

Creating an **ENERGY SMART** world

Corporate Strategy
2020





ENSURING

resilience and flexibility
of the energy system

ENABLING

energy transition and
evolution

GROWING RENEWABLES

to meet regional energy
commitments

CREATING A SUSTAINABLE FUTURE

No coal. No nuclear.
Becoming CO₂ neutral.
ESG principles driven

CAPTURING GROWTH OPPORTUNITIES

and developing innovative solutions
to make life easier and more energy smart

In our vision, we transform for a more sustainable world



Strong commitment to a more sustainable future

Environmental, social and governance criteria are an integral part of our business goals

We align our business goals with the United Nations' Sustainable Development Goals

SUSTAINABLE
DEVELOPMENT
GOALS



Our primary focus is on five SDGs where Ignitis' impact is most significant. We also contribute to the achievement of almost all SDGs.

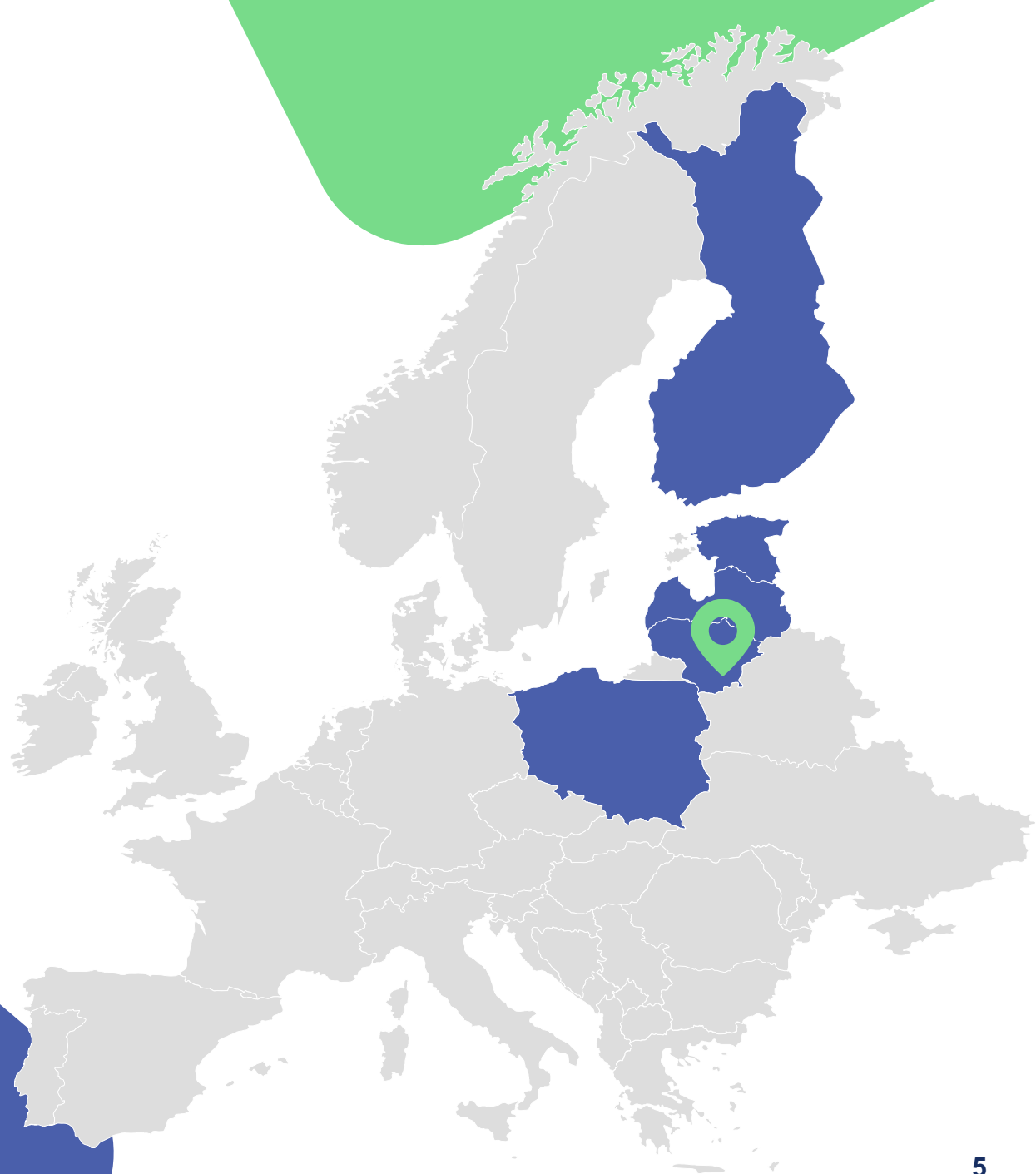
We are committed to reduce net carbon dioxide (CO₂) emissions to zero by 2050

**BUSINESS
AMBITION FOR** **1.5°C**   **OUR ONLY
FUTURE**

Our geographic focus

We focus on home markets - **the Baltic countries, Poland and Finland**

We also explore new opportunities in countries on the energy transition path



In everything we do, we are united by the mission to make the world more **ENERGY SMART**

Networks

Resilient and efficient energy distribution enabling the energy transition

Green Generation

Focused, sustainable and profitable growth

Flexible Generation

Reliable and flexible power system

Customers & Solutions

Innovative solutions for easier life and energy evolution



Business segments

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Networks

Resilient and efficient energy distribution enabling the energy transition

■ We continuously invest country-wide to modernize our strategic assets used for electricity and natural gas distribution to ensure network resilience and efficiency for our business and residential customers

■ We digitise our distribution network and strive to develop a smart grid which would be one of the most advanced in the region

■ We enable energy innovations, renewable energy transition and facilitate the local energy market and its efficiency through data-driven network solutions



Green Generation

Focused, sustainable and profitable growth

■ We target to reach 4 GW of installed green generation capacity by 2030 while ensuring that the build-out creates value for our shareholders

■ Our operational 0.9 GW hydro-pumped storage plant with additional capacity expansion possibilities is fundamental for enabling future renewable energy growth in the region



Green Generation

Focused, sustainable and profitable growth

We aim to partner with strategic investors to adopt new technologies and with financial investors to maximize our returns by utilizing asset rotation

We are pursuing onshore and offshore wind, waste-to-energy, biomass and solar technologies across the project lifecycle

Prudent investment framework with conservative hurdle rates



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Flexible Generation

Reliable and flexible power system

■ We invest to ensure flexibility and high reliability of the Lithuanian energy system by providing reserve and ancillary services

■ We are phasing out/decommissioning old conventional energy generation capacities

■ We aim to contribute to the synchronization with the continental European network by providing new balancing services

■ We develop additional flexible generation capacities provided they are required to balance renewable energy growth and secure required level of adequacy in the Lithuanian energy system



Customers & Solutions

Innovative solutions for easier life
and energy evolution

■ We scale our core energy supply
and trading business complementing it with
innovative, value-added energy solutions

■ We innovate together with our partners to help our
customers become more energy smart and
contribute to their environmental goals

■ We enable industrial scale renewable energy
expansion by helping to secure long-term offtake
contracts and capitalizing on our competences in
balancing services





	Creating a SUSTAINABLE FUTURE	Growing RENEWABLES	ENSURING resilience ENABLING transition	Capturing regional growth OPPORTUNITIES
Networks	✓		✓	
Green Generation	✓	✓	✓	✓
Flexible Generation	✓		✓	
Customers & Solutions	✓		✓	✓

Creating an
Energy Smart
world

Aligned with the targets of the National Energy Independence Strategy

Development of wind energy, including offshore in the Baltic sea

Investing in **smart technologies and digitisation** of Lithuanian energy sector

Smart electricity metering

Ensuring sufficient balancing capacities, including **potential extension of Kruonis Hydro-Pumped Storage Plant**

Synchronisation with the energy system of the continental Europe

Share of local electricity generation in Lithuania

70% by 2030
100% by 2050

Share of local energy generated from clean (low carbon) resources

80% by 2050

Renewables share in total energy consumption

45% by 2030
80% by 2050

Renewables share in total electricity consumption

45% by 2030
100% by 2050

Renewables share in centralized heat supply sector

90% by 2030
100% by 2050

People and Organisation

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Our values



RESPONSIBILITY

Care. Do. For Earth.
Starting with myself



OPENNESS

See. Understand. Share.
Open to the world



PARTNERSHIPS

Diverse. Strong.
Together



GROWTH

Curious. Bold.
Everyday



Our people and culture

We are driven by the purpose of creating an energy smart future, making it easy, seamless and green

PEOPLE

Engaged

We focus on the experience and personal growth of our people

Diversity in skills and competences gives us unique perspective to ensure the security of the national energy system and at the same time to be dedicated to our customers and passionate about innovation

LEARNING

Everywhere, always and fast

We transform and use different approaches for developing core and new energy competencies

Our training system enables a constantly growing organization and personal development

TEAMS

Agile

We empower our teams for speed, flexibility and innovation

We foster different models of collaboration to create an energy smart world



Our organization

STRONG GOVERNANCE MODEL

Transparent and effective

We apply the globally-recognized corporate governance practices

We adopt the most effective group operating models to create competitive advantages and achieve synergies within our business segments

SMART WAY OF DOING THINGS

Digital

We incorporate digitisation in all areas of our activity as a key booster for efficiency improvements, motivation and value creation

Operational excellence is a part of our everyday activities



Focus on financial discipline

Financial guidelines



Target returns

We target high single-digit – low double-digit levered equity returns depending on the risk profile of the projects



Capital structure

Solid investment-grade rating: BBB and above

Net Debt to EBITDA < 5x



Dividends

We aim to deliver dividends to our shareholders in line with our growth

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