

TELIA LIETUVA 2018 SUSTAINABILITY REPORT



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WHAT IS TELIA LIETUVA?

Telia Lietuva is the largest telecommunications company in Lithuania that provides telecommunications, IT and TV services from a single source. From the smart TV, mobile signature, music, entertainment, and smart devices to complex solutions for the growth of business, office equipment maintenance and IT security – we offer everything you need for your everyday life and successful business. Most of our customers are Lithuanian residents and businesses. We also provide services to local and international telecommunications operators.

WE ARE PART OF INTERNATIONAL TELIA COMPANY GROUP OPERATING IN THE NORDIC AND BALTIC COUNTRIES. CREATING TOGETHER, SHARING EXPERIENCES AND IDEAS, WE DO OUR BEST SO THAT TECHNOLOGY WOULD HELP YOU TO MAKE YOUR LIFE AND WORK EASIER, MORE CONVENIENT AND COLOURFUL.

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 in Lithuania.

The head-office of Telia Lietuva is located at Lvovo str. 25, Vilnius. The company provides services throughout Lithuania.

WHAT IS TELIA LIETUVA GROUP?

TELIA LIETUVA, AB

Telia Customer Service LT, UAB

100%

VšĮ Numerio perkėlimas

50%

UAB Mobilieji mokėjimai

33.3%

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.

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 the central database to ensure telephone number portability in Lithuania.

In December 2017, Telia Lietuva together with Bitė Lietuva and Tele2 acquired equal stakes (33.3 per cent each) in UAB Mobilieji Mokėjimai, a company creating a common instant payments platform in Lithuania.

WHAT IS TELIA COMPANY?

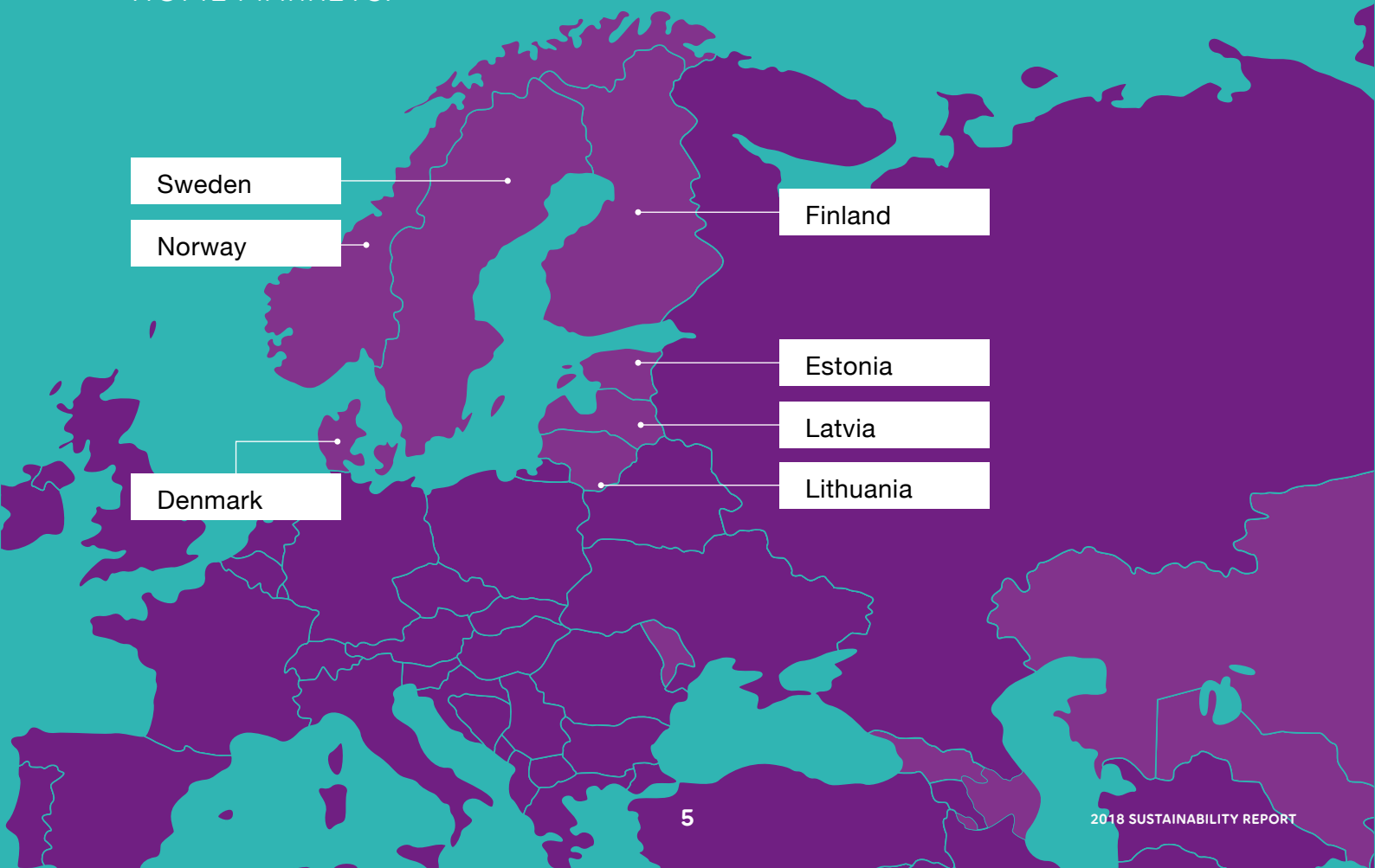
The international Telia Company Group is the New Generation Telco and service provider, offering IT, fixed and mobile communication, digital television and Internet services. Its core markets are the Scandinavian and Baltic countries, where it has a solid base for communications and IT services, and Telia Company's businesses hold leading positions.

6.7 BILLION
EUR REVENUE

24 MILLION
SUBSCRIPTIONS

20,400
EMPLOYEES

HOME MARKETS:



OUR BUSINESS PHILOSOPHY

**OUR PURPOSE IS BRINGING THE WORLD CLOSER –
ON THE CUSTOMER'S TERMS.**

Our values are our compass, guiding us how to act and behave in our daily work.



WE DARE TO:

INNOVATE

by sharing ideas, taking risk and continuously learn.

LEAD

by engaging with our customers and challenging ourselves.

SPEAK UP

by expressing opinions and concerns.

WE CARE FOR:

OUR CUSTOMERS

by providing solution 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.

MEMBERSHIP IN ORGANISATIONS

WE PARTICIPATE IN THE ACTIVITIES OF THE FOLLOWING LITHUANIAN AND INTERNATIONAL ORGANISATIONS:



TELIA LIETUVA IS ONE OF THE INITATORS OF ESTABLISHING THE INITIATIVE CLEAR WAVE.

WHAT WAS THE YEAR 2018 LIKE FOR US?

The year 2018 was very important in that we strongly focused on the management of the most important business platforms, as well as offered a lot of service innovations to our customers, and invested more than EUR 60 million into network development, innovations, system upgrades, etc.

THIS ALLOWS US TO FOCUS ON ACHIEVING OUR THREE ESSENTIAL STRATEGIC TARGETS – ENSURE THE BEST CUSTOMER EXPERIENCE, PURSUE TECHNOLOGY AND NETWORK LEADERSHIP, AND CONTINUE THE DIGITALISATION JOURNEY.

IMPORTANT EVENTS OF THE YEAR

BUSINESS MANAGEMENT NEWS:

Dan Strömberg was appointed the new CEO of Telia Lietuva.

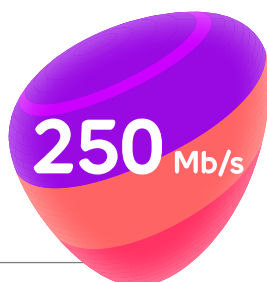


Telia Lietuva upgraded IT and business management systems.



SERVICE INNOVATIONS:

Telia Lietuva presented Super VDSL (S- VDSL) technology, allowing to use up to 250 Mbps Internet via copper lines.



Telia Lietuva presented 'Smart Home' solutions in Lithuania.



Telia Lietuva launched the provision of the smart TV (IPTV) via the mobile 4G LTE network.



Telia Lietuva smart TV (IPTV) users were offered the opportunity to order and watch HBO series and movies.

TECHNOLOGICAL INNOVATIONS:

Telia was the first in Lithuania to launch new generation 5G connectivity by demonstrating a new record of 1.8 Gbps speed in active network.



AWARDS



THE COMPANY OF THE CENTURY

For capital investments – more than EUR 1.4 billion since 1992 – into development of telecommunications, creation of value for all stakeholders and contribution to the country's progress, Telia Lietuva was named The Company of the Century by the association Investors' Forum.

THE MOST DESIRABLE EMPLOYER

For the second consecutive year, Telia Lietuva became the Most Desirable Employer of the Year (Verslo Žinios).



AWARDS FOR BUSINESS-TO-BUSINESS (B2B) SERVICES



Telia Lietuva became the first IT company in the Baltic States awarded by the software giant SAP – Advanced Level Certification, allowing to serve IT systems of the largest enterprises of the world.



Microsoft recognized Telia Lietuva as its partner of the year in Lithuania. This award was given having assessed the innovations offered by Telia Lietuva and its cutting-edge Microsoft technology-based solutions.



Telia Lietuva earned Platinum Partner certification from Hewlett Packard Enterprise, confirming that Telia Lietuva specialists have the highest IT competence, and the company is capable of successfully implementing large IT systems installation and development projects.

KEY FIGURES OF THE GROUP

| | 2018 | 2017 | CHANGE |
|--|--------------|---------------|-----------------|
| Revenue (EUR million) | 376.5 | 368.6* | + 2.1 % |
| EBITDA excluding non-recurring items (EUR million) | 128.7 | 123.2* | +4.5 % |
| EBITDA margin excluding non-recurring items (%) | 34.2 | 33.4* | |
| Profit for the period (EUR million) | 54.7 | 50.1* | + 9.2 % |
| Capital investments (EUR million) | 61.8 | 63.8 | - 3.1 % |
| Market capitalisation (EUR million) | 643.8 | 561.6 | +14.6 % |
| Mobile service subscriptions (thousand) | 1 389 | 1 352 | +2.7 % |
| Broadband Internet connections (excl. Wi-Fi) (thousand) | 414 | 408 | + 1.5 % |
| IPTV services customers (thousand) | 230 | 211 | + 9.0 % |
| Fixed telephone lines in service (thousand) | 354 | 416 | - 14.9 % |
| Number of employees (headcount) at the end of the period | 2,733 | 3,027 | - 9.7 % |

**Note. Following the adoption of International Financial Reporting Standard 15 (IFRS 15) in 2018, the Company restated financial data for the year 2017.*

More information about the Company's performance and financial results and indicators for the year 2018 is available here:
FINANCIAL RESULTS FOR THE YEAR 2018

REVENUE

REVENUE BREAKDOWN (EUR MILLION)

| | 2018 | 2017 RESTATED* | CHANGE |
|--|--------------|----------------|---------------|
| Mobile services | 121.1 | 107.0 | + 13.2% |
| Equipment sales | 77.7 | 69.1 | +12.5% |
| Voice telephony services | 59.1 | 76.3 | - 22.6% |
| Internet services | 57.8 | 58.4 | - 0.9% |
| TV services | 26.1 | 23.8 | + 9.5% |
| Data communication and network capacity services | 19.1 | 19.1 | - |
| IT services | 10.2 | 9.6 | + 6.6% |
| Other services | 5.3 | 5.3 | - |
| Total | 376.5 | 368.6 | + 2.1% |

**Note. Following the adoption of International Financial Reporting Standard 15 (IFRS 15) in 2018, the Company restated financial data for the year 2017.*

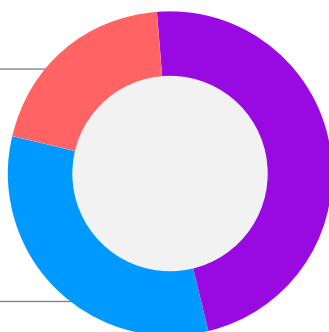
2018 REVENUE BREAKDOWN

20.6%

Equipment sales

32.2%

Mobile services



47.2%

Fixed communication services



B2B

41.2%



B2C

58%

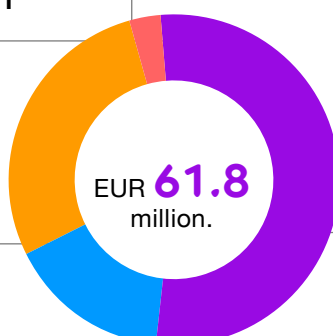
2018 INVESTMENT BREAKDOWN

EUR **17.2** million

IT systems

EUR **9.8** million

Mobile network



EUR **1.9** million

Other investments

EUR **32.9** million

Fixed network

HI THERE!

One of the driving forces behind changes in the modern world is technologies. Kilobytes reshape our habits and petabytes – our customs. However, as with any challenge technologies give and challenge. Eventually, it all depends on us how we would like to use it.

Digitalisation and sustainability have become bywords in today's corporate playbook. Yet, how to make them present not only in speeches but in action as well?

Since we are nearest to technologies and their impact on life, we have a clearer view where their effect is the most beneficial. Likewise, we see on which fields we should focus ourselves in order to achieve tangible results. Such as bridging the digital divide and improving quality of life and making the internet safer and education smarter. All these areas are essential since any sustainable business cannot exist outside the cleaner and purer world. Technologies help to drive our visions of a cleaner, safer, more exciting life. Our solutions connect cities, communities and things. They enable to spot issues in the blink of the eye and correct mistakes. They put education and healthcare to the next level. And there are many more of them.

The more diversity, liberty, knowledge and skills will be in our lives, the bigger is our chance to see tomorrow brighter than today. And we don't always need grand projects to that end; we simply need plain but regular steps.



Therefore, we always ask ourselves – will it advance diversity inside Telia? Will it engage our people into devising and implementing solutions within the company and beyond? Will it integrate society into the digital world? Will it help to grasp key issues and provide tools to address them?

And when we answer – yes, it will, then, full steam ahead. It exhilarates to carry on the unfinished business and commence with new endeavours.

Next year will see us doing new things. In the meanwhile, here is what we did in 2018.

DAN STRÖMBERG,
CEO of Telia Lietuva

WHAT DOES RESPONSIBLE BUSINESS MEAN TO US?

Technologies inspire and drive us. Why? Because we are sure that technologies and the possibilities they provide enable people to communicate with each other in an easier and simpler way, to gain new knowledge, information and quality entertainment, to act, improve and develop their business successfully, etc. That is why, by working every day, we are searching for and implementing exclusive solutions and taking care that technologies reduce digital and social exclusion among groups of different age, gender, educational background, nationality, etc.

But at the same time we realize that, while we create a digital world and society where progress is measured in gigabits, we also must not forget the physical environment that surrounds us and the existence of difference and diversity in society.

For us, responsible business has two very important elements. First, it is a consistent growth of the company carried out by taking into account economic, social and environmental issues. Second, it is assuming responsibility for short-term and long-term consequences resulting from its activities.

HENCE, 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.

OUR MAJOR PRINCIPLES OF SUSTAINABLE ACTIVITIES:

1. Transparency and anti-corruption
2. Freedom of self-expression
3. Personal privacy
4. Employees: safety, health and education

5. Responsibility in the market
6. Environmental protection
7. Child safety on the Internet

HOW DO WE ENSURE A RESPONSIBLE BUSINESS?

We are the largest telecommunications and IT company in Lithuania. We want to be an example for others not only in the context of technology leadership, but also in the areas of business management, sustainable and ethical activities. That is why all employees of Telia follow the [Code of Responsible Business Conduct](#).

The Code of Responsible Business Conduct is not just a simple set of rules. This document is a guideline that helps us evaluate different work-related situations, provides valuable recommendations on how to behave in one or another situation, and helps us make the right decisions. The Code of Responsible Business Conduct covers areas of gifts and business hospitality, relations with civil servants, personal data protection, responsible procurement procedures and many other relevant areas.

In addition, we have committed to respect the principles of responsible and ethical business, and our membership in the Lithuanian Responsible Business Association (LAVA) gives meaning to that.

Telia Lietuva has also integrated into its business strategy the All In approach of Telia Company. It has four main directions, where it is important for us to make a positive impact every year and to achieve tangible results.

FOUR DIRECTIONS OF THE ALL IN APPROACH:

CONNECTING
THE UNCONNECTED

EDUCATION FOR ALL

DIGITAL ENTREPRENEURSHIP
AND INNOVATION

A HEALTHY AND SAFE SOCIETY

OTHER DOCUMENTS DEFINING AND GIVING MEANING TO THE COMPANY'S RESPONSIBLE ACTIVITIES:

- [Anti-Corruption Policy](#)
- [Policy of Freedom of Self-Expression in Telecommunications](#)
- [Privacy Notice](#)
- [Occupational Safety and Health Policy](#)
- [Suppliers' Code of Ethics](#)
- [Environmental Policy](#)

1. TRANSPARENCY AND ANTI-CORRUPTION

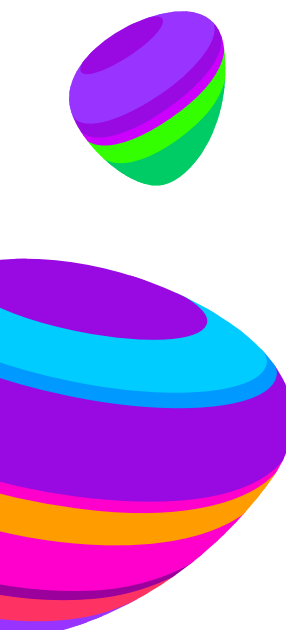
We are committed to comply with the highest standards of business ethics, since that is very important for us. We advocate free and fair trade, strive for open competition and ethical conditions, and comply with the country's laws and regulations. We have a clear statement against any form of bribery and corruption.

A TRANSPARENCY RESEARCH OF THE MEMBERS OF THE CLEAR WAVE INITIATIVE CONDUCTED IN 2018 REVEALED THAT WE ARE ONE OF THE LEADERS IN THE AREA.

TELIA LIETUVA TRANSPARENCY RATING

100%

Clear Wave is a business-labelling initiative to promote transparent business practice in Lithuania. The transparency research of the members of Clear Wave and its evaluation methodology are based on the practice of the organisation Transparency International.



All of the company's employees also follow the documents approved by Telia Lietuva – Anti-Corruption Policy, Anti-Corruption Instructions and Anti-Corruption Guidelines.

We organise annual electronic anti-corruption training. During the on-line training we present our company's anti-corruption policy and rules, and provide our colleagues with real-life examples that would allow identifying high-risk situations and offer advice on how to deal with them.

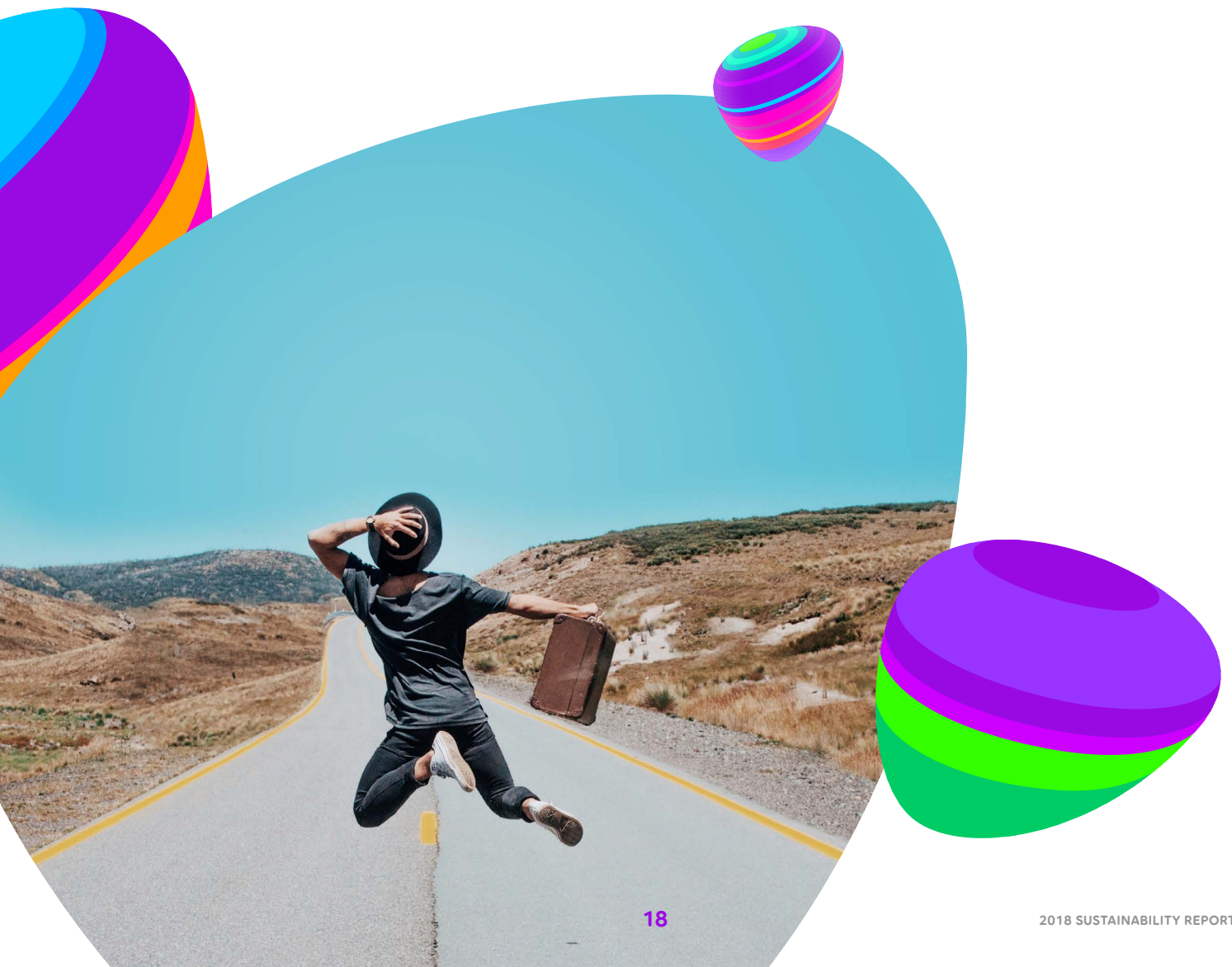
We expect our partners to apply the same principles as we do so that together we create a socially responsible business. Therefore, we are using an innovative Due Diligence Platform which helps us not only evaluate, but also maintain transparent relationships with our business partners.

2. FREEDOM OF SELF-EXPRESSION

BY OBSERVING THE STANDARDS SET FORTH IN INTERNATIONAL LAW, WE PROTECT AND DEFEND THE FREEDOM OF OUR CUSTOMERS' SELF-EXPRESSION.

For this purpose, we have approved the Policy of Freedom of Self-Expression in Telecommunications which clearly defines the action we would take if the authorities and law enforcement institutions restricted human freedom of self-expression, e.g. if they required monitoring of customer communication or limit access to communication.

Even in cases where the directives or obligations of the state authorities related to limitations are usually based on legal requirements, e.g. in order to protect particular human rights, we will always carefully observe whether while defending some rights other human rights and freedoms are also respected. The best means to achieve this are precise and detailed procedures under which relevant information is provided to controlling entities only if there is an appropriate legal basis, e.g. according to a reasoned judgment (sanction).



3. PERSONAL PRIVACY

On 25 May 2018, the new General Data Protection Regulation (GDPR) entered into force across the European Union. Its objectives are to enhance the level of data protection for individuals whose personal data is processed and to increase business opportunities in the digital single market. Although the concepts and principles of this Regulation were generally in line with the legislation on the protection of personal data which had been previously in force in Lithuania, it provided for some important innovations and changes. We started preparations for them responsibly and in advance – as far back as in 2016.

During our preparations for the application of GDPR, we performed an inventory of all available data in order to determine what personal data of our customers were processed, and in which systems and business processes, for what purposes and on what legal basis they were processed. We developed solutions tailored to the specifics of our operations and IT needs – we invested a lot of hours and finances into that.



OUR MAIN STEPS TO ENSURE SECURITY OF PERSONAL DATA OF OUR COMPANY'S CUSTOMERS:

We have updated Telia [Privacy Notice](#), in which we provide, in a user-friendly, simple and comprehensible manner, detailed information on personal data processed, data processing purposes, customer rights and how to implement them, etc.;

We systematically 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 take care that our suppliers (data processors) also adhere to high security standards – we sign strict data processing agreements with them, an important part of which are detailed data security requirements;

All employees of Telia Lietuva take part in mandatory privacy and data protection trainings.

4. EMPLOYEES: SAFETY, HEALTH AND EDUCATION

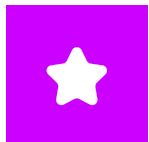
OCCUPATIONAL HEALTH AND SAFETY POLICY

In 2018, Telia Lietuva extended the validity of the Occupational Health and Safety certificate (OHSAS 18001). This certificate confirms that our company's management system meets the highest standards and demonstrates a responsible approach to occupational safety.

SAFETY AND HEALTH AT WORK

We are a large company with more than 3,000 employees. We strive to make our team feel good and safe at work every day. For this purpose, we take a variety of measures – we organize occupational safety training, etc. Unfortunately, accidents at work cannot always be avoided: in 2018, there were 5 accidents, all of them suffered by Telia Lietuva employees due to their own negligence. It is important to us that most of those cases were not very serious.

Taking into account the needs of employees and contributing to their health promotion, we continue to organize exercise sessions, vaccination campaigns, etc. We see that the continuity of such measures produces good results. According to the latest data, the morbidity of employees in the company continues to decline.



IN 2018, THE RATE OF PEOPLE WHO WERE INCAPABLE OF WORKING DUE TO ILLNESS WAS LOWER THAN A YEAR AGO – 2%.

In 2008, everybody willing to get a vaccination against flu, and, for those working in the field – against tick-borne encephalitis, could do so at the expense of the company.



IN 2018, EMPLOYEES OF THE GROUP RECEIVED THE FOLLOWING VACCINATIONS:

261
against flu

288
against tick-borne
encephalitis

HEALTHY LIFESTYLE

For many years, Telia Lietuva has been encouraging its employees to choose healthy lifestyle and active leisure. We therefore support our employees who want to participate in various sporting events and competitions – marathons, bicycle races, kayak fiestas, football, volleyball training, etc. Every year, we encourage more and more people of our team to join, because activities such as these are good not only for improving stamina and physical condition, but they are also a great opportunity to have an enjoyable time out with colleagues.

ADDITIONAL HEALTH INSURANCE

For several years now, Telia Lietuva employees have been appreciating the benefits of additional health insurance they receive.

Telia Lietuva health insurance applies to all employees of Telia Lietuva as soon as their probationary period is over and to employees of Telia Customer Service



Employees can choose from 4 additional health insurance plans, depending on which they get corresponding benefits in the areas of dentistry, sports and medicine. By using additional health insurance, employees can fully or partially compensate for the costs of visits to doctors, medical or preventive tests, dental and sports club services, health promotion services offered by sanatoriums, and other health improvement or enhancement services.



IN 2018, 2,117 EMPLOYEES OF TELIA LIETUVA GROUP BENEFITED FROM THE HEALTH INSURANCE.

Another exclusive feature is that we give employees the opportunity to take out health insurance for their family members on favourable terms.

KAUPK SU TELIA (SAVE WITH TELIA)

We take care of the financial well-being of our employees. Telia Lietuva employees, who have been working for more than one year, can participate in our special 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 Tier III pension funds of SEB Investment Management selected by the employee.

In 2018, the company paid 8 euros a month to all employees participating in the program. In addition, employees can also contribute to their pension savings accumulation with their own funds by transferring an additional 1% or 2% of their salary to this fund. In this case, Telia Lietuva also transfers an additional contribution to the pension fund corresponding to the portion of the salary the employee pays.



IN TOTAL, 927 EMPLOYEES USE THE KAUPK SU TELIA (SAVE WITH TELIA) PROGRAM.

STUDENTS AND PRACTICES



For a period of even four months, participants of the Academy attend, free of charge, special classes, conducted by professionals in their fields from Telia and elsewhere, solve ambitious real work tasks, and then they can qualify for a paid internship. The most successful participants are offered job opportunities in our company.

In 2018, we organized 2 waves of the Academy in Vilnius and Šiauliai.

| 1st wave | 2nd wave |
|---------------------------|---|
| VILNIUS AND ŠIAULIAI | ŠIAULIAI (ENDS IN Q1 2019) |
| 160 applications | 50 applications |
| 26 selected participants | 12 selected participants |
| 21 interns | 10 interns |
| 15 employed young experts | The number of employed experts will be known in April 2019. |

CAREER DAYS

During the winter, spring and autumn period of 2018, we participated in various events organized by the universities of the country. We talked about job and career opportunities offered by Telia Lietuva with students from the Vilnius University, Vilnius Gediminas Technical University, ISM University of Management and Economics, Kaunas University of Technology, Mykolas Riomeris University, Stockholm School of Economics and Vilnius College.

We also communicated with school pupils and students about the telecommunications and IT sectors and work in this field outside the universities: we were involved in meetings and projects organized by the Code Academy, Baltic Talents Academy, Student Academy, and Leaders Incubator. Over the year, we had the opportunity to talk with over 700 prospective young professionals interested in technologies.

INTERSHIP

In 2018, 93 people underwent internship in our company. They were fully involved in the day-to-day work of the company, and in the summer they were invited to a special event for trainees. During the event, we told them more about the telecommunications market, business strategy of Telia Lietuva and career opportunities created in our company. We are going to continue this beautiful tradition in the future.

DEVELOPMENT AND CAREER OPPORTUNITIES

We want Telia Lietuva employees not only to feel good about our company but also to constantly improve themselves and pursue their career goals. We have various measures in place that help maintain a high level of qualification and motivation.

One of them is a large number of training courses annually organised by Telia Lietuva. In 2018, we successfully started implementing a large-scale project funded by EU funds for improving the qualification, knowledge and skills of Telia Lietuva employees. Training will continue until September 2020. Participants improve their knowledge in the following training provided in the project: the Swedish language, sales, customer service, IT, etc.



ABOUT 900 EMPLOYEES WILL PARTICIPATE IN THE PROJECT FOR IMPROVING THE QUALIFICATION, KNOWLEDGE AND SKILLS OF TELIA LIETUVA EMPLOYEES.

2018 we paid special attention to Šiauliai city, where the second largest Telia Lietuva IT competence centre was set up. We invested about EUR 1 million and we opened the renovated IT Dvaras (IT Manor), one of the most modern offices in Northern Lithuania. Telia Lietuva IT team at Šiauliai unit has more than doubled over the past five years, growing from 60 to almost 150 professionals.

In addition, in 2018 we implemented a new personnel management system. The changes have ensured that our employees can connect to the system and see all open job positions in Telia not only in Lithuania, but also in other countries where Telia Company operates. You can learn more about job offers in the system and, if you decide, you can easily apply for the position you want.



IN 2018 FOR THE SECOND CONSECUTIVE YEAR, TELIA LIETUVA BECAME THE WINNER IN THE CONTEST OF THE MOST DESIRABLE EMPLOYER ORGANIZED BY THE BUSINESS DAILY VERSLO ŽINIOS.

TELIA LIETUVA WAS RANKED THE TOP EMPLOYER IN THE TOP EMPLOYER ELECTIONS ORGANIZED BY CV-ONLINE.

REMUNERATION SYSTEM

In determining the salaries of the Group, the following criteria are assessed: the competencies required for the particular position, responsibility, complexity of work and contribution to company activities, personal achievements and the level of remuneration of the same positions in the market.

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

FIXED BASE PAY

(set individually and differentiated within the remuneration structure range)

VARIABLE PAY

(a variable part of the remuneration paid on the basis of performance)

LONG-TERM INCENTIVES

(programmes that promote long-term financial goals)

BENEFITS

(programmes that create social welfare, promote loyalty and complement the fixed and variable remuneration)

All employees' remunerations are reviewed once a year.

In 2018, salaries were increased to 70% of employees.

In April 2018, following the review of the salaries of Telia Lietuva employees, they were increased on average by 4.56%.

70%
of employees



4.56%
higher salaries

Information on the salaries of Telia Lietuva employees (as of 31 December 2018):

| Telia Lietuva | Number of employees | Average monthly salaries (in EUR) |
|-----------------------|---------------------|-----------------------------------|
| Managers | 36 | 5,901 |
| Middle level managers | 175 | 2,117 |
| Specialists | 1,766 | 1,268 |
| | 1,977 | 1,427 |

ANNUAL BONUSES

In 2018, our employees received annual bonuses. The amount of the bonus was approximately one month's salary.

COLLECTIVE AGREEMENT

The new Labour Code, which entered into force in 2017, states that all collective agreements must be updated from January 2019. At the end of September 2018, Telia Lietuva initiated and started negotiations with the Trade Union.

The Collective Agreement contains many provisions that are more favourable than those provided for in the Labour Code or individual contracts and apply to all employees of Telia Lietuva.

We adhere to the principle that fundamental changes in the company must be discussed with the social partners – Trade Unions, the Labour Council. This enables us to ensure that the decisions we make are not only suited to business needs, but that they are also suitable for the employees and ensure their long-term involvement in the company's



SOCIAL NEEDS FUND

Telia Lietuva has established the Social Needs Fund, which is managed together with representatives of Trade Unions. The objectives of this Fund are as follows:

1. To provide financial support to employees and their families in the event of different disasters of life, for example, material damage, loss of a family member, etc.
2. To contribute to the promotion of employees' healthy lifestyles by organising sports events, supporting employee sports groups, etc.
3. To allocate bonuses to long-term employee on the occasion of 20, 30 and 40 years of their continuous record of service.



IN 2018, THE FUND ALLOCATED A TOTAL OF EUR 78,900 FOR THE WELL BEING OF EMPLOYEES.

5. RESPONSIBILITY IN THE MARKET

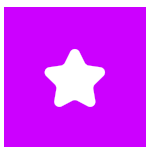
RESPONSIBLE INFORMING



It is important to us that the information and communication we provide is fair and that the public is not misled.

Every day we communicate with different groups of people – with existing customers, potential customers, investors and capital market participants, opinion makers, 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 2018, THE COMPANY DID NOT RECEIVE ANY FINES FOR MISLEADING ADVERTISING OR INFRINGEMENTS OF COMPETITION.

THE COMPETITIVE ENVIRONMENT

The Communications Regulatory Authority (CRA) has recognised our company and related legal entities as an operator with significant market power on the following markets of:

- voice call termination on the mobile network;
- access to the public telephone network at a fixed location for residential customers;
- access to the public telephone network at a fixed location for non-residential customers;
- wholesale calls termination on individual public telephone networks provided at a fixed location;
- wholesale local access provided at a fixed location;
- wholesale central access for mass market products;
- wholesale high quality data transmission services via terminating segment;
- digital terrestrial television broadcasting transmission services provided by the Company in the territory of the Republic of Lithuania.

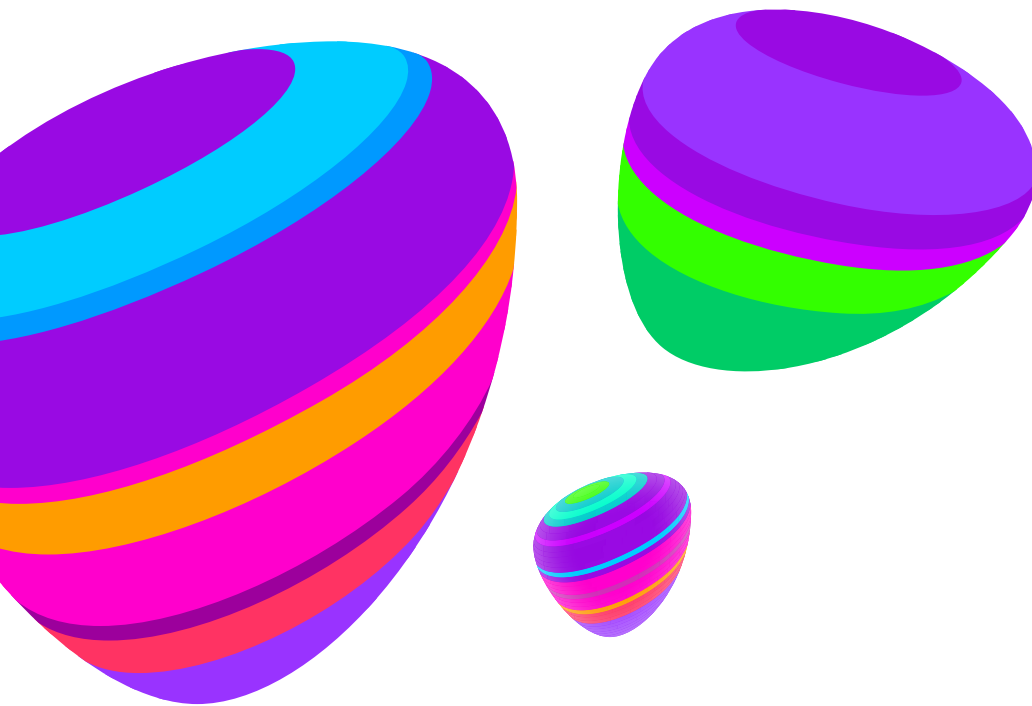


IN 2018, THE CRA, WHICH IS CONSTANTLY MONITORING AND EVALUATING OUR ACTIVITIES, DID NOT FIND ANY INFRINGEMENT ON WHICH TO IMPOSE FINES.

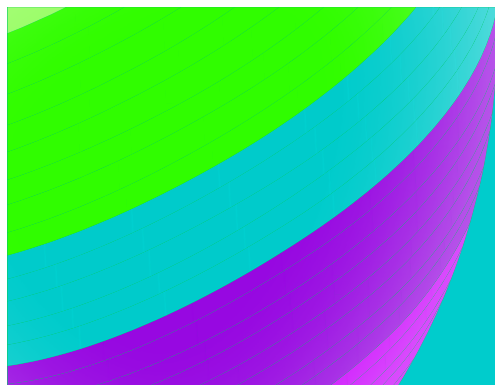
REQUIREMENTS FOR SUPPLIERS

Principles of responsible business and investment in the progress of the society are an integral part of our long-term strategy. We understand responsible business as consistent activities that cover both our own business culture and practice and our work with external partners and suppliers.

We always strive to work with suppliers and partners whose attitude towards a sustainable and responsible business is in line with our views and values. Therefore, when concluding agreements, we invite all partners to sign the Supplier Code of Conduct. We are concerned about ethical conduct, fair and transparent operations in creating long-term value, a zero tolerance of corruption, human rights, occupational safety and health, environmental protection and corruption prevention requirements, personal data protection and privacy. As a result, we demand the same from our suppliers.



6. ENVIRONMENTAL PROTECTION



A large part of our lives is moving into the digital world, but the environment around us is also very important – both in today's perspective since we want to live in a cleaner environment, and looking ahead to the future since we create it for our children and generations to come.

So we care about the environment not only as Telia Lietuva employees, but also as residents of Lithuania. We find more than one way to contribute to a cleaner and healthier environment around us, and our activities are certified according to the special ISO Environmental Management Standard.

REDUCTION OF CARBON DIOXIDE EMISSIONS

Every year we strive to reduce carbon dioxide (CO₂) emissions. Step by step, we want to reach a point where our CO₂ emissions are zero in the whole business chain. Such a vision is foreseen in the Telia Company Group Sustainability Strategy until 2030.

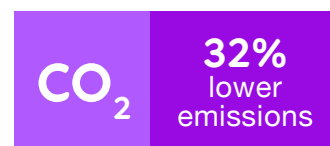


IN 2018, POLLUTION TAXES PAID BY TELIA LIETUVA DECREASED SIGNIFICANTLY – BY 35.5%

We strive to achieve the goal by combining different solutions and applying different tools. For example, in the near future, we are planning to phase out the 20 oldest and most polluting cars of the company, and by 2019 more than half of Telia Lietuva transport fleet will meet the EURO6 pollution standard.



We will also contribute to the accelerated reduction of CO₂ emissions by moving to a new home of Telia Lietuva – a head-office in Vilnius, Žvėrynas district. According to the specifications given by the building developer, the CO₂ emissions of this building will be 32 per cent lower than those of an average office building in Lithuania.



We believe that even the littlest works contribute to big changes. Therefore, we continue to encourage our employees in Vilnius and Kaunas to use CityBee city cars for short trips which do not incur a parking fee, and many of them are electric. In the warm season, we encourage employees to go to work by alternative means of transportation – bicycles, electric scooters, etc. For this, we provide the necessary infrastructure – parking spaces adapted for alternative means of transportation, etc.

TOWARDS THE PAPERLESS

For several years already, we have been implementing the project to minimize the amount of paper used in our operations. This way we try to protect trees and forests and, at the same time, encourage our colleagues to make the most of the possibilities and features offered by technologies and various computer programs.

Of course, first of all, we reduce the number of contracts and invoices sent by offering customers an alternative – electronic contracts and invoices. Unfortunately, we cannot completely discard them since we have customers who do have access to the Internet.



IN 2018, WE REDUCED THE NUMBER OF PAPER INVOICES SENT TO CUSTOMERS BY 26 THOUSAND.

Another innovation that helps us use less paper is the use of printers with Follow Me functionality. These printers print a required document only when you approach the printer. This encourages each and every one of us to think twice whether we really need to print one or another document.

Step by step we are moving towards zero usage of paper in our offices, and meanwhile we are trying to use only recycled paper. We also have an internal programme called Towards the Paperless which helps us improve the company's document management process.

EQUIPMENT RECYCLING

With the help of the media and our own channels, we remind the public that electronic equipment – TV sets, smartphones, computers, etc. – contain a number of toxic chemicals such as lead, mercury or even arsenic.

This is how we seek to raise awareness that old equipment should not be disposed of as household waste. We encourage customers to hand over their old phones, tablet computers, TV sets for recycling or bring them to Telia Lietuva retail outlets. In exchange for any old equipment returned, we apply a discount on any new equipment that the customer wants to purchase, and the old one is handed over to our recycling partners.



IN 2018, CUSTOMERS BROUGHT US AND WE HANDED OVER FOR RECYCLING MORE THAN 5,500 PIECES OF EQUIPMENT.



IN 2018, TELIA LIETUVA HANDED FOR RECYCLING ALMOST 100,000 PIECES OF OLD EQUIPMENT.

We protect nature by reusing a part of the equipment. We update both its hardware and software.



DURING 2018, WE RE-USED ALMOST 35,000 PIECES OF VARIOUS ELECTRONIC EQUIPMENT FOR CUSTOMER NEEDS – I.E. 20% MORE THAN IN 2017.

NEW HEAD-OFFICE OF TELIA LIETUVA IN VILNIUS

Telia Lietuva teams will soon be moving from six different offices to one modern building in Vilnius, Žvėrynas district. When creating a new home of Telia Lietuva, we focused on designing the spaces for our employees – here we will create a vision of a flexible workplace where everyone will be able to work comfortably, both individually and in a team. We are very pleased that, while we were thinking about the needs of our employees, the project developers took care of the environment needs.

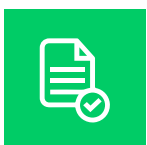
Our new office building complies with Class A+ hermeticity and Class A energy efficiency standards. The whole roof of the building will be covered with solar collectors and solar panels. Rainwater will also be used in the building.

Compared to other similar buildings, the new head-office of Telia Lietuva will have the following characteristics:

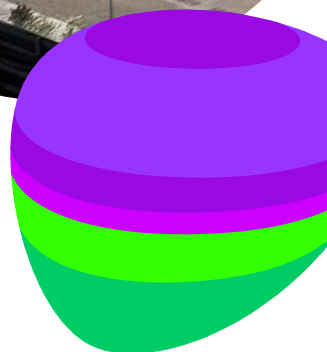
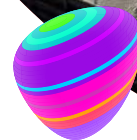
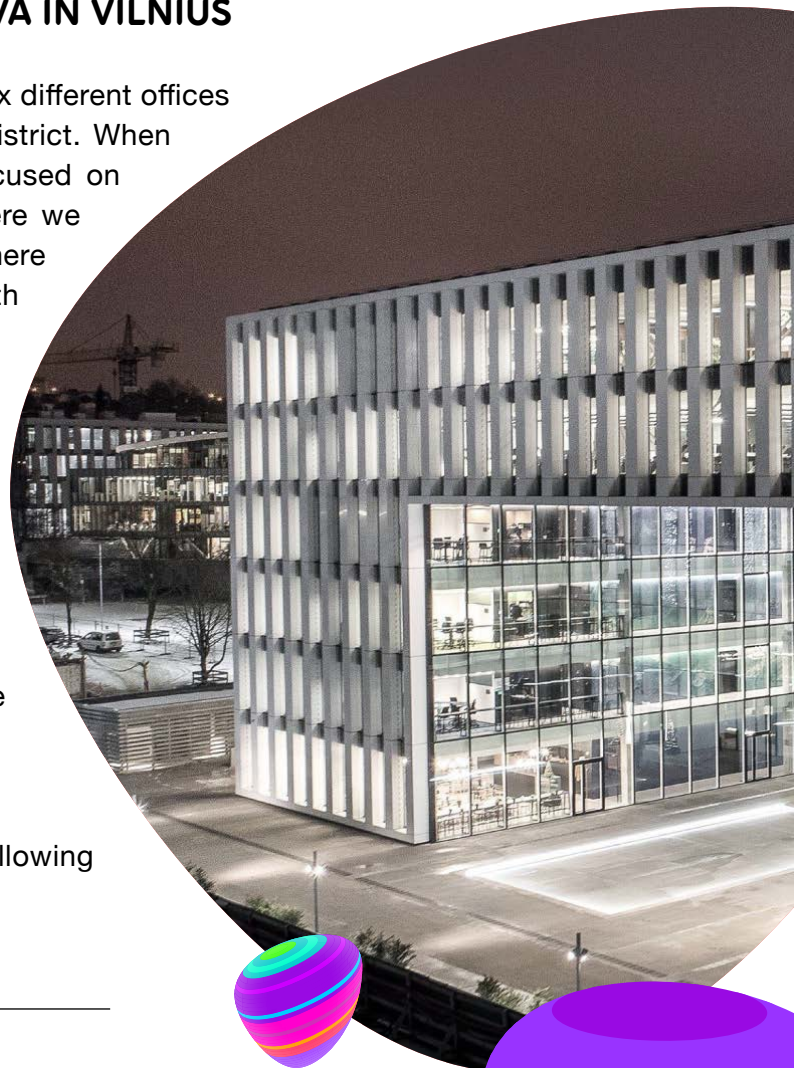
40% lower energy consumption

32% lower CO2 emissions

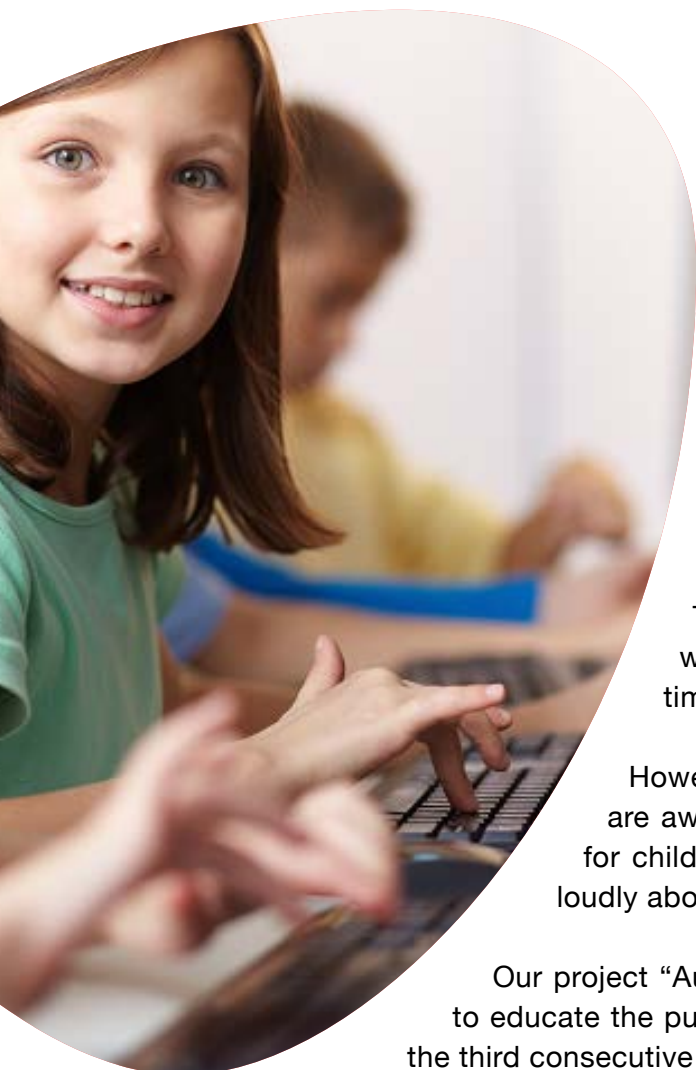
52% lower water consumption



THE BUILDING HAS ALSO BEEN ASSESSED ACCORDING TO BREEAM, AN ENVIRONMENTAL IMPACT ASSESSMENT AND CLASSIFICATION STANDARD.



7. CHILD SAFETY ON THE INTERNET



**AUGU
INTERNETE**

For many years, Lithuania has remained among the top countries in the world, which are proud of their high-speed Internet and its particularly highly developed access. We are also distinguished by the fact that we are very active Internet users: according to the data of the Department of Statistics, about 78 per cent of Lithuania's population use the Internet at least once a week.

The Internet has long become an integral part of working, learning, communicating, and spending leisure time.

However, being the largest Internet provider in Lithuania, we are aware that there are dangers on the Internet, especially for children and teenagers. That is why we speak boldly and loudly about that.

Our project "Augu Internete" (Growing Up on the Internet), intended to educate the public about online safety, has already been running for the third consecutive year.



PROJECT VOLUNTEERS AND TEACHERS TALKED ABOUT ONLINE SAFETY AT LEAST ONCE WITH MORE THAN 80 THOUSAND CHILDREN AND TEENAGERS, WHICH IS EVERY FIFTH SCHOOL STUDENT IN LITHUANIA.

In order to teach about safety online, our employees attend schools, summer camps, have live interactive video tutorials, invite students to their workplaces and share special materials.

In developing the project "Augu Internete" (Growing Up on the Internet), we are working closely with "Vaikų linija" (Child Line), and UNICEF. With this project, we also joined President Dalia Grybauskaitė's nationwide social campaign "Už saugią Lietuvą" (For A Safe Lithuania).

SAFE INTERNET AMBASSADORS

In order to increase public engagement in the topic of Internet safety, we took an additional initiative – on the International Family Day (15 May) and the International Day of Telecommunications and Information Society (17 May), we invited our employees to become Safe Internet Ambassadors. Their task was to talk about safety on the Internet in their communities.



TELIA TV SERVICE CHILDREN'S CORNER

Children's Corner is a safe environment for children on Telia TV and features content filtering, time limitation, as well as entertaining and exclusive educational content.



IN 2018, THE SERVICE WAS USED BY ALMOST 10 THOUSAND CUSTOMERS.

This specially designed environment for children includes content for children, cognitive programmes, audio tales, children's radio and songs. Children's corner is created together with children and their parents.

INVESTMENT IN SOCIETY

The country's digital progress is the foundation of many areas: a successful state, a competitive business, a developing society, and an active individual. Therefore, the All In approach is a part of our business strategy. We want to reduce technological exclusion and to promote digital literacy and progress of individual people and the whole society of Lithuania. We have both the competence and the resources and, most importantly, the desire to do so.

HENCE, WE ARE DEVELOPING THIS AREA BY:

- 1. CONNECTING THE UNCONNECTED,**
- 2. A HEALTHY AND SAFE SOCIETY,**
- 3. EDUCATION FOR ALL,**
- 4. DIGITAL ENTREPRENEURSHIP AND INNOVATION.**

1. ACCESS TO EVERYBODY

CONNECTING THE UNCONNECTED

Our vision is a 1 GB connection for each person. We have been heading towards this for decades by investing in the infrastructure and its development in Lithuania, by being the first to introduce communication innovations in the market, and by focusing on changing consumer needs and responding to them.



SINCE 1992, WE HAVE INVESTED MORE THAN EUR 1.4 BILLION IN THE DEVELOPMENT OF TELECOMMUNICATIONS IN LITHUANIA.

In 2018, Telia Lietuva allocated EUR 61.8 million to capital investments. More than half of total investments – EUR 32.9 million – went to the project for the upgrade of the core network and the expansion of the fiber-optic access network. An amount of EUR 9.8 million was invested into development of the mobile network.

TELIA 4G NETWORK IN 2018:

New base stations

793

Total number of stations

2,790

Average speed

43.4 Mb/s

Network coverage

**99% OF THE COUNTRY'S
POPULATED TERRITORY**

In 2018, Telia launched a new era of 5G mobile communications in Lithuania. There are two new generation 5G communication stations already installed and running on a real network in Vilnius. And even though this technology is still taking its first steps both in Lithuania and around the world, it will open up many new opportunities in the long run, primarily for business and the economy as well as for citizens. 5G will bring us all closer to gigabit connectivity everywhere and for everyone.

OPEN WI-FI ACCESS IN PUBLIC AREAS

To make it easier for people to work and entertain, in 2018 we opened Telia “Wi-Fi mieste” (Wi-Fi in Public Places) Internet access hot-spots for all residents. Our Wi-Fi hot-spots are available all over Lithuania where people can browse for free, without any restrictions or limits.

Internet speed in Wi-Fi hot-spots is

10 Mb/s,
and in some places –
up to **70 Mb/s**

The amount of data transmitted with
“Wi-Fi mieste” (Wi-Fi in Public Places) is
UNLIMITED

**NO ACCESS PASSWORDS
REQUIRED**



2. HEALTHY AND SAFE SOCIETY



Telia Lietuva has been helping the Lithuanian police investigate crimes for several years. The main areas of cooperation are crimes committed through mobile phones, identification and blocking of prohibited websites, and assistance in disclosing cyber crimes, etc.

BLOCKING OF STOLEN MOBILE PHONES

In 2018, Lithuania took a very significant step towards becoming a country of high legal standards. From now on, by order of the Criminal Police, the use of stolen, lost or missing devices is not permitted on any mobile network in Lithuania

Like other operators, Telia Lietuva joined the international initiative for exchanging IMEI numbers of stolen or lost phones. This means that, if a SIM card is inserted into a stolen or lost phone, the device will be blocked and will not work. This applies to devices that have been obtained illegally not only in Lithuania, but also elsewhere abroad.

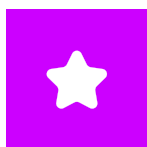


IN 2018, MORE THAN 140 MOBILE OPERATORS ALL OVER THE WORLD STARTED TO BLOCK STOLEN, LOST OR ILLEGALLY OBTAINED MOBILE PHONES.

WARNING ABOUT PHONE SCAMMERS

Telephone scammers still remain a sensitive problem in Lithuania. Most often it is elderly people who fall into their trap – believe the different stories that scammers tell them and give scammers their savings, codes to their bank accounts, etc.

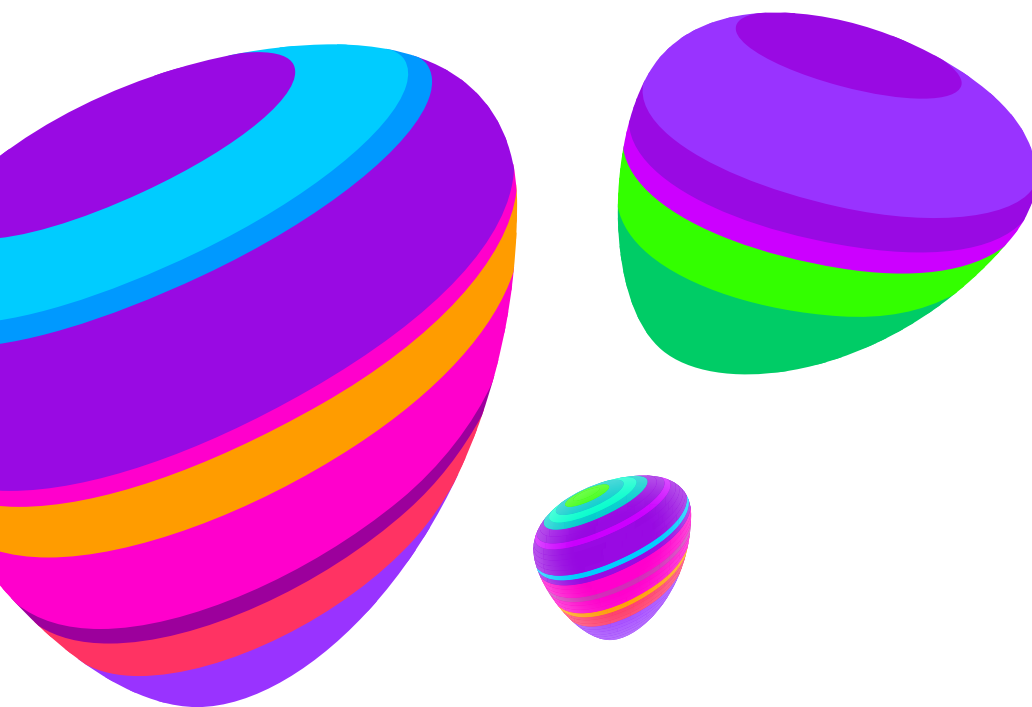
In order to draw people's attention, together with officers of Utena County Chief Police Department, we launched a preventive campaign Avoid Fraud. During the campaign, residents of the town and district of Utena received special prevention promotion stickers along with Telia Lietuva invoices for fixed communication services.



TELIA LIETUVA SENT 1.5 THOUSAND SPECIAL STICKERS TO ITS CUSTOMERS IN UTENA DISTRICT WARNING THEM NOT TO FALL INTO TRAP OF PHONE SCAMMERS.

BLOCKING OF PROHIBITED WEB CONTENT

In cooperation with the Lithuanian Criminal Police Bureau, we block access to pedophilia-related websites. The number of blocked websites currently exceeds 2,600.



3. SOCIETY EDUCATION. FOCUS ON PUPOLATION

MENTORING PROGRAMME WOMEN GO TECH

We say loudly and boldly that the world of technologies is not for men only – it is open for women, too. We want girls and women to discover the area of technologies, connect their future with it, choose education in this direction, or feel free to try their hand at working in the field of IT and technologies, even if they have a different educational background.

We deny the stereotype that IT and technologies are more suitable for men by our own example – over 200 women in Telia Lietuva work with technologies – and contribute to the mentoring programme Women Go Tech with both knowledge and experience.

In 2018, the second wave of the programme took place. During the programme, a total of 459 applications were received from women who wanted to participate in the project. Human Resource specialists helped to select 71 participants. Technology was a totally new world for a part of the programme participants, while others were already familiar with the area they had the opportunity to work in.

WOMEN GO TECH 2018

459 applications

71 selected participants

30 mentors-professionals

During the program, the selected participants worked a lot with mentors-professionals from different most prominent technology companies in Lithuania, including Telia, acquired theoretical and practical knowledge, and became familiar with the specifics of work and career opportunities in the field.

Organisers of Women Go Tech, supported by the President of the Republic of Lithuania Dalia Grybauskaitė: World Economic Forum Youth Network Global Shapers, the Association INFOBALT and Telia Lietuva, the main partner of the project. In 2018, financial support provided by Telia Lietuva for implementation of the programme amounted to EUR 15 thousand.



THE MATEMATIKA.LT PROJECT

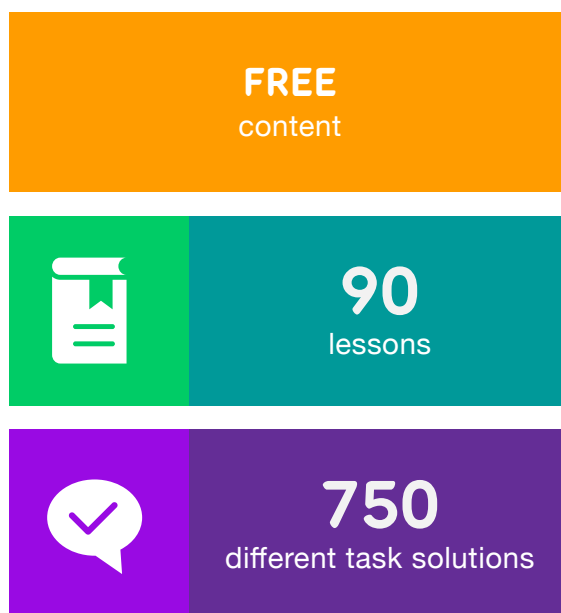
Technologies are no longer a novelty in the process of learning. They are both a tool and an information database and a source of inspiration. In addition, technologies provide equal opportunities for everyone to learn from the best.

We want to make learning attractive, interesting and convenient. Therefore, in 2018 we continued cooperation with the Matematika.lt project.

The goal of this unique project is to help students better understand mathematics and prepare for upcoming state-level examinations. On a special website, graduates can find all relevant information, watch the progress of task solving displayed in their favourite video format.

Students can watch video lessons for free in Telia TV video on demand rent as well. We are delighted that in 2018 the content of the lessons presented there was viewed nearly 7.5 thousand times, and the number of unique visitors exceeded 2,000.

The amount of financial support allocated by Telia Lietuva for the implementation of the project in 2018 was EUR 3 thousand.



TECHNOLOGY FOR SENIORS

With the help of technologies, we aim to reduce digital and intergenerational exclusion. Education, especially for elderly people, is very important for this, and we need to introduce them to technological innovations, help them understand them, teach them to use and enjoy using them, discover new comforts of life and experiences.

In 2017, we organized a pilot project – we invited elderly people to the first meetings held at Telia Lietuva retail outlets in Vilnius and talked with them about technologies and their benefits in everyday life. The project proved to be successful, and in 2018 we expanded our initiative to include events in the seven biggest cities of Lithuania.

MORE INTERESTING CONTENT

Our smart TV viewers in 2018 had the unique opportunity to watch unique content at a time and in a place convenient for them – at home:



- 7 selected movies acclaimed by critics from the programme of the Vilnius Film Festival “Kino pavasaris 2018” (Cinema Spring 2008);
- Broadcast of the event “Geriausia EVER pamokų diena” (the Best Day of Lessons Ever).
- “Proto industrija”, a programme covering the subjects of business.

3. SOCIETY EDUCATION. FOCUS ON THE BUSINESS COMMUNITY

Keeping pace with innovation and technology trends. With this goal in mind, in February 2018 we invited business community to a special event – a conference Telia Technology Day.

During the event, we introduced company managers, IT and technology specialists to the latest topicalities in the technology world.

KEY TOPICS OF TELIA TECHNOLOGY DAY 2018:



CYBER SECURITY



INTERNET OF THINGS



ARTIFICIAL INTELLIGENCE IN THE SPHERE OF DATA CENTERS



FUTURE PLACE OF EMPLOYMENT AND WORKPLACE



At the conference, experts from Division X of Telia Company, SAP, HP Enterprise, Microsoft, Huawei, Fortinet, Dell EMC and VMware shared their insights. There was also an exhibition space open during the event where various technological innovations were presented.

4. PROMOTING DIGITAL INNOVATIONS

THE 5G ERA IN LITHUANIA

We were the first ones in the market to introduce all three mobile network technologies – 2G, 3G and 4G. 5G was not an exception and we introduced it in Lithuania in 2018. The first Telia Lietuva 5G mobile network stations are already in operation in Lithuania. This is the very beginning of a new communication era, but it already now draws the future perspectives for the country's science, business and population.



Installed
2 STATIONS

Locations:
**ŽVĖRYNAS AND
SAULĖTEKIS**

The data transmission
record reached –
1.8 Gb/s

Like previous mobile communication generations, 5G will deliver even higher mobile Internet speeds. With 3G we measured the mobile Internet speed in tens of megabits per second (Mbps), with 4G – in hundreds of Mbps, while with 5G we will measure it in gigabits per second (Gbps). So far, this has been possible only with fiber-optic connections.

Another important feature of 5G is an even lower, practically imperceptible delay or latency. Already with 4G, it reaches 20-30 milliseconds (ms), which is a few times less than a blink of an eye. In the case of 5G, the delay will be even lower and will be only 1 ms, so the data will reach the recipient in real time.

In addition, 5G connectivity can serve up to a million active devices per square kilometre, while security and communication quality are guaranteed by new and more reliable network standards.

The most important question is what benefit it brings for Lithuania from already having launched 5G connectivity. The possibilities it provides are many. 5G will become the basis for future transport. With 5G, remote doctor consultations, health check-ups or even operations in real time will become a reality. 5G will provide a new level of public safety. The 5G industry sector will work as accurately and efficiently as never before. This is only a small part of what this communications evolution will bring to us, and we are proud to contribute to bringing Lithuania to the forefront of all these possibilities.

MODERN TEACHING /LEARNING ENVIRONMENT CLASSROOMS

In 2018, we contributed to changes in Lithuanian schools willing to more actively use smart technologies in their teaching processes.

Telia participates in installing modern teaching/learning environment (MTLE) classrooms with wireless Internet access and smart tools, such as interactive whiteboards, tablets and teacher computers, special software, electronic exercises, electronic gradebooks and a virtual system for exam preparation, all of which contribute to efficient and exciting learning. When installing MTLE at schools, they receive a full package of services including the necessary equipment, software, and teacher training.



18 NEW MTLE CLASSROOMS

were installed in Lithuania in 2018

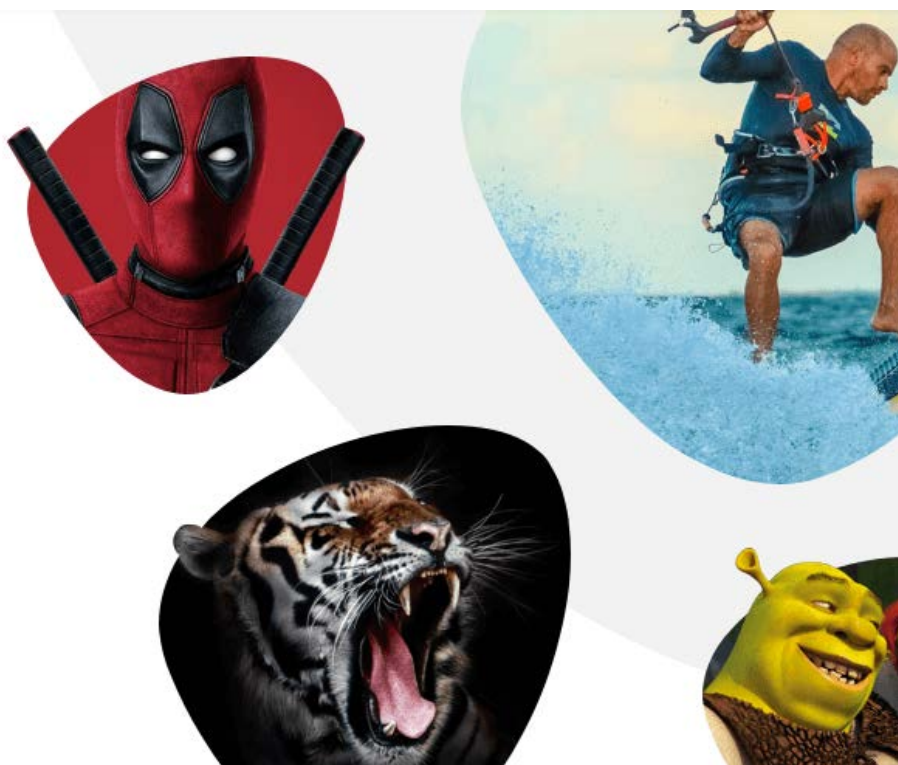
IN TOTAL, 65 SCHOOLS

in Lithuania have MTLE classrooms

The most powerful and advanced companies in their field, such as Telia Lietuva, Microsoft, TAMO, HP and BMK, participated in the creation of the concept of MTLE.

THE START OF NEW SMART TV

In 2018, Telia Smart TV (IPTV) took a new technological step by starting to provide Smart TV service all over the Lithuania via the fastest Telia Lietuva mobile LTE 4G network. This technology replaced the outdated digital terrestrial television (DVB-T) broadcasts, which were terminated in September 2018.



5. OTHER ACTIVITIES

TELIA VOLUNTEERING



One of our internal programmes, YOUNITE, is intended to promote employee volunteering. Our goal is that all members of the Telia Lietuva team, from executives to customer service specialists, contribute to social activities relevant to them by volunteering. It is natural that for us volunteering is associated mostly with the digital world and technologies, where there is a lot of room for improving and expressing ourselves.

Any employee willing to volunteer may spend eight hours per year on it during work time. If employees do not get an interesting volunteering activity, they are encouraged to offer a new area themselves.

YOUNITE
OUR MOVEMENT



IN 2018, EVERY FIFTH EMPLOYEE OF TELIA LIETUVA JOINED VOLUNTEERING INITIATIVES.

Most often, employees joined the following volunteering initiatives, which had been fostered and supported by Telia Lietuva for years:

- Safe internet lessons for kids with the initiative **‘Augu Internete’ (Growing Up on the Internet)**,
- Educational meetings on technology with seniors,
- Developing new talents with the **Telia IT Academy**,
- Mentoring programme for women with **Women Go Tech**,
- Environmental clean-up campaign **“Darom” (Let’s Do It)**.

GOODWILL PROJECTS

In 2018, we provided short numbers to 24 organisations in total. 100% of the funds raised through short numbers were allocated for the implementation of the following projects:

**100%
SUPPORT**

FULFILMENT CAMPAIGN 2018

SAVE THE CHILDREN – FOR LITHUANIAN CHILDREN

UNICEF – FOR CHILDREN

RED CROSS

PARTNERSHIPS



**IN 2018, WE SIGNED 9 FINANCIAL SUPPORT AGREEMENTS
WITH A TOTAL VALUE OF EUR 132 THOUSAND.**

In 2018, Telia Lietuva provided financial support to the following entities:

- VšĮ Kino pavasaris
- Association Investors' Forum (conference of the Baltic Investors Forum)
- Association Investors' Forum (Creative Children Awards event)
- Trade Union of Telia Lietuva Employees
- Lithuanian Communication Employees Trade Union
- VšĮ Geros Valios Projektai
- VšĮ Vaikų Linija
- Consultation and initiative centre Tavo Laikas
- Klaipėda Monastery of St. Francis of Assisi of the Lithuanian Province of St. Casimir, Order of Friars Minor

OTHER SUPPORT

NON-FINANCIAL SUPPORT

In 2018, responding to various requests, we provided support with equipment, services, and even furniture to the Raudonė branch of the Public Library of Jurbarkas District, Trakai district nursery-kindergarten "Šilas", Public Library of Panevėžys City Municipality, Vilnius Vilkpėdė Hospital, and the World Lithuanian Community Association.

COMMERCIAL SUPPORT

In 2018, Telia Lietuva provided commercial support to the following two projects – the innovation festival LOGIN and the mentoring program Women Go Tech. The total amount of commercial support was EUR 65 thousand.

ABOUT THE REPORT

This report presents the activity of Telia Lietuva, AB and Telia Customer Service LT, UAB (hereinafter referred to as the Group) in 2018. 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.