



SUSTAINABILITY REPORT 2019

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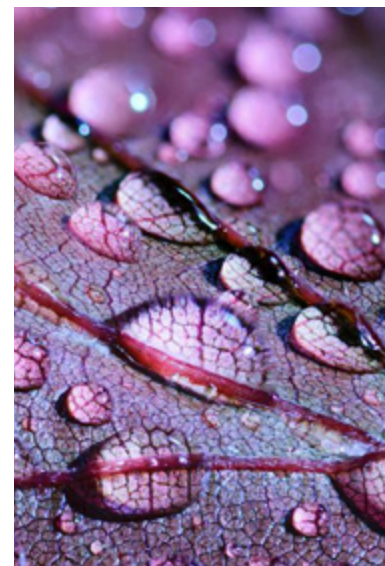
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CEO MESSAGE



RESPONSIBLE BUSINESS

Transparency and Anti-Corruption
Freedom of Expression
Personal Privacy
Diversity and Equal Rights
Attention to Employees:
Health and Safety
Work Conditions and Career
Added Values
Responsibility in the Market
Requirements for Suppliers



ENVIRONMENTAL PROTECTION

Reduction of Carbon Dioxide Emissions
Reduction of Daily Waste
Employee Engagement and Involvement
New and Sustainable "Home"
Involving Suppliers in Sustainable Activities



SHARED VALUE CREATION

Technology: Society's Involvement and Education
Innovation: New Services and Opportunities
Volunteering and Support
About the Report

WHO ARE WE?

WHAT IS TELIA LIETUVA?

Telia Lietuva is the largest telecommunications company in Lithuania, providing customers with a wide range of services – telecommunications, IT and television (TV). From smart TV on television screens and mobile phones, fastest fiber-optic (FTTH) Internet, the hybrid-type Internet to mobile signature, entertainment, and smart devices or complex solutions for business development, office equipment maintenance and IT security – we offer everything you need for your everyday life and successful business.

The majority of our customers are Lithuanian residents and businesses. We also provide services to local and international telecommunications operators.

We are part of the international Telia Company Group operating in the Nordic and Baltic countries. Towards the end of 2019, we have started preparing for the implementation of the New Operating Model, which will ensure even more synergy and efficiency for the companies of the Telia Company Group. The New Operating Model will bring together competences and capacities across the Telia Company Group, aiming to avoid duplication of tasks, to standardize processes, to create a common operating architecture and common services, to plan investments, and to make data and analytics-based decisions.

Telia teams in Estonia, Denmark and Norway have also embraced the New Operating Model together with Lithuania. This model is already applied in Sweden and Finland.

Telia Lietuva shares are listed on Nasdaq Vilnius stock exchange (ticker – TEL1L).

The Communication Regulatory Authority (CRA) of Lithuania has designated the company together with its related legal entities as an operator with significant market power (SMP) on eight markets.

The head-office of Telia Lietuva is located at Saltoniškių str. 7A, Vilnius. The company provides services throughout Lithuania.

WHAT IS TELIA LIETUVA GROUP?

TELIA LIETUVA, AB



100%

Telia Customer Service LT, AB

50%

VšĮ Numerio Perkėlimas

33.3%

UAB Mobilieji Mokėjimai

Telia Customer Service LT, a subsidiary of Telia Lietuva, and its Contact Centers are taking care of Telia Lietuva customers and providing Directory Inquiry service 118 in Lithuania. In order to optimise the structure of the Telia Lietuva Group, Telia Customer Service LT, AB will be merged into Telia Lietuva, AB.

VšĮ Numerio Perkėlimas, a joint not for profit organization established together with UAB Bitė Lietuva and UAB Tele2 (each holding a 25 per cent stake), in collaboration with UAB Mediafon from 1 January 2016 administers central database to ensure telephone number portability in Lithuania.

In December 2017, Telia Lietuva together with UAB Bitė Lietuva and UAB Tele2 acquired equal stakes (33.3 per cent each) in **UAB Mobilieji Mokėjimai**. The company created MoQ, an instant payments platform, in Lithuania. However, in March 2020 the shareholders decided to stop the operations of the company – the provision of payment services will be terminated on 18 May 2020.

What Is Telia Lietuva Group?

What Is Telia Company?

Our Business Strategy

Membership In Organisations

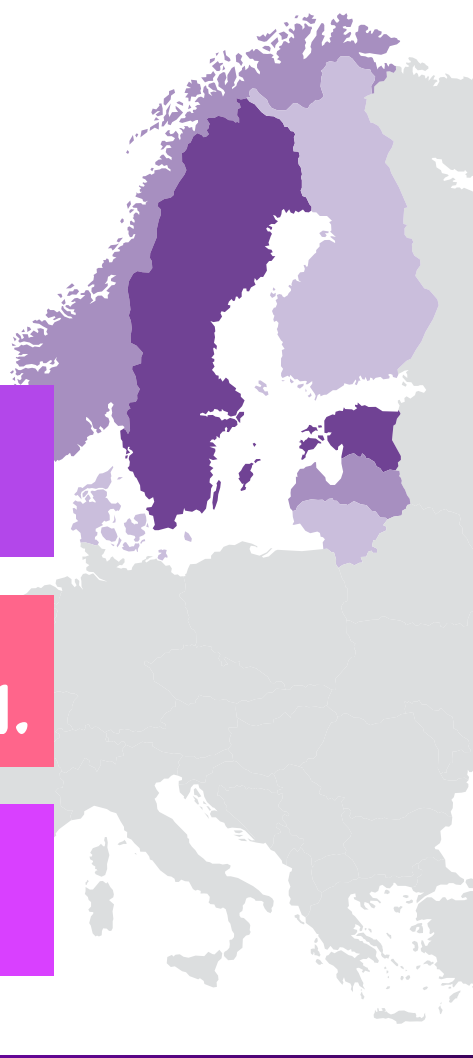
WHAT IS TELIA COMPANY?
































































































Telia Company is the New Generation Telco, providing and developing integrated telecommunications services. The communication services we offer connect millions of people who communicate, create and work.

Employees
20,800

Sales revenue
EUR 7.9 BILLION.

Subscriptions
24.2 MILLION



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Telia Company's market share estimate is based on the number of subscriptions.

📱 Mobile ☎ Fixed voice 📶 Broadband 📺 TV # Market position % Market share

What Is Telia Lietuva Group?

What Is Telia Company?

Our Business Strategy

Membership In Organisations

OUR BUSINESS STRATEGY

Our strategy is based on continuous development of our core business combined with investment in areas that help us maintain our leadership.

When developing our business strategy, we focus on the following three main areas:



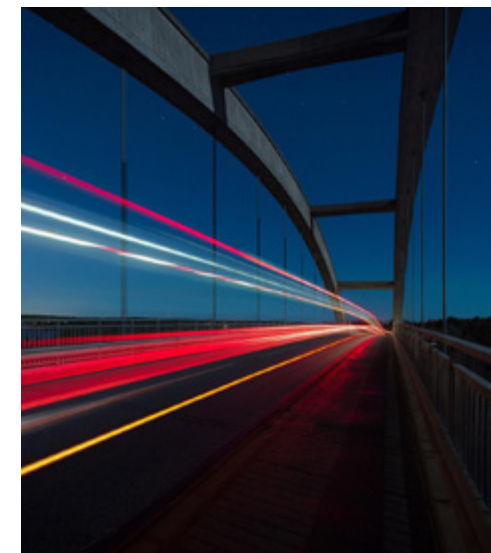
CONNECTIVITY LEADERSHIP

We continuously invest in the quality of connectivity to meet customer needs and ensure the best connection.



RELEVANT CUSTOMER VALUE

Internet access for home and office is the key direction of our business strategy, which we are constantly improving. We aim to provide our customer with the maximum package of services to meet both business and leisure needs.



SPEED, INNOVATION AND GREAT PEOPLE

The success of our business depends on quick response, innovation and, most importantly, the people around us. We constantly analyse the needs of our customers, implement innovations, and try to be the first to offer something that will give our customers even more opportunities and impressions.

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OUR PURPOSE IS BRINGING THE WORLD CLOSER

Our **purpose** is bringing the world closer and, with the help of technology, connecting as many people as possible. By having a quality and reliable connection, the necessary knowledge, and by increasing their technological literacy, people can improve, create, explore, share, and stay active. Technology is our passion and our customers are the main driving force. It is they who shape our goals and determine the decisions we make. Everything we do is united by the desire to bring the world closer together through technology.

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VALUES

In our daily work we are guided by 3 core values.



WE DARE TO

INNOVATE

by sharing ideas, taking risk and continuously learning.

LEAD

by engaging with our customers and challenging ourselves.

SPEAK UP

by expressing opinions and concerns.

WE CARE FOR

OUR CUSTOMERS

by providing solutions that are adapted to their needs.

EACH OTHER

by being supportive, respectful and honest.

OUR WORLD

by acting responsibly and in accordance with our ethical standards.

WE SIMPLIFY

EXECUTION

by taking actionable decisions and deliver with speed.

TEAMWORK

by transparent communication, active collaboration and knowledge sharing.

OUR OPERATIONS by efficient processes and clear ownership.

OUR APPROACH TO SUSTAINABILITY

Digitalization is a key factor for positive societal development and sustainable economic growth. But there are risks and legitimate concerns related to the negative impacts of digitalization. Telia Company has adopted a stakeholder-based approach to understand, manage and proactively communicate our positive and negative environmental and social impacts. We strive to be fully transparent and accountable, highlighting our successes but also when we are not meeting expectations.

At the core of our approach are two strategic pillars:

Shared value creation is about addressing societal and environmental challenges while creating business value;

Responsible business focuses on managing risk, minimizing negative impact and acting ethically and responsibly. These responsibilities extend through the value chain.

Supporting the approach are three critical success factors:

Board and management commitment – actively steering our sustainability agenda in order to create long-term sustainable stakeholder value;

Employee engagement – enabling all employees to contribute to positive digital impact;

Ethics and compliance – the foundation for ensuring responsible business practices.

BOARD AND MANAGEMENT COMMITMENT



RESPONSIBLE BUSINESS

Managing risk, minimizing negative impact and acting ethically and responsibly.



SHARED VALUE CREATION

Addressing societal and environmental challenges while creating business value

EMPLOYEE ENGAGEMENT

ETHICS AND COMPLIANCE

What Is Telia Lietuva Group?

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MEMBERSHIP IN ORGANISATIONS

We participate in the activities of the following
Lithuanian and international organisations:



TELIA LIETUVA IS ONE OF THE INITIATORS OF
ESTABLISHING THE INITIATIVE 'CLEAR WAVE'

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WHAT WAS THE YEAR 2019 LIKE FOR US?

In 2019, we successfully continued the works which were started and implemented new projects. We introduced a new Telia Lietuva image campaign to customers, strongly focused on improving our TV service and new high-quality content. As every year, we invested more than EUR 50 million into fiber-optic (FTTH) Internet access and 4G networks, the installation of IT systems and other system upgrades.

This allows us to focus on achieving our strategic targets of being a leading telecommunications company, creating real value for the consumers, being the first to respond to innovations, sharing them and being closer to the people around us – customers and employees.

ESSENTIAL INVESTMENTS:

EUR 52 MILLION

into fiber-optic access and 4G networks, IT systems and an ongoing business transformation program.

SERVICE INNOVATIONS:

Over the year, another **27 THOUSAND** new users started using the converged service offering “Telia One” (currently, over 60 thousand).

We introduced a unique opportunity for our customers to watch their favourite TV shows, movies and other content on their smartphones, computers or tablet PCs with the TV on the go service called **Telia Play**.

TECHNOLOGICAL
INNOVATIONS:

We developed narrowband Internet of Things (NB IoT) solutions for business.

Telia mobile data transmission speed was recognized to be the highest in Lithuania! Average mobile data speed* was

76.22 Mbps.

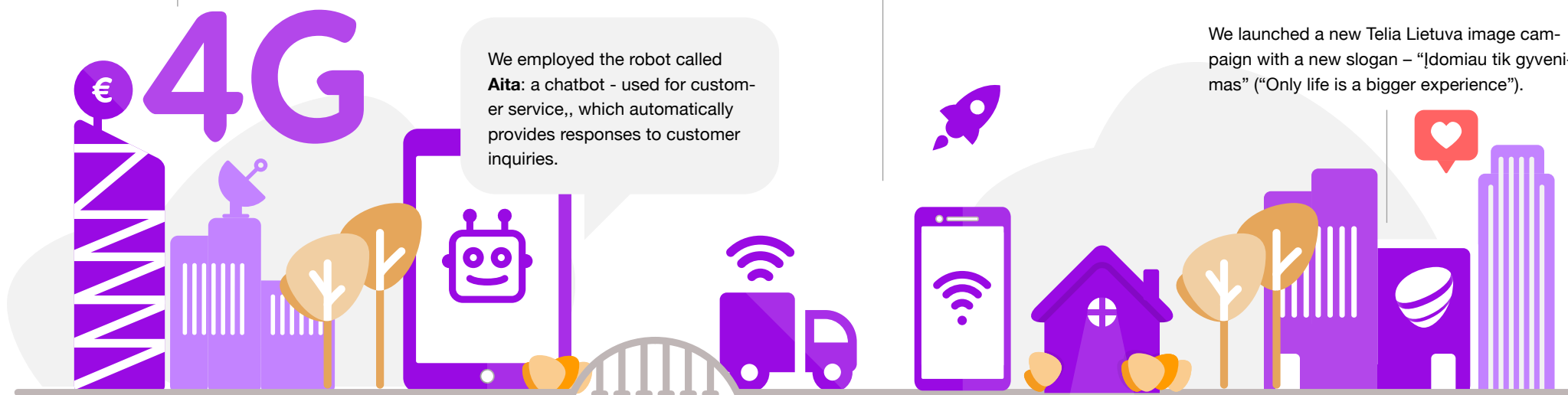
NEW VALUES FOR
EMPLOYEES:

We successfully moved and settled in a new, extremely sustainable head office building - around **1,200 EMPLOYEES** are working here on a daily basis.

We established the Telia's Schoolchildren's Club – an after-school activity club for employees' kids offering various educational activities and day camps to children during their school holidays

We launched a new Telia Lietuva image campaign with a new slogan – “Įdomiau tik gyvenimas” (“Only life is a bigger experience”).

We employed the robot called **Aita**: a chatbot - used for customer service,, which automatically provides responses to customer inquiries.



What was the Year 2019 like for us?

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* According to the data of measurements conducted by the Communications Regulatory Authority (CRA) in 2019.

WE LAUNCHED A NEW TELIA
LIETUVA IMAGE CAMPAIGN
WITH A NEW SLOGAN -

“IDOMIAU TIK GYVENIMAS”

(“ONLY LIFE IS A BIGGER EXPERIENCE”)

What was the Year 2019 like for us?

Key Figures of the Group

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VIDEO AD ▶

KEY FIGURES OF THE GROUP

(EUR million, unless otherwise specified)

	2019	2018	CHANGE (%)	
 Revenue	388.3	376.5	+3.1	↑
 EBITDA excluding non-recurring items	131	128.7	+1.8	↑
 EBITDA margin excluding non-recurring items (%)	33.7	34.2		
 Profit for the period	54.7	54.7	-	=
 Market capitalisation	742.8	643.8	+15.4	↑
 Mobile subscriptions, total (thousand):	1,347	1,389	-3.0	↓
 Broadband Internet connections (excl. Wi-Fi), total (thousand)	419	409	+2.4	↑
 Fixed telephone lines in service (thousand)	296	354	-16.4	↓
 IPTV subscriptions (thousand)	244	230	+6.1	↑
 Number of employees	2,336	2,733	-14.5	↓

What was the Year 2019 like for us?

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FINANCIAL FIGURES

REVENUE

Revenue breakdown (EUR million)

	2019	2018	CHANGE (%)
Mobile services	126.9	121.1	+4.8
Equipment sales	88.2	77.7	+13.5
Voice telephony services	49.7	59.1	-15.9
Internet services	56.6	57.8	-2.1
TV services	30.8	26.1	+18.1
Data communication and other network related services	18.7	19.1	-2.5
IT services	11.3	10.2	+11.0
Other services	6.1	5.3	+15.5
TOTAL	388.3	376.5	+3.1

22.7 % 

Equipment sales

32.7 % 

Mobile services

44.6 % 

Fixed communication services



B2B

39.4 %



B2C

59.2 %

What was the Year 2019 like for us?

Key Figures of the Group

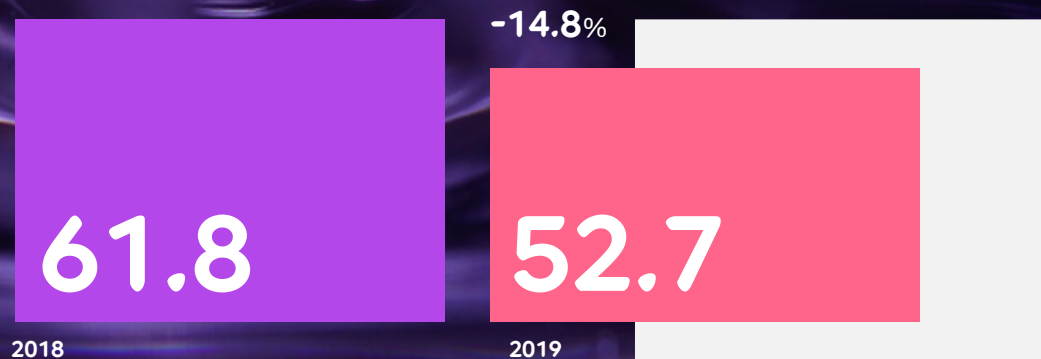
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INVESTMENT

(EUR million)



What was the Year 2019 like for us?

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Investment breakdown:
(EUR million)

24.4



Fixed network

11.4



Mobile network

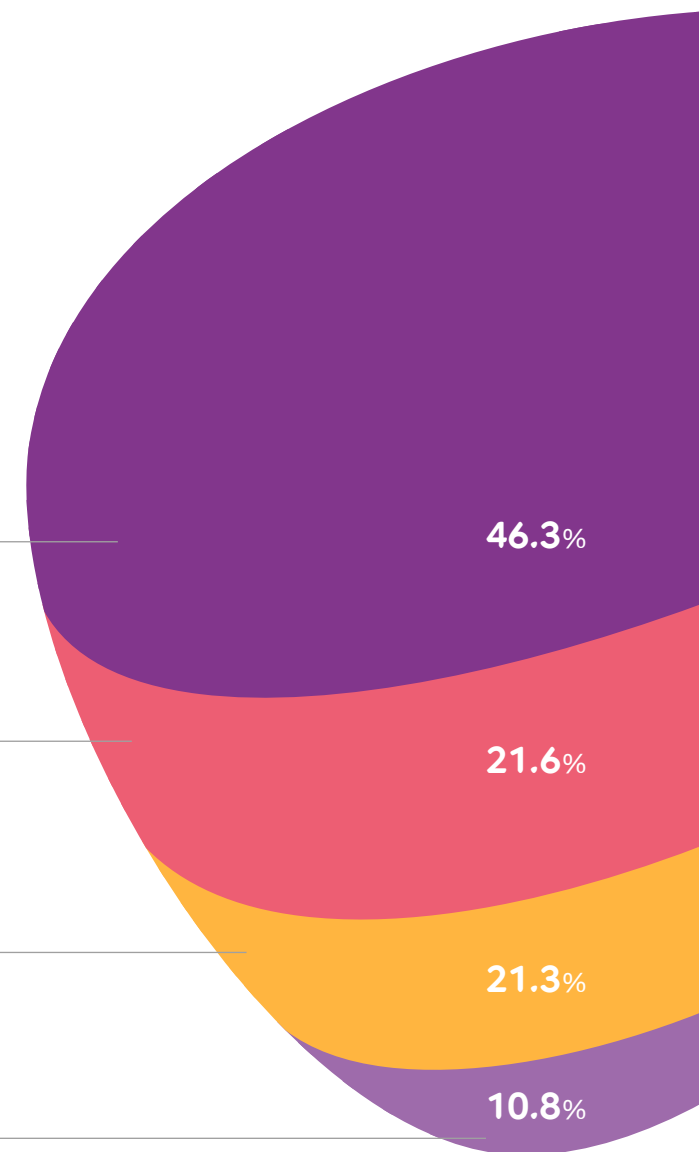
11.2



IT system

5.7

Other investments



CEO MESSAGE

Hi there,

Yet another year has passed and I'm happy to present you with another Telia Sustainability Report. You will all agree, that 2019 was the year when keywords "sustainability", "climate change", "environment" became bywords in any meaningful discourse. In fact, some even fear that their overuse might devalue their message and become ritual mantra.

At the same time, crucial leap from rhetoric to changes in everyday behavior, being it part of business operations or personal attitudes, have not materialized to the extent we desire. And it is natural – changes in our thinking and our actions take time, humans need to adapt, and they often choose to do it at the pace they are most comfortable with.

This is where we see us, Telia, technology leader in Lithuania and the Baltics, as making these changes as smooth and seamless as possible. We do it by changing ourselves and helping to change others through means we know and care about most – through innovation and technology.

We took every chance to address sustainability, diversity, inclusion, education at every available forum, including such high profile events as Nordic-Baltic Sustainability Forum hosted by the President of Lithuania or mass-attended discussion festival *Būtent! / Makes sense!*, where topics we suggest and our panel experts are becoming a regular feature.

One leads the change not only by raising awareness, one leads the change by making deeds. That's what we did by taking part in the Baltic Pride, by focusing on families, by setting internal goals inside the organization and meeting them, by furthering educational products which foster digital future and enable all social groups to enjoy it.

I've never expected to review year 2019 in such circumstances where we all find ourselves now. And it is obvious that this black swan pandemic makes us to ask ourselves – will our direction stay relevant in these troubled times? Will sustainability, diversity and education fade into the background against more pressing

demands to fight the virus and arrest economic downfall?

The answer is clear - no, they will not. Because in sustainability, in diversity and in education we find ways and means to free human ingenuity, to tap into our potential, to simplify what was thought complex and to solve what was thought intractable. Every obstacle we encounter makes us more resilient, more resourceful and more focus driven.

Therefore, I very much look forward to addressing you next year and share ongoing and forthcoming experiences about the year we all became even more bonded. Helped by technology, sustainability and diversity. All those things that makes future both human and digital.

DAN STRÖMBERG,
CEO of Telia Lietuva



RESPONSIBLE BUSINESS

Technologies are the present and the future. They connect millions of people around the world, help businesses grow, provide broader opportunities for learning and development, and become a bridge between different countries and cultures. Technologies make it easier to communicate, work, and build business relationships, and provide endless possibilities for entertainment.

We cannot imagine our lives without technologies; we work and improve them in order to provide even more possibilities. At the same time, we understand that using technologies must be responsible and safe. Therefore, we search for solutions and implement systems to ensure not only an unlimited world of possibilities, but also a safe one.

For us, responsible business means that we focus on risk management, reduction of negative impact, and ethical and responsible behaviour. These commitments apply throughout the value chain, and as part of our sustainability policy, we have identified the priority areas where we seek substantial change: transparency and anti-corruption, freedom of expression, personal privacy, employees: safety, health and education, as well as responsibility in the market.

Hence, for us, acting responsibly means:

- **Do more than required by law or other legislation;**
- **Act ethically, fairly and transparently in relation to the market, the environment, society and employees in order to create long-term value for them;**
- **Share experiences and constantly improve.**

We make effective use of our core competencies and business experience, and ensure sustainable profitability and growth in the pursuit of the United Nations Sustainable Development Goals (SDGs).

HOW DO WE ENSURE RESPONSIBLE BUSINESS?

We are a leading company providing telecommunications and IT services in Lithuania. In our activities, we aim to become not only leaders in the field of IT, but also an example in the areas of business management, sustainable and ethical activities. Therefore, the entire team of Telia employees adheres to [the Code of Responsible Business Conduct](#).

Our Code of Responsible Business Conduct publishes general guidelines for the company's policies and regulations, in accordance with which Telia conducts its operations. The Code of Responsible Business Conduct is like a 'compass of ethics', allowing employees to understand clear performance standards and expectations, and stating that fair business is our shared responsibility.

The Code of Responsible Business Conduct covers many areas of working practice – gifts and business hospitality, relations with civil servants, personal data protection, responsible procurement procedures and many other relevant areas. In addition to our internal commitments to ourselves and to each other, we are also members of the Lithuanian Responsible Business Association LAVA, which further commits us to respect and adhere to the principles of responsible and ethical business.



Other documents defining and giving meaning to the company's responsible activities:

ANTI-CORRUPTION POLICY

POLICY OF FREEDOM
OF EXPRESSION IN
TELECOMMUNICATIONS

PRIVACY NOTICE

OCCUPATIONAL HEALTH AND
SAFETY POLICY

SUPPLIER CODE OF CONDUCT

ENVIRONMENTAL POLICY

How do we ensure Responsible Business?

Transparency and Anti-Corruption

Freedom of Expression

Personal Privacy

Diversity and Equal Rights

Attention to Employees:

Health and Safety

Work Conditions
and Career

Added Values

Responsibility in the Market

Requirements
for Suppliers

TRANSPARENCY AND ANTI-CORRUPTION

We attach great importance to transparent and fair operations. We have a clear statement against any form of bribery and corruption. We adhere to the principles of free and fair trade, strive for open competition and ethical business conditions, and conduct our activities in compliance with the country's laws and regulations.

We have approved the documents which we adhere to and are guided by in conducting our activities:

- [Anti-Corruption Policy](#),
- Anti-Corruption Instructions and
- Anti-Corruption Guidelines.

Every year, we organise electronic anti-corruption training, introducing our employees to the company's anti-corruption policy and rules. During the training, colleagues analyse real-life examples that would allow identifying and assessing high-risk situations and offer advice on how to deal with them.

We follow extremely high standards in our operations and expect the same from our partners, because only open and fair cooperation can create socially responsible business activities. Therefore, we use an innovative Due Diligence Platform which helps us not only evaluate, but also maintain transparent relationships with our business partners.



We have launched **THE SPEAK-UP LINE**, enabling our employees, customers, business partners or suppliers to report any incidents of concern in relation to our operations.

WE ACT IN A TRANSPARENT AND ACCOUNTABLE MANNER:

according to Transparency International, the rating of Telia Lietuva is

96/100*

* More information:

<https://www.transparency.lt/en/businesses-have-become-more-accountable/>

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FREEDOM OF EXPRESSION

We protect and safeguard our customers' right to freedom of expression and privacy.

In our activities, we are guided by the

POLICY OF FREEDOM OF EXPRESSION IN TELECOMMUNICATIONS.

The primary purposes of this Policy are to reduce human rights risks, and to make sure our customers feel confident that Telia will – whenever possible – respect and safeguard their freedom of expression when we receive requests or demands from public authorities in relation to the surveillance and monitoring of communications.

In order to protect certain human rights, we will always carefully consider whether the defence of some rights will not violate other human rights and freedoms. The best way to achieve and ensure this is through procedures, according to which relevant information is provided to controlling entities only if there is an appropriate legal ground to do so, for example, on the basis of a court judgement.

How do we ensure Responsible Business?

Transparency and Anti-Corruption

Freedom of Expression

Personal Privacy

Diversity and Equal Rights

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Attention to Employees:

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PERSONAL PRIVACY

Ensuring personal privacy is the foundation of modern responsible business. It involves trust, responsibility, quality operations, and the reputation of the company as a whole.

ACTIONS WE TAKE TO ENSURE THE SECURITY OF OUR CUSTOMERS:



We have updated the [Privacy Data Security Policy](#);



We have also updated the Telia's Privacy Notice to make it even more understandable, clearer and simpler for our customers;



We periodically carry out a Data Protection Impact Assessment;



We apply appropriate technical and organizational security measures, for example, we are certified to the Information Security Standard ISO27001;



We pay special attention to data security when working with suppliers – we sign strict data processing agreements with them;



Privacy and data security trainings are mandatory for all Telia employees.

In 2019, we received two orders from the State Data Protection Inspectorate (SDPI) related to ensuring personal privacy:

1. To change the cookies notification.
2. To ensure that a person's credit-worthiness is not assessed before verifying the technical feasibility of providing services.

We implemented the above-specified requirements, and on our own initiative we also twice applied to the SDPI for clarifications related to the protection of personal data.

We believe that personal privacy and security are an integral part of human rights, and we are therefore committed to respecting the rights of every employee, customer or partner.

As a company, we believe that companies should disclose information about how human rights are respected, what processes and measures are in place to prevent human rights violations. For example, how a company's contracts with companies in its supply chain address human rights issues and how a company mitigates potential adverse effects on human rights and provides remedies in the event of human rights violations.

Telia is committed to a number of international guidelines on human rights, labour rights, anti-corruption and environmental responsibility:

- UN Universal Declaration of Human Rights
- Core conventions of the International Labour Organization (ILO)
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- UN Guiding Principles on Business and Human Rights
- UN Convention on the Rights of the Child

In addition, as part of the Telia Company Group, we adhere to [the Group Policy – Human Rights](#), which includes our commitment to respect and uphold human rights and outlines the key principles we must implement in our operations.

How do we ensure Responsible Business?

Transparency and Anti-Corruption
Freedom of Expression

Personal Privacy

Diversity and Equal Rights

Attention to Employees:

Health and Safety
Work Conditions and Career
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DIVERSITY AND EQUAL RIGHTS

At Telia, we prioritize people and their experiences. We always ask ourselves whether what we do will help promote diversity within Telia, whether it will help people get involved and share different experiences. It is different thinking and different ideas that add value and allow for development. We therefore believe in and support diversity and equal opportunities for all, both in the workplace and beyond.

We have developed and approved the [Telia's Policy – Equal Opportunities](#) - which promotes a culture of diversity and equal opportunities in the company. The aim of the Policy is to create a good working environment where all employees enjoy fair working conditions and to prevent discrimination and harassment.

The position of Diversity and Inclusion Coordinator has been established in the company for several years, which helps:

raise awareness of diversity and inclusion through training and communication tools;

create an environment which is favourable to diversity and inclusion in all internal processes, for instance, employee selection, remuneration review;

increase the involvement of different groups through partnerships, internal and external initiatives.

To ensure that all actions and measures are measurable and deliver real benefits, we have set clear priorities for equal opportunities:



100%

equal opportunities and life-friendly approach;



50/50

equal representation of genders at all levels of positions;



0%

no gender pay gap and zero discrimination and harassment.

We want to spread the values that foster equality and diversity even outside our organization, share our best practices with other Lithuanian companies, organizations and groups of people. Therefore, we have signed the Diversity Charter, which, together with other members of the Charter, aims to reduce discrimination against employees and to promote diversity and equal opportunities at work.



In 2019, we as a company boldly expressed our support for the Baltic Pride 2019 events, and the company's employees participated in the 'March for Equality'.



In 2019, Telia Lietuva sponsored the National Equality and Diversity Awards; we plan to join them in 2020 as well.



In addition, at the international level, Telia Company has been included in the Bloomberg Gender-Equality Index for its efforts and commitment to promoting gender equality in the workplace through internal policies, gender representation and transparency.

How do we ensure Responsible Business?

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ATTENTION TO EMPLOYEES: HEALTH AND SAFETY

OCCUPATIONAL HEALTH AND SAFETY POLICY

Since 2017, we have implemented the OHSAS 18001 Occupational Health and Safety (OHS) Management System Standard. This certificate confirms our responsible approach to occupational safety and certifies that the company's occupational safety and health policy meets the highest standards.



SAFETY AND HEALTH AT WORK

Our team employs more than 2 thousand employees. We strive to make them all feel safe. We organize occupational safety training periodically, but accidents at work cannot always be avoided. Fortunately, these are usually minor accidents that do not cause major harm to our employees' health. In 2019, two of our employees suffered accidents at work,

but serious injuries were avoided.

We understand the importance of disease prevention, therefore twice a year we organized a free eye check-up in our offices in Vilnius and Kaunas. In addition, we vaccinate employees against flu and tick-borne encephalitis at the expense of the company.

In 2019,

386

employees were vaccinated against tick-borne encephalitis

and

411

employees – against flu.



How do we ensure Responsible Business?

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Our employees also actively contribute to the blood donation campaigns we organize twice a year.

SAFETY TRAININGS

Knowledge and skills on how to behave in one or another dangerous situation can be critical and help prevent disasters at the right time. Therefore, we periodically organize various theoretical and practical trainings related to occupational safety for our employees.

In 2019, we organized evacuation exercises and training, which involved the participation of more than **1,000** Telia employees in total.

We organized first aid training for employees in major cities of Lithuania. A total of 6

training sessions took place, during which 150 employees from different cities were trained to provide first aid.

In 2019, we paid special attention to emergency management – we prepared an Emergency Management Plan, and later – a training course.

The Vilnius Fire and Rescue Board carried out inspections in some of our units, during which no discrepancies and violations were found.

More than

1,300

colleagues took part in e-learning on occupational health and safety.

Nearly

1,000

employees received fire safety training.

20

specialists took part in training for high-scalars.

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ADDITIONAL HEALTH INSURANCE

All employees of our company are insured against accidents from the very first day of their employment in the company. The insurance is valid not only during the working hours, but also at all times both in Lithuania and abroad. Therefore, our colleagues can feel safe even during their leave periods.

Employees also appreciate the additional health insurance, which applies to all employees as soon as they complete their probationary period and to Telia Customer Service employees who have worked not less than one year. We allow employees to choose one of the several insurance options offered for health care and promotion services.

During 2019,

2,465

employees of the Telia Lietuva Group benefited from the additional health insurance.

In addition, we give our employees the opportunity to take out health insurance for their family members on favourable terms.



ATTENTION TO EMPLOYEES: WORK CONDITIONS AND CAREER



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AWARD

IN THE ELECTIONS ORGANIZED BY THE
PORTAL CVMARKET.LT IN 2019, TELIA
LIETUVA WAS RECOGNIZED AS THE MOST
ATTRACTIVE EMPLOYER IN LITHUANIA.

REMOTE WORK



We also provide our employees with the opportunity to choose working outside Telia's office premises.

Employees may choose to work remotely – from home or another location – for medical, family, more efficient work and other objective reasons. If employees wish to take advantage of this opportunity, they must complete an application, which is to be approved by their line manager.

In 2019, 850 Telia employees chose to work remotely and worked as many as 9,600 days away from their workplace.

REMUNERATION SYSTEM

In determining the salaries of the Group, the following criteria are assessed: the qualifications and competencies required for particular positions, responsibility, complexity of work and contribution to the company's business activities, personal achievements and the salary level of similar positions in the market.

We apply the concept of a total remuneration. It consists of the following:

1. **FIXED BASE PAY**
(set individually and differentiated within the remuneration structure range);
2. **VARIABLE PAY**
(a variable part of the remuneration paid on the basis of performance);
3. **LONG-TERM INCENTIVES**
(programmes that promote long-term financial goals);
4. **BENEFITS**
(programmes that create social welfare, promote loyalty and complement the fixed and variable remuneration).

The structure and levels of remuneration for the members of the company's Management Team are supervised and governed by the Remuneration Committee of the company and approved by the Board.

Bonuses amounting to one monthly salary on average were paid to employees who had worked in the company for more than 3 months and had not received sales incentive pays.

Information on the salaries of Telia Lietuva employees (as of 31 December 2019):

Telia Lietuva	Number of employees	Average monthly salaries* (in EUR)
Managers	42	7,411
Middle level managers	153	2,848
Specialists	1,506	1,755
In total	1,701	1,993

All employees' remunerations are reviewed once a year.

In 2019, salaries were increased to **88%** of employees.

Following the review of the salaries of Telia employees, they were increased on average by **10,3%**.

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* Following the adoption of amendments to the Law on Personal Income Tax, from 1 January 2019 the social security contributions paid by the company (31.18% of the salary) were included in the total amount of the employee's salary, therefore the salaries of the employees were recalculated and increased 1,289 times, and the social security contribution paid by the company decreased to 1.77% of the salary.

PROFESSIONAL AND PERSONAL DEVELOPMENT

In addition to the basic and mandatory trainings that our employees have to attend, we regularly organize additional trainings for improvement, development or acquisition of new skills.

In 2019, we offered our employees trainings and seminars in various areas:

- “Neuro-perspective on Change” and “Meaningful Dialogue” program;
- Diversity training: 3 sessions, which involved the participation of 150 senior executives;
- “Equality and Non-Discrimination ABCs for Employees”, aimed to raise awareness of the benefits of equal opportunities, regardless of the disability, gender, age, nationality, sexual orientation, gender identity or religion of employees or customers;
- Training for managers and recruitment specialists (human resources specialists) – “Impartial recruitment”;

- In our office in Šiauliai, we organized a discussion led by lawyer Rugilė Butkevičiūtė on the topic “Gender equality – a Profitable Investment” and opened a photography exhibition “Faces of Diversity”;
- Personal goal setting seminar.

During 2019, about

800

employees attended trainings on various areas.

We constantly promote the professional development of our employees and provide them with opportunities to study.

In 2019, study leaves were granted to 30 employees of Telia Lietuva and Telia Customer Service and amounted to 335 days (including paid and unpaid leaves).

STUDENTS AND TRAINEESHIPS

In 2019, 48 trainees completed their traineeships in our company. We involved our young colleagues in the company’s daily activities and work. Most students did their traineeships in Finance, IT and Human Resources Units.

CAREER DAYS

We regularly participate in various events for students and school pupils. We present our activities, share experiences and insights, and invite them to do their traineeships in our company.

In 2019, we participated in career days organized by universities and colleges. We met with students from the Vilnius University, Vilnius Gediminas Technical University, ISM University of Management and Economics, Kaunas University of Technology, Vilnius College, Kaunas College, and Stockholm School of Economics in Riga.

We participated in several traineeship forums for school pupils in Lithuania and the United Kingdom.

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ATTENTION TO EMPLOYEES: ADDED VALUES

COLLECTIVE BARGAINING AGREEMENT

In 2019, negotiations on the renewal of a Collective Bargaining Agreement between the company and the unified trade union representation were launched. During the voting on the entry into force of the agreement, an absolute majority of the employees voted in favour, and the agreement entered into force on 1 February 2020.

The Collective Bargaining Agreement, which recently entered into force, includes the following benefits for the employees:



Employee rights and choice opportunities;

Support and sponsorship for professional development;

Employee assessment and evaluation;

Flexibility and balance between work and personal life;

Employee health promotion.

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PENSION SAVINGS

We take care of the financial well-being of our employees and contribute to the accumulation of their savings for old age.

Telia Lietuva employees, who have been working for more than one year, are offered to participate in our internal pension savings program 'Kaupk su Telia' (Save with Telia).

The point of this program is that the funds allocated by the employer are accumulated in one of the Pillar III pension funds of SEB Investment Management selected by the employee. In addition, employees can also contribute to their pension savings accumulation with their own funds by transferring an additional percentage of their salary to this fund. In this case, Telia also transfers an additional contribution to the pension fund corresponding to the portion of the salary the employee pays.

In 2019, **1,028** employees
participated in the 'Kaupk su Telia'
(Save with Telia) program.

SOCIAL NEEDS FUND

Telia Lietuva has established the Social Needs Fund, the purpose of which is to improve the culture of the organization and contribute to the implementation of the social needs of employees in accordance with the regulations of the Fund.

The Fund's obligations:

- To fund initiatives involving employees' children;
- To allocate bonuses to long-term employees on the occasion of 20, 30 and 40 years of their continuous record of service;
- To provide a benefit in case of a family disaster – loss of a family member, in a difficult financial situation due to significant financial losses, etc.;
- Support initiatives promoting the improvement of employees' health: rent of sports facilities and grounds, organization of sports events, etc.

In 2019, we allocated
EUR 78.8 thousand
for the above-mentioned purposes.

SCHOOLCHILDREN'S CLUB

We understand how important but sometimes difficult it is to reconcile work and family life, so in 2019 we launched a new and unique initiative in the market – we established a special **Schoolchildren's Club** for school-age children of Telia employees.

The club is intended for children of the company's employees from 6 to 12 years of age. It currently operates in Vilnius and Šiauliai.

In the club, children, together with their supervising specialists, can do their home-

work, relax and play. They are also involved in various creative and educational activities. The club focuses on environmental protection and sustainability topics, which are the priority activities of Telia's shared value, such as friendly living in cities, proper waste sorting, and so on.

Telia also takes care of the engagement of employees' children during school holidays and organizes all-day camps – trips and meetings with interesting people, who introduce school-children to various professions, teach handicrafts and other fun and engaging things.



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FAMILY DAY

The families of our employees are a part of our company, so we have a tradition of bringing together as many of them as possible for interesting and meaningful activities, communication in an informal environment.

We organized the Family Day three times during the year 2019. We invited our employees to bring their children to work, introduce them to their job, and show the workplace. We organized lectures for children about safe internet, and a brain battle competition.

We are glad that our initiatives for families have been noticed and appreciated: at the National Responsible Business Awards 2019, we received an award for the comprehensive nurturing of employees' family responsibilities.

AWARD



Telia Lietuva was recognized as the "Most Family-Friendly Workplace 2019" in the category of large companies.



CULTURE HUBS

In 2019, at the initiative of employees, the movements of like-minded people, called Culture HUBS, were established. They bring together different communities of colleagues who have met through their hobbies or dreams to try something new. Telia Culture HUB is a great opportunity to fulfil oneself or bring one's ideas to life. There are currently the groups of employees that bring together enthusiasts of sports, computer games, events and other areas.

RESPONSIBILITY IN THE MARKET

We feel the responsibility towards society and apply the highest standards so that the information we spread does not mislead consumers.

Every day we communicate with a wide range of different people – with existing and potential customers, investors and capital market participants, influencers, the media, analysts, public authorities, representatives of various governmental and non-governmental organizations, the business community, our partners and employees. Whoever we communicate with, we follow the communications rules approved by the Group

In addition, we have been working with the Advertising Self-Regulatory Association Advertising Bureau for more than

10 years

already and adhere to the Code of Ethics for Advertising.

In 2019, the company did not receive any fines for misleading advertising or infringements of competition.

We seek that complaints received from customers are resolved promptly and peacefully. Nevertheless, in 2019 customers applied to appropriate responsible authorities 4 times, but no investigations of violations were initiated. In 2019, we received 1 warning from the State Consumer Rights Protection Service regarding insufficiently clear information on the technical possibilities to provide services at a specific address.

Specialized training was organized to improve the competencies and knowledge of the employees responsible for marketing and promotional communication.



REQUIREMENTS FOR SUPPLIERS

Our work and business is impossible without the suppliers and partners we work with day by day. It is very important to us that our suppliers understand responsible business in the same way as we do and set the same high standards for their operations.

For that purpose, we have prepared the [Telia Supplier Code of Conduct](#), which our partners must sign when concluding agreements. It is a document that clearly defines the provisions and operating principles that our partners and suppliers must follow. This Code covers a wide range of areas, including human rights in a broad sense, employees' rights, anti-corruption provisions, fair competition, aspects of environmental protection, etc.

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ENVIRONMENTAL PROTECTION

We care about the surrounding environment, in which we live and work, and which we will leave for future generations. Therefore, one of the main directions of our sustainability activities is environmental protection.

We believe that both small decisions and big steps can contribute to a healthier and cleaner environment and we, Telia, are concerned about the environment not only ideologically, but also have certified our activities according to the special ISO Environmental Management Standard.

We have set

DARING GOALS



– by 2030, we will
strive to become
one of the greenest
telecommunication
companies in the world.

Environmental Protection

Reduction of Carbon Dioxide Emissions

Reduction of Daily Waste

Proactiveness and Involvement of Employees

A new and Sustainable “Home”

Inclusion of Suppliers to Sustainable Activities

To this end, we aim to:

reach carbon neutrality
throughout the value
chain –



zero CO₂

achieve zero waste from
our own and network
operations –



zero waste

involve all employees in
these activities –



action

To achieve this goal, special working groups have been set up – energy, supply chain, shared value creation, finance, buildings and real estate, transport, digital waste, etc.

In our activities, we have outlined key environmental aspects which are the most important for the company: energy consumption, waste, operating wastewater, CO₂ and other emissions into the environment, electromagnetic radiation, noise generated by equipment, use of raw materials for infrastructure development.

Each year, responsible employees in the company's assess these areas, their implementation and present the results on how the specific environmental impact has been reduced. This allows us to keep track of our actions, make the necessary decisions, and, if necessary, change the established environmental protection tactics.

Since 2017, Telia has implemented the
ISO 14001
Environmental Management System.

We also have the following official documents related to the environmental protection – the Code of Responsible Business which contains a separate section called “Environmental Protection” and “Environmental Policy”.

REDUCTION OF CARBON DIOXIDE EMISSIONS

Although we announced our daring goals only in 2019, we have been reducing our carbon footprint for several years already. To achieve this goal, we use the following measures:

Use of the Kyoto Cooling technology at Telia data centers. Compared to conventional cooling technologies, this technology allowed to reduce CO₂ emissions by 700 tons and electricity consumption by 650,000 kWh per year – this amount of electricity would be enough to ensure power to more than 500 Lithuanian households for a year. Already now we use part of the warm air from the data center to heat the company's premises;



Use of an intelligent “sleep” program, which shuts down part of the base stations in the network during low load, thus saving up to **10%** electricity;

Use of free-cooling systems in other technical premises of Telia. We save up to **45%** of the electricity consumed by the compressors. By the end of 2019, an additional 100 conventional air conditioners were shut down;

Currently, more than **64%** of the entire Telia Lietuva transport fleet meet the Euro6 emissions standard;

We encourage employees to use not their personal cars, but CityBee cars (a substantial part of which are electric), and during the warm season – bicycles, scooters.

100% renewable electricity use;

Environmental impact assessment is integrated into almost all project planning and investment evaluation;

Environmental Protection

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All the above measures and steps allowed us to reduce the pollution tax in 2019 by more than half – as much as **64%**, compared to 2018.

REDUCTION OF DAILY WASTE

In our daily lives, we use a lot of things that turn into waste, although it would be really easy to avoid that. Paper invoices, printed insignificant documents – all these usually go to general waste containers, although they could be sorted and handed over for recycling.

These are small steps we can take in order to contribute to reducing pollution, but they are of big importance for the environment around us.



In 2019, we reused over 40 thousand units of equipment, an increase by 12.5% compared to 2018;



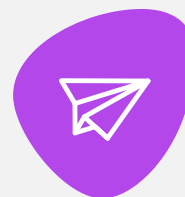
We contributed to a widespread coffee grounds campaign organized by Paulig which promoted the collection of used coffee grounds and their conversion into green energy. In total, almost 50 tons of used coffee grounds were collected during the campaign, from which about 28,000 kWh of green electricity was produced and used to lighten up the installations of the Vilnius Light Festival.



REDUCTION OF PAPER CONSUMPTION

Although we cannot yet completely eliminate the use of paper because not all of our customers have access to the Internet, the amount of paper saved can be called a truly effective achievement towards zero daily waste.

IN 2019, WE:



reduced the number of paper invoices sent to customers by **20 thousand**;



reduced the volume of printed documents by **36.5%** compared to 2017;



reduced the consumption of paper by **658,500** sheets of paper compared to 2018.

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PROACTIVENESS AND INVOLVEMENT OF EMPLOYEES

Our company has more than 2,000 employees from all over Lithuania. They are enthusiastic and responsive, contributing in their own way and as much as they can to the promotion and fostering of sustainability ideas. It is important to us that all colleagues contribute to sustainability activities, so we encourage and motivate them in a wide variety of ways, creating good mood, new experiences and providing knowledge. This brings gratifying results.

Four times a year, we organize global events, during which we involve all employees of the Telia Group:

400 GB of digital waste

During the Digital Cleanup Week, we deleted unnecessary electronic data. In Lithuania, we removed 400 GB of digital waste from work computers, servers and other devices used by our employees. A total of 4,824 GB of such waste was cleaned up in 7 countries.



During the exclusive event, called mapathon (from the English word “map”), out of all Telia Group companies we traced and mapped the largest number of objects – 8,229 buildings and 125 km of roads.



During the United Nations’ Sustainable Development Week, we organized various engaging discussions and lectures on sustainability, shared with colleagues what Telia had already done in the area, and how each of us can contribute to building a greener tomorrow together.

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AWARD

IN 2019, THE TELIA TEAM WON THE TITLE OF THE MOST ACTIVE COMPANY.

So not only did we effectively reduce CO₂, but we also became more active.

We are constantly looking for inspiring stories and examples here in Lithuania, because nothing is more contagious than other good examples. In 2019, we organized internal lectures for employees on our daring goals – zero waste and zero CO₂. Interesting guest speakers not only shared their ideas and achievements, but also proposed very concrete everyday ways in which each of us can improve ourselves both at work and in our personal lives and contribute to achieving Telia’s sustainability goals.

A NEW AND SUSTAINABLE “HOME”

In 2019, a large group of our team moved to a new head-office building in Vilnius, which is a benchmark of sustainability probably in whole Lithuania. We can enjoy not only modern work-places, spacious meeting rooms or comfortable rest areas, but also highly responsible and sustainable solutions that make our office “green”, and the investments made are already paying off.

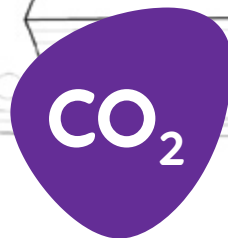
WORKING IN A MODERN OFFICE WE:



consume **50%**
less water



consume **40%**
less energy



emit **32%**
less CO₂



The new building is also distinguished by other unique features, such as:



use of rainwater for sewage;



generation of electricity by powerful solar collectors installed on the roof;



we encourage employees to go to work by using more environmentally friendly means, so we have made sure there are enough of charging stations for electric vehicles and safe parking spaces for bicycles.

In addition, the building's developer and the construction company had undertaken to work as sustainably as possible – as much as **85%** of construction waste was safely and properly recycled.

Environmental Protection

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Reduction of Daily Waste

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INCLUSION OF SUPPLIERS TO SUSTAINABLE ACTIVITIES



It is important to us not only what environment we create, but also how our partners and suppliers behave. So we set high standards not only for ourselves, but also for others – we choose to work with those whose approach to sustainability matches with ours. After announcing our daring goals in 2019, we sent letters signed by the CEO to more than 200 Telia Company suppliers inviting them to join the journey. We want that by 2022, suppliers would have a plan in place for reaching zero CO₂ throughout their supply chains by 2030. Over time, this requires working closely with thousands of vendors and subcontractors to integrate the environmental agenda into their operations.

All suppliers working with Telia must sign the Supplier Code of Conduct, which sets out specific environmental requirements (such as substances that are prohibited or should be avoided by the supplier in the production of the products supplied to us) – we ask them to comply with the requirements responsibly, and sometimes we carry out on-site audits.

Environmental Protection

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When conducting public procurement, we also include environmental requirements that must be met by service providers and the products they offer:

CO₂

All new suppliers must complete an additional questionnaire on their CO₂ impact on the environment and on the measures that will be taken to reduce this impact. This questionnaire will be used as one of the selection criteria;

CE

We foresee in the procurement documents that all equipment supplied to Telia must be certified and have at least the CE mark, which means that the product manufactured in Europe or elsewhere meets the safety, health and environmental protection requirements of the European Union;

While choosing the equipment it must be taken into account its electricity consumption costs while calculating the total cost of ownership. In this way, we aim to purchase equipment that uses less electricity.

We are glad that our partners in Lithuania consider such requirements not as an obligation, but as an important contribution of each business to the development of sustainable activities; therefore, they share their good practice and knowledge and actively contribute to our initiatives.

SHARED VALUE CREATION

By carrying out our daily activities, we create business value that is felt by our customers, employees and shareholders. But at the same time, we are putting a lot of effort and investment into shared value creation that will benefit the wider society, especially its vulnerable groups – children, elderly people and others. It is important for us to be an active member of the community, engaging in meaningful initiatives, sharing our knowledge, preventing threats, helping to discover new opportunities.

We have more than one project for this purpose. Additionally, we also contribute to the implementation of other good ideas, because we believe that much more can be achieved together.

To address the important challenges of today, Telia currently focuses on the following three key areas:

- **Environmental protection**
- **Innovation**
- **Quality of life**

TECHNOLOGIES: SOCIETY'S INVOLVEMENT AND EDUCATION

Increasingly more we work, study, entertain, communicate and maintain contacts in the digital space. However, with more opportunities come more challenges and new threats, which also exist in the digital world. We, as the largest communications provider in Lithuania, identify and prevent part of the “invisible” risks even before our customers can realize this – Telia fends off hundreds of Internet (DDoS) attacks every day. We teach the society – children, parents, seniors, and business – to identify some of them and how to protect themselves against such attacks. Our initiated projects, assistance to partners, law enforcement authorities, and direct communication with customers contribute to the digital literacy of Lithuanian society. It is important for us that technologies create value and make life with them even more interesting.

Technologies: Society's Involvement and Education

Innovations: New Services and Opportunities

Volunteering and Support

About the Report

CONNECTING EVERYBODY, EVERYWHERE

We strive to ensure that our customers do not have to limit themselves or have negative experiences while using the Internet. We are constantly investing in the implementation of new systems and the improvement of the existing ones.

In 2019, We Invested

Eur **52.7** Million,
of which as much as EUR 35.8 million went into fiber-optic Internet and 4G development.

76.2
Mbps

We are proud to offer our customers the fastest mobile Internet access in Lithuania (according to the data of the Communications Regulatory Authority (CRA) for 2019).

4G

During 2019, we installed and launched 532 new 4G base stations. We have a total of 3,525 of them.



We are also continuing to rapidly expand the development of fiber-optic Internet: about 1,300 kilometres of fiber-optic cable were laid in 2019, with a total length of almost 34 thousand kilometres already.

HEALTHY AND SAFE SOCIETY

In order to protect our customers' data and property from malicious people, we constantly cooperate with the Lithuanian police and law enforcement authorities and make every effort to ensure security.

47

copyright-infringing
websites were blocked

36

illegal financial actions
were blocked

124

gambling websites
were blocked

consumer rights
violations were prevented

Technologies: Society's Involvement and Education

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About the Report

ONLINE SAFETY OF CHILDREN AND TEENAGERS

For more than five years now, we have been the flag-bearers of a very important topic today – the safety of children and teenagers online. We are fundamentally interested in this topic – we cooperate with psychologists, educators, experts in computer games and other areas, teachers, parents, and influencers. We conduct annual surveys of children in the Baltic and Nordic countries to better understand the challenges that young members of our society face online, how they assess threats, whether they receive the help they need, etc. Consistency and deeper insights allow us to do more to make children feel safer in cyberspace, parents to better understand their children and to be able to find a common language, and teachers and the educational community to be able to become more involved and provide better advice.

THE INITIATIVE 'AUGU INTERNETE' (GROWING UP ON THE INTERNET)

Our project 'Augu Internete' (Growing Up on the Internet) has been present for 5 years already. Its mission is to talk to students, teachers and parents about online safety. To do this, we first of all use the help of our volunteers – Telia employees – who prepare necessary materials and are happy to travel all over Lithuania and meet with school pupils in

special lessons on online safety.

During 2019, we visited 23 Lithuanian schools and met with more than 1,000 children.

Throughout the whole duration of the project, we have met with more than 85 thousand children in Lithuania.

To keep our lessons and the materials provided to schools relevant and responsive to the latest trends, we are constantly updating them together with professionals. In addition, at the end of 2019 and at the beginning of 2020, we

organized 'Augu Internete' new joiners events, during which we attracted almost 50 enthusiastic employees of Telia Lietuva from all over Lithuania, ready to join the 'Augu Internete' programme and travel around Lithuanian schools. During the events, the newcomers not only met with an expert in children's psychology, but also learned to improvise, and got to know more about behavioral psychology.

Currently, the 'Augu Internete' volunteer team consists of 59 people and there is continuous interest from other colleagues who want to join.



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SAFER INTERNET WEEK

Every year we celebrate the Safer Internet Week, the main date of which is the International Safer Internet Day announced on the initiative of the European Commission. It was first celebrated in Europe in 2004. In 2019, Europe has been celebrating this day for 15 years already. In Lithuania, the International Safer Internet Day was first celebrated in 2006.

During the Safer Internet Week in 2019, we met with 100 children in Lithuanian schools, held creative workshops, during which the children created videos about safe online behavior with Plotagon, a simple animation app.

On this important day, we also inform the public and the media. Therefore, every year we prepare interesting materials for them. In 2019, we involved two famous Lithuanian mothers in the project – cooking TV show presenter and book author Beata Nicholson, and writer Lavija Šurnaitė, who shared their experiences and advice on how to take care of children's safety online. They also reminded of the importance of talking to children about the Internet, computer games and finding the best balance between digital and real life.

CHILDREN'S ADVISORY PANEL (CAP)

It is important for us to hear the children's opinion as well – this allows us to see situations through their eyes, to understand how children and teenagers behave online, how they identify potential threats. In 2019, we continued to strengthen this dialogue and, before the start of the summer holidays, visited 5 Lithuanian schools, where we met with more than 120 school pupils. During the meetings, we held discussions with the children on a new topic – **computer games and e-sports**.

The data collected has shown that:

56% of the children play computer games at least once a week;

17% of them are interested in e-sports.



Realizing that computer games are a frequent cause of disagreement between children and parents, we decided to dispel certain myths about computer games and help parents better understand this topic. We invited Artūras Rumiancevas, an expert and critic in computer games, and together with him we prepared a memo for parents - "Children and Computer Games". In the memo, according to the

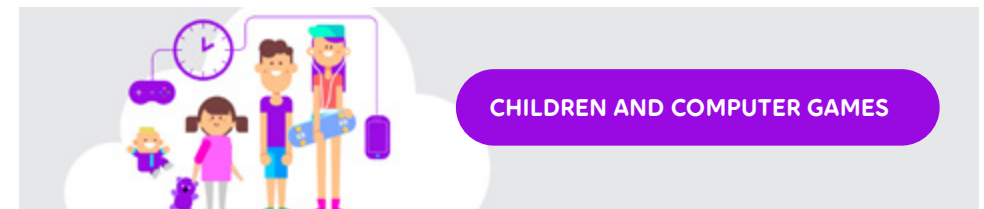
age groups of children, we provided recommendations on how many and what kind of games children are recommended to play, what is important to pay attention to, how to find an agreement with children, and how to forestall risks. The electronic memo has been published by most of the country's news portals, and it can also be found on the website of the project 'Augu Internetė'.

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BIT&BYTE CREATIVE TECHNOLOGY CLASS

We also do not forget the children of our employees whom we fully involve in useful activities and educational projects. In 2019, we prepared a creative programming class for them – a great way to get children interested in technology and programming through playing games. A total of 44 children participated in

the class, and their feedback was extremely positive.

The Vilnius-based Creative Technology Academy *bit&Byte*, which promotes children's technological curiosity and technological literacy, helped us to prepare the class.



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OTHER MEASURES FOR CHILDREN

'**Vaikų Kampelis**' (**Kids' Corner**) is a safe environment on Telia TV specially created for children, the settings of which are regulated by parents – content filtering options, time limitation, educational and entertaining content selected specifically for children.

In 2019, almost

10 thousand
customers used this service.



ŠOKIAI POKIAI



GAMTOS VAIKAI

'**Gudrutis**' (**Super-G**) is a children's watch with a GPS tracking device that allows children to feel like real superheroes and helps parents keep track of the location of their children.

In 2019, more than 2,000
parents bought this watch
for their children.



WOMEN'S INCLUSION IN IT

The field of information technologies has long ago ceased to be a purely masculine profession. The former attitude has been forgotten, and women successfully pursue careers and demonstrate excellent performance in the IT field. We promote this not only within our organization but also externally. Therefore, for the third year in a row, Telia contributed to the first mentoring and counselling programme in Lithuania for women seeking a career in the technology sector – 'Women Go Tech'.

During the program, mentors and experts from various technology companies in Lithuania, including people from the Telia Lietuva team, shared their knowledge and experience with the programme participants.



'Women Go Tech' achievements in 2019:

170

programme
participants;

251

alumni members
for the first three
seasons;

A team of almost

200

experts and mentors,
including **7 employees**
of Telia Lietuva.



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Also, on the occasion of the International Women's Day, we organized an open door day for women and girls in our office, and our employees could also bring their children to work and introduce them to the technology business.

REDUCING THE EXCLUSION OF THE ELDERLY

Every day, Telia Lietuva engineers visit hundreds of customers to install Internet, solve problems and take care of the quality of services provided. They often have a talk with the customers they visit, especially if they are of a respectable age, lonely, and have no one to talk to. We realized that we can and should use the visits of our engineers for another good purpose – reducing the exclusion of elderly people.

Therefore, in 2019, at the initiative of our employees and together with the toll-free telephone line of friendship, communication and emotional assistance for the elderly 'Sidabrinė linija' (Silver Line), a joint project, was born.



Engineers in Alytus and Marijampolė, visiting the customers' homes, not only were able to take care of the quality of services provided, but they were also competent to assess whether people of a respectable age felt lonely or lacked close communication. They had the Silver Line's leaflets and could provide elderly customers with basic information about the project and its benefits. At the end of the year, Utena, Tauragė and Šiauliai regions joined the pilot project.



Such an initiative is enjoyed not only by seniors, but also by the engineers themselves, who bring additional joy for our customers of a respectable age with their visits. During the last months of 2019, our engineers distributed more than

300 leaflets.

We will continue our cooperation in 2020 as well.

The Silver Line unites more than 2 thousand elderly people who have found like-minded people and communicate with them by phone on a regular basis. The project is also assisted by 300 volunteers, who have talked by phone with lonely elderly people on various issues more than 30,000 times. The total duration of calls is nearly 700 thousand minutes.

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PROJECTS WE SUPPORT

We are one of the largest employers and technology leaders in Lithuania, therefore, we feel obliged to set an example in other areas of life as well. We stand for an open society, so in 2018 we became ambassadors of the Diversity Charter, and in 2019 we expressed

our public support for the **Baltic Pride** march 'For Equality!'. We believe that people have the right to feel happy being themselves, and this march was a great opportunity to remember that. About 100 employees of our company and their families took part in the march.



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In 2019, we joined the sponsors of the non-traditional discussion festival 'Būtent!' ('Exactly!') and, together with more than 400 speakers, participated in various discussions. The goal of the festival is to promote a culture of discussion and listening in the country, tolerance for different opinions or attitudes, civic involvement, and to improve the quality of decisions which are important for the society.

During the festival, together with colleagues and like-minded people, we discussed computer games - their threats and opportunities, the habits of watching legal content on the Internet, the subtleties of the younger generation entering the labour market and the topics of climate crisis. The four discussions we proposed and organized attracted a lot of attention from the festival's visitors and spread widely to social networks and the media.

We participated in the **Diversity Charter conference**, where together with other participants, we shared our achievements and lessons learned during the first years of the Charter's existence.

FOCUS ON THE BUSINESS COMMUNITY

We have many like-minded people, partners and colleagues in the world of technologies. We are happy to participate in various conferences and events where we can share our accumulated knowledge and discuss the digital world around us with our colleagues, introduce our customers to emerging innovations and the latest trends.

In February 2019, we organized our own conference **Technology Day 2019**, which was attended by more than

300
company representatives.

During the conference, we introduced 5G communication technology, its benefits for business, and talked about IT security in business. The conference was also attended by the Ministry of Economy and Innovation and the Ministry of National Defence, who shared their insights and innovations in these areas of technology.



At the end of 2019, the **Nordic-Baltic Sustainability Forum 2019** was held, which focused on cooperation between the state and business in the field of circular economy. Telia Lietuva representatives participated in a panel discussion where we talked about the daring goals set by our company and the journey towards their implementation.

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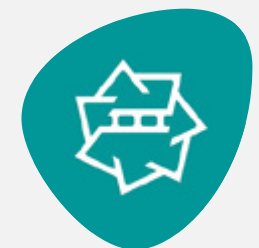
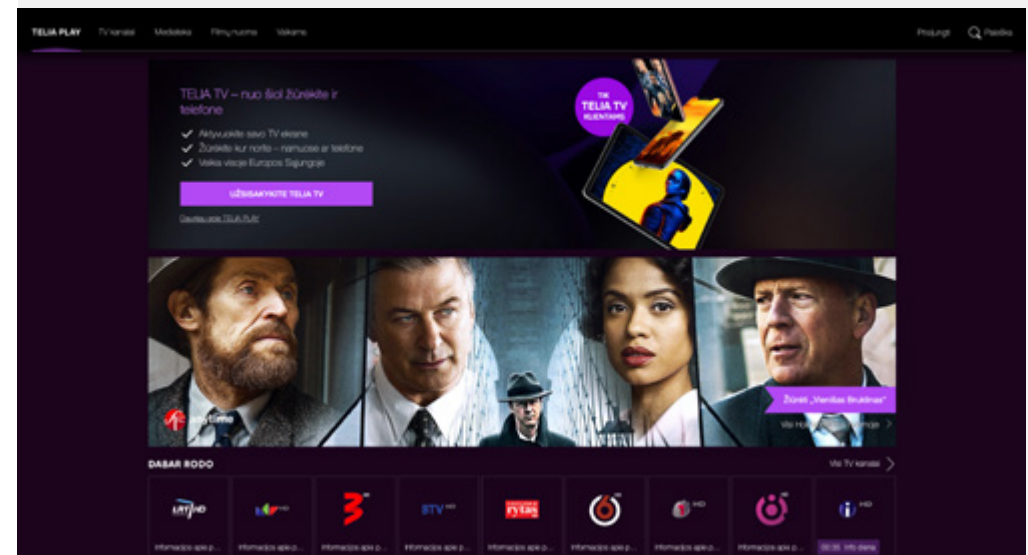
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INNOVATIONS: NEW SERVICES AND OPPORTUNITIES

Sometimes it may seem that everything has already been created – we have ultra high-speed Internet access, we can use it no matter where we are, smart phones replace computers or cameras and have long ago become more than just phones for calling and texting. However, there is always room for improvement. We are constantly looking for new areas and niches that are relevant to our customers, developing new services that address new needs and challenges, and introducing the latest technological innovations in Lithuania that are relevant to both business and residents.

In the second half of 2019, we began to intensively implement and test an innovation in the Lithuanian market – **the narrowband Internet of Things (NB IoT)**. The narrowband Internet of Things technology introduced in Lithuania for the first time is a platform that will allow businesses and the public sector to develop next-generation services and improve the existing ones without making any significant investment. NB IoT offers unique benefits and advantages over other Internet of Things technologies. For example, narrowband Internet equipment sends less data and does that less frequently, thus is more durable, making the production and maintenance of its devices cheaper. Some NB IoT sensors can operate, buried deep underground, embedded in building structures or the like, for up to 10 years without any maintenance and without recharging or replacing batteries.

At the end of the year 2019, we offered another innovation to all our smart TV service users – the TV on the go service called **Telia Play**. The service is available on phone, tablet or PC screens and offers 30 TV channels, exclusive HBO TV content and other favourite smart TV services and features. Most of the channels on Telia Play are broadcast in extremely high HD resolution, and on this platform users can order and watch movies from the Vilnius International Film Festival “Kino Pavasaris” as well as the latest video-on-demand movies. As with regular smart TV, a Telia Play media library of missed TV content will be available for viewing for 14 days.



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VOLUNTEERING AND SUPPORT

YOUNITE
OUR MOVEMENT



Volunteering is one of the best ways to be close to the community. We encourage employee volunteering, and we have set up a programme called YOUNITE. Our goal is that, throughout the year, all members of the Telia Lietuva team – from executives to customer service specialists – contribute, through volunteering, to any social activities relevant to them. All employees willing to contribute to social activities are provided the possibility to volunteer

eight hours of their work time a year.

Employees choose volunteering activities according to the areas that are close to them and usually contribute to projects such as 'Augu Internetė' (Growing Up on the Internet), various sustainability and environmental activities, organize our internal events, family days and other activities.

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GOODWILL PROJECTS – OUR SUPPORT

We granted a 100% discount on the short numbers for the following campaigns:

- the support campaign and a concert "Gelbėkit vaikus" ("Save the Children");
- the support project "Išsipildymo akcija" ("Fulfillment Campaign").

In 2019, we signed 12 financial support agreements with a total value of more than EUR 33 thousand.

IN 2019, TELIA LIETUVA PROVIDED FINANCIAL SUPPORT TO THE FOLLOWING ENTITIES:

- Trade Union of Telia Lietuva Employees;
- Lithuanian Communication Employees Trade Union;
- Association Investors' Forum (for the Baltic Investors Forum conference);
- VšĮ Geros Valios Projektai;
- VšĮ Diversity Development Group;
- VšĮ Naujųjų Religijų Tyrimų ir Informacijos Centras (for organising the National Equality and Diversity Awards);
- Vilnius College (for the Electro LAN event);
- Transparent business labelling initiative 'Clear Wave';
- VšĮ Talantai Technologijos (for the mentoring programme 'Women Go Tech').

Also, in 2019, in response to various requests, we provided support in the form of equipment, services, and furniture. The support was provided to the following organisations:

- Vilkipėdė Hospital;
- Druskininkai Hospital;
- Public organisation "Save the Children";
- VšĮ Geros Valios Projektai.

ABOUT THE REPORT

This report presents the activity of Telia Lietuva, AB and Telia Customer Service LT, AB (hereinafter referred to as the Group) in 2019. A sustainability report is produced once a year and published along with the annual performance results.

In this report, the Group provides non-financial information on responsible business to its stakeholders: clients, shareholders, investors, employees, suppliers, business and social partners and the general public.

Preparation of this report has been inspired by the Guidelines G4 of the Global Reporting Initiative (hereinafter - the GRI) of the United Nations, as well as the requirements applicable to telecommunications companies. G4 Guidelines are recommended internationally as one of the most advanced methodologies for non-financial reporting intended to measure and provide information to both internal and external stakeholders.

Also, in preparing the report, recommendations of the Association of Responsible Businesses of Lithuania (LAVA) have been taken into consideration regarding information that should be provided by the responsible business. The report is publicly available on the corporate website and is therefore accessible to all groups concerned. Information about publication of this report was also provided to investors in notices disseminated by the stock exchange.

The report is not audited. The annual report is not printed. Only this e-version is available in Lithuanian and English on the website www.telia.lt and the website of stock exchange Nasdaq Vilnius along with the annual financial statement.

Stakeholders are always welcome to submit their comments, feedback and questions. Please submit them by email: birute.eimontaite@telia.lt.