BITĖ Group
Sustainability Report
2019–2020

bitė Group

Content

BITĖ Group Sustainability Report 2019-2020

BITĖ Group is a leading telecommunications and media group in Lithuania, Latvia and Estonia which makes a significant economic contribution to all three countries. Our operations and processes are geared towards digitalisation development, an important context for innovation, as well as creating a more sustainable environment and society. We know that smart solutions make daily life easier. Our aim is to ensure these solutions are so user-friendly they become part of daily life. And we believe a technologically effective society can benefit the whole population by increasing access to education and healthcare. Smart digital solutions can give a significant boost to economic growth and make the best possible use of scarce resources. Above all, digital access gives people fundamental human rights like freedom of speech and the right to personal development.

Comments from the CEO of BITĖ Group

Nikita Sergienko,
CEO of BITĖ Group

I am proud to share this first Sustainability Report to be published by BITĖ Group.

BITĖ Group was born to be green and environmentally-friendly, so we are keen to present what we've achieved during the past few years in our **environmental, social** and **governance** areas.

Our customers and employees are extremely important to us. Moreover, we care about the economies and societies of the countries where we operate. That is why we decided to take an extra step by becoming a part of the global initiatives and standards.

Our first Sustainability Report is one of the ways to show how we have put BITĖ Group's ideas into practice. Our values and our culture are shaped not only by our words, but by our actions.

Therefore, we certify that while performing our duties, we all act lawfully, ethically, and in the best interests of BITĖ Group, as well as its shareholders, employees, the public and the environment.

This report is our promise to respect the environment through our services and to further reduce the impact that our operations have on the Earth.

By doing this, we can have a positive impact on our customers, communities, investors and the society.

We are seeking to further improve the way that we work by taking these additional steps:

- **BITĖ Group has adopted a Code of Conduct** outlining the responsible business principles which start which each and every one of us.

- **BITĖ Group has developed a Supplier Code of Conduct** that forms the background for a sustainable supply chain.

- **BITĖ Group has calculated the Green House Gas (GHG)** emissions for the complete value chain of the BITĖ Group companies across the Baltic states.

- **BITĖ Group has joined the Business Ambition for** 1.5 °C, to limit GHG emissions in line with the latest Science Based Targets initiative (SBTi) requirements.

- **BITĖ Group decided to join UN Global Compact** to officially declare its support of 10 principles in the areas of human rights, labour, the environment and anti-corruption.

ESG Targets and Progress

Figure 1. ESG Targets and Progress

Adopted the **BITĖ Group Code of Conduct**   Developed the **Supplier Code of Conduct**

Code of Conduct

Supplier
Code of Conduct
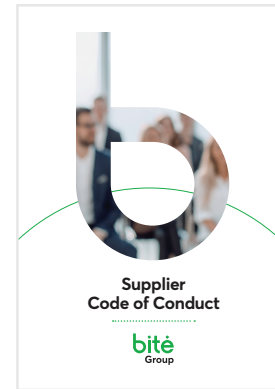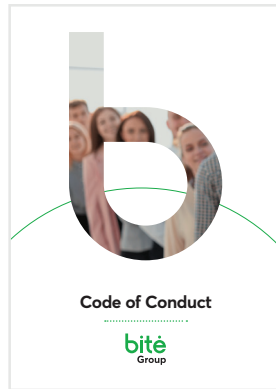
Calculated GHG emissions		**Joined the Business Ambition for 1.5 °C**	
GREENHOUSE GAS PROTOCOL	**Committed to set Science-based emission reduction targets**	BUSINESS AMBITION FOR 1.5°C	**Joined the UN Global Compact**

Description of the Report

BITĖ Group's Sustainability Report starts with a description of BITĖ Group and presents the key information and facts, as well as major achievements of the BITĖ Group companies. It also provides an overview of the material topics and their relations to the United Nations sustainable development goals (SDGs). We have structured this Sustainability Report according to **ESG** – environmental, social and governance factors. Those are the areas that characterise a sustainable, responsible and ethical business, as well as the relations with our clients, partners and employees.

The environmental criteria describe the impact of BITĖ Group on preserving our natural world. The social criteria consider how the company manages its relationships with employees, customers and the communities in which we operate. Finally, the governance criteria examine the company's leadership, logistics and defined processes for running its business.

BITĖ Group's management decided to have the consultation with a third party to prepare this first Sustainability Report. KPMG was our sparring partner, providing us with recommendations for the non-financial disclosures and standards applied in this report.

This report was prepared according to the Global Reporting Initiative (GRI) Standard requirements. In addition, it includes non-financial information, referring to the SASB (Sustainability Accounting Standards Board) framework, Non-Financial Reporting Directive (NFRD) and Task Force on Climate-Related Financial Disclosure (TCFD).

The report provides a comprehensive review of BITĖ's Group's actions and the impact our operations have on the environment, communities, customers and our employees. The report also examines how we are coping with various challenges when responding to climate-related risks. We outline the steps which we are taking to further strengthen our approach to ESG and sustainability.

The reporting period is the calendar year of 2019 and 2020. The report is based on annual statistics and actual data for the years 2019 and 2020. The year 2019 has been included to assess the impact the COVID-19 pandemic had on the most recent indicators in 2020.

The report is also published on **www.bitegroup.net**

BITĖ Group at a Glance

About BITĖ Group

We are a leading integrated **mobile, media, fixed broadband** and **PayTV** provider in the Baltic States – **Lithuania, Latvia and Estonia.**

The Group offers converged mobile, media and fixed broadband services, as well as media content, Pay TV and Free TV services. These services are provided for both residential and business segments.

In Lithuania and Latvia, we market our post-paid mobile services for both residential and business segments under the BITĖ brand. The pre-paid mobile services in Lithuania are marketed under the **LABAS** brand.

PayTV services in Lithuania, Latvia and Estonia are offered via the **Home3** brand satellite platform and the **Go3** Over-the-Top ('OTT') streaming solution.

In Lithuania, Latvia and Estonia, the media and content operate under the **TV3** brand with sub-brands used for the suite of channels, stations and web portals encompassing TV3Play, Go3, TV3 Film, TV3 Sport, TV6, TV8, TV3Mini, TV3Life, 3+, StarFM, PWR Hit Radio, Buduaar, Artist3, 360Artist, Skaties.lv and TV3.lt.

Scale of the organisation

Scale of the organisation, including:
- Operating profit of **56,636** thousand euros
- Net profit of **15,771** thousand euros
- Total comprehensive income for the year of **15,741** thousand euros

Location of the headquarters

BITĖ Group is an operational name for the parent company PLT VII International S.à r.l. and all its owned or controlled subsidiaries.

The headquarters of BITĖ Group is located in **Vilnius, Lithuania** (EU).

Information on the employees and other workers

As of 31 December 2020, BITĖ Group had **2332** employees, of which 995 were employed in Lithuania, 1155 in Latvia and 182 in Estonia. Approximately 404 of our employees were engaged in technology areas (network and IT), with 1375 in

marketing, customer service and sales, 216 in content creation and 337 engaged in other areas (corporate, human resources and finance).

In addition, from time to time BITĖ Group engage freelancers, primarily to assist our content creation team.
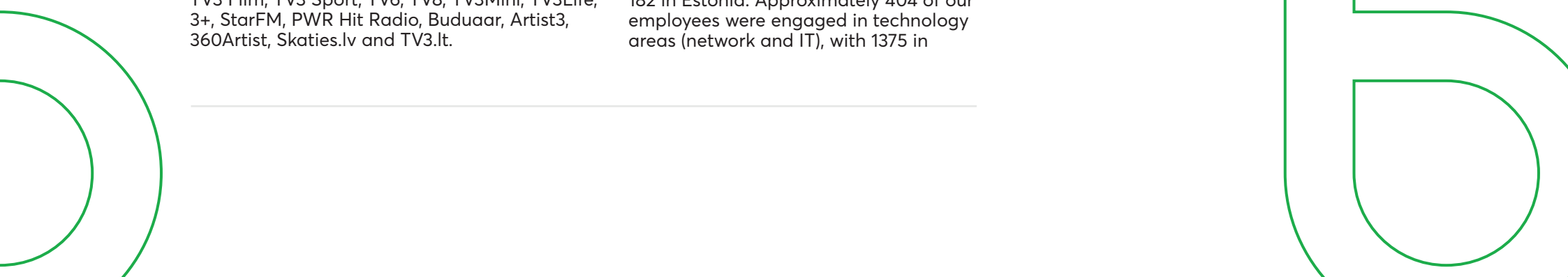
BITĖ Group at a Glance

Major Achievements

Significant telecommunication player in attractive geographies

• The Lithuanian and Latvian mobile telecommunication markets are both rational 3-player markets (Telia/LMT, Tele2 and BITĖ Group) with relatively stable market shares following BITĖ's most recent significant increase in its market share in 2017, as a result of which BITĖ became a similar size as its competitors. The mobile markets in Lithuania and Latvia have been developing rapidly, with the total market mobile service revenue growing at compound annual growth rates (CAGRs) of 9.1% and 8.5%, respectively, from 2016 to 2019 (according to the Ampere Analysis estimates from June 2020). This growth places Lithuania and Latvia as the top two EU27 markets in terms of the mobile service revenue growth from 2016 to 2019, according to Ampere Analysis.

• The fixed broadband markets in Lithuania and Latvia are also showing attractive growth with fixed broadband revenue CAGRs of 2.3% and 3.2%, respectively, from 2016 to 2019 (according to the Ampere Analysis estimates from June 2020).

• The PayTV markets, including over-the-top content (OTT), are similarly attractive across the Baltics with the revenue growing at aggregate CAGRs of 4.8%, 5.2% and 7.0% from 2016 to 2019 in Lithuania, Latvia and Estonia, respectively (according to the Ampere Analysis estimates from June 2020). The incumbent providers are the largest operators in the PayTV markets, where BITĖ (including Baltcom) holds a 19% revenue market share.

Customer champion

• Our commitment to providing the best services to our customers is reflected in our innovative and highly differentiating end-customer products and services, as well as by our outstanding customer care and support as exemplified by our high net promoters score (NPS) and service levels.

• The acquisition of Baltcom has added fixed network capabilities in Latvia to our service range, with 415 thousand homes, covering all major cities including Riga, and with more than 60% of the network capable of delivering fixed broadband internet speeds of 700 Mbps and higher. Our recent acquisition of Mezon will further enhance the spectrum of our current portfolio in Lithuania.

• We are increasingly evolving to operate large format retail stores (50 to 120 square metres) in key traffic locations with digital experience, live service and device demonstrations in-store. We have grown the interactions in our stores from 2017 to 2019 by CAGRs of 30.4% and 28.6% in Lithuania and Latvia, respectively, reaching 3.9 thousand and 2.9 thousand annual interactions per store in Lithuania and Latvia (respectively) as of 31 December 2019.

Leading Media and Content Business

• We are the largest advertising sales broker in the Baltic region and one of the largest organisations to offer a pan-Baltic advertising reach to international and pan-regional clients. We utilise a multiplatform approach (including TV, radio and internet) to increase our reach and enable 360° campaign planning and buying, while providing an attractive and efficient process for agencies and clients.

• FreeTV advertising in the Baltics has grown at a CAGR of 2.4% from 2016 to 2019, according to Ampere Analysis, with the TV3 Group holding the largest share at 45.4% as of 2019. In the last quarter of 2020, TV3 was the number one FreeTV channel in Lithuania, Latvia and Estonia, with a combined share of voice (CSOV) of 43.2%, 45.8% and 40.3%, respectively.

Strong Financial Performance and Track Record

• We have experienced a strong increase in service revenue with a growth of 6.2% in 2019 compared to 2018, which was primarily driven by an organic growth of 9.4% in our mobile revenue and increased media revenue. In addition, in our mobile business, we saw a strong organic growth of 3.6% in mobile revenues generating units (RGUs) in 2019 coming primarily from data-only mobile services and IoT services, which is consistent with our strategy to upsell and cross-sell to our stable handset mobile services RGU base.

• Our Adjusted EBITDA grew by 13.0% in 2019 compared to 2018, and by 10.1% in 2020 compared to 2019, with the adjusted EBITDA margins expanding from 30.4% in 2018 to 32.6% in 2019 and 33.2% in 2020.

Materiality Analysis

Stakeholder Engagement and Materiality

Materiality reflects an organisation's significant impacts that can substantively influence the decisions of its stakeholders. In the Global Reporting Initiative (GRI) standards, an "impact" refers to the effect an organisation has or could have on the economy, environment and people, including effects on their human rights, as a result of the organisation's activities or business relationships. BITĖ Group has adopted a stakeholder-based approach to sustainability as a guiding line in the management of its opportunities and risks.

Materiality assessment process

The open public consultation on the NFRD (Non-Financial Reporting Directive) showed strong support among stakeholders for a requirement on companies to disclose their materiality assessment process. It is believed that the future standards for non-financial information should provide details on how to perform the materiality assessment, specifically in relation to each of the following non-financial matters – environment, social and employee issues, human rights, anti-corruption and bribery.

Regular engagement with our stakeholders ensures that BITĖ Group operates responsibly and sustainably. BITĖ Group is committed to offering regular communication and building positive relationships with all its stakeholders. We see these relationships as a solid base for our sustainable business operations.

Key stakeholders of BITĖ Group:

- **Customers**
- **Employees**
- **Suppliers**
- **Governments**
- **Society**
- **Investors**

We regularly monitor and engage with our key stakeholder groups to ensure that our sustainability strategy is aligned with their expectations. The interactions with the key BITĖ Group stakeholders are summarised in **Table 1**.

Materiality Analysis

Table 1. Interactions with key BITĖ Group stakeholders

Stakeholder	Communication channel	Topics raised	Action taken
Customers	• Call centres • Outlets • Websites • E-shops • Applications • E-mail communication • Social media interaction • Measurement of NPS (Net Promoter Scores) value	• Better value offerings • Prompt feedback and resolution of customer issues • Clear invoices	• Leveraged BITĖ Group's digital channels to support easy access for all of our customers during the COVID-19 pandemic • Introduced flexible payment terms during the COVID-19 crisis • Free-of-charge mobile services for medical staff • Facilitated home-schooling for children by providing refurbished BITĖ computers and free-of-charge data usage • Implemented safety standards in BITĖ Group outlets to keep customers and employees safe • Introduced integrated packages offering TV, internet and mobile services • Extended IoT, OTT and ICT products
Employees	• Workplace and internal Facebook communication • Newsletters and electronic communication • Regular digital meetings via Teams • B Team elected to represent employees concluded a number of virtual road-shows • Whistleblowing line • Employee engagement survey	• Opportunities for personal and career development • Communication and knowledge sharing across the Group • Enhancing the coaching capacity • Assessing the impact of COVID-19 on the psychological state of employees	• Internal carrier communication and carrier breakfast • Digital tools for remote work • Provided a range of physical and mental wellbeing services such as psychological consultations, mindfulness sessions, virtual sports club, laugh yoga and brainstorming • Coaching sessions by senior employees
Suppliers	• Tenders • RFPs • Negotiations • Supplier assessments	• Timely payment and fair terms • Complex solution requirements	• Development of a Supplier Code of Conduct • Partnering to develop complex solutions and new technologies

Materiality Analysis

Table 1. **Interactions with key BITĖ Group stakeholders**

Stakeholder	Communication channel	Topics raised	Action taken
Governments	• Participation in the industry meetings with government and regulators • Public forums • Parliamentary processes and meetings with the elected officials • Meetings with regulators	• Response to COVID-19 • The Digital Economy and Society • The Race to Zero initiative • Cybersecurity • Data protection and privacy • Regulatory environment and compliance	• Discussion on the environmental issues in the events organised by the presidency • Engaged on issues such as the allocation of the spectrum and the protection of consumers • Engaged in the digitisation of industries
Society	• Community interaction contributing to the health of the society – medical aid during COVID-19 • Contribution to home-schooling projects • Participation in forums and working groups	• Maintaining connectivity services during the COVID-19 pandemic • Access to connectivity and digital services	• Responded to COVID-19 with flexible payment terms for all customers • Free-of-charge services for medical staff during the pandemic • Refurbished computers donated to Save the Children with free-of-charge mobile internet for home-schooling • Tablets and mobile internet supplied for a Latvian home-schooling initiative
Investors	• Investor relations website • Investor Calls • Investor meetings and roadshows	• Impact of COVID-19 • Strategy to deliver sustained financial growth • ESG sustainability strategy and targets • Corporate governance practices	• Impact of COVID-19 minimised • Strategy to deliver sustained financial growth was delivered • ESG sustainability strategy and targets developed • Corporate governance practices improved

Materiality Analysis

Material Topics

The engagements with our key stakeholders were summarised in the assessment to understand social trends, impacts and expectations. We carried out a materiality assessment taking into account the most material opportunities and risks. The process included: reviewing investor ESG surveys and ratings, assessing trends using internal and external consumer reports, as well as interviewing internal experts in the areas of finance, technology, cybersecurity, marketing and sales. Various material topics were then discussed with the BITĖ Group Audit Committee members to validate the results. It was decided to focus on the following topics:

- **Cybersecurity**
- **Data privacy**
- **Customer satisfaction**
- **Employee engagement**
- **Environmental impact**
- **Health, safety and wellbeing**
- **Ensuring sustainable supply chain**
- **Diversity and inclusion**

These material topics occupied the top positions in the materiality assessment shown in **Figure 2.**

Figure 2. **Materiality assessment**

Influence on Stakeholder Assessment Decisions

Customer satisfaction
Cyber Security
Environment impact
Employee Engagement
Ensuring sustainable supply chain
Human Rights
Anti-Bribery
Diversity and inclusion

Significance of Economic, Environmental & Social Impacts

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BITĖ Group
at a Glance

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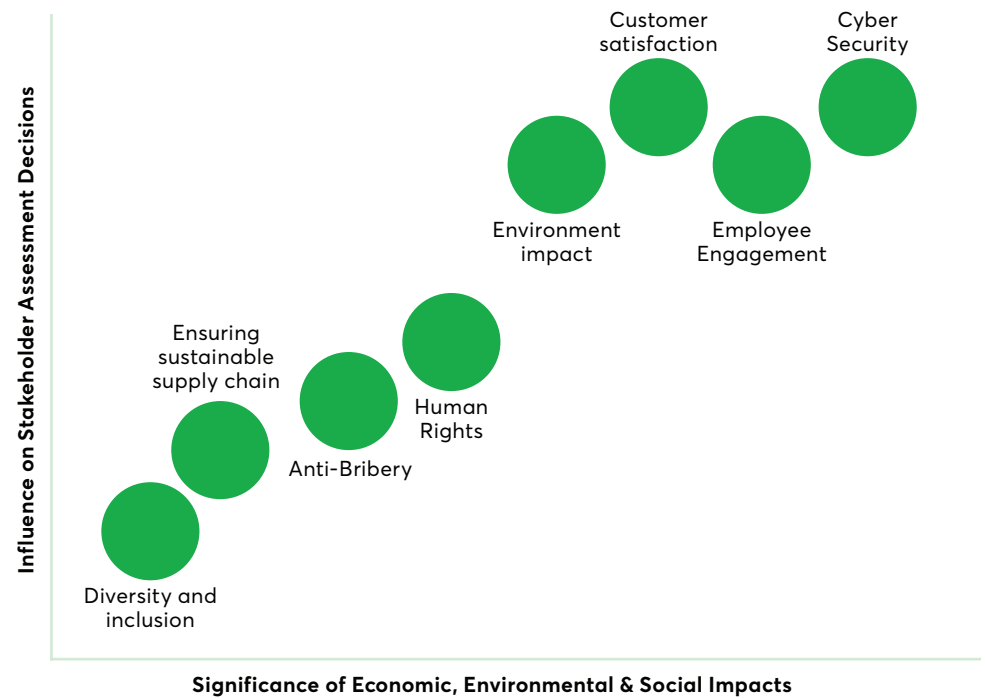
Materiality Analysis
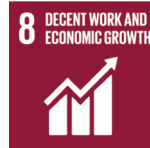
Relations to SDGs

In September 2015, the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development. It includes 17 Sustainable Development Goals (SDGs) as depicted in **Figure 3.** The new Agenda emphasises a holistic approach to achieving sustainable development for all. Following the sustainable development agenda, BITĖ Group has linked its material topics to the UN's SDGs where it can make the most impact. The results are summarised in **Table 2.**

Table 2. **Material Topics and the UN SDGs**

Material topic	Relation to the SDG	Related SDG
Cybersecurity	Cybersecurity directly contributes to the SDG Target 9.1 – develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all. Cybersecurity is important for protecting the critical systems that use IT. As is evidenced by various hacks of the critical infrastructure, to make cities and communities sustainable we need to provide secure digital solutions. Cybersecurity is the background for all the services securely supplied by BITĖ – it helps us to ensure public digital access to information and to protect fundamental freedoms.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE · 11 SUSTAINABLE CITIES AND COMMUNITIES · 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Data privacy	The right to privacy is a fundamental human right. Ensuring the privacy of our customer's data contributes to the peace and justice of individuals, as well as institutions. Data security is crucial for ensuring data privacy and protection. BITĖ has implemented robust technical and organisational safeguards and procedures (including the efficient monitoring of data access and data breach notification procedures) to ensure proper data management throughout the data lifecycle and to prevent any unauthorised use, disclosure or breach of personal data.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Materiality Analysis

Material topic	Relation to the SDG	Related SDG
Customer satisfaction	We serve millions of customers through our business areas, and customer satisfaction is one of our key goals. We try to ensure this by providing smart solutions that make our customers' lives easier. At the same time, our solutions contribute to the SDGs. For example, BITĖ's digital access allows universal health coverage to be achieved by providing remote access to high-quality essential health-care services. Our customers can easily access affordable, quality online education, including school and university programmes. BITĖ also provided home-schooling facilities for children in need during the pandemic.	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION
Health, safety and wellbeing	Keeping the people who work for us safe is one of our most essential responsibilities. We invest into additional health insurance and provide consultations, as well as offering physical activities to ensure the positive wellbeing and health of our employees. Through our digital services, we help our customers to become more aware of their health. For example, using the internet, they can communicate with their doctors remotely. Smartwatches or smartphones also allow people to monitor their heartbeat, sleep, stress and other health indicators.	3 GOOD HEALTH AND WELL-BEING
Employee engagement	We contribute to the SDGs by treating those of any gender equally and we do not tolerate any form of discrimination (direct or indirect). We ensure women's full and effective participation and equal opportunities for leadership at all levels of the decision-making at BITĖ Group. We provide a safe working environment, flexible working hours, additional health insurance, psychological consultations, coaching, mindfulness sessions, sports activities and entertainment, to ensure the physical and mental health of our employees. At BITĖ we provide employment and decent work for all women and men, regardless of age, as well as providing equal pay for work of equal value. We strive to achieve higher levels of economic productivity through technological upgrades and innovation. Our highly engaged employees are contributing to our sustained economic growth.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH 5 GENDER EQUALITY

Materiality Analysis

Material topic	Relation to the SDG	Related SDG
Environmental impact	At BITĖ Group, we are committed to strengthening resilience and the adaptive capacity to climate-related hazards. We are committed to limit global warming to 1.5 degrees, by setting science-based targets to reduce greenhouse gas emissions.	
Ensuring sustainable supply chain	At BITĖ Group, we seek to work with suppliers who are economically, environmentally and socially responsible, and who are contributing to sustainable development. We therefore developed a Supplier Code of Conduct. The purpose of the BITĖ Group Supplier Code of Conduct is to lay out the principles according to which we expect our supplier to act. This includes seeking to minimise the greenhouse gas emissions that stem from our supply chain. BITĖ Group is committed to the Science Based Targets initiative (SBTi) and seeks to obtain science-based emissions reduction targets from our suppliers. Our engagement with the SBTi should encourage companies to adopt sustainable practices and to integrate sustainability as part of their operations. We are reducing emissions through selecting renewable energy providers and implementing energy-efficient technologies.	
Diversity and inclusion	We are a company where diverse talents work together. For this reason, we are building an engaged and supportive organisation by adopting an Equal Opportunities Policy. According to this policy, BITĖ Group prohibits direct and indirect discrimination, harassment, sexual harassment, instruction to discriminate based on sex, race, nationality, language, origin, social status, age, sexual orientation, disability, ethnicity, membership of a political party or association, religion, beliefs or intent to have a child (children), as well as other circumstances not related to the employees' business characteristics. We conduct business by applying the principles of the UN Global Compact and bear the responsibility for sustainable development. Our core values are outlined in the BITĖ Group Code of Conduct, which helps all of us at BITĖ Group to make the right decisions and provides guidance on how to live according to our values.	

Materiality Analysis

We conduct business by applying the principles of the UN Global Compact and bear the responsibility for sustainable development. Our core values are outlined in the **BITĖ Group Code of Conduct**, which helps all of us at BITĖ Group to make the right decisions and provides guidance on how to live according to our values.
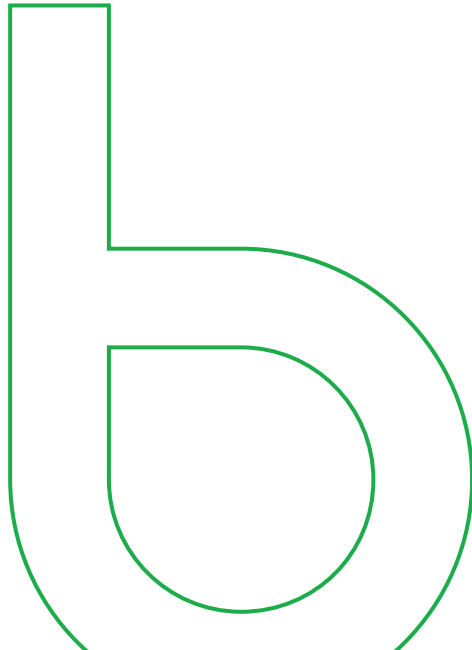
Figure 3. **Sustainable Development Goals**

Governance

Governance Structure

The key management of the Group consists of the members of the Supervisory Council, Management Board and Chief Executive Officer (CEO) of BITĖ Lithuania, the Chairman of the Management Board and Chief Executive Officer (CEO) of BITĖ Latvia, and the CEO and Chief Financial Officer (CFO) of TV3 Group.

The Management Board of BITĖ Lithuania is the body responsible for the strategic management of the Group. The Management Board includes the CEO of BITĖ Group, CEO of BITĖ Lithuania, and the CTO and CFO of BITĖ Group. Other members of our senior management team include the CEO of BITĖ Latvia and the CEO and CFO of our media business. The members of the Management Board come from diverse backgrounds with expertise and experience relating to economic, environmental and social topics.
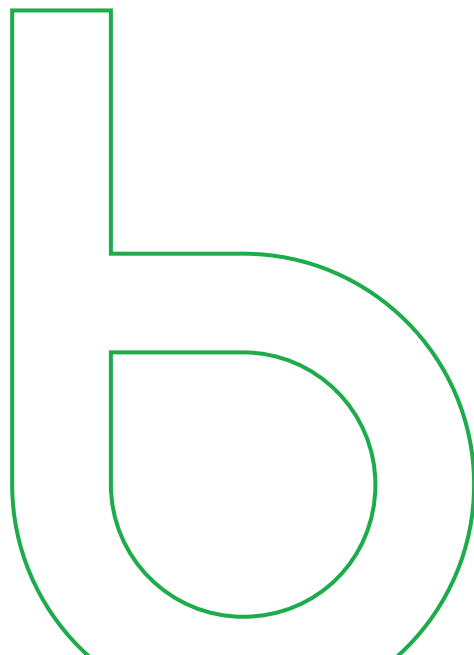
Nikita Sergienko
Group Chief Executive Officer, Chairman of the Management Board of BITĖ Latvia

Arūnas Dūda
Group Chief Financial Officer

Gintas Butėnas
Group Chief Technology Officer

Pranas Kuisys
Chief Executive Officer of BITĖ Lithuania

Kaspars Buls
Chief Executive Officer of BITĖ Latvija

Christian Anting
Chief Executive Officer of TV3 Group

Indrė Rakauskienė
Chief Financial Officer of TV3 Group

Photos of the BITĖ Group Management Board members are included in **Figure 10.**

The Supervisory Council of BITĖ Lithuania is responsible for supervising the activities of the Group and its management bodies, as well as for the appointment and removal of the members of the Management Board. The Supervisory Council has established an Audit Committee and a Remuneration Committee.

Members: Anthony Frank Elliott Ball, Alexander Mishenin, Robert Sudo, Karim Abdallah Tabet.

Governance

Collective knowledge of the highest governance body

We have a strong executive team with over 100 years of combined experience and operate an entrepreneurial culture driving innovation to cement our status as a "customer champion".

The BITĖ Group Chief Executive Officer (CEO), Mr Nikita Sergienko, joined BITĖ as the Chief Financial Officer (CFO) in 2009 and was then appointed CEO in 2016. Previously, he was the CFO of Tele2 Russia, which he helped develop from a start-up to a mature business with $1 billion in revenue and a 40% operating margin.

Mr Pranas Kuisys joined BITĖ as a Pre-Paid Manager in 2010, then worked his way up to a Marketing Director, before being appointed the COO of BITĖ Lithuania in 2016 and the CEO of BITĖ Lithuania in 2020. Prior to that, he was the Commercial Director of Lithuania and the Baltic region at Tele2.

The BITĖ Group CFO, Mr Arūnas Dūda, has been with BITĖ since 1998 and has worked his way up to his current position. Prior to joining BITĖ, he held a number of roles at Cgates, a local fixed broadband and PayTV provider.

BITĖ Group Chief Technical Officer (CTO), Mr Gintas Butėnas, joined the Group as a Base Station Maintenance Engineer in 2001. In 2005, he moved to Latvia and worked on the 2G/3G mobile network buildout in the roles of Radio Network Planning and Optimisation Manager and Head of the Network. In 2013, he was appointed as the BITĖ Group Network Director and, in 2016, he became the BITĖ Group CTO.

Mr Kaspars Buls joined BITĖ as a Regional Retail Sales Manager in 2005 and was appointed as COO of BITĖ Lithuania in 2013, then BITĖ Latvia in 2016 and became the CEO of BITĖ Latvia in 2020. Previously, he was a Product Manager at Eugesta and a Country Manager at Nestle Baltic.

Mr Christian Anting has been the Media CEO since 2018; previously, he was the COO of the TVN group and Vice President of the Management Board of TVN's PayTV Platforms Telewizija n and nc+.

The Chief Financial Officer of TV3 Group, Indrė Rakauskienė, was appointed to this position in 2017. She joined BITĖ back in 2005 as a Financial Analyst and constantly worked to expand her field of responsibilities by participating in numerous BITĖ Group projects.

Evaluating the highest governance body's performance

The Management Board is the highest governance body of BITĖ Group. The body acts in accordance with the Corporate Authorisation Policy (CAP). The CAP forms a part of the internal governance within the BITĖ Group and provides the authority limits. All employees, including the Management Board members, are required to comply with the CAP and the authority limits, with the latter replacing all previously existing forms of delegation of authority.

The Audit Committee is responsible for the supervision of the approved statements.

Governance

Executive-Level Responsibility for Economic, Environmental and Social Topics

The Management Board has a full oversight related to the climate-related risks and opportunities. The responsibility of the Management Board is to approve the Sustainability Report of BITĖ Group. With the acknowledgment of the Management Board, BITĖ Group has assigned climate-related responsibilities to its management-level positions. The BITĖ Group management has appointed a responsible sponsor for its sustainability ESG strategy and an ESG Officer. These management positions will report to the Audit Committee of the board and their roles include assessing and managing climate-related issues. The ESG targets including climate related issues are incorporated into the quarterly monitoring process of the Group's strategic performance. The responsible sponsor for the sustainability ESG strategy and the ESG Officer provide regular updates on the ESG targets to the Audit Committee and the Management Board.

The Management Board and the Audit Committee review the economic, environmental and social topics, as well as their impact, risks and opportunities at least twice per year. The Management Board and the Audit Committee also review and approve the organisation's Sustainability Report and ensure that all material topics are covered.

Stakeholder consultations are used to support the highest governance body's decisions and management of economic, environmental and social topics, including their impact, risks and opportunities.

Consulting stakeholders on economic, environmental and social topics

Processes for the consultations between stakeholders and the highest governance body on economic, environmental and social topics are summarised in Table 1.

The resulting feedback is provided to the highest governance body, the Management Board, by the executive-level responsible parties – CFO, ESG Ambassador, Sales Director of BITĖ Lietuva, United Sales Force and the ESG Officer.

Communicating critical concerns

Critical concerns are communicated to the Management Board during regular quarterly meetings and to the Audit Committee at least twice per year.

Critical concerns that were communicated to the Management Board were related to the COVID-19 pandemic and the absence of an ESG policy. The mechanisms used to address and resolve critical these concerns were the following joint actions of the BITĖ leadership team:

• Management of the pandemic situation;

• Creation of responsible roles to manage the ESG;

• Inclusion of ESG-related targets in the strategy;

• Engaging with stakeholders to define the material topics.
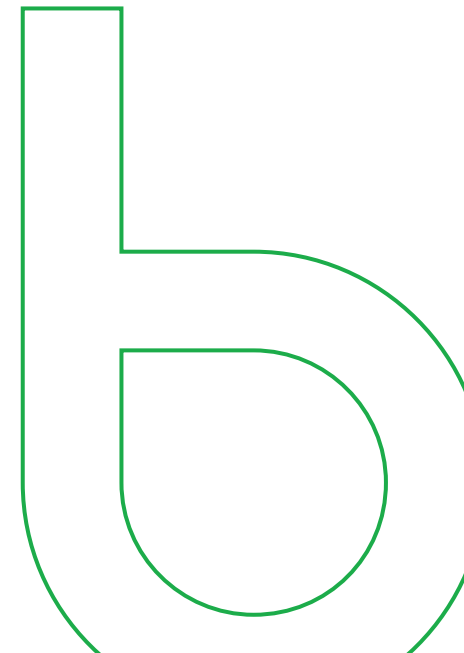
Governance

Remuneration Policies

We have implemented a management incentive system that we believe provides strong incentives and motivation to our management team, to maximise the value of our business in the long term. The ESG targets, such as the ESG policy development, improved cybersecurity, customer satisfaction indicator NPS are incorporated into the Group's strategy and incentive system.

We have also implemented a broad performance-based management compensation system, where the vast majority (approximately two-thirds) of our employees are subject to a variable compensation scheme and approximately 40 key employees are minority shareholders or hold stock options. The Group's key management is a minority shareholder in PLT VII Baltic Topco S.àr.l., which, through intermediate holding companies, holds 100% of the ordinary share capital of the issuer. In addition, there is share option programme to attract, retain and reward the Group's middle level managers, granting eligible participants share options for no consideration, as set out in the option plan and subject to remaining in the Group's employment.

The remuneration (salaries, bonuses and other compensation in thousands of euros) to the respective management in respect to their work performed for the Group is shown in Table 3 below.

Table 3. **Remuneration (thousands of euros)**

	2020	2019
Remuneration	1,825	1,807
Bonuses	1,156	1,774
Social security contributions	86	79
Total	3,067	3,660

Process for determining remuneration

The process for determining remuneration includes setting the key performance indicators (KPIs) and measuring the performance. The remuneration is dependent on the achievement of KPIs. The Remuneration Committee supervises the integration of the ESG targets into the remuneration schemes of the senior executives and employees. BITĖ Group's commitment to the science-based targets shall lead to the incorporation our ESG priorities in the executive long-term incentive plan. This measure will include a specific greenhouse gas (GHG) reduction ambition, linked to the 2030 target of reducing our emissions from the year 2020 baseline by at least 42% as indicated in this report..

Stakeholders' involvement in remuneration

The Remuneration Committee was established by members of the Supervisory Board and includes Anthony Frank Elliott Ball, Alexander Mishenin, Robert Sudo and Karim Abdallah Tabet.
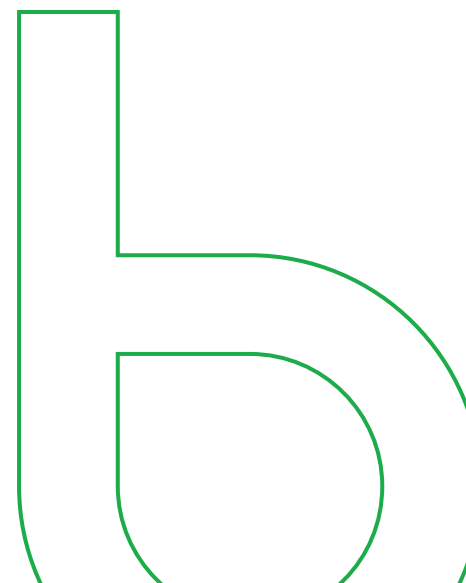
Governance

Supply Chain

The BITĖ Group has several key suppliers for its mobile network equipment, such as Ericsson and Huawei, as well as for its hardware, including Apple, Samsung, Huawei, Nokia, Sony, Lenovo, Acer, LG and HP. The Company also has an IP network infrastructure agreement with Cisco, Huawei and Fortinet.

We are also currently in the process of procuring network equipment providers for our network-sharing arrangement with Tele2.

We have developed a **Supplier Code of Conduct** and plan to engage with all our suppliers, asking them to comply with the principles of a sustainable business. We are also planning to approach our key suppliers with the aim of set science-based emission reduction targets, which is an essential step in achieving our commitment to limit global warming to 1.5°C.

Significant changes to the organisation and its supply chain

On 21 May 2020, the Company signed an agreement to purchase the Mezon business from Lietuvos radijo ir televizijos centras AB. Approval from the Lithuanian regulatory authorities to proceed with the business acquisition were received on 27 November 2020. The business transfer was finalised on 1 January 2021.

On 20 September 2019, BITĖ Latvia SIA signed an agreement regarding the purchase of 100% of the shares of Baltcom SIA (including its wholly-owned subsidiary B-Com Holding SIA) and the acquisition was finalised on 28 February 2020. Baltcom SIA is one of the largest independent fibre broadband internet, cable TV and IPTV service providers in Latvia, which also provides landline telephony, electricity and OTT services.

During 2020, the newly acquired Baltcom SIA made further acquisitions in Latvia:

- On 31 July 2020, Baltcom SIA acquired 100% of the issued share capital of Mīts LV SIA and Esteria 79 SIA. Mīts LV SIA and Esteria 79 SIA are engaged in providing TV, internet and telephony services in various suburbs of Riga and Olaine in Latvia.

- On 31 August 2020, Baltcom SIA acquired 100% of the issued share capital of Elektrons S SIA. Elektrons S SIA is engaged in providing TV and internet services in Jurmala, Latvia.

- On 12 August 2020, Baltcom SIA signed an agreement to purchase Dautkom TV SIA. The closing of the deal was confirmed by the Latvian regulator on 23 October 2020 and was finalised on 30 October 2020. Dautkom TV SIA is engaged in providing TV and internet services in Daugavpils, Latvia.
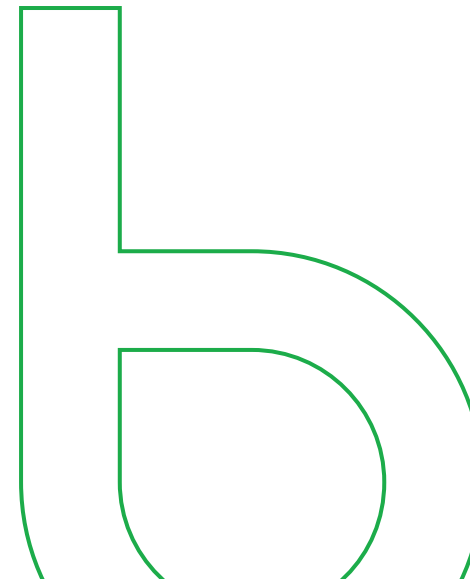
Governance

Membership of Association

The BITĖ Group companies BITĖ Lithuania and BITĖ Latvija are members of the GSMA. This association represents the interests of mobile network operators worldwide. The GSMA represents its members via industry programmes, working groups and industry advocacy initiatives. BITĖ Lithuania also belongs to the Information, Communication and Technology (ICT) Sector Association INFOBALT that creates the best conditions for technology applications, market development and exports. The association unites more than 160 strong members, including national and global businesses, universities, education and research institutions, with a network of 10,000 experienced ICT professionals.

BITĖ Group has a membership in the global Forum of Incident Response and Security Teams (FIRST). The forum unites a variety of computer security incident response teams from government, commercial and educational organisations. FIRST aims to foster cooperation and coordination in incident prevention, stimulate a rapid reaction to incidents and promote information-sharing among its members and the community at large. FIRST also provides value-added services, such as access to up-to-date best practice documents, hands-on classes and special interest groups.

BITĖ Group is committed to becoming a member of the UN Global Compact, by agreeing to uphold its ten principles on human rights, labour, the environment and anti-corruption, and by taking actions that advance societal goals. The Global Compact (GC) is a voluntary initiative designed to create a global framework within which companies can contribute to good corporate citizenship and sustainable growth through responsible and creative leadership.

BITĖ Group is engaged in the Science Based Targets initiative (SBTi), which is an ambitious climate action in the private sector that operates by enabling companies to set science-based emissions reduction targets. The companies committed to the Science Based Targets initiative are demonstrating that creating a climate-secure world goes hand-in-hand with successful business operations.

Strategy

We are aiming to sustain our strong leadership position as a leading and the fastest growing integrated digital service provider in the Baltic region, by leveraging our businesses and technologies. We are focused on sustaining faster-than-market growth in terms of our revenue, EBITDA and cash generation, as well as maintaining a commercially-savvy mindset.

We are committed to continue focusing on providing the best services to our customers (which has always been in our core focus), through **digitalisation** and **automation** solutions.

We are aiming to simplify our product offerings as well as to **streamline** and digitise our processes, in order to make our operations smarter, leaner and more digital.

ESG incorporation into the strategy

BITĖ Group's top management is involved in setting the strategic ESG objectives and incorporating them into the daily routines of the managerial bodies and cascading them across the organisation.

The Management Board approves the climate commitment and the ambition level. The Group's policies and organisational structure are created to accommodate ESG issues. The Management Board includes the overseeing of climate risks in the general risk evaluation schemes. More information can be found in the section of this report titled **Executive-Level Responsibility for Economic, Environmental and Social Topics.**

BITĖ Group is committed to the climate targets of the Paris Agreement. The management's commitment has been increased by planning incentives for achieving ESG-related KPIs. More information about how we are planning to integrate the incentives related to the Agreement can be found on page 16 of this report: Process for determining remuneration.

In addition, we have executed the Environmental Impact Assessment based on the Greenhouse Gas Protocol developed by the World Resources Institute and World Business Council for Sustainable Development. Further information can be found in the section titled **BITĖ Group CO_2 Emissions.**

Governance

Risk Management

The TCFD (Task Force on Climate-related Financial Disclosures) recommendations describe risk management as "a set of processes that are carried out by an organisation's Board and management to support the achievement of the organisation's objectives by addressing its risks and managing the combined potential impact of those risks." It is recommended that organisations disclose their processes for identifying, measuring and managing their climate-related risks, as well as describing how these processes are integrated into the organisation's overall risk management.

To manage our climate-related risks we have adopted the following processes:

- **Risk identification**
- **Assessment**
- **Mitigation**
- **Control**

We are in a process of documenting the relevant controls and processes that should be in place to effectively manage and mitigate climate-related risks and to identify new climate-related opportunities. The managers at BITĖ Group have an overall responsibility for the establishment and overseeing of the risk management framework. The risk management processes are being established to identify and analyse the risks faced by the BITĖ Group companies, to set appropriate risk limits and controls, and to monitor risks in adherence to the limits. For appropriate risk management, it is essential to assess the materiality of the topic. More information about materiality assessment can be found in the **Materiality Analysis** part of this report.

To identify potential climate-related risks and opportunities, we have followed the TCFD guidance and relevant sector literature outlining the potential impacts of climate change on the telecommunications industry. A summary of the climate-related scenario analysis can be found in Table 6.

At BITĖ Group, the systems and risk management processes are reviewed regularly to reflect changes in the market conditions and activities. The activities of BITĖ Group expose it to various strategic, operational, financial, legal and regulatory risks (for a more elaborate risk description, please refer to the **Annual Report** p. 12-14). Our goal is to embed climate-related risks into the BITĖ Group risk management framework and tools.

Climate-related metrics and targets are directly related to BITĖ Group's commitment to limit global warming to 1.5 degrees. Clear target limits are set using the official tools provided by the Science Based Targets initiative (SBTi). Our targets for emission reduction can be found in the section titled **Science Based Targets**.
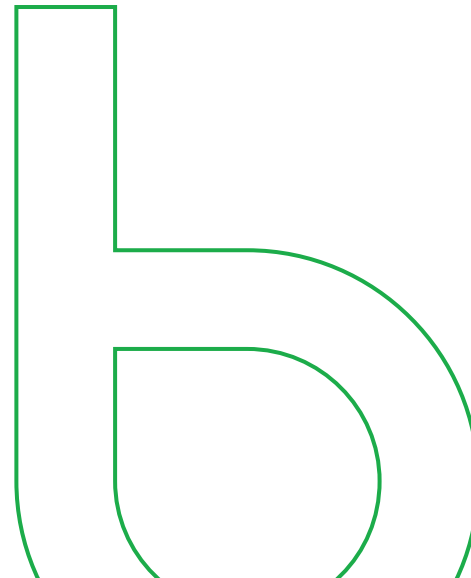
Governance

Anti-Corruption and Bribery

We do not accept bribery in any form. Gifts and hospitality are only suitable and permitted according to the more detailed instructions in the BITĖ Transparency Policy and with the requirements set in the local laws. We only work with third parties that can make a commitment to the same standards as us.

Transparency Policy

Our employees are acquainted with the Transparency Policy and receive training when joining BITĖ Group. Communication on anti-corruption is included in the Transparency Policy and should be reported directly to a manager or by using our anonymous **Whistleblowing System**. Our core values are listed in **BITĖ Group Code of Conduct** which is introduced in all BITĖ Group companies.

All our employees are encouraged to act honestly, openly, honourably, and in all areas following the legal acts regulating BITĖ's activities, including the anti-corruption legislation that ensures the transparency of the BITĖ Group operations and the good reputation which is necessary for a successful business. The Transparency Policy describes how we protect ourselves from fraud, corruption, theft and conflicts of interest. A conflict of interest is any circumstance in which the employee's personal, social, property, financial or political interest conflicts with, or is likely to conflict with, the interests of the company and may therefore affect the objectivity of the employee's decisions on issues related to the company's activities.

Competition Policy

At BITĖ Group, we believe in competing fairly and in accordance with the applicable laws and regulations. Fair competition is part of our way of doing business.

We expect everyone in the Company to comply with the existing competition laws, and we do not participate in activities that restrict or impede effective competition. In addition, we follow all the applicable anti-money laundering laws, and we are committed to taking measures to prevent money laundering activities within our sphere of influence.

BITĖ bases its business on honesty and openness, and expects its employees to adhere to the same principles.

Whistleblowing System

Any employee who becomes aware that another employee may have violated this policy must report it to their manager and a commission that will conduct an internal investigation. Anyone can report incidents by using the completely anonymous **Whistleblowing System** that is easily accessible on our corporate website.
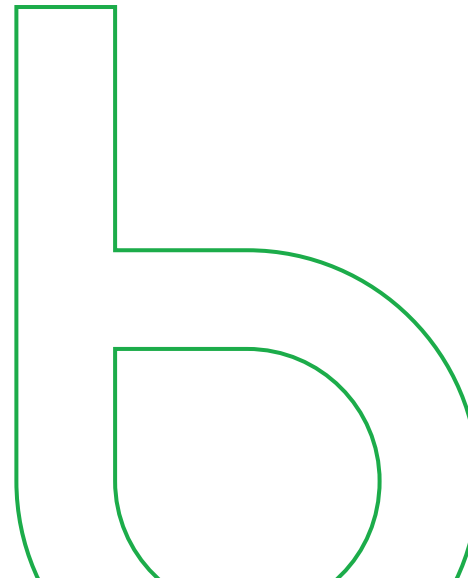
Social

About BITĖ Group's Social Responsibility

We nurture an engaging working culture supported by the empowerment of our employees and personalised ownership. We maintain a s**tart-up mentality,** a **flat hierarchic structure** with speed and flexibility, and a focus on promoting **high levels of employee empowerment.**

We believe that **diversity** among our employees is a valuable asset that makes us stronger. Diversity encapsulates various aspects, such as gender, age, skills, experience, culture and personality. We are committed to maintaining a diverse and **engaging workplace** where everyone can thrive and be themselves. At BITĖ Group, we do not tolerate any form of discrimination (direct or indirect) or harassment. We guarantee equal rights throughout the entire employment life cycle.

Daily management is the key part of our working culture. This means that we have a flat management structure, **quick decision-making** and **open-minded leaders** who initiate regular discussions and exchanges of information with the employees. It improves well-being within the company, because every employee feels heard and needed.

Today, digital technology has an important effect on business operations: starting from manufacturing and finishing with sales and the serving of customers. While performing their daily activities, our employees are responsible for **economic growth.** In particular, the meaning of their duties increased during the pandemic when many businesses moved online, and our services became vitally important. We are sure that this understanding of our importance will not decrease in the future.

In our offices in Vilnius and Ukmergė, we have **nurseries** where parents can leave their children with experienced carers. This is part of our continuous effort to develop a sustainable, safe and non-discriminatory working environment. When children are playing, their parents can work calmly and concentrate on their work tasks. In addition, all of us know that pets can reduce stress and help us stay more positive in our daily lives. We believe that providing the opportunity for employees to come to work with their pets develops an environment of well-being for all of us.

Benefits that are standard for the full-time employees of the organisation, such as life insurance, health care, disability and invalidity coverage, parental leave and a retirement provision, are also provided to our temporary or part-time employees in Lithuania, Latvia and Estonia where BITĖ Group operates. However, stock ownership is provided only for the outstanding full-time managers of the organisation and is not available for temporary or part-time employees.

The Baltic countries, where BITĖ Group operates, have introduced legislation to provide **parental leave.** This legislation allows employees to take leave and return to work in the same or a comparable position. BITĖ Group strictly keeps to the parental leave regulations in each country where it operates. Equitable gender choice for maternity and paternity leave is available in all the BITĖ Group companies.

Social

Actions in Response to COVID-19

During the COVID-19 pandemic, telecommunication operators provided support to each stakeholder and made a significant impact on the economy.

• BITĖ Lietuva initiative – **aid for medical staff**

During the COVID-19 pandemic, we helped medical staff by providing them face masks and free communication services for their personal use. The total amount of support was valued at 250 thousand euros.

• BITĖ participation in **home-schooling initiatives**

During the COVID-19 pandemic, BITĖ Latvia provided tablets and mobile internet services for children, to support the distant learning process.

BITĖ Lithuania refurbished used office computers, equipped them with mobile internet capabilities and provided them to a home-schooling initiative organised by the organisation Save the Children.

• **Psychological help for employees,** mindfulness sessions and a virtual sports club

The Coronavirus pandemic has had a profound effect on employees' mental health and has increased the rates of burnout. We were able to help our employees to cope with this pandemic by providing secure conditions for people to work from home, supplying necessary information about the virus and the pandemic, and organising virtual entertainment events and exercises in the BITĖ virtual sports club. We also prepared personal consultations with psychologists and group coaches. Our employees were involved into virtual mindfulness sessions and were instructed how to use mindfulness techniques for focus, meditation and emotional resilience.

During the COVID-19 pandemic, telecommunication operators provided support to each stakeholder and made a significant impact on the economy. With the lockdown measures in place, individuals became increasingly reliant on digital services. Throughout the pandemic, the BITĖ Group networks have remained resilient, despite the increase in usage.

Safe Digital Environment for the Society

Cybersecurity and data privacy provides a safe digital environment for the society. Our security systems were audited by independent security experts. The evaluation scheme was based on the NIST (National Institute of Standards and Technology published the Framework for Improving Critical Infrastructure Cybersecurity) standard. Created through a collaboration between industry and the government, the voluntary Framework consists of standards, guidelines and practices to promote the protection of the critical infrastructure. At BITĖ Group, we are determined to maintain and increase the level of cybersecurity according to NIST, to ensure the safe functioning of our systems, customer data protection and to continue providing secure access to digital services for our private and business customers.

Security Scorecard – the global leader in cybersecurity ratings increased our rating in 2021 to A95, which is well above industry average. Several cybersecurity parameters, including information leakage prevention, received the highest rating of A100.

The BITĖ Group Information and Communication Technology (ICT) sector contributes to the progress and achievement of social development goals. The BITĖ ICT specialists helped our partners at the water supply company Vilniaus vandenys to install a unified smart water supply network. More than 8 thousand buildings were equipped with cold water meters connected to the Internet of things (IoT). As a result, the employees at the water supply company can remotely track the readings of water meters. This solution is based on the Narrowband Internet of Things – NB-IoT technology, which was deployed in the region for the first time across the Baltic countries and Poland. The smart solution of remote water control allows for instant identification of an excessive water supply and the timely elimination of incidents. This helps to save water and use our natural resources more responsibly.

Social

Highest Level of Employee Engagement in the Baltics

BITĖ Group companies are the top employer in terms of employee engagement. In Lithuania, our employee engagement grew to 74.0% in 2020 from 73% in 2019, according to AON engagement research. BITĖ Lithuania's engagement level was the highest of all industries and companies across Lithuania, Latvia and Estonia. This refers to a constellation of psychological states and behavioural outcomes that have been associated with improved work performance, including affective and continued commitment, motivation and organisational citizenship behaviours.

Research by the international personnel management consultants Kincentric in 2019 revealed that BITĖ Lietuva was the only Lithuanian company to be recognised as a European TOP employer. Furthermore, in 2020, BITĖ Lietuva won the title of the Best Employer 2020 again – for the second year a row. Every year, we devote resources and a lot of effort to retaining this valuable recognition. Our continuous TOP Employer awards are shown in **Figure 4** below.

In Latvia, CVOnline.lv ranked BITĖ among the 10 best employers of the country: in 2019 we placed 6th and 2020 we were ranked in 10th place. Awards from Fontes rated BITĖ Latvija in the TOP 5 as "The fairest wage payer 2019". In 2020, BITĖ occupied 4th place as a TOP employer in the IT & telecommunications field in Latvia.

Figure 4. **Top employer awards**

KINCENTRIC›
Best Employer

BALTICS 2019, 2020, 2021

TOP DARBDAVYS PATVIRTINTA CV-ONLINE **2020**

2016, 2017, 2018, 2019, 2020

SUPER DARBDAVYS 2019
CVbankas

Social

Employees in numbers

Information on the BITĖ Group employees is provided in **Figure 5** below, where the FTE (full-time equivalent directly employed with a contract, not on parental leave) figures are presented.

Figure 5. **Information on Employees**

FTEs	31.12.2019	31.12.2020
BITĖ Group	1,977	2,332
TOTAL	1,977	2,332

FTEs 2019

Male 835
Female 1,442

FTEs 2020

Male 1,023
Female 1,309
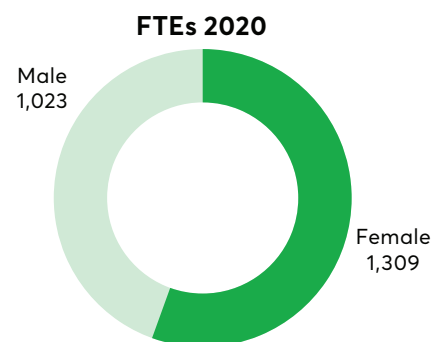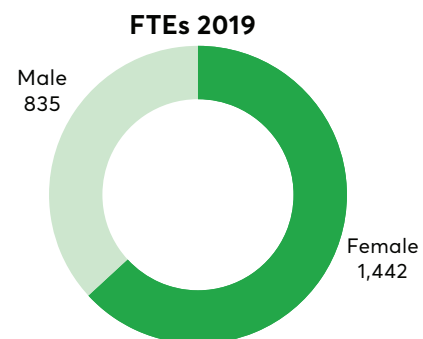
New employees	31.12.2019	31.12.2020
Female	508	589
Male	293	339
TOTAL	801	928

Employees who left	31.12.2019	31.12.2020
BITĖ Group	827	572
TOTAL	827	572

Annual FTE average	31.12.2019	31.12.2020
BITĖ Group	1,989	2,154
TOTAL	1,989	2,154

Annual Turnover	31.12.2019	31.12.2020
BITĖ Group	42%*	27%
TOTAL	42%*	27%

* The relatively high level of annual turnover is related to the frontline sales and call centre positions. These positions usually constitute an employee's first work experience, where the rotation is high due to inadequate expectations, especially in sales where people need to achieve challenging targets. The insourcing of hiring tasks helped to recruit better candidates and decrease the turnover in 2020.

Table 4 presents the employee distribution by country. After recent acquisitions in Latvia, the Latvian employee number surpassed that of Lithuania and currently is the highest among all the Baltic states where BITĖ Group operates.

Table 4. **Employees by country**

Employees by country	31.12.2019	31.12.2020
Lithuania	977	995
Latvia	814	1,155
Estonia	186	182
TOTAL	1,977	2,332

Social

Regularly Elected Work Council – B Team

The work council is a representative body of employees that is responsible for defending the professional, labour, economic and social rights of the employees and representing their interests. The work council in BITĖ is called B Team. B Team is elected for 3 years and anyone who is employed by BITĖ for more than 6 months may participate in the B Team elections. Every employee who has been with BITĖ for at least 3 months also has a right to vote for the candidates. The candidates are elected by a majority of votes. In 2019 and 2020, B Team had 9 employee representatives, who have the following main rights of collective representation:

- To conclude collective agreements and supervise the implementation thereof.

- To submit proposals to the employer on the organisation of work at the enterprise.

- To organise and manage strikes and other lawful measures which the employees have the right to undertake.

- To submit proposals to the state and municipal institutions.

- To exercise the non-state supervision and control of compliance with the labour laws.

- To protect the rights of the employees when concluding and implementing the purchase-sale contracts of an enterprise, assignment of business or a part thereof, the concentration of market structures or the reorganisation of enterprises.

- To receive information from the employers about their socio-economic situation and envisaged changes that might affect the employees' situation.

- To appeal to the court against the decisions and actions of the employer and the persons authorised by him or her if such decisions and actions are contrary to the legal provisions and agreements, or violate the rights of the represented person.

Gender Pay Gap

The EU Commission has adopted a proposal aimed at strengthening the application of the principle of equal pay for equal work or work of an equal value between men and women through pay transparency and enforcement mechanisms. At BITĖ Group, the same selection criteria and conditions apply to all candidates and the salary is suggested according to the employee's performance at work and the achieved results.

We have created a working environment where nobody is discriminated against or treated unfairly due to their gender, race, age, religion or nationality. The employees are provided with equal working conditions, as well as opportunities to improve their qualifications, pursue professional development and gain practical work experience. Those principles are included in our Equal Rights Policy.

Human Rights

The **BITĖ Group Code of Conduct** contains the principles by which the BITĖ Group's values and standards are put into practice. We expect all our employees to act in a fair and ethical way, and to look out for each other and the environment on an everyday basis.

BITĖ Group decided to join the **UN Global Compact** to officially declare its support of **10 principles** in the areas of human rights, labour, the environment and anti-corruption.

Social

Customer Satisfaction

The customer satisfaction measurement shows how happy our customers are with our services. According to the research results of the Swiss organisation ICERTIAS, BITĖ received two Best Buy Awards in 2020 (presented in **Figure 6**), which means that BITĖ provides the best value proposition for the customer in its internet services. This award was granted to BITĖ mobile internet services in Lithuania for the third year in a row. In 2020, for the first time, BITĖ received the award as a fixed internet service provider.

In addition, the leading mystery shopping company Dive Lietuva acknowledged BITĖ in 2019 as the best customer service telecommunications company in Lithuania.

We also create and further develop leading technologies that are delivering great satisfaction for our businesses and clients. That is why BITĖ Lietuva was nominated as the strongest Lithuanian technology sector company by the business news portal Verslo žinios. BITĖ won this award for the third time in the last five years.

We utilise a four-level quality monitoring and assurance approach which includes: (1) direct monitoring by specially trained controllers who listen to calls and conduct additional training if needed; (2) ongoing tracking of basic parameters such as the wait time and handle rate; (3) measuring of a transactional net promoter score (NPS) via randomised surveying of a sample of the customers served by our call centres; and (4) regular extended customer satisfaction tracking.

The Net Promoter Score, or NPS, measures the customer experience and predicts business growth. This proven metric has transformed the business world and now provides the core measurement for customer experience management programmes. We aim to constantly increase the NPS values in all our segments, to secure our relationship with our key stakeholders – the customers.

Figure 6. Best Buy Awards

Environment

About BITĖ Group's Environmental Responsibility

We understand that in order to attain sustainable growth, we must protect the planet and preserve its resources. That is why we are continuing to address our environmental footprint by identifying the risks and opportunities in relation to climate change. We are setting concrete targets to minimise waste, reduce emissions and spread awareness. We are committed to achieving the climate targets of the Paris Agreement. In addition, with different actions we are further dedicated to accomplishing the UN Sustainable Development Goals (SDGs) on climate action.

The Group's environmental impact was evaluated according to the key categories of climate-related risks and opportunities.

Policy and legal compliance

Currently, we are observing the evolving requirements at an international level regarding greener financial markets. The EU is launching the green taxonomy to foster transparency on ESG issues and climate-related elements:

- New EU disclosure rules will reduce greenwashing and speed up the green transition
- EU Non-Financial Reporting Directive aimed towards greater transparency and accountability on social and environmental issues
- Green trends effects boosted in the Nordics will affect the Baltic markets through the ownership and competition

Mitigation: Preparing for shifts in the public policy, NFRD, CSRD and green taxonomy

Reputation

Growing expectations for responsible conduct from stakeholders, including investors, lenders and consumers can result in:

- An opportunity to enhance the company's reputation and brand value
- Risk of a loss of trust and confidence in the management

Mitigation: Building credibility and reputation with greater transparency and accountability on social and environmental issues, while creating business resilience and increasing competitiveness.

Market and technology shifts

Policies and investments to deliver a low carbon emission economy:

- Increased demand for energy-efficient, lower-carbon products and services
- Reduced market demand for higher- carbon products/commodities

Mitigation: Driving innovation and transforming business practices with our key suppliers.

Physical risks

More frequent and severe climate extremes:

- Increased business interruption and damage across operations and supply chains with consequences for the input costs, revenue, asset values and insurance claims

Mitigation: Climate-related risk scenarios.

Environment

BITĖ Group's Climate-Related Risk Scenarios

The **UN Intergovernmental Panel on Climate Change (IPCC) report** released in August stated that global temperatures were likely to rise above the 1.5°C targets set at the Paris Agreement by as soon as 2040. **Global emissions must be halved by 2030** in order to keep global warming at the Paris-agreed levels.

BITĖ Group's climate-related risk impact and actions were assessed following the TCFD recommendations to assess the business resilience under different climate-related scenarios, including a 2°C or lower scenario. These are summarised in **Table 5.**

Table 5. **Climate-related risk scenarios**

Scenario	1.5°C	>2°C	>3°C
Actions	The Paris Agreement, limiting the average global temperature increase to 1.5°, as well as the European Green Deal and other initiatives are implemented by 2030.	Delayed implementation of the targets indicated in the Paris Agreement, limiting the average global temperature increase to 1.5°, according to the European Green Deal and other initiatives.	Governments and corporations fail to implement the targets set in the Paris agreement, limiting the average global temperature increase to 1.5°, according to the European Green Deal and other initiatives.
Impact	Limited increase in physical climate-related impacts causing limited exposure to the assessed risks.	Increase in physical climate-related impacts causing a higher probability of exposure to the assessed risks.	Extreme physical climate-related impacts causing a disruptive exposure to the assessed risks.
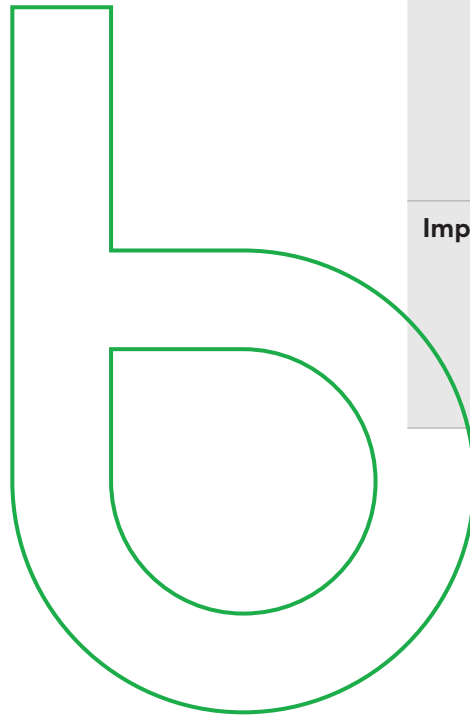
Environment

Climate change risk assessment

At BITĖ Group, we are focused on collecting better qualitative and quantitative data to respond to the identified threats. We are continuing to examine the impact and further manage the transitional risks. We have identified climate-related risks that have been assessed as having the potential to have a material impact on our business and we have indicated possible mitigation actions, as summarised in **Table 6.**
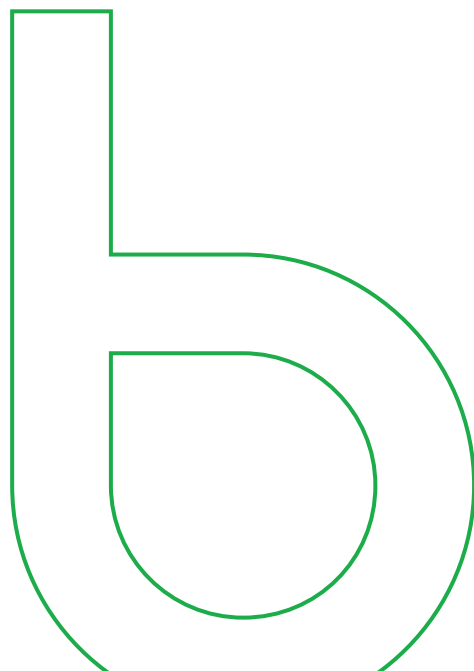
Table 6. **Climate change risk assessment**

Risk Description	Impact Assessment	Mitigation
Extreme weather (heavy rain, wind, snow) caused by climate change	Extreme weather causes interruptions in the BITĖ Group services. Interruptions cause higher costs for personnel and the replacement of broken equipment.	Real-time monitoring and an escalation system for identifying problematic issues and restoring services in the shortest possible time.
Average temperature increase and heat waves caused by global warming	Increased need for cooling in the BITĖ Group telecommunication network, data centres and other premises. Costs will increase due to higher electricity consumption by the cooling systems.	Free-cooling systems in base stations, with renewable energy used for the cooling systems.
Increase of energy costs	The average electricity price is expected to grow due to requirements regarding the production share of renewable energy.	Group-wide energy efficiency management and emission avoidance activities.
Carbon market price increase	The Paris Agreement, which has limited the average global temperature increase to 1.5°, as well as the European Green Deal and other initiatives raising the ambitions to eliminate GHG emissions, will lead to an increase of the offsetting cost.	Invest in carbon-free energy and energy efficiency projects.
Environmental awareness of stakeholders	Stakeholder demands for climate reporting and carbon-free operations are increasing. This results in additional complexity and costs for operations and investments.	Implement a reporting structure, which will transparently show the situation to stakeholders. Work on ways to reduce our own carbon footprint and enhance the awareness of products such as ICT, IoT and other digital services that can reduce the carbon handprint and help to build a lower carbon society.

Environment

Climate change opportunities

BITĖ Group is a provider of leading ICT services and the ICT sector is a key enabler for sustained climate protection. The addition of smart ICT solutions enable GHG reductions in the transport and logistics industry, as well as in agriculture, energy and buildings management. Environmentally-friendly ICT solutions are gaining increasing momentum in the fight against climate change across all industrial sectors. Through dematerialisation, ICT provides a further reduction of GHG emissions by:

• Benefiting from emerging business opportunities by creating new products and services that help individuals, businesses, cities and governments cope with the impacts of climate change (e.g. real-time weather monitoring and warning systems, mobile phone applications based on climate-related services, remote maintenance of equipment, etc.)

• Strengthening the corporate social responsibility of BITĖ Group by offering digital benefits for users and communities.

• Minimising potential disruptions and improving the efficiency at recovering after climatic impacts.

• Strengthening the ability to do business in a variety of conditions, including the changing demand for goods/services and future uncertainty.

Environment

Metrics and Targets

The Environmental Impact Assessment started by measuring BITĖ Group's Green House Gas (GHG) Emissions in terms of Scope 1, 2 and 3. The scopes were measured based on annual statistics and actual data for the years 2019 and 2020. The year 2019 was used to measure the value of emissions prior to the COVID-19 pandemic, to assess the impact the pandemic had on the most recent emissions in 2020. The calculation methodology was based on the Greenhouse Gas Protocol developed by the World Resources Institute and World Business Council for Sustainable Development.

The tool is well recognised: The GHG protocol provides greenhouse gas accounting standards for companies that are widely used and recognised globally. The GHG Protocol standards and guidance enables companies to measure, manage and report on the greenhouse gas emissions resulting from their operations and value chains. The underlying principles of relevance, comprehensiveness, consistency, transparency and accuracy were used for the calculations and reporting of the GHG Protocol. The boundaries of the calculation were the BITĖ Group companies. The calculation was carried out in such a way that the method is transparent and verifiable by a third party.

BITĖ Group's CO2 emissions

Scope 1 and 2 – GHG Emissions were calculated using the tool developed by **GHG Protocol**. This tool enables to develop comprehensive and reliable inventory of Scope 1 and 2 GHG emissions.

According to the calculation tool developed by the GHG Protocol, 81.37% of the CO2 emissions occur in the BITĖ Group's value chain. In addition, 16.91% occur from the generation of purchased electricity and the heating consumed by BITĖ Group, while 1.72% comes from owned or controlled sources – basically these are emissions resulted from the purchased petrol, diesel and natural gas for heating.

Figure 7. **Distribution of emission scopes**

2019	CO$_2$-eq (kg/year)	
Scope 1	2,067,000.00	1.72%
Scope 2	20,263,000.00	16.91%
Scope 3	97,515,201.63	81.37%

2020	CO$_2$-eq (kg/year)	
Scope 1	1,799,000.00	1.41%
Scope 2	21,998,000.00	17.25%
Scope 3	103,743,032.19	81.34%
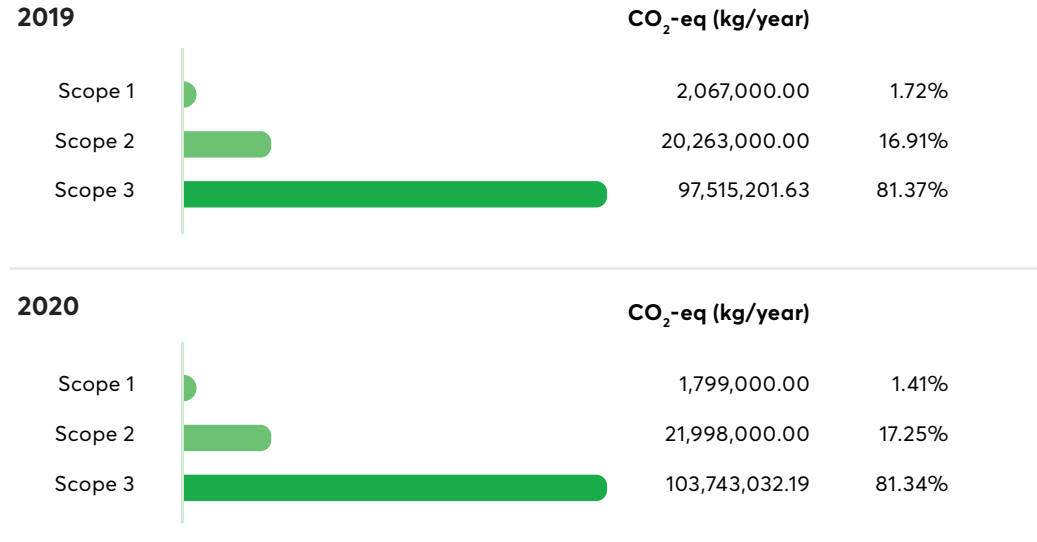
Scope 1 and 2 - GHG Emission factors reporting principles: The GHG Protocol Scope emission factors indicate the European residual mixes for 2018. To provide more accurate calculations updated residual mixes for 2019 and 2020 were inserted into the tool from the following sources:

European Residual Mixes 2019 (aib-net.org)

European Residual Mixes 2020 (aib-net.org)

Other indicators such as motor petrol, diesel fuel, natural gas, steam and heat emission factors, used in the GHG Scope 1 and Scope 2 calculation tool, were checked against the latest available statistics in the **Emission Factors for Greenhouse Gas Inventories** but an update was not required due to there being no change since the year 2018 used in the calculation tool.

Scope 3 - GHG Emission factors calculated using the **Quantis** Scope 3 screening tool, which is recommended by the GHG Protocol to make a first approximation of the full Scope 3 footprint. By linking the inputs to a combination of economic input-output and process life cycle inventory data, the tool provides a complete Scope 3 inventory which has been used as an initial disclosure in this report. The breakdown of the Scope 3 emissions for the year 2019 is presented in **Figure 8.**

Environment

Figure 8. **Breakdown of Scope 3 emissions in 2019**

Scope 3 Breakdown view	CO$_2$-eq (kg/year)	
Purchased goods and services	61,031,087.85	62.59%
Capital goods	10,119,843.44	10.38%
Fuel- and Energy-Related activities, Not included in Scope 1 or Scope 2	4,569,350.00	4.69%
Upstream transport	0.00	0.00%
Waste generated in operations	65,757.28	0.07%
Business travel	1,078,909.94	1.11%
Employee commuting	2,975,000.00	3.05%
Upstream leased assets	1,642,144.15	1.68%
Downstream transport	931,613.44	0.96%
Processing of sold products	0.00	0.00%
Use of sold products	14,902,785.38	15.28%
EoL of sold products (intermediate product, if relevant)	198,709.72	0.20%
Downstream leased assets	0.00	0.00%
Franchises	0.00	0.00%
Investments	0.00	0.00%

As calculated by the web-based tools from the Greenhouse Gas Protocol and Quantis, the largest share of greenhouse gas emissions in 2019 was generated by purchased goods and services, as well as the use of sold products and capital goods.

Figure 9. **Breakdown of Scope 3 emissions in 2020**

Scope 3 Breakdown view	CO$_2$-eq (kg/year)	
Purchased goods and services	66,496,731.82	64.10%
Capital goods	11,511,255.66	11.10%
Fuel- and Energy-Related activities, Not included in Scope 1 or Scope 2	4,849,350.00	4.67%
Upstream transport	0.00	0.00%
Waste generated in operations	81,030.74	0.08%
Business travel	229,198.21	0,22%
Employee commuting	2,975,000.00	2.87%
Upstream leased assets	1,819,466.15	1.75%
Downstream transport	1,191,497.63	1.15%
Processing of sold products	0.00	0.00%
Use of sold products	14,300,820.53	13.78%
EoL of sold products (intermediate product, if relevant)	288,681.46	0.28%
Downstream leased assets	0.00	0.00%
Franchises	0.00	0.00%
Investments	0.00	0.00%

In 2020, the largest share of greenhouse gas emissions was generated by purchased goods and services (64.10%), while the use of sold products and capital goods increased.

Environment

Scope 3 - GHG emission factors reporting principles

For the conversion of EUR into the USD rates used in the **Quantis** Scope 3 screening tool, historical EUR-USD rates were taken from ECB's site **US dollar (USD) (europa.eu)**. An adjustment for inflation was based on the ECB's measurement for inflation in the Eurozone (Harmonised Index of Consumer Prices): **Euro Area Inflation Calculators (statbureau.org)**

Conservative methods of calculating the Scope 3 emissions were used when granular data was not available:

Some of the BITĖ Group companies reported all business travel expenses in a single line. In such a case, 50% of the expenses were attributed to airplane travel and 50% to hotel expenses.

For the recalculation of hotel room nights, the average price of 85 EUR was used based on the average price paid by the biggest BITĖ Group company BITĖ Lietuva.

For all imported products, the weight per product sold was calculated taking the reports from the Unified Product, Packaging and Waste Record Keeping Information System (PPWIS) and the Latvian Green point. For locally acquired products where the weight data was not available, the unit weight was assumed to be 1kg.

For the calculation of a product's emissions over its useful life, accounting of the depreciation term of the product was used to define the life expectancy in months.

When calculating the emissions for products with use stage impacts, the energy consumption information was taken from the Consumer Technology Association (CTA) study **Energy Consumption of Consumer Electronics in U.S. Homes in 2017**. The energy consumption for scooters and vacuum cleaners not enclosed into the CTA study, so it was calculated assuming 5 hours of average charging time per day, multiplying by the actual kWh with 30 days of monthly usage for scooters and 5 days for vacuum cleaners.

GHG emissions intensity

BITĖ Group's GHG emissions intensity was calculated in tons per revenue and tons per revenue generating unit (RGU) for the Scope 1 and 2 as well as the Scope 3 emissions. The results are presented in **Table 7.**

Table 7. Emissions intensity

Scope of emissions	2019	2020
Scope 1 and 2 Carbon intensity (tons/mln EUR)	54,8	59,5
Scope 3 Carbon intensity (tons/mln EUR)	251	246
Scope 1 and 2 Carbon intensity (tons/RGU)	9,6	10,1
Scope 3 Carbon intensity (tons/RGU)	44	42

The Scope 1 and 2 carbon intensity (tons/mln EUR) in 2020 increased by 8.5% when compared to the year 2019. This can be explained by the residual mix value shift for energy in Latvia. This indicator increased by 34% – from 315.24 in 2019 to 421.52 gCO2/kWh in 2020. Source:

European Residual Mixes 2019 (aib-net.org)
European Residual Mixes 2020 (aib-net.org)

The Scope 3 carbon intensity (tons/mln EUR) in 2020 decreased by 1.8% compared to the 2020 level due to the revenue growth of BITĖ Group.

Environment

Science-based targets

According to the Intergovernmental Panel on Climate Change (IPCC), the world has until 2030 to cut human-caused carbon dioxide (CO_2) emissions in half (and cut other greenhouse gas emissions considerably) to maintain a 50% chance of avoiding the worst effects of climate change. By 2050, CO_2 emissions will need to reach "net zero" – where emissions are in balance with the removals.

GHG emissions reduction targets are considered to be "science-based" if they are in line with what the latest climate science says is necessary to meet the goals of the Paris Agreement:

• To limit global warming to well-below 2 °C
• To limit warming to 1.5 °C

BITĖ Group follows the newest guidance for information and communication technology (ICT) companies to set science-based targets for greenhouse gases (GHGs) according to a set of new decarbonisation pathways. For the 2020-2030 period, the main strategy to decarbonise the ICT sector at the pace necessary to align with the 1.5°C trajectories includes the implementation of simultaneous, vigorous and urgent actions in the following fields:

• Continued implementation of energy efficiency plans
• Switch to renewable electricity supplies
• Encouragement of carbon consciousness among suppliers and end-users

BITĖ Group is committed to limit warming to 1.5 °C. This means that our ambition should not be less than 42%:

• Reduce Scope 1 and 2 from the 2020 baseline by 42% in 2030
• Engage with our key suppliers to reduce the 2020 Scope 3 by 42% in 2030

The submission of our science-based targets for a CO_2 emission reduction for approval by the SBTi is underway.

Achieving carbon neutrality in the BITĖ Group operations:
• Scope 1 – encourage electric scooters and electric car usage by employees
• Scope 2 – 100% of purchased electricity will be renewable by the year 2030
• Offsetting the remaining Scope 1 and Scope 2 emissions by investing in Gold Standard projects.

Cooperating with our key suppliers to reduce the Scope 3 emissions:
• Implement the **Supplier Code of Conduct**
• Engage in setting science-based targets

Positive impacts from products with sustainability characteristics

BITĖ Group provides services that assist our customers in reducing their CO_2 emissions. Our services help our customers and society to act effectively and reduce their environmental impact, e.g. reducing the amount of travel through digital services, ICT, IoT, mobile signatures and E-shops. Providing smart solutions for remote water supply is contributing to the saving of natural water resources. In this report, we do not quantify the off-set of the emissions that are generated by our sustainable products. However, we firmly believe that our mission to make peoples' lives easier by providing smart solutions for everyday life is contributing to our shared responsibility to protect the planet, environment and the climate.

The Board of BITĖ Group

Nikita Sergienko
Group Chief Executive Officer,
Chairman of the Management
Board of BITE Latvia

Pranas Kuisys
Chief Executive Officer
of BITE Lithuania

Kaspars Buls
Chief Executive Officer
of BITE Latvija

Arūnas Dūda
Group Chief
Financial Officer

Indrė Rakauskienė
Chief Financial Officer
of TV3 Group

Gintas Butėnas
Group Chief
Technology Officer

Christian Anting
Chief Executive Officer
of TV3 Group

Figure 10. **The Board of BITĖ Group**

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Sustainability Disclosure Topics and Accounting Metrics (SASB)

Sustainability Accounting Standard for the TELECOMMUNICATION SERVICES
INDUSTRY STANDARD | VERSION 2018-10

Table 8. **SASB accounting metric disclosures**

Topic	Accounting metric	Disclosure	Code
Environmental Footprint of Operations	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) 2019 – 202,626 GJ, 2020 – 220,993 GJ (2) 2019 – 99%, 2020 – 99% (3) 2019 – 32%, 2020 – 32%	TC-TL-130a.1
Data Privacy	Description of policies and practices relating to behavioural advertising and customer privacy	Every BITĖ Group company has a privacy policy including advertising and customer privacy clauses. These policies are communicated on the official websites of the products.	TC-TL-220a.1
	Number of customers whose information is used for secondary purposes	BITĖ Group uses all customer information in accordance with the rules and obligations described in the privacy policy and does not use information for secondary purposes.	TC-TL-220a.2
	Total amount of monetary losses as a result of legal proceedings associated with customer privacy2	BITĖ Group had no monetary losses that resulted from legal proceedings associated with customer privacy during the reporting period.	TC-TL-220a.3
	(1) Number of law enforcement requests for customer information (2) Number of customers whose information was requested (3) Percentage resulting in a disclosure	(1) Law enforcement requests in Latvia 2019 – 12,407 2020 – 11,737 Law enforcement requests in Lithuania (including automatic requests) 2019 – 189,095 2020 – 158,531 (2) It is not possible to verify that two records belong to the same customer; therefore, all requests are considered as individual customers. (3) 100% of the requests resulted in full or partial compliance with the disclosure request within the reporting period	TC-TL-220a.4

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Table 8. **SASB Accounting Metric Disclosures**

Topic	Accounting metric	Disclosure	Code
Data Security	(1) Number of data breaches (2) Percentage involving personally identifiable information (3) Number of customers affected	BITĖ Group did not have any disclosures of sensitive information to unauthorised parties during the reporting period.	TC-TL-230a.1
	Description of the approach to identifying and addressing data security risks, including the use of third-party cybersecurity standards	BITĖ Group follows an Information Security Policy which is based on ISO27001. The principal operations were evaluated by a third-party audit in accordance with the National Institute of Standards and Technology's (NIST) Framework for Improving Critical Infrastructure Cybersecurity Security Scorecard – the global leader in cybersecurity ratings increased our rating in 2021 to A95, which is well above the industry average. Several cybersecurity parameters, including information leakage prevention, received the highest rating of A100.	TC-TL-230a.2
Product End-of-Life Management	1) Materials recovered through takeback programmes, and the percentage of recovered materials that were: (2) reused, (3) recycled, and (4) landfilled	(1) 0 (2) 0 (3) 0 (4) 0	TC-TL-440a.1
Competitive Behaviour & Open Internet	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	BITĖ Group had no cases of anti-competitive behaviour during the reporting period.	TC-TL-520a.1
	Average actual sustained download speed of: (1) owned and commercially-associated content; and (2) non-associated content	Average actual sustained download speed is not differentiated depending on the content type: 2019 – 34.08Mbps; 2020 – 38.74Mbps.	TC-TL-520a.2
	Description of the risks and opportunities associated with net neutrality, paid peering, zero rating and the related practices	BITĖ Group follows the regulations regarding net neutrality, and does not apply paid peering. There were no issues with zero rating during the reporting period.	TC-TL-520a.3

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Table 8. **SASB Accounting Metric Disclosures**

Topic	Accounting metric	Disclosure	Code
Managing Systemic Risks from	(1) System average interruption frequency (2) Customer's average interruption duration	A service interruption is considered significant if it meets the thresholds set forth in Part 4 of the U.S. Federal Communication Commission's (FCC) rules (47 C.F.R. Part 4) for reporting as part of the Network Outage Reporting System (NORS). **https://www.law.cornell.edu/cfr/text/47/4.9**: BITĖ Group had no significant disruptions that resulted in 30 minutes of MSC downtime or a loss of 900,000 minutes.	TC-TL-550a.1
Technology Disruptions	Discussion of systems to provide unimpeded services during service interruptions	BITĖ Group identifies its critical business operations and provides geo-redundancy for its critical telecommunication services. The resilience of the systems is enhanced by back-ups. The impact is reduced by the insurance against the loss. We maintain insurance for our principal network facilities and other assets. Our insurance coverage protects us in the event that we suffer certain losses resulting from property damage and a business interruption or become subject to certain liabilities, such as product liability, employer's liability or professional liability, including as a result of cybercrime or a machinery breakdown and other similar events.	TC-TL-550a.2

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Table 9. **SASB activity metric disclosures**

ACTIVITY METRIC	DISCLOSURE 2019 (thousand)	DISCLOSURE 2020 (thousand)	Code
Number of wireless subscribers	1,904	1,978	TC-TL-000.A
Number of wireline subscribers			TC-TL-000.B
Number of broadband subscribers	87	109	TC-TL-000.C
Number of PayTV subscribers	472	601	
Network traffic	180	299	TC-TL-000.D

Non-Financial Reporting Directive

This report includes the information mentioned in the Non-Financial Reporting Directive. The NFRD index is provided in **Table 10.**

Table 10. **NFRD Index**

NFRD Disclosures	Page reference
BITĖ Group business model	SR p. **7, 8**
Policies pursued by BITĖ Group	SR p. **5, 18, 20, 24**
Outcome of the policies	Will be disclosed in the next Sustainability Report
Principal risks and their management	SR p. **23**
Non-financial key performance Indicators	SR p. **5**
Reporting frameworks	NFRD, TCFD, SASB, GRI
Board's diversity disclosure	SR p. **18**

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Task Force on Climate-Related Financial Disclosure – TCFD

Table 11. TCFD Index

Core elements	Recommendations	Page reference
Governance	a. Describe the board's overseeing of the climate-related risks and opportunities	19
	b. Describe the management's role in assessing and managing the climate-related risks and opportunities	19
Risk Management	a. Describe the organisation's processes for identifying and assessing the climate-related risks	31
	b. Describe the organisation's processes for managing the climate-related risks	32
	c. Describe how the processes for identifying, assessing and managing the climate-related risks are integrated into the organisations's overall risk management	23
Strategy	a. Describe the climate-related risks and opportunities the organisations has identified over the short, medium and long term	32
	b. Describe the impact of the climate-related risks and opportunities on the organisations's, businesses, strategy and financial planning	32
	c. Describe the resilence of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	32
Metrics and Targets	a. Disclose the metrics used by the organisation to assess the climate-related risks and opportunities in line with its strategy and risk management process	35
	b. Disclose the Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	35
	c. Describe the targets used by the organisation to manage the climate-related risks and opportunities and its performance against the targets	38

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GRI Index

Table 12. **Abbreviations used in the GRI Index**

AR	PLT VII FINANCE S.à r.l. **ANNUAL REPORT** FOR THE YEAR ENDED 31 DECEMBER 2020
SI	Shareholder Information available on **https://www.bitegroup.net**
SR	BITĖ Group Sustainability Report 2019-2020

Table 13. **GRI Index**

GRI No	Item	Source of Information
GRI 102: GENERAL DISCLOSURES (GRI 102, 2016 standard)		
1. Organisational Profile		
102-1	Name of the organisation: BITĖ Group is an operational name officially managed by the parent company PLT VII International S.à r.l.	SI **https://www.bitegroup.net/group/about**
102-2	Activities, brands, products and services BITĖ, Labas, TV3, TV6, TV8, TV3 Play, Home3, 3sport, 3film and Go3.	SI **https://www.bitegroup.net/group/about** SR p. **7**
102-3	Location of the headquarters: The headquarters of BITĖ Group is in Vilnius, Lithuania (EU).	AR p. 6 General Information SR p. **7**
102-4	Number of countries: 3	AR Table on p. 60 SR p. **7**
102-5	Ownership and legal form	AR p. 6 General Information
102-6	Markets served: Lithuania, Latvia and Estonia	AR Table on p. 60 SR p. **7**

102-7	Scale of the organisation	AR p. 16 Consolidated Financial Statements SR p. **7**
102-8	Information on the employees and other workers	SR p. **7, 28**
102-9	Supply chain	SR p. **21**
102-10	Significant changes to the organisation and its supply chain	AR p. 7 Group restructurings in 2020 p. 11 Acquisitions – SR p. **21**
102-11	Precautionary principles or approach	AR p. 12 Risk management and financial instruments – SR p. **23**
102-12	External initiatives: SBTi, ambition to limit global warming to 1.5 degrees, UN Global Compact.	SR p. **5** **https://sciencebasedtargets.org/** **https://www.unglobalcompact.org/**
102-13	Membership of associations: GSMA, InfoBalt, First	SR p. **22** **https://www.gsma.com/** **https://infobalt.lt/** **https://www.first.org/**
2. Strategy		
102-14	Statement from the senior decision-maker	SR p. **4**
102-15	Key impacts, risks and opportunities	SR p. **23, 31**
3. Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour	**BITĖ Group Code of Conduct**, Equal Opportunities Policy – AR p. 14
102-17	Mechanisms for advice and concerns about ethics	Transparency policy **Whistleblowing System**

4. Governance		
102-18	Governance structure	SR p. **17**
102-19	Delegating authority	SR p. **18**
102-20	Executive-level responsibility for economic, environmental and social topics	SR p. **19**
102-21	Consulting stakeholders on economic, environmental and social topics	SR p. **9**
102-22	Composition of the highest governance body and its committees: Supervisory Council, Audit Committee, Remuneration Committee.	SR p. **17**
102-23	Chair of the highest governance body	SR p. **17**
102-24	Nominating and selecting the highest governance body	SR p. **17**
102-25	Conflicts of interest	SR p. **24 (BITĖ Group Code of Conduct)**
102-26	Role of the highest governance body in setting the purpose, values and strategy	SR p. **19**
102-27	Collective knowledge of the highest governance body	SR p. **18**
102-28	Evaluating the highest governance body's performance	SR p. **18**
102-29	Identifying and managing the economic, environmental and social impacts	SR p. **19**
102-30	Effectiveness of the risk management processes	AR p. 12 Risk management and financial instruments SR p. **23**
102-31	Review of economic, environmental and social topics	SR p. **17, 25, 31**
102-32	Highest governance body's role in sustainability reporting	SR p. **19**
102-33	Communicating critical concerns	SR p. **19**
102-34	Nature and total number of critical concerns	SR p. **19**
102-35	Remuneration policies	SR p. **20**
102-36	Process for determining remuneration	SR p. **20**
102-37	Stakeholders' involvement in remuneration	SR p. **20**

5. Stakeholder Engagement		
102-40	List of stakeholder groups	SR p. **9**
102-41	Collective bargaining agreements	SR p. **29**
102-42	Identifying and selecting stakeholders	SR p. **9**
102-43	Approach to stakeholder engagement	SR p. **10**
102-44	Key topics and concerns raised	SR p. **10**

6. Reporting Practice		
102-45	Entities included in the consolidated financial statements	AR Table on p. 60
102-46	Defining the report content and topic boundaries	AR Table on p. 60 The BITĖ Group Sustainability Report covers all the Group's activities and controlled companies, including its holding and financing companies.
102-47	List of material topics	SR p. **12**
102-48	Restatements of information	It is first the BITĖ Group Sustainability Report, so there are no restatements.
102-49	Changes in the reporting	It is first the BITĖ Group Sustainability Report, so there are no restatements.
102-50	Reporting period	2019-2020
102-51	Date of the most recent report	Not applicable for the SR
102-52	Reporting cycle	Calendar year
102-53	Contact point for questions regarding the report	ESG Officer **Jolita Kurtinaitiene** **Jolita.kurtinaitiene@bite.lt** +37069923530
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	SR p. **45**
102-56	External assurance	No external assurance was provided for the first report, but it is planned for the next annual Sustainability Report.

GRI 103: MANAGEMENT APPROACH (GRI 103, 2016 standard)

103-1	Explanation of the material topics and their boundaries	SR p. **12**
103-2	Management approach and its components	i. Policies – SR p. **18, 20, 24** **BITĖ Group Code of Conduct** ii. Commitments – SR p. **5** iii. Goals and targets – SR p. **5, 38** iv. Responsibilities – SR p. **19** v. Resources – SR p. **18, 19, 27** vi. Grievance mechanisms – SR p. **24** vii. Specific actions, such as processes, projects, programmes and initiatives – SR p. **5**
103-3	Evaluation of the management approach	i. Mechanisms for evaluating the effectiveness of the management approach – SR p. **18** ii. Results of the evaluation of the management approach will be disclosed in the next SR report Any related adjustments to the management approach will be disclosed in the next SR report.

TOPIC SPECIFIC CONTENT

GRI 203: INDIRECT ECONOMIC IMPACTS (GRI 203, 2016 standard)

203-1	Infrastructure investments and services supported	Infrastructure investments and the services supported are listed as capital expenditures and are specified in the table. AR p. 68
203-2	Significant indirect economic impacts	SR p. **12**

GRI 205: ANTI-CORRUPTION (GRI 205, 2016 standard)

205-2	Communication and training about anti-corruption policies and procedures	SR p. **24**
205-3	Confirmed incidents of corruption and actions taken	The BITĖ Group had no incidents of corruption during the reporting period.

GRI 305: EMISSIONS (GRI 305, 2016 standard)

305-1	Direct (Scope 1) GHG emissions	SR p. **35**
305-2	Energy indirect (Scope 2) GHG emissions	SR p. **35**
305-3	Other indirect (Scope 3) GHG emissions	SR p. **36**
305-4	GHG emissions intensity	SR p. **37**
305-5	Reduction of GHG emissions	SR p. **38**

GRI 307: ENVIRONMENTAL COMPLIANCE (GRI 307, 2016 standard)

307-1	Non-compliance with environmental laws and regulations	The BITĖ Group had no cases of non-compliance with the environmental laws and regulations during the reporting period.

GRI 401: EMPLOYMENT (GRI 401, 2016 standard)

401-1	New employee hires and employee turnover	SR p. **28**
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR p. **25**

GRI 406: NON-DISCRIMINATION (GRI 406, 2016 standard)

406-1	Incidents of discrimination and corrective actions taken	The BITĖ Group had no cases of discrimination during the reporting period.

GRI 418: CUSTOMER PRIVACY (GRI 418, 2016 standard)

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The BITĖ Group had no substantiated complaints concerning breaches of customer privacy and losses of customer data during the reporting period.