

# ***ALTAS AUTO***

## **2021 CORPORATE SOCIAL RESPONSIBILITY REPORT**

### Part I. Introductory Word.

I present to you the organization's **Social Accountability Activity Report**, which will familiarize you with the development within the socially responsible activity area, which our organization reached within 2021.

During the Q1 2021, COVID-19 situation still had a significant impact on our company's activity. In the absence of orders during the beginning of the year, partial downtimes were announced for employees and the activity of the company was suspended. However, since Q2, the demand for goods and their sales recovered; the clients renewed the contracts, which they stopped; new products were created and new partners found. After the successful summer, again intensive COVID pandemic during autumn marginally affected organizing of activity and manufacture processes. Part of administrative staff were able to work remotely; due to the specifics of their job, other employees had to directly participate in manufacture. In order to protect the employees from contracting COVID, additional measures were being applied. We are happy to have been able to avoid mass cases of COVID, however there were cases of sick and self-isolating employees. In 2021, 25% more of products were manufactures than in 2020; at the end of 2021, if compared to the end of 2020, our company had 45 employees more. We are grateful for those employees, who were dismissed in 2020, but agreed to go back to the company in 2021 and continue working here. In 2021, we have encountered a new challenge: disturbances in the supply chain, when we do not receive the necessary (raw) materials on time. This situation demanded that the managers would re-review the internal processes, internal and external communication, be flexible and look for opportunities.

The changes that influenced us to closely and carefully review the requirements and values, which we raise for ourselves, did not stop the significant works that have been started. This helped us to maintain the value reflecting the essence of our social accountability; our organization, in order to be transparent, accountable and friendly, together with employees, clients, partners, society and environment geared its activity towards this value.

We value sustainable and cohesive activity as the strategic grounds for our development. We do not limit ourselves only with contractual sustainability imperatives - in our activity, we try to as much as possible decrease our negative environment footprint, select only those partners and suppliers that develop sustainable business, be responsible employers and annually increase our sustainability value.

**Description of organization** – UAB “Altas komercinis transportas”. Areas of activity: manufacture, auto mobile parts, auto mobile trade. Address: Centrinė Str. 30, Pikutiškės, LT-14300 Vilnius Region. Average number of employees: 208. Member of LINPRA Association and associations of Staff Management Professionals

**Main aspects of accountability** – annual accountability period 2021.

## Report encompasses these social accountability areas

Main social accountability areas	10 Global Compact principles are being followed
Social area	<b>Principle 1:</b> It is intended for the organizations to support and respect the international protection of human rights within their sphere of influence.
	<b>Principle 2:</b> To ensure that organizations would not contribute to human rights infringements.
	<b>Principle 3:</b> It is intended for the organizations to support the freedom of associations and acknowledge the right to effective common negotiations.
	<b>Principle 4:</b> It is intended to abolish any compulsory or forced labour.
	<b>Principle 5:</b> It is intended not to support and abolish child labour.
	<b>Principle 6:</b> It is intended to abolish discrimination associated with employment and vocation.
Environment protection area	<b>Principle 7:</b> It is intended for organizations to support preventive programs ensuring environment protection.
	<b>Principle 8:</b> To take up initiatives to increase environmental responsibility.
	<b>Principle 9:</b> To incite the development and spread of environmental friendly technologies.
Organization management (Economic area)	<b>Principle 10:</b> Organizations must fight against all forms of corruption, including, graft and bribery.

## VALUES WHICH THE EMPLOYEES FOLLOW

### RESOLUTION

- I am seeking solutions, not restrictions.
- I am proactive, I want to act.
- I persevere in seeking goals.
- I am capable of involving others.

### OPENNESS

- I speak up about problems openly.
- I accept and respect other persons' opinion and constructively express my own opinion.
- I boldly offer new ideas and express my views.
- I do not conceal and openly share relevant information.

### RESPONSIBILITY

- I take rational decisions thinking about the consequences.
- I keep promises – I do as I say.
- I always strive for quality.
- I work in such a way as to save and earn extra money.

### KNOWLEDGE THIRSTY

- I deepen my knowledge in the area of interest independently.
- I apply the acquired knowledge in practice.
- I am happy with discoveries and new knowledge, I am open to them.
- I always ask 5 "why"?

## Part II. Introduction of Organization.

We are professional mini and midi bus manufacturing company that started its activity in 2002. Adherence to high activity standards, team drive and professionalism determined that after 3 years we have become one of the largest re-manufacturers of various purpose commercial transport in Lithuania; since 2007, we were one of the first ones to start offering our products to Western and Northern Europe. We were the first Eastern European manufacturers to have participated in the Belgian bus exhibition "Busworld 2007".

In 2008, we started to perform actively in Western Europe countries in order to create a network of professional sales representatives. The work we have done helped to achieve great results - soon after we began cooperating with long-time experience having bus sales representatives in Germany, Norway, Sweden, and Finland and in other European countries.

2014 was the essential stepping-stone for changes and development. By investing largely in to the manufacture capabilities, re-organizing of processes, technologies and by using LEAN methodology, we began to grow rapidly. In 2016, we were the top sellers of mini buses in Scandinavia; we were one of the leaders of this area in Western Europe.

Since 2020, we have been conducting our activity in 18 European markets; we have developed a reliable network of sales representatives and services. In 2018, we presented the first midi bus, which was manufactured in independent

Lithuania - 'Altas VIATOR'; in the same year, it received a gold medal in the "Product of the Year" Machinery and Industrial Equipment Group.

We intend to create quality cooperation experience in any stage of the process. This is the ground, which influences us not to stop moving forward.

We are cooperating with Kaunas University of Technology and Vilnius Gediminas Technical University. We also cooperate with Vilnius College of Design, Vilnius Auto Mechanics and Business School and with other higher and specialized schools, and colleges of Lithuania. We provide the students with the possibility to perform vocational practice and receive access to internal information on manufacture and business processes, which is necessary for course, diploma and scientific research works. We regularly conduct lectures and seminars, wherein we familiarize others with the specifics of automobile industry, challenges and possibilities.

We nurture the value of social accountability by contributing to blood donations, foster homes, incitement of persons with disabilities sports and many other initiatives. We take care of sustainable development of the borough, wherein we are located, and the well-being of its residents, by contributing to the infrastructure development projects.

We are one of the largest mini and midi bus engineering and manufacturing companies in Europe.

**We distinguish ourselves with complex quality point-of-view when developing products and in relations with the client. The clients entrust us with the issues of selecting the bus fleet and its maintenance.**

**Since 2002, having developed our technology and processes, accumulated significant experience, gathered important competences and used innovative equipment, we have become the acknowledged auto mobile maintenance perfectionists in Europe.**

Products created by us receive the best product of the year awards in Lithuania. Hundreds of clients throughout Europe are happy with the quality of products. This is an achievement, towards which we have been targeted progressing - our quality is certified in accordance to ISO 9001 and ISO 14001 management standards and the company's activity is organizing by following LEAN methodology.

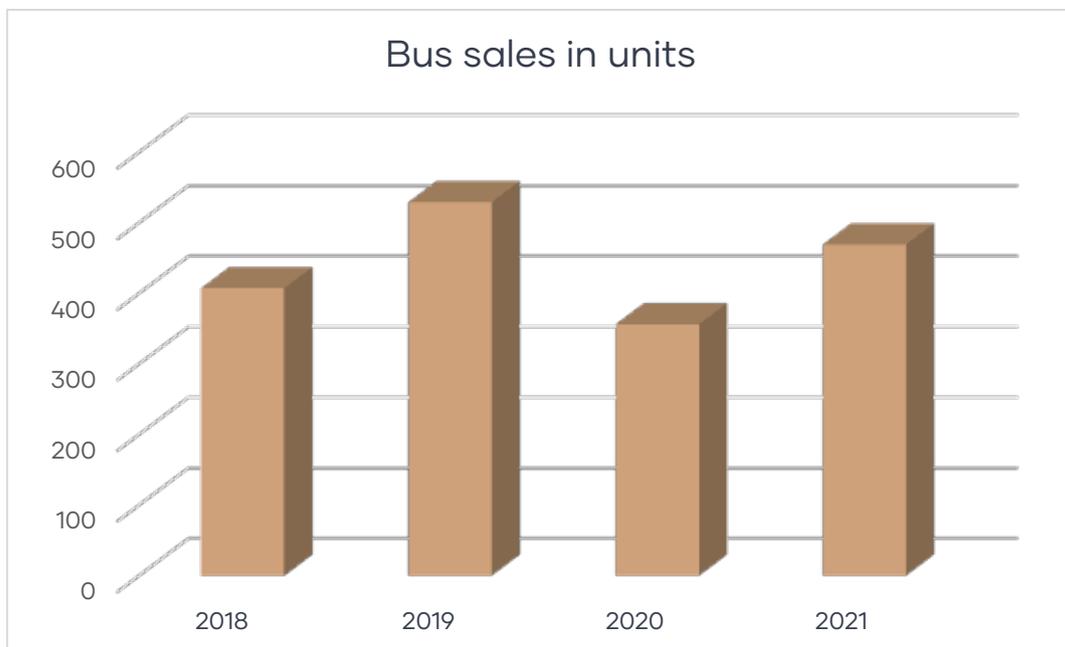
The capability of the team to implement large scope, complex projects, by cooperating with international partners, is our success factor. The fact that in R&D activity we use modern technologies, digital control systems and materials for the creation of products, and that we control the resources ourselves, ensures our competitiveness and effectiveness.

## Part III. Direct Activity Results

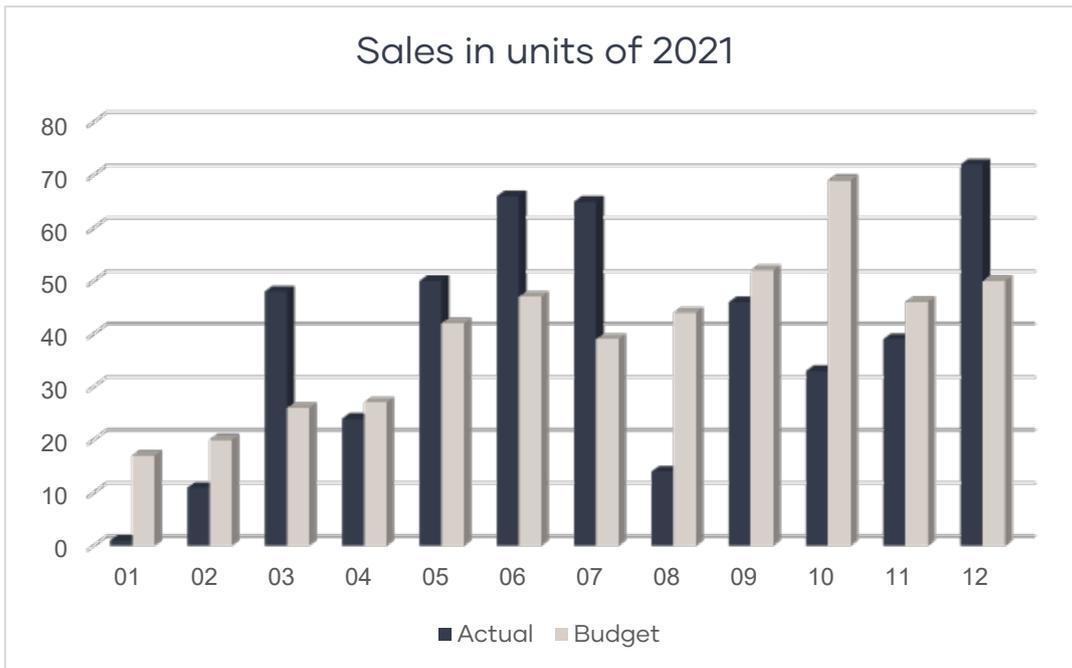
Production has been exported to 13 European countries and beyond. Below we provide the map of sales representatives:



### Bus sales and trends:



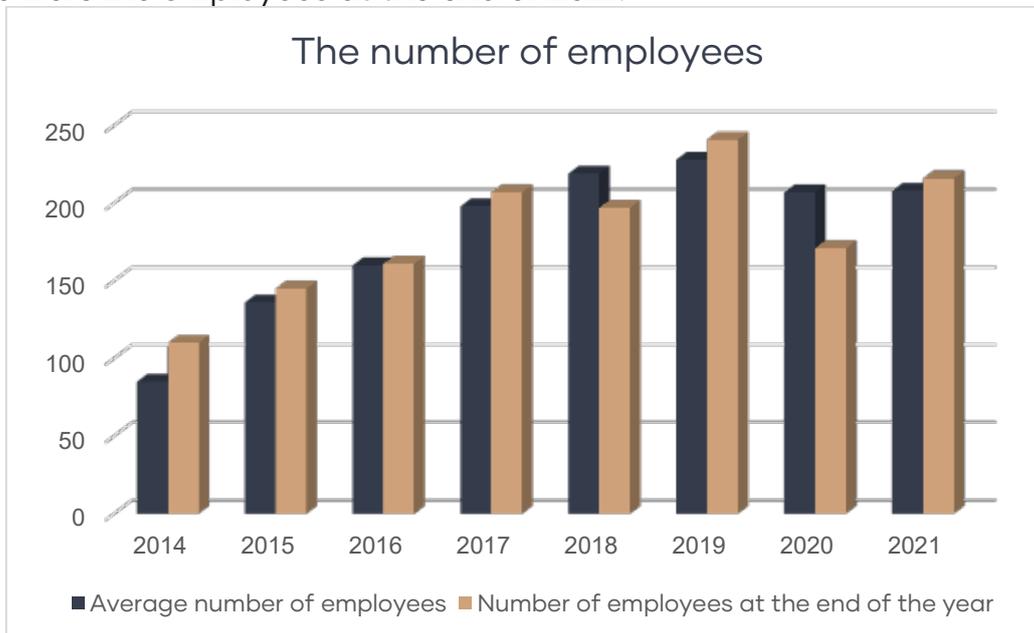
### 2021 execution of the standard line sales plan:



In 2021, 462 buses were produced in the standard production line and 469 units were sold.

There are plans to sell over 600 vehicles in 2022, including 100 electric buses.

There were 216 employees at the end of 2021.



## Part IV. Information Regarding the Executed Social Accountability Activity Report.

Social activity area	Goals	Activity performed in 2021	Results achieved, actions performed in 2021
Social area. Employees competence, qualification	Increasing employees qualification. To create vacancies having high additional value.	Increasing of employees' competence, by including specialists in to the product manufacturing and development projects.	Number of employees having high qualification: 80% New products: 4 units.
Social area. Employees' loyalty and involvement increase	Increase the employees involvement in to the direct and social activity of the organization	Employees inclusion research in order to assess the opinion of employees was performed. Market average of similar researches is 80%.	Measured employees involvement is assessed to be 4.37 points (73%). Next year inclusion is intended to be increased by 10%. Even though the common assessment average is lower than in 2020, however, when compared to the market, in separate departments, there can be vividly seen a betterment of inclusion assessment. Inclusion research will be performed at a frequency of no less than once per year, by applying the same method, in order to create comparable data. For the betterment of inclusion, activity plan was compiled, which is adhered to and will be implemented during the course of 2022.
		Events for employees: Summer Festival Winter Festival.	Due to COVID-19 restrictions, Summer Festival and presentation of results happened at the company's outdoor territory. The management of the company congratulated the employees on Christmas and in separate departments

			presented plans for the next year.
	Support for young families	Incite those employees, who enter into marriages, by providing them monetary support	Paid premiums for employees for entering into marriage; in total: 1,494.00 EUR
		Incite those employees, who have just had children, by providing them monetary support	Paid premiums for employees for having birthed a child; in total: 996.00 EUR
<b>Social area.</b> Cooperation with other interested parties	Increase the awareness of "Altas" activity. Attract young and gifted persons for work at the company.	Provide possibility to perform vocational practice for students and receive access to internal information on manufacture and business processes, which is necessary for course, diploma and scientific research works	In 2021, 11 students conducted practice
		Lectures and seminars. We conduct lectures and seminars for higher education and specialised schools, wherein we familiarize others with the specifics of auto mobile industry, challenges and possibilities.	Our representative participated in the international (3) Lithuanian universities and (5) colleges accreditation performed by CQAHE. Area: transport. Project period - 1 month.
<b>Social area.</b> ETI Basic Code	Activity conforms to the valid statutes of law and obligations	Complaints of employees regarding discrimination and harassment.	0 complaints
		State institutions inspections and fines for statutes of law infringements	1 inspection 0 fines
<b>Social area.</b> Employees' safety and health: betterment of work conditions. Decreasing of harmful effect on the health and safety of employees	To work without accidents. To decrease the value of damage done to the employee through accidents		Accidents: 10 incidents within a year Incidents are mild; they have been reviewed, reasons determined and actions were taken up in case they repeat Incapacity for work days in case of accidents: 99 work days.
	Incite the employees to effectively contribute to the betterment of	Work Council activity: to periodically organize meetings	Number of Work Council meetings - 5

	employment conditions		
		Work Council activity: to submit betterment proposals to the management	Number of questions raised during Work Council meetings - 22
		Management's cooperation with Work Council	Solving of questions raised during the Work Council meetings and implementation of proposed measures: 82%
	Incite the employees to effectively contribute to the betterment of work safety	Employee Safety and Health Committee activity: to periodically organize meetings	Number of Employee Safety and Health Committee meetings: 2
		Activity of Employee Safety and Health Committee: to submit proposals to the management regarding the betterment of employee safety and health	Number of questions raised during the Employee Safety and Health Committee meetings: 8
		Management's cooperation with the Employee Safety and Health Committee	Solving of questions raised during the Employee Safety and Health Committee meetings and implementation of proposed measures: 100%
	Betterment and reorganization of work places	Betterment of employment conditions; decreasing of pollution and emissions at the work place	Installation of insulated thermovacuum manufacture line premises and mounting of ventilation system - investment: 12,518.00 EUR
		Betterment of employment conditions; decreasing of pollution and emissions at the work place	Relocation of floor gluing workshop to separate insulated premises having ventilation system - investment: 4,172.00 EUR
		Betterment of employment conditions	Two conditioners at work places: 3,800.00 EUR
		Betterment of employment conditions	Twenty new computers have been bought for company's employees.
		Betterment of employment conditions	Installation of separate cafeteria and changing,

			leisure room inside the premises being leased - investment: 300.00 EUR/month.
<b>Environment protection.</b> Effective resource use	Saving of electricity energy	To decrease the electricity energy consumption for unit of production	Total annually consumed electricity energy, kwh: In 2021: 525527 In 2020: 457516 In 2019: 542154  Electricity energy consumption for average conditional unit of production, kw In 2021: 672 In 2020: 712 In 2019: 639
	Water saving	To decrease the consumption of water for unit of production	Total consumed water per year, m <sup>3</sup> In 2021: 1186 In 2020: 1088 In 2019: 1496  Total consumed water per year for average conditional unit of production, m <sup>3</sup> In 2021: 1.52 In 2020: 1.69 In 2019: 1.76
	Decreasing of air pollution	To decrease pollutant emissions to the environment	The filters inside air pollutants changing systems were changed > 50 units
	Sparse use of environmental resources	Decrease of paper consumption	Practically, no advertisement boards were left. All of the relevant information is uploaded on the social networks and forwarded via e-mail. ERP and document management systems are being further developed.
<b>Environment protection.</b> Decreasing the negative effect on the environment	Waste sorting and decreasing of quantity Decreasing of hazardous waste quantity	To increase the quantities of sorted waste To transfer more waste to waste processors for recycling	Total quantity of waste per year, t In 2021: -219.1 In 2020: - 196.5 In 2019: - 248.1

			<p>Total quantity of non-hazardous waste per year, t In 2021: -189.5 In 2020: - 173.4 In 2019: - 214.5</p> <p>Total quantity of hazardous waste per year, t In 2021: - 29.6 In 2020: - 23.1 In 2019: - 33.6</p> <p>Total quantity of packaging per year, t In 2021: - 50.7 In 2020: - 52.2 In 2019: - 67.4</p> <p>Total quantity of sorted waste for conditional unit of production per year, t In 2021: 0.28 In 2020: 0.30 In 2019: 0.29</p>
<p><b>Environment protection.</b> Decreasing the negative effect on the environment</p>	Use of chemical materials	To decrease the quantity of chemical materials being used	<p>Total quantity of chemical material position per year, units  In 2021: -273 In 2020: - 267 In 2019: - 317</p> <p>Total quantity of chemical material position per year, t In 2021: -56.4 In 2020: - 69.9 In 2019: - 68.3</p>
<p><b>Environment protection.</b> <b>Safety and health of employees.</b></p>	Preparation for accidents and accident prevention	To organize repeat fire-safety and accidents training for all employees, including, practical accident training	Fire-safety and civil safety trainings have been conformed to; practical training was conducted.
		To perform periodical risk assessments and plan preventive measures	Defibrillator for 3,140.00 EUR was purchased in accordance to the conducted risk assessment. Employees

			have been trained to use it.
<b>Organization management.</b> Links with suppliers and partners	To include suppliers and partners in to the implementation and development of social accountability policy within the supply chain.	Social accountability policy meant for employees, business parts and society has been published	In 2021, we were working with 492 direct suppliers
<b>Organization management.</b> Corruption prevention	To decrease the possibility of corruption when organization encounters non-transparent activity	Business ethics, responsible business and corruption prevention policy meant for employees, business parts and society has been published Feedback "trust line" has been created	Recorded cases of corruption and non-transparent business: 0 Number of suppliers and partners, the activity of which poses suspicions regarding corruption and non-transparent business: 0

## Part V. Plans For 2022-2023

Social activity area	Goals	Scheduled measures for 2022-2023
<b>Social area.</b> Employees' competence, qualification	Increasing employees qualification. To create vacancies having high additional value.	Increasing of employees' competence, by including specialists in to the product manufacturing and development projects: 3 electric bus projects (2022)
	Average wage: 20% higher than the country's average	Review of wage and employee's incitement system for all departments when performing the budgeting process.
<b>Social area.</b> Employees' loyalty and involvement increase	Increase the employees involvement in to the direct and social activity of the organization	Repeat performance of employees' inclusion research.
		Events for employees: Summer Festival: 40,000.00 EUR. Christmas Festival and gifts: 5,000.00 EUR.
		Incite those employees, who enter into marriages, by providing them monetary support
		Incite those employees, who have just had children, by providing them monetary support
	To better internal communication	To increase communication on the internal "Facebook" page, wherein the employees exchange information and all of the company's internal and external news are presented. To create a periodic company's newsletter.

<p><b>Social area.</b> Cooperation with educative companies</p>	<p>Increase the awareness of "Altas Auto" activity. Attract young and gifted persons for work at the company.</p>	<p>Provide possibility to perform vocational practice for students and receive access to internal information on manufacture and business processes, which is necessary for course, diploma and scientific research works - no less than 5 students.</p>
		<p>Conduct no less than 3 presentations about the company for various science institutions or other organizations wanting to cooperate.</p>
<p><b>Social area.</b> ETI Basic Code</p>	<p>Activity conforms to the valid statutes of law and obligations</p>	<p>Training of employees and communication regarding social accountability policy and business ethics.</p>
<p><b>Safety and health of employees.</b> Betterment of employment conditions. Decreasing of harmful effect on the health and safety of employees</p>	<p>To work without accidents: 0 accidents To decrease the value of damage done to the employee through accidents - 0 sick days</p>	<p>To organize communication through internal "FB" group regarding accident prevention.</p>
	<p>Incite the employees to effectively contribute to the betterment of employment conditions: -Number of Work Council meetings: -proposals for management:</p>	<p>Work Council undertakes: to periodically organize meetings to submit betterment proposals to the management</p>
	<p>Incite the employees to effectively contribute to the betterment of work safety -meetings of Employees Safety and Health Committee: -proposals for management:</p>	<p>Employee Safety and Health Committee activity: to periodically organize meetings to submit betterment proposals to the management regarding safety and health of employees</p>
<p><b>Environment protection.</b> Effective resource use</p>	<p>Saving of electricity energy</p>	<p>To decrease the electricity energy consumption for unit of production</p>
	<p>Electricity energy from renewable sources</p>	<p>Project: rent of solar power plant, which will allow to save 1000 tones of CO2 within 5 years. The contract has been concluded for 5 years and will come into force from November 2022.</p>
	<p>Water saving</p>	<p>Project being planned: To decrease the consumption of water by 30% Repeat water use system for car wash, envisaged investment: approx. 20,000.00 EUR</p>

	Decreasing of air pollution	In 2022, as much as 100 electric buses will be manufactured and sold; most of them will be driven in Lithuania.
	Sparse use of environmental resources	Decrease of paper consumption. In 2023, it is scheduled to install an electronic invoice issuance and archiving system
<b>Environment protection.</b> Decreasing the negative effect on the environment	Waste sorting and decreasing of quantity	To increase the quantities of sorted waste To transfer more waste to waste processors for recycling
<b>Environment protection</b> <b>Safety and health of employees.</b>	Preparation for accidents and accident prevention	It is planned to start selling plastic, which is suitable for recycling. Expansion of internal entrance yard of basic buses for the safety of transport and employees.
<b>Organization management.</b> Links with suppliers and partners	To include suppliers and partners in to the implementation and development of social accountability policy within the supply chain.	To update the social accountability policy meant for employees, business parts and society.
<b>Organization management.</b> Corruption prevention	To decrease the possibility of corruption when organization encounters non-transparent activity	Business ethics, responsible business and corruption prevention policy meant for employees, business parts and society has been written and published

## Part IV. Description of Good Practice.

Employees of "Altas komercinis transportas" every year participate in public events:

	2021
Bicycle marathon of Vilnius, on the month of August	9 employees participated
Initiative for tidying up the environment "Darom"	20 employees participated 200 kg of waste were collected