

# ESG Disclosure

## About ESG disclosure

The following report broadly follows the indicator structure recommended by most common sustainability reporting frameworks. The underlying structure has been derived from the [Nasdaq ESG Reporting Guide](#) and additional indicators have been added based on materiality and best-fit for the Group’s activities and purpose. Where possible, the report includes references to other reporting frameworks such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) or states relevance to specific UN Sustainable Development Goals (SDGs) or principles of the UN Global Compact (UNGC).

The ESG indicator data provided in the following report has not been externally verified and represents the best available estimates at the point of disclosure. Additionally, as indicated throughout the report, some indicator values are of preliminary nature and will be updated once more information is available.

Definition of terms used below: “Group” or “Ignitis Group” – the holding company AB Ignitis Grupė and its subsidiaries; “Company” – the holding company AB Ignitis Grupė.

## ESG indicator list

Environmental indicators	In line with Nasdaq ESG reporting guide	Social indicators	In line with Nasdaq ESG reporting guide	Corporate governance indicators	In line with Nasdaq ESG reporting guide
1. GHG emissions	Yes	13. CEO Pay Ratio	Yes	26. Board Diversity	Yes
2. Emissions to Air	Added by Company	14. Gender Pay Ratio	Yes	27. Board Independence	Yes
3. Emissions Intensity	Yes	15. Employee Turnover	Yes	28. Incentivized Pay	Yes
4. Energy Usage	Yes	16. Gender Diversity	Yes	29. Collective Bargaining	Yes
5. Energy Intensity	Yes	17. Temporary Worker Ratio	Yes	30. Supplier Code of Conduct	Yes
6. Energy Mix	Yes	18. Non-Discrimination	Yes	31. Ethics & Anti-Corruption	Yes
7. Water Usage	Yes	19. Injury Rate	Yes	32. Data Privacy	Yes
8. Waste Management	Added by Company	20. Global Health & Safety	Yes	33. ESG Reporting	Yes
9. Environmental Operations	Yes	21. Child & Forced Labor	Yes	34. Disclosure Practices	Yes
10. Climate Oversight / Board	Yes	22. Human Rights	Yes	35. External Assurance	Yes
11. Climate Oversight / Management	Yes	23. Staff Benefits	Added by Company	36. Bonds	Added by Company
12. Climate Risk Mitigation	Yes	24. Training	Added by Company	37. Tax	Added by Company
		25. Client and Employee Relations	Added by Company		

## Environmental Indicators

1. Greenhouse Gas Emissions*		H1 2020	H1 2019
Scope 1	t CO <sub>2</sub> eq	130,491**	11,466
Scope 2 (location-based)	t CO <sub>2</sub> eq	70,494	39,227
Scope 2 (market-based)	t CO <sub>2</sub> eq	199,501	110,712
Scope 3	t CO <sub>2</sub> eq	5,814***	26,365
Biomass	t CO <sub>2</sub> eq	32,586	38,551

E1 | UNGC: P7 | GRI 305-1,305-2,305-3 | SASB: General Issue / GHG Emissions | TCFD: Metrics & Targets

\*Not a final result; final value will be specified in future disclosures.

\*\*With the expansion of the scope of system services this year and favorable conditions in the electricity and gas markets, electricity production in the Elektrėnai Complex managed by Ignitis Gamyba is much more intensive this year compared to 2019.

\*\*\*The reduction in emissions is due to the sale of real estate objects by the company NT Valdos.

2. Emissions to Air		H1 2020	H1 2019
NO <sub>x</sub>	t	163.61*	61.86
CO	t	83.64	80.10
SO <sub>2</sub>	t	3.28	2.90
Dust	t	10.05	10.46

\*NO<sub>x</sub> increased due to higher production from natural gas.

3. Emissions Intensity*		H1 2020	H1 2019
GHG emissions per megawatt-hour consumed	t CO <sub>2</sub> eq/GJ	0.043	0.051
GHG emissions per full-time (FTE) employee	t CO <sub>2</sub> eq/FTE	55	21
GHG emissions per unit of revenue	t CO <sub>2</sub> eq/EURm	350	138

E2 | UNGC: P7, P8 | GRI 305-4 | SDG: 13 | SASB: General Issue / GHG Emissions, Energy Management

\*Not a final result; final value will be specified in future disclosures.

4. Energy Usage		H1 2020	H1 2019
Total energy consumption	GJ	4,755,400	1,522,169
Of which energy from natural gas	GJ	2,588,747*	173,299
Of which energy from biomass	GJ	237,965	255,089
Of which energy from petrol	GJ	4,079	6,216
Of which energy from diesel	GJ	33,777	36,382
Of which energy from electricity	GJ	1,880,258	1,041,882
Of which energy from heating	GJ	10,573	9,302
Direct Energy Consumption	GJ	2,864,568	470,986
Indirect Energy Consumption	GJ	1,890,832	1,051,183

E3 | UNGC: P7, P8 | GRI 302-1, 302-2 | SDG: 12 | SASB: General Issue / Energy Management

\*Energy usage of fossil fuel increased due to higher production from natural gas.

5. Energy Intensity		H1 2020	H1 2019
Energy per full-time (FTE) employee	GJ/FTE	1,262	414
Energy per unit of revenue	GJ/EURm	8,048	2,729

E4 | UNGC: P7, P8 | GRI 302-3 | SDG: 12 | SASB: General Issue / Energy Management

6. Energy Mix		H1 2020	H1 2019
Fossil Fuel	%	95*	83
Renewable Energy	%	5	17

E5 | GRI 302-1 | SDG: 7 | SASB: General Issue / Energy Management

\*Energy usage of fossil fuel increased due to higher production from natural gas.

7. Water Usage		H1 2020	H1 2019
From water supply network	m <sup>3</sup>	22,448*	77,486
From own boreholes	m <sup>3</sup>	12,702	10,993
Surface water	million m <sup>3</sup>	4,610	4,566
Of which water usage for electricity generation in Kruonis PSHP	million m <sup>3</sup>	1,491	836
Wastewater	m <sup>3</sup>	343,068	489,031
Of which surface wastewater	m <sup>3</sup>	300,925	445,055

E6 | GRI: 303-5 | SDG: 6 | SASB: General Issue / Water & Wastewater Management

\*The decrease is due to the sale of real estate objects by the company NT Valdos and the subsequent reduction of water consumption.

8. Waste Management		H1 2020	H1 2019
Total waste generated	t	3,607	5,561*
Of which municipal waste	t	221	320*
Of which non-hazardous waste	t	1,297	1285*
Of which iron and steel waste	t	1,819	3591*
Of which hazardous waste	t	270	365*

\*Estimated from annual amount, so H1 2020 and H1 2019 data may not be directly compared.

9. Environmental Operations		H1 2020	H1 2019
Does your Group follow a formal Environmental Policy?	Yes/No	Partially*	Partially*
Does your Group follow specific waste, water, energy, and/or recycling policies?	Yes/No	No	No
Does your company use a recognized energy management system?	Yes/No	No	No

E7 | GRI: 103-2 | SASB: General Issue / Waste & Hazardous Materials Management

\*The largest Group companies Ignitis Gamyba and ESO have Environmental Policies. Policy for the whole Group was approved on August 17, 2020.

10. Climate Oversight / Board		H1 2020	H1 2019
Does your Management Board oversee and/or manage climate-related risk?	Yes/No	Yes	Yes

E8 | GRI: 102-19, 102-20, 102-29, 102-30, 102-31 | SASB: General Issue / Business Model Resilience, Systematic Risk Management | TCFD: Governance (Disclosure A)

11. Climate Oversight / Management		H1 2020	H1 2019
Does your Senior Management Team oversee and/or manage climate-related risks?	Yes/No	Yes	Yes

E9 | GRI: 102-19, 102-20, 102-29, 102-30, 102-31 | SASB: General Issue / Business Model Resilience, Systematic Risk Management | TCFD: Governance (Disclosure B)

## Social Indicators

13. CEO Pay Ratio		H1 2020	H1 2019
CEO Salary & Bonus (X) to median FTE Salary	X:1	8.32:1*	7.49:1*

S1 | UNGC: P6 | GRI 102-38  
\*Average of quarters; final value will be specified in future disclosures.

14. Gender Pay Ratio		H1 2020	H1 2019
Median total compensation for men (X) to median total compensation for women	X:1	1.11:1*	1.10:1*

S2 | UNGC: P6 | GRI: 405-2 | SASB: General Issue / Employee Engagement, Diversity & Inclusion  
\*Average of quarters; final value will be specified in future disclosures.

15. Employee Turnover		H1 2020	H1 2019
Change over period for full-time employees	%	1.8*	2.6*
Change over period for part-time employees	%	14*	21*
Change over period for contractors and/or consultants	%	8.1*	14.65*

S3 | UNGC: P6 | GRI: 401-1b | SDG: 12 | SASB: General Issue / Labor Practices  
\*Average of quarters; final value will be specified in future disclosures.

16. Gender Diversity		H1 2020	H1 2019
Total Group headcount held by men and women	%	Women – 28 Men – 72	Women – 28 Men – 72
Worker-level positions held by men and women	%	Women – 1 Men – 99	Women – 1 Men – 99
Specialist-level positions held by men and women	%	Women – 35 Men – 65	Women – 35 Men – 65
Mid-level positions held by men and women	%	Women – 32 Men – 68	Women – 30 Men – 70
Senior-level positions held by men and women	%	Women – 21 Men – 79	Women – 21 Men – 79
Executive-level positions held by men and women	%	Women – 19 Men – 81	Women – 18 Men – 82

S4 | UNGC: P6 | GRI: 102-8, 405-1 | SASB: General Issue / Employee Engagement, Diversity & Inclusion

12. Climate Risk Mitigation		H1 2020	H1 2019
Total annual investment in climate-related infrastructure, resilience, and product development:			
Green generation	EURm	130.4	107.5
Upgrading of electricity networks	EURm	10.4	25.5

E10 | UNGC: P9 | SASB: General Issue / Physical Impacts of Climate Change, Business Model Resilience | TCFD: Strategy (Disclosure A)

17. Temporary Worker Ratio		H1 2020	H1 2019
Total headcount held by part-time employees	%	0.87*	1.65
Total headcount held by contractors and/or consultants	%	1.70*	2.42*

S5 | GRI: 102-8 | UNGC: P6  
\*Average of quarters; final value will be specified in future disclosures.

18. Non-Discrimination		H1 2020	H1 2019
Does your Group follow a sexual harassment and/or non-discrimination policy?	Yes/No	Yes	Yes

S6 | UNGC: P6 | GRI: 103-2 (see also: GRI 406: Non-Discrimination 2016) | SASB: General Issue / Employee Engagement, Diversity & Inclusion

19. Injury Rate		H1 2020	H1 2019
Total number of employee injuries and fatalities	unit	Injuries – 2 Fatalities – 0	Injuries – 25 Fatalities – 0
Total number of contractor injuries and fatalities	unit	Injuries – 0 Fatalities – 1	Injuries – 3 Fatalities – 0
Total number of resident injuries and fatalities	unit	Injuries – 2 Fatalities – 0	Injuries – 2 Fatalities – 1

S7 | GRI: 403-9 | SDG: 3 | SASB: General Issue / Employee Health & Safety

20. Global Health & Safety		H1 2020	H1 2019
Does your Group publish and follow an occupational health and/or global health & safety policy	Yes/No	Yes	Yes

S8 | GRI: 103-2 (See also: GRI 403: Occupational Health & Safety 2018) | SDG: 3 | SASB: General Issue / Employee Health & Safety

21. Child & Forced Labor		H1 2020	H1 2019
Does your Group follow a child labor policy?	Yes/No	Yes	Yes
Does your Group follow a forced labor policy?	Yes/No	Yes	Yes
If yes, does your child and/or forced labor policy cover suppliers and vendors?	Yes/No	No	No

S9 | GRI: 103-2 (See also: GRI 408: Child Labor 2016, GRI 409: Forced or Compulsory Labor, and GRI 414: Supplier Social Assessment 2016) | UNGC: P4, P5 | SDG: 8 | SASB: General Issue / Labor Practices

22. Human Rights		H1 2020	H1 2019
Does your Group publish and follow a human rights policy?	Yes/No	Yes	Yes
If yes, does your human rights policy cover suppliers and vendors?	Yes/No	No	No

S10 | GRI: 103-2 (See also: GRI 412: Human Rights Assessment 2016 & GRI 414: Supplier Social Assessment 2016) | UNGC: P1, P2 | SDG: 4, 10, 16 | SASB: General Issue / Human Rights & Community Relations

23. Staff benefits		H1 2020	H1 2019
Additional benefits provided to the employees		Supplemental pension scheme, supplemental health insurance, remote working, financial and social assistance, employee referral bonuses, two days of sick leave without a medical certificate (further leave granted automatically with a medical certificate) and paid at 100% (further compensation according to national legislation), additional paid holidays, flexible working hours, training and continuous professional development, cultural and sporting activities.	

24. Training		H1 2020	H1 2019
Average training hours per employee trained	Hours	6*	5*
New trainees during period	Unit	8	19
Training and education programs		Compliance training and various development sessions and programs to improve general, vocational and managerial competencies focusing, on leadership development, team building, change management, business process & project management.	

\*Not a final result; final value will be specified in future disclosures.

25. Clients and Employees relations		H1 2020	H1 2019
Customer Satisfaction Score of ESO service (rating scale from 1 to 10)	Unit	9.1*	9.25*
ESO Net Promoter Score (rating scale from 0 to 100)	%	59*	-
Ignitis Transaction Net Promoter Score (rating scale from 0 to 100)	%	62.6*	51*
Ignitis Relationship Net Promoter Score (rating scale from 0 to 100)	%	61**	-
Employee Net Promoter Score (rating scale from 0 to 100)	%	54.2	16

\*Average of quarters; final value will be specified in future disclosures.

\*\*Total B2C and B2B. The survey was carried out in March 2020.

## Corporate Governance Indicators

26. Board Diversity		H1 2020	H1 2019
Total Management Board seats occupied by women (as compared to men)	%	20	20
Total Supervisory Board seats occupied by women (as compared to men)	%	60	60
Committee Chairs occupied by women	%	67	67

G1 | GRI 405-1 | SDG: 10 | SASB: General Issue / Employee Engagement, Diversity & Inclusion (See also: SASB Industry Standards)

27. Board Independence		H1 2020	H1 2019
Does the company prohibit CEO from serving as Management Board chair?	Yes/No	No	No
Total Management Board seats occupied by independents	%	0*	0*
Total Supervisory Board seats occupied by independents	%	71**	60
Audit Committee meet the criteria of independence	Yes/No	Yes	Yes

All members attend at least 75% of all Management Board meetings	Yes/No	Yes	Yes
All members attend at least 75% of all Supervisory Board meetings	Yes/No	Yes	Yes
All members attend at least 75% of all committee meetings	Yes/No	Yes	Yes
Average tenure of the Management Board	Year	3.73	2.73
Average tenure of the Supervisory Board	Year	2.50	1.50
Shares owned by Management Board members	%	0	0
Shares owned by Supervisory Board members	%	0	0

\*The Company has a two-tier corporate governance system. Management board is composed of 5 executive directors who are employees of the Company. Independent members are elected only to the Supervisory Board. See more in the Guidelines for Corporate Governance ([link](#)).

\*\*On April 8, 2020 the updated Articles of Association of the Company were registered and a total number of Supervisory Board members was changed from 5 to 7. Accordingly the selection procedure of two new independent Supervisory Board members was initiated.

28. Incentivized Pay		H1 2020	H1 2019
Are executives formally incentivized to perform on sustainability	Yes/No	Yes	Yes

G3 | GRI: 102-35

29. Collective Bargaining		H1 2020	H1 2019
Total enterprise headcount covered by collective bargaining agreements to the total employee population	%	73	73
Percentage of employees unionized in ESO	%	27*	30*
Percentage of employees unionized in Ignitis Gamyba	%	61*	61*

G4 | UNGC: P3 | SDG: 8 | GRI: 102-41 | SASB: General Issue / Labor Practices (See also: SASB Industry Standards)

\*11 trade unions operate in the Group. These unions were founded by the employees of ESO and Ignitis Gamyba, two largest companies of the Group. Annual measurement.

30. Supplier Code of Conduct		H1 2020	H1 2019
Are your vendors or suppliers required to follow a Code of Conduct	Yes/No	Partially*	No
If yes, what percentage of your suppliers have formally certified their compliance with the code	%	n. d.**	n. d.**

G5 | UNGC: P2, P3, P4, P8 | GRI: 102-16, 103-2 (See also: GRI 308: Supplier Environmental Assessment 2016 & GRI 414: Supplier Social Assessment 2016 | SDG: 12 | SASB General Issue / Supply Chain Management (See also: SASB Industry Standards)

\*There is a Code of Ethics. In 2021, it is planned to prepare a Supplier Code of Conduct.

\*\*Data collection is foreseen for 2021, once the Supplier Code of Conduct is in force.

31. Ethics & Anti-Corruption		H1 2020	H1 2019
Does your Group follow an Ethics and/or Anti-Corruption policy?	Yes/No	Yes	Yes
If yes, what percentage of your workforce has formally certified its compliance with the policy?	%	99*	99*

G6 | UNGC: P10 | SDG: 16 | GRI: 102-16, 103-2 (See also: GRI 205: Anti-Corruption 2016)

\*Accurate data is available only for the Company. 99% of the workforce of the Company has formally certified their compliance with the Anti-Corruption policy and 76% with the Code of Ethics.

32. Data Privacy		H1 2020	H1 2019
Does your Group follow a Data Privacy policy?	Yes/No	Yes	Yes
Has your company taken steps to comply with GDPR rules?	Yes/No	Yes	Yes

G7 | GRI: 418 Customer Privacy 2016 | SASB: General Issue / Customer Privacy, Data Security (See also: SASB Industry Standards)

33. ESG Reporting		H1 2020	H1 2019
Does your Group publish a sustainability report?	Yes/No	Yes	Yes
Is sustainability data included in your regulatory filings?	Yes/No	Yes	Yes

G8 | UNGC: P8

34. Disclosure Practices		H1 2020	H1 2019
Does your Group provide sustainability data to sustainability reporting frameworks?	Yes/No	Yes	Yes
Does your Group focus on specific UN Sustainable Development Goals (SDGs)?	Yes/No	Yes	Yes
Does your Group set targets and report progress on the UN SDGs?	Yes/No	No	No

G9 | UNGC: P8

35. External Assurance		H1 2020	H1 2019
Are your sustainability disclosures assured or validated by a third party?	Yes/No	No	No

G10 | UNGC: P8 | GRI: 102-56

36. Bonds		H1 2020	H1 2019
Cumulative bonds	EURm	900	600
Cumulative green bonds	EURm	600	600
Avoided emissions from allocated green bonds	t CO <sub>2</sub> eq	n. d.	143,440*

\*Annual measurement.

37. Tax		H1 2020	H1 2019
Global tax paid	EURm	127.7*	89.3*
Tax paid in Lithuania	EURm	122.6	83.1
EU emissions trading system	EURm	n. d.	0.880**
Resource tax	EURm	0.056	0.056

\*Including dividends.

\*\*Annual amount.