed, but so has the field of ship design. Western Baltic Engineering (WBE), a company established in 2003, is one of the leading ship design and engineering companies in the Baltic Sea region, providing comprehensive ship design and engineering solutions. WBE has earned a reputation as a reliable, flexible, innovative, and highly experienced partner. The company's team designs ships for various purposes and structures for the Offshore Wind and Oil and Gas industries. The design services cover all stages of product development: from concept development and ship strength calculations to a detailed design and preparation of working drawings.

Western Constructions is a company engaged in the production of complex metal structures, where the manufacturing requires an extremely high specification. Since 2004, the company has delivered wide-range, high-quality products for the oil and gas extraction and renewable energy industries. The company also specialises in the production of multi-purpose reels.

One of strategic companies of the WSY Group is Western Stevedoring (WST),

which was established in 2003. The company specialises in the handling and storage of dry-bulk and break-bulk cargoes, liquid and packaged products, as well as oversized and heavy equipment. The company operates five specialised terminals for bulk and liquid cargo handling, as well as fly ash cargo handling.

Established in 2001, Western Ships Agency is another company that has been successfully creating added value to the entire WSY Group. It is a subsidiary of WSY, providing universal ship agency services, chartering and forwarding services, as well as technical supply and part supply services for all types of ships. Agents supply ships moored in Klaipėda and Tallinn ports during long-term and extraordinary ship repair and conversion projects, as well as at the time of cargo handling. The company that has operated successfully for almost twenty years has serviced more than a thousand ships and implemented complex and ambitious projects.

The company has earned the reputation of being a reliable partner implementing projects on time and performing high quality work. The experience gained has enabled the company to cooperate constructively not only with customers but with public organisations and authorities as well. Thanks to joint efforts and synergies, the importance of and maintaining the well-being of its customers, partners, and society has been established.

POLICIES, PROCEDURES, AND INTERNAL DOCUMENTS APPLICABLE TO THE WSY GROUP:

Guide to Successful Operations: The document sets out the guidelines for the successful operation of the WSY Group and the basic operational and business development principles.

Corporate Social Responsibility Policy: The aim of this policy is to improve the processes and practices for the management of the business and people, striving to be innovative and modern, while preserving the environment and human health.

Confidential Information Management Regulations: The document describes the concept of confidential information and regulates how to handle and store such information, as well as the instances and conditions where it can be disclosed.

Integrated Management System Policy: The purpose of the document is to ensure good management practices in the WSY Group by establishing a unified quality, environmental protection, and occupational health and safety policy.

WSY Group Operating Terms and

Conditions: The document sets out the basic requirements for companies operating within the WSY Group to ensure general order and compliance with the requirements of environmental protection, fire safety, occupational safety, port security, customs, and other legal acts when operating on state-owned land and the liability for any violation of these acts.

Accounting Policy: The policy sets out the accounting methods and techniques that allow for the accurate and correct recording of the economic transactions conducted by the companies of the WSY Group and the objective presentation of the financial status and performance of the WSY Group.

Internal procedures of the WSY Group:

- Collective Agreement;
- Rules of Procedure;
- Equal Opportunities Policy;
- Manager and Specialist Remuneration Policy;
- Employee Performance Appraisal and Training Procedure;
- Employee Selection Procedure;
- Environmental Protection Instructions;
- Activity Planning and Analysis;
- WSY Group Management Structure and Description of Activities.

STRATEGY, VALUES, AND OBJECTIVES OF THE WSY GROUP

Strategy of the WSY Group: We are strengthening our leading position in the target markets: maritime transport, renewable energy, machinery manufacturing, the offshore oil industry, and fish farming. We are continuously developing in terms of organisation and technology to meet the needs of our customers and protect the environment to the greatest extent possible. The WSY Group is an attractive employer.

Our goal is to become leaders in the strategic areas of our activity.

Values of the WSY Group: In our activities and in the daily life of the company, we are each guided by the values of the BLRT Group:

Respect for persons: We believe in and trust our employees. The ideas and feedback of our customers, partners, and employees are important to us, and we encourage an open exchange of views, as this leads to greater success and development. We respect the individuality of our employees, support their initiatives, and recognise their achievements.

Reliability: We assume responsibility for the decisions we make and all the actions we take, bearing in mind that this

affects the performance and the reputation of the entire company. Close and long-lasting cooperation is important to us, therefore, we carry out our work competently, fulfilling our commitments through the provision of high quality products in a timely manner, using verified technologies and complying with established rules.

Efficiency: Our achievements are high because we act thoughtfully, using sparingly and rationally the resources entrusted to us. We are united by common goals, interested in a common result, we work as a team, we improve processes, share experiences, and help each other, and that is why we are successful.

Development: We understand the importance of development and the potential it brings. Therefore, we pay special attention to new ideas and the development of competences, involve employees, customers, and partners in the search for the best solutions, as well as improving technologies and processes. In this way, we create better prospects for the future.

STAKEHOLDERS

Each strategic activity of the WSY Group involves a number of stakeholders, i.e. interested parties; therefore, activities are carried out in line with their expectations. We maintain formal and cooperative relations with such interested parties and individuals, as well as consulting them. Such persons are provided with the information about the activities of the companies in the WSY Group that is required to be provided based on the status of being a stakeholder.

Stakeholders: shareholders, employees, business partners, suppliers, the Trade Union, the public, the media, local communities, and state authorities.

We undertake to meet **shareholders expectations** by continually analysing our activities, identifying risks that hinder the achievement of set goals, and minimising the possibility of such risks occurring.

To our **employees** we undertake to ensure a timely provision of information about the activities of the WSY Group and any ongoing changes; to improve the internal culture within the group by involving employees at all levels in the ongoing improvement processes, implementing risk management structures, and raising the production culture, which motivates employees to work for a common future.

We are committed to understanding, satisfying, and taking into account the current and future expectations of our **customers**.

To our **business partners**, we undertake to carry out work in cooperation with partners who are professionals in their field and observe business ethics.

We are committed to ensuring a competitive environment for **suppliers** so that those of them, who work transparently and honestly, have the opportunity to provide high quality services and products to the WSY Group.

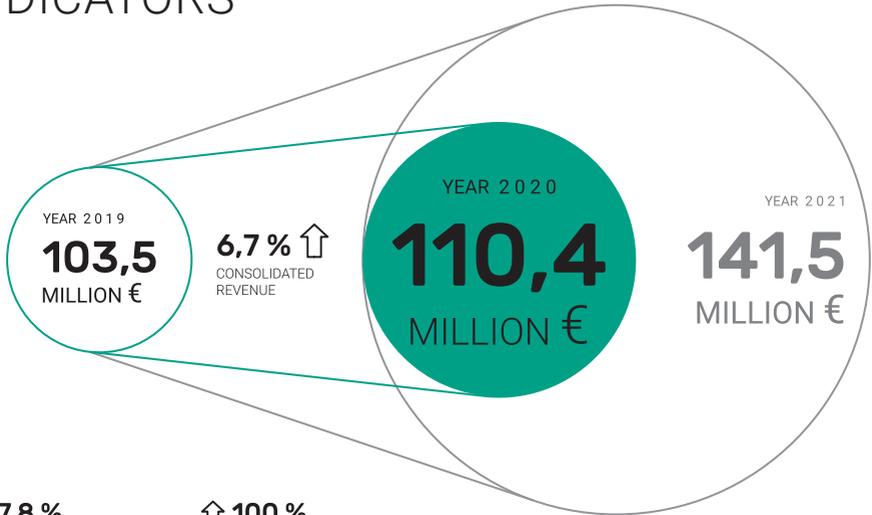
We undertake to maintain an ongoing constructive social dialogue with the **Trade Union**.

To **the public and the media** we undertake to act as a socially responsible company.

To the **residents of the city** we undertake to contribute to the full life of the city by creating jobs, providing support for city projects, and participating in the life of the city.

To **state authorities** we undertake to consistently comply with the legal acts regulating activities of the WSY group.

KEY PERFORMANCE INDICATORS



↓ 7,8 %
SHIP REPAIR

28,5
MILLION €

↑ 100 %
METAL STRUCTURES' PRODUCTION & PROCESSING

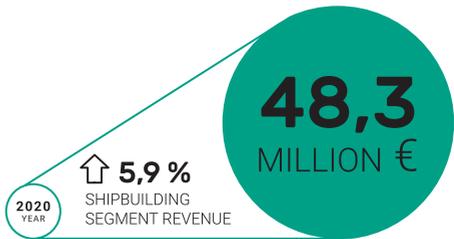
11,8
MILLION €

↑ 18 %
STEVEDORING

8,7
MILLION €

↓ 12 %
SALES

9,3
MILLION €



The WSY Group conducts its financial accounting in accordance with the Business Accounting Standard (the BAS is regulated by the Authority of Audit, Accounting, Property Valuation and Insolvency Management under the Ministry

of Finance of the Republic of Lithuania). The preparation of consolidated financial statements is regulated by the Business Accounting Standard 16 – Consolidated Financial Statements and Investments in Subsidiaries.

MANAGEMENT STRUCTURE OF THE WSY GROUP

The management of the WSY Group consists of two management bodies: a collegial management body - the Board, and a sole management body - the CEO. The following advisory, consultative working groups (commissions, committees, councils, etc.) have been formed for the adoption of respective decisions by the sole management body of the WSY Group:

The purpose of the **Innovation Committee/Strategic Management Committee** is to implement the strategic decisions of the management bodies of the WSY Group, to ensure the competitiveness of the WSY Group and effective control of its subsidiaries. The duties of the members of the SMC: the formation and implementation of policies and business strategies for the companies in the WSY Group; policies for innovation, technical, and information technology, the HR management policy, and the corporate communication strategy, the improvement of the economic management model, implementation of the accounting and quality management policies, the optimisation of business management processes, the monitoring and evaluation of the external legal environment of the business and the tax environment and its impact on the business.

The Health and Safety Committee (H&S) is designed to analyse the activities of the work safety and healthcare departments in the WSY Group in terms of occupational safety issues, and to develop measures for the improvement of safety at work, proposals for collective agreements, and to examine the causes and circumstances of accidents and occupational diseases of employees in the WSY Group. The tasks of the committee, its competence, work organisation, and the procedure for its establishment are specified in the WSY Collective Agreement.

The purpose of the **Non-production Costs and Unforeseen Losses Commission** is the minimisation of non-production costs and unforeseen losses, strengthening the responsibility of structural units and specific employees when such costs or losses occur, and the improvement of work organisation and the economic activity of the WSY Group.

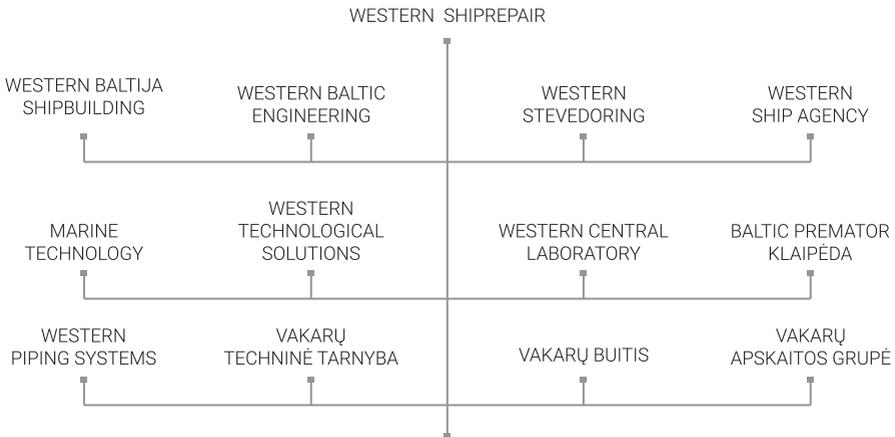
The **Production Culture and Work Safety Commission** is designed to control the fulfilment of the requirements concerning the condition of the areas, premises, technological and treatment facilities used by the WSY Group, as well as the requirements concerning

environmental protection, work safety and fire safety.

The management structure of the WSY Group consists of WSY (the parent company) and its subsidiaries carrying out different activities. Based on the specifics of the relationship, the WSY Group has:

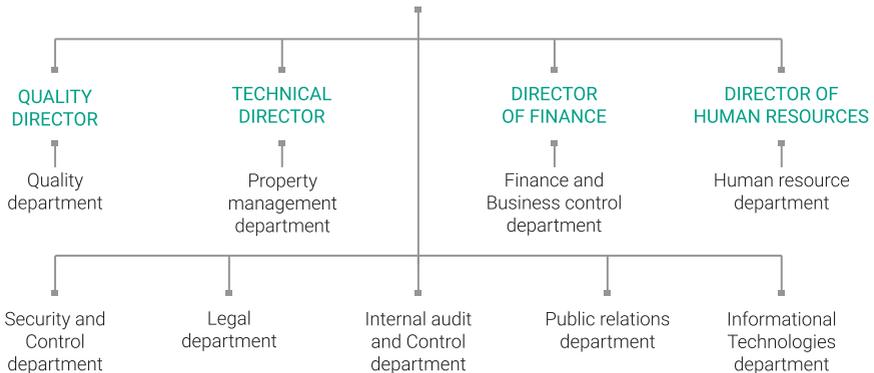
1. Departments controlling the activities of subsidiaries of WSY and servicing companies of the WSY Group, and
2. Subsidiaries of WSY in respect of which WSY is the parent company. These are companies engaged in production and in servicing production activities and/or providing other services.

The management structure is shown below:



WSY BOARD

GENERAL DIRECTOR



SHAREHOLDERS

The main shareholders of the WSY are BLRT Grupp.

PREVENTION OF CORRUPTION

The WSY Group consistently follows the principle of intolerance to corruption and various forms of trading in influence, and implements measures to prevent conflicts of interest. The companies of the WSY Group encourage their employees and other stakeholders to report any possible violations, unethical or unfair behaviour, via the WSY Group Trust Line at: pranesk@wsy.lt directly or anonymously without fear of negative consequences.

MEMBERSHIP OF ORGANISATIONS

The WSY Group is a member of the following associations/organisations:



Lithuanian Engineering Industries Association



Association of Lithuanian Shipbuilders and Ship Repairers



Lietuvos pramonininkų konfederacija

Lithuanian Confederation of Industrialists



Association of Lithuanian Stevedoring Companies



Association of Industrialists of Klaipėda

ENVIRONMENTAL PROTECTION

The WSY Group strives to implement innovative solutions and advanced technologies in order to reduce the impact of production activities on people and the environment, to use work equipment, materials, and energy resources efficiently, to sort waste responsibly, and to use less toxic and less hazardous alternative chemicals. The WSY Group complies with the relevant environmental protection requirements contained within the legislation of the Republic of Lithuania and international legal acts, participates in the processes of the harmonisation of legal acts, and strictly adheres to the environmental protection conditions set out in the Integrated Pollution Prevention and Control and Pollution Permits.

MAINTAINING THE ENVIRONMENTAL PROTECTION MANAGEMENT STANDARD

The WSY Group has the Environmental Protection Management System (hereinafter 'the EPMS') implemented and periodically certified in accordance with the requirements of the ISO 14001 standard. The system is based on five basic principles: environmental policy, planning, implementation and operation, control, and management supervision. To ensure the smooth operation of the EPMS, the companies in the WSY Group

have appointed employees responsible for the coordination of the management processes, and the specialists of the Quality Department of the WSY Group carry out periodic reviews of the EPMS and make suggestions for improvement.

The companies in the WSY Group follow the key requirements for the identification, monitoring, management, and improvement of environmental protection

aspects. By understanding the impact of their activities on the environment, the companies identify significant aspects of environmental protection and set the relevant goals, focus attention, and the necessary resources on their implementation, pollution prevention, and measures to reduce environmental pollution.

WASTE MANAGEMENT

The companies in the WSY Group specialise in various activities, therefore, a wide variety of waste streams is generated. Each year, the companies set waste sorting-related goals and strive for an advanced waste management system: the collection of individual waste streams at the place of origin.

Employees are constantly encouraged to sort out responsibly secondary raw materials that can be recycled and used to make new products, as well as to separate industrial, hazardous, electrical, electronic, and other waste. Waste generated in the course of the activities of the companies in the WSY Group is transferred in accordance with written agreements to waste management enterprises that have the licence to manage the respective waste.

Waste management outcome in 2020:

- In 2020, the WSY Group generated and transferred to waste managers 11,460 tons of waste, which was 11% less than in 2019;
- In 2020, a total of 7,791 tons of sorted waste (**including** metal, non-ferrous metal, and aluminium waste) was generated by the WSY Group and transferred to waste managers, which accounted for 68% of the total waste;
- In 2020, the WSY Group generated and transferred to waste managers 980 tons of sorted waste (**excluding** metal, non-ferrous metal, and aluminium waste), which marked an increase in the quantity of sorted waste by 11% compared to 2019;
- The quantity of landfilled waste was 24% less compared to 2019.

We are happy that the projects and initiatives implemented by the WSY Group contribute to the creation of a more sustainable environment.

At the end of 2020, a waste management optimisation initiative was launched and successfully implemented. The aim of the initiative was the realisation of the basic principles of the circular economy, promoting the recycling of waste at its primary technological point of generation, and creating opportunities for its secondary use. Our aim is to continue implementing initiatives of this type in the future.

To reduce the consumption of paper and streamline document management processes, the WSY Group has

implemented an electronic document management system to process and archive documents electronically. Thanks to this system, less paper is used in daily activities.

SPARING USE OF ENERGY RESOURCES

In order to use rationally natural resources, the WSY Group continuously monitors quantities and analyses the consumption of energy resources, as well as periodically replacing old equipment with energy-saving equipment. Lighting systems used in the production premises of the companies in the WSY Group have been upgraded through the installation of LED luminaires, and in the administrative premises, motion sensors have been installed. Over the past few years, the companies made investments in and purchased new installations that not only help to reduce energy costs but also improve the quality of work, reduce the likelihood of production defects, and the negative impact on the environment.

TRAININGS IN THE FIELD OF ENVIRONMENTAL PROTECTION

The WSY Group organises annual training sessions and exercises to maintain preparedness for accidents involving environmental pollution, emergencies, and the mitigation of their consequences. To be able to react promptly and professionally to real emergencies, the theoretical knowledge and practical skills of employees concerning emergency responses have been improved as well as the adequacy of the tools available for the mitigation of negative consequences which are assessed during such training sessions and exercises. These training activities involve not only situations related to environmental protection but also a great deal of attention is paid to the areas of fire safety and occupational health and safety.

On average, the WSY Group carries out 20 to 25 training sessions and exercises each year, however, due to the Covid-19 pandemic in the country during 2020, only 16 took place.

EMPLOYEES

Work with employees is the direct responsibility of the WSY Group managers.

In this global world, competition is growing, so it is important for the WSY Group to attract and retain the right employees. It is essential to retain the staff that is most needed for the success of the WSY Group and for strengthening its competitiveness.

HUMAN RIGHTS, EQUAL RIGHTS

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

All employees are given equal opportunities at their place of work. The WSY Group ensures employees have the opportunity to improve their qualifications in the relevant positions, to pursue vocational training or higher education, to retrain, and to gain practical work experience. Recruitment conditions or the courses for recruitment are determined solely based on personal characteristics and the criteria related to the performance of the duties in question.

WORKING REMOTELY AND FLEXIBLE WORKING HOURS

As of 2020, the description of the remote work procedure is in place. Employees who can work remotely based on the specifics of the job are covered by the remote work procedure. A flexible work schedule applies to employees who, due to family reasons, are unable to work according to the approved work schedules of the WSY Group.

EMPLOYEE PERFORMANCE APPRAISAL

Employee performance appraisal (EPA) is one of the key tools for effective governance and activity management. In the course of this process, the annual performance of employees is discussed, personal goals are set, and the career opportunities, training, and educational directions are discussed. All managers and specialists in the WSY Group participate in this process.

EMPLOYEE INVOLVEMENT

The WSY Group systematically analyses the work environment and takes continuous improvement measures. To ensure the continuous growth and improvement of the WSY Group through the perfection of the organisational culture, employee opinion assessment is undertaken at least every eighteen months to two years based on employee surveys. The results of the surveys are used for activity plans and actions to improve the current situation. 2020 was declared the 'Year of the Employee'. In January, meetings with employees and a survey for specialists and managers took place online. The feedback received was passed to the managers of the companies and action plans were prepared based on the following changes which took place in the companies: repairs of premises, more efficient work planning and organisational processes, publishing of a newsletter to improve communication with employees, further development of measures concerning safety at work, and the improvement of work and recreation spaces.

The Bank of Ideas system has been implemented in the WSY Group. It is a system intended for all employees that enables them to submit their ideas/suggestions (concerning the implementation of improvements). The key objective of this system is to help employees understand that only they can best con-

tribute to the improvement of their work, as they know their workplace best. The benefits of this system: creates opportunities to reduce and/or eliminate waste, improves quality, occupational safety, and environmental protection, increases productivity, and competitiveness, and builds an employee-friendly work and organisational culture.

izaciņę kultūŗā.

DEVELOPMENT OF COMPETENCES

The WSY Group encourages employees to assess at their own initiative, their career expectations, to analyse career opportunities, and plan consistent career-related steps. It is emphasised that to educate employees and encourage their efforts and involvement is one of the key goals of a manager. In managing the careers of employees in the WSY Group, the employees themselves, their line managers, and the Director of the WSY HR Department are the responsible parties involved in this process.

When carrying out the development of competencies, the WSY Group organises this purposefully, according to the competence areas and directions that the companies in the WSY Group need.

We organise the Talent Academy for young specialists who are recommended by the managers of the companies. The Talent Academy is a coherent programme to develop entry-level managerial competencies with the goal of developing them consistently in both horizontal and vertical career directions. The Executive Academy is a training programme that involves middle managers with leadership experience and is designed for the development of their competencies to pursue senior managerial positions. The Academy of Production Leaders is a training programme intended for supervisors and production managers to strengthen their managerial competencies.

Each company is engaged in the development and strengthening of professional competencies based on its needs and activities, and consistently ensures that employees are trained according to the respective areas of their activity.

REMUNERATION SYSTEM

The WSY Group uses the time rate, piece rate remuneration forms in accordance with the Collective Agreement, and the remuneration regulations approved by

the companies in the WSY Group. The amount of remuneration for a potential or actual employee is determined based on the objective criteria relating to the employee's abilities, competence, qualifications, experience, and knowledge. The motivational policies approved by the WSY Group encourage appropriately remunerated employees who achieve their objectives.

working and rest time, remuneration, occupational health and safety, and social welfare. The WSY Group also provides additional financial guarantees (accident insurance, benefits in the event of death of a family member, support related to 1 September, incentives on the occasion of birthday anniversaries and work anniversaries, retirement guarantees for long-term employees (employed for more than 30 years)).

The parties to the Collective Agreement have agreed that it covers, without exception, all employees in the WSY Group, regardless of whether an employee is a member of the Trade Union or not.

THE TRADE UNION AND COLLECTIVE AGREEMENT

The WSY Group respects the right of employees to be voluntary associated with or to join a trade union and supports their initiatives to bargain with the employer through constructive dialogue.

The Trade Union for the WSY Group was established in 1992. 292 employees are members of the Trade Union.

The Collective Agreement is reviewed and updated every four years. This document contains the main agreements between the employer and the employees' representatives on the specifics of employment contracts, training, attestation, and professional development,

OCCUPATIONAL HEALTH

The WSY Group implements and develops solutions based on international best practices to reduce occupational risks for customers and employees. In 2020, the WSY Group was certified in accordance with the requirements of the latest ISO 45001:2018 standard for occupational health and safety (OHS) management system (to replace OHSAS 18001:2007), which led to the inclusion of new developmental directions in the field of safety.

The WSY Group is furthering the involvement of employees in the process of OHS management and the creation of a safer working environment. During 2020, 373 employees were included in the occupational risk reduction processes, i.e., about 21% of all WSY Group employees, which shows an increase of 6% compared to 2019. To reduce occupational risks, employees provide information on any potentially dangerous situations observed (non-consequential events) in the workplace. In 2020, 1135 records concerning such observations were registered, which was an increase of 60 cases compared to 2019. Furthermore, managers, engineers, and technicians are encouraged to promote safe behaviour among employees, especially when hazardous work, and to register in the prescribed format (BOS). In 2020, the above-mentioned employees discussed the safety of their colleagues and made as many as 2,037 respective records.

Expert risk mitigation is also undertaken to assess the following:

- Risks concerning planned and completed projects.
- The significance of the risks concerning existing and planned new positions in accordance with the annual risk mitigation plan prepared by the health and safety specialists.
- Newly purchased/instigated equipment or structures. Principle risks are reviewed from the perspective of modern standards and the specific activities/nature of work undertaken in the company.

Safety training for new employees, as well as updated repeat safety training sessions for existing employees, are organised every year. Occupational health and safety specialists provide training to the staff, starting with the heads of departments to employees' representatives for occupational health and safety and for employees engaged in hazardous work. Healthy lifestyle talks, stress management techniques, and first aid training are given as well. Scheduled practical training sessions (exercises) are carried out by simulating dangerous situations and identifying areas for improvement during subsequent discussions.

The company's occupational health and safety specialists conduct internal audits of the companies to check whether they comply with the requirements of the ISO 45001 standard and the legal acts of the Republic of Lithuania and identify the areas for potential improvement. On average, about 30 such audits are conducted each year. In addition, about 10-15 audits of various current and future customers of the WSY Group with an active involvement in the OHS Department take place annually.

Occupational health and safety specialists monitor changes in the normative legal acts that regulate the field of safety. On average, about 20 legal acts relevant to the company are updated on an annual basis.

The WSY Group carries out inspections of the production culture in its com-

panies. Compliance with standards is determined on the basis of assessment scores showing the ability of companies to continuously maintain compliance.

Every year, safety specialists organise employee surveys in the field of health and safety. The results indicate how the system works in the eyes of workers and are presented at the meetings of company managers with the aim of taking measures in the areas to be improved.

The company is developing various formats of safety-related discussions. We see that the safe behaviour promotion interviews, weekly team safety interviews, and interviews with employees' representatives for health and safety have proved to be successful. The said representatives are active employees designated by the company's team and trained by the WSY Group who provide information and suggestions directly to the company's management. Safety interviews among managers have also been developed.

The company carries out employee health every year both in accordance with the procedure established by employee legislation and additional checks for employees in the risk groups associated with age or existing health problems. Annual vaccinations of employees against influenza and unscheduled 'thematic' health examinations (ear, eye, nose, etc.) take place as well.

The company investigates and collects data on accidents and occupational diseases registered in the company.

Measures for the prevention of such occurrences are taken.

In order to implement the Mission 0 strategy – work without accidents and damage to health – effective measures have been taken: recurring systemic errors are eliminated, and great attention is paid to the observance of the rules of safe behaviour at work. The company evaluates and compares annual progress based on selected indicators and gives incentives to the most active employees each year. pažangą, bei paskatina aktyviau darbuotojus.

SPORTS ACTIVITIES AND OTHER INITIATIVES

The WSY Group promotes and supports sports initiatives, the participation in which helps employees maintain a required physical activity and satisfies the personal need to do certain sports. For a number of years, WSY Group employees have participated in the internal spartakiade as well as at sports events with the companies based at Klaipėda port. We are proud of the high achievements in the spartakiade by the port companies. The basketball, volleyball, and other

sports teams of the WSY Group are given opportunities to train in the WSY Group sports facility.

The community of the WSY Group is also a participant in other sports events in the city including the Amber Sea Mile, Run for Hope, and Dragon boat competition organised by the KSSA.



SOCIETY

SUPPORT AND ITS DIRECTION

The WSY Group strives to participate in public activities as actively as possible and to contribute to the dissemination of culture and art in the country, to support various sports, educational, and other events and initiatives, as well as to contribute to the organisation of such events.

Since 2019, in cooperation with the Lithuanian National Olympic Committee (LNOC), the WSY Group has been demonstrating its involvement by providing financial support to Lithuanian Olympic athletes and promoting the popularisation of sports activities in the country. The group also has been a traditional sponsor of the Klaipėda Castle Jazz Festival for 17 years. Being a company operating in the field of the marine engineering industry, we actively participate in and support events and celebrations that bring society closer to maritime culture: we have been a sponsor of the Klaipėda Sea Festival for many years and annually participate in a theatrical march of maritime companies and organisations at the opening the festival. The WSY Group not only provides support for but also participates in the Amber Sea Mile and Run for Hope. Another initiative of the company

is aimed at developing a sporty young generation: we contribute to the basketball tournament organised by the Rytas orphanage in Klaipėda. We also pay a lot of attention to the education of the young and the popularisation of maritime engineering professions and apprenticeships in Lithuania by planning respective financial support. In addition, the company provides financial support to the Klaipėda Shipbuilding and Repairing School that educates future graduates giving them opportunities to work as welders, hull assemblers, electricians, and other related professions in the field. We also contribute to the popularisation of engineering studies at Klaipėda University by granting respective scholarships and provide support to the university for the expansion of their research and development initiatives.

SOCIAL INITIATIVES

Being a socially responsible company, the WSY Group understands the importance of disseminating education, art, and culture in society. For educational and familiarisation purposes, the company opens its doors and spaces widely to Klaipėda residents and guests from other Lithuanian cities, including schoolchildren, and even the youngest pre-school and kindergarten children. The aim of the organised excursions is to acquaint them more closely with the marine engineering industry and the ship's life cycle. Expressing support for artists, the company allocates spaces for cultural events and if necessary, helps to organise the necessary attributes and products for them. On more than one occasion, photographers, video, and filmmakers have come to the WSY Group and showed their creative potential, being given the opportunity and the necessary conditions to work in the premises and area of the company. In 2014, the film, *The Gambler*, which won five Silver Crane Awards, was shot on location here.

The company has always striven and will continue to strive to be open to and share good practices with the public, and to show that the synergy of seemingly difficult-to-combine fields of art, culture, and the maritime industry can produce a valuable heritage and a significant added value to the society.

WORK WITH EDUCATIONAL AND RESEARCH INSTITUTIONS

Synergies between business and educational and research institutions help to ensure the sustainability and continuity of the business itself. Having a good understanding of the significance and importance of this process, the WSY Group shows its involvement and organises various initiatives in this field. We are very pleased with the active cooperation between the WSY Group and the Baltic Gymnasium that has taken place for a second year. University engineering education classes have been established in the gymnasium, where WSY engineers work with gymnasium students, acquainting them with the basics and peculiarities of engineering.

We have also been cooperating with the Maritime Sector Employee Training Centre, Public Institution (formerly the Klaipėda Shipbuilding and Repairing School) for quite a number of years, and we provide internships for over 30 students each year. Some of them become successful employees within the WSY Group.

We contribute to the improvement of study programmes and participate in the activities of examination commissions. We cooperate with Klaipėda University in all interrelated areas. Many university

graduates work in the WSY Group. WSY Group professionals are also involved in the activities of other research institutions where we participate in the development of programmes and provide employer insights concerning competencies. We award scholarships to our employees' children who study engineering, as well as paying a portion of the tuition fees to employees who decide to continue their studies in the field of engineering.



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