

Press release  
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## **Grigeo Klaipėda confirms its legal liability and is creating a fund for the cleaning of the Curonian Lagoon**

Today, Grigeo Klaipėda confirmed that preliminary findings of an internal investigation launched yesterday show that the company is legally liable for environmental damage caused by the discharge of sewage into the channel which opens into the Curonian Lagoon. The company has relieved those responsible of their duties and will seek that the damage would be compensated as soon as possible, through effective communication and cooperation with law enforcement and responsible governing state authorities.

“Today I came to apologize for what happened at Grigeo Klaipėda and what was done to the Curonian Lagoon, Klaipėda, and Lithuania. It is inexcusable. Although formally I am a member of the Board of Grigeo Klaipėda, however, I am the president and biggest shareholder of the entire group, therefore this is my moral responsibility. That is why I am sitting here and not the managers of Grigeo Klaipėda, who are currently making every effort to clarify the situation in the port city. I apologize for minimum and erroneous communication yesterday and a day before yesterday, but the seriousness and scale of the situation made it necessary to understand and at least to clarify the situation,” said Gintautas Pangonis, President of Grigeo, at a news conference today.

He stressed that only the preliminary findings of the investigation launched yesterday are known so far, thus he does not know yet all the details and apologizes that he is unable to answer all the questions yet.

According to him, at the moment, the company’s investigation commission has determined that the pipe indicated by law enforcement is not additionally installed and does not bypass the treatment plant. It is a mandatory emergency flushing pipe and it is present in several cleaning facilities in Lithuania.

“So far we know that this pipe was used to discharge the sewage into the channel that leads into the Curonian Lagoon. We also know that this was partially treated sewage, all sewage had already undergone mechanical treatment and partial biological treatment. However, we do not yet know why the pipe was used improperly, how often, and how much sewage was discharged into the environment, this will have to be determined by both company’s internal investigation and that of the law enforcement. I disclose this information not to justify or deny the actions of the company, but to fulfill the promise of transparent reporting on the progress and results of the investigation. We will continue to do so in the future,” said G. Pangonis.

He announced that today, those responsible for sewage management at Grigeo Klaipėda are relieved of their duties. The decision was made not to dismiss the CEO as he has only been working at the company for 5 weeks, so based on the preliminary information he is not linked and was unaware of the activities in question.

Grigeo has also decided to immediately set up a fund for the cleaning of the Curonian Lagoon, which will fund independent expert studies on the water condition of the Curonian Lagoon, as well as other environmental initiatives.

“This situation is not only about technology but also about people’s mentality, and management. Therefore, in the near future, we will hire consultants or a specific sustainability and environmental

professional to work on Company's team of senior executives, who will have significant authority with the aim to forever get rid of any thinking that creates such situations," said G. Pangonis.

He acknowledged that the internal investigation may take time, because it will be necessary to analyze past documents, but he also expects assistance from the law enforcement.

"Our goal is to be as thorough as we can to fully understand the causes of this problem. This is the only way for us to be able to move forward," said G. Pangonis.