



SUSTAINABILITY REPORT 2020

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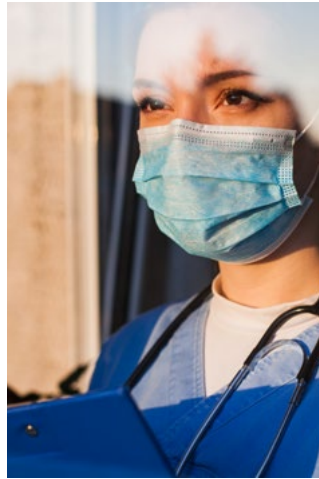
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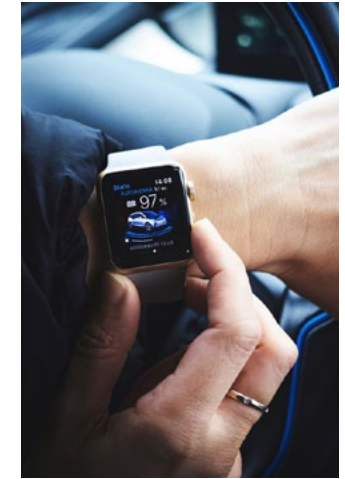
RESPONSIBLE BUSINESS

Responsible Business
Transparency and Anti-Corruption
Freedom of Expression
Personal Privacy
Diversity and Equal Rights
Attention to Employees
Responsibility in the Market



ENVIRONMENTAL PROTECTION

Reduction of Carbon Dioxide Emissions
Reduction of Daily Waste
Employee Engagement and Involvement
Promoting Sustainability



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WHAT IS TELIA LIETUVA?

We are Telia Lietuva – the largest telecommunications company in Lithuania. By integrating fixed-line and mobile communications, we provide the most advanced telecommunications, television and IT services as well as solutions to people and businesses.

We work to keep our customers connected anywhere and anytime, no matter which technology is being used. We also work to ensure that technological innovations and smart IT solutions help businesses operate efficiently and successfully. The COVID-19 pandemic and quarantine have shown that we are the ones who ensure critical infrastructure and services for hundreds of thousands users for both their daily life and successful business over distance.

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

WHAT IS TELIA LIETUVA GROUP?

In 2020, Telia Customer Services LT, AB, a fully owned subsidiary of Telia Lietuva, taking care of Telia Lietuva customers and providing Directory Inquiry service 118 in Lithuania, was merged into Telia Lietuva, AB. All employees of the merged company became employees of Telia Lietuva.

In addition, at the beginning of 2020, Telia Lietuva, together with other shareholders – Bitė Lietuva and Tele2 – decided to sell the shares of UAB Mobilieji Mokėjimai, their jointly controlled entity operating under MoQ brand, to SEPAexpress FS. The provision of mobile payment services and the operation of mobile application MoQ were ceased from the middle of May 2020.

VšĮ Numerio Perkėlimas, a joint not-for-profit organization, established in Lithuania together with other operators Bitė Lietuva and Tele2, in collaboration with Mediafon from 2016 administers the central database to ensure telephone number portability in Lithuania (Telia Lietuva holding a 50 per cent stake, while Bitė Lietuva and Tele2 holding a 25 per cent stakes each).

We are part of the international [Telia Company Group](#) operating in the Nordic and Baltic countries. By creating together, sharing experiences and ideas, we provide millions of customers in seven countries with more opportunities and quality. In 2020, Dan Strömberg, CEO of Telia Lietuva, was appointed as Senior Vice President of Telia Company AB in charge of cluster Lithuania, Estonia and Denmark (LED) at Telia Company Group.

Telia Lietuva shares are listed on [Nasdaq Vilnius](#) stock exchange (ticker – TEL1L). We have been recognized by the stock exchange as a Nasdaq ESG Transparency Partner, and ranked sixth among all Baltic market companies that have achieved the best results in terms of transparency, good corporate governance and investor relations.



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 six markets.

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

In the fourth quarter of 2020, the company's market share in terms of revenue amounted to

38.2 %



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 **€ 1 BILLION**

At the year-end Telia Lietuva market capitalisation exceeded EUR 1 billion for the first time in history.



WHAT IS TELIA COMPANY?

Telia Company is one of the largest developers and providers of integrated telecommunications services in the Nordic and Baltic countries. Its companies provide services in 7 markets – Sweden, Denmark, Norway, Finland, Estonia, Latvia and Lithuania.

In 2020, Allison Kirkby took office as new President and CEO of Telia Company.

Employees

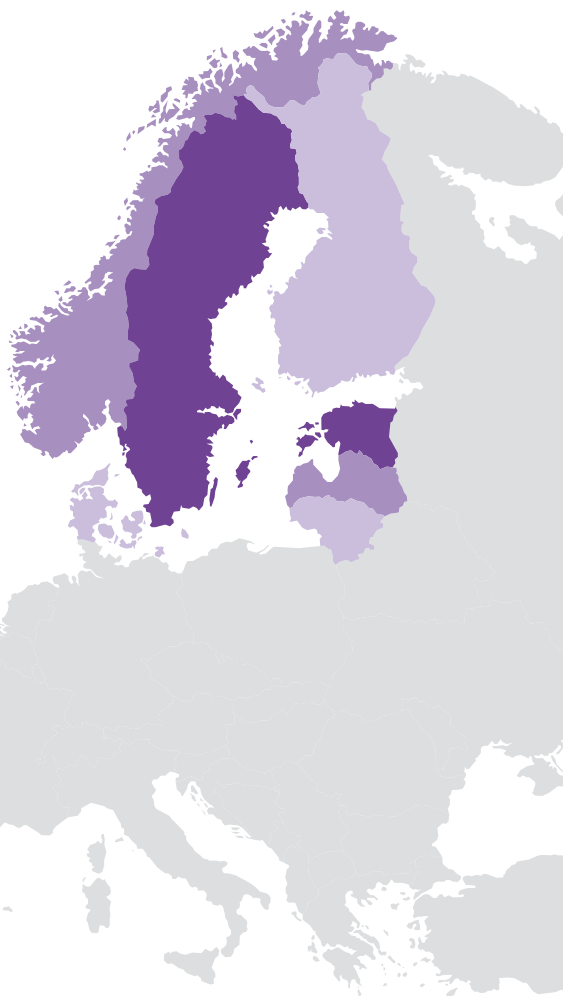
20,700

Sales revenue

€ 8.75 BILLION

Subscriptions

24.3 MILLION



| SWEDEN | NORWAY | DENMARK | FINLAND |
|---|---|---|----------------------------------|
| | | | |
| 📱 #1 34% ☎️ #1 49% 📶 #1 31% 📺 #2 19% | 📱 #2 33% ☎️ #2 11% 📶 #2 12% 📺 #2 14% | 📱 #3 18% ☎️ #3 7% 📶 #5 3% 📺 #4 1% | 📱 #2 31% 📶 #3 25% 📺 #3 20% |
| Ownership ¹ : 100% | Ownership ¹ : 100% | Ownership ¹ : 100% | Ownership ¹ : 100% |
| ESTONIA | LATVIA | LITHUANIA | TV AND MEDIA |
| | | | |
| 📱 #1 50% ☎️ #1 83% 📶 #1 51% 📺 #2 38% | 📱 #1 46% | 📱 #2 29% ☎️ #1 80% 📶 #1 52% 📺 #1 37% | |
| Ownership ¹ : 100% | Ownership ¹ : 60.3% | Ownership ¹ : 88.2% | Ownership ¹ : 100% |

1) Ownership is defined as direct and indirect ownership, i.e. effective ownership an is equal to consolidated share.
 Telia Company's market share estimate is based on the number of subscriptions.

Market position
 % Market share

📱 Mobile ☎️ Fixed voice 📶 Broadband 📺 TV

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OUR BUSINESS STRATEGY

Our strategy is based on continuous business improvement, consistent investment in areas that help us maintain our leadership and provide the best quality services.

To achieve our purpose, we focus on four key areas:

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INSPIRING OUR CUSTOMERS

Our activities empower and inspire our customers. We want their satisfaction with our services to be an experience that enriches their daily lives.

CONNECT EVERYONE

Our operations connect people and businesses. We will continue to expand our network and infrastructure through sustainable partnerships, smart investment and ensuring we never lose our connectivity leadership and high value of our services.

TRANSFORMING TO DIGITAL

We will continue our internal transformation and digitalization. These changes will help us evolve into a simpler, faster, more agile digital telco.

DELIVERING SUSTAINABLY

It is important to us that our operations, processes and results are sustainable – for our customers, employees, shareholders and, ultimately, for society as a whole. From technology-enabled skills development, innovation in services, to steady growth in stock value and resource development, and other actions to preserve the planet for generations to come.

OUR PURPOSE IS TO 'REINVENT BETTER CONNECTED LIVING'.

What does this mean for us? Every day, we try to find new ways to become even better – for our colleagues, our customers, ourselves and the environment. We are looking for solutions that help connect people and businesses in an even stronger and meaningful way – solutions that enable. Because for us, quality communication means not only technically advanced digital services, but also inspiring content, sustainable solutions, and the courage to innovate. Therefore, we see the future world connected in a much more extensive and better way, where high quality connectivity enriches everyone's life.

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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

Our activities, knowledge, competencies and services are the basis for digitalisation, especially in such complex and uncertain times as quarantine and the global pandemic. Digitization is a catalyst for innovation and competitiveness, as well as an important factor in creating a more sustainable environment and society. We believe that a society that makes effective use of technologies, successfully exploits the opportunities they create, and targets security and other risks, paves the way for important processes and major changes, such as the reduction of inequalities or the sustainable use of natural resources. We therefore consistently contribute to the United Nations (UN) Sustainable Development Goals and create the shared value of our operations for the benefit of both our business and the society in which we operate.

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?

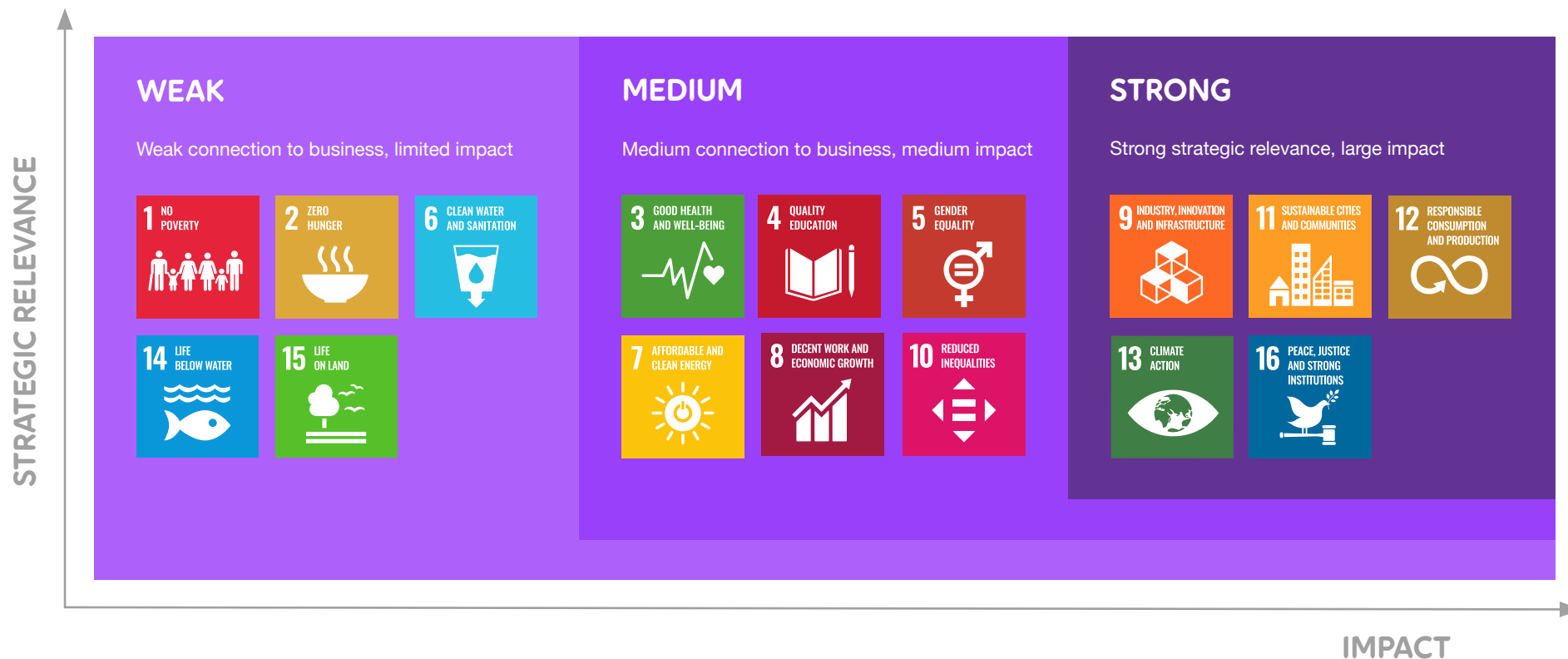
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APPROACH TO SUSTAINABILITY

It is important for us to maintain digital leadership in the telecommunications sector. We do this responsibly by contributing to these key United Nations Sustainable Development Goals. The way forward is to evaluate both the positive and negative impacts we create and to contribute to the growth of positive potential and the reduction of negative risks.



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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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YEAR 2020: WHAT WAS IT LIKE FOR US?

The year 2020 was unexpectedly different for all of us. The pandemic posed many challenges in a very short time, changing the daily lives of all of us. Many things changed – from how we used to work, study, shop, where we used to spend our holidays, how we used to keep in touch with relatives and friends, to how we adapted to the new normal.

Despite these major changes, we at Telia Lietuva quickly mobilized ourselves. During the quarantine, our operations, services and technologies became critical for hundreds of thousands of people, thousands of companies, public sector organizations and institutions. Thus, we focused all our attention on ensuring that our customers and all Lithuanian citizens quickly and smoothly adapted themselves to the digitalisation breakthrough triggered by COVID-19, and took advantage of its opportunities for their own benefit.

COVID-19: SUPPORT FOR SOCIETY

While facing the pandemic, we searched for and found ways to help the state and society fight against the consequences of coronavirus and mitigate its effects.

The total amount of our financial support as well as support in the form of services and devices amounted to more than EUR 400 thousand.

We turned to those who needed help the most – doctors fighting coronavirus, students who were deprived of remote learning opportunities. Our team in record time installed and up to now continues servicing the toll-free Coronavirus Hotline 1808.



Our financial support amounts to more than
€ 400 THOUSAND

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TELIA: FIRST TO OFFER AND TEST 5G

We have tested 5G technology already in 2018, being among the first ones in Europe to try 5G technology in live network. In 2020 a second step was made: we switched on 13 non-commercial 5G base stations in Vilnius, Kaunas and Klaipėda, allowing people and companies to recognize the true value and advantages of 5G, including breathtaking mobile internet speed, free of charge.

As our first non-commercial trials have shown, actual mobile data download speed in Telia 5G network is up to 1.9 Gbs, upload reaches 200 Mb/s and latency is as low as 10 ms.

1,9 GBS
download speed in Telia 5G network

200 MBS
upload speed in Telia 5G network



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SERVICE INNOVATIONS

During the pandemic, we quickly expanded and improved the capacities of our network, which allowed us not to limit the speed of Internet connection for our customers in critical times and ensure the fastest mobile connectivity in Lithuania (85.1 Mbps according to the data of the Communications Regulatory Authority (CRA) for the end of 2020). For business, we introduced the possibilities of the Narrow Band IoT, exclusive video surveillance solutions, opened the first customer care center for small and medium-sized enterprises, converged business and home benefits into Telia1 offer, etc.

Telia provides the fastest mobile connectivity in Lithuania -

85.1 MBPS



ESSENTIAL INVESTMENTS

During 2020, our capital investments amounted to almost EUR 54 million. The largest share of investment was allocated for the development of fiber-optic access network, 4G network, 5G testing, as well as the implementation of IT systems and other projects.

During 2020, our capital investments amounted to

53.8 MILLION



SUSTAINABILITY

In 2020, we also did not forget our strategic goals in the field of sustainability. We continued the internal initiatives we had already started, and over the year we reused a record number of different equipment and machinery. Group-wide, we have offset part of our greenhouse gas emissions by investing in innovations and renewable energy projects, which allowed us to become a climate-neutral company.

We reused more than
46,000 PCS
of equipment.













NEW VALUES FOR EMPLOYEES

During 2020, we were particularly close to our customers and worked to provide them with the best customer care and service experience, which would not have been possible without a team. During this difficult time, we gave our employees all the help and attention. After closing the retail outlets, we trained their staff to serve customers remotely, and so they did not have to go on layoff; we provided everyone with work-from-home equipment, personal protective equipment, etc. We maintained a constant dialogue with our teams, provided a lot of information, measured the emotional state of the employees, and took action to maintain togetherness, motivation, and emotional well-being.

140
employees were successfully reoriented and promptly trained to service customers remotely.

KEY FIGURES OF THE GROUP

(EUR million, unless otherwise specified)

| | 2020 | 2019 | CHANGE (%) | |
|---|---------|-------|------------|---|
|  Revenue | 398.1 | 388.3 | +2.5 | ↑ |
|  EBITDA excluding non-recurring items | 136.2 | 131.0 | +4.0 | ↑ |
|  EBITDA margin excluding non-recurring items (%) | 34.2 | 33.7 | | |
|  Profit for the period | 55.9 | 54.7 | +2.1 | ↑ |
|  Market capitalisation | 1,062.3 | 742.8 | +43.1 | ↑ |
|  Mobile subscriptions (thousand) | 1,398 | 1,347 | +3.8 | ↑ |
|  Broadband Internet connections (thousand) | 417 | 419 | -0.5 | ↓ |
|  Fixed telephone lines in service (thousand) | 261 | 296 | -11.8 | ↓ |
|  TV subscriptions (thousand) | 253 | 244 | +3.7 | ↑ |
|  Number of employees | 2,161 | 2,336 | -7.5 | ↓ |

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REVENUE BREAKDOWN

REVENUE

(EUR MILLION)

| | 2020 | 2019 | CHANGE (%) |
|--|--------------|--------------|-------------|
| Mobile services | 128.5 | 126.9 | +1.3 |
| Equipment sales | 91.8 | 88.2 | +4.3 |
| Voice telephony services | 44.4 | 49.7 | -10.6 |
| Internet services | 57.9 | 56.6 | +2.3 |
| TV services | 36.0 | 30.8 | +16.9 |
| Data communication and network capacity services | 18.0 | 18.7 | -3.7 |
| IT services | 14.2 | 11.3 | +23.1 |
| Other services | 7.2 | 6.1 | +17.9 |
| TOTAL | 398.1 | 388.3 | +2.5 |

REVENUE BREAKDOWN:

23.1 % 

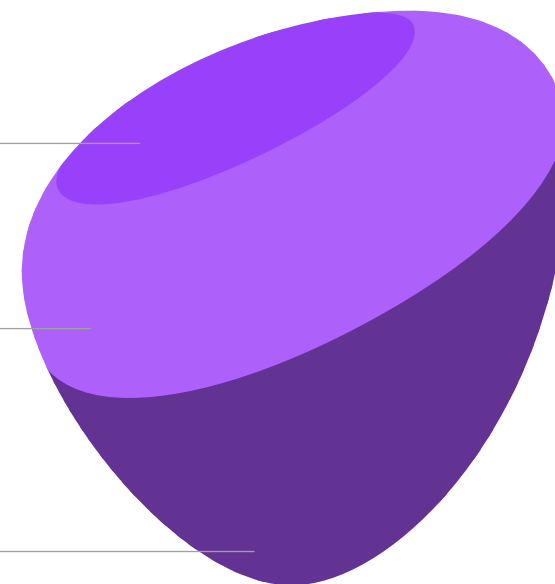
Equipment sales

32.3 % 

Mobile services

44.6 % 

Broadband services



ENTERPRISE

37.8 %



CONSUMERS

61.4 %

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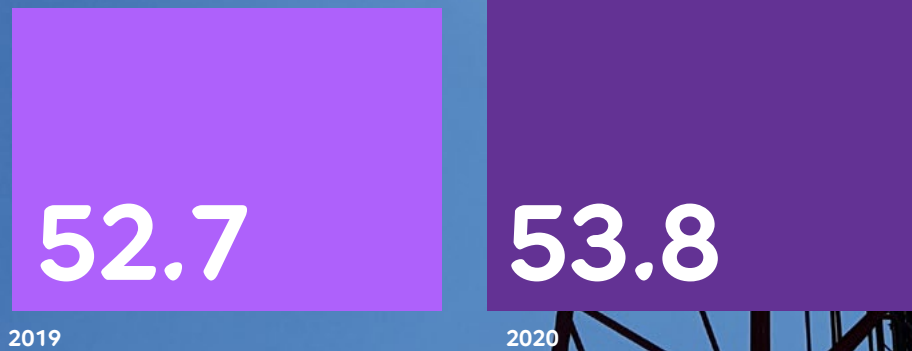
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INVESTMENT

(EUR million)



INVESTMENT BREAKDOWN: (EUR million)

34.5



Fixed network and mobile networks

64.2 %

19.3



IT systems and others

35.8 %

CEO MESSAGE

We will all remember last year.

2020 will undoubtedly enter into human history as a year of pandemic, lockdowns, great losses, but also as a year of new reality. Global health and economic challenges are still being addressed, but the equally relevant issues of climate change, bridging the digital divide and sustainability have not disappeared.

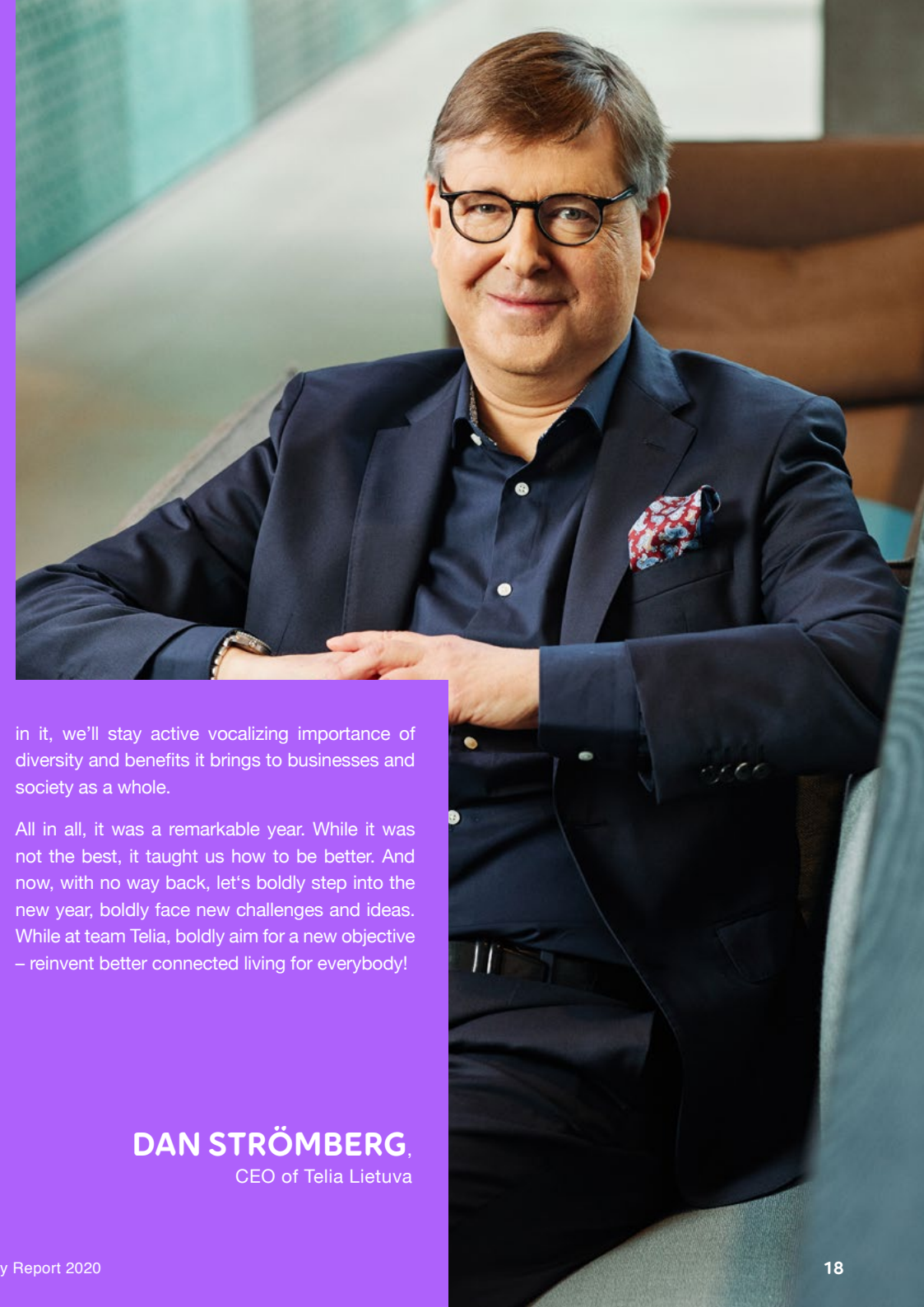
In just one short year, we have learned new ways of working, communicating and interacting. We learned how ingenious, how patient and how resilient we can be whenever a need arose – to help medics to stay safe while saving lives, to assist children in remote learning, to connect seniors with volunteer helpers. The extended lockdown has given a great impulse to the digitization of businesses and organizations, which will successfully benefit from it not only during quarantine, but even more after it ends. The year 2020 has revealed the importance of network quality and speed for the functioning of society, so it is our responsibility to maintain it.

This year taught us how to mobilize, how to convert threats to opportunities, how to meet uncertainties with courage and carry on with business plans as usual. This is exactly what Telia

did - we were the first in Lithuania to switch to a non-commercial 5G network, to reconsider the way we work, the way we do business, how we treat environment and contribute towards value created by society. We are already two years ahead of the plan to become climate neutral organization while our sustainability targets are set by the Science Based Target initiative.

It is very important that this year we became an established leader and recognized expert in sustainability journey. Our progress was acclaimed by partners, business community and public decision makers. It is great to see that more and more peers and partners are joining in sustainability journey.

Notwithstanding numerous challenges, we have not ignored other field of sustainable direction. By deeds, not words, we displayed our strong support towards diversity and equality. Our progress starts to bear fruits – together with Telia in Estonia we are the first in Telia Company family to have reached 50/50 gender parity. These efforts were awarded by Three Wings of Equality and international recognition for our support (Unionen prize). And, since we strongly believe



in it, we'll stay active vocalizing importance of diversity and benefits it brings to businesses and society as a whole.

All in all, it was a remarkable year. While it was not the best, it taught us how to be better. And now, with no way back, let's boldly step into the new year, boldly face new challenges and ideas. While at team Telia, boldly aim for a new objective – reinvent better connected living for everybody!

DAN STRÖMBERG,
CEO of Telia Lietuva

COVID-19 CHALLENGES

WELFARE OF EMPLOYEES DURING THE QUARANTINE

With the rapid spread of the COVID-19 virus in Lithuania, in March 2020 the first quarantine was announced in the country and the second one – at the end of the year. During both quarantines, Telia Lietuva took all the necessary and extra steps and measures to mobilize and redistribute employee teams and ensure security of all jobs. Secondly, Telia prioritised the protection of employees who continued to carry out their work in offices or to visit customers and sites, such as engineers, by providing them with all the necessary personal protective equipment. Thirdly, consistent, smooth, and prompt internal communication was conducted to maintain high employee engagement, awareness, and process clarity during this extraordinary situation.

CONTINUOUS MONITORING AND MANAGEMENT OF THE SITUATION

As the COVID-19 pandemic intensified, Telia Lietuva immediately „turned on“ internal processes for monitoring and evaluation of the situation. The Crisis Management Committee as well as a team, dedicated to monitor coronavirus cases and composed of human resources and occupational safety specialists and managers, immediately started their operations.

Based on official information from supervisory authorities and ministries, we developed and disseminated comprehensive guidelines: a guideline for managers helped them effectively organize teamwork remotely, and a guideline for employees helped them prepare and adapt themselves to new working conditions at home. Procedures and a clear process for recording and handling coronavirus cases in the company were also developed and introduced in order to prevent virus outbreaks.

The Crisis Management Committee met regularly to assess the situation, analyse developments, discuss and approve new measures.

REDISTRIBUTION AND SAFETY OF EMPLOYEES

140

people were successfully reoriented and promptly trained to service customers remotely.

Following the announcement of the quarantine, all direct Telia customer care outlets were closed in Lithuania. During this period, the majority of their employees – 140 people – were successfully reoriented and promptly trained to service customers remotely. This ensured that our employees did not have to go on layoff and we saved all the jobs. In addition, customer care outlet teams learned new, valuable professional skills, while customer satisfaction with services and quality of service was maintained during that period, and in June of 2020 we even achieved a record customer satisfaction score.

Even during the quarantine, Telia Lietuva had to ensure installation of services, troubleshooting services and network capacities when thousands of people had switched to working from home. At the forefront of those processes were engineering teams with a total of 234 employees. Telia Lietuva took all measures to ensure their safety by providing them with high-quality personal protective equipment, while maintaining constant contact and communication with them.



IN 2020 TELIA LIETUVA PROVIDED ITS EMPLOYEES WITH A TOTAL OF:

 **2,720** litres of hand sanitizer

 **550** litres of disinfectants for surface cleaning

 **7,470** protective masks (respirator type)

 **7,300** protective masks (reusable)

 **100,750** protective masks (single use)

 **61,750** pairs of protective gloves

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

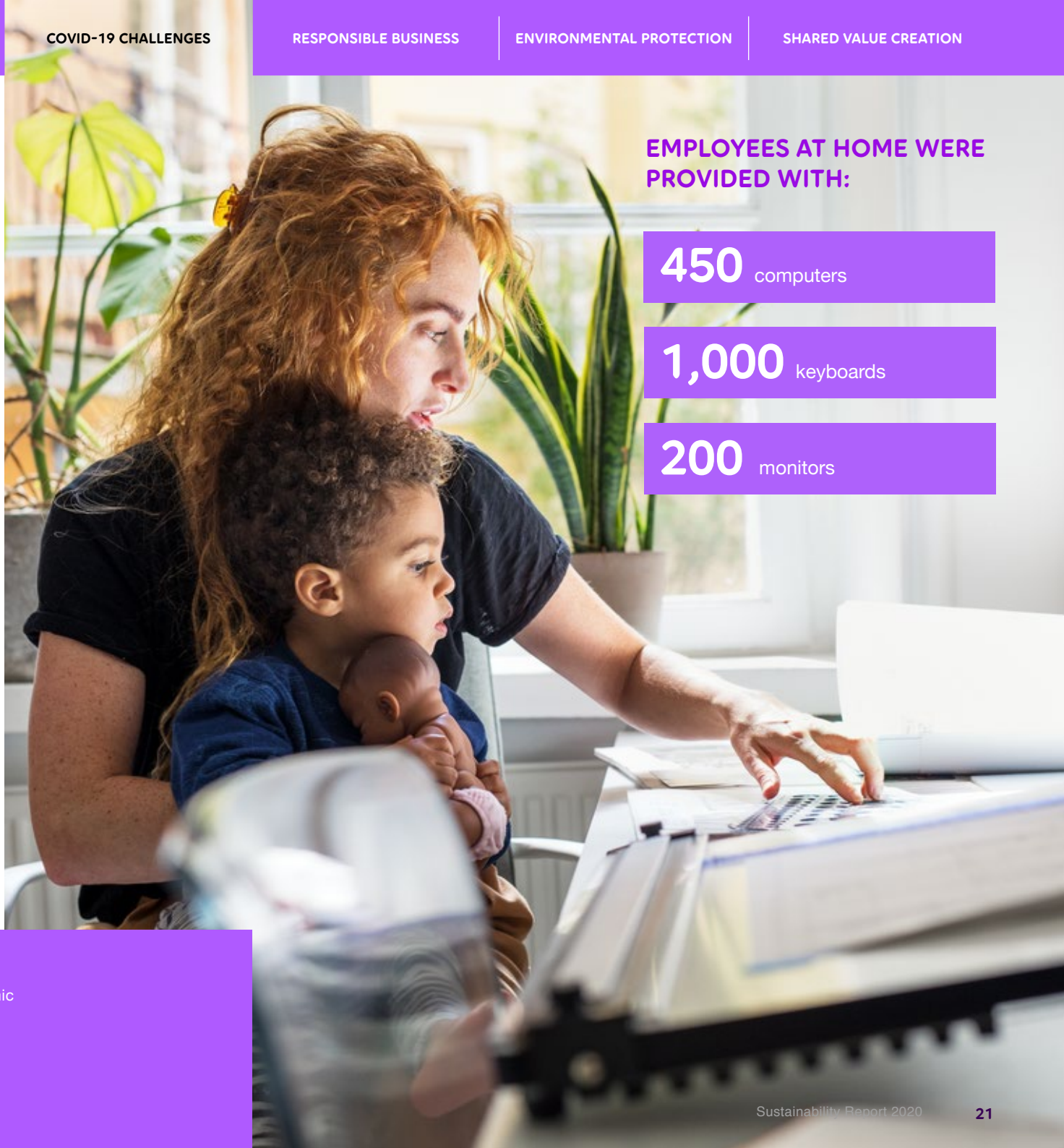
ENSURING CONDITIONS FOR WORKING FROM HOME

Even before the quarantine, Telia Lietuva had given its employees the opportunity to work remotely. For that purpose, we had established a clearly defined Remote Working Procedure, secure network connections for working outside the office, tools for working remotely and, most importantly, the habit which allowed us to smoothly and quickly switch to working from home during the quarantine.

1,920 of Telia Lietuva employees worked from home.

Employees, who did not have the necessary tools for working remotely from home, had them delivered directly to their homes. For example, laptops, desktop monitors, headphones, and other equipment.

The longer period of working outside of office has once again proved that employees are able to work productively and efficiently without being in one physical location, so we will continue to apply this long-standing practice and search for new ways to make remote working convenient, efficient and acceptable.



EMPLOYEES AT HOME WERE PROVIDED WITH:

450 computers

1,000 keyboards

200 monitors

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

STRENGTHENING THE EMOTIONAL STATE OF EMPLOYEES

The coronavirus brought some anxiety to everyone's lives, so we started monitoring and measuring the emotional state of our employees on a regular basis. An internal study, called Pulse, was conducted three times. The data obtained from the study helped to clearly measure the internal temperature of the team, forestall certain situations, meet the expectations of the employees, and provided valuable insights in making important decisions.

For example, to ensure the provision of psychological support to employees, virtual meetings were held with psychologists, which were attended by both executives and employees of the company. The shared service centre, **Telia Global Services Lithuania**, provided the opportunity to remotely contact psychologists anonymously and free of charge in as many as three languages—Lithuanian, English and Russian.

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

THE IMPORTANCE OF INTERNAL COMMUNICATION

From the very first day of the quarantine, a comprehensive and wide communication and information campaign for employees was launched, covering a large variety of measures and means of communication. Telia Lietuva employees were continuously provided with essential information not only concerning the quarantine, security measures, current news about the company's activities, but also advice on how to maintain work efficiency, how to get a quality rest after a day's work from home, etc.

Our internal communication was not limited to informational articles and instructions – we organized virtual discussions, question-and-answer sessions, and internal employee surveys. For example, a separate session was held with a specialist from the National Public Health Center who answered the employees' questions about the virus, important processes to know when seeking help, etc.

Telia Lietuva internal events and initiatives did not stop either, they just moved to a virtual space – from lectures, conferences, awards to sports activities or the Purple Dinner initiative, during which employees virtually cooked various dishes together, and so on.

During quarantine recruited a total of

55

new employees.

RECRUITMENT OF STAFF DURING QUARANTINE

Despite the quarantine, we continued to look for new team members and fully digitized recruitment processes – from interviews with candidates to signing documents or introducing new employees to the company.

In 2020, Telia Lietuva and Telia Global Services Lithuania, the shared service centre based in Vilnius, recruited a total of 55 new employees.

TELIA'S CONTRIBUTION IN COMBATING THE CONSEQUENCES OF THE PANDEMIC

The COVID-19 pandemic and the rapid spread of the virus posed enormous challenges to the medical and healthcare system of Lithuania. In addition, quarantine restrictions opened up even more important issues related to the provision of information to the public, remote learning and education, etc.

Faced with the challenges, Telia Lietuva did not hesitate to contribute to the fight against the consequences of the pandemic and to reduce their impact. For that end, we selected the programs and areas that would help the audiences needing help most – doctors, school pupils, volunteers, and projects with a potentially significant impact on society.



Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic



SUPPORT FOR MEDICS

Telia Lietuva allocated support of EUR 50 thousand to the COVID-19 Relief Fund set up by the Ministry of Finance, the Council of which was chaired by the ex-President Dalia Grybauskaitė. The funds were dedicated to financing the purchase of vital protective equipment for medical staff. We provided the support very quickly, immediately after the quarantine was announced and as soon as it was reported that medics on the front lines of the pandemic were facing a shortage of medical supplies to ensure their safety, such as gloves, respirators, etc., and that hospitals might experience shortages of important medical equipment.

Allocated support of
€ 50 THOUSAND
to the COVID-19 Relief Fund

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic



Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

SUPPORT FOR SCHOOL PUPILS

As the quarantine moved our lives into the digital environment, it turned out that there were about 35,000 children exposed to exclusion in Lithuania who did not have a personal computer, smart device or Internet access at home. They did not have the possibility to participate in remote learning lessons, access assignments posted online and other educational materials. Telia Lietuva immediately responded and contacted the Ministry of Education and Science to get involved in ensuring the provision of remote education for all children in Lithuania.

We donated almost 500 new tablet computers and SIM cards with 50 GB of mobile data per month to the 'School at Home' project patronised by the Ministry of Education, Science and Sport. The value of the support amounted to EUR 50 thousand. Support for school pupils was provided through Lietuvos Junior Achievement, an organization for economic and entrepreneurship education.

In a public procurement tender announced by the National Education Agency, Telia Lietuva offered up to 20 thousand EŽYS SIM cards for a symbolic price (EUR 1 without VAT per month), which would provide unlimited mobile data for two months to school pupils without Internet access at home.

 ~500

new tablet computers and

 50 GB

of mobile data per month

Allocated support of
€ 50 THOUSAND

THE COVID-19 HOTLINE

In response to the COVID-19 outbreak in March 2020, the Ministry of Health of the Republic of Lithuania raised an important issue – how to ensure the prompt provision of information and assistance to citizens regarding coronavirus. This gave rise to the need for a specialized call center.

With all the necessary infrastructure and competencies, in just 4 days Telia Lietuva established a special COVID-19 Hotline 1808, available to residents free of charge. A team of 10 specialists was dedicated to the project.

As the number of phone calls increased, the line was improved and supplemented with new features, such as call forwarding, a voice message for callers waiting in the queue, etc. New solutions made it possible to ensure even better and smoother operation of the line – to handle up to 97 per cent of incoming phone calls, reduce call duration by almost a half, to 3 minutes.

The Call Center 1808 is still the official national helpline for COVID-19, and our team still continues to provide free support for it. This investment of Telia Lietuva amounts to about EUR 100 thousand.

KEY FACTS ABOUT COVID-19 HOTLINE:

Available to all residents of Lithuania

Free of charge

Ensured up calls reach up to **97 %**

Telia established a special COVID-19 Hotline in just

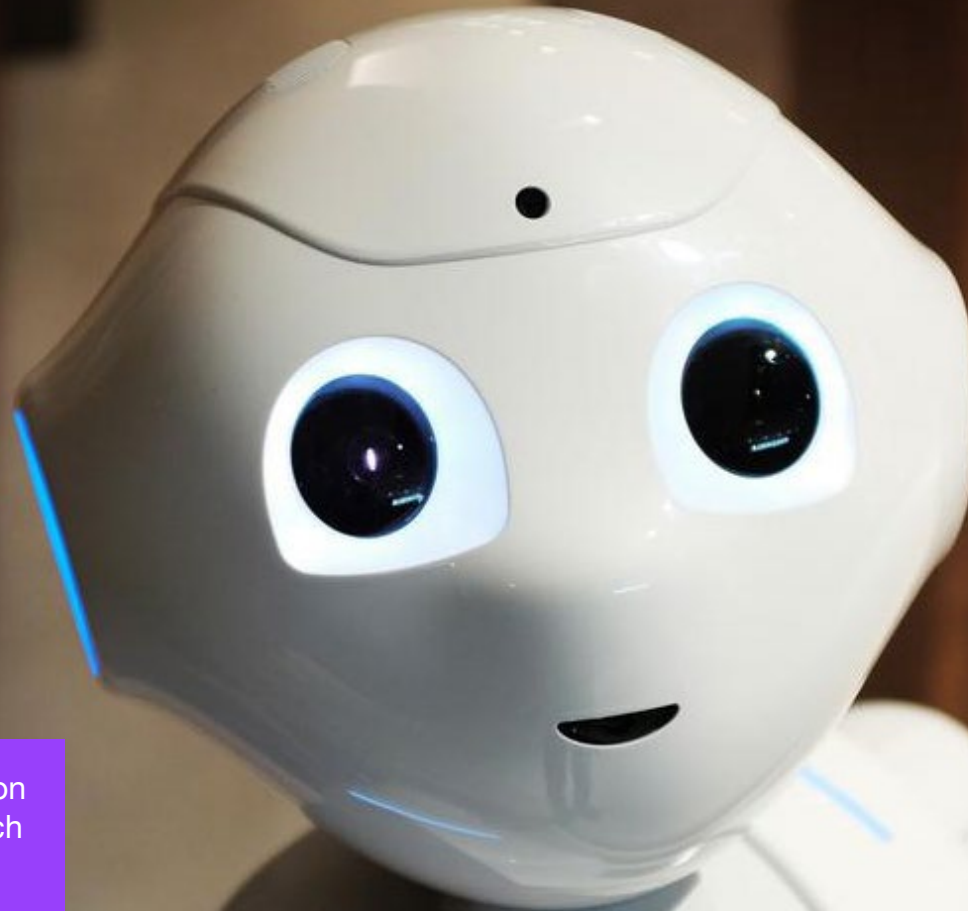
4 DAYS

Investment of Telia Lietuva amounts to about

€ 100 THOUSAND

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic



This intelligent information system manages to reach as much as

95 % contacts.

Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

SUPPORT FOR THE NATIONAL PUBLIC HEALTH CENTER

During the second quarantine, as coronavirus infection rates started soaring to new heights and COVID-19 testing volumes substantially increased, more and more people had to be promptly informed about mandatory self-isolation. The National Public Health Center (NPHC) did not have the capacity to make so many phone calls. In response, Telia Lietuva offered a highly efficient solution and developed, free of charge, an automated calling system or robot, informing callers about the need for self-isolation, providing them with other necessary information, and instructing them to check the exact period of self-isolation on their phones.

An intelligent information system saves a lot of working time for public health specialists: it can work without any breaks and interruptions, and thus manages to reach as much as 95 per cent of contacts.



OTHER PROJECTS

During the quarantine, Telia Lietuva provided 100 per cent discounts on call handling for nearly 20 helplines and consultation desks operating in the country, including 1827, 1880, 1809, 1824 and many more.

To encourage its customers to comply with the quarantine restrictions and to take care of their own and others' safety, the company encouraged them to stay at home in the original way – by renaming its network to LikNamie (StayAtHome). This network name could be seen by many of the company's customers on their mobile phones. In addition, we initiated the project #SUSIJUNGIAM (Let's connect) to encourage people to share their tips on how to stay connected and motivated while at home. The project brought together active people on the social network Facebook and the country's largest news portal Delfi.

During the first quarantine, Telia Lietuva provided its customers the opportunity to watch educational and entertainment channels free of charge: for children – JimJam, Kidzone +, for entertainment – Filmzone, Filmzone +, Eurochannel, Docubox, Discovery DTX HD and more.

During both quarantines, we also worked closely with the Vilnius City Municipality. As a result, people were provided the opportunity to watch the flowering of sakura trees or the festive Christmas tree in Vilnius remotely on their screens in extremely high 4K resolution. Live broadcasts were carried out via 5G connectivity, which we started testing in the capital at exactly that time.



Welfare of Employees during the Quarantine

Telia's Contribution in Combating the Consequences of the Pandemic

TELIA LIETUVA RECEIVED A GRATITUDE FROM THE MINISTER OF FOREIGN AFFAIRS OF THE REPUBLIC OF LITHUANIA FOR SINCERE AND CONSTRUCTIVE COOPERATION DURING THE GLOBAL PANDEMIC.

RESPONSIBLE BUSINESS

Quality communication and technologies have become even more important during the global COVID-19 pandemic and have made it easier for all of us to adapt to the new reality. When restrictions on movement were imposed, technologies connected millions of people; enabled hundreds of thousands of employees to continue to work productively when office doors closed; ensured the continuity of education when schools and universities had to shift to home-based education. In the business world, technologies have allowed many sectors to adapt to sudden changes in operating conditions without losing customers and revenues. It is not by chance said that the pandemic has led to a breakthrough in digitalisation, which under normal conditions could have been expected no earlier than five or even more years later.

However, being at the forefront of this new reality, we have seen other challenges as well. The scale of the digital divide, the lack of digital literacy, and cyber security issues are just a few of them. In addition, the issue of tolerance in society has not disappeared, but perhaps became even more intense, the importance of emotional health and well-being has increased, and it has become all the more crucial to address the tasks related to the lack of future competencies in the labour market. All of this has led us to focus even more on where we can help and contribute to creating an unlimited and safe world of opportunities.

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 of Telia. As part of our sustainability policy, we have identified clear priority areas, which we focus on and where we seek substantial change: transparency and anti-corruption, freedom of expression, personal privacy, safety, health and education of employees, and 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.

Responsible Business

- Transparency and Anti-Corruption
- Freedom of Expression
- Personal Privacy

Diversity and Equal Rights

- Attention to Employees
- Responsibility in the Market

We have our own sustainability goals, and we also contribute to the achievement of the United Nations Sustainable Development Goals (SDGs). To this end, we make effective use of our core competencies and business experience, and ensure sustainable profitability and growth.

We inform society and our stakeholders about our responsible business conduct every year – we are the first in Lithuania to start providing social responsibility reports. For the past few years, we have been preparing them in accordance with the guidelines of the United Nations Global Compact’s Global Reporting Initiative (GRI) and the requirements applicable to the telecommunications sector.

In Telia’s Sustainability Report, we overview the following key principles of sustainability:

TRANSPARENCY AND ANTI-CORRUPTION

FREEDOM OF EXPRESSION

PERSONAL PRIVACY

OCCUPATIONAL SAFETY, HEALTH AND EDUCATION

RESPONSIBILITY IN THE MARKET

ENVIROMENTAL PROTECTION

CHILDREN’S SAFETY ONLINE

INVESTMENTS IN SOCIETY

HOW DO WE ENSURE A RESPONSIBLE BUSINESS?

We are pioneers in the Lithuanian telecommunications and IT market: upon having integrated fixed-line and mobile communications, we provide people and businesses with the most advanced telecommunications, television and IT services and solutions. Leadership is important to us not only in the activities we carry out, but also, for example, in the areas of business management, sustainability, and ethical business conduct. Therefore, the entire team of Telia Company employees adheres to [the Code of Responsible Business Conduct](#), which 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. Currently, we actively participate in the activities of the following two working groups of LAVA:



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

- [Anti-Corruption Policy, updated in 2020](#)
- [Policy of Freedom of Expression in Telecommunications, updated in 2020](#)
- [Privacy Notice](#)
- [Occupational Safety and Health Policy](#)
- [Supplier Code of Conduct](#)
- [Environmental Policy, updated in 2020](#)

1. INDUSTRY, INNOVATION AND INFRASTRUCTURE.

In 2020, in this working group we started to develop a questionnaire on responsible supplier selection, which could be adapted and used by all Lithuanian companies.

2. CLIMATE ACTION.

The working group responsible for this area is developing the Corporate Environmental Impact Map, which will allow any company to clearly assess the environmental impact of its activities.

Responsible Business

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Personal Privacy

Diversity and Equal Rights

Attention to Employees

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TRANSPARENCY AND ANTI-CORRUPTION

According to Transparency International's (TI) 2020 Corruption Perceptions Index (CPI), Lithuania scored 60 out of 100 on a points scale and came 35th out of the 180 countries assessed and 14th out of the European Union (EU) countries. We believe that this index needs to be improved and we want to contribute to that by our own example:

Transparency International, the rating of Telia Lietuva is as high as **96** out of **100** (2019 data).

How did we reach this level? In our daily operations we stand for transparent and fair business conduct, and we have zero tolerance towards any form of bribery or corruption. It is important to us that the principles of free and fair trade are adhered to and that conditions are created for competition that are open and promote ethical business.

We always comply with Lithuanian laws and regulations. We also have our own internal documents that allow us to adhere to the principles of transparent business: Anti-Corruption Policy, Anti-Corruption Instructions and Anti-Corruption Guidelines. We review and update them on a regular basis: in 2020, we updated our Anti-Corruption Policy and Anti-Corruption Instructions.

However, documents do not make sense if no one knows them nor follows their provisions. Therefore, we pay a lot of attention to employee training, discussions, situation analysis. These help us to identify and assess high-risk situations, provide knowledge on how to behave in such situations.

We expect transparency also from our partners and suppliers, of whom we have thousands in Lithuania. Open and fair cooperation can create a chain of socially responsible activities, therefore we use an advanced Due Diligence Platform, which helps us not only evaluate, but also maintain transparent relationships with our business partners.

According to the evaluation carried out by the transparent business labelling initiative 'Clear Wave', Telia Lietuva was one of the most transparent companies in 2020.

98.21 %

Monitoring and assessing transparency is also a very important process. It is essential to know where you are, what still needs to be improved and what tools to use for that purpose. We are assessed by external organizations, but we also perform our own self-assessment.

At the end of 2019, an internal anti-bribery and corruption assessment was conducted for the first time in history in all companies of the Group. It revealed that Telia Lietuva transparency results exceeded the average of other companies in the Group, and in some areas we were so strong that we had achieved the set goals a year earlier. This is the merit of our consistent work in the field of anti-corruption.

Maintaining contacts with other organizations is also very important to us in this area. Therefore, for several years we have been cooperating with the Special Investigation Service (STT), which mentions Telia as one of the good examples of creating an anti-corruption environment.



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. In 2020, the Speak-Up Line received 5 reports.

Responsible Business

Transparency and Anti-Corruption

Freedom of Expression

Personal Privacy

Diversity and Equal Rights

Attention to Employees

Responsibility in the Market

FREEDOM OF EXPRESSION

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.



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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.



TO ENSURE THE PRIVACY OF OUR CUSTOMERS, WE:

| | | |
|---|---|---|
|  <p>Follow the Privacy Data Security Policy</p> |  <p>Have simplified have also updated the Telia's Privacy Notice for our customers</p> |  <p>Periodically carry out a Data Protection Impact Assessment</p> |
|  <p>Apply appropriate technical and organizational security measures, for example, we are certified to the Information Security Standard ISO27001</p> |  <p>Sign strict personal data processing agreements with suppliers</p> |  <p>Regularly organize mandatory privacy and data security training for employees</p> |

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In 2020, a total of more than **1,300** employees of Telia Lietuva participated in the updated general privacy training.

Individual and face-to-face customer privacy training was attended by 100 customer care unit managers and 100 customer care employees.

We are also constantly improving our processes and methodologies to ensure full security of customer data. In 2020, we received three warnings and orders from the State Data Protection Inspectorate (SDPI) related to data processing. One case was related to our failure to give a timely response to a person's inquiry about the processing of personal data; the second case concerned a misplaced marketing offer, and the third one – informing of customers about the processing of data when concluding contracts.

We resolved the first two cases and implemented the orders properly. As regards the third case, we are still looking for appropriate solutions together with the SDPI to properly implement the order.

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. 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 commit to implement in our operations.

DIVERSITY AND EQUAL RIGHTS

For us, as a leader in the sector, large employer in Lithuania, member of the community, partner and service provider, it is important to promote diversity, help people get involved and share different experiences, ensure equal rights and opportunities both in the workplace and beyond.

We are guided by the Group Policy – Equal Opportunity, which promotes a culture of diversity and equal opportunities in the company, from the best working conditions for all to fair remuneration, preventing discrimination and harassment. This Policy is integrated into the Group Policy – People, the Group Policy – Remuneration (both of which are publicly available online) and is also provided for in the Code of Ethics and Conduct, the Code of

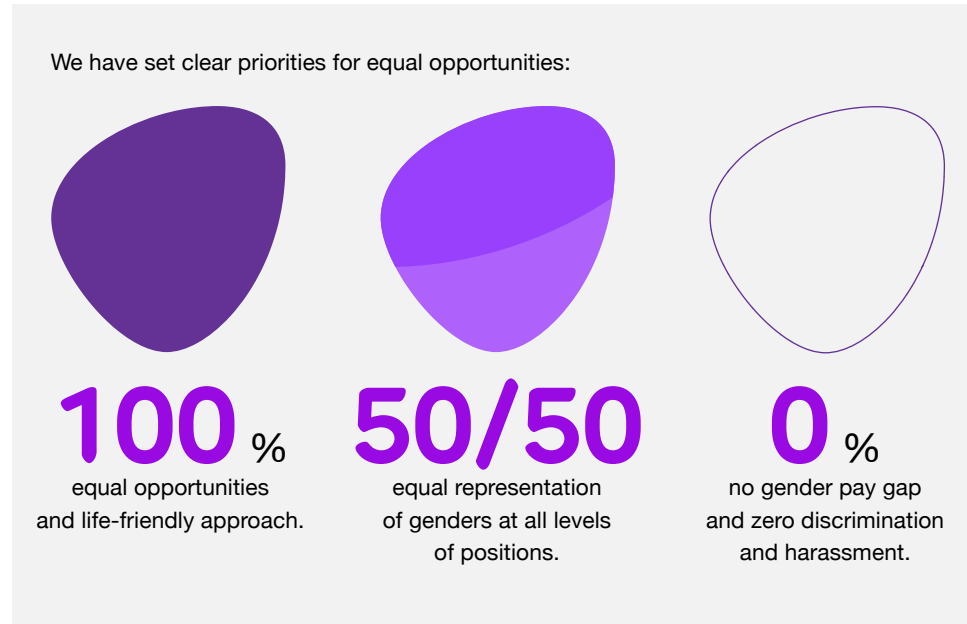
Responsible Business Conduct, and other documents of the company.

We do not tolerate any discrimination at all – whether in the process of recruitment or in any other form of discrimination based on ethnicity, gender, sexual orientation, marital or social status, having children, religious beliefs, political views, nationality, disability, age, trade union membership or any other important grounds.

We neither tolerate nor support any form of psychological, physical, sexual or verbal harassment, intimidation, threat or insult. For several years now, we have set up a Transparency Line for reporting misconduct.

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

| | | |
|---|---|--|
| <p>Raise awareness of diversity and inclusion through training and communication tools.</p> | <p>Create an environment which is favourable to diversity and inclusion in all internal processes, for instance, employee selection, remuneration review.</p> | <p>Increase the involvement of different groups through partnerships, internal and external initiatives.</p> |
|---|---|--|



→ **Telia Lietuva is one of the first companies in the entire Group to achieve gender equality among employees and middle-level executives.**

- Responsible Business
- Transparency and Anti-Corruption
- Freedom of Expression
- Personal Privacy

- Diversity and Equal Rights**
- Attention to Employees
- Responsibility in the Market

We also share values and best practices that help foster equality and diversity in business with other Lithuanian companies, organizations and groups of people. In 2020, Telia Lietuva representatives attended and delivered presentations at the following business events:

→ Ring the Bell for Gender Equality (organized by Nasdaq) – we talked about the progress of gender equality in Lithuania.

→ Discover Tech (organized by Women Go Tech) – we shared tips on how to prepare for the start of career in IT.

We were one of the first in Lithuania to sign the Diversity Charter, aimed at reducing discrimination against employees and to promote diversity and equal opportunities in the Lithuanian labour market.

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.

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We boldly express the values of equality in other ways and forms as well. For example, in the summer of 2020, a unique work of street art was unveiled on the White Bridge in Vilnius – a three-dimensional drawing in the colours of the rainbow, inviting passers-by to 'Fall in love'. The creative idea of the

drawing, covering an area of about 25 square meters, had been proposed by LinkMenu Fabrikas and implemented by the artist and sculptor Mindaugas Tendziagolskis. It aims to celebrate diversity and express support for the LGBTQI (Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex) community.

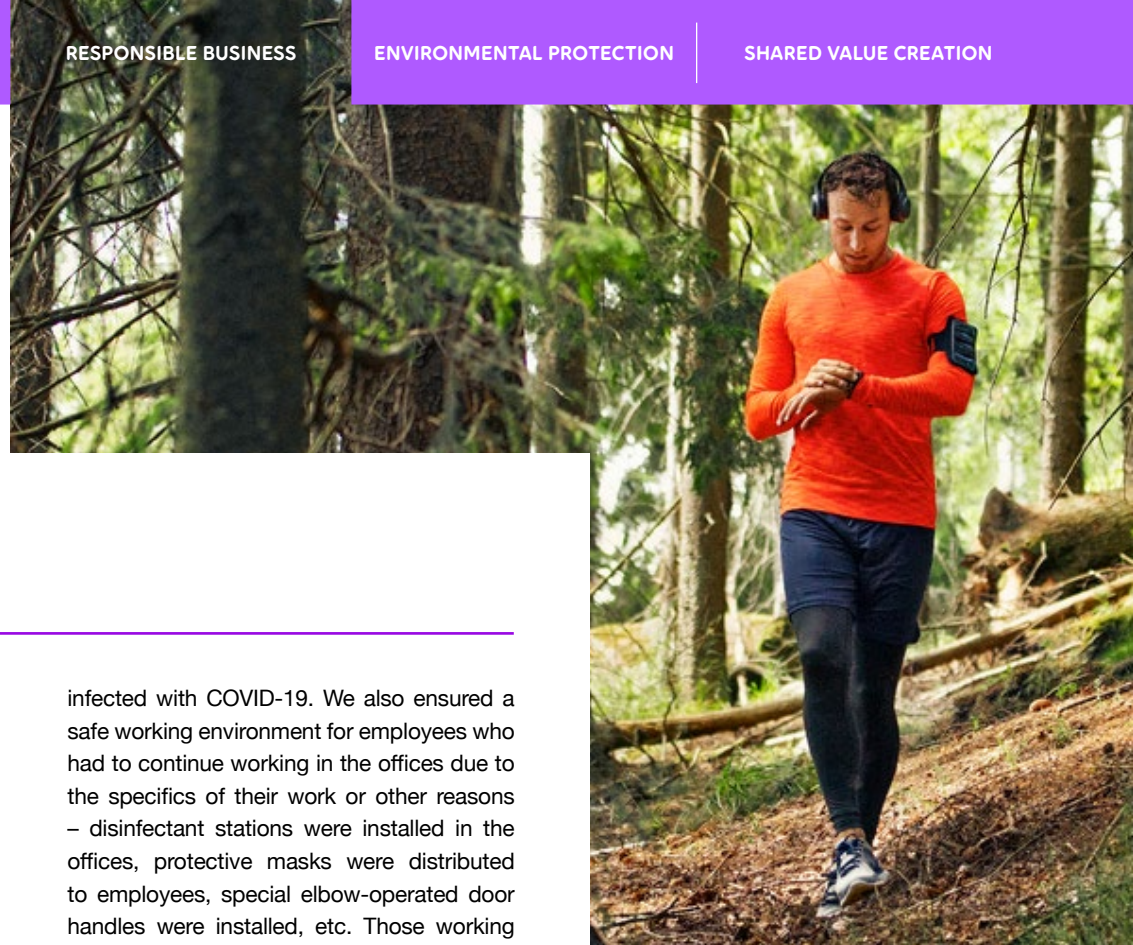


Telia has been named the most LGBTQI-friendly workplace by Unionen, the largest trade union in Sweden.



In 2020, Telia Lietuva received three 'Wings of Equal Opportunities' (an initiative of the Office of the Equal Opportunities Ombudsman) for its successful promotion of a culture of equal opportunities and the dissemination of these values in the public domain.

ATTENTION TO EMPLOYEES: SAFETY AND HEALTH



OCCUPATIONAL HEALTH AND SAFETY POLICY

In 2020, we took important steps in the field of occupational safety and health policy – primarily on our own initiative and, of course, in response to the global COVID-19 pandemic.

Firstly, Telia Lietuva obtained certification according to the new international occupational health and safety standard, ISO 45001. We also updated the Occupational Health and Safety Procedure. In response to the pandemic and global quarantine, we developed clear internal processes and methodologies enabling the Crisis Committee to operate efficiently and successfully with a view of ensuring safe and quality work in this difficult time for all of us.

SAFETY AND HEALTH AT WORK

Our team employs more than 2 thousand employees; some of them have daily direct contact with our customers – employees of customer care outlets, engineers. When the pandemic reached Lithuania and the quarantine was announced, we had to ensure the provision of services and, at the same time, the safety of our employees, which was our priority.

All our engineers visiting customers and sites were provided with the most important personal protective equipment; we kept in constant contact with them and by other means managed the risks of getting

infected with COVID-19. We also ensured a safe working environment for employees who had to continue working in the offices due to the specifics of their work or other reasons – disinfectant stations were installed in the offices, protective masks were distributed to employees, special elbow-operated door handles were installed, etc. Those working from home were, on demand, provided with the necessary tools for working remotely. Throughout the pandemic, we clearly communicated the topic of occupational safety, provided recommendations and other information both in the offices and on the intranet.

In 2020, three of our employees suffered accidents at work and one – on the way from work. Fortunately, serious injuries were avoided.

As every year, we continued the disease prevention program. In total, more than 1,000 of our employees participated in the periodic health check-up. We also vaccinated our employees against flu and tick-borne encephalitis at the expense of the company.

In 2020,

343

employees were vaccinated against tick-borne encephalitis

688

employees – against flu.



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- Responsibility in the Market

SAFETY TRAINING

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 2020, we organized evacuation exercises and training for executives, training for new executives, training for high-scalers and electricians working on mobile elevated work platforms.

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. For the convenience of employees, we allow them to choose one of several insurance options offered for health care and strengthening services.

In 2020, the proposed health insurance plans were updated: all previous conditions were maintained, the limits for dental services were even more increased, and the procedure of payment for psychotherapy sessions was facilitated. Telia Lietuva pays for as many as 15 psychotherapy sessions provided by a psychotherapist or psychologist-psychotherapist in health care institutions.

We strive to take full care of the health of our employees and, therefore, provide our employees the opportunity to take out health insurance for their family members on favourable terms.

More than **1,300** colleagues took part in e-learning on occupational safety and health.

During 2020, **2,209** employees benefited from the additional health insurance.

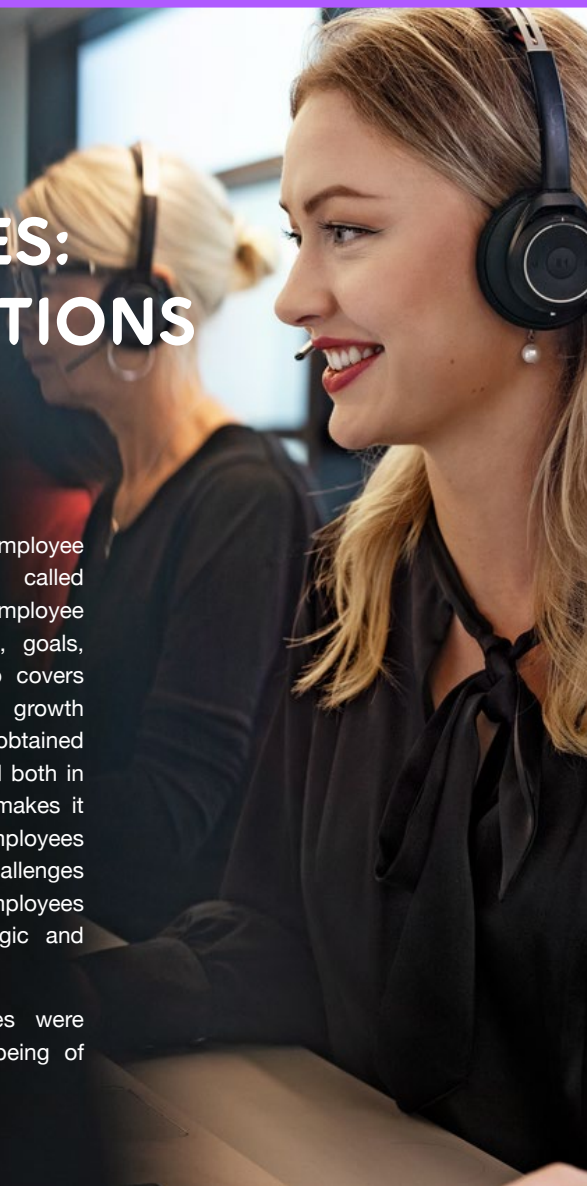
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ATTENTION TO EMPLOYEES: WORK CONDITIONS AND CAREER

Twice a year, Telia Lietuva organizes an employee engagement and satisfaction survey, called Pulse. The survey provides analysis of employee engagement, organizational opportunities, goals, strategy, and leadership. The study also covers the values, welfare of employees, trust, growth opportunities and sustainability. The data obtained from the study is evaluated and discussed both in teams and with superiors. This practice makes it possible to strengthen the factors which employees are satisfied with and to meet the challenges that arise. The opinion expressed by employees is integrated into the company's strategic and personnel goals.

In 2020, three additional Pulse studies were conducted in order to ensure the well-being of employees during COVID-19.



IN 2020, AS MANY AS **1,920** TELIA LIETUVA EMPLOYEES SUCCESSFULLY WORKED REMOTELY AND WORKED AS MANY AS 122,831 DAYS AWAY FROM THEIR WORKPLACE.

REMOTE WORKING

Six years ago, we were one of the first to officially start the practice of working remotely, which was still a rarity at that time. We then gave our employees the opportunity to choose to work outside Telia's office premises for medical, family, more efficient work and other objective reasons. For that purpose, 6 years ago we had established a Remote Working Procedure, describing all the possibilities of balancing work with personal life. Therefore, as the pandemic began, we had no trouble shifting to remote working.

In addition, we allow our teams to flexibly adjust their working hours. For example, employees may choose to start and end their work day earlier or later than usual, for example, they can start work between 7 a.m. and 11 a.m. and finish work a few hours earlier or later, respectively. This option is particularly attractive for employees returning from parental leave – they often wish to work part-time for at least some time.

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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 so-called concept of a total remuneration. It consists of the following:

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

All employees' remunerations are reviewed once a year. In 2020, after reviewing employees' remunerations, they were increased by an average of 11 per cent.

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.

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.

Information on the salaries of Telia Lietuva employees (as of 31 December 2020):

| Telia Lietuva | Number of employees | Average monthly salaries (in EUR) |
|-----------------------|---------------------|-----------------------------------|
| Managers | 43 | 7,441 |
| Middle level managers | 179 | 2,864 |
| Specialists | 1,938 | 1,648 |
| In total: | 2,160 | 1,864 |

All employees' remunerations are reviewed once a year.

In 2020, after reviewing employees' remunerations, they were increased by an average of **11** %

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PROFESSIONAL AND PERSONAL DEVELOPMENT

Employee competencies and knowledge are an important area in which we constantly invest. In addition to the basic and mandatory trainings that our employees must attend, we regularly organize various additional trainings for improvement, development or acquisition of new skills.

In 2020, we invited our employees to take part in the following training courses:

- training for new customer care and sales staff;
- refresher sales training for employees of customer service outlets;
- training for new engineering staff;
- refresher copper technology training for engineers
- project management for professionals;
- cyber security training;
- Docker DevOps;
- Scrum Product Owner Certified;
- Scaled Agile Framework;
- English language;
- etc.

Since 2018, we have been successfully implementing a large-scale project funded by the EU aimed at improving the qualifications, knowledge and skills of Telia Lietuva employees. The training project will be continued until September 2021.

About **1,000**
employees have already
participated in the training courses.

We pay a lot of attention not only to the development of professional competencies, but also to the development of leadership. For that purpose, we launched an internal program, called Telia Leadership Academy. The program participants delve into areas that are important for a successful career: self-knowledge and personal leadership, team management, communication, change management, business perception, and financial management.

The Internal Mentoring Program also helps in the journey of personal and professional growth. Mentors are Telia Lietuva executives who have achieved a lot and learned useful life lessons. They share their experiences and inspire other

team members – their assigned students – to learn more from their careers and lives.

Every year, we organize so-called Shadowing Days where we invite colleagues to try out different professions and get acquainted with the daily work of other employees of Telia Lietuva.

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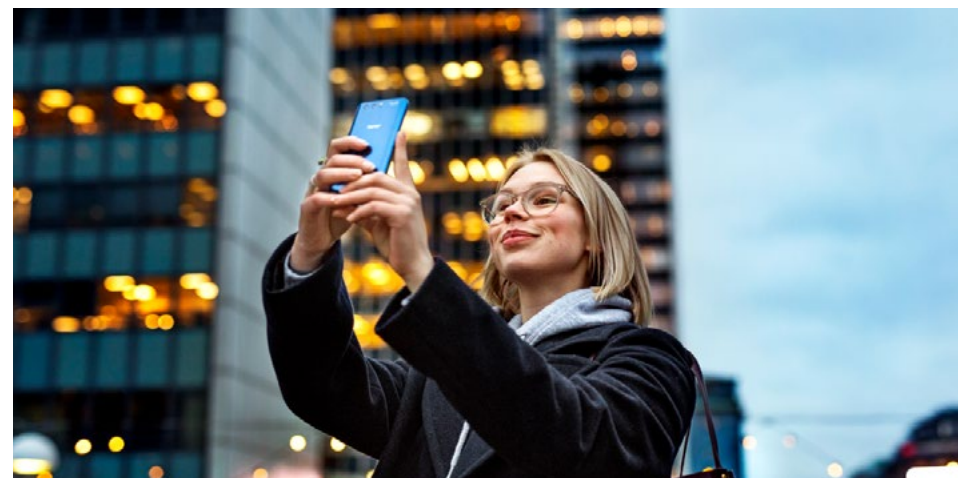
Diversity and Equal Rights
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We also focus on future competencies, the need for which is increased by digitalization, automation and similar processes of the labour market. Therefore, in 2020, in cooperation with the Singularity University, we presented 4 new Telia Future Impactors workshops. The workshops are led by our employees who have completed one of the programs of the Singularity University. The topics of the workshops are selected according to the critical skills required for Telia to remain a competitive and innovative company in the future.

Undoubtedly, training was also affected by the pandemic – we had to switch to remote training, but not only that. The pandemic has led us to pay even more attention to the health and emotional well-being of employees. To strengthen these areas, we turned to external experts and specialists. As a result, a special training-event series, called Refresh Time, was born. During it, we focused on the following areas:

- **emotional health** – we organized lectures on stress and its management methods, on the philosophy of slowness, the importance of sleep, etc.
- **physical health** – during the training, the invited guests shared useful tips on how to exercise and maintain good physical activity while working from home, etc.
- **financial welfare** – we invited discussions about management of personal finances, investing, etc.
- **personal development**

Refresh Time attracted a lot of interest from colleagues, with an average of about **350** employees joining each session. We will continue these events in 2021 as well.



STUDENTS AND TRAINEESHIPS

In 2020, we recruited a total of 20 young candidates for traineeships – compulsory and voluntary: 12 of them were recruited under tripartite contracts and 8 – under bipartite contracts.

Also, in order to promote the popularity of professions in the fields of IT and technologies, we established friendships with several external organizations – the Vilnius Coding School and the Baltic Institute of Technology. We organized presentations for members of those organizations about what was needed for a successful career, a successful job interview, etc.

In 2020, we recruited a total of **20** young candidates for traineeships.

The events took place in a virtual format and involved a total of about **130** people.

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ATTENTION TO EMPLOYEES: ADDED VALUES

COLLECTIVE AGREEMENT

On 1 February 2020, a new Collective Bargaining Agreement of Telia entered into force. 77 per cent of the company's employees took part in voting for its validity and approved it with a 98 per cent majority vote.

The collective 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

ADDITIONAL GUARANTEES

Telia Lietuva also seeks to contribute to the well-being of employees' families through the financial means provided for in the Collective Bargaining Agreement. We also provide the following additional social guarantees:

- Additional leave of up to 5 paid business days, depending on the length of service at Telia Lietuva;
- On the occasion of the employee's wedding, the employee is granted 3 calendar days of paid leave;
- In case of death of the employee's father, mother, spouse, child (adoptee), brother or sister, the employee is granted 3 calendar days of paid leave;
- In case of death of the employee's grandmother (grandfather), father, mother, brother or sister of the employee's spouse, the employee is granted 1 calendar day of paid leave;
- Paid study leave;
- The Employer pays 70 per cent of the employee's average remuneration for the first 2 calendar days of the employee's temporary incapacity for work due to illness that coincide with the employee's work schedule;
- An employee is allowed to be absent from work for 2 business days per calendar year without a certificate of incapacity for work due to ill health / illness and is paid his/her remuneration for these days;
- A bonus for 20, 30 and 40 years of continuous record of service at Telia Lietuva;
- An allowance due to difficult financial situation of the employee or his/her family or due to incurred substantial material loss;
- By the decision of the Committee of the Social Needs Fund, financial support is provided to sports and cultural events (due to the pandemic, in 2020 the funds were used to support various online events, employees' emotional health) and initiatives for employees' children.



Responsible Business
 Transparency and Anti-Corruption
 Freedom of Expression
 Personal Privacy

Diversity and Equal Rights
Attention to Employees
 Responsibility in the Market

PENSION SAVINGS

We take care of the future 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' (Accumulate 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 Lietuva also transfers an additional contribution to the pension fund corresponding to the portion of the salary the employee pays.

In 2020, **867**

employees participated in the 'Kaupk su Telia' (Accumulate with Telia) program.

SOCIAL NEEDS FUND

Telia Lietuva has established the Social Needs Fund, the purpose of which is to contribute to the implementation of the social needs and ideas of employees. All the rules for how this will be done are set out in the regulations of the Fund.

Under the above regulations, the Fund undertakes to:

- fund initiatives involving employees' children;
- allocate bonuses to long-term employees on the occasion of 20, 30 and 40 years of their continuous record of service;
- 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 2020, the Fund allocated almost

€ 54 THOUSAND

in total for the needs of Telia Lietuva employees.

WORK-LIFE BALANCE

It is no secret that most working parents face the difficulty of keeping their children occupied during the summer and other school holidays. We were looking for ways to aid our employees, so we started organizing children's camps in our office in Vilnius.

Employees were very positive about the opportunity to bring their children to their workplace and feel safe and secure while at work knowing that their children are having a great time. We organized camps not only during the summer, but also during other school holidays (except when the quarantine was announced).

SCHOOLCHILDREN'S CLUB

Before the pandemic, **Telia Schoolchildren's Club** operated at Telia Lietuva premises in Vilnius and Šiauliai every business day. The club was intended for children of the company's employees from 6 to 12 years of age.

Children attending the Club took part in educational activities, trips, got acquainted with environmental and sustainability topics, experimented and developed new ideas from recycled materials. During afternoons, children studied and explored a different topic of culture, world cognition or history each month. Most of the month's activities were linked to a specific subject, encouraging children to explore, discover and learn through live experiences in a variety of creative and engaging ways and to integrate their knowledge into a meaningful whole. Every Wednesday of the week was dedicated to various trips to the Old Town, different cultural institutions or other places related to the activities of the month. Children learned to build friendships, play board and active games, solve various tasks, read stories, always honestly do their homework, and address other issues that had arisen at school.

To our knowledge, this initiative offered by the employer is unique in the Lithuanian market.



Responsible Business
Transparency and Anti-Corruption
Freedom of Expression
Personal Privacy

Diversity and Equal Rights
Attention to Employees
Responsibility in the Market

EMPLOYEE ENGAGEMENT

Engaged employees mean a successful organization. When there are more than 2 thousand employees – there is certainly no shortage of ideas, initiatives, creative attitudes, hobbies and common interests. The most important thing is to provide all the conditions for the spread of a sense of belonging to community and engagement. Therefore, Telia Lietuva fosters a culture of employee engagement, and our employees flock to different communities, which we call *HUBS*.

For example, *Culture HUB* unites employees who want to realize their potential, gain knowledge, learn something new, spend their free time with others in a meaningful way. In this community, we invite colleagues to meet new people, have a good time playing sports, reading, organizing brain battles, playing strategic board games, dancing and so on.

Diversity and Inclusion HUB was formed in February 2020 and in May its members organized a virtual panel discussion on tolerance on the occasion of Diversity Month.

Computer Gaming HUB currently unites more than 100 members who share a passion for gaming. The mission of this HUB is to create Telia's *E-Sports Hub*, bring together individual gaming teams and represent Telia in various events and tournaments.



In 2020, Telia Lietuva was recognized as

THE BEST EMPLOYER OF THE YEAR 2020

in the category of large enterprises (National Responsible Business Awards)

Responsible Business
 Transparency and Anti-Corruption
 Freedom of Expression
 Personal Privacy

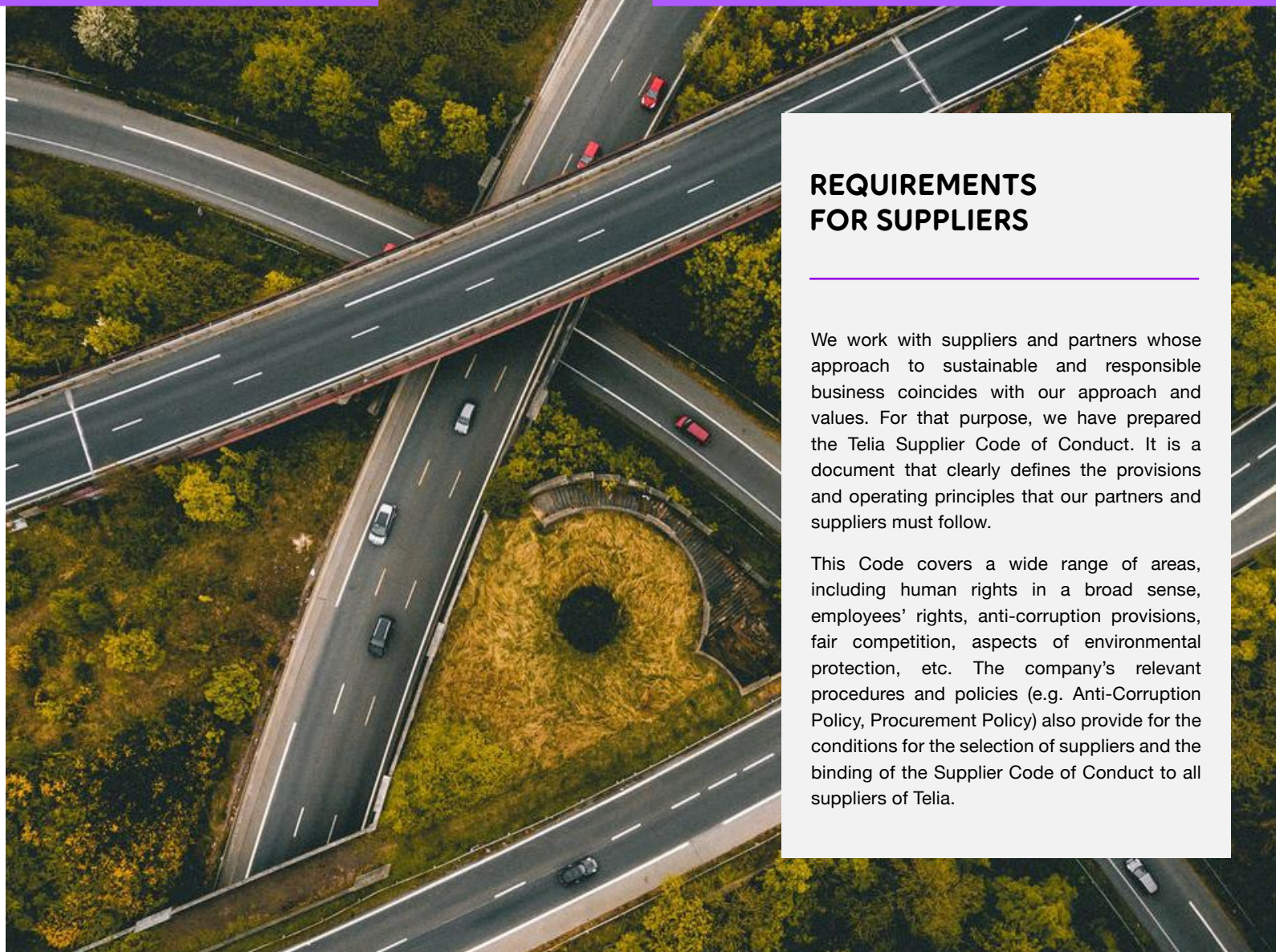
Diversity and Equal Rights
Attention to Employees
 Responsibility in the Market

RESPONSIBILITY IN THE MARKET

We feel responsibility towards society and apply the highest standards so that the information we spread does not mislead consumers. No matter who we communicate with – existing and potential customers, our employees, investors and capital market participants, influencers or the media, analysts, public authorities, representatives of various governmental and non-governmental organizations, the business community, our partners and employees – we remain transparent, open and adhere to 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 2020, the company did not receive any fines for misleading advertising or infringements of competition.



REQUIREMENTS FOR SUPPLIERS

We work with suppliers and partners whose approach to sustainable and responsible business coincides with our approach and values. For that purpose, we have prepared the Telia Supplier Code of Conduct. 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. The company's relevant procedures and policies (e.g. Anti-Corruption Policy, Procurement Policy) also provide for the conditions for the selection of suppliers and the binding of the Supplier Code of Conduct to all suppliers of Telia.

- Responsible Business
- Transparency and Anti-Corruption
- Freedom of Expression
- Personal Privacy

- Diversity and Equal Rights
- Attention to Employees
- Responsibility in the Market**

ENVIRONMENTAL PROTECTION

We have been concerned about sustainability and the environment for many years. These areas are part of the operating strategy of the Telia Company Group. In pursuit of more ambitious changes, we distinguished environmental protection as the cornerstone of our sustainable operations back in 2019, and this is how Telia's Daring Goals came into being.

TELIA'S DARING GOALS:

To act in an organized and targeted manner in pursuit of these goals, we have brought together special working groups in the areas of energy, supply chain, common value creation, finance, buildings and real estate, transportation, digital waste, etc.

2022 2025 2030

To increase scope of customer end-use equipment reuse by **4** % compared

To involve **100** % technology infrastructure contractors for fuel and waste reporting

To reduce CO₂ emissions from our activities by **50** %

To reduce CO₂ emissions related to the use of the goods we sell by **29** %

To oblige the suppliers whose CO₂ emissions account for as many as **72** % of emissions of all the suppliers to have science-based environmental goals approved

ZERO CO₂ throughout the value chain

ZERO waste left at work or in the network

To involve all employees in these activities – **100** % action

Environmental Protection

Reducing Carbon Dioxide

Reducing Daily Waste

Activity and Involvement of Employees

Promoting Sustainability

WE ARE A CLIMATE-NEUTRAL COMPANY IN OUR ACTIVITIES

Since the end of 2020, activities of Telia Company Group companies operating in the Baltic and Nordic countries have become climate-neutral. We have employed special carbon (CO₂) offset mechanisms and started using green energy to this end.

Telia Lietuva became a climate-neutral company in 2020, which is two years earlier than planned.

In December 2020, Telia Company invested in two types of projects: innovations that remove CO₂ from the environment industrially, and biodiversity and ecosystem restoration. This approach of carbon offsets helps companies around the world to offset CO₂ emissions from direct activities by investing in various CO₂ reduction and removal projects.

Telia Company invested in:

- an industrial project to produce a cellulose fiber insulation material from renewable natural resources (wood) that retains carbon dioxide for 50 years at the least. It can be used in the construction of durable buildings;
- two environmental projects aimed at preserving vulnerable, endangered, high-value forests.

INITIATIVE OF SCIENCE BASED TARGETS

Year 2025 will be a halfway to achieving the Daring Goals. International experts of the Science Based Targets initiative (SBTi) have also approved the targets set for this five-year period.

Till 2025, Telia Company undertook to:

Reduce CO₂ emissions from its activities by **50** %

Reduce CO₂ emissions from the use of its sold goods by **29** %

Oblige suppliers whose CO₂ emissions account for **72** % of total emissions of all the suppliers to have science-based environmental goals approved

Environmental Protection

Reducing Carbon Dioxide

Reducing Daily Waste

Activity and Involvement of Employees

Promoting Sustainability

INTERNAL ENVIRONMENTAL RULES

We have also developed our own environmental policy and instructions. In 2020, we reviewed and updated them to include specific requirements for carbon dioxide and waste management. The identified clear environmental priorities and the specific aspects in this area allow us to achieve measurable and tangible results.



Important environmental aspects where we aim for positive change:

- CO₂ emissions from air and land transport
- Energy used by IT and telecommunications networks
- Exhaust gases from internal combustion engines
- Reuse of terminal electrical and electronic equipment
- Waste network equipment
- Exhaust emissions from internal combustion engines (CO₂)
- Generation of construction waste

We also have the Code of Responsible Business in place distinguishing two sections: Environmental Protection and Environmental Policy.

Every year, we assess the activities performed and the results achieved to see how the specific impact on the environment was reduced. This allows us to be consistent and, if necessary, to change our established environmental tactics.

IMPORTANT STEPS TOWARDS SUSTAINABLE ACTIVITIES:

Telia Lietuva is certified and has an environmental management standard ISO 14001.

Telia Lietuva was awarded the Prime status in the specialized ISS-Oekom rating of companies illustrating that the company's shares are valued as a sustainable investment.

In 2020, Telia Lietuva and the main lessor of the company's head-office signed a memorandum to improve the efficiency of environmental performance of buildings. The aim is to manage energy and water consumption, waste generation and management, generation and emissions of greenhouse gases, and other adverse environmental impacts arising from the operation of the premises and the building.

Environmental Protection

Promoting Sustainability

Reducing Carbon Dioxide

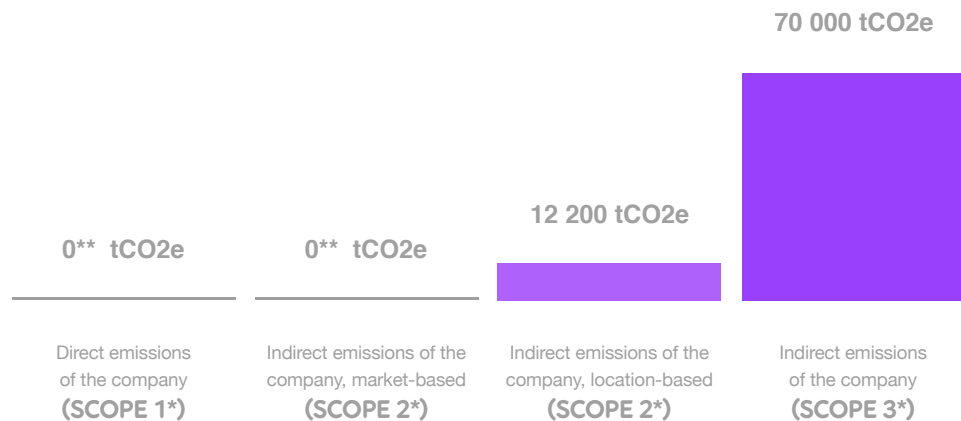
Reducing Daily Waste

Activity and Involvement of Employees

REDUCING CARBON DIOXIDE

We pursue an ambitious goal – to achieve zero CO₂ throughout our business chain by 2030. To this end, we have monitored and calculated our CO₂ footprint since 2018.

In 2020, CO₂ footprint of Telia Lietuva was 70,000 tonnes of greenhouse gases (market-based).



*Scope 1: direct issues arising from sources owned or controlled by Telia Lietuva;

*Scope 2: indirect emissions from, for example, the production of energy we buy (central heating);

*Scope 3: indirect emissions covering the entire value chain.

** In 2020, we became climate neutral in our operations (scope 1 & 2) and in business travel (part of scope 3).

Environmental Protection
Reducing Carbon Dioxide

Promoting Sustainability

Reducing Daily Waste

Activity and Involvement of Employees

WE USE THE FOLLOWING MEASURES TO ACHIEVE THIS GOAL:

We use 100% green electricity.

By using “green” electricity in 2020, Telia Lietuva reduced its greenhouse gas emissions by 21,777, which is equivalent to planting 606,638 trees or cancelling 31,110 flights per year.

We use a smart mobile base station “hibernate” programme.

At times of low load, Telia Lietuva base stations are turned off, saving up to 10% of electricity.

8 out of 10 of our cars meet the Euro6 emissions standard.

Telia Lietuva data centers use new and energy efficient technology for cooling.

We use free-cooling solutions in Telia Lietuva technical premises.

This allows saving up to 45% of electricity used by compressors.

We encourage our employees to use car-sharing services.

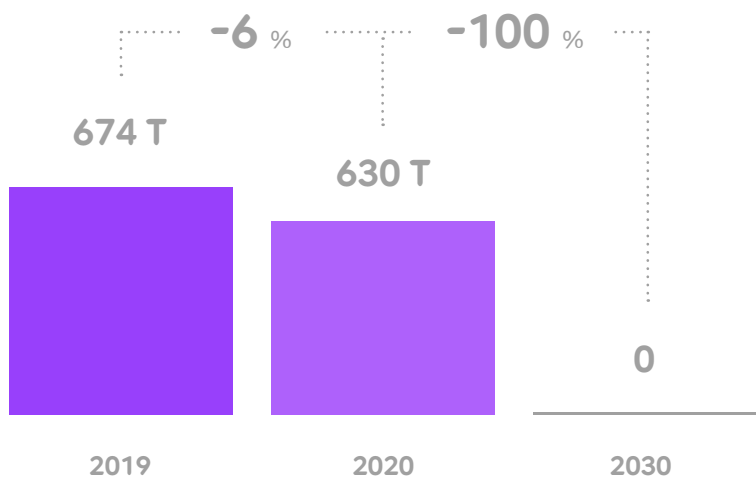
Electric cars, bicycles and scooters – during the warm season.



REDUCING DAILY WASTE

In application of the principles of circular economy, we have set ourselves the goal to free our value chain from waste by 2030.

In 2020, Telia Lietuva generated 630 tonnes of waste, which is 6% less than in 2019.



WHAT WERE THE RESULTS WE ACHIEVED IN 2020?

We reused more than 46,000 pcs of equipment, which is

13 %

more than in 2019.

We reduced the number of paper invoices from 134,000 to 116,000

13 %

more than in 2019.

88 %

of invoices were sent electronically.

We cut down the amount of paper we use by

25 %

We collected **950 KG** of coffee grounds, which was used to produce „green“ electricity and to light a Christmas tree in Vilnius (‘Paulig’ project).

Environmental Protection

Promoting Sustainability

Reducing Carbon Dioxide

Reducing Daily Waste

Activity and Involvement of Employees

ACTIVITY AND INVOLVEMENT OF EMPLOYEES

We, more than 2,000 Telia Lietuva employees, know that the use of technology allows us to live, work, communicate, entertain more easily, comfortably, diversely and also more sustainably. However, this also requires every one of us to contribute – our ideas, time, changing our habits and focus. Therefore, Telia Lietuva makes every effort to involve as many employees as possible in sustainability activities.

Four times a year, we hold global events, during which we involve all employees of Telia Group. In 2020, two of the events were dedicated to the environment:



Telia's Daring Goals' Week. We invited our colleagues to take part in various workshops and learn how we can create value for our customers by pursuing Daring Goals (zero CO₂, zero waste and 100% employee engagement).



UN's Sustainable Development Week. We held various inclusive discussions and lectures on sustainability, discussed with our colleagues activities done by Telia and talked about how each of us could contribute to creating a "greener" tomorrow.

Environmental Protection

Promoting Sustainability

Reducing Carbon Dioxide

Reducing Daily Waste

Activity and Involvement of Employees

< CONTENT

AWARDS:



TELIA LIETUVA WAS RECOGNIZED THE MOST SUSTAINABLE TELECOMMUNICATIONS COMPANY IN LITHUANIA IN THE SUSTAINABLE BRAND INDEX™ BRAND-SPECIFIC RATING IN 2021.



TELIA LIETUVA RANKED 14TH IN THE SUSTAINABLE BRAND INDEX™ RATING OVERALL IN 2021.



WE ARE RECOGNISED BY STOCK-EXCHANGE MARKET AS NASDAQ ESG TRANSPARENCY PARTNER.

Our employees also create various projects themselves. Telia Lietuva has a special sustainability working group (*Sustainability HUB*) in place, which regularly holds sustainability seminars and other initiatives. Each session attracts an audience of 100 people at the least.

Other activities are held periodically, also sharing information and educational articles on our internal intranet channel.

PROMOTING SUSTAINABILITY

We encourage our suppliers to also contribute to the protection of the environment and to have clear plans of how they will contribute to our goal of achieving zero CO₂ emissions by 2030. Therefore, we have closely cooperated with thousands of vendors and subcontractors to also integrate our environmental agenda into their activities.

All suppliers working with Telia sign a Supplier Code of Ethics, which sets out specific environmental requirements, such as the materials that the supplier must avoid or refuse altogether in the products which they supply to us. These requirements are important to us, and we can achieve real changes in compliance with them, so we ask our suppliers to follow them responsibly, and we carry out periodic inspections in this regard.

WHAT WERE THE RESULTS WE ACHIEVED IN 2020?

NEW CO₂ QUESTIONNAIRE.

All new suppliers of Telia Lietuva whose products or services have a significant impact on our CO₂ emissions complete this questionnaire. The questionnaire also includes data on the current environmental impact of CO₂ emissions of suppliers and a list of measures to be taken to reduce this impact. This questionnaire is also used as one of the supplier selection criteria.

GOOD PRACTICE.

We took an active part in sustainability conferences, discussions and communication projects, sharing Telia's sustainable experience and specific business-friendly advice. We also shared our practice with other Lithuanian companies, which contacted us in person.

MEMO ON SAFETY AND ENVIRONMENTAL PROTECTION.

We have created a special environmental and occupational safety and health memo which we share with all our contractors. We also send them environmental and occupational safety questionnaires to assess their compliance and quality. In the future, we will ask contractors to provide information on waste volumes and waste management methods in carrying out works ordered by Telia Lietuva.

PUBLIC PROCUREMENT.

When holding public procurement procedures, we plan for clear environmental requirements to be met by service providers and the products they offer. All equipment provided to us must be certified and bear CE mark at the least, which means that this product made in Europe or elsewhere meets EU safety, health and environmental requirements.

MONITORING CO₂ LEVEL.

We monitor the implementation of CO₂ indicators in supplier processes. At the end of the year, Telia's suppliers accounting for 16% of the total supply chain emissions already had set science-based sustainability targets.

USE OF ELECTRICITY.

When choosing any equipment, we take into account its electricity consumption costs when calculating the total cost of ownership. This way we seek to purchase equipment that uses less electricity.



Environmental Protection
Reducing Carbon Dioxide
Reducing Daily Waste
Activity and Involvement of Employees

Promoting Sustainability

SHARED VALUE CREATION

We are not only a business that maintains relations with its employees, customers, shareholders and partners. We are a part of the ecosystem surrounding us – a community member, who is willing and able to contribute to change that is important to a wider society. Especially now, in the face of the global pandemic, when countries are in lockdowns and have to fundamentally change their daily habits – from communication to work, from learning to time for one self. Therefore, we take the initiative and contribute to other meaningful projects, which create an important knowledge and educational capital, reduce certain risks and offer new opportunities. This is the comprehensive value created by Telia, which we are very proud of.

Currently, we are focusing on the three key areas:

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

TECHNOLOGIES: SOCIAL INVOLVEMENT AND EDUCATION

Technologies and a reliable Internet connection in the face of the pandemic have connected and enabled us even more - to work or study from home safely, to continue to stay in touch even when physical mobility was restricted, to gain new knowledge or to requalify, to try out new things and to even travel virtually. However, it has also led to new threats in the digital world. We counteract some of 'invisible' risks before our customers even realize that they exist - we stop hundreds of cyber-attacks, the number of which increased significantly in 2020, and we educate the society - children, parents, seniors, businesses - to identify some of the risks and to protect themselves.



Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support

CONNECTION FOR EVERYONE AND EVERYWHERE

We work to ensure that our customers stay connected anywhere and anytime, regardless of the technology. Every year we invest in the implementation of new systems and the improvement of the existing infrastructure. This allows us to be one step ahead and our customers - to use the largest and most modern fiber-optic and mobile networks, and to be the first ones to try the new generation of services.

In 2020, Telia Lietuva also signed a partnership agreement with Swedish company Ericsson on the modernisation of mobile communication network and development of 5G connection. The plan is to renovate around 2,000 base stations in the upcoming three years, which will pave the way not only for a more sustainable, but also for a more efficient operation of Telia network in Lithuania.

SECURE SOCIETY

We have always cooperated with the Lithuanian police and law enforcement authorities, and made every effort to protect our customers' data and property from malicious activity.

In 2020, we received more than 80 requests from public authorities to block sites or individual actions.

€ 53.8 MILLION

Investments in 2020.

€ 24.9 MILLION

into upgrade of the core network and development of fibre-optic access.

Telia Lietuva mobile Internet - the fastest in Lithuania*

85.1 MBS

(a year ago - 76.2 Mbs).

* According to CRA data in 2020.

We installed

100 new 4G stations in 2020.

5G is already available in Lithuania.

In 2020, we built **636 KM** of fiber-optic Internet cable. Its total length in Lithuania already is

34,600 KM

SAFETY OF CHILDREN AND TEENAGERS ONLINE

Children and teenagers are the most receptive users of modern technology. From a young age, younger generations have been growing surrounded by the digital world, innovations and technologies that create many benefits and opportunities, and yet the safety of children online remains one of the most important issues. What do we need to do to make children feel safer in cyberspace, parents to better understand their children and to be able to reach common ground, teachers and academia to be more involved and able to advise?

We work with psychologists, educators, computer games and other experts, teachers, parents and teenager influencers in search of the best solutions. Every year we also communicate with the children in the Baltic and Nordic countries themselves. Aggregation of this vast amount of information allows us to always find new topics and ideas.

INITIATIVE 'AUGU INTERNETE'

Our project 'Augu internete' (Growing Online) has been around for 6 years now. The mission of the project is to talk to pupils, teachers and parents about online safety. To this end, we have brought together a team of Telia Lietuva employees, who travel all over Lithuania holding special lessons on safe Internet for pupils. Live communication in classrooms or on the screen has the greatest influence, stimulating interesting discussions and finding right solutions.

Results of the initiative 'Augu internete' in 2020:

40 new Telia Lietuva employees joined the team

we visited **23** schools in Lithuania

more than **1,000** children attended lessons on online safety



What have we done in 6 years?

More than **86,000** children attended lessons on online safety.

We have brought together a team for 'Augu internete' consisting of **59** specially trained Telia Lietuva employees.

SAFER INTERNET WEEK

Every year we celebrate Safer Internet Week, which originated from the International Safer Internet Day announced at the initiative of the European Commission. It was first celebrated in Europe in 2004 and in Lithuania – in 2006.

We held various webinars for our employees and others during the Safer Internet Week of 2020, talking about positive aspects of using technology and new challenges. Professional esports' players who have children, shared their experiences and advised both as players and as parents.

We also introduced internal trainings for our employees 'Children's rights – what is our responsibility?'. Telia Company developed this training programme in cooperation with the World Childhood Foundation to develop a better understanding of children's rights and the risks which children face online, thus strengthening our commitment to protecting and empowering children in their daily activities. We believe that this understanding is 'alive' as employees share it with their families, friends and acquaintances.

Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support

CHILDREN'S ADVISORY PANEL (CAP)

Communicating with children themselves is very interesting! Stories, reflections and ideas which we hear first-hand allow us to better understand children and teenagers, their behaviour online, to look at different situations from their perspective and to see how they perceive them themselves. Therefore, we already have a tradition of holding special surveys for them once a year at the least. Year 2020 was truly extraordinary for pupils – schooling moved to their homes changing their routines, also posing quite a few challenges not only for children themselves, but also for their parents, teachers and other specialists. Therefore, this year's children surveys held by Telia Company focused on children's well-being and experience of remote learning. 7,017 adolescents aged 10-18 from Lithuania, Denmark, Estonia, Finland, Norway and Latvia took part in the survey.



Results of Lithuania:

Every second student is satisfied with remote learning.

1 in 5 believe the accessibility of school systems was poor.

1 in 2 respondents admitted that they had to spend more time studying than before.

7 out of 10 children said they felt safe while learning remotely.

The following are the advantages of remote learning distinguished by children:

+ Improved academic results

+ More time spent with families

+ More sleep

+ Better nutrition

OTHER INSTRUMENTS TARGETED AT CHILDREN

Children's Corner is a safe environment specially created for children on Telia TV. Parents can change setting of this environment. There is a possibility to filter the content, set a time limit, while its content has been selected specially for children.

In 2020, nearly

10,000

customers used this service.

'**Gudrutis**' is a children's watch with GPS signal, which allows children to feel like real superheroes, and parents – to know where their children are at the time.

More than **1,500** parents bought this watch for their children in 2020.

Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support



INVOLVING WOMEN INTO IT

Involving women into the world of technology, encouraging them to pursue a career in IT is yet another area where we want to contribute. First of all, we promote it within Telia Lietuva – through discussions, trainings and experience sharing. We also contribute to national projects. Therefore, Telia has been involved in the mentoring and consulting programme ‘Women Go Tech’ in Lithuania designated for girls and women pursuing a career in the technology sector for the fourth consecutive year.

Achievements of ‘Women Go Tech’ in 2020:

Nearly
400
programme
participants

A team of nearly
300
experts and
mentors

Community of
420
alumni



Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support

REDUCING EXCLUSION OF SENIORS



In 2020, we continued our friendship we made a year ago with the project 'Sidabrinė linija' (Silver Line). This is a toll-free line of friendship, communication and emotional help for the elderly available throughout Lithuania.

Telia Lietuva engineers who visit customers at home have been specially trained to assess whether seniors feel lonely or lack close communication. They also always have 'Sidabrinė linija' leaflets with them and can provide basic information about the project and its benefits.

About the project:

Nearly
4,000
seniors already use
'Sidabrinė linija' services

There were
1,545
couples regularly
communicating in 2020 alone

More than
75,000
phone calls have been made

having spent more than
27,000
hours on the phone

There is a team of nearly
700 and **13**
active volunteers
people who now ensure regular



In 2020, Telia Lietuva engineers distributed more than

400

'Sidabrinė linija' leaflets.

Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support

OUR SUPPORTED PROJECTS



Our friendship with a unique project 'Raudonos Nosys – Gydytojai Klounai' (Red Noses - Doctors Clowns) started in the autumn of 2020. Their mission to provide emotional support, bring joy and calm down children in hospitals was encumbered during the pandemic and lockdown, but technology has become a solution to the problem, offering video calls which can ensure high-quality, individual communication with children, even at a distance. Therefore, we have donated 10 tablets with unlimited mobile Internet for this project.

The tablets have been used at 3 institutions: Children's Hospital of Santaros Clinics, Klaipėda Children's Hospital, and Vilnius Children and Youth Care Home.

Results achieved in 2020:

100
shifts of doctors - clowns

600
visited children

We continue to speak out boldly and loudly for an open society and diversity in it. In June 2020, which is known as the Month of Equality and Diversity in the world, we presented residents and guests of Vilnius with a unique piece of street art, inviting them to 'Fall in Love'.

Technologies: Social Involvement and Education

Innovation: New Services and Opportunities

Volunteering and Support

ATTENTION TO BUSINESS COMMUNITY

Exchange of knowledge and discussions did not stop during the pandemic as conferences and events fully moved to the virtual space, and continued to share their expert experiences, insights, trends from partners from technology and IT sector, like-minded people, business communities and society online.

Where and what did we share in 2020?

We held events for small and medium-sized enterprises 'IT – your business accelerator', where we talked about the IT market, operational efficiency, and presented services that would be relevant to them. We met with a total of 373 companies in 5 cities.

We held a mini-business conference – technology day 'Goals do not change', inviting 120 major Lithuanian companies to listen about the pandemic and its impact on the economy, the world of technology, and business goals.

In the discussion held under the Green Lithuania initiative initiated by the President of the Republic of Lithuania we shared Telia's good practice in sustainable activities, which contributes to the main goals of the Green Lithuania initiative. Our activities include the reduction of environmental pollution and improving environmental quality, climate change mitigation, energy saving and sustainable consumption, increasing public involvement and raising environmental awareness.

We shared the benefits and principles of 5G technology as well as dispelling the prevailing myths at the business breakfast with business community held by the Swedish Chamber of Commerce.



INNOVATION: NEW SERVICES AND OPPOTUNITIES

Even though the world has somewhat slowed down during the COVID-19 pandemic, technology and innovation continued to walk in seven-league boots. As leaders in our field in Lithuania, we also focused on innovations both in our activities and those that bring or still are to bring benefits to our customers.

5G. We were the first in Lithuania to activate the next generation 5G mobile connection and invited our customers to test it.

FREQUENCIES

We used non-commercial frequencies provided by the Lithuanian Communications Regulatory Authority (CRA) for 5G testing

TEST RESULTS

Maximum speed **1.9 Mb/s**
Latency **up to 10 milliseconds**

STATIONS

13 base stations
At the city centres of Vilnius, Kaunas and Klaipėda, and in the Klaipėda's Free Economic Zone

CUSTOMERS

More than **300** of our registered customers tested 5G

Technologies: Social Involvement and Education
Innovation: New Services and Oppotunitiess
Volunteering and Support



TELIA TV. Telia Play mobile TV service has become accessible to everyone – it can be ordered and used by any resident of Lithuania, regardless of the Internet service provider. Telia Play is suitable for any screen of a smartphone, tablet or computer. Moreover, it operates in all countries of the European Union and the EEA (Iceland, Norway and Liechtenstein). All Telia TV Home customers (with a set-top box) use Telia Play free of charge..

VoLTE. The most advanced VoLTE technology for voice calls is already available in Telia Lietuva network for iPhone users. It provides instant call connectivity, a crystal-clear voice and, most importantly, a possibility to talk on the phone and browse the Internet at the same time.

NB IoT. Telia was the first in Lithuania to introduce Narrowband Internet of Things (NB IoT) technology. It is a platform that allows business and the public sector to develop next generation services and to improve the existing ones without making a significant investment. NB IoT equipment is durable, cheaper, and works up to 10 meters underground. This is the future of various smart city and infrastructure systems, such as parking.

Partnership and certificates:

- Veeam Partnership type: Cloud & Service Provider (Level: Platinum)
- Veeam Value-Added Reseller (Level: Gold)
- Red Hat Certified Cloud and Service Provider (Level: Advanced)
- Red Hat Solution Provider (Cloud Infrastructure) (Level: Advanced)
- Lenovo: Smart Office Expert Hybrid Reseller

VOLUNTEERING AND SUPPORT

Our internal programme YOUNite encourages employees to volunteer and contribute their knowledge or other skills to a variety of projects related to technology and its benefits. Our colleagues willing to volunteer can spend 8 hours of their working time on volunteering per year, and we pay for it. We usually contribute to the 'Augu internete' project, various activities for sustainability and environmental protection, hold internal events, family days and other activities.

In 2020, we signed **14** contracts providing for support.

Technologies: Social Involvement and Education
Innovation: New Services and Opportunities
Volunteering and Support

GOOD WILL PROJECTS – OUR SUPPORT

(short-numbers)

- Coronavirus hotline
- National Volunteer Coordination Center
- Lithuanian Red Cross Society (assistance to people vulnerable due to quarantine)
- Support for the campaign and concert during the quarantine 'Dainuokime Kartu' (Let's Sing Together)
- Laisvės TV campaign 'Laikykitės, Medikai' (Hold On, Medics)
- Fund for mitigating COVID-19 consequences
- Emotional support line
- Business support line
- Campaign held by Public Institution Barys Zvozkau Belarusian Human Rights House
- Lithuanian Red Cross Society (help for Beirut)
- Support campaign and concert 'Gelbėkit Vaikus' (Save the Children)
- Support for the project 'Išsipildymo Akcija' (Fulfillment Campaign)

Total support of
€ 136,000

IN 2020, TELIA LIETUVA PROVIDED FINANCIAL SUPPORT TO THE FOLLOWING:

- Fund for mitigating COVID-19 consequences
- Trade union of Telia Lietuva employees
- Trade union of Lithuanian Communications Employees
- VšĮ Diversity Development Group
- VšĮ Naujųjų Religinių Tyrimų ir Informacijos Centras (for holding National Equality and Diversity Awards)
- Anti-corruption initiative 'Baltoji Banga' (White Wave)
- VšĮ Talantai Technologijoms ('Women Go Tech' programme)

OTHER SUPPORT PROVIDED BY TELIA LIETUVA (EQUIPMENT, SERVICES, FURNITURE):

- VšĮ Lietuvos Junior Achievement
- Lithuanian Radio and Television project 'Įdomiosios Pamokos' (Interesting Lessons)
- Association 'Raudonos Nosys - Gydytojai klounai' (Red Noses – Doctors Clowns)
- Association of SOS Children's Villages in Lithuania
- VšĮ Telefonijos Muziejus
- Lithuanian National Museum
- Charity and Support Fund 'Algojimas'

ABOUT THE REPORT

This report presents activities of Telia Lietuva in 2020. A Sustainable Business Report is prepared once a year and published together with annual activities results.

This report also presents non-financial information of a responsible business to its stakeholders: customers, shareholders, investors, employees, suppliers, business and social partners, and the general public.

The report has been drafted in accordance with the principles of the United Nations Global Compact, the Global Reporting Initiative (GRI) guidelines G4 and the requirements for telecommunications companies. The G4 guidelines have been recommended internationally as one of the most advanced non-financial reporting methodologies for measuring and presenting information to internal and external stakeholders.

Also, recommendations of the Responsible Business Association of Lithuania (LAVA) on information to be presented by responsible businesses have been taken into account when drafting the report. The report has been published on the website and is therefore available to all stakeholders. Stock releases to investors also inform about the publication of the report.

The report has not been audited. The report has not been printed, existing in this electronic version only, which is available in Lithuanian and English online at www.telia.lt and on the website of the Nasdaq Vilnius stock exchange together with annual financial statements.

Stakeholder comments, feedback and questions are always welcome. Please e-mail them to indre.bimbiryte-yun@telia.lt.