

EPSO-G PROGRESS REPORT ON SOCIAL RESPONSIBILITY

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"We strive to ensure transparent governance, develop ethical relationships in the market, purposefully implement corruption prevention measures by contributing to the creation of a good business climate in the country,"

says Rolandas Zukas, Director General of EPSO-G.

About the Report

When preparing the Progress Report on Social Responsibility (hereinafter referred to as the "Progress Report" or "Report") EPSO-G is guided by the principles of the Global Compact initiated by the United Nations and the recommendations of the Global Reporting Initiative (GRI) that help assessing the performance as per economic, environmental protection, employees, human rights, market and public relations indicators.

In 2019, the Progress Report on Social Responsibility of the Company for the year 2018 was prepared as an integrated part of the annual financial statements that can also be published as a separate document.

Works and achievements of EPSO-G group of companies in the activity of social responsibility related to behaviour in the market, environmental protection, relations with employees and society done and achieved in 2018 are presented in this Progress Report. The social responsibility directions, actions and progress of the Company are described in the report.

Questions and comments as well as remarks regarding improvement of the Social Responsibility Report are invited to be submitted by e-mail andrius.vilkancas@epsog.lt.

This Progress Report is available publicly on the Company's website www.epsog.lt.

General Provisions

The companies of EPSO-G group consider that the ways in which

the results are achieved play an important role. Therefore, based on good experience gained by the domestic and international companies the companies seek to improve the business practice, to implement a modern management of human resources and to apply natural resource-saving technologies, substances and processes that are not harmful to human health.

When planning its activities EPSO-G group of companies takes into account the economic and social expectations of stakeholders, ensures transparent management, develops ethical relations in the market, introduces measures to prevent corruption and contributes to creating a good business climate in the country.

The Social Responsibility Policy is based on the vision, mission, values of EPSO-G group of companies and the activity directions and goals approved in the operational strategy, specifically the development of regional activities and ensuring the success of the strategic projects, efficient activities, creating and advances organisation.

In order to achieve the objectives established in the Shareholder's Letter of Expectations, the specific objectives have been formed for each direction of EPSO-G strategy, i.e. the objectives pursued during the period of the implementation of the strategy. The measuring indicators have been formed for the strategic objectives. The efficiency of own activities is assessed in the short and long term based on these indicators.

The vision, mission, values, strategy and the activity directions of EPSO-G company as well as information about the implementation of objectives are presented in detail in Sections 1 to 4 of this annual report.

Harmonious and Sustainable Development

The social responsibility of the companies of EPSO-G group is understood as an indivisible and integral part of a sustainable business.

The companies of EPSO-G group understand a sustainable development of harmonious business as a whole set of economic, social and environmental actions by increasing the general welfare of society in own professional activities and by reducing the permissible environmental exposure limits.

The principles of social responsibility are implemented on the basis of the related policies of EPSO-G group of companies and other valid internal documents.

The following policies apply in EPSO-G Group:

- **Corporate Governance Policy.** The policy is intended to ensure a good governance practice in EPSO-G group of companies by establishing in the group of companies the uniform principles of corporate governance and reciprocity of the parent company and the other companies of the group.

- **Social Responsibility Policy.** The policy is intended to improve, based on good experience gained by the domestic and international companies, the business practice, to implement a modern management of human resources, to apply natural resource-saving technologies, substances and processes that are not harmful to human health.

- **Transparency and Communication Policy.** The policy is intended to help communicate more effectively with each other and with the external stakeholders, i.e. society, shareholder, market regulators, etc.

- **Corruption Prevention Policy.** The policy is intended to establish in EPSO-G group of companies the basic principles and requirements of prevention of corruption and guidelines for ensuring compliance with them, the implementation of which creates pre-conditions and conditions for the implementation of the highest standards of transparent business conduct.
- **Remuneration Policy.** The policy is intended to properly manage wage costs and create motivational incentives in order the remuneration amount would directly depend on the implementation of the objectives that are set for the company and each employee.
- **Accounting Policy.** The policy is intended to ensure that the stakeholders are able to assess the activity and perspective of the companies of the Group and to make corresponding economic decisions.
- **Dividend Policy.** The policy is intended to establish clear guidelines for expected equity and return on investment for the existing and potential shareholders while at the same time ensuring sustainable long-term corporate value growth, timely implementation of strategic projects of national importance thereby gradually strengthening confidence in the entire energy transmission and exchange group of companies.
- **Interest Management Policy.** The policy is intended to create in EPSO-G group of companies the interest management system which is consistent with the common good practice and would allow ensuring that decisions in the companies of the Group are made in an objective and impartial manner and would also form an environment that is unfavourable to corruption and would increase confidence in the activities of the companies of the Group.
- **Policy for the Protection of Sensitive Information.** The policy is intended to create a uniform system for the identification, use and protection of confidential information and information constituting trading (know-how) secret, and to help the members and employees of the management bodies of the companies of EPSO-G group protecting the confidential information they were entrusted with against inappropriate and harmful disclosure.
- **Policy for the Development and Exploitation of Technology Assets.** The policy is intended to consistently implement the principles of management and development of electricity and natural gas infrastructure based on the cost and benefit analysis, to deploy advanced technologies, to manage and develop the energy transmission infrastructure in a socially responsible manner taking into account the occupational safety and environmental requirements.
- **Support Policy.** The policy is intended to ensure that the support provided is public and does not cast doubt in the society regarding its expediency and transparency of the process of support granting.
- **Code of Conduct.** Its purpose is to set the same general guidelines of behaviour for communication and cooperation with internal and external stakeholders: employees, customers, contractors, business partners, shareholders, national and municipal authorities, society, etc. The Code's provisions are based not only on the employer's duty, but also on the personal understanding of each employee that his/her proper behaviour improves business reputation and value of the company and the entire group and reduces probability of risk to reputation. The Code's provisions are derived directly from the corporate values, leadership principles of the group EPSO-G and they supplement the associated performance policies.

Internal policies and procedures of the companies:

- Collective agreement;
- The procedure or policy of ethical employment and working conditions;
- The policy and procedure of environmental protection and occupational safety and health;
- Equal opportunities policy.

The procedure of adoption and entry into force of the policies can be found in Section 1.3 of the Corporate Governance Report of EPSO-G company of this annual report.

Stakeholders

When implementing the objectives provided for in the operating strategy the boards of the companies of EPSO-G group assess and seek to take into account the socials and economic interests and expectations of the stakeholders.

Each direction of strategic activities is related to one or several stakeholders. The official, partnership or consultative contacts are maintained with the groups or individuals who express their interest in the activities carried out by EPSO-G. The stakeholders are provided with a comprehensive information related to the activities carried out by the company, except for the cases that are dealt with in EPSO-G Policy of Sensitive Information.

The companies of the Group at least once a year publicly present financial and non-financial activity reports to the Stakeholders, i.e. shareholders and social partners.

The companies of the Group pre-inform the local communities about the projects carried out in their neighbourhood. During the implementation of the project, the time of works is agreed with the locals in order to minimize inconvenience caused to the locals by the works being performed.

In order to assess a quality of the social dialogue with the stakeholders, a "Vilmorus" survey of the internal and external stakeholders was carried out in December 2018 at the order of EPSO-G. According to the survey, stakeholders' satisfaction with the holding company's activities was two percentage points higher (76%) compared to the result of the year 2017 (74%).

Based on the conclusions of this survey, the actions to improve the quality of dialogue with the stakeholders will be carried out in 2019.

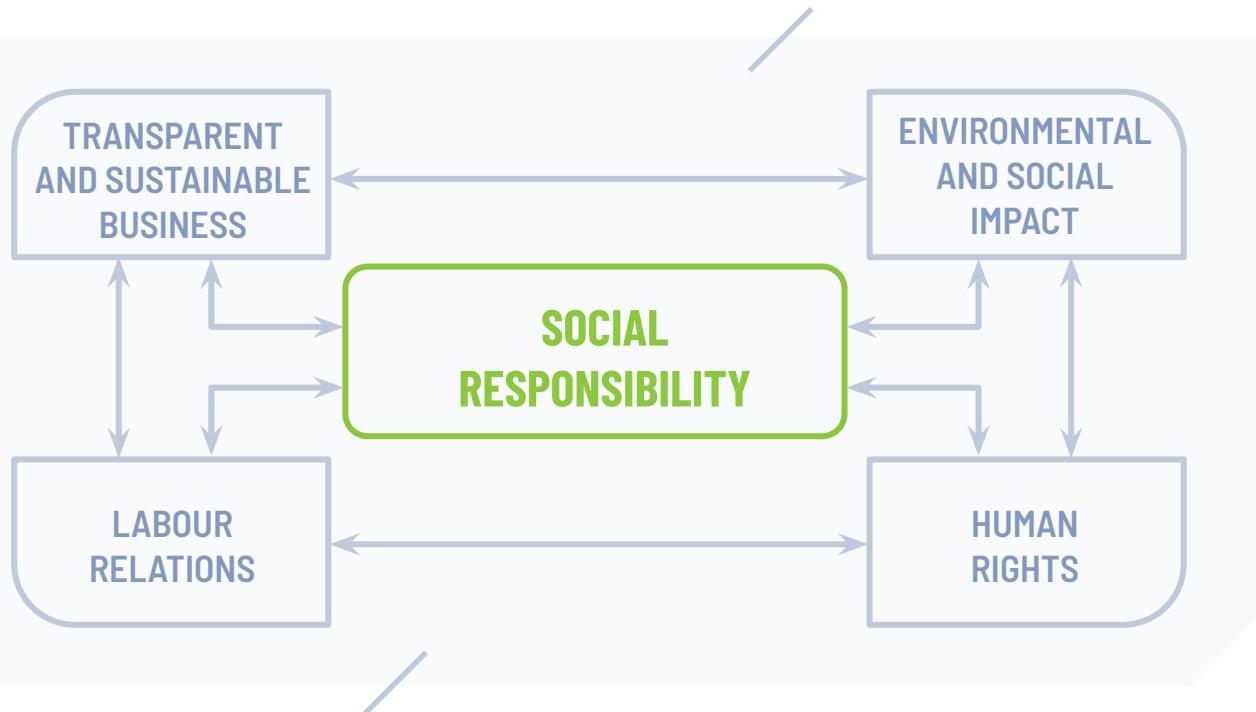
The stakeholders having an influence on the success of EPSO-G activities:

Stakeholders	We undertake	Why this group is important	How we cooperate
Customers	<ul style="list-style-type: none"> To create professional and trustful partnerships for mutual benefit. 	<ul style="list-style-type: none"> The companies of the group operate in B2B (business-to-business) field. 	<ul style="list-style-type: none"> Given the complexity of the services provided and economic expectations, the groups of the company initiate and organise timely information events for the customers.
Employees	<ul style="list-style-type: none"> To act purposefully in order a uniform business culture of the companies of the group and the remuneration policy would encourage the employee engagement and motivation when implementing the objectives set in the strategy; To ensure that the employees of the group have sufficient and timely information about the values, objectives, activity and changes of the group. 	<ul style="list-style-type: none"> Experienced, competent and value-driven professional employees represent an essential prerequisite for implementing objectives and vision. 	<ul style="list-style-type: none"> We improve the content and forms of the internal communication; We conduct the employee engagement surveys and adjust our action plans accordingly; We follow the uniform provisions of remuneration and social responsibility in respect of the employees; We organise at least once a year the executives and staff meetings.
Shareholders	<ul style="list-style-type: none"> To ensure a sustainable management of the group, its growth and a long-term benefit; To provide relevant, accurate and timely information that allows the shareholders to assess the group's activities, their perspectives and to take appropriate decisions; To ensure efficient feedback. 	<ul style="list-style-type: none"> The success of the strategic projects implemented directly depends on the trust of the shareholders and on fast and timely decisions. 	<ul style="list-style-type: none"> We organize regular meetings to discuss relevant issues; We submit at least once in a quarter the reports of financial and non-financial activities regarding the implementation objectives stipulated in the "Shareholder's Letter of Expectations". We ensure the communication of the most important news of the companies of the group on a group scale.
Companies of the group	<ul style="list-style-type: none"> To create value through meaningful management solutions; By responding to a rapidly changing environment to consolidate the strengths of the companies of the group in order to achieve the efficiency of the objectives implementation. 	<ul style="list-style-type: none"> The results of the Group's activities depend on the targeted and synchronized work of the companies of the group in pursuit of strategic objectives. 	<ul style="list-style-type: none"> We are the members of the management bodies of the companies of the group; We organise and implement at the group's level the uniform operating policies enabling coordination of actions when introducing a good governance practice.
Foreign partners – the operators of energy transmission and biofuel exchange	<ul style="list-style-type: none"> The ensure in the implementation of strategic objectives the harmonization of the mutually beneficial agreements and actions. 	<ul style="list-style-type: none"> Synchronization of the electricity transmission systems of the Baltic states with the European energy system, the creation of a regional gas market and the development of biofuel trading market directly depend on the involvement of foreign partners. 	<ul style="list-style-type: none"> We strive to establish and maintain on a regular basis a constructive business relationship based on mutual trust; We initiate and participate in professional meetings to achieve the objectives provided for in the strategy.
Government representatives	<ul style="list-style-type: none"> To provide in an understandable and accessible form a relevant information that would form a reliable basis for assessing in accordance with competence the activities of the companies of the group, the results achieved and the benefits to the public. 	<ul style="list-style-type: none"> Cooperation with the government representatives is necessary in order to ensure the formation of a coherent and long-term vision of the energy sector and smooth implementation of the projects of national and regional significance. 	<ul style="list-style-type: none"> We initiate meetings according to the need to discuss relevant issues; We comment in the area of our competence the relevant issues in the committees of the Seimas of the Republic of Lithuania, in the meetings of the Government of the Republic of Lithuania; We participate in the activities of the inter-institutional working groups.
National Regulatory Authority	<ul style="list-style-type: none"> To ensure consistent compliance with the requirements of the legal acts in the group; To implement a culture of an open and transparent dialogue with the regulator. 	<ul style="list-style-type: none"> The main activities of the group are regulated. Therefore, it is necessary to ensure effective business relationships based on transparency, openness and responsibility. 	<ul style="list-style-type: none"> We provide in a timely manner the information necessary to ensure the functions of the regulatory authority; We cooperate during the process of introducing new market mechanisms; We initiate the meetings to discuss the relevant issues.
Contractors	<ul style="list-style-type: none"> To work with professional contractors who adhere to the standards of professional ethics. 	<ul style="list-style-type: none"> The companies of the group implements extremely complex and complicated projects. Therefore, it is important to raise a high standard of quality, transparency and occupational safety for the contractors. 	<ul style="list-style-type: none"> We organize annual information events for potential contractors; We publicly announce in advance the procurement plans and consultations in order to ensure an increased competition among the market players.

Service and product suppliers	<ul style="list-style-type: none"> • To acquire under competitive conditions high-quality services from reputable suppliers; 	<p>The suppliers supplying high-quality value-generating goods and rendering high-quality value-generating services in a timely manner contribute to the continuity and effectiveness of the group's activities.</p>	<ul style="list-style-type: none"> • We consult with the market players and carry out market research; • We publish plans of the planned procurements.
Non-governmental organizations (NGOs)	<p>Communication and collaboration with environmental organizations and those promoting operational transparency help identify the needs of society and the ways of addressing them.</p>	<p>The companies of the group carry out a continuous environmental impact monitoring.</p> <p>The companies of the group introduce a good governance practice in the fields of accountability and prevention of corruption.</p>	<p>Together with Lithuanian Ornithological Society we implement the measures to reduce the environmental impact.</p> <p>At least twice a year we consult with Transparency International Lithuania regarding corrections of the actions in implementing the provisions and practice of prevention of corruption.</p>
Trade unions	<ul style="list-style-type: none"> • To ensure a constructive and positive social dialogue between the employer and the representatives of the employees. 	<ul style="list-style-type: none"> • The employees determine the success of the group of companies. It is important that the employment relationships and the solutions that govern them would ensure a fair and uniform treatment of all employees and would ensure their legitimate interests. 	<ul style="list-style-type: none"> • By creating conditions for the activities of trade unions and/or work councils. • By entering into collective contract with trade unions and/or work councils, • By discussing the implementation of collective contract during periodic meetings with the employees and/or their representatives. • By informing and consulting with the representatives of trade unions and/or work councils when making decisions on employment relationships.
General public and media	<ul style="list-style-type: none"> • To create added value for the society, business and the competitiveness of the country's economy; • To act in a socially responsible manner; • To provide information that is relevant and provided in an understandable form in accordance with the principles of importance, reliability, comparability and accessibility of information. 	<ul style="list-style-type: none"> • The mission of EPSO-G group: to ensure the implementation of the strategic energy objectives of Lithuania assigned to the group, safe operation of energy transmission systems, to enable benefiting from the possibilities of the effectively operating infrastructure and energy exchanges, and to contribute to the welfare of the society. 	<ul style="list-style-type: none"> • We operate in accordance with the policy of the transparency of the group's activity and communication; • We observe the provisions of the social responsibility policy; • We maintain an impersonal relationship with the media representatives who work in the field of energy when providing sufficient information to evaluate the group's financial and non-financial performance and the ongoing projects.
Local communities	<ul style="list-style-type: none"> • To increase through coordination of interests the trust of the local communities in the ongoing projects and approval thereof; • To contribute to the growth and the creation of the possibilities of a full-fledged life. 	<ul style="list-style-type: none"> • Support from the local communities created by fostering mutual trust, understanding, cooperation, responsibility, is a very important element of the success of the project. 	<ul style="list-style-type: none"> • The companies of the group share experience on spatial planning; • The information events for the local communities are organized.

Social Responsibility Directions and Priorities

The social accountability of EPSO-G involves these directions: business ethics of companies in the market and prevention of corruption, environmental sustainability, awareness-raising of employees, human rights, equality and diversity, occupational safety and health and mutual trust building relationships with stakeholders.



Social responsibility in the market: it is an efficient and transparent business, open and fair cooperation with stakeholders, helping to implement socially responsible business regulations, safe and reliable transmission of electricity and natural gas to system users, fight against corruption and bribery, ensuring competitiveness, fair tax paying;

Social responsibility in the environmental field: it is an efficient use of natural resources in activities, participation in ecologic preventive programs ensuring ecological landscape and biodiversity, promotion of environmentally friendly attitude among employees, contractors, suppliers and society;

Social responsibility in relations with employees: it is responsibility towards employees, caring for employees' health, safety and equal rights, applying advanced performance management and remuneration systems, creating conditions for the personal and professional development of employees, developing generic competences;

Social responsibility in public relations: development of various social initiatives, volunteering and other projects for local communities and nationally, cooperation with scientific institutions.

Social Responsibility in the Market: Effective and Transparent Business

Strategic objective of EPSO-G Group: to ensure through effective operation uninterrupted power supply and to enable the market players to freely exchange it. In order to achieve their objectives, the Companies promote open and honest cooperation with stakeholders who help implementing the provisions of socially responsible business.

Accountability

The companies of the Group keep accounts in a correct way, and prepare and submit on a regular basis the reports of non-financial activities that are sufficient for the stakeholders to assess the behaviour of the companies of the Group in the market, the relations with the employees and the society. The companies of the Group seek the standards of ethics, honesty and transparency that are higher than the minimum standards established by the legal acts.

In order to ensure that the stakeholders are able to assess the performance and perspective of the companies of the Group and to make appropriate economic decisions, the financial statements are drawn up in accordance with the Accounting Policy of EPSO-G that establishes the uniform principles, methods and requirements

for keeping the accounts of the group forming companies and for drawing up of financial statements and submission thereof to the stakeholders.

In preparation of the 2018 report, EPSO-G complied with the following accounting policies:

- Information must be objective, comparable and useful for the internal and external stakeholders;
- Information is reliable, meaningful, timely and understandable;
- Accounts are kept in accordance with the Law of the Republic of Lithuania on Accounting, Law of the Republic of Lithuania on Financial Reporting by Undertakings and Law of the Republic of Lithuania on Consolidated Financial Reporting by Groups of Undertakings, other regulatory acts regulating the accounting procedure;
- Accounts are kept and financial statements are prepared and submitted as per the valid International Financial Reporting Standards and clarifications approved by the International Financial Reporting Interpretations Committee that are accepted for use in the European Union.

Detailed information on the accounting principles of EPSO-G group of companies is presented in the published financial statements.

In accordance with the provisions of EPSO-G Accounting Policy and Transparency and Communication Policy, in 2018 the companies of the Group prepared and regularly publicly published interim and annual activity reports and financial statements as well as information about the shareholder's expectations, operational objectives, declarations of interests and remuneration.

The holding company EPSO-G observes the provisions of Sections IV-VII of the description of the Guidelines for Ensuring Transparency of Operation of State-Owned Enterprises approved by Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010 and makes public the specified indicators of EPSO-G Group (<http://vkc.turtas.lt/imones>).

Presentation of Activities to Shareholders

In 2018 in the Vilnius Stock Exchange, Rolandas Zukas, Director General of EPSO-G, Daivis Virbickas, Director General of "Litgrid", and Saulius Bilys, Director General of "Amber Grid", presented the companies' financial results, business prospects and plans.



Respect for Social and Economic Interests

While respecting the right of the stakeholders to assess in advance the impact of the projects developed in the nearby environment on their economic and social interests, the companies of EPSO-G group that are the operators of transmission systems update and publish on an annual basis the ten-year plans of grid development.

Plans of Development of Electricity Transmission Systems

When implementing the Strategic Objectives of the Lithuanian Electricity System, in 2018 "Litgrid" updated the ten-year development plan for the Lithuanian power system of 400 kV, 330 kV and 110 kV networks. It contains forecasts of electricity demand, power plant capacity, electricity market and electricity balance of the system, information on electricity transmission network, its development and forecasted investments.

The National Control Commission for Prices and Energy for a public consultation submitted a 400-110 kV grid development plan for 2018-2027 with a projected investment of nearly EUR 766 million, out of which about EUR 419 million will be allocated to the synchronization of the Baltic States with Continental Europe.

<http://www.litgrid.eu/index.php/tinklo-pletra/lietuvas-elektros-perdavimo-tinklu-10-metu-pletros-planas-/3850>

Natural Gas Transmission Grid Development Plan

On 18 January 2018, the National Commission for Energy Control and Prices approved the ten-year plan (2017-2026) of the grid development of natural gas transmission system operator AB "Amber Grid".

The value of investments envisaged in the publicly announced plan to the gas transmission system development projects will amount to EUR 192.8 million over the next decade.

The ten-year project provides for the gas transmission system development investments aimed at the achieving the objectives of the strategic natural gas sector of the European Union and Lithuania, i.e. to diversify sources of gas supply, to ensure the security and reliability of gas supply, to promote competitiveness, to integrate the gas markets of the Baltic states into the common European gas market and to develop the common regional gas market of the Baltic states.

In addition to the strategic infrastructure projects, the development plan also provides for the investments in the development, restoration and modernization of the transmission system that will allow ensuring security and reliability of natural gas supply, sufficiency of the existing capacities of the transmission system, the introduction of advanced natural gas transmission infrastructure using the funds of the European Structural Fund resources.

A ten-year "Amber Grid" network development plan has been prepared in accordance with the provisions of the Country Strategy Papers, the needs of the gas market players, ensuring the reliability of supply and efficient operating of transmission system, company strategy, the Environmental Policy of the company and the requirements of legal acts, and is published on <https://www.ambergrid.lt/uploads/documents/Tinklo%20pl%C4%97tros%20planas%202017-2026.pdf>.

Public Procurements and Relations with the Contractors

The companies of EPSO-G group implement the projects of the regional and national significance. These are major investment proj-

ects. Their success depends on the awareness, trust and support of the shareholders, partners, controlling and regulating institutions and the people of Lithuania. Accordingly, much attention is paid by the companies of EPSO-G in their activities to the supervision of public procurement procedures and the prevention of corruption.

In order to ensure fair competition, in 2018 the executives of "Litgrid" and "Amber Grid" presented to the contractors the planned projects and planned works for 2019 and subsequent years for which the tenders are planned to be announced.

The annual meetings encourage the participation of existing and potential partners in open and transparent tenders. It is a great opportunity for market participants to find out about planned works from the first lips, and for a company – an opportunity to increase the visibility and interest of the projects in progress by encouraging competition between contractors and suppliers. Such meetings will also be held in 2019.

Information on annual procurement plans, their implementation and responsible persons are made public on the websites of the companies of EPSO-G group.

Uniform Procurement Policy

EPSO-G group of companies apply effective measures to ensure that procurement is conducted transparently, in accordance with the principles of equality, non-discrimination, mutual recognition and proportionality, and does not recognize fraud, bribery or other unlawful anti-competitive practices.

This is regulated by the Procurement Policy approved in 2018, which aims to follow good procurement practices of international organizations, European Union institutions and other contracting authorities and contracting entities and ensure an efficient, dynamic and transparent procurement process, creating added value for the achievement of goals of EPSO-G group of companies.

The implementation of EPSO-G procurement is primarily based on transparency, ethical conduct, equality, the promotion and proportionality of competition, the enhancement of transparency in procurement processes and the strengthening of anti-corruption measures within the Group.

In 2018, EPSO-G's procurement organizers and members of the Public Procurement Commission submitted private declarations of interest to the Chief Official Ethics Commission. They are publicly available on the EPSO-G website.

Joint Procurement

For greater efficiency, in 2018 the EPSO-G Group launched joint procurement. Joint procurement is carried out in accordance with the public procurement guidelines adopted by the Board of EPSO-G last November. The purpose of joint procurement is to increase competition between suppliers, thus winning better service conditions and prices through economies of scale.

The group of companies also pursue the following goals in their procurement:

- **Economic benefit and efficiency of performance.** This means looking for ways to reduce the costs and deadlines for procurement procedures without denying the principles discussed in this section. Procurement costs should not exceed value;
- **Sustainability of procurement and ongoing activities.** This means that decisions on demand and procurement are made taking into

account the potential impact on the environment, society, respect for human rights, ethical conduct, ensuring safe working;

- **Strengthening the strategic procurement projects of energy infrastructure and managing related risks.** The companies of the Group implement projects of strategic importance not only for the Group alone, but for the holder of shares as well. Therefore, additional measures are taken to manage the risks associated with procurement;

- **Sharing of procurement and implementation practices, sharing of know-how and expertise.** The group is seeking for benefits and synergies in developing coordinated procurement, implementing various efficiency improvement measures in the area of procurement. Responsible persons share their know-how and proven good practice in improving the performance of companies and their individual experts and increasing the value they create in the Group.

Prevention of Corruption

The companies of the Group do not tolerate corruption, nepotism or protecting friends or any other forms of impact trade, implement in a consistent and systemic manner prevention of corporate and private conflicts of interests. The companies of the Group encourage the employees and other stakeholders to report directly or anonymously without fear for negative consequences about the possible infringements, unethical or unfair behaviour a trust based e-mail pranesk@epsog.lt. Trust lines are also installed in subsidiaries.

The Companies' corruption prevention activities are based on national legislation and on voluntary commitments going beyond what is legally required:

- All CEOs of the companies of the Group are directly responsible for the implementation of anti-corruption measures and they set an example for their employees;
- Proportional, risk-based anti-corruption procedures are applied;
- Regular assessment of corruption-related risks is carried out, as well as planning and adaptation of anti-corruption measures, monitoring of anti-corruption performance and, if necessary, implementation of more effective measures.

During the reporting period, significant attention was paid to the management and prevention of corruption risks, the impeccable reputation of members of management bodies and the reputation of employees, the reconciliation of private and corporate interests.

In 2018, a message/complaint was received at "Amber Grid's" trust line stating that the Company contradicts the issue of a building permit to private individuals for the construction of residential houses near a gas pipeline. After the initial inspection it was established that the Company cannot agree to issue this permit, as the territory falls within the protection zone of the main gas pipeline, where the legislation of the Republic of Lithuania prohibits the construction of residential houses.

In order to increase the effectiveness of corruption prevention activities, in March 2018, EPSO-G together with Transparency International Lithuania, organized a seminar for Group CEOs and employees who are personally responsible for implementing anti-corruption measures and setting an example to others. The seminar theme: "Prevention of Corruption. How to Set Goals and Measure Success?"

In 2018 the responsible employees (taking decisions on behalf of the Company, participating in procurement, etc.) of the holding

company and subsidiary companies were organized anti-corruption events / trainings, during which they were instructed how to identify situations of conflicts of interests, conflicts of interests, how to avoid conflicts of interests.

In April 2018, a meeting among the heads of "Amber Grid" and those responsible for the Lithuanian-Polish gas interconnection project (GIPL) and the officials of the Special Investigation Service of the Republic of Lithuania on the transparency of the implementation of the GIPL project took place. During the meeting, the possible risks (threats) that could arise during the implementation of the project tenders and during the project implementation, as well as the preventive measures and possibilities of cooperation were discussed.

Compliance with legal and business ethics standards is mandatory for the group of companies and their employees. An employee who is in breach of these obligations shall be subject to disciplinary sanctions, including dismissal, under the internal procedures and grounds of the Company.

Information on monitoring of possible cases of corruption is provided in Section 5.3 of this annual report.

Social Responsibility in the Field of Environmental Protection

Given that the activities of the companies of the Group may have an impact on the environment where the activities are carried out, the decisions taken must have a minimum, reducing and/or reversible environmental impact, to conserve natural resources and contribute to energy efficiency.

Environmental Impact Assessment Standards

The companies of the Group whose activities may have an impact on the environment introduce advanced technologies that help reduce the environmental impact of activities or for restoring good environmental condition, apply measures and processes in accordance with the generally accepted environmental standards. The contractors and sub-contractors participating in the procurements are required to behave according to a similar standard.

While undertaking the development, "Litgrid" carries out the procedures for the assessment of the environmental impact of the electricity transmission lines that are planned to be built and selection thereof, the conclusions of which are assessed during the preparation of technical projects. When preparing the design tasks, the environmental requirements are set for all newly built or reconstructed transformer substations and switchgears. In all cases, efforts are being made to select less environmentally harmful devices. For example, during the reconstruction of electrical substations the oil equipment that was in service so far is replaced with modern gas installations. This helps reduce the risk of environmental pollution in the event of an accident. Furthermore, this helps reducing the operating costs of the equipment. The contractors are obliged to organize works in such a way as to avoid possible environmental impact or to minimize the environmental impact, to handle the waste generated during the construction and to submit the supporting documents.

A programme for monitoring the environmental impact of the newly built overhead electricity line Kruonis HAE-Alytus are developed, according to which the monitoring will be carried out in 2019-2021.

In preparation for the reconstruction of 330 kV voltage transformer substations (Vilnius, Kaunas, Šiauliai, Alytus, Utena, Jurbarkas, Bitėnai), model simulations of the noise emission in the environment were carried out in the scope of their technical projects to assess the design and make sure that no noise suppression measures are necessary to be installed before the commencement of construction works.

When services are purchased, "Litgrid" requires contractors to implement the environmental management systems in accordance with LST EN ISO 14001 standard. It shall be checked at the time of acceptance of the works performed whether the contractors have fulfilled the requirements, whether they have properly managed waste and do they have the supporting documents.

The Company has implemented environmental and safety and health at work management system which complies with the requirements of international standards ISO 14001 and OHSAS 18001. The system has been integrated into "Amber Grid's" planning, organisation and governance processes. Management of environmental protection and safety and health at work entrenched in the Standards helps ensure continuous reduction of impact on the environment, safety and health of professional risk employees and implementation of the requirements set to performance by international and the Republic of Lithuania legislation, regulations and other normative documents.

The management of "Amber Grid", having regard to the social and economic situation, as well as to the financial and technical capacities of the company, is committed to ensuring a continuous improvement of the processes of Environmental Management and Occupational Safety and Health Management, increasing environmental efficiency and efficiency of occupational safety and health, and to lead the company according to the standards acceptable for the management process.

The Environmental Management system and the Occupational Safety and Health Management system introduced in the Company operate as a repetitive process "planning-implementation-verification-analysis". The process involves the employees of all levels in accordance with the clearly established responsibilities for the certain parts of coordination of the management process and the implementation thereof. Taking into account the conditions of the changing economic, social and natural environment, the changing internal and external factors influencing the activities of the Company, the processes of the system are continuously monitored, reviewed and periodically adjusted. The management of the influencing factors is directly associated with the objectives and tasks posed for the implementation of the principles of the Environmental Policy and the Policy of Occupational Safety and Health of the Company.

By improving the environment and working conditions, the Company constantly invests in new equipment, production process technologies, information management, and other measures. In view of the identified aspects of environmental protection and occupational risk factors arising from the activities carried out by the Company, measures that are reliable and comply with quality standards, reduce environmental impact and ensure the safety and health of workers are applied.

The identification of occupational risk factors and their significance are assessed in accordance with the generally accepted risk management methodologies and the existing international, Republic of Lithuania and the Company's internal legislation, as well as taking

into account changes in the continuously increasing performance indicators, the Company's commitments to stakeholders, the duration of exposure, frequency, hazard, consequences, etc.

In December 2018, an external oversight audit of the Integrated Environmental Protection and Occupational Safety and Health Management System was conducted in "Amber Grid" during which 1 minor inconsistency with fire safety requirements was revealed (there were no inconsistencies revealed in 2017).

Measures to Protect the Environment and Employees' Safety

All employees of the company "Amber Grid" are continually informed and educated about social cooperation and partnership on environmental and occupational safety and health issues.

Implementing measures of environmental protection and employee safety:

In 2018, "Amber Grid" completed the reconstruction of Alytus and Jonava gas distribution stations. During the reconstruction, old technological equipment was dismantled and old buildings demolished. New type of container gas distribution stations with new technological equipment (filters, gas separators, gas heaters, regulators with start-stop function, safety valves, turbine and ultrasonic meters, shut-off devices, cost-effective condensing boilers, condensing tanks, flow computers, automation, odorizing equipment) were mounted in their place.

2018, the Panevėžys Gas Compressor Station underwent modernization of gas compressor units, during which the fuel gas injection system was modernized. Seven gas compressor units were equipped with electronic fuel gas inlet valves and an electronic fuel gas inlet system. The work performed has led to a significant reduction in emissions to the air - an average reduction of 60% in nitrogen oxides (NOx) emissions; Carbon monoxide (CO) emissions have fallen by an average of 20%. Due to the improved operations of the equipment, fuel gas consumption has reduced by around 20 percent.

At the end of 2018, under the initiative of Department of Work Safety and Health of "Amber Grid", passive on-call duty procedure of Operations Department was developed and implemented, which comprehensively regulates the procedures for passive on-call duty and helps to ensure continuous and safe operation of natural gas transmission system facilities.

In 2018, a plan for occupational safety and health and environmental culture education was implemented, which aimed at educating employees, promoting activity and thinking. The measures provided for in the plan focused on the importance of identifying the risks in employees' day-to-day work and learning how to avoid them. In April 2018, for the first time the Company organized the Safety Week. On this occasion, 172 employees, including management and middle management, were involved in the safety knowledge tests. For the second year in a row, the contest "See the Risk!" was organized in 2018. In November 2018, all the heads of the company were trained on safety and labour law issues.

Environmental Impact Monitoring

The companies of the Group whose activities may have an impact on the environment assesses on a continuous basis the potential environmental impact during the project planning and implementation, also carry out environmental impact monitoring after the project has been implemented.

In 2018, in cooperation with the Lithuanian Ornithological Society, "Litgrid" implemented the project Implementation of Bird Protection Measures in the Lithuanian High-Voltage Electricity Transmission Grid, which was co-financed by the European Commission and the Ministry of Environment.

The objectives of this project are to reduce the number of deaths of migrating birds, improve breeding conditions of kestrels in Lithuania, monitor bird death cases in the high-voltage electricity transmission network, and provide recommendations for the bird protection.

Implemented activities:

- By increasing the visibility of wires on the 123 km high-voltage line during the project, about 1,374 bird deaths per year were avoided.
- Areas, where the labelling of wires is provided, are determined by the LOS observers on the basis of information on the flight intensity of birds. According to the envisaged areas and taking into account the overhead lines' disconnection schedules, "Litgrid" specialists identified specific electricity transmission lines and their gaps, where they installed wire-labelling tools. Depending on the installation possibilities of such measures, it was decided to use the following 2 types: above water bodies and in hard-to-reach areas – "pendant" type reflectors (installed 1500 units marking 28 km of overhead lines) installed using special remote-controlled equipment, and in other areas – "spiral" type (7100 units marking 80 km of overhead lines), which are fixed by hands using lifting mechanisms.
- Installation of bird protection equipment on 110 kV voltage overhead lines' supports. For the protection of birds, mostly white storks, from the potential impact of an electric arc during their squatting at the most dangerous point of support – above the insulators, two measures were used: installation of "fork" type steel gadgets MK-1-1 (6000 units), preventing the landing and squatting, and mounting of a larger 310 mm diameter insulating plate (6000 units) in the upper part of the insulator-chain, which improves the isolation of the chain (prolonged breakthrough path, especially in the case of contaminated insulators).
- These two instruments not only increase the probability of preserving the lives of birds, but also help avoid a short-circuit between phase wire and support metal parts. The Company decided to fit the installation of bird protection measures, as well as other project works, to the planned repairing of overhead lines. Buying works in this way, smaller works are bought cheaper. The supports containing the "forks" and insulating plates were determined during the detection of defects in the overhead lines to be repaired.
- In order to increase the kestrel population included in the Red Book in Lithuania, 500 pieces of special nesting-boxes were installed for kestrels on 110 kV supports in locations selected by the ornithologists. Between 2015 and 2018, over 700 juveniles were reared in all cases of hatching.

The total amount of the project – EUR 1 565 261, 50% financed by the European Commission, 24.34% – by the Ministry of Environment of the Republic of Lithuania, and the remaining half was financed by "Litgrid".

In the future, when carrying out the environmental impact assessment in newly designed and reconstructed overhead lines, it is

planned, in a coordinated manner with ornithologists, to continue to install measures for the expansion of visibility of wires in the sensitive areas for migratory birds.

Replaceable supports (about 200 units per year) will be equipped with the bird protection measures, i.e. "fork" type devices which prevent the landing of birds (storks) over the each chain of insulators, as well as larger diameter insulators installed in the upper part of the chain – so-called "plates", partially protecting isolators from contamination by faeces of birds. This significantly reduces the risk of short-circuit: during the four years since the project was implemented, the number of disconnections caused by birds decreased from 41 in 2014 to 3-5 in 2017 and 2018.

For a further five years, the transmission system operator will arrange the replacement of fallen, damaged or unsuitable for further use nesting-boxes at locations specified by ornithologists. Last year, between 30 and 40% of the national kestrel population hatched in these nesting-boxes mounted on the pylons.

Energy Saving

According to the principles of climate change, sustainable development and pollution prevention, the companies of the Group implement the activities that reduce energy consumption and greenhouse effect, pay attention to waste amount monitoring and sorting, hazardous waste management, promote the rational management and use of water, paper, energy and other resources.

On 9 October 2017, the Minister of Energy Žygimantas Vaičiūnas and the companies of EPSO-G group signed the agreement on the actions and measures that will help the consumers of the country to save 269 GWh (0.27 TWh).

The electricity transmission company "Litgrid" has committed to save almost 146.6 GWh (0.146 TWh), whereas the gas transmission operator "Amber Grid" – 122.54 GWh (0.122 TWh) of energy at the end users. EPSO-G will cooperate and coordinate the achievement of saving objectives by "Litgrid" and "Amber Grid". In 2018, it was estimated that the savings identified for companies of the Group were achieved and therefore the possible energy efficiency directions would be analysed from 2020.

Waste Management and Sorting, Economical Use of Resources

In the context of rational use of energy and water resources, "Amber Grid" has carried out an audit of consumption of energy, energy resources and water. The audit in technological processes and equipment is intended for estimating energy and water losses in technological processes and equipment and to foresee the technical, organizational measures for reducing energy and water losses. There are special containers for sorting glass, plastic and paper in the companies of the Group.

The requirements for air, surface water, groundwater, soil contamination monitoring and protective measures referred to in the permits of Integrated Pollution Prevention and Control are also implemented in "Amber Grid". Hazardous and non-hazardous waste generated in the companies is handed over to waste managing companies. Household, paper and cardboard, plastic and glass waste from the activities of the Company's divisions is sorted and handed over to utilities companies.

Social Responsibility in Relations with Employees

Human Rights

The companies of the Group create a value-based organizational culture and are in favour of equal rights and equal opportunities of the employees in the workplace regardless of their gender, ethnic origin, race, nationality, social status, age, disability, membership in a political party or association, religious beliefs or sexual orientation.

Any form of harassment, psychological violence, bullying or taking advantage of the position held is intolerable too.

The employees who may have been the subject of unlawful acts can submit a complaint to the responsible person appointed by the company. If the employee is dissatisfied with the result of the complaint examine, such the employee can defend his/her right infringed in accordance with the legal acts.

The employee who saw and/or has any suspicion about and/or who is a witness of the case of discrimination, harassment or sexual harassment shall notify thereof his/her direct manager or the responsible person appointed by the Company. The Company ensures confidentiality when examining complaints. Accordingly, all employees and the Company shall treat any information obtained during the investigation of an infringement as confidential. Breach of this provision is considered to be a gross violation of work discipline.

No reports of discrimination or other incidents related to human rights violations at work were received in EPSO-G Group in 2018.

Equal Rights

The companies of the Group ensure that the working conditions are in line with the legislation, international standards and recommendations applicable in the Republic of Lithuania, and seek to create working conditions that respect dignity related to working hours, weekly rest, holidays, occupational safety and health, protection of maternity and adequate work-family relations balance.

For this reason, the companies of EPSO-G systematically analyse the working environment and constantly improve it. To achieve the objectives pursued that are set for the company and improvement, the employee opinion assessments are carried out during the employee satisfaction surveys that are held at least once every two years. The results of the surveys are used for adjusting the activity plans.

Decisions related to recruitment, competence development, remuneration or other pay-outs, promotions are taken in the companies of the Group taking into account objective criteria and factors without discrimination.

No reports of breaches of equal rights at work were received in EPSO-G Group in 2018.

Workforce of the Group is composed mainly of men. This is strongly influenced by the specifics of the activity: women are less likely to choose works of technical engineering profile and those performed outdoors, and specialties directly related to them. In this regard, the Social Responsibility Policy introduces the provision that a proportional gender representation will be sought in the companies of the Group by identifying the measures and actions that help implement this provision.

No reports of gender discrimination were received in EPSO-G group of companies in 2018.

The employees of the companies of the Group are paid equal salary for the same or equivalent work. The amount of salary for a potential or actual employee is determined according to the objective criteria related to the abilities, competence, qualification, experience and knowledge of the employee. According to the Employees' Remuneration Policy of the Group, the companies are encouraged to adequately reward their employees having achieved objectives and exceeding expectations.

Information about the employees, Remuneration Policy and the staff evaluation system is provided in Section 8 of this annual report in the Report of the implementation of Reward Policy.

Collective Agreement and Trade Unions

The companies of the Group recognize the right of employees to join trade unions or associations on a voluntary basis and to negotiate with the employer, and maintain a constructive social dialogue.

The purpose of a collective agreement is to ensure efficient operation of the Company and to represent the rights and legitimate interests of all employees of the Company. The agreement stipulates employment, wage, social, economic and professional conditions and guarantees that are not regulated by laws or other regulatory acts.

Trade union meetings and company management meetings are organized periodically to discuss issues relevant to the trade union.

Trade Union

At the end of 2018, the "Amber Grid" trade union united 225 members, with 8 members representing the employees on the renewed Board. The purpose of the trade union is to represent and defend the professional, labour, economic and social rights and legitimate interests of its members. Meetings of trade union representatives and the management of the Company are periodically organized to discuss issues relevant to the trade union.

"Litgrid" employees are united and their interests are represented by the Trade Union of Electricity Network Employees. In order to achieve closer cooperation and partnership, in 2018, it was agreed on periodic meetings between the trade union representatives and the Company management to discuss issues of mutual interest. At the end of 2018, there were 96 members in the Trade Union of Electricity Network Employees, which is more than one third of the Company's employees.

EPSO-G supports the assembly of its employees to voluntary trade unions and cooperates with them, and develops a constructive social dialogue.

Collective Agreement

In 2018, after reaching an agreement with the employer, the "Amber Grid" trade union signed a new collective agreement that agrees on additional economic and social benefits. The general meeting of employees agreed that they would be applied equally to all employees of the Company without excluding members of the trade union.

The collective agreement is intended for ensuring efficient work of the Company and to represent the rights and legitimate interests of all employees of the Company. The agreement establishes the

conditions of labour, wages, social, also economic and professional conditions and guarantees which are not regulated by laws, other normative legal acts. The employees are subject to additional financial guarantees (accident benefit, sickness benefit, benefit in case of death of a family member, childbirth benefit, benefit for an employee having three or more children or disabled children), additional leave days (after childbirth, death of a family member and other cases) and other guarantees.

The Company supports the cultural, sporting and tourist activities of the employees, various festive events and other social activities in which all employees of the Company are entitled to participate without discrimination and restrictions.

In 2018, a renewed collective agreement between "Litgrid" and the trade union of the newly established company was also signed. The document defines and ensures fair pay policy, job and rest balance options, and regulates social and economic relationships between employer and employee. The collective agreement also contains provisions on how the Company supports employees in the event of significant or painful life events.

EPSO-G, Baltpool, and Get Baltic do not have a trade union or employee representatives, respectively, a collective agreement. In or-

der to ensure an equal treatment of employees in the company and the provision of social benefits, as with most of the company's employees, the key benefits, the basics and the scope foreseen in the Labour Code were agreed with the employees directly and later on with the Remuneration and Appointment Committee.

Social Responsibility in the Relations with the Society

The companies of EPSO-G group create and maintain open and business relationship with the stakeholders and are accountable to the shareholders and the society for the activities carried out by them. At least once a year, the companies of the Group publicly present financial and non-financial activity reports to their shareholders and/or social partners.

In order to ensure an open dialogue with stakeholders in 2018, the company "Litgrid" prepared an activity report entitled "Creating a Value for Society", which presented its activities, the most important results and the nearest plans and challenges.



You are welcome to watch the presentational video at: <https://www.youtube.com/watch?v=ALtAO4xRYX0>

"Litgrid" organizes tours for groups of 8 to 20 people. They take place at the System Management Center (dispatch center) in Vilnius, at the converter stations "LitPol Link" in Alytus and at "Nord-Balt" in Klaipėda.

The guided tours are led by "Litgrid's" specially trained staff, who tell you in detail and in a comprehensible manner what electricity is like, how dispatchers work in the system control center, how to safely handle electricity.

In 2018, the tour guests were school children from Vilnius schools, students from Kaunas Technical College, Vilnius College of Technology and Design, Vilnius Gediminas Technical University, foreign delegations, representatives of the State control and Lithuanian Armed Forces - it is especially important for them to know and understand the functioning of the transmission system as a strategic resource. In 2018, on average, there were 2 excursions every month.

Public Education

The current running through "Litgrid's" maintained power lines have a voltage approximately 500 times higher than the one at home. Electrical discharge can occur if a safe distance is breached, when one is too close - high voltage electricity can also hit at a distance as well.

For this reason, "Litgrid" is constantly reminding the contractors performing the works in the electricity network of the need to comply with the safety requirements of the workers; the control is also carried out - the company's representatives visit the locations where the contractors perform the work and inspect the compliance with the work safety requirements and in case of identification of shortcomings, the works are discontinued.

The company has conducted information campaigns in regional media and social networks - information about safe conduct is presented by infographics and feature video films.

A Culture of Dialogue with Communities

The group companies inform local communities in advance about ongoing projects in their neighbourhood. During the implementation of the projects, the working time is agreed with residents. The aim is to minimize the inconveniences for the residents arising from the works being done during the period of implementation of the entire project.

In 2018, "Amber Grid" launched a long-term project "Dialogue Culture and Cooperation" for the presentation of a gas pipeline connection between Lithuania and Poland (GIPL) to local communities. During the meetings, the GIPL project is presented, emphasizing its importance, goals and benefits. In the formation of a culture of dialogue, well-known public figures are invited to meet with the local community to discuss topics fostering curiosity and critical attitudes to various social phenomena. The first 19 meetings with communities were organized - in the municipalities, in the territories of which the main gas pipeline will be laid. 64 meetings are scheduled for 2019.

Support Policy

The Support Policy is confirmed in the EPSO-G group of companies, which is based on the objectives and values of the operational strategy and the attitude thereof that the support granted must be public and must not create doubts for the society regarding its

expediency and transparency of the granting process.

EPSO-G is a state-owned company. Therefore, one of the most important obligations of the company is to pay dividends to the shareholder who allocates them through the country's budget to meet the essential needs of the society. For this reason, in order to implement the objectives provided for in the strategy of EPSO-G the companies of the Group will grant support for the predefined areas.

Strands of Support

There are plans to develop cooperation with the communities in the immediate vicinity of which the companies of the Group carry out their activities or implement projects. Education is another strand of support, i.e. support for the individuals studying under the programmes of universities and other higher education institutions that are closely linked to the professional activities of the companies.

The policy which is common for all companies of the group provides that support may be granted for education, culture, sport, social services or other community welfare areas based on four principles, i.e. compliance with the operational objectives, transparency and impartiality, equality and alignment of confidentiality and publicity.

The companies of EPSO-G group will grant support neither for political parties or political campaigns nor for the activities that promote or are associated with gambling or similar activities, alcoholic beverages, tobacco products or other intoxicants nor for other activities that have or may have a negative impact on the society.

A profit share allocated for support in the companies of EPSO-G group of companies is determined annually at the Ordinary General Meeting of Shareholders by forming a reserve for this amount taking into account the profit achieved of the reporting year and the ongoing projects. A profit share allocated for support shall not be more than 1% of the net profit of the reporting financial year, not exceeding in any case 50 thousand euros.

No support was granted by the companies of EPSO-G group in 2017-2018.

Volunteering

By contributing to the implementation of the objectives of public interest or those that are important for the local community, the companies of EPSO-G group encourage a voluntary unremunerated engagement of their employees in charitable activities.

Blood Donation

In 2018, a civil campaign "Blood Donor Day" was continued in the company "Amber Grid". 50 employees of the Company (in 2017, it involved 42 employees) participated in this campaign by donating their blood and thus contributing to saving the health and lives of patients. 25 litre of blood was donated. The National Blood Centre expressed its appreciation to AB "Amber Grid" for active participation and for the dissemination of the ideas of gratuitous blood donation.

Environmental Management and Forest Planting

More than 90 employees of the Company, together with their family members, participated in the voluntary public campaign "We Are Doing" (in 2017, it involved 70 employees). For participation in

the campaign "We Are Doing" in 2018, the Company received appreciation from the organisers of the campaign.

The cleanup took place in 155 countries of the world. 30 national and regional parks were handled in Lithuania on that day. 40 employees of the Company joined this action to clean the Trakai Historical National Park and Kurtuvénai Regional Park.

4000 pieces of trees were planted in April 2018 in Punia surroundings (Alytus district) by more than 50 employees of "Litgrid". It is a traditional annual initiative of "Litgrid", during which more than 11 thousand trees have already been planted.

Charity Fair

The staff of "Amber Grid" traditionally invited the youth of the Lithuanian Special Society of Creative Works "Guboja" to their office. Creative disabled artists organised a handicraft exhibition for the employees of the Company before the holidays and offered to acquire them. The charity fair took place in the lobby of the main office of the Company, so the employees of "Amber Grid" infected and colleagues from other companies - they were also glad to buy souvenirs by contributing personally to the Society's goals.

Photography Exhibition

In December, the children of Alytus Children's Day Center visited "Litgrid's" office - they opened their own photography exhibition, talked to employees, learned how to create jewellery, visited the System Management Center and learned how electricity travels via transmission networks and how to handle it safely.

Donated Balloons to Children

During the International Day for Protection of Children, the largest umbrella organization for child welfare in Lithuania "NVO vaikams konfederacija", like every year, organized a celebration "Child constellation", which invited together to create a happy childhood and thanked people who encourage and promote positive socialization. The Company's employees contributed to the celebration and bought 250 pieces of helium balloons that were released with children's dreams to the sky at the end of the celebration.

Action „Pinwheels of Favourable Wind“

Ten employees of the Company contributed to the volunteering action of the favourable wind accompanying the "little captains on a stormy ocean of sickness" and coloured the sticks of the "Pinwheels of Favourable Wind". All funds received from the sale of windmills are allocated to the charity and support fund "Rugutė". The fund provides the assistance for children with oncological diseases.

Activities Assessed

- Saulius Bilys, Director General of "Amber Grid", and Tomasz Stepien, Director General of the Polish Transmission System Operator GAZ-SYSTEM S.A., were announced as the People of Year of the Polish Energy and awarded by the Deputy Minister of Energy of Poland at a conference organized by the Lower Silesian Institute for Energy Studies (DISE). They received this award for the launch of the implementation of the Lithuanian-Polish Gas Transmission and Market Interconnection Project (GIPL).
- On 11 May 2018, the solution of the regional gas trading platform with an integrated trading model implemented by the exchange

GET Baltic, belonging to EPSO-G Group, and its partners, at the National business awards ceremony was awarded as the Project of the Year in the energy sector. By implementing a unique project for the creation of a regional gas trading platform with an integrated trading model, GET Baltic has established trading platforms in Latvia and Estonia and has de facto become a regional Baltic natural gas exchange.

- On 1 March 2018, at the conference organized by "Verslo žinios" (Business News) "Litgrid" was announced a leader of the energy sector after assessing six indicators such as profit, income, their annual change, profitability and the average wages.

INDICATOR INDEX ACCORDING TO GRI

A list of generic report indicators

Indicator code according to GRI Standard	Description	Page
Strategy and analysis		
GRI 102-14	Speech of the Chief Executive of the Company	page 64-66
Description of the company		
GRI 102-1	Company name	page 67
GRI 102-2	Company activity, main brands and services	pages 71 - 79
GRI 102-3	Address of the company's head office	page 67
GRI 102-5	Property type and legal form	page 67
GRI 102-6	Markets in which the Company operates	pages 71 - 80
GRI 102-7	Company size	pages 102- 108
GRI 102-8	Number of employees	pages 132
G4-11	Percentage of all employees who are subject to the arrangements under the collective agreement	pages 129 - 134
GRI 102-11	Observance of precautionary principle	pages 110 - 113
GRI 102-12	External economic, environmental and social initiatives	pages 144-151
GRI 102-13	Membership in national and international organizations	pages 109
Ethics and integrity		
GRI 102-16	The values, principles, standards and norms of the organization related to behavioural and ethical codes	Pages 80-82; pages 143- 144
Company management		
GRI 102-18	Company management structure	pages 117
GRI 102-19	Delegated powers	pages 136
GRI 102-20	Attribution of the leading representatives of the Company and representation in the field of finances, environmental protection and social responsibility	pages 126 - 127
GRI 102-21	Responsibility in providing information/advice to the shareholders on the issues of finance, environmental protection and social responsibility	pages 136
Stakeholders		
G4-24	Stakeholder list	pages 138 - 143
Report parameters		
G4-28	Report period	page 67
G4-29	Date of the previous report	page 67

G4-30	Reporting frequency	page 67
G4-31	Contact person to answer the questions related to social responsibility	page 136
G4-33	Policy and practices of the organization regarding the external audit of report	pages 113
Management		
G4-34	The management structure of the company, including the top-level committees	pages 115 - 125

List of impacts and specific indicators of the company

Impact	Description, disclosed mode of management and indicator	External check	Page/Source
Economy			
Economic efficiency	Direct economic benefits received and distributed	Accomplished	Annual report, pages 113
Market	Comparison of a standard salary of employees with a minimum wage	Not accomplished	-
Indirect economic impacts	Development and impact of investment in infrastructure and services	Accomplished	The Progress Report on Social Responsibility, pages 145
Environmental protection			
Products and services	Environmental impact mitigation measures for products and services of the Company (G4-EN27)	Partially	The Progress Report on Social Responsibility, pages 148 - 151
Social area			
Education and training	Programs for improving employee skills and lifelong learning, ensuring continuity of worker capacity and helping to manage their careers (G4-LA10)	Partially	-
Non-discrimination	The number of discrimination incidents and the actions taken to deal with the incidents related to human rights violations (G4-HR3)	Accomplished	The Progress Report on Social Responsibility, pages 148
Local communities	Subdivisions involving the local communities by assessing the impact or development programs (G4-SO1)	Accomplished	The Progress Report on Social Responsibility, pages 154 - 157