



AB KLAIPĖDOS NAFTA CORPORATE SOCIAL RESPONSIBILITY REPORT 2016

April 7, 2017

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FOREWORD BY THE HEAD OF AB KLAIPĖDOS NAFTA



AB Klaipėdos nafta (KN) is continuing its goals of being a reliable and transparent state-controlled company. In expanding its scope of activities and making investments, the Company remains open to the public, strives to comply with high standards of environmental protection, implements and develops advanced technologies, and increases the value of the Company.

In 2016, the Company maintained high load and financial indicators and showed a profit, while also introducing new investments which will ensure competitiveness in the region in the future. The company successfully began the absorption of Europe Union (EU) support funds for the development of the usage of liquefied natural gas – the clean fuel of the next generation – in the Baltic region.

KN maintains close relations with institutions in the city of Klaipėda, supports various social projects and local events, and contributes to healthcare and the dissemination of culture. The Company has been a major sponsor of the annual Run for Hope charity event for several years in a row. Support is also extended to health, educational, cultural and social institutions. The Company contributes to the training of scientific experts in the field of liquefied natural gas.

We are constantly maintaining good relations with business and public audiences to ensure that information about all of the Company's changes, results and plans is conveyed in a transparent manner;

these efforts were given recognition at the Baltic Market Awards 2016 ceremony. We placed in four categories at the event, which is organized annually by stock exchange market Nasdaq Baltic. The Company was awarded for the best investor relation improvement in three years. This is a very substantial acknowledgement which encourages us to do all we can in pursuing our strategic directions and in increasing the Company's value and returns to investors.

In the Sector Leader poll held by the Verslo Žinios business daily, KN was named Transport Sector Leader. In a dynamic market, this assessment indicates that KN responds to changes in an operative manner and is prepared to work in the changing market situation.

Evaluations like these encourage us to continue to improve management standards and operational responsiveness, strengthen transparency in the activity, increase our accountability to the public and to be a leading company in the market.

We invite you to become acquainted with our 2016 Corporate Social Responsibility Report.

Sincerely,
Acting General Manager
MARIUS PULKAUNINKAS

SCOPE OF THE REPORT

AB Klaipėdos nafta (hereinafter - Company) social responsibility (hereinafter - CSR) is based by its voluntarily in reaching economic, social and environment protection goals, taking into consideration all concerned parties' interests. The companies, operating in observance of the CSR principles and reaching for sustainability and efficiency of their activities, not only observe the applicable laws, international norms and ethics standards, but also nurture respect for human being, society and nature. The principal document, i.e. the corporate social responsibility report, is prepared for all the concerned parties: business partners, investors, employees and trade unions, media representatives, social partners, residents and local communities, other related institutions. It is seeking to provide transparent and comprehensive information on the Company's achievements by applying the principles of the United Nations Global Agreement.

In 2016 company's social responsibility report 2015 was presented for the first time. The Company is seeking to become public, to share Company's strategic goals, results, commercial and social activities.

This Corporate social responsibility report (hereinafter - Report) provides the information on the social responsibility activities, performed by AB Klaipėdos nafta in 2016, as well as environment protection activities and relations with the employees and the society. The Report describes the strategic directions, activities and changes in the area of social responsibility within the Company, which occurred in 2016.

The Report was prepared in accordance with the Global Reporting Initiative (GRI) guidelines, which help to evaluate activities against economic, environment protection, personnel, human rights, society and market indicators. Referring to the said criteria, the Report provides the information on the Company's socially responsible activities.

Company's social responsibility report is prepared in Lithuanian and English languages; it is published on the Company's website at www.kn.lt, as well as on Nasdaq Baltic's website. The employees also have the possibility to read the Report on the Company's intranet. The report isn't audited or reviewed by third parts.

STRATEGIC PRINCIPLES OF THE COMPANY'S SOCIAL RESPONSIBILITY

The Company acts in observance of highest business ethics standards and social responsibility principles. The Company aims at keeping the status of a reliable social partner beyond Lithuania's seaport by contributing to resolving the relevant social issues, faced by the society.

The Company's social responsibility is divided into the following separate areas:

- Taking care of employees' health, wellbeing and motivation, as well as development of their professional competence (for more details, see Employees);
- Keeping open relations with local communities, where the Company operates, as well as openness to other concerned parties and the society;

- Development of different social initiatives and projects in local communities and nationwide;
- Nurturing a public-spirited society (through educational campaigns), which would care for Lithuania's energy future and harmonious development (through use of LNG as environment friendly fuel).

The social responsibility and support measures are important in order keep good partnership relations with local communities and the society on the nationwide level. It is very important for state controlled companies to emphasize their social importance, the initiative is referred to as the "common good". In addition, the tasks, formulated for state controlled companies, become examples for nurturing the country's principal values.

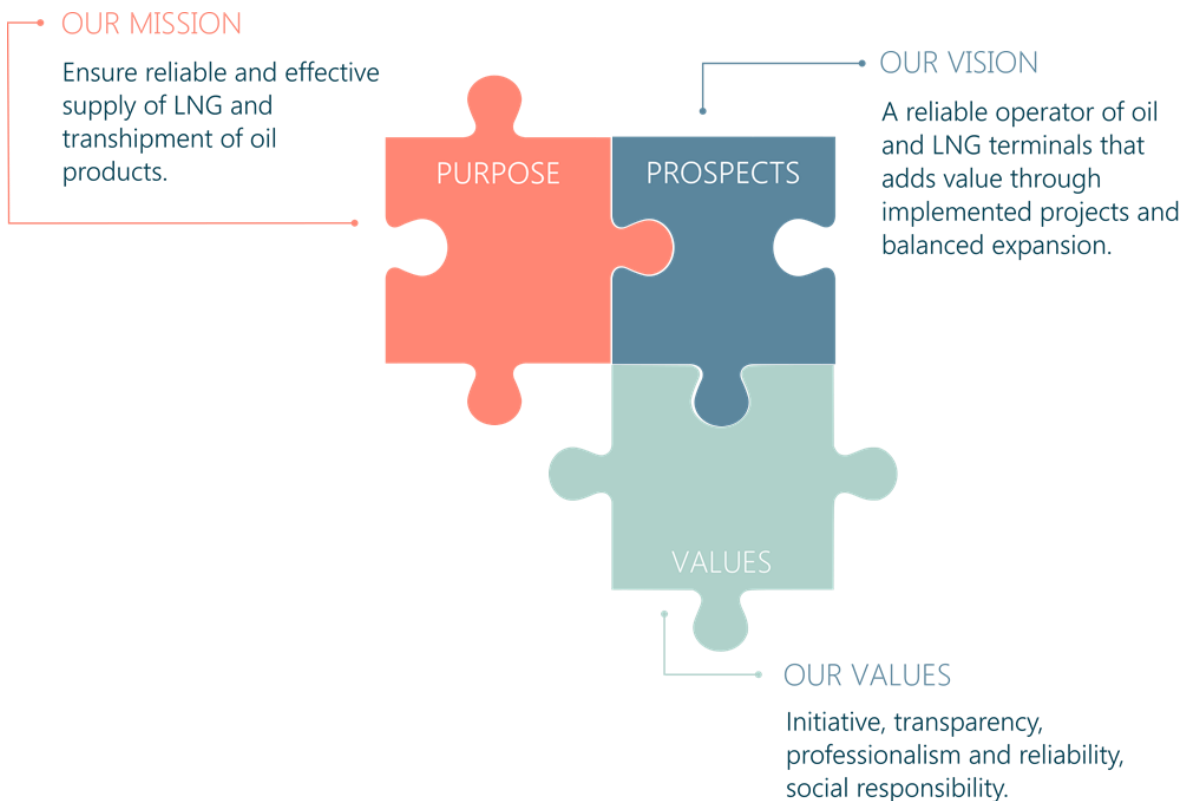
The Company's strategy and goals

The Board of AB Klaipėdos nafta every year approves Company's strategy. In latest approved Company's strategy for 2016-2020 is projected to become one of the most efficient companies in Europe, organizational changes, diversification, new services and projects, which are main factors for sustainable value growth of

the Company. It is expected that achievements of the Company will be acknowledged and valued at the state level in Lithuania.

AB Klaipėdos nafta mission is to ensure reliable and effective supply of LNG and transshipment of oil products.

Vision of the Company – reliable operator of oil and LNG terminals that adds value through implemented projects and balanced expansion.



Values of the Company:

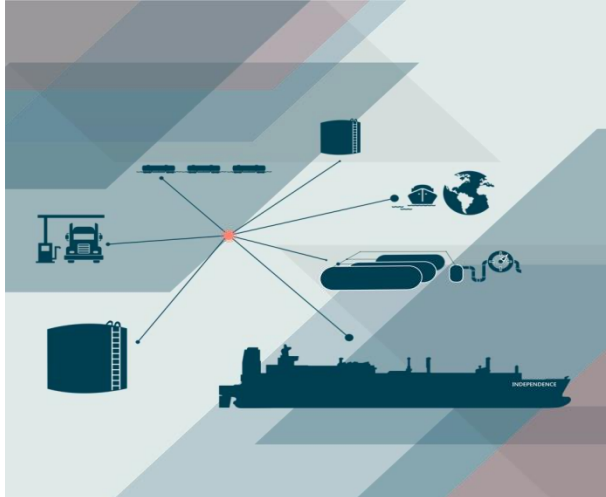
- Proactivity. The Company seeks to identify market needs and business enlargement opportunities by adapting: creating new or modifying provided services accordingly.
- Professionalism and reliability. AB Klaipėdos nafta operates oil and LNG terminals according to the highest professional standards, fast and efficiently. Internal processes and procedures for oil transshipment and LNG regasification are constantly enhanced, the quality of cargo is accurately monitored.
- Transparency. The Company seeks to comply with regulations for listed enterprises issued by stock exchange market NASDAQ OMX Baltics, it is managed by the best corporate governance principles and provides important Company information to the society and investors comprehensively and timely.
- Social responsibility. The Company is governed by sustainable business growth principles that include corporate social responsibility and environmental protection initiatives. Therefore the Company invests in additional activities employing technologies that are increasing economic benefits to investors and are environment-friendly. The Company participates in various social projects.

Company's strategy is based on in the mission highlighted functions - to ensure secure, reliable, and effective operations of oil and LNG terminals. Growth and diversification of activities will be ensured by expanding current activities and developing new ones. The Company base its way to success on continuous improvement of internal processes, improving organizational structure and develop competences.

PRINCIPAL ACTIVITY

AB Klaipėdos nafta is one of the largest energy sources logistics Company on the Baltic States, specialized in oil and LNG industry.

Picture 1. AB Klaipėdos nafta activities



AB Klaipėdos nafta activity is divided into two activity directions (oil and LNG terminals) and four separate activities: oil product transshipment (Klaipėda oil terminal), long term oil product storage (SKB), LNG terminal operation and LNG related activities development.

Company's Klaipėda oil terminal is one of the largest oil loading terminals in the Baltic States. The terminal's main activity is to transship oil products delivered by rail tank-cars from refineries into tankers for export. The Company's Oil terminal reloads light and heavy oil products. The optimum capacity of the Company's oil terminal is approximately 7 million tons of oil products transshipment per year.

After the approval of the share emission agreement with the Republic of Lithuania on 11 June 2012 the Company started to manage the Subačius oil terminal (SKB) located in Kunčiai village, Kupiškis district. After the takeover of the Subačius oil terminal infrastructure the Company's activity and services have been diversified and expanded by the oil products long term storage services.

The Law on Liquefied Natural Gas Terminal (hereinafter - LNGT) approved by the 12 June 2012 Resolution of the Parliament of the Republic of Lithuania on the highest juridical level establishes the requirements for LNGT construction in the territory of the Republic of Lithuania, general principles and requirements for its activities and operation. AB Klaipėdos nafta was assigned to implement the project. After a two and a half year development process the LNG terminal begun to provide gas to gas system. Operation of the LNGT was commenced on 27 November 2014 upon the obtainment of natural gas liquefaction license issued by the National Commission for Energy Control and Prices.

The LNG terminal is based on Floating Storage and Regasification Unit technology. The LNG vessel-storage (FSRU) is leased by the Höegh LNG. Jetty of 450 m length to which the FSRU is permanently moored, has been built in the Curonian Lagoon in the southern part of port of Klaipėda. The LNG terminal is connected to the transmission system operator's – AB Amber Grid – gas grid via 18 km long linking pipeline. The main function of the LNG terminal is to accept and store liquefied natural gas, re-gasify them and supply to the main gas system. LNG terminal activity is regulated by National Commission for Energy Control and Prices.

The Company is not only an operator of terminals acting in reliable and effective way, but also is attempting to adapt to the changing market situations and constantly looking for new business opportunities, new value added projects. Using LNG potential in 2017 will start new LNG small scale activity – LNG reloading station. The liquefied natural gas (LNG) reloading station is LNG tanks with a total capacity of 5,000 cubic meters to which the gas from the LNG terminal is delivered by LNG carrier and distributed by road transport means (LNG trucks) or smaller vessels. The purpose of the LNG reloading station is to create a small-scale LNG infrastructure and to develop the LNG market in the Baltic Sea region.

RESULTS OF ACTIVITY

As mentioned before the activity of AB Klaipėdos nafta is divided into the separate activity units (segments): Klaipėda Oil terminal (KNT), Subačius Oil terminal (SNT), the Liquefied Natural Gas Terminal (SGD) and

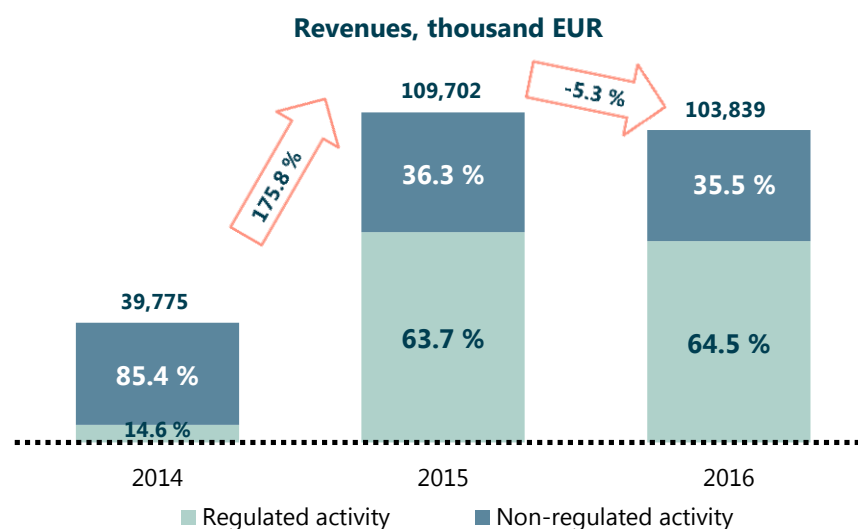
LNG reloading station (GDP). Importance of each segment over Company's financial results is provided herein:

In EUR thousand	January-December		Change in per cent
	2016	2015	
Sales revenue in total	103,839	109,702	-5.3%
KNT	34,075	37,259	-8.5%
SNT	2,798	2,561	9.3%
SGD	66,966	69,882	-4.2%
GDP	-	-	-
Net profit in total	13,794	22,036	-37.4%
KNT	9,914	14,515	-31.7%
SNT	847	906	-6.5%
SGD	3,518	6,982	-49.6%
GDP	(485)	(367)	32.2%
EBITDA in total	28,446	37,136	-23.4%
KNT	17,422	22,533	-22.7%
SNT	1,790	1,839	-2.7%
SGD	9,763	13,166	-25.8%
GDP	(529)	(402)	31.6%

The Company's revenues

The Company's revenues of year 2016 comprise EUR 103.839 thousand. Comparing with the year 2015 the revenues has decreased by EUR 5,863 thousand or 5.3 per cent (EUR 109.702 thousand). The decrease is related with the decrease in revenues of the LNG and

oil terminals. Company's revenue is divided into regulated and non-regulated activity. Revenues from regulated activity (LNG terminal) consisted 64.5 per cent of all Company's revenue.



The Company's expenses

Total cost of sales of the Company of 2016 comprises EUR 83,042 thousand, comparing to 2015 (EUR 80,579 thousand) it has increased by 3.1 per cent or by EUR 2,463 thousand. This change was mainly due to higher railway services (EUR +1,225 thousand) and

increase in LNG terminal total cost of sales (by EUR 615 thousand).

Company's operating costs increased by EUR 1,082 thousand (22.4 per cent) and comprise EUR 5,905 thousand as at period end. From them: KNF segment operating costs increased by

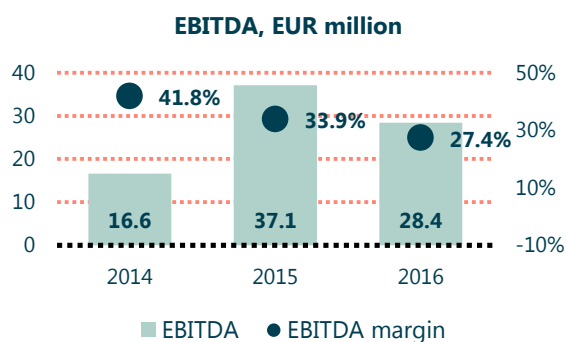
EUR 489 thousand, LNG terminal operating costs – EUR 386 thousand.

The listing of the major expenses is presented below:

In EUR thousand	2016	2015	Change in per cent
KNT depreciation costs	6,575	6,686	-1.7%
KNT employees related costs	6,301	6,281	0.3%
KNT variable costs (gas, electricity, rail way)	7,009	5,662	23.8%
Other KNT production and administrative costs	3,804	2,948	29.0%
Total KNT costs	23,689	21,577	9.8%
FSRU leasing and FSRU related costs	50,786	50,415	0.7%
SGD depreciation costs	5,738	5,270	8.9%
SGD employees relater costs	2,846	2,503	13.7%
Other SGD costs	3,469	3,650	-5.0%
Total SGD costs	62,839	61,838	1.6%
SNT costs	1,886	1,585	19.0%
GDP costs	533	402	32.6%
Total operating and administrative costs	88,947	85,402	4.2%

Company's financial results

In 2016 EBITDA comprised EUR 28,446 thousand compared to 2015 (EUR 37,136 thousand) it decreased by 23.4 per cent or by EUR 8,692 thousand. EBITDA margin was 27.6 per cent, for 2015 – 33.9 per cent.

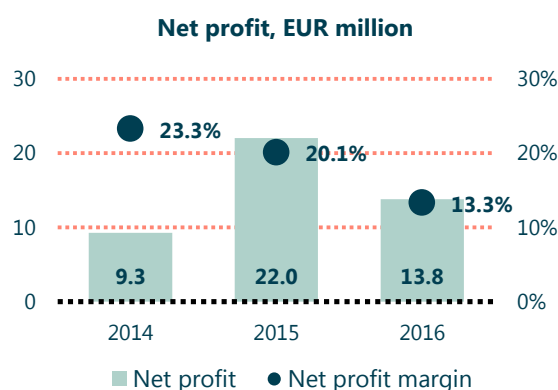


In 2016 the Company's net profit was EUR 13,794 thousand (EUR 22,036 thousand), compared to 2015, the net profit dropped by -37.4 per cent or by EUR 8,242 thousand. The main reasons for the net profit decreased could be spited as follows:

- EUR 4,601 thousand dropped net profit from oil terminal activities resulted from the drop in revenues in relation with the changes in structure of transshipments contracts and increased costs (mainly railway services).
- EUR 3,464 thousand dropped LNG terminal net profit in relation with revenues decrease

(EUR 2,916 thousand) and increase in costs (mainly depreciation and FSRU hire expenses).

- EUR 59 thousand dropped SKB net profit from increased indirect action costs.
- Effect EUR 118 thousand from the increased expenses dedicated for the LNG reloading station project development and development of other businesses.



The net profit margin for 2016 amounted to 13.3 per cent, the gross profit margin reached 20.0 per cent (in 2015 respectively 20.1 per cent and 26.5 per cent).

The Company's management structure

72.32% of the Company's stock is owned by the State, represented by the Ministry of Energy of the Republic of Lithuania, 10.24% - by Concern Achema Group, the remaining 17.44% - by other smaller shareholders. AB Klaipėdos nafta is listed on the Nasdaq Baltic Stock Exchange since 1996.

The Company's highest managing body is the General Meeting of Shareholders (Figure 1), which is responsible for appointing the members into the Supervisory Board, which, in turn, is responsible for supervising the activities of the Company's board and election of the Audit Committee as an advisory body for supervision of the activities. The Supervisory Board also elects and approves the Board of the Company, which consists of 5 members (in 2016 the authorizations were executed by 4 members, including 2 independent members).

Involvement of independent specialists and experts into the Company's management and supervisory bodies both provides external expert competence and ensures a greater transparency of the Company's activities.

The list of members of the Company's collegiate management bodies and heads of administration is provided below:

Members of the Company's Supervisory Board:

- Agnė Amelija Kairyte - Chairperson of the Supervisory Board
- Romas Švedas – Member of the Supervisory Board (independent member)
- Eimantas Kiudulas – Member of the Supervisory Board (independent member)

Members of the Company's Audit Committee:

- Linas Sasnauskas - Chairman of the Audit Committee (independent member)
- Eimantas Kiudulas – Member of the Audit Committee (independent member)
- Kasparas Žebrauskas - Member of the Audit Committee (independent member)

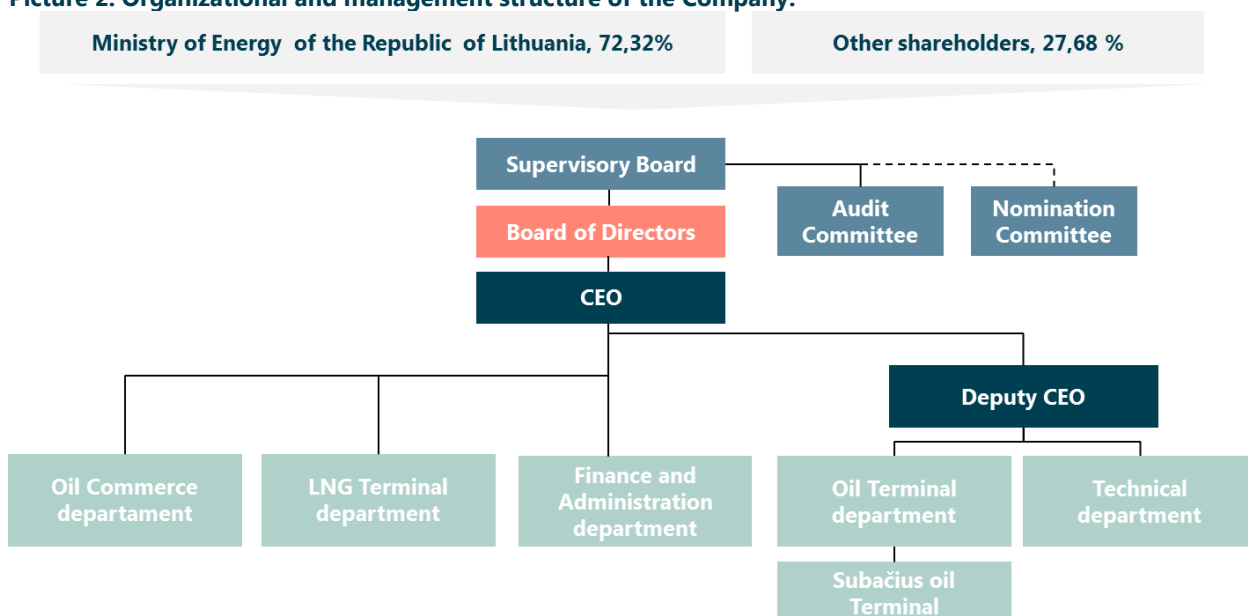
Members of the Board of the Company:

- Mindaugas Jusius - Member of the Board (independent member)
- Dainius Bražiūnas - Member of the Board
- Mantas Bartuška - Member of the Board, the Company's General Manager (CEO) till 16th of December 2016.
- Giedrius Dusevičius – Member of the Board (independent member), from 30th of December 2016.
- Bjarke Pålsson – Member of the Board (independent member, since 24th January 2017)

Heads of the Company's management:

- Mantas Bartuška - the Company's General Manager (CEO) till 16th of December 2016
- Osvaldas Sabaliauskas - Deputy General Manager
- Marius Pulkauninkas – Director of Finance and Administration Department acting CEO from 16th of December 2016.
- Gediminas Vitkauskas - Director of Department of Oil Products Terminal
- Tadas Matulionis - Director of Liquefied Natural Gas Terminal Department
- Genadijus Andrejevas - Director of Technical Department
- Darius Šilenskis – Director of Department of Oil Commerce

Picture 2. Organizational and management structure of the Company:



EMPLOYEES

Human right's protection

The Company performs its activities in observance of the human rights protection principles and ensures that the Company itself is not a part of any human rights violations. The Company stands for fair and transparent work remuneration policy, observes the legal acts, regulating working time and overtime working, respects the employees' right to rest and does not tolerate harassment or abuse of any kind.

The Company stands against any discrimination or forced working. The Company's employees, independently of their gender, nationality, social or marital status, belonging to any social or political organization or their personal features, are provided equal possibilities to occupy managing positions, take part in decision-making and develop their professional qualifications

Personnel's policy principles

The Company's main asset is its employees who are the most important link to the Company's achievement of goals. Company's personnel policy is focused on the development of teamwork, the optimal use of work resources, training of competent staff, and development of the Company's culture that creates added value.

The Company and its personnel, being responsible to each other and to the society, apart from the Collective

Personnel change

As of the end of 2016 The Company had 374 employees. AB Klaipėdos nafta employees according to categories stated in the table below:

Employee category	Average number of employees		Change in per cent
	2016	2015.	
Managers ¹⁾	37	36	2.8
Specialist	160	140	1.,3
Workers	173	191	-9.4
Total	370	367	0.8

1) The Company's managers include: General Manager, Deputy Manager, Heads of Departments and their deputy.

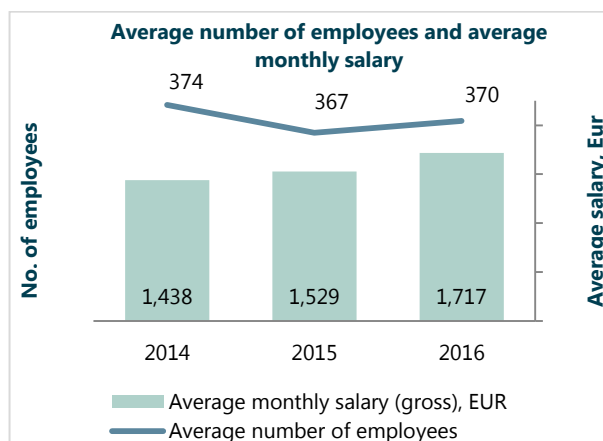
The average number of employees in 2016 (total number 370) has a increase by 3 employees or 0.8 per cent compared with 2015 (367).

In 2016 no human rights violations or any relating complaints have been registered. We will reach to further ensure that human rights in the Company are properly protected.



Agreement and the internal working procedures, act in observance of the following:

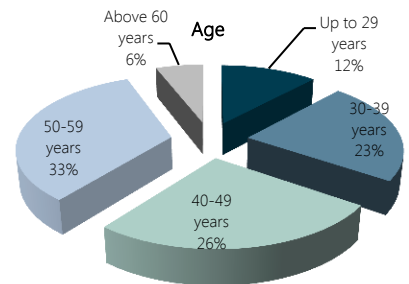
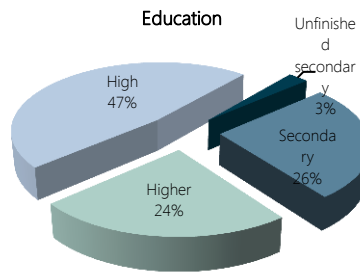
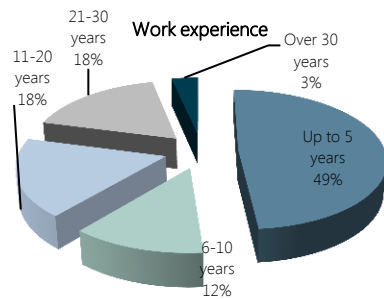
- Personnel's policy;
- Code of ethics;
- Employees' activities assessment and rewarding procedure;
- New employees' adaptation organization procedure;
- Internal training organization procedure;
- Human resources reserve policy.



In 2016 from the total number of employees, workers comprised 47 per cent (in 2015 – 52 per cent), specialists 43 per cent (in 2015 – 38 per cent), managing personnel - 10 per cent (in 2015 – 10 per cent.). As at 31 December 2016 in the Company were employed 74 per cent of males and 26 per cent of females (correspondingly 75 and 25 per cent as of 31 December 2015). The average ages of the Company's employees – 44 years. Detailed information

about employees' age, work experience and education

are provided in Figures herein.



Remuneration Policy

The Company seeks to create an efficient and fair compensation system which aims to attract, retain and motivate employees whose skills and work results will help the Company to successfully develop its mission and achieve business objectives. For that reason in September 2016 has been formed and approved the Employee Remuneration Policy. This policy (hereinafter referred to as the 'Remuneration Policy') defines the principles of the setting and payment of remuneration and the incentives of employees. The Remuneration Policy shall apply to all employees of the Company.

The purposes of the Remuneration Policy are to:

- Establish clearly understandable and transparent procedures for the setting and payment of remuneration and the incentives of employees, aiming at ensuring the Company's competitiveness in the labor market;
- Encourage the employees to attain the objectives set in the Company's strategies and to create value added while fostering the values of the Company.

The Company has implemented the procedures for employee performance evaluation and annual bonus allocation. These bonuses depend from the achievement of the goals set directly for person or for the Company. Employee performance management is one of the most important management and effective leadership techniques that help achieve the

organizational goals and create positive relationships between managers and their subordinates that allow planning employees' career and increasing their motivation and innovation. An annual interview at the Company is a tool for employee performance management that ensures that employees' personal goals are set in accordance with the Company's goals. The annual interview helps to assess the employee's goal achievement as well as set new goals and form the feedback culture between a supervisor and a subordinate.

The Company reaches to pay fair work remuneration, corresponding to the market conditions, each employee's competences and the value, brought by the employee to the Company. Since the Company's business activities are related with increased risk factors and the specifics of activities require experienced and highly qualified employees, the Company focuses on work remuneration to a certain extent higher than the average market salary. In order for the employees to remain motivated and be active in assisting the Company to reach its goals, the employees are paid variable part of the salary, which depends on the achievement of both individual goals, set for the specific employee and the overall goals of the Company.

Trade Unions

The Company has one trade union, of which 27 per cent of all of the Company's personnel are members. The trade union periodically arranges meetings with the Company's management, during

which relevant issues, relating with the Collective Agreement, are discussed. Such meetings are usually held two times per year.

Collective Agreement

The Collective Agreement is concluded between the Employer (the Company) and the Employees; it establishes conditions applicable to work, payment for work, time for work and rest, personnel training, health and safety and other social and economic guarantees.

The main purpose of the Agreement is to form proper conditions for the development of economic and business activity and ensure the standards of working conditions higher than required by the legal acts of the Republic of Lithuania.

The Collective Agreement provided the following additional social guarantees for employees:

- An annual one-time allowance equal to 2.5 MM is paid before the 1 September to an employee having three or more children under the age of 18;
- Funeral allowance is paid to the employees of the Company after the death of a family member (spouse, parent, child, adopted child);
- A one-time funeral allowance is paid to the family of a deceased employee;
- A one-time allowance equal to 2 MM is paid to an employee for the birth of a child on a day of his/her birth;

- Anniversary allowances equal to 1 MM are paid to the employees of the Company on anniversary occasions (50th, 60th, 70th anniversaries);
- Other allowances are paid based the decisions of Administration in the following cases: employee's difficult material situation, the employee suffered losses due to natural disasters, fire, flood, etc.;
- Employees who reach their age of retirement and retire gets bigger retirement compensation as requires the national Labor code.

AB Klaipėdos nafta supports cultural, sport and tourist activities of its employees, different events and other social activities which could be attended by all employees of the Company without any limitations or discrimination. Within the 2016 year 43 employees has used these social benefits.

Development of competencies

The Company continually organizes the following instruction, job qualification and other trainings for employees:

- The experts of the Occupational Safety and Health Department and the Fire Safety and Environmental Protection Department of the Company conduct Introductory Occupational Safety and Health, Fire Safety and Civil Protection Instructions for new recruits. Heads of Divisions of the Company instruct their employees on-site at least once per year.
- External personnel carrying out works at the territory of the Company and customers' employees leave gasoline and diesel tank trucks shall be acquainted (instructed) with the requirements on Occupational Safety and Health, Fire Safety and Civil Protection Instructions applicable at the terminals. In 2016 the Company instructed a total of 1,214 external employees.
- The employees performing hazardous works as well as works involving operation of potentially hazardous machinery or its supervision are always taught safe methods following the written procedure guidance, which has been approved by the Company's general manager, concerning testing and assessing Employees' training and knowledge on occupational safety and health. In 2016 a total number of 160 employees were trained and/or certified. The employees operating energy machinery are periodically certified under the procedure provided for in the Order of the Minister of Energy of the Republic of Lithuania.
- In 2015 the procedure of internal trainings for the employees of production subdivisions was approved, and all the necessary programs, employee trainings and certification are designed

under this procedure. 35 internal training programs were approved in 2015-2016 according to which employees were trained and/or certified. Internal trainings as well as periodic certifications are organized for the purposes of acquiring and renewing professional knowledge, learning and testing skills of the Company's specific production technological processes and equipment, and maintaining employees' high professional standards.

- The general trainings for the development of competencies of employees are performed by sending staff to the seminars and conferences organized by external parties or by organizing internal trainings. The annual employee training plans are made on the basis of the following: Company's strategy, the objectives of human resources development, needs expressed by the staff of subdivisions, needs reflecting in the interviews about annual evaluation of employees as well as in the documents on evaluation given at the end of adaptation period of new-hires.
- Each year, the improvement of internal communication werw organized teamwork. Over 80 executives and experts participated in these teamwork trainings in 2016. One of them was meant to emphasize and show the importance of the Company's processes and personal participation, and to enhance cooperation.
- In the year of 2016, on average employees had a training/improved their professional skills spending 8,922 working hours (or an average of 3.0 days a year per person for trainings) on training and development, out of which (see the table below):

Employee category	Working hours a year of training		Average days a year per person for trainings	
	2016	2015	2016	2015
Managers	1,928	1,261	6.5	4.5
Specialists	5,392	4,336	4.3	3.9
Workers	1,602	1,941	1.1	1.3
Total	8,922	7,538	3.0	2.6

Every year the Company prepares human resources reserve educational plans for important and difficult job positions as this is essential in order to ensure the

continuation of the Company's activities, and employee training plans are prepared to ensure required qualifications.

Integrating new employees

In order to ensure an appropriate process of adaptation of new employees, they undergo the adaptation programme, during which they are introduced to the Company's employees and learn about the activities, performed by different divisions. The programme is aimed at helping the new employees to learn and adapt to the Company's culture, integrate into the collective, understand the principles and activities and, as soon as possible, start creating value for the Company.

Heads of divisions assign supervisors to new employees. The supervisors are experienced employees, able to provide their knowledge not only in their own area of specialization, but also information about the Company, its traditions and culture. The supervisors are responsible for the training, provided during the adaptation period and provision of information on the achievements to heads of their respective divisions.

Possibilities of Practice

The Company cooperates with educational institutions and creates conditions for university and college students to apply their theory knowledge and acquire practical skills. In 2016 15 students from Klaipėda University, Klaipėda State College of Applied Sciences and Klaipėda Tourism School performed practice in the Company.

Company in accordance with the voluntary practice contact, approved by the Description of the procedure for performing voluntary practice, adopted by Order No. A1-13 of the Minister of Social Security and Labor of 13 January 2015. When performing voluntary practice, no salary is paid, but the persons are insured by health insurance and by social insurance against accidents at work and occupational diseases by state funds and the trainees acquire useful experience in the chosen area.

Sports activities and other good initiatives

The Company encourages healthy way of life, sports activities and taking care of one's physical health. In 2016 the Company created favorable conditions for its personnel to go in for sports – the employees could choose between aerobics, basketball or football in a rented sports hall. The Company sponsored the team, formed of its employees, which played in the Klaipėda's basketball league.

The Company arranges different traditional and one-time festivities for its employees: summer sports event Spartakiada, the Company's Christmas.



Work safety and Health of employees

Work safety is one of the Company's priorities because it strives to create safe and healthy working environment. Workplace risk assessment is carried out and the level of risk is determined prior to allowing employees to start their work in a new workplace. If workplace risk level is considered to be unacceptable or intolerable, measures needed to eliminate the risk or reduce it to an acceptable level are proposed and implemented. Personal protective equipment against any risk factors existing at workplaces is provided to employees free of charge. Personal protective equipment list is coordinated by trade union and approved in company's Collective Agreement.

The Company is one of the few companies in Lithuania that has a licensed health center. It provides the first aid, initial preventive practical and theoretical health support, it is established 31 first aid mobile stations (in departments), where employees can get first medical care when injured, measure temperature or blood pressure.

In Medical centre preventive employees' health care, infection control, control of risk factors for hazards; the

center also organizes medical check-up prior to employment and while being in employment. Both employers and employees are advised on health matters.

In 2016, 190 employees had medical check-ups (in 2015 – 120), 45 employees participated in the first aid and hygiene awareness training (in 2015 – 60).

Physical medicine and rehabilitation room with modern science approved practice-proven equipment is set in the Company's health center. A range of physiotherapy treatments based on the doctor's referral are provided. Employees are provided with free vaccines against tick-borne encephalitis, typhoid, influenza and other illnesses. In 2016, 212 employees were vaccinated (in 2015 – 195).

In its health center the Company organizes, at its own expense, preventive – rehabilitation treatment to the employees that work in the increased pollution conditions. During 2016 these services were used by 105 employees (in 2015 – 95).

ENVIRONMENT PROTECTION

Environment protection is one of the priority areas of activities in terms of the Company's social responsibility. Funds are allocated for implementation of environment protection measures in close cooperation with Lithuanian and international companies, in order to implement all environment protection requirements, raised for both the oil terminal and for the liquefied natural gas terminal.

The directions of the Company's environment protection projects:

- The Company continuously implements environment protection measures (reducing the ecology risks): fire safety, environment pollution control and other systems.

- The Company spares natural resources, performs environment protection campaigns and takes care of natural heritage.
- The Company contributes to development of the market of LNG as environment friendly and safe fuel in Lithuania and the Baltic Region.

Both in planning new activities and in operating the existing Klaipėda and Subačius oil terminals and the Klaipėda LNG terminal, the Company is guided by the fundamental principles of environmental protection laid down in the National Environmental Protection Strategy. The Company is actively involved in EU support projects that promote the development of environmental policies in the region. One of the priority areas currently being developed is the promulgation of liquefied natural gas as a clean fuel in the Baltic region.

Public involvement in environmental protection

In planning new economic activities and the development or modernization of the existing terminals, the Company acts in accordance with the provisions of the Law on Environmental Impact Assessment of Proposed Economic Activity and the Law on Territorial Planning. In implementing environmental impact assessment procedures and spatial planning procedures, conditions are created as early as possible for the public to become acquainted with the proposed economic activities and to provide feedback and suggestions. Two screenings were carried out in 2016 to determine whether an environmental impact assessment (EIA) is required for proposed economic activities: expansion of the light oil product park and the construction and operation of a new oil product loading/unloading rack and branch line. It should be noted that within the scope of the EIA screening, risk analyses of the proposed economic activities were carried out during which individual and social risks were evaluated and it was established that the employees of neighboring companies and the residents who live the closest to the Klaipėda oil terminal are within a generally acceptable risk zone. Upon evaluating the EIA screening material, the responsible authorities concluded that an EIA is not requisite for the above-mentioned proposed economic activities. The public was familiarised with the screening conclusions that an EIA is not required. All of the measures to mitigate negative environmental impacts which were provided for in the EIA screening

documentation will be implemented in the construction and operation of the new facilities.

The Company's existing detailed plan was adjusted in 2016 to create preconditions to develop the liquefied natural gas (LNG) reloading station project within the territory of the Klaipėda oil terminal. A study on the transportation of LNG through the city of Klaipėda was prepared in the scope of the detailed plan during which LNG transportation routes were examined and the safest route for the public and the environment was selected. The public was acquainted with the solutions of the adjusted detailed plan by organizing a public presentation of the detailed plan solutions (even though spatial planning legislation does not require that a public meeting be held when adjusting the detailed plan). Once the Klaipėda City Municipality Administration (hereinafter – the Municipality) approved the adjusted detailed plan, an agreement on the implementation of the detailed plan solutions was signed between the Company and the Municipality which provides that the Company will partially fund reconstruction of the Lideikos/Pamario/Audros intersection that the Municipality is planning. In this way, the Company will contribute to improved safety and traffic flow in the city of Klaipėda.

By informing the public about the projects that are planned to be implemented, the Company is ensuring the public's right to know and the right to participate in environmental decision-making as provided for by the Aarhus Convention.

Ambient air protection

The stationary ambient air pollution sources (oil storage tanks, boiler) at the Company's oil terminal are operated in accordance with an environmental permit issued by the responsible authority. The total amount of pollutants released into the ambient air in 2016 did not exceed the annual emission allocation. In order to reduce the environmental impact of economic activities on ambient air, the following environmental measures are applied during the loading and storage of oil products:

- (i) light distillates (petrol, diesel) are only loaded and stored in tanks fitted with floats (internal floating screens), and more than 50 per cent of the tanks that are used for heavy distillates (heavy fuel oil) are also fitted with floats – this reduces the emission of volatile organic compounds (VOC) into ambient air;
- (ii) when unloading petrol from the tank wagon into tanks at the loading rack, a VOC vapour recovery unit is used to reduce VOC emissions, and when loading ships with petrol, VOC vapours are directed to a fume

incinerator. The effectiveness of these environmental measures is as much as 95 per cent.

The passenger cars which are leased in order to carry out economic/commercial activities are equipped with functioning exhaust gas neutralisation systems that comply with Euro VI standards, and this reduces mobile source air pollution.

The Company performs monitoring of stationary source air pollution from the oil terminal with the aim of assessing whether one-off emission standards are not exceeded in carrying out economic activities. Air quality monitoring is also carried out in order to ensure that ambient air limit values for VOCs in the environment (beyond the Company's territorial limits) are not exceeded when carrying out economic activities. The VOC ambient air limit value for half an hour is 5 mg/Nm³. The air quality monitoring conducted in 2016 shows that over the course of the year, the VOC ambient air limit value for half an hour was never exceeded.

Surface water protection

The Company's oil terminal uses biological waste water treatment equipment that is designed to collect and clean the waste water and surface water that forms during economic activities. The waste water treatment is highly effective: approximately 48 per cent of total nitrogen is removed, 54 per cent of total phosphorus, 97 per cent of biodegradable organic matter and as much as 100 per cent of oil products. In order to preserve this high level of efficiency, the Company allocated EUR 115,807 in 2016 for the repair/upgrade of its mechanical and biological waste water treatment

equipment. Waste water discharge monitoring and surface water quality monitoring are conducted during which the condition of the Curonian Lagoon (Klaipėda Channel) above and below the discharge equipment is monitored.

The surface waste water that forms at the Subačius oil terminal is collected from the potentially contaminated area (about 33 ha), cleaned in surface waste water treatment equipment to standard and then discharged into the surface water reservoir.

Groundwater and soil protection

Groundwater monitoring has been carried out at the oil terminal since 1996 with the purpose of monitoring changes in groundwater quality. Cumulative ground water observations show that the groundwater pollution that has formed over the years at the site is diminishing. Long-term ground water monitoring data suggests that the "historical" pollution of soil and groundwater with oil products within the territory of the Klaipėda oil terminal is decreasing.

During construction of the LNG reloading station at the Klaipėda oil terminal in 2016, approximately one hectare of oil-contaminated area was cleaned up. 7,000 cbm (11,050 t) of oil-contaminated soil was excavated and removed, and the oil-contaminated groundwater (approximately 2,019 cbm) that accumulated in the excavated area was cleaned in the Company's waste water treatment plants. Once cleaning of the oil-

contaminated area was completed, responsible authorities confirmed that the territorial management and environmental restoration measures that were taken are sufficient and that the territory does not pose a risk to the environment.

In planning the development of the Klaipėda oil terminal in 2016, the Company conducted preliminary eco-geological studies in undeveloped areas to determine whether or not the soil and groundwater in the areas that are planned to be developed are contaminated with chemical substances, and whether or not clean-up is necessary. Eco-geological studies were conducted in the two areas of the oil terminal:

- (i) Approximately 4 ha of undeveloped land in the existing light oil product park. The results of the studies that were carried out showed that the soil and

groundwater in the territory is not contaminated with heavy metals or oil products, and that commercial activities can be carried out in the territory.

(ii) Approximately 1.65 ha of undeveloped land in the existing heavy oil product park. The results of the

studies that were carried out showed that the area is contaminated with oil products; a contaminated area management plan will therefore be prepared in 2017 and the contaminated area will be cleaned up according to it during construction of the new facilities.

Waste management

The company's waste water treatment plant is a port reception facility which receives ship-generated waste and cargo residues. Over the course of 2016, the Company managed some 13,880 tonnes of hazardous waste contaminated by oil products (compared to 17,100 tonnes in 2015). A portion of the hazardous waste was regenerated, i.e. oil-contaminated waste was turned into a product – a liquid fuel mixture. The 2.6 tonnes of oil sludge (3.2 tonnes in 2015) that formed in the biological waste water treatment plants were used in the oil terminal's

territory to improve the condition of the soil. The Company aims to separate recyclable secondary raw materials from the waste that is generated as much as possible. In 2016, 56.9 tonnes of waste (6.6 tonnes in 2015) formed at the Subačius oil terminal that was handed over to waste managers. By recycling (regenerating) waste, using waste for improvement of the condition of the environment, and sorting secondary raw materials from waste, waste prevention policies are implemented.

The use of chemical substances

In 2016, as part of its efforts to implement the provisions of the REACH regulation for the use of materials that are safer for human health and the environment, the Company joined the "Implementation of Substitution of Hazardous Chemicals in Lithuanian, Latvian and Estonian Small- and Medium-Sized Industrial Enterprises" project (LIFE Fit for REACH) being carried out by the Baltic Environmental Forum with partial funding from the LIFE programme and the

Ministry of Environment of the Republic of Lithuania. Over the course of this project, the Baltic Environmental Forum will help the Company take inventory of the chemicals used in the Company's Heat and Production, Mechanics and Waste Water Treatment Departments, identify causes of concern, and determine hazardous chemical and mixtures that should be substituted by less hazardous or completely non-hazardous ones.

The use of natural resources and raw materials

In 2016, The Company continued the heat exchanger system upgrade in 2016. Once part of the heat exchanger system is updated, less time will be needed to unload railway trains and thermal energy will be conserved. Once the heat exchanger system is updated, the principle of pollution prevention will be implemented, since less steam will be needed in the boiler station, which means that less gas will be burned and less nitrogen oxides and carbon monoxides will be released into the atmosphere.

In order to reduce the amount of paper that is used and make document management processes and costs

more efficient, the Company uses DocLogix – a document management system where all documents are managed and archived electronically. This solution allows the Company to significantly reduce paper consumption.

In an effort to conserve fossil fuels and at the same time reduce air-quality pollutant emissions from cars, the Company often uses videoconferencing and teleconferencing for internal meetings as well as for meetings with customers, service providers, construction contractors, and so on.

THE FIGHT AGAINST CORRUPTION AND BRIBERY

CORRUPTION PREVENTION

The Company does not tolerate any form of corruption or manifestations thereof, and aspires to ensure open competition, ethical business conditions and appropriate transparency and publicity of its activities.

The Company follows a Zero Tolerance Policy against Corruption approved by the General Manager (hereinafter – the Policy). The Policy is a clear and public declaration of the Company's stance against bribery, fraud, extortion, fake accounting, unofficial and inadequately documented transactions, fictitious expense schemes, the use of false documents, and other manifestations of corruption referred to in the United Nations Convention against Corruption. The provisions of the Policy are applicable to all of the Company's employees, members of the Company's management and supervisory bodies, and third parties which act on behalf of the Company. The Policy is continually being improved, updated and supplemented in response to regulatory changes. All of the Company's employees are acquainted with the Policy and have pledged to comply with its provisions.

The Company is politically neutral and does not pay any financial contributions. It does not provide any financial support to political parties, groups or politicians.

The Company has clearly defined rules for the giving and accepting of gifts. There are set circumstances under which it is permissible to give or accept gifts, or participate in events organized by third parties.

There is also an approved procedure for providing support that is published on the Company's website. This procedure governs the allocation and provision of Company support funds for the public benefit, and also establishes the key principles and directions of providing support as well as the priorities and criteria for the allocation of support.

Public procurement

When planning and performing procurement, executing procurement contracts and establishing the procurement control measures, the Company acts in observance of the Law on Public Procurement of the Republic of Lithuania, the legal acts, implementing the said law, other legal acts and the local acts of the Company. The Company has prepared the public procurement organization and internal control rules, establishing the procedure for organizing and performing internal control in the Company from the planning of procurement till the completion of the procurement contract and evaluation of its results, as well as the responsible persons. When organizing and controlling procurement in the Company, the funds

The Company has an approved procedure for completing the Employee Declaration of Private Interests form which is designed to establish the requirements of employee conduct when they are performing their jobs, the procedure for the declaration of private and Company interests, and the actions of employees in the event of a conflict of interest. Under the current provisions of the procedure, all employees in managerial positions are required to complete a declaration of private interests.



The Company has certain control mechanisms in place that are designed to identify, assess and monitor potential corruption risks. The internal control system is regularly reviewed and improved.

People are encouraged to inform the Company's Audit Committee of possible cases or manifestations of corruption by email: auditas.kn@gmail.com. The Audit Committee is a governing body of the Company which is formed from independent members and reports directly to the Supervisory Board. Both the Company's employees and all other stakeholders are welcome to contact the Audit Committee.

and the employees' working time must be used rationally and the confidentiality and impartiality requirements must be observed.

The procurement procedures in the Company are performed by the Public Procurement Commission (hereinafter referred to as the Commission), formed in accordance with Article 16 of the Law on Public Procurement. Lower value procurement is performed by the Commission or the organizer of procurement. Referring to the volume and character of procurement, a Commission can be formed for one or several procurements or a permanent Commission is

established by Order of the General Manager for a specific period of time.

After completion of the procurement procedures, taking the decision to conclude a procurement contract and forming the Commission, the secretary of the Commission or another appointed member of the Commission provides the information on the winning tender and the intention to conclude the contract on the Company's website and in the Information Supplement to Official Gazette Valstybės Žinios (in case of lower value procurement – only on the

Company's website), stating the object of procurement, foreseen contract price, name of the winning participant, the reasons for choosing the participant and, if available, the part of the procurement contract or preliminary contract obligations, for performance of which the winning participant plans to hire third parties as subcontractors.

The Company ensures transparency of its procurements. By acting in accordance with the public procurement procedure, the Company reaches for economic efficiency.

SOCIAL INITIATIVES

Sponsorship

In its activities the Company follows the principles of business ethics and social responsibility of higher standards. The Company seeks to become reliable social partner in Klaipėda and contribute to solving of important social problems.

First of all, the Company could be named as the major supporter in the region. The funds allocated for support first of all are diverted to support cultural, infrastructural, health and social security projects associated with the region, where the Company conducts its activities. When allocating funds the Company follows the order of funds allocation procedure applied to the distribution of funds for public benefit purposes. The Company supports the following public sectors and activities:

- environmental protection;
- health care;
- education;
- social protection and labor;
- preservation of cultural, religious and ethical heritage;

- informal and civic education;
- sports;
- improvement of public policy;
- other public benefit purposes and selfless activities selected yearly by the Board of the Company.



In 2016 the Company allocated EUR 130 thousand.

Focus on education

The Company also cooperates with the Ieva Simonaitytė Public Library, which is a state budget institution. AB Klaipėdos nafta has been providing the Ieva Simonaitytė Public Library with financial support since 2010. The amount of money that is currently being donated by the Company is equivalent to one tenth of the state funding allocated to acquire new printed matter. This library's main objectives are to contribute to

the promotion of a knowledge-based society, the formation of the future generation, and the tradition of the printed book. Over the period of cooperation, a total of 1,869 books have been added to the library's collection. Books that were purchased with money donated by the Company are marked with a stamp that reads "A gift from AB Klaipėdos nafta."

Focus on health care

On the eve of World Heart Day, AB Klaipėdos nafta joined the bike ride initiated by the medics at Klaipėda Seamen's Hospital. Local healthy lifestyle advocates cycled through Klaipėda, urging people to live healthier and take care of their hearts. In light of its social commitment, the Company supported this initiative not only morally, but financially as well. AB Klaipėdos nafta started cooperating with Klaipėda Seamen's Hospital in 2014, when it donated LTL 60,000 (EUR 17,377) to the Stroke Unit for the acquisition of medical equipment for the early diagnosis of neurological diseases. In 2016, KN donated EUR 10,000 for Klaipėda Seamen's Hospital to purchase an electrocardiograph machine. In keeping with its social commitment, the Company will continue to cooperate with Klaipėda Seamen's Hospital so that the doctors

are able to treat their patients with the latest, most advanced medical technology.

AB Klaipėdos nafta continues to sponsor the Run for Hope solidarity event that began nine years ago. The support that has been provided by the Company for two years has helped this event grow into a large City of Hope series that is getting more popular every year and drew in a record 22,390 people in 2016. Today, the City of Hope series is made up of 12 events: Run for Hope, Dance for Hope, Tennis for Hope, Gymnastics for Hope, the Hope Kayakathon, Strokes for Hope (a rowing regatta), Swim for Hope, 1,000 Kilometres of Hope (motorcyclists), Documentary films for Hope, Climb for Hope, Hike for Hope, Hope training day.



Brother Benediktas, who organizes the Run for Hope, has accentuated the significance of social partners for a solidarity event that brings the public together for a common goal. The financial support provided by the Company is an expression of this solidarity, which not only helps members of the community, but also promotes a healthy lifestyle and prevention to ward off these diseases.

Focus on social security

The Klaipėda Home for Infants with Developmental Disorders takes in children who have lost their parents at an early age or who were abandoned at birth. One of the objectives of the institution is to create an environment for children who are left without their parents that is as cozy and safe as possible. The home is located near the Company's territory and is on the list of institutions that are under the patronage of the Company.

A project was also implemented in 2016 with the goal of ensuring the quality of care for disabled children and improving the working environment for caregivers. The institution used funds donated by KN to purchase a disabled lift and a medical couch. AB Klaipėdos nafta

made it possible for this institution to improve the quality and accessibility of healthcare, social and educational services.

Regseda, a social enterprise for the disabled, is also enjoying cooperation with AB Klaipėdos nafta. Thanks to the support it received, Regseda was able to create one more workplace and improve the environment in the workshop this year. For the first time since the enterprise was founded in 1959, the ceiling and walls were finally insulated, the vertical-lift door was replaced, and the floor was levelled. Some 85 per cent of the people working at Regseda are disabled (with most of them being blind or visually impaired).

Focus on sports

AB Klaipėdos nafta is a partner of the Klaipėda Football School, which is a budgetary institution. The international youth football tournament that is held in Klaipėda to compete for the Klaipėda Mayor's Cup has already become a tradition. It is only thanks to the supporters that the international football tournament has attracted such large interest from foreign participants over the past few years, and this school's athletes were able to represent Klaipėda. The goal of the tournament is to ensure the fair organisation of an international tournament, welcome foreign teams, and promote Klaipėda's name outside of Lithuania. The Company strives to contribute to the development of youth sports in Klaipėda and has made a financial contribution to the institution hosting this tournament.

BC Klaipėda is a public institution also known as the Nafta-Uni-Akvaservis men basketball team. For many years, Klaipėda's Nafta-Uni-Akvaservis men's basketball team has been one of the best teams in the National Basketball League. The team is made up exclusively of young basketball players from the Klaipėda Region. The team had two main goals last year: to duly represent the city of Klaipėda and to secure a spot for the team in the National Basketball League Championship. The Company's financial support makes it possible for the club to develop the team's activities and pursue high results.

Citizenship education

The Klaipėda Children's Recreation Centre (KCRR) is located in Melnragė, nearby the Company. The centre has six clubs that provide after-school activities and informal learning for children. Some 1,300 children from all over Klaipėda participate in these activities

every year. In view of the fact that one of AB Klaipėdos nafta's operational guidelines is to strengthen relations with the local community, the Company contributed to the Family Entertainment Port, which is a traditional autumn festival that the KCRR holds in Melnragė.

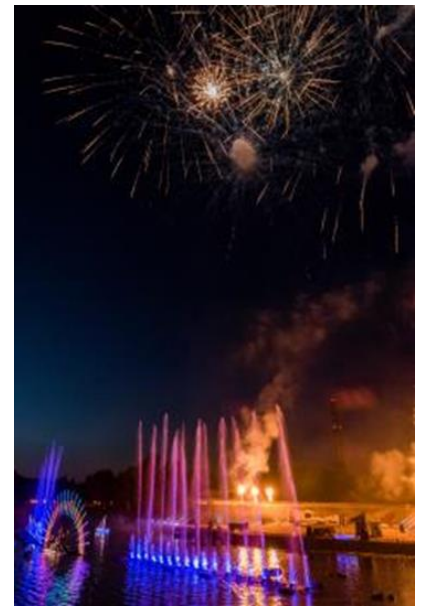
Focus on culture

The Company contributes to fostering the city's cultural life and sponsors both traditional city events that are open to the public and closed events/shows in the city's theatres. Culture is an integral area of society's growth and development which the Company considers to be particularly important. According to AB Klaipėdos nafta's rules for the allocation of support, culture is one of the priority directions for financial aid, so we intend to continue contributing to the fostering of culture in the port city.

The Company continued its support of the Klaipėda State Music Theatre and contributed to the emergence of some popular shows. State funding is insufficient for creative activities, so the Company supports the development of new projects and performances. Each year, the Klaipėda State Music Theatre entertains audiences with new shows, concert programmes and events for children and adults alike. In 2016, the Company also contributed financially to the Drama Theatre for the presentation of new plays to Klaipėda theatregoers.

AB Klaipėdos nafta has been supporting the Sea Festival since 2000 and is proud to be one of the event's most loyal partners. This year, the Company treated the city to dancing fountains at Jonas Hill. The Company's decision to patronise innovative creative ideas more than paid off – the musical fountains were a sensation and sparked discussions about reviving the neglected bastion complex. The company's financial support for the Sea Festival opens up opportunities to

develop and realize ambitious ideas. However, it is also an important and meaningful opportunity for the Company's team to participate in the city's cultural life, and a sign of the Company's openness and sincere desire to be a part of society.



Mayor of Klaipėda Vytautas Grubliauskas has acknowledged that AB Klaipėdos nafta is one of the city's most serious, responsible and reliable social partners, both retrospectively and prospectively. The Company is often noticeable in the background of the city's social life. Klaipėdos nafta actively contributes to the implementation of decisions concerning Klaipėda's infrastructure.

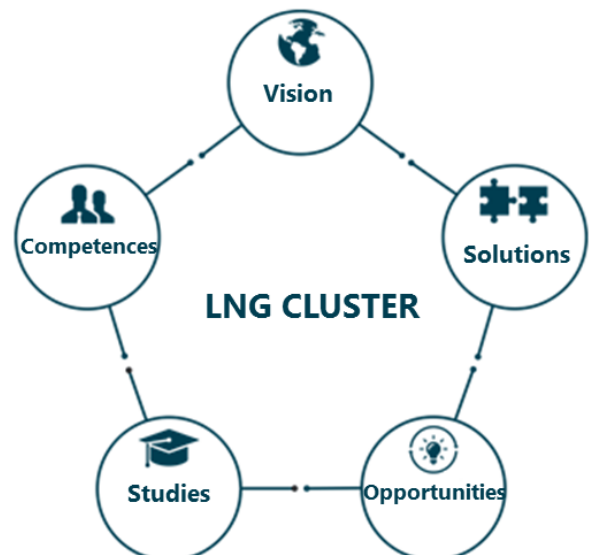
LNG cluster

The LNG terminal and the putting into operation, from mid-2017, of an LNG distribution station currently under construction in the territory of KN will open wide opportunities for the science – business partnership in the development of the regional maritime LNG business. The new cluster will become a driver of development of advanced LNG technologies, along with the saving of natural resources and controlling environmental pollution.

The advance of LNG technologies generates new investments in the infrastructure development and innovative technologies, which will be useful for Lithuania's engineering industry and science in the creation, development and commercialization of new products and technologies, creating new jobs with high value added, introducing new study programme and training specialists.

We are in a new and challenging phase of innovation development in the maritime sector, which provides great opportunities for the maritime states. Lithuania will utilize the emerging opportunities in full if it

manages to train specialists in time, conducts research in the areas relevant to the maritime industry and transport, and promotes energy efficiency.



To avail of the economic potentials of the LNG to the maximum, AB Klaipėdos nafta, which implemented the project on the LNG Terminal and performs the functions of its operator, the Western Shipyard Group, Klaipėda University (KU) and Klaipėda Research and Technology Park signed an agreement on the development of a cluster and execution of joint activity on 8 April 2016. After signing the agreement, the Lithuanian Maritime Academy, which is the only educational institution preparing specialists with maritime specialties in Lithuania, joined the cluster. The LNG cluster signed a cooperation agreement with one of the biggest Croatian universities, namely, the University of Rijeka. The latter agreement will ensure close cooperation in promoting the expansion of LNG-related studies and exchange in Lithuania. The contribution of the University of Rijeka, which has extraordinary and centuries-old traditions in LNG research and preparation of corresponding specialists, to the cooperation with KU will be a considerable step in creating, developing and opening the prospects of engineering studies related to LNG terminals in Klaipėda.

The idea of the cluster is supported by the Ministry of Energy and the Ministry of Education and Science. The

agreement made all parties to commit to cooperate by incorporating the potentials of studies and business which, in turn, determined the development of a new specialty in the port city. Taking care of social welfare in the port city AB Klaipėdos nafta will finance eight slots of the targeted study programme introduced in Klaipėda University (KU) – Liquefied Natural Gas (LNG) Terminal Engineering.

In the beginning of September 2016, the LNG cluster accepted a new member, namely, Emerson (USA) which became the first international partner of the cluster. By attracting an international partner, AB Klaipėdos nafta seeks to develop competences of the cluster and promote the occurrence of competences of modelling small-scale LNG terminal management systems. They would significantly increase the competitiveness of the cluster in the field of LNG distribution services and technology production.

Now LNG cluster unites 10 members.