

# BITÉ Group Sustainability Report 2022



**bité**  
Group

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## BITĖ Group Sustainability Report for 2022

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 advancing digitalisation as an important context for innovation, as well as to creating a more sustainable environment and society. We know that smart solutions make daily life easier. Our aim is to ensure that such solutions are so user-friendly that they become a part of daily life. And we believe that a technologically effective society benefits everyone 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 strengthens people's fundamental human rights – like freedom of speech and the right to personal development.

## Statement from the CEO of BITĖ Group



**Pranas Kuisys,**  
CEO of BITĖ Group

### We are proud to share the BITĖ Group Sustainability Report for 2022

The year 2022 was challenging due to the tense geopolitical situation. The Russian invasion of Ukraine and post-COVID economic turbulence caused record-high inflation, primarily driven by sky-rocketing energy prices. These uncertainties forced many countries and businesses to put sustainability targets on hold for a while. We, however, managed to adapt and still move forward. It is a pleasure for us to present the progress that BITĖ Group achieved in the environmental, social and governance areas.

At BITĖ Group, we truly and sincerely care about more than just the economies and societies of the countries we operate in. We also extend our help and substantial support beyond the borders of our business activities.

We were stunned when on 24 February 2022, in an event of historical proportions not far from us, the Russian Federation initiated a ruthless war in Ukraine. Shocking as that was to many of us, BITĖ Group acted swiftly to support Ukraine and its people. We gave significant aid in many forms – from providing our services completely free of charge to offering telecommunications equipment, handsets, direct financial support, and much more.

BITĖ Group also took immediate action as regards its media and content operations in the Baltics. To protect our societies from propaganda, we stopped broadcasting channels with ties to Russian propaganda and canceled all advertisements related to Russia and its companies.

Our aid for Ukraine and its people continues to this day. At the same time, we have remained focused on our employees, customers, and sustainable financial performance results throughout this challenging period.

We have ensured the involvement of our employees in the actions supporting Ukraine, also providing additional psychological help and consultations for those affected by the brutality of Russia's aggression against the Ukrainian people. Our efforts have earned recognition and awards, including listing among the the Top 50 Inspiring Workplaces (EU, Africa, Middle East) and receipt of the Family-Friendly Workplace award in Latvia.

Despite the hardships associated with the unstable geopolitical situation, we continued to serve our main business purpose: delivering digital solutions to our customers. The sustainability of any

business depends on customers' loyalty and satisfaction. BITE constantly monitors its Net Promoters Score (NPS) and strives to constantly increase the NPS values in all our segments for the sake of a strong relationship with our key stakeholders – our customers.

The year 2022 was rich in launches of new and upgraded services. That included significant improvements in mobile voice service quality and VoLTE technology frequency efficiency, an expanded Narrow Band-Internet of Things (NB-IoT) network, further development of LTE Cat-M low-power wide-area technology designed to support billions of IoT devices, and the introduction of eSIM technology, which eliminates the challenges of managing legacy plastic SIM cards by providing flexibility and limitless potential for connected devices. Our efforts earned the "Technology Sector Leader" award from the biggest business media outlet in Lithuania, Verslo Zinios.

Amidst the political uncertainty, we also invested in sophisticated tools to raise our cybersecurity level. Our principal operations are regularly assessed via third-party audit in accordance with the National Institute of Standards



## Statement from the CEO of BITĒ Group

and Technology's (NIST) Framework for Improving Critical Infrastructure Cybersecurity. In 2022 we surpassed the targeted level under the NIST methodology, thus ensuring the safety and security of our operations.

In the media business, BITĒ Group's main portfolio channel, TV3, maintained its position as the No. 1 commercial channel in Latvia. In Lithuania it has now held that position for 19 years in a row.

Early in the year, BITĒ Group signed a 7-year deal with Ericsson on the 5G network's rollout and modernization. Partnership with this supplier which is pioneering the sustainable future is part of our own sustainability strategy and brings BITĒ Group closer to the achievement of our long-term ESG targets. Thanks to our talented engineers, BITE Lietuva reached the first officially recognized record data speed on the 5G network in Lithuania.

Despite the highest inflation in the last 30 years, record-high electricity prices, a tense geopolitical situation and significant investments in network modernization, BITĒ Group delivered consistently strong financial results. Service revenue and EBITDA grew at double-digit rates.

Our strategic priorities are aligned with the Business Ambition for 1.5°C campaign. In 2022 we managed to decarbonize our emissions at the pace needed to achieve the trend indicated by the Science Based Targets initiative (SBTi).

We continue our commitment towards UN Global Compact principles in our short and medium-term strategic priorities for contributing to sustainable development.

The results and achievements of 2022 prove that integrating ESG principles into our short, medium, and long-term strategies allows us to move forward consistently even in the toughest and most challenging environments.

As the CEO of BITĒ Group, I work to ensure that we all act lawfully, ethically, and in the best interests of BITĒ Group as well as its shareholders, employees, the public and the environment. We commit not only on paper, as in this report, but with real actions, to provide services that respect the environment and further maximally reduce the impact that our operations have on the Earth.



### In 2022 we improved the way we work by taking these additional measures:

- ✓ **BITĒ Group** followed its **Code of Conduct** outlining responsible business principles and had **zero cases of non-conformance**.
- ✓ In accordance with its **Supplier Code of Conduct**, BITĒ Group partnered with the supplier that is **pioneering the sustainable future for network modernization**.
- ✓ An **improved level of cybersecurity** ensuring the safety and security of our operations was confirmed through an independent audit.
- ✓ **BITĒ Group's** Green House Gas (GHG) emissions reduction **targets** were **validated and approved by the Science Based Targets initiative (SBTi)**.
- ✓ **BITĒ Group decreased GHG emissions** in line with the requirements of the Science Based Targets initiative (SBTi) and the **Business Ambition for 1.5°C**.
- ✓ **BITĒ Group** took part in an Early Adopters program of the **UN Global Compact**, disclosing our achievements through an enhanced Communication on Progress digital platform and thereby officially declaring support for 10 core principles of human rights, labour, the environment, and anti-corruption.
- ✓ **BITĒ Group** is among the top employers in terms of employee engagement. Its efforts were recognized with **Top 50 Inspiring Workplaces** (EU, Africa, Middle East) and **Family-Friendly Workplace** awards.
- ✓ **BITĒ Group** received a prestigious **Stevie Award for fast customer service**, high post-service customer ratings, and efficient inquiry resolution during the first contact.

# ESG Targets and Progress

Figure 1. ESG Targets and Progress

### BITÉ Group's Code of Conduct

**Zero cases of non-conformance**



### Supplier Code of Conduct

led to the signing of a partnership with the supplier **pioneering the sustainable future for network modernisation**



**Award for fast customer service, high post-service customer ratings, and efficient inquiry resolution during the first contact**



**Improved level of cybersecurity ensuring the safety and security of BITÉ Group operations**



**BITÉ Group is among top employers in terms of **employee engagement****



**Science-based emission-reduction targets validated by SBTi**



**Reduced GHG emissions in line with the Science-Based Targets and the Business Ambition for 1.5°C**



**Took part in a UN Global Compact Early Adopters programme and issued a first Communication on Progress**

## Description of the Report

The BITÉ Group Sustainability Report starts with a description of BITÉ Group and presents key information and facts about the group as well as major achievements of its companies. It also provides an overview of the material topics and their relation to the United Nations Sustainable Development Goals (SDGs).

We have structured the report around the **ESG factors** – environmental, social and governance. Those are the areas that characterise a sustainable, responsible and ethical business as well as relations with our clients, partners and employees.

The environment section of the report describes BITÉ Group's impact on preserving our natural world. The social section considers how the company manages its relationships with employees, customers and the communities in which we operate. Finally, the governance section examines the company's leadership, logistics and defined processes for running its business.

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

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

The reporting period is the calendar year 2022. The report is based on annual statistics and actual data for 2022. Previous figures have been included to help assess progress to the current indicators for 2022.

The report is also published on [www.bitegroup.net](http://www.bitegroup.net).



# BITÉ Group at a Glance

5G bité

labas



## BITÉ Group at a Glance

### About BITÉ Group

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

BITÉ Group provides a variety of mobile services to private and business customers through its own front-line sales and care channels and its own infrastructure companies. BITÉ Group's mobile business is focused on meeting growing demand in the region for high-quality network experience by providing excellent customer service through retail companies that distribute products and services and through separate

companies responsible for the ownership, management, development and rental of towers and masts.

The group's Fixed Broadband & Pay TV business includes fixed broadband internet services, information and communication technology (ICT) services and a pay TV offering via satellite platform as well as an over-the top (OTT) streaming and TV broadcasting service solution.

The group's Media & Content business includes TV, video-on-demand services, commercial radio, streaming radio, digital advertising, news and

entertainment portals, advertising services across our own portfolio of media assets as well as via third-party channels, and digital production and distribution services.

In addition to its primary businesses, the BITÉ Group sells a variety of equipment to support its above-mentioned services for customers.

BITÉ Group is implementing strategic initiatives to converge the technologies and services offered by the group of entities. This strategy is resulting in higher efficiency and revenue synergies as well as cross-selling opportunities and additional value for customers. All of this provides competitive advantages over traditional telecommunication operators.

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

Pay TV services in Lithuania, Latvia and Estonia are offered via the **Home3**-brand satellite platform and the **Go3** OTT streaming solution.

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



# BITÉ Group at a Glance

## About BITÉ Group

### Size of the organisation

2022 figures reflecting the group's size:

- Annual revenue of **529.8 million** euros
- Operating profit of **87.1 million** euros
- Net profit for the year of **33.5 million** euros

### Location of the headquarters

BITÉ Group is an operational name for a group of entities in the Baltic States. The parent company which owns and controls BITÉ Group is PLT VII International S.à r.l., based in Luxembourg in the EU.

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

### Information on employees and other workers

As of 31 December 2022, BITÉ Group had **2,681 full-time employees**, of which **1,200** were employed in Lithuania, **1,290** in Latvia and **189** in Estonia. Approximately 508 of our employees were engaged in technology areas (network and IT), with 1,534 in marketing, customer service and sales, 284 in content creation, and 353 in other areas (corporate, human resources and finance).

In addition, from time to time the BITÉ Group engages freelancers, primarily to assist our content creation team.



## BITÉ Group at a Glance

### Major Achievements

#### Strong financial performance and track record

- Despite many adverse external factors –including a tense geopolitical situation, the highest inflation in the last 30 years, a slowing economy and record-high electricity prices– BITÉ Group has delivered consistently strong financial results. The Group's service revenue and EBITDA grew at double digit-rates in 2022. The growth came from all key services: mobile telecommunication services, fixed broadband, Pay TV, media and content. The main growth drivers were an increasing number of revenue generating units (RGU's) in all segments of service revenue and price revisions combined with better value propositions.

#### Strongest growth in pay TV services across the region

- During 2022, BITÉ Group continued to focus on gaining a leading position in the region in pay TV services. The main growth vehicle here remains the Go3 over-the-top (OTT) service, with subscriber numbers reaching 434,000. Original video-on-demand (VOD) content, strong linear channels and a broad mix of sales channels have made Go3 the fastest-growing pay TV service in the region. This reflects both organic growth of traditional pay TV services and gains from existing subscribers.

#### Exceptionally strong growth of ICT and IoT services

- The growth of ICT and IoT services was also exceptionally strong. Supported by strong infrastructure, a complete portfolio of services and an increased focus on business sales, growth in ICT revenue reached 30%. In 2022 we expanded our Narrow Band-Internet of Things (NB-IoT) network and further developed Cat-M low-power wide-area technology designed to support billions of IoT devices. These technologies are now being monetized massively, making the group an undisputed leader in smart metering solutions for utilities. Just in the second half of 2022, IoT subscriber base RGUs increased by 200,000.

#### Network modernisation and rapid 5G rollout

- After the frequency auctions, industry-wide rollout started across the whole region. At the beginning of 2022, the group signed a 7-year deal with Ericsson for 5G network rollout and modernisation. During the year, BITÉ Group focused on the initial phase of 5G rollout, which involves offloading from the congested 4G network and bringing fixed wireless access (FWA) services to uncovered suburban areas. During 2022 the Group built 120 5G base stations in Latvia and 150 5G base stations in Lithuania. Such intense work and development of the 5G network enabled us to achieve a record data speed in Lithuania, as was officially recognized in January 2023.



# BITÉ Group at a Glance

## Major Achievements

### Customer focus

- Our commitment to providing the best for our customers is reflected in our innovative and highly differentiated end-user products and services as well as in our outstanding customer care and support. Our customer service team in Lithuania won bronze at the prestigious Stevie Awards. The jury underscored the quality and speed of our customer service, our exceptionally high post-service customer ratings, efficient inquiry resolution during the first call or meeting, and fast packing and delivery. BITÉ was the only company in continental Europe to receive this award.

### Leading media and content business

- We are one of the largest organisations to offer a pan-Baltic advertising reach for 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.
- The beginning of 2022 was promising for the group's media and content business, with a full recovery that has exceeded pre-pandemic levels. But new challenges emerged after Russia's invasion of Ukraine at the end of February 2022. The group had to take immediate action related to its media and content operations in the Baltics. All cooperation with banned Russian channels was stopped and content originated in Russia was removed from our own

channels. Acquisition of any Russian content was halted. In addition, some advertising campaigns possibly related to Russian-based capital were discontinued on our TV, digital and radio platforms. Further measures were taken to ensure compliance with imposed sanctions related to Russia. It is important to note that these actions did not have a material impact on the group's financial statements for the year ended 31 December 2022.

- Following the ban on Russia-originated channels, the group's media and content business decided to expand our own production of assets for Russian-speaking audiences. Thus, in Lithuania, the media and content business launched the new channel TV3 Plus. In Latvia, the business strengthened its FreeTV operations by adding a Russian language show that it produces and Russian-language news on its TV3 Plus channel. In Estonia, the media and content business decided to continue TV3 Plus channel operations and, in addition, successfully launched a new Estonian-language TV channel called TV3 Life, which mainly targets the audience of women.
- The main portfolio channel, TV3, maintained its position as the No. 1 commercial channel in Latvia. In Lithuania, TV3 has now been No. 1 for 19 years in a row.



# Materiality Analysis



## Materiality Analysis

### Stakeholder Engagement and Materiality

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

#### Process for assessing materiality

Steps recommended by the GRI for an organisation to determine its material topics:

- 1) Identify and assess impacts on an ongoing basis;
- 2) Determine material topics for reporting.

For the 2022 reporting period, the material topics included in the previous reporting period were reviewed to account for changes in impacts. The material topics included in the previous reporting period were approved by BITÉ Group's highest governance body, the Management Board. For this reporting period, the Management Board stressed the importance of cybersecurity in the context of a changing geopolitical situation and customer satisfaction. The same key set of material topics was approved for the current reporting period, with no changes.

Regular engagement with our stakeholders ensures that BITÉ Group operates responsibly and sustainably. The group is committed to communicating regularly and building positive relationships with all its stakeholders. We see these relationships as a solid base for our sustainable business operations.

Key stakeholders of BITÉ 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 BITÉ Group stakeholders are summarised in **Table 1**.



# Materiality Analysis

Table 1. Interactions with key BITÉ Group stakeholders

Stakeholder	Communication channel	Topics raised	Action taken
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Call centres</li> <li>• Outlets</li> <li>• Websites</li> <li>• E-shops</li> <li>• Apps</li> <li>• E-mail</li> <li>• Social media</li> <li>• Measurement of NPS (Net Promoter Scores)</li> </ul>	<ul style="list-style-type: none"> <li>• Prompt feedback and resolution of customer issues</li> <li>• Better value offerings</li> <li>• Clear invoices</li> <li>• Help for Ukraine</li> </ul>	<ul style="list-style-type: none"> <li>• During 2022, BITÉ increased its effective first-contact resolution rate by 16% and received higher customer evaluations after the first contact compared to the overall level in the market.</li> <li>• Improvement of package delivery times: most packages are delivered the same business day.</li> <li>• Development of professional services to help customers configure their devices. "BITÉS Profai" are assisting experts for smart devices who make people's everyday lives easier. These professionals advise and help with various devices, technologies, and innovative solutions. Our experts help customers of all operators, and for BITÉ customers all help is free of charge.</li> <li>• TV package enriched with the latest movies, series and live TV channels, a film festival with 200 movies for 200 days free of charge, and exclusive local content.</li> <li>• Further extension of IoT, OTT and ICT products by deploying progressive technologies and improving data speed.</li> <li>• When Russia invaded Ukraine, we started receiving many customer ideas for support. We thus launched a Ukrainian support portal and invited all our customers to share their ideas and offer support for the Ukrainian people.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Workplace and internal Facebook communication</li> <li>• Newsletters and electronic communication</li> <li>• Regular management team meetings</li> <li>• B Team elected to represent employees receives concerns and ideas for improvement</li> <li>• Whistleblowing hotline</li> <li>• Employee engagement survey</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities for personal and career development</li> <li>• Communication and knowledge-sharing across the group</li> <li>• Enhancing coaching abilities</li> <li>• Work-life balance</li> <li>• Employee adaptation</li> <li>• Help for Ukraine</li> </ul>	<ul style="list-style-type: none"> <li>• Internal career communication and career breakfast</li> <li>• Offered a range of physical and mental wellbeing services, such as psychological consultations, live and online mindfulness sessions, sharing of content on psychological and emotional resilience from the "Forum of Happiness".</li> <li>• Provided instruction and trainings on dealing with situations of national threat. Held a lecture and Q&amp;A session with a high-ranking state defence official.</li> <li>• Coaching sessions by senior employees.</li> <li>• Involved employees in joint support efforts for Ukraine.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Tenders</li> <li>• Requests for proposals</li> <li>• Negotiations</li> <li>• Supplier assessments</li> </ul>	<ul style="list-style-type: none"> <li>• Timely payment and fair terms</li> <li>• Complex solution requirements</li> <li>• Partnering in providing help for Ukraine</li> </ul>	<ul style="list-style-type: none"> <li>• Dissemination of a Supplier Code of Conduct.</li> <li>• Engagement with key suppliers regarding environmental impact assessment and measurement of GHG emissions.</li> <li>• Partnering to develop complex solutions and new technologies.</li> <li>• Involvement of suppliers in joint support efforts for Ukraine.</li> </ul>

# Materiality Analysis

Table 1. Interactions with key BITÉ Group stakeholders

Stakeholder	Communication channel	Topics raised	Action taken
<b>Governments</b>	<ul style="list-style-type: none"> <li>• Participation in industry meetings with government and regulators</li> <li>• Public forums</li> <li>• Parliamentary processes and meetings with elected officials</li> <li>• Meetings with regulators</li> </ul>	<ul style="list-style-type: none"> <li>• Business continuity in case of national threat</li> <li>• Resilience of critical infrastructure to cybersecurity attacks</li> <li>• Data protection and privacy</li> <li>• The digital economy and society</li> <li>• The European Green Deal initiative</li> <li>• The regulatory environment and compliance</li> <li>• The EU Taxonomy</li> <li>• Upcoming CSRD regulation</li> </ul>	<ul style="list-style-type: none"> <li>• BITÉ Group's security team expanded the scope of strong security practices across business units, including data protection and disaster recovery exercises.</li> <li>• External and internal communication integrated into to the group's disaster recovery plans. Active participation in Latvia's and Lithuania's national CERTs, which promote better security awareness in the region.</li> <li>• BITÉ introduced a penetration-testing programme focused on regulatory changes to detect and remediate all security gaps.</li> <li>• Engaged on issues such as the allocation of the spectrum and the protection of consumers.</li> <li>• Engaged in the digitisation of industries.</li> <li>• Continued sustainability-related activities such as the Business Ambition for 1.5°C, the Race to Zero campaign, the Carbon Disclosure Project, and supplier engagement.</li> <li>• Continued evaluation of activities in accordance to the EU Taxonomy.</li> <li>• Started evaluation of compliance with the CSRD regulation.</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>• Community interaction via the Ukrainian support portal launched by BITÉ</li> <li>• Participation in forums and working groups</li> </ul>	<ul style="list-style-type: none"> <li>• Support and help for Ukraine</li> <li>• Access to connectivity and digital services for Ukrainian refugees</li> </ul>	<ul style="list-style-type: none"> <li>• Free-of-charge services for calls to Ukraine</li> <li>• Free of charge roaming services within Ukrainian territory</li> <li>• Provided 30,000 SIM cards and free communication to their users to war refugees who came to Lithuania. Provided home internet with equipment to centres that host Ukrainians in Lithuania and to families taking refuge from the war. In total, BITÉ installed 300 home Internet points throughout Lithuania.</li> <li>• Financially supported the Lithuanian Red Cross. Donated a number of CAT smartphones to Ukrainian soldiers, which are extremely robust and suitable for use on the battlefield.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>• Investor relations website</li> <li>• Investor Calls</li> <li>• Investor meetings and roadshows</li> </ul>	<ul style="list-style-type: none"> <li>• Impact of geopolitical situation on business operations</li> <li>• Level of cybersecurity and resilience to potential attacks</li> <li>• Disaster recovery and business continuity in case of national threat</li> <li>• Impact of sanctions policy</li> <li>• Data protection and privacy</li> <li>• ESG strategy and targets</li> <li>• Corporate governance practices</li> <li>• Strategy to deliver sustained financial growth</li> </ul>	<ul style="list-style-type: none"> <li>• Developed disaster recovery plans and conducted testing.</li> <li>• Increased cybersecurity level by deploying sophisticated tooling.</li> <li>• Introduced comprehensive privacy policies and put privacy practices at the heart of security operations.</li> <li>• Introduced a sanctions policy.</li> <li>• Improved corporate governance by increasing diversity in the highest corporate governance body, empowering the independent supervisory council member.</li> <li>• Implemented ESG strategy and targets.</li> <li>• Delivered sustained financial growth.</li> </ul>

# Materiality Analysis

## Material Topics

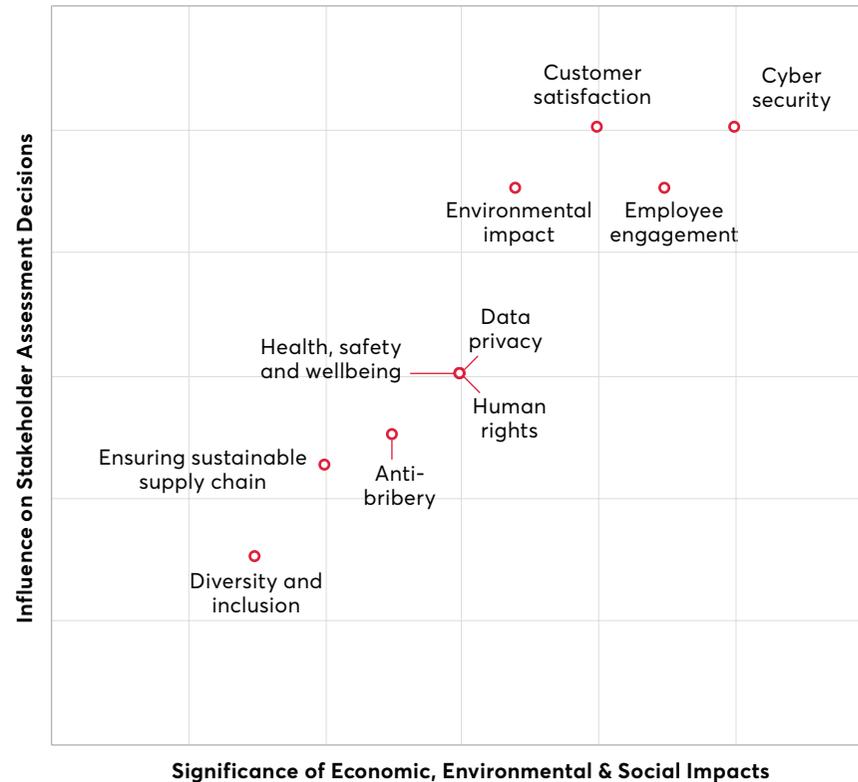
Engagements with our key stakeholders were summarised to better understand social trends, impacts and expectations. Our materiality assessment considered the most material opportunities and risks. The process included reviewing investor ESG surveys and ratings, assessing trends using internal and external consumer reports, and interviewing internal experts in the areas of finance, technology, cybersecurity, marketing and sales. The various material topics were then discussed with the members of BITÉ Group’s Audit Committee 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 a sustainable supply chain**
- **Diversity and inclusion**
- **Human rights**
- **Anti-bribery**

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

Figure 2. Materiality assessment



# Materiality Analysis

## Relations to SDGs

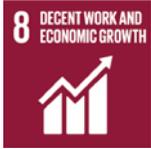
In September 2015, the General Assembly of the United Nations adopted the 2030 Agenda for Sustainable Development. It includes 17 Sustainable Development Goals (SDGs), as depicted in **Figure 3**. The agenda emphasises a holistic approach to achieving sustainable development for all. In keeping with the Sustainable Development Agenda, BITÉ 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 SDGs	Related SDGs
<b>Cybersecurity</b>	<p>Cybersecurity directly contributes to SDG Target 9.1: to 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.</p> <p>Cybersecurity is important for protecting the critical systems that use IT. As evidenced by various hacks of critical infrastructure, to make cities and communities sustainable we need to provide secure digital solutions.</p> <p>Cybersecurity is a foundation for all the services securely supplied by BITÉ. It helps us ensure public digital access to information and protect fundamental freedoms.</p>	
<b>Data privacy</b>	<p>The right to privacy is a fundamental human right. Ensuring the privacy of our customers' data contributes to peace and justice for individuals as well as institutions. Data security is crucial for ensuring data privacy and protection. BITÉ has implemented robust technical and organisational safeguards and procedures (including 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.</p>	



## Materiality Analysis

Material topic	Relation to the SDGs	Related SDGs
<b>Customer satisfaction</b>	<p>We serve millions of customers through our business areas, and customer satisfaction is one of our key goals. We try to ensure it by providing smart solutions that make our customers' lives easier. At the same time, our solutions contribute to the SDGs. For example, BITÉ's digital access makes universal health coverage possible by providing remote access to high-quality essential health-care services. Our customers can also easily access affordable quality online education, including school and university programmes. In addition, during the pandemic, BITÉ provided equipment and services for home-schooling for children in need.</p>	 
<b>Health, safety and wellbeing</b>	<p>Keeping the people who work for us safe is one of our most essential responsibilities. We invest in additional health insurance and provide counselling, also offering physical activities to promote the wellbeing and health of our employees. Through our digital services, we help our customers consciously care for their health too. For example, using the internet, they can communicate with their doctors remotely. Smartwatches and smartphones also allow people to monitor their heart rate, sleep, stress and other health indicators.</p>	
<b>Employee engagement</b>	<p>We contribute to the SDGs by treating people of any gender equally and not tolerating any form of discrimination, direct or indirect. We ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making at BITÉ Group.</p> <p>We also provide employment and decent work for all women and men, regardless of age, and equal pay for work of equal value.</p> <p>To support the physical and mental health of our employees, we provide a safe working environment, flexible working hours, additional health insurance, psychological consultations, coaching, mindfulness sessions, sporting activities and entertainment.</p> <p>We strive at BITÉ to achieve higher levels of economic productivity through technological upgrades and innovation. Our highly engaged employees are contributing to sustained economic growth.</p>	  
<b>Environmental impact</b>	<p>At BITÉ Group, we are committed to strengthening resilience and adaptive capacity with regard to climate-related hazards. We are committed to limiting global warming to 1.5 degrees by setting science-based targets to reduce greenhouse gas emissions.</p>	



## Materiality Analysis

Material topic	Relation to the SDGs	Related SDGs
<b>Ensuring sustainable supply chain</b>	We seek at BITÉ Group to work with suppliers who are economically, environmentally and socially responsible, and who are contributing to sustainable development. We have therefore developed a Supplier Code of Conduct. The purpose of the BITÉ Group Supplier Code of Conduct is to lay out the principles according to which we expect our suppliers to act. This includes seeking to minimise the greenhouse gas emissions that stem from our supply chain. BITÉ Group is committed to the Science Based Targets initiative (SBTi) and seeks to obtain emissions reduction targets from our suppliers. Our engagement with the SBTi should encourage companies to adopt sustainable practices and integrate sustainability into their operations. We are reducing emissions by selecting renewable energy providers and implementing energy-efficient technologies.	
<b>Diversity and inclusion</b>	We are a company where diverse talents work together. For this reason, in building an engaged and supportive organisation, we have adopted an Equal Opportunities Policy. Under the policy, BITÉ 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 employees' business responsibilities. In our work, we apply the principles of the UN Global Compact and take responsibility for sustainable development. Our core values are outlined in the BITÉ Group Code of Conduct, which helps all of us make the right decisions and provides guidance on how to live according to our values.	
<b>Human rights</b>	At BITÉ Group we respect and foster human rights. Our core values are reflected in the BITÉ Group Code of Conduct according to which the BITÉ Group's values and standards are put into practice. In addition, BITÉ Group has joined the UN Global Compact to officially declare our support for all its principles, including the first two concerning the protection of internationally proclaimed human rights abuses.	
<b>Anti-bribery</b>	At BITÉ Group we do not tolerate bribery in any form. We only work with third parties able to commit to the same high standards as we do. The BITÉ Group Transparency Policy addresses communication about possible corruption. Anyone can report incidents via a completely anonymous whistleblowing system which is easily accessible on our corporate website.	



## Materiality Analysis

In conducting business, we apply the principles of the UN Global Compact and take responsibility for sustainable development. Our core values are outlined in the **BITÉ Group Code of Conduct**, which helps all of us at BITÉ Group make the right decisions and provides guidance on how to live according to our values.

In 2022, BITÉ Group continued to support the UN Global Compact and enrolled in the Early Adopters programme for the initiative's enhanced Communication on Progress (CoP) digital platform. The new CoP platform streamlines the annual disclosure requirement for participant companies of the Global Compact, enabling them to understand, measure, track and disclose their progress on the Ten Principles of the Global Compact and their contribution to the Sustainable Development Goals.

BITÉ Group, as a participant in the Early Adopter programme, disclosed its progress via the new CoP platform on 30 June 2022.

Figure 3. Sustainable Development Goals



# Environment



# Environment

## About BITÉ Group’s Environmental Responsibility

We understand that 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 set concrete targets to reduce emissions and spread awareness. We are committed to achieving the climate targets of the Paris Agreement. In addition, we are further dedicated to a variety of actions for accomplishing the UN Sustainable Development Goals (SDGs) on climate action.

We have evaluated the group’s environmental impact according to the key categories of climate-related risks and opportunities.

### Policy and legal compliance

Currently, we are observing the evolving requirements at the international level regarding greener financial markets. The EU is launching the EU Corporate Sustainability Reporting Directive (CSRD), which amends the current Non-Financial Reporting Directive (NFRD). The scope of the directive is being considerably extended. The CSRD supports the European Green Deal, a set of policy measures intended to combat the climate crisis by transforming the EU into an economy with no net emissions of greenhouse gases by 2050. The CSRD is part of a larger Sustainable Finance package which enables the Green Deal by directing private investment to a climate-neutral economy. The Sustainable Finance package includes the EU Taxonomy, which provides clarification around the economic activities that most contribute to meeting the EU’s environmental objectives along with external assurance of sustainability reporting.

Mitigation: Preparing for the CSRD by starting analysis of the needed projects.

### Reputation

Increasing expectations for responsible conduct on the part of stakeholders, including investors, lenders and consumers, may 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 strengthening business resilience and increasing competitiveness.

### Market and technology shifts

#### Policies and investments to achieve a low-carbon-emission economy:

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

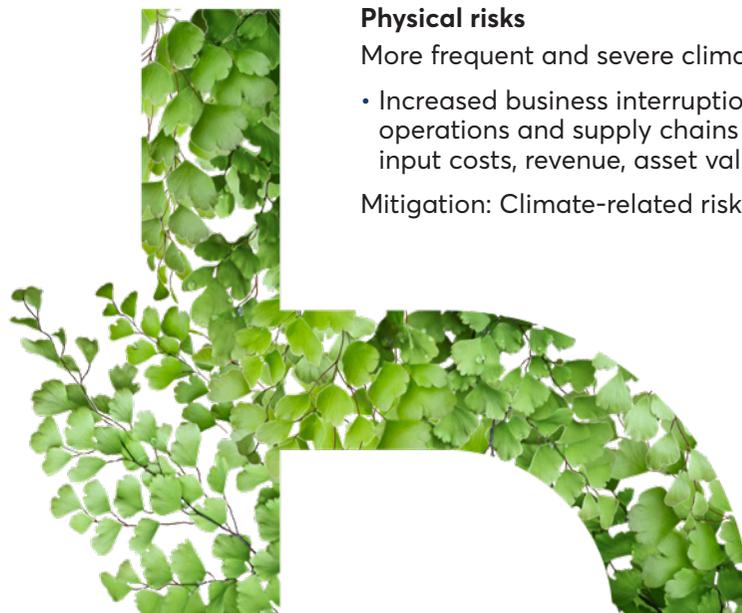
Mitigation: Driving innovation and transforming business practices with our key suppliers.

### Physical risks

More frequent and severe climate extremes:

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

Mitigation: Climate-related risk scenarios.



# Environment

## BITÉ Group's Climate-Related Risk Scenarios

The Report of the [UN Intergovernmental Panel on Climate Change \(IPCC\)](#) released in August 2021 stated that global temperatures were likely to rise above the 1.5 °C target set in the Paris Agreement as early as 2040. **Global emissions must be halved by 2030** in order to keep global warming at the Paris-agreed levels.

BITÉ Group evaluated its climate-related risk impact and actions in terms of the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD) for assessing business resilience under different climate-related scenarios, including a 2 °C or lower scenario. These are summarised in [Table 3](#).



**Table 3. Climate-related risk scenarios**

Scenario	1.5°C	>2°C	>3°C
<b>Actions</b>	The Paris Agreement on 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 set in the Paris Agreement on limiting the average global temperature increase to 1.5° as well as in the European Green Deal and other initiatives.	Governments and corporations fail to implement the targets set in the Paris Agreement on limiting the average global temperature increase to 1.5° as well as in the European Green Deal and other initiatives.
<b>Impact</b>	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 BITÉ 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 assessed as having the potential to have a material impact on our business and we have indicated possible mitigation actions, as summarised in **Table 4**.

**Table 4. Climate change risk assessment**

Risk Description	Impact Assessment	Mitigation
<b>Extreme weather (heavy rain, wind, snow) caused by climate change</b>	Extreme weather causes interruptions in the BITÉ Group's 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. Back-ups and georedundancy to increase high availability.
<b>Average temperature increase and heat waves caused by global warming</b>	Increased need for cooling in the BITÉ Group's 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.
<b>Increase of energy costs</b>	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.
<b>Carbon market price increase</b>	The Paris Agreement, which aims to limit the average global temperature increase to 1.5°, and the European Green Deal and other initiatives with ambitions to eliminate GHG emissions, will lead to an increase of the offsetting cost.	Invest in carbon-free energy and energy-efficiency projects.
<b>Environmental awareness of stakeholders</b>	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 to transparently show the situation to stakeholders. Work on ways to reduce our own carbon footprint and enhance awareness of products such as ICT, IoT and other digital services that can reduce the carbon handprint and help build a lower-carbon society.



## Environment

### EU Taxonomy

BITÉ Group is voluntarily disclosing non-financial information because our investors' demands are influenced by the Sustainable Finance package, which enables the EU Green Deal by directing private investment to a climate-neutral economy. The Sustainable Finance package includes the EU Taxonomy, which provides clarification around the economic activities that most contribute to meeting the EU's environmental objectives. We see a risk that the list of activities does not contain telecommunications and may mislead potential investors. Not aligning with the EU Taxonomy can limit access to capital and credit.

We have reviewed the EU taxonomy list of activities for climate mitigation and adaptation and concluded that the following activities attributed to the Information and Communication sector are relevant for BITÉ Group:

- Data processing, hosting and related activities
- Data-driven solutions for GHG emissions reductions
- Computer programming, consultancy and related activities
- Programming and broadcasting activities

Data-driven solutions for GHG emissions reductions are not quantified in our accounting at the moment but are considered as a potential future activity significantly contributing to climate mitigation. The activities are associated with NACE code J63.1.1, NACE code J62 and NACE code J60 according to the statistical classification of economic activities established by Regulation (EC) No 1893/2006. **Table 5** presents the amounts and proportions of turnover, OpEx and CapEx related to those activities in 2022.

These activities represent 31% of BITÉ Group's turnover. The proportion is relatively low because the most turnover is related to telecommunications and is not included in the sectors covered by the EU Taxonomy.

The physical climate risks that are material to the activities have been identified from those listed in the EU Taxonomy by performing a [climate change risk and vulnerability assessment](#). All activities are expected to have a lifetime longer than 10 years. The climate related scenarios were thus analyzed. We selected the Net Zero Emissions by 2050 Scenario (NZE). The NZE Scenario is a normative International Energy Agency (IEA) scenario that shows a pathway to achieve net zero CO2 emissions by 2050. This scenario also meets key energy-related United Nations Sustainable Development Goals (SDGs) and improvements in air quality. This transition scenario was chosen by BITÉ Group because it is consistent with limiting the global temperature rise to 1.5°C. BITÉ Group is already committed to the 1.5 °C initiative and has set targets validated by the SBTi. The IPCC's Sixth Assessment Report on Mitigation of Climate Change, released in April 2022, assessed a large number of scenarios that led to at least a 50% chance of limiting the temperature rise to 1.5°C in 2100. The NZE Scenario trajectory is well within the envelope of these scenarios. BITÉ Group has issued a commitment letter to reach Net Zero Emissions by 2050 and is currently awaiting SBTi due diligence.



## Environment

Table 5. Proportion of Taxonomy-eligible economic activities in total turnover, CapEx and OpEx in 2022

<b>Data processing, hosting and related activities</b>	Taxonomy-eligible economic activities (euros)	Proportion of Taxonomy-eligible economic activities
Turnover	610,000	0.12%
Capital expenditure (CapEx)	182,011	0.39%
Operating expenditure (OpEx)	499,786	0.14%
<b>Computer programming, consultancy and related activities</b>		
<b>Computer programming, consultancy and related activities</b>	Taxonomy-eligible economic activities (euros)	Proportion of Taxonomy-eligible economic activities
Turnover	11,762,557	2.22%
Capital expenditure (CapEx)	3,509,700	7.50%
Operating expenditure (OpEx)	9,637,320	2.74%
<b>Programming and broadcasting activities</b>		
<b>Programming and broadcasting activities</b>	Taxonomy-eligible economic activities (euros)	Proportion of Taxonomy-eligible economic activities
Turnover	149,715,073	28.26%
Capital expenditure (CapEx)	2,554,648	5.46%
Operating expenditure (OpEx)	106 013 201	30.17%
<b>Total of Taxonomy-eligible economic activities</b>		
<b>Total of Taxonomy-eligible economic activities</b>	Taxonomy-eligible economic activities (euros)	Proportion of Taxonomy-eligible economic activities
Turnover	162,087,630	30.59%
Capital expenditure (CapEx)	6,246,360	13.35%
Operating expenditure (OpEx)	116,150,307	33.05%



## Environment

We take a consistent approach to addressing risks, impacts and regulatory compliance through our Environmental Policy and environmental management.

The assessment of adaptation solutions that can reduce the identified physical climate risks, such as damage from floods or fire, was included in disaster recovery plans. Resources are foreseen for developing geo-redundant back-up facilities for data centres and media services, as well as reserves of critical infrastructure parts.

Eligible EU Taxonomy activities were assessed using the following **technical screening criteria** for substantial contribution to climate change adaptation:

- Physical climate risks are material to the activity.
- Assessment uses climate projections in line with the IPCC reports which are consistent with the expected lifetime of the activity.
- Adaptation solutions implemented for the activity, such as geo-redundancy, back-ups and technical measures for high availability, substantially reduce the key physical climate risks. These adaptation solutions do not adversely affect other economic activities, and they favour nature-based solutions, such as use of renewable energy, in line with national adaptation plans. However, pre-defined indicators are not directly attributed to the Taxonomy-eligible activities. To some extent, pre-defined indicators may be applicable through ISO standards. Both BITÉ Group telecommunication companies were ISO 14001 certified in 2022, and BITÉ Group services are also certified under ISO 50001.

'Do no significant harm' analysis showed that, for the sake of climate change mitigation, newly opened data centres follow the relevant practices listed in the most recent version of the European Code of Conduct on Data Centre Energy Efficiency. However,

older data centres cannot be assigned the maximum values under that code.

All EU Taxonomy-eligible activities at BITÉ Group comply with the criteria for sustainable use and protection of water and marine resources, as use of water is immaterial and is obtained from the public system in the Baltics, where no water stress problems have been identified.

The equipment used in newly opened data centres meet the requirements laid down in Directive 2009/125/EC for servers and data storage products and does not contain the restricted substances listed in Annex II to Directive 2011/65/EU. However, older data centres need to upgrade some servers and data storage products.

A waste management plan is in place and ensures maximal recycling of electrical and electronic equipment at end of life, including contractual agreements with recycling partners. At end of life, equipment undergoes preparation for recycling, including the removal of all fluids and selective treatment according to Annex VII to Directive 2012/19/EU.

All BITÉ Group activities listed in the EU Taxonomy adhere to the Guiding Principles on Business and Human Rights and meet 'do no significant harm' criteria.

BITÉ Group carried out an **assessment of minimum safeguards compliance** in the following areas:

Human rights:

- The group has put in place an adequate **human rights** due diligence (HRDD) process as outlined in the UN Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises.
- There are no signs that the group abuses human rights. BITÉ Group has never been found in breach of labour law or human rights and regularly engages with stakeholders.

Corruption:

- The group has anti-corruption processes in place.
- The group and its senior management, including subsidiaries' senior management, **have not been convicted for corruption**.

Taxation

- BITÉ Group treats tax governance and compliance as important elements of oversight, and has adequate tax risk management strategies and processes in place.
- The group and its subsidiaries have not been found to have violated any tax laws.

Fair competition

- The group promotes employee awareness of the importance of **compliance with all applicable competition laws** and regulations.
- BITÉ Group and its senior management, including subsidiaries' senior management, have never been found to be in violation of competition laws.

We consider that about 30% of BITÉ Group's turnover should be Taxonomy-aligned. The details on EU taxonomy KPIs are presented in **Annex 1**. However, the eligibility figures capture only the percentage of BITÉ Group business linked to activities for which the EU taxonomy has established sustainability criteria. This percentage does not reflect the overall sustainability of BITÉ Group's business, but rather the degree of coverage of the business under the activities proposed in the EU Taxonomy.



## Environment

### Climate change opportunities

BITÉ Group is a provider of leading ICT services, and the ICT sector is a key enabler for sustained climate protection. Smart ICT solutions are enabling GHG reductions in the transport and logistics industry, as well as in agriculture, energy and building management. Environmentally friendly ICT solutions are gaining increasing momentum in the fight against climate change across all industrial sectors. Through dematerialisation, ICT is providing for further reduction of GHG emissions by:

- Empowering emerging businesses which are 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.).
- Developing circular business models such as phone rental and device buy-back initiatives, other device rental to enable reuse, and recycling of dismantled network equipment.
- Strengthening the corporate social responsibility of BITÉ Group by offering digital benefits for users and communities.
- Minimising potential disruptions and improving the efficiency of recovery after climatic impacts.
- Strengthening the ability to do business in a variety of conditions, including amid changing demand for goods/services and future uncertainty.



# Environment

## Energy: A Significant Shift Towards Renewable Sources

### Energy consumption

Globally, renewables account for about one-third of electricity generation, and that share is rising. In 2022, renewable generation capacity grew by a record 295 gigawatts, according to the International Renewable Energy Agency (IRENA). BITÉ Group's share of renewable energy share outpaced global trends as it rose from 39% to 66%. BITÉ Group is committed to purchasing 100% renewable electricity. Under a power purchase agreement (PPA) it has signed, BITÉ Group purchases 100% renewable electricity directly from supplier Enefit. The 34% of electricity not covered by PPA renewable certificates is served by third parties in network locations where direct sourcing is not available. **Table 6** depicts energy consumption within the organisation by significant locations of operation.

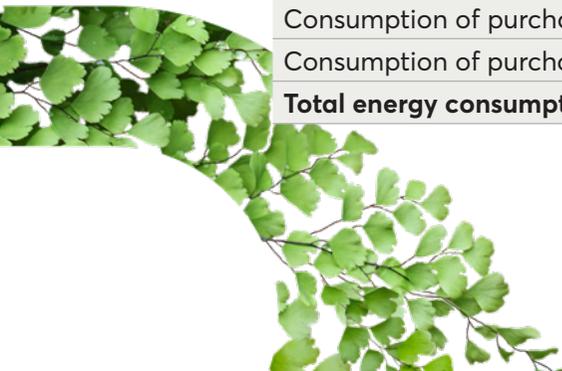
**Table 6. Energy consumption within the organisation in 2022**

	Electricity MWh	Renewable energy MWh	Non-renewable energy MWh	Heating MWh	Total energy
Estonia	134	0	134	268	402
Latvia	28,078	21,071	7,007	85	28,163
Lithuania	44,294	27,319	16,975	825	45,118
<b>Total</b>	<b>72,506</b>	<b>48,390</b>	<b>24,116</b>	<b>1,177</b>	<b>73,684</b>

Total energy consumption including fuel, calculated using the conversion factors recommended by the Carbon Disclosure Project(CDP Technical Note: Conversion of fuel data to MWh), is shown in **Table 7**.

**Table 7. Total energy consumption in 2022**

	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel	0	8,388	8,388
Consumption of purchased or acquired electricity	48,390	24,116	72,506
Consumption of purchased or acquired heat	0	1,177	1,177
<b>Total energy consumption</b>	<b>48,390</b>	<b>33,682</b>	<b>82,072</b>



# Environment

## Energy intensity and reduction

An energy-intensity ratio for BITÉ Group has been calculated for all the types of energy presented in the table above. The ratio uses energy consumption within the organisation. It is calculated by dividing absolute energy consumption in megawatts (the numerator) by the organisation-specific metric – revenue in millions of euros (the denominator). Energy intensity per monetary unit decreased by 8% in 2022 compared to the previous year. The change is detailed in **Table 8**.

Energy reduction for all energy types is calculated using energy consumption data obtained directly from all BITÉ Group subsidiaries. Data is mainly for actual energy use, i.e. the actual electricity consumption for a facility. Where electricity is supplied by a third party in rented base-station premises and actual energy use is not available, energy use figures are based on the energy cost and an assumed cost per kWh. Due to energy price fluctuations, a conservative method is used to derive energy consumption. The reduction in energy use shows the efficiency of BITÉ Group’s operations, as growing revenues have required less energy per monetary unit.

BITÉ Group continuously strives to improve its energy efficiency. Our telecommunication networks in Latvia and Lithuania are both ISO 50001 certified. Efficiency plans mainly relate to improvements of energy efficiency in the mobile telecommunication networks and include the following main activities:

- Implementing a smart electricity saving programme at mobile network stations: intelligent radio access network (RAN) software features which are optimised for the Ericsson Radio System automatically deactivate capacity that is not required during low and medium-traffic loads and thus significantly reduce energy consumption.
- Improving the efficiency of electricity consumption by upgrading network equipment at base stations with the newest energy-efficient equipment from Ericsson.

**Table 8. Energy intensity and reduction**

	2022	2021
Revenue, M EUR	530	480
Total energy consumption, MWh	82,072	80,725
Energy intensity, MWh/M EUR	155	168
<b>Reduction in energy consumption</b>	<b>(8%)</b>	

- Replacing lead-acid batteries at base stations with lithium-ion batteries. The charge and discharge cycle of lithium-ion batteries is 2–3 times that of valve-regulated lead acid batteries, for economic benefits while providing an efficient, stable, and reliable standby power supply with power protection for communication energy storage.
- Installing outdoor air-to-air HEX cooling solutions to improve efficiency by using energy already in the system. Air-to-air HEX cooling solutions are planned for sites equipped with lithium-ion batteries, which have a wider operating temperature range. As their discharge characteristics and battery life are impacted very little by high temperatures, air conditioning can be turned off to reduce energy consumption at network sites.
- Eliminating unnecessary indoor air conditioning after upgrading to equipment with an active outdoor part.
- Sourcing 100% of the electricity the company purchases from renewable sources.
- Increasing the share of renewable electricity at mobile network base stations sourced by third parties.
- Ensuring that the company’s car-fleet complies with the Euro6 pollution standard.
- Searching for opportunities to use artificial intelligence to optimize resource management and increase energy efficiency.

# Environment

## Metrics and Targets

The environmental impact assessment started by measuring BITÉ Group's greenhouse gas (GHG) emissions in terms of Scopes 1, 2 and 3. The scopes were measured based on annual statistics and actual data for 2020, 2021 and 2022.

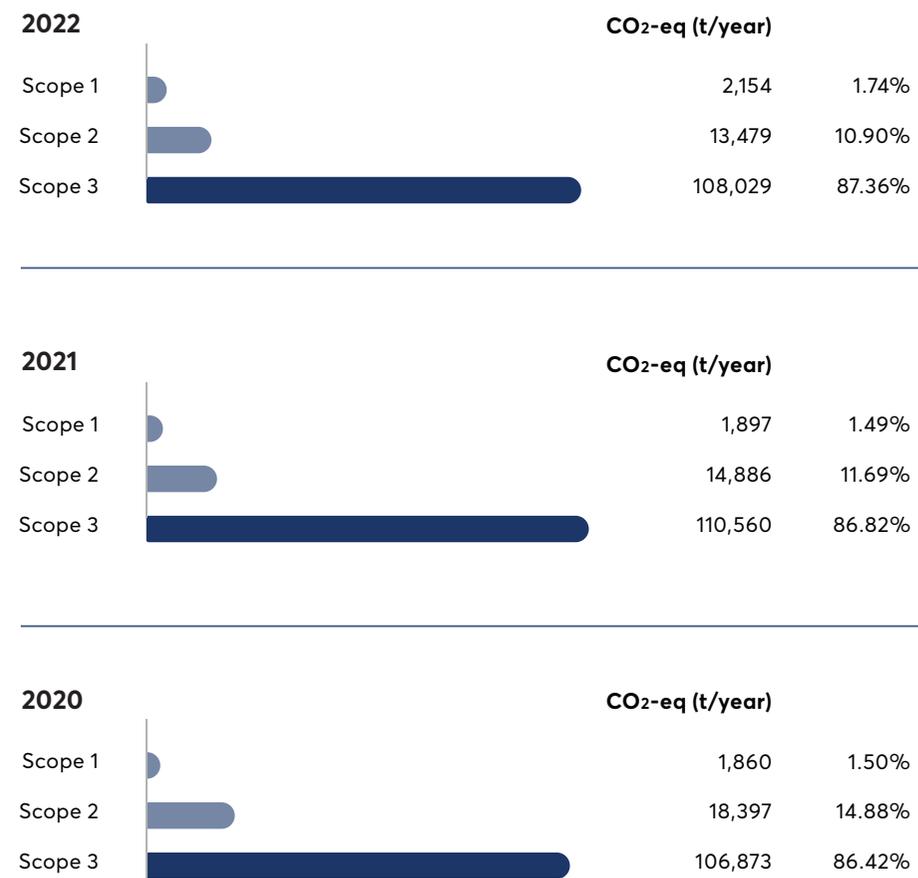
The year 2020 is used as a baseline from which to measure progress. The calculation methodology is based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. The GHG Protocol provides companies with greenhouse gas accounting standards that are widely used and recognised globally. The standards and guidance enable 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 followed in calculating and reporting the GHG Protocol. The boundaries of the calculation were BITÉ Group's companies. The calculation was done in such a way that the method is transparent and verifiable by a third party.

### BITÉ Group's CO<sub>2</sub> emissions

Scope 1 and 2 GHG emissions were calculated using a tool developed by [GHG Protocol](#). The tool enables a comprehensive and reliable inventory of Scope 1 and 2 GHG emissions. Scope 2 emissions were calculated on both a market and a location basis.

According to the GHG Protocol calculation tool, more than 80% of CO<sub>2</sub> emissions occur in BITÉ Group's value chain. Another 11–15% are from the generation of the electricity and heating consumed by BITÉ Group. Less than 2% of emissions come from owned or controlled sources – basically, purchased petrol, diesel and natural gas for heating. The 2020 baseline was adjusted in 2021 after the acquisition of Mezon. Mergers and acquisitions performed during 2022 did not materially affect the baseline, thus it was not changed.

Figure 4. Distribution of emission scope (Scope 2 – market-based)\*



\*Location-based Scope 2 emissions 37,536 CO<sub>2</sub>-eq (t/year) in 2022, 26,001 CO<sub>2</sub>-eq (t/year) in 2021, 25,057 CO<sub>2</sub>-eq (t/year) in 2020.

## Environment

### Reporting principles for Scope 1 and 2 GHG emission factors: The GHG Protocol

Scope emission factors indicate the European residual mixes for 2018. For more accurate calculations, updated residual mixes for 2020, 2021 and 2022 were inserted into the tool from the following sources:

[European Residual Mixes 2020 \(aib-net.org\)](https://www.aib-net.org/)

[European Residual Mixes 2021 \(aib-net.org\)](https://www.aib-net.org/)

[European Residual Mixes 2022 \(aib-net.org\)](https://www.aib-net.org/)

Other indicators used in the GHG Scope 1 and Scope 2 calculation tool, such as motor petrol, diesel fuel, natural gas, steam and heat emission factors, were checked against the latest available statistics in the Emission Factors for Greenhouse Gas Inventories, but updates were not needed as there were no changes since the year 2018.

Scope 3 GHG emissions were calculated using the Quantis Scope 3 screening tool, as 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 lifecycle inventory data, the tool provides a complete Scope 3 inventory, which was used as an initial disclosure in the previous report. To ensure the consistency

of the data, the same tool was used for the calculation for 2022. During the target validation process with SBTi, emissions from the Downstream Transport category were reallocated to the Upstream Transport category. The breakdown of Scope 3 emissions for 2022 is presented in [Table 9](#).

**Table 9. Breakdown of Scope 3 emissions**

Category	2022		2021		2020	
	CO <sub>2</sub> -eq (t/year)	Distribution	CO <sub>2</sub> -eq (t/year)	Distribution	CO <sub>2</sub> -eq (t/year)	Distribution
1 Purchased goods and services	66,369	61.44%	67,860	61.38%	68,587	64.18%
2 Capital goods	527	6.97%	11,634	10.52%	11,575	10.83%
3 Fuel- and Energy-Related Activities, Not Included in Scope 1 or Scope 2	3,528	3.27%	3,451	3.12%	5,476	5.12%
4 Upstream transport	1,347	1.25%	1,194	1.08%	1,244	1.16%
5 Waste generated in operations	342	0.32%	110	0.10%	81	0.08%
6 Business travel	670	0.62%	543	0.49%	229	0.21%
7 Employee commuting	6,862	6.35%	6,290	5.69%	2,975	2.78%
8 Upstream leased assets	2,201	2.04%	1,848	1.67%	2,091	1.96%
9 Downstream transport	0	0.00%	0	0.00%	0	0.00%
10 Processing of sold products	0	0.00%	0	0.00%	0	0.00%
11 Use of sold products	18,733	17.34%	17,287	15.64%	14,326	13.41%
12 EoL of sold products (intermediate product, if relevant)	449	0.42%	342	0.31%	289	0.27%
13 Downstream leased assets	0	0.00%	0	0.00%	0	0.00%
14 Franchises	0	0.00%	0	0.00%	0	0.00%
15 Investments	0	0.00%	0	0.00%	0	0.00%
	<b>108,029</b>	100.00%	<b>110,560</b>	100.00%	<b>106,873</b>	100.00%

As calculated by the web-based tools from the GHG Protocol and Quantis, the largest share of greenhouse gas emissions in 2022 was generated by purchased goods and services and the use of sold products and capital goods. The screening results from the Quantis tool were verified against the actual emissions results reported by our key suppliers in 2022. An adjustment was performed by including the embodied carbon footprint data obtained from the key supplier Ericsson for the equipment purchased in 2022 in the Capital goods category. This enabled more precise evaluation compared to the spend-based method applied for other supplier equipment in this Scope 3 category.

# Environment

## Reporting principles for Scope 3 GHG emission factors

For the conversion of euro amounts into US dollars for use in the [Quantis](#) Scope 3 screening tool, historical EUR-USD rates were taken from the ECB website at [US dollar \(USD\) \(europa.eu\)](#). The adjustment for inflation in 2020 and 2021 is based on the ECB's measurement of inflation in the Eurozone (Harmonised Index of Consumer Prices): [Euro Area Inflation Calculators \(statbureau.org\)](#). However, this does not give an inflation rate for 2022. Thus, for 2022 the inflation rate is based on the site EUR [Inflation Calculator - Euro \(2016-2023\) \(inflationtool.com\)](#).

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

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

For calculating hotel room nights, an average price of 85 euros was used based on the average price paid by the biggest BITÉ Group company, BITÉ Lithuania.

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

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

When calculating the emissions for products with use-stage impacts, energy consumption information was taken from the Consumer Technology Association study [Energy Consumption of Consumer Electronics in U.S. Homes in 2017](#).

Energy consumption for products not included in the CTA study was calculated by assuming average use time per day and multiplying that by the actual kWh for the assumed days of monthly use.

## GHG emissions intensity

BITÉ Group's GHG emissions intensity was calculated in tonnes per unit of revenue and tonnes per subscription for Scope 1 and 2 as well as Scope 3 emissions. Scope 2 figures use a market-based approach. The results are presented in [Table 10](#).

**Table 10. Emissions intensity**

Scope of emissions	%	2022	2021	2020
Scope 1 and 2 carbon intensity (tonnes/mIn EUR) market-based	(15.7)	29.5	35.0	48.1
Scope 3 carbon intensity (tonnes/mIn EUR)	(11.6)	204	231	254
Scope 1 and 2 carbon intensity (tonnes/subscription) market-based	(11.0)	5.6	6.3	8.2
Scope 3 carbon intensity (tonnes/subscription)	(6.6)	38.5	41.2	43.1

Scope 1 and 2 market-based carbon intensity (tonnes per million euros) decreased by 15.7% in 2022 compared to 2021. This was achieved by increased sourcing of renewable energy by BITÉ Group companies.

Scope 3 carbon intensity (tonnes/M EUR) decreased by 6.6% in 2022 compared to the 2021 level due to key-supplier engagement and assessment of supplier embodied carbon footprint contribution for a more precise Scope 3 evaluation.



## Environment

### Path to Net Zero

According to the Intergovernmental Panel on Climate Change (IPCC), the world has until 2030 to cut human-caused carbon dioxide (CO<sub>2</sub>) 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<sub>2</sub> emissions will need to reach "net zero" – where emissions are in balance with removals.

The Net Zero Emissions by 2050 Scenario (NZE) is a normative International Energy Agency (IEA) scenario that shows a pathway to achieve net zero CO<sub>2</sub> emissions by 2050. This scenario also meets key energy-related United Nations Sustainable Development Goals (SDGs) and improvements in air quality. BITÉ Group chose this transition scenario because it is consistent with limiting the global temperature rise to 1.5 °C. BITÉ Group is already committed to the 1.5 °C initiative and has set targets validated by the SBTi. The IPCC Sixth Assessment Report on Mitigation of Climate Change, released in April 2022, assessed a large number of scenarios that led to at least a 50% chance of limiting the temperature rise to 1.5 °C in 2100. The NZE Scenario trajectory is well within the envelope of these scenarios.

#### To reach net zero emissions, there are two implicit conditions:

1. Achieving value-chain emission reductions on a scale consistent with the depth of abatement achieved in pathways that limit warming to 1.5 °C with no or limited overshoot, and
2. Neutralising the impact of any source of residual emissions whose elimination remains unfeasible, by permanently removing an equivalent amount of atmospheric CO<sub>2</sub>.

More than 80% of emissions in our value chain are related to Scope 3 emissions that are generated by suppliers in the industrial sector producing end-user appliances and infrastructure for telecommunication services. Net zero CO<sub>2</sub> emissions from the industrial sector are challenging but

possible. Reducing industry emissions will entail coordinated action throughout value chains to promote all mitigation options, including demand management, energy and materials efficiency, circular material flows, as well as abatement technologies and transformational changes in production processes. Progressing towards net zero GHG emissions from industry will be enabled by the adoption of new production processes using low- and zero-GHG electricity, hydrogen, fuels, and carbon management. BITÉ Group must include emission reduction screening criteria in its supplier management policy.

At net zero, BITÉ Group residual emissions still remaining within the value chain will be neutralized with an equivalent amount of carbon dioxide removals. The amount and cost of removals are still unknown and are very difficult to predict.

To sum up the key steps in the transition plan to reach the net zero goal, BITÉ Group must deeply reduce emissions and neutralize the impact of any emissions that remain. The Net-Zero Standard sets out four key elements of a corporate net-zero target:

1. Near-term science-based targets (SBTs): Set 5–10 year emission reduction targets in line with 1.5 °C pathways.
2. Long-term SBTs: Aim to reduce emissions to a residual level in line with 1.5 °C scenarios by no later than 2050.
3. Beyond-value-chain mitigation: In the transition to net zero, companies should act to mitigate emissions beyond their value chains. For example, by purchasing high-quality, jurisdictional REDD+ credits or investing in direct air capture (DAC) and geologic storage.
4. Neutralisation of residual emissions: GHGs released into the atmosphere when the company has achieved their long-term SBT must be counterbalanced through permanent removal and storage of carbon from the atmosphere.



# Environment



## Science-based targets

BITÉ Group is committed to limiting warming to 1.5 °C. The following targets were submitted to and validated by the SBTi:

BITÉ Group commits to reduce absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2020 base year.

BITÉ Group also commits to reduce Scope 3 GHG emissions from purchased goods and services, capital goods and the use of sold products by 51.6% per service subscription within the same timeframe.

BITÉ Group is progressing faster than necessary to decarbonize, managing to achieve a 7% year-on-year reduction of absolute Scope 1 and 2 GHG emissions in 2022, and a 23% reduction from the 2020 baseline, by sourcing renewable energy in its own operations. The progress on the science-based target shown is depicted in **Table 11** below.

**Table 11. Progress on Science-based Absolute Scope 1 and 2 GHG Emission-Reduction Targets**

	2022	2021	2020
Scope 1 CO <sub>2</sub> -eq (tonnes/year)	2,154	1,897	1,860
Scope 2 CO <sub>2</sub> -eq (tonnes/year) market-based	13,479	14,886	18,397
Scope 1_2 CO <sub>2</sub> -eq (tonnes/year) market-based	<b>15,663</b>	<b>16,783</b>	<b>20,257</b>
<b>Annual Reduction</b>	<b>(7%)</b>	(17%)	

\*Location-based Scope 2 emissions: 37,536 CO<sub>2</sub>-eq (t/year) in 2022, 26,001 CO<sub>2</sub>-eq (t/year) in 2021, 25,057 CO<sub>2</sub>-eq (t/year) in 2020.

# Environment

## Science-based targets

BITÉ Group successfully met its targets for reducing Scope 3 GHG emissions intensity in the committed Scope 3 categories as detailed in **Table 12**.

**Table 12. Achievement of Science-based Scope 3 Intensity GHG Emission Reduction Targets**

Scope 3 CO <sub>2</sub> -eq (tons/year) for committed categories	2022	2021	2020
Purchased goods and services CO <sub>2</sub> -eq (tonnes/year)	66,369	67,860	68,587
Capital goods CO <sub>2</sub> -eq (tonnes/year)	7,527	11,634	11,575
Use of sold products CO <sub>2</sub> -eq (tonnes/year)	18,733	17,287	14,326
Total CO <sub>2</sub> -eq (tonnes/year)	92,629	96,781	94,489
Intensity target CO <sub>2</sub> -eq (tonnes/year) per subscription	33	36	38
<b>Annual Reduction</b>	<b>(8.52%)</b>	<b>(5.30%)</b>	

For the 2020–2030 period, the main strategy for decarbonising at the pace necessary to align with the 1.5°C trajectories is simultaneous, vigorous and urgent action in the following fields.

- Encouraging carbon consciousness among suppliers and end-users: a Supplier Code of Conduct was put in place and collaboration begun with key suppliers to reduce Scope 3 emissions.
- Continued implementation of energy-efficiency plans: An energy-efficiency audit was conducted and ISO 50001 certification renewed.
- Switch to renewable electricity supplies: In 2021, BITÉ Group signed a long-term contract for the purchase of renewable electricity.
- BITÉ Group has adopted an Employee Code of Conduct which sets out the principles to be followed in practice to maintain the values and standards of the group.
- We integrated the Employee Code of Conduct into the newcomers' package and launched an e-learning course on the BeeSmart online platform.
- An automatic energy-saving mode was introduced for employee computers.

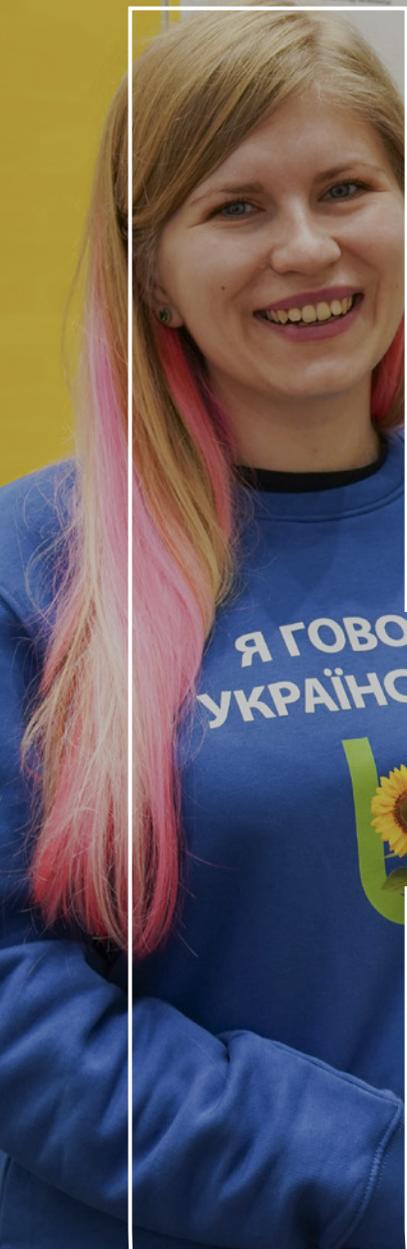
- Bicycle and electric scooter storage was added for sustainable commuting.
- Paper use was reduced by promoting electronic signatures.
- Sustainable team-building sessions were introduced.
- The TV3 media company promoted [www.mysanctions.com](http://www.mysanctions.com).
- Emission-reduction targets were incorporated into the annual remuneration schemes of the top management.

Positive impacts from products with sustainability characteristics  
BITÉ Group provides services that assist our customers in reducing their GHG emissions. Our services help our customers and society act effectively and reduce their environmental impact.

- We reduce the amount of travel needed through access to digital services, ICT, IoT, mobile signatures and e-shops.
- In 2022 we launched eSIM technology, which eliminates the challenges of managing legacy plastic SIM cards, providing flexibility and limitless potential for connected devices.
- The launch of a smartphone rental service was an important step to enhance the circular economy. At the end of a rental period, we take back devices, refurbish them and rent them to our customers or resell them via partners in other markets, thus saving the emissions needed to produce new devices.
- Smart solutions for remote water supply are helping to saving natural water resources.
- By winning a smart metering tender for heating systems, we became the IoT solution leader in Lithuania and the region.
- The introduction of LTE CAT-M low-power wide-area technology designed to support billions of IoT devices and of narrow band Internet of things (NB-IoT) technologies in Lithuania are an opportunity for a breakthrough for the entire ecosystem, not only in the Baltics but in all of Europe.

In this report, we do not quantify the emissions offset generated by our sustainable products. However, we firmly believe that our mission of making peoples' lives easier by providing smart solutions for everyday life is contributing to our shared responsibility to protect the planet, the environment and the climate.

# Social



## Social

### Actions to support Ukraine

Ukraine and its people are facing the horrors, challenges and dangers of war. We are trying in various ways to help Ukrainians to survive this period more easily. We also invite all individuals and businesses operating in our region to unite and help the people of Ukraine to the best of their ability.

- Immediately after Russia invaded Ukraine, we began receiving numerous customer ideas for providing support. We launched a Ukrainian support portal and invited all our customers to make suggestions and offer support for the Ukrainian people.
- Upon the break-out of the war in Ukraine, we offered free-of-charge calls and SMSs to Ukraine and free-of-charge roaming services on Ukrainian territory.
- BITÉ Group provided war refugees coming to Lithuania with 30,000 SIM cards and free communication services.
- We provided home internet with equipment to centres hosting Ukrainians in Lithuania and to families taking refuge from the war. In total, BITÉ installed 300 home internet points all over Lithuania.
- BITÉ Group financially supported organisations that are providing help to Ukraine, including the Lithuanian Red Cross, Blue/Yellow, and Stiprūs kartu ("Strong together").
- The group donated a number of CAT smartphones to Ukrainian soldiers. Such phones are extremely robust and suitable for use on the battlefield.
- Bité Lietuva provided summer camps for Ukrainian children who have found a second home in Lithuania. For over a hundred children who came to Lithuania without their parents, we provided a camp to help them adapt and make their first summer in our country a little more comforting.

- In Vilnius, Bité Lietuva opened a sales location under the name "BITÉ| Слава Україні" where we employed Ukrainians to service refugees from Ukraine.
- **Psychological help for employees**, mindfulness sessions and consultations with psychologists

The breakout of war in Ukraine had a profound effect on employees' mental health and sense of safety. We were able to help our employees cope with the stress by supplying important information about preparing for emergency situations in case of national threat.

Our employees themselves got involved in the support measures for Ukraine, donating warm clothes and power charges, and assembling home internet kits for Ukrainian refugees. By helping others, employees could improve their own psychological state. We also arranged for personal consultations with psychologists and group coaches. Our employees were involved in virtual mindfulness sessions and were instructed on how to use mindfulness techniques for focus, meditation, and emotional resilience.



## Social

### Safe digital environment for society

Cybersecurity and data privacy provide a safe digital environment for society. Our security systems were audited by independent security experts. The evaluation was based on the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity. Created through a collaboration between industry and government, the voluntary framework consists of standards, guidelines and practices to support the protection of critical infrastructure.

During 2022, BITÉ Group managed to maintain and even raise its cybersecurity maturity according to the NIST standard, to ensure the secure functioning of our systems and the protection of customer data, and to continue providing our private and business customers with secure access to digital services.

Amid an increase in geopolitical attacks, BITÉ Group's security team have been able to expand strong security practices across all business units, including data protection and disaster recovery exercises. BITÉ has comprehensive privacy policies and has put privacy practices at the heart of its security operations.

In 2022 we dedicated resources for continuous fine tuning to better detect attacks. We upgraded the anti-virus solution to endpoint detection and response, implemented data loss prevention, fully rolled out multi-factor authentication and increased insider threat monitoring. We also established a penetration testing program at BITÉ focused on regulatory changes to detect and remediate all security gaps.

In 2022, BITÉ Group introduced a supply-chain management policy that includes a central inventory and classification of all third parties. This has enabled ongoing assessment and tracking of critical services and provides a good basis on which to understand and manage risk. External and internal communication are integral to BITÉ Group's disaster recovery plans, as are active participation in Latvia's and Lithuania's national Community Emergency Response Teams (CERTs), which promote better security awareness in the region.

### Internet of things contributes to social development goals

BITÉ Group's ICT team is contributing to progress and the achievement of social development goals. For example, our specialists helped our partners at the water supply company Vilnius Vandenyys deploy a unified smart water-supply network. More than 8,000 buildings were equipped with cold water meters connected to the Internet of things (IoT). As a result, employees at the water company can remotely track readings on the meters. It was the first deployment of Narrowband Internet of Things (NB-IoT) technology in the Baltic countries and Poland. The smart solution for remote water control enables instant identification of excessive water supply and timely resolution of incidents. This helps save water and use our natural resources more responsibly.

BITÉ is also providing the Lithuanian energy distributor Energijos Skirstymo Operatorius with an ICT solution for new smart electricity metering infrastructure. Over a million new smart meters will be installed in Lithuania so that people can see accurate consumption details and use electricity more efficiently to save resources. For this project, BITÉ has launched a commercial narrowband internet technology (LTE CAT-M). The new LTE CAT-M and narrowband Internet of things (NB-IoT) technologies, together with the existing 4G and 5G communication technologies, will eventually replace outdated technologies in all devices that until now supported 2G and 3G connections. Today 2G connections are still used in devices that do not require a fast, advanced Internet connection: elevators, courtyard gates, security alarm systems. We are going to install the new technology in these devices and gradually turn off the 2G connection, using free radio frequencies to develop an advanced, next-generation 5G connection.

The new IoT technologies, which are now all over Lithuania, also reduce the risk of network failures and energy costs and ensure even more advanced data security. Thus, devices are better protected against cyberattacks and data leaks.



# Social

## Top level of employee engagement in the Baltics

BITÉ is a top employer in terms of employee engagement. In 2022, we were assessed as having an employee engagement level of 72%, which puts us among top employers according to a study by international personnel management consultants Kincentric. We have managed to maintain good performance over time along with effective ongoing commitment, motivation, and organisational citizenship behaviours. Our top employer awards we have continually received are shown in Figure 5 below.

In 2022, BITÉ Lithuania won the international "Inspiring Workplaces" award for its innovative, employee-oriented and inspiring internal culture. The award is given based on an assessment of organisational culture, leadership, employee wellbeing and engagement, internal communication and experience. BITÉ is the only Lithuanian company among the 50 most advanced employers recognised in Europe, the Middle East and Africa. This award is an important indication that we are moving in the right direction. We constantly invest in the physical and emotional health and the growth of our employees, and we pay a lot of attention to developing an inspiring internal culture. This contributes to gratifying results over the long term.

Figure 5. Top employer awards

**KINCENTRIC**  
**Best Employer**

BALTICS 2019, 2020, 2021



2016, 2017, 2018, 2019, 2020



BITÉ Latvija participated in the Society Integration Fund programme in 2022 and was presented with a "Family Friendly Workplace" award. CVOnline.lv ranked BITÉ Latvija among the best employers in Latvia in the IT & telecommunications field. BITÉ Latvija took 4th place among top employers in this field in 2022.

BITÉ Group subsidiary All Media Lithuania is continuously ranked among the top ten most desired employers in Lithuania.



## Social

### Employees in numbers

Information on BITÉ Group's employees is provided in the tables below. The distribution of employees by country is shown **Table 13** in terms of FTE (full-time equivalent directly employed under a contract and not on parental leave). After acquisitions in Latvia, the number of Latvian employees has surpassed that in Lithuania and currently is the largest among all the Baltic countries.

**Table 13. FTEs by Country**

FTEs by country	31.12.2022	31.12.2021	31.12.2020
Estonia	189	180	183
Latvia	1,290	1,255	1,170
Lithuania	1,200	1,200	1,017
<b>TOTAL Bité Group</b>	<b>2,679*</b>	<b>2,635</b>	<b>2,370</b>

\*2 additional FTEs in 2022 were located in Luxembourg.

Headcount, unlike FTE, simply refers to the number of employees in an organisation. Employee headcount by gender is provided in **Table 14**.

**Table 14. Headcount by gender**

Headcount by gender	31.12.2022	31.12.2021	31.12.2020
MALE	1,138	1,115	1,023
FEMALE	1,539	1,496	1,309
<b>TOTAL Bité Group</b>	<b>2,677</b>	<b>2,611</b>	<b>2,332</b>

Females accounted for 57% of the organisation's employees in 2022 (see also **Figure 6**). The ratio was stable compared to the previous year.

**Figure 6. Headcount by gender 2022**



Details on employees by gender in each major location of operations are provided in **Table 15**.

**Table 15. Employees by type and gender**

31.12.2022					
Country	MALE	FEMALE	OTHER*	Not disclosed	Total
<b>Number of employees (headcount)</b>					
Estonia	70	116	0	0	186
Latvia	562	770	0	0	1,332
Lithuania	506	653	0	0	1,159
<b>Total:</b>	<b>1,138</b>	<b>1,539</b>	<b>0</b>	<b>0</b>	<b>2,677</b>
<b>Number of permanent employees (headcount)</b>					
Estonia	70	116	0	0	186
Latvia	560	761	0	0	1,321
Lithuania	499	645	0	0	1,144
<b>Total:</b>	<b>1,129</b>	<b>1,522</b>	<b>0</b>	<b>0</b>	<b>2,651</b>
<b>Number of temporary employees (headcount)</b>					
Estonia	0	0	0	0	0
Latvia	2	9	0	0	11
Lithuania	7	8	0	0	15
<b>Total:</b>	<b>9</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>26</b>
<b>Number of full-time employees (headcount)</b>					
Estonia	63	107	0	0	170
Latvia	555	736	0	0	1,291
Lithuania	486	614	0	0	1,100
<b>Total:</b>	<b>1,104</b>	<b>1,457</b>	<b>0</b>	<b>0</b>	<b>2,561</b>
<b>Number of part-time employees (headcount)</b>					
Estonia	7	9	0	0	16
Latvia	10	14	0	0	24
Lithuania	20	39	0	0	59
<b>Total:</b>	<b>37</b>	<b>62</b>	<b>0</b>	<b>0</b>	<b>99</b>

\*Gender as specified by employees themselves

## Social

### Employees in numbers

The majority of our employees, 58%, are between 30 and 50 years old. Employees' age distribution by country is presented in [Table 16](#).

**Table 16. Distribution of employees by age**

31.12.2022				
Country	under 30 years	30-50 years	above 50 years	Total
<b>Number of employees (headcount)</b>				
Estonia	50	113	23	186
Latvia	411	800	121	1,332
Lithuania	461	628	70	1,159
<b>Total:</b>	<b>922</b>	<b>1,541</b>	<b>214</b>	<b>2,677</b>
<b>Proportion of employees (%)</b>				
Estonia	27%	61%	12%	100%
Latvia	31%	60%	9%	100%
Lithuania	40%	54%	6%	100%
<b>Total:</b>	<b>34%</b>	<b>58%</b>	<b>8%</b>	<b>100%</b>

BITÉ Group benefits from the work of some persons who are not employees of ours but whose work is controlled by our organisation, e.g. for customer care and direct delivery services. The headcount of non-BITÉ Group employees is presented in [Table 17](#). Note that BITÉ Group does not control the work of freelancers and therefore they are not included in [Table 17](#).

**Table 17. Workers who are not employees**

31.12.2022	
Country	Headcount
<b>Number of employees</b>	
Estonia	0
Latvia	39
Lithuania	51
<b>Total:</b>	<b>90</b>



## Social

### Employees in numbers

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

New employee hires and employee turnover by gender and by age in each country of operations is presented in **Table 18**.

**Table 18.** New employee hires and employee turnover

31.12.2022						
Country	MALE	FEMALE	under 30 years	30-50 years	above 50 years	Total
<b>New employee hires (headcount)</b>						
Estonia	16	18	11	23	0	34
Latvia	256	466	397	296	29	722
Lithuania	174	273	315	127	5	447
<b>Total:</b>	<b>446</b>	<b>757</b>	<b>723</b>	<b>446</b>	<b>34</b>	<b>1,203</b>
<b>Rate of new employee hires</b>						
Estonia	23%	16%	22%	20%	0%	18%
Latvia	46%	61%	97%	37%	24%	54%
Lithuania	34%	42%	68%	20%	7%	39%
<b>Total:</b>	<b>39%</b>	<b>49%</b>	<b>78%</b>	<b>29%</b>	<b>16%</b>	<b>45%</b>
<b>Employees who left (headcount)</b>						
Estonia	13	18	9	19	2	30
Latvia	264	451	376	313	26	715
Lithuania	159	326	278	192	15	485
<b>Total:</b>	<b>436</b>	<b>795</b>	<b>663</b>	<b>524</b>	<b>43</b>	<b>1,230</b>
<b>Rate of employee turnover</b>						
Estonia	19%	16%	18%	17%	9%	16%
Latvia	47%	59%	91%	39%	21%	54%
Lithuania	31%	50%	60%	31%	21%	42%
<b>Total:</b>	<b>38%</b>	<b>52%</b>	<b>72%</b>	<b>34%</b>	<b>20%</b>	<b>46%</b>

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 rotation is high due to inadequate expectations. This is especially true in sales, where people need to achieve challenging targets. Mergers and acquisitions in Latvia influenced some employees' decision to leave, though everybody was offered an option to continue employment within BITÉ Group. Employee turnover also was influenced by the 'great resignation' that started all over the world in 2021 and impacted our Lithuanian and Latvian operations in 2022. This shows employers the importance of internal culture and strong connections between colleagues. We welcomed employees from remote home offices back to workplaces in 2022 and hope that this move will help to ensure employee loyalty and job satisfaction.



## Social

### Employee wellbeing

We promote an engaging work culture supported by the empowerment of our employees and personalised ownership. We maintain a **start-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 involves various aspects of people's lives, such as their 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 BITÉ Group, we do not tolerate any form of discrimination (direct or indirect) or harassment. We guarantee equal rights throughout the entire employment life cycle.

Day-to-day management is a key part of our work culture.

Thus, we have a flat management structure, **quick decision- making and open-minded leaders** who initiate regular discussions and exchanges of information with employees. This improves wellbeing within the company because every employee feels heard and needed.

Today, digital technology has an important effect on business operations: starting with manufacturing and finishing with sales and customer service. By performing their daily tasks, our employees contribute to **economic growth**. The meaning of their work is increasing because digital technology offers potential for companies and consumers to connect more quickly and more efficiently with the products, services, and experiences they love. We are convinced that this understanding of our importance will not decrease in the future.

The Baltic countries, where BITÉ Group operates, have laws providing for **parental leave**. This legislation allows employees to take leave and return to work in the same or a comparable position. BITÉ Group strictly abides by the parental leave regulations in each country where it operates. And all BITÉ Group companies offer an equitable gender choice for maternity and paternity leave. Details on parental leave are presented in the Table 18. The table indicates how many male and female workers took from 1 to 3 years of parental leave. In the Baltic countries, a father is entitled to 1 month of vacation after the birth of a child. That vacation for new fathers is not included in the figures in **Table 19**.

Table 19. Parental leave

31.12.2022			
Country	MALE	FEMALE	Total
<b>Employees entitled to parental leave, by gender</b>			
Estonia	N/A*	8	8
Latvia	N/A*	39	39
Lithuania	N/A*	73	73
Total:	0	120	120
<b>Employees that took parental leave, by gender</b>			
Estonia	2	8	10
Latvia	3	36	39
Lithuania	3	148	151
Total:	8	192	200
<b>Employees that returned to work in the reporting period after parental leave ended, by gender</b>			
Estonia	1	9	10
Latvia	0	30	30
Lithuania	0	31	31
Total:	1	70	71
<b>Employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender</b>			
Estonia	1	5	6
Latvia	2	22	24
Lithuania	0	8	8
Total:	3	35	38
<b>Rate of return to work of employees that took parental leave, by gender</b>			
Estonia	100	73	
Latvia	0	28	
Lithuania	0	53	
<b>Retention rates of employees that took parental leave, by gender</b>			
Estonia	50	73	
Latvia	44	42	
Lithuania	0	41	

\* Explanation for non-availability of data: MALE employees may decide not to announce that they are entitled to parental leave and the employer has no means to obtain such information.

## Social

### Health and Safety

In the countries of our operations, a **health and safety management system** is mandatory under the law. Hazards and risks are assessed in all workplaces in accordance with the requirements of legal acts. The main legal acts regulating the safety and health of employees are:

1. The Occupational Health and Safety Act
2. General provisions for setting up workplaces
3. General regulations for the use of work equipment
4. Safety and health requirements for workers when handling loads by hand
5. General provisions for occupational risk assessment
6. Labour Code
7. Hygiene norms

The Group organizes **preventive health check-ups of employees** at the periodicity established by the relevant legislation. Usually, we invite doctors to come to the company's premises and perform scheduled health checks for employees.

BITÉ Group strictly follows the provisions of the legal acts. **Health and safety risk assessment** is regularly performed by third parties specialising in health and safety services. The main outcomes of the annual check are compliance of the documents related to work safety with the legal requirements, regular updates to work safety instructions, and recommendations for improving work safety. The third party also controls the implementation of the proposed measures.

Procedures for **health and safety training** are also established by legal acts. The following employee health and safety briefings are conducted:

- a) initial health and safety training in the workplace.
- b) periodic health and safety training in the workplace.
- c) additional health and safety training in the workplace.
- d) introductory fire safety briefing.
- e) periodic fire safety briefing.
- f) additional fire safety briefing.

First aid training is mandatory for all employees.

The following types of employees whose work involves a higher risk are additionally trained:

- Employees working at a higher altitude.
- Higher altitude work managers.
- Personnel working with electrical equipment.

BITÉ Group had **no fatal accidents or high consequence incidents** at work during the reporting period. Three light accidents were reported on the way to work and one at a workplace as a result of an entertainment service which was offered (a boxing machine).

To **promote employees' health**, everyone is offered additional health insurance at the employer's expense. There is an option to get access to a sport programme in addition to health insurance. A variety of sporting activities (football, hockey, basketball, squash) are fully or partly covered by the employer.

**Prevention and mitigation of occupational health and safety impacts** directly linked to business relationships is regularly performed by the third party. Hazards are identified using the following information-gathering methods:

- verbal interviews at the workplace,
- monitoring of the work environment,
- analysis of tasks performed at the workplace and monitoring of progress,
- analysis of circumstances under which employees are at risk,
- professional risk assessments.

**All BITÉ Group employees are covered by an occupational health and safety management system** in line with legal requirements. All employees are instructed on safety and health issues according to their duties. Employees connected to higher risk areas, such as base station maintenance personnel, are equipped with protective equipment and are additionally paid and trained.



## Social

### Training and Education

Every year at BITÉ Group we have a dedicated training budget for all employees. Every employee can choose a few courses per year. **The average amount of training** received by each employee in 2022 was **over 9 hours**. Training is offered to everybody and training hours are not differentiated for female and male employees – such statistics are not available at BITÉ Group. HR proposes different options and employees can choose the most relevant and desired topics, e.g., project management, principles of communication, emotional intelligence, public speaking, time management, creativity. 360 assessments are regularly conducted for managers. Funds are available for specific training and participation in the conferences and workshops related to employees' positions and/or projects.

We focus on promoting internal careers at BITÉ Group. Positions that open up are announced internally. We organise career breakfasts with managers and career days for employees to try out new positions in the company. The percentage of employees receiving regular performance and career development reviews by gender in our significant locations of operations are presented in **Table 20**.

**Table 20. Percentage of employees receiving regular performance and career development reviews**

31.12.2022			
Country	MALE	FEMALE	Total
<b>Percentage of employees receiving regular performance and career development reviews</b>			
Estonia	97%	97%	97%
Latvia	43%	50%	47%
Lithuania	24%	24%	24%
<b>Total:</b>	<b>38%</b>	<b>43%</b>	<b>41%</b>

We have an annual **BITÉ Talent Programme**. Anyone who has been working at the company for at least one year and wants additional

challenges can participate in the election for the talent pool. Participants of the Talent Programme receive exclusive training with the best lecturers, grow through mentorship with BITE top managers, get a chance to work on significant BITE projects, gain new experiences, and step outside of their comfort zone.



## Social

### Regularly elected work council: The B Team

A work council is a representative body of employees that is responsible for defending the professional, labour, economic and social rights of employees and representing their interests. The work council at BITÉ is called the B Team. The B Team is elected for 3 years. Anyone who has been employed by BITÉ for more than 6 months is eligible to be elected. Employees who have been with BITÉ for at least 3 months have the right to vote. Candidates are elected by a majority of votes. In 2022, the B Team had 11 employee representatives. They 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 state and municipal institutions.
- To exercise non-state supervision and control of compliance with labour laws.
- To protect the rights of employees during purchases-sales of an enterprise, assignments of a business or a part thereof, concentration of market structures or company reorganisations.
- To receive information from employers about their socio- economic situation and envisaged changes that might affect the situation of employees.
- To appeal to a court against decisions and actions of the employer and persons authorised by them if such decisions and actions are contrary to legal provisions and agreements or violate the rights of the represented persons.

### 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 BITÉ Group, the same selection criteria and conditions apply

to all candidates and salaries are determined on the basis of an employee's performance at work and achieved results. In 2022, BITÉ Group's women-to-men ratio of salary and remuneration was 89%, comparing jobs of equal value. The details of the gender pay gap by significant locations of operations is presented in **Table 21**.

**Table 21. Gender pay gap**

31 December 2022	
Country	Ratio
<b>Ratio of basic salary and remuneration of women to that of men</b>	
Estonia	98%
Latvia	85%
Lithuania	93%
<b>Weighted average BITE Group:</b>	<b>89%</b>



## Social

### Diversity and equal opportunity

We have created a working environment where nobody is discriminated against or treated unfairly due to their gender, race, age, religion or nationality. Employees are provided with equal working conditions as well as opportunities to improve their qualifications, pursue professional development and gain practical work experience. These principles are included in our Equal Rights Policy. In 2022 the Supervisory Council of BITÉ Group welcomed an independent female member and currently has a 20% female composition. The diversity of governance bodies and employees in each significant location of our operations is detailed in Table 22.

Table 22. Diversity of governance bodies and employees

31 December 2022						
Country	MALE	FEMALE	under 30 years	30-50 years	above 50 years	Total
<b>Diversity of governance bodies (headcount)</b>						
Estonia	5	8	0	11	2	13
Latvia	6	4	0	10	0	10
Lithuania	19	5	0	22	2	24
<b>Total:</b>	<b>30</b>	<b>17</b>	<b>0</b>	<b>43</b>	<b>4</b>	<b>47</b>
<b>Diversity of governance bodies (%)</b>						
Estonia	38%	62%	0%	85%	15%	100%
Latvia	60%	40%	0%	100%	0%	100%
Lithuania	79%	21%	0%	92%	8%	100%
<b>Total:</b>	<b>64%</b>	<b>36%</b>	<b>0%</b>	<b>91%</b>	<b>9%</b>	<b>100%</b>
<b>Diversity of employees (headcount)</b>						
Estonia	65	108	50	102	21	173
Latvia	295	482	322	426	29	777
Lithuania	487	648	461	594	80	1,135
<b>Total:</b>	<b>847</b>	<b>1,238</b>	<b>833</b>	<b>1,122</b>	<b>130</b>	<b>2,085</b>
<b>Diversity of employees (%)</b>						
Estonia	38%	62%	29%	59%	12%	100%
Latvia	38%	62%	41%	55%	4%	100%
Lithuania	43%	57%	41%	52%	7%	100%
<b>Total:</b>	<b>41%</b>	<b>59%</b>	<b>40%</b>	<b>54%</b>	<b>6%</b>	<b>100%</b>

### Human Rights

The [BITÉ Group Code of Conduct](#) sets out the principles according to which BITÉ Group puts its values and standards 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.

In 2022, BITÉ Group continued membership in the [UN Global Compact](#), officially declaring its support for that initiative's [10 principles](#) in the areas of human rights, labour, the environment and anti-corruption.



## Social

### Customer Satisfaction

In 2022, BITĖ Lithuania's customer service team won bronze at the prestigious international Stevie Awards (see [Figure 7](#)). The award commission stressed our quality and fast customer service, exceptionally high post-service customer ratings, efficient inquiry resolution during the first call or meeting, fast packing and delivery, and ability to improve rapidly during the pandemic. BITĖ Lithuania is the only company in continental Europe in this category.

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

We also create and further develop leading technologies to deliver a high level of satisfaction for our businesses and clients. That is why in 2022 BITĖ Lithuania again was nominated among the strongest Lithuanian technology sector companies by the Verslo Žinios business news portal.

Furthermore, in 2022, for the second year in a row, BITĖ organised Chief Technology Officer of the Year awards in Lithuania. The project has helped other companies show off their technology experts and increase their professional prestige. BITĖ has also helped to educate the public about the strategic importance of the CTO for the success of any modern organisation.

We use a four-level approach to quality monitoring and assurance. It 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 in all our segments to ensure a strong relationship with our key stakeholders – our customers.

Figure 7. Stevie Award



Figure 8. Technology Sector Leader Award



A close-up photograph of a person's face wearing black-rimmed glasses. The right eye is visible through the lens, which has a teal-colored overlay. The word "Governance" is written in white, bold, sans-serif font across the teal area. A white rectangular box highlights the eye area, and a white circular shape is partially visible at the bottom left.

**Governance**

## Governance

### Governance structure and composition

The core management of BITÉ Group consists of the members of the group's Supervisory Council and the respective corporate bodies of group companies, including the Chief Executive Officer of BITE Group, the Chief Financial Officer of BITE Group, the Chief Executive Officer of BITÉ Lithuania, the Chief Executive Officer of BITÉ Latvia, the Chief Executive Officer of TV3 Group and the Chief Financial Officer of TV3 Group.

The members of our Senior Management Team come from diverse backgrounds which include expertise and experience relating to economic, environmental and social topics.

#### Pranas Kuisys

Chief Executive Officer of BITÉ Group

#### Kęstutis Gailius

Group Chief Financial Officer of BITÉ Group

#### Mindaugas Rauba

Group Chief Technology Officer of BITÉ Group

#### Gintas Butėnas

Chief Executive Officer of BITÉ Lithuania

#### Arūnas Mickevičius

Chief Executive Officer of BITÉ Latvija

#### Aurimas Kapočius

Chief Operating Officer of BITÉ Lithuania

#### Christian Anting

Chief Executive Officer of TV3 Group

#### Indrė Rakauskienė

Chief Financial Officer of TV3 Group

For photos of the BITÉ Group Senior Management Team, see Figure 9.

**The role of the Supervisory Council is to oversee the management of BITÉ Group's impacts.** The Supervisory Council of BITÉ Group is responsible for supervising the activities of the whole group and its management bodies as well as for the **nomination, selection and removal** of the members of the Management Board.

**The Supervisory Council's members are:** Anthony Frank Elliott Ball, Alexander Mishenin, Robert Sudo, Karim Abdallah Tabet and Nijolė Kvietkauskaitė (independent member).

The Supervisory Council **delegates responsibility for managing impacts** to the Senior Management Team.

The group has also established an Audit Committee and a Remuneration Committee.



## Governance

### Collective knowledge of the Senior Management Team

We have a strong executive team with over 100 years of combined experience and adhere to an entrepreneurial culture that drives innovation to cement our status as a customer-focused organisation. **Nomination and selection of the Senior Management Team** is performed on the basis of the competencies relevant to the impacts of the organisation, including the impacts associated with the BITÉ Group's strategic and technological development and knowledge of products and services in our significant geographic locations.

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

The group's CFO, Mr Kęstutis Gailius, joined BITÉ Group recently. Previously, he held the position of Chief Financial Officer and member of the management board at the Stokrotka grocery retailer in Poland. Before that, Kęstutis Gailius was Chief Financial Officer and member of the management boards of the Lithuanian grocery retailers Maxima LT and Lidl Lietuva. At the beginning of his career, Kęstutis worked for 10 years at the leading professional services company Ernst&Young Baltic, consulting in the field of business planning and modelling.

The group's CTO, Mr Mindaugas Rauba, joined BITÉ in 2010 as a System Engineer and Java Developer, in two years became Integrated Systems Manager, and in 2018 expanded his field of responsibility to Convergent Core Network Manager. In 2020 he was appointed IT Director of BITÉ Group.

The CEO of BITÉ Lithuania, 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 promoted to Network Director of BITÉ Group and in 2016 to the group's CTO.

The CEO of BITÉ Latvija, Mr Arūnas Mickevičius, started his career in BITÉ Lithuania as a Product Manager in 2007 and in two years he became Strategic Projects Manager. From 2013 he headed Consumer Segments and in 2016 was promoted to Marketing Director. Prior to joining BITÉ, he worked as a Business Consultant at PricewaterhouseCoopers.

The COO of BITÉ Lithuania, Mr Aurimas Kapočius, joined BITÉ as Mobile Devices Development Manager in 2014. In 2016 he became Head of Business (B2B) Segment and he currently works as Chief Marketing Officer. Previously, Mr. Kapočius was CEO of the mobile virtual network operator Eurocom.

Mr Christian Anting has been the CEO of TV3 Group since 2018. Previously, he was the COO of the TVN group and Vice President of the Management Board of TVN's PayTV Platforms Telewizja n and nc+.

The CFO of TV3 Group, Ms Indrė Ražauskienė, was appointed to the position in 2017. She joined BITÉ in 2005 as a

Financial Analyst and has steadily expanded her field of responsibilities by taking part in many BITÉ Group projects.

### Evaluating the highest governance body's performance

All of the group's governance bodies act in accordance with the Corporate Authorisation Policy (CAP). The CAP, a part of internal governance within BITÉ Group, sets out the limits of management authorisation. All employees, including managers and management board members, are required to comply with the CAP and the authorisation limits it sets.

The Audit Committee is responsible for the oversight of approved financial statements.

## Governance

### Role of the highest governance body in overseeing the management of impacts

The Senior Management Team of BITÉ Group has full oversight with regard to ESG-related risks and opportunities. The team's primary role is developing, approving, and updating the organisation's purpose, value and mission statements, strategies, policies, and goals related to sustainable development. It is the responsibility of the Senior Management Team, the Audit Committee and the Supervisory Council, which oversees the organisation's due diligence and other processes, to identify and manage the group's impacts on the economy, the environment, and people. The Senior Management Team engages with and receives regular feedback from key stakeholders – customers, employees, suppliers, governments, society and investors. The primary role of the governance bodies is to review the effectiveness of the group's processes on a regular basis.

It is the responsibility of the Senior Management Team, the Audit Committee and the Supervisory Council to approve the BITÉ Group's sustainable development activities. With the consent of these governance bodies, the group has assigned specific ESG-related responsibilities to certain management-level positions.

In 2021, BITÉ Group's management appointed a member of the Senior Management Team who is the CFO of BITÉ Group as the person responsible for ESG sustainability strategy and also appointed an ESG Officer. These management positions report to the board's Audit Committee and their roles include assessing and managing ESG-related issues. ESG targets, including climate-related issues, are incorporated into quarterly monitoring of the group's strategic performance. The CFO of BITÉ Group, as the person responsible for ESG sustainability strategy, and the ESG Officer provide regular updates on the ESG targets to the Audit Committee and the Supervisory Council of the group.

The Supervisory Council and the Audit Committee review economic, environmental and social topics, including impact, risks and opportunities, at least annually. The Supervisory Council 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 management decisions and the management of economic, environmental and social topics, including impact, risks and opportunities.

#### Consulting stakeholders on economic, environmental and social topics

Processes for consultations between stakeholders and the management on economic, environmental and social topics are summarized in **Table 1**.

The resulting feedback is provided to the management by the responsible executive-level parties – the CFO of BITÉ Group and the ESG Officer.

#### Communicating critical concerns

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

Critical concerns communicated to the governance bodies of BITÉ Group in the reporting period related to the war in Ukraine and the execution of business continuity, disaster recovery and ESG policy in the new political context. The mechanisms used to address and resolve the critical concerns were the following joint actions of the BITÉ leadership team:

- Support for Ukraine
- Preparation of disaster recovery plans
- Enhancement of Cybersecurity at all BITE Group companies
- Incorporation of ESG-related targets into the strategy
- Approval of science-based emission reduction targets
- Review of the material topics

## Governance

### Remuneration Policies

We have implemented a management incentive system which we believe provides our management team with strong incentives and motivation to maximize the value of our business over the long term. ESG targets, including the development of ESG policy, improved cybersecurity and improved customer satisfaction as measured by the NPS indicator, are incorporated into the group's strategy and incentive system.

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

Remuneration (salaries, bonuses and other compensation) to management in respect to their work performed for the group is shown in **Table 23** below.

**Table 23. Remuneration (thousands of euros)**

	2022	2021
Remuneration	2,098	1,670
Bonuses	1,253	1,171
Social security contributions	143	80
<b>Total</b>	<b>3,494</b>	<b>2,921</b>

### Process for determining remuneration

The process for determining remuneration includes setting key performance indicators (KPIs) and measuring performance.

Remuneration is dependent on the achievement of KPIs. The Remuneration Committee supervises the integration of the ESG targets into the remuneration schemes of senior executives and other employees. BITÉ Group's commitment to science-based targets facilitated the incorporation of our ESG priorities into the long-term incentive plan for executives. Targets include a specific greenhouse gas (GHG) reduction goal linked to the 2030 target of reducing our emissions from the year 2020 baseline by at least 42%, envisaging a bonus pay-out based on the achievement of a 5% annual decrease in GHG emissions.

### Stakeholders' involvement in remuneration

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



## Governance

### Value chain and other business relationships

The BITÉ Group has several key suppliers for its mobile network equipment. For instance, Ericsson is a key supplier for telecommunication network modernisation and 5G roll-out. Hardware used in our operations is supplied by such suppliers as HP, Dell, and end-user equipment from Samsung and Apple.

The company also has an IP network infrastructure agreement with Cisco and Fortinet and uses Oracle for databases and Microsoft products for corporate communications.

We identify, assess, and mitigate risks that potentially can arise from suppliers and vendors. The pandemic and geopolitical instability caused disruptions in the global supply chain. We strive to identify potential risks that can affect the supply chain at an early stage. This involves analysing external factors, such as supplier performance, market conditions, legal and regulatory changes, geopolitical events, and natural disasters. Identified risks are assessed in terms of their potential impact and likelihood of occurrence. This helps prioritise risks based on their significance and allows for better allocation of resources to manage them effectively. Our mitigation strategies involve diversifying supply sources, conducting due diligence on vendors, and implementing contingency plans. Regular monitoring of upstream risks helps identify any changes or new risks. At BITÉ Group, we foster relationships with our key upstream partners to stay informed about potential risks and coordinate risk mitigation efforts.

We have developed a [Supplier Code of Conduct](#) and engaged with all suppliers with a spend above 10,000 euros, asking them to comply with the principles of sustainable business. We also approached our key suppliers while conducting an inventory

of our Scope 3 GHG emissions to assess how many of them measure their GHG emission reduction or have science-based emission reduction targets. This is an essential step for achieving our commitment to limit global warming to 1.5 °C.

### Significant changes to the organisation

On 1 August 2022, the group subsidiary Teletower UAB signed an agreement to acquire Marmast UAB together with its branch in Latvia.

On 14 April 2022, the group subsidiary Radio Enterprise SIA was reorganised by way of merger with Star FM SIA, which took over all of its rights, obligations, assets and liabilities.

On 1 December 2021, the group signed a partnership termination agreement regarding shared network development in Lithuania and Latvia. The group was one of the network-sharing contractors owning 50% in the joint operation Centuria SIA, which was established in 2019 to build, own and operate mobile networks. However, due to restricting conditions introduced by regulators on frequency-sharing in both countries, the partnership on network sharing infrastructure was discontinued as not feasible economically or technically. The exit was fully implemented with the liquidation of the joint operation Centuria SIA on 19 May 2022.

On 14 June 2022, the group subsidiary Bite Broadcasting Services Ltd was fully dissolved.

On 8 August 2022, the group subsidiary Elektrons SIA was reorganised by way of merger with Baltcom SIA, which took over all of its rights, obligations, assets and liabilities.

On 28 December 2022, the group subsidiaries B-COM Invest SIA, Microlines Grupa SIA, Microlines SIA, Clouds 365 SIA, Big Telecom SIA, Elcom Valka SIA, Qwerty SIA, and Elektrons.lv SIA were reorganised by way of merger with Baltcom SIA, which took over all of their rights, obligations, assets and liabilities.



## Governance

### Membership of associations

The BITÉ Group companies BITÉ Lithuania and BITÉ Latvija are members of the GSMA, an association that represents the interests of mobile network operators worldwide. The GSMA represents its members via industry programs, working groups and industry advocacy initiatives. BITÉ Lithuania also belongs to the information, communication and technology sector association INFOBALT, which promotes favourable conditions for technology applications, market development and exports. INFOBALT unites more than 160 members, including national and global businesses, universities and education and research institutions, boasting a network of 10,000 experienced ICT professionals.

BITÉ Group has membership in the global Forum of Incident Response and Security Teams (FIRST), which unites varied computer security incident response teams from government, business 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. It also provides value-added services, such as access to up-to-date best-practice documents, hands-on classes and special interest groups.

BITÉ Group is a member of the UN Global Compact. We are committed to uphold the initiative's 10 principles on human rights, labour, the environment and anti-corruption, and to take actions that advance societal goals. The Global Compact 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.

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

### Strategy

We aim to sustain our strong leadership position as 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 on maintaining a commercially savvy mindset.

We are committed to continue focusing on providing top services to our customers (this has always been our core focus) through **digitalisation** and **automation** solutions.

We aim to simplify our product offerings and to **streamline** and digitize our processes in order to make our operations smarter, leaner and more digital.

#### Incorporation of ESG into strategy

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

The Supervisory Council and the Senior Management Team approve the climate commitment and the ambition level. The group's policies and organisational structure are designed to accommodate ESG issues. The highest governance bodies of BITÉ Group provide oversight of climate risks and general risk assessment schemes. More information can be found in the section of this report titled [Role of the highest governance body in overseeing the management of impacts](#).

BITÉ Group is committed to the climate targets of the Paris Agreement. The management's commitment has been increased by incentives for achieving ESG-related KPIs. More information about how incentives related to the Paris Agreement are integrated can be found on page 55 of this report, under [Process for determining remuneration](#).

In addition, we have performed an Environmental Impact Assessment based on the Greenhouse Gas Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development. Further information can be found in the section of this report titled [BITÉ Group's CO<sub>2</sub> emissions](#).

## Governance

### Risk management

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

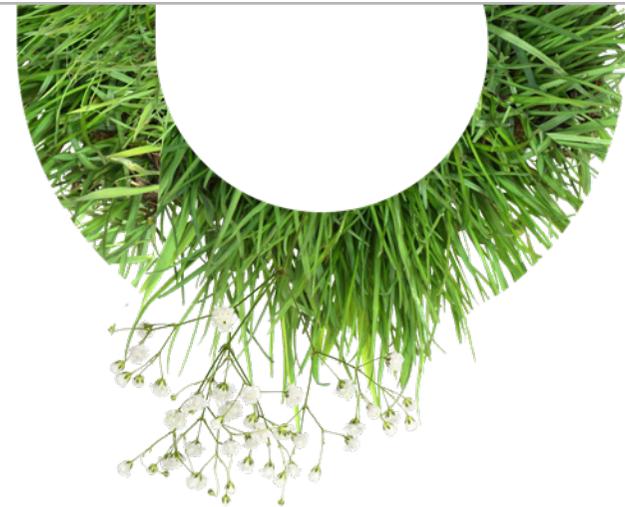
- Risk identification
- Assessment
- Mitigation
- Control

The managers at BITÉ Group have overall responsibility for the establishment and oversight of the risk management framework. Risk management processes are put in place to identify and analyse the risks faced by BITÉ Group companies, to set appropriate risk limits and controls, and to monitor how risks adhere 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 follow 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 3](#).

At BITÉ Group, systems and risk management processes are reviewed regularly to reflect changes in market conditions and activities. The activities of BITÉ Group expose it to various strategic, operational, financial, legal and regulatory risks (for a more elaborate risk description, please refer to the [Annual Consolidated Financial Statements](#) p. 9–11). Our goal is to embed climate-related risks into the BITÉ Group's risk management framework and tools.

Climate-related metrics and targets are directly related to BITÉ 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 tolerate bribery in any form. Gifts and hospitality are only suitable and permitted in keeping with the detailed rules set out in the BITÉ Transparency Policy with the requirements of local law. We only work with third parties able to commit to the same high standards as we do.

#### Transparency policy

Our employees are introduced to the Transparency Policy and receive relevant training when they join BITÉ Group. The Transparency Policy addresses communication about possible corruption, which is to be reported directly to a manager or by using our anonymous [Whistleblowing System](#). Transparency international – the global civil society organisation leading the fight against corruption – conducted an assessment of BITÉ Lithuania's compliance with the principles of transparency and gave the company the maximum possible score of 100%. Our core values are detailed in the [BITÉ Group Code of Conduct](#) which is in force at all BITÉ Group companies.

All our employees are encouraged to act honestly, openly and honourably, and in all their work to abide by the laws that govern BITÉ's activities, including the anti-corruption legislation that ensures the transparency of the BITÉ Group's 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 an 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 BITÉ Group, we believe in competing fairly and in abiding by 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 competition laws which are in effect, and we do not participate in any activities that restrict or impede effective competition. In addition, we follow all applicable anti-money laundering laws and are committed to working to prevent money laundering activities within our sphere of influence.

BITÉ 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 which will conduct an internal investigation. Anyone can report incidents via a completely anonymous [Whistleblowing System](#) which is easily accessible on our corporate website.

BITÉ Group is a member of global initiative UN Global Compact and adheres to the 10 principles that are derived from: the [Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption](#). These principles are incorporated into the [BITÉ Group Code of Conduct](#).

During the reporting year, 2022, we had **no confirmed incidents of non-compliance**. This is evidence that we act lawfully, ethically, and in the best interests of BITÉ Group as well as its shareholders, employees, the public and the environment.





Figure 9.  
Senior Management Team  
of BITĖ Group



**Pranas Kuisys**  
Chief Executive Officer  
of BITĖ Group



**Gintas Butėnas**  
Chief Executive Officer  
of BITE Lithuania



**Arūnas Mickevičius**  
Chief Executive Officer  
of BITE Latvija



**Aurimas Kapočius**  
Chief Operating Officer  
of BITĖ Lithuania



**Kęstutis Gailius**  
Group Chief  
Financial Officer



**Indrė Rakauskienė**  
Chief Financial Officer  
of TV3 Group



**Mindaugas Rauba**  
Group Chief  
Technology Officer



**Christian Anting**  
Chief Executive Officer  
of TV3 Group

# Indexes



## Indexes

### Sustainability Disclosure Topics and Accounting Metrics (SASB)

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

**Table 24. 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) 2022 – 265,626GJ (2) 2022 – 100%, (3) 2022 – 66%	TC-TL-130a.1
Data Privacy	Description of policies and practices relating to behavioural advertising and customer privacy	Every BITÉ 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	BITÉ 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 privacy	BITÉ 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 2022 – 8,228 Law enforcement requests in Lithuania (including automatic requests) 2022– 219,784 (2) As it is not possible to verify whether two records belong to the same customer, 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 25. 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	(1) Only data breaches involving personally identifiable information are measured and reported to supervisory authorities; but they are not publicly disclosed. (2) 100% of disclosed data breaches involved personally identifiable information. No sensitive data, according to the GDPR classification, is processed. (3) Measured and reported to supervisory authorities, but not publicly disclosed.	TC-TL-230a.1
	Description of the approach to identifying and addressing data security risks, including the use of third-party cybersecurity standards	BITÉ Group follows an Information Security Policy which is based on ISO 27001. Principal operations were evaluated by third-party audit in accordance with the National Institute of Standards and Technology's (NIST) Framework for Improving Critical Infrastructure Cybersecurity. During the year, 2022, BITÉ Group continued to improve its cybersecurity level and aligned, in most cases, with industry best practices by investing heavily in sophisticated tooling. BITÉ Group managed to increase its cybersecurity maturity and exceed the targeted score by reaching level of 4.04 under the NIST Cybersecurity Framework.	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) In 2022, BITÉ Group launched a handset rental service. At the end of rental period, we take back devices, refurbish them and rent them to our customers or resell them via partners in other markets. Digital care rent turnover comprised 1,333,518 euros. (2) N/A (3) All electronic equipment from our operations is utilised by EMP Recycling – the biggest electronic waste recycling company in the Baltic states and one of the 10 companies in Europe with WEEELABEX certificates for a wide flow of electronic waste management categories. Packaging waste is managed in accordance with agreements with Latvian Green Point and Unified Product, Packaging and Waste Record Keeping Information System ( <a href="https://www.gpais.eu/en/">https://www.gpais.eu/en/</a> ) the amount from these reports totalled 776,922 kg in 2022 (4) 0	TC-TL-440a.1

## Indexes

Table 25. SASB Accounting Metric Disclosures

Topic	Accounting metric	Disclosure	Code
Competitive Behaviour & Open Internet	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	BITÉ 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 speeds are not differentiated based on content type: in 2022, 74.01 mbps (in 2021, 48.51 mbps).	TC-TL-520a.2
	Description of the risks and opportunities associated with net neutrality, paid peering, zero rating and the related practices	BITÉ 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
Managing Systemic Risks	(1) System average interruption frequency (2) Customer's average interruption duration	A service interruption is considered significant if it meets the thresholds set out 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). <a href="https://www.law.cornell.edu/cfr/text/47/4.9">https://www.law.cornell.edu/cfr/text/47/4.9</a> : BITÉ Group had no significant disruptions, i.e., none 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	BITÉ 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 insurance against 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, machinery breakdown or other similar events.	TC-TL-550a.2

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Table 26. SASB activity metric disclosures

ACTIVITY METRIC	DISCLOSURE 2020 (thousand)	DISCLOSURE 2021 (thousand)	DISCLOSURE 2022 (thousand)	Code
Number of wireless subscribers	1,978	2,095	2,191	TC-TL-000.A
Number of wireline subscribers				TC-TL-000.B
Number of broadband subscribers	109	198	182	TC-TL-000.C
Number of pay TV subscribers	601	730	786	
Network traffic	299	434	547	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 27**.

Table 27. NFRD Index

NFRD Disclosures	Page reference
BITÉ Group business model	SR p. <a href="#">9</a> , <a href="#">10</a> , <a href="#">11</a> , <a href="#">12</a>
Policies pursued by BITÉ Group	SR p. <a href="#">40</a> , <a href="#">49</a> , <a href="#">53</a> , <a href="#">55</a> , <a href="#">59</a>
Outcome of the policies	Policies adopted in 2022 served as guiding principles for sustainability development at BITÉ Group and helped to achieve the results disclosed in this SR.
Principal risks and their management	SR p. <a href="#">58</a>
Non-financial key performance Indicators	SR p. <a href="#">10</a>
Reporting frameworks	NFRD, TCFD, SASB, GRI
Board's diversity disclosure	SR p. <a href="#">53</a>

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### Task Force on Climate-Related Financial Disclosure – TCFD

Table 28. TCFD Index

Core elements	Recommendations	Page reference
Governance	a. Describe the board's overseeing of the climate-related risks and opportunities	<a href="#">54</a>
	b. Describe the management's role in assessing and managing the climate-related risks and opportunities	<a href="#">54</a>
Risk Management	a. Describe the organisation's processes for identifying and assessing the climate-related risks	<a href="#">23</a>
	b. Describe the organisation's processes for managing the climate-related risks	<a href="#">24</a>
	c. Describe how the processes for identifying, assessing and managing the climate-related risks are integrated into the organisation's overall risk management	<a href="#">58</a>
Strategy	a. Describe the climate-related risks and opportunities the organisations has identified over the short, medium and long term	<a href="#">24–25</a>
	b. Describe the impact of the climate-related risks and opportunities on the organisations', businesses, strategy and financial planning	<a href="#">24–28</a>
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<a href="#">24–28</a>
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	<a href="#">32</a>
	b. Disclose the Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	<a href="#">32–33</a>
	c. Describe the targets used by the organisation to manage the climate-related risks and opportunities and its performance against the targets	<a href="#">36–37</a>

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### GRI Index

Table 29. Abbreviations used in the GRI Index

FS	PLT VII FINANCE S.à r.l. <a href="#">ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022</a>
SI	Shareholder Information available on <a href="https://www.bitegroup.net">https://www.bitegroup.net</a>
SR	BITÉ Group Sustainability Report for 2022

Table 30. GRI content index

Statement of use	BITÉ Group has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	<p>a. BITÉ Group is an operational name of subsidiaries officially managed by the parent company PLT VII International S.à r.l.</p> <p>b. BITÉ Group is privately owned by the parent company PLT VII International S.à r.l. – a limited liability company (société à responsabilité limitée).</p> <p>c. The headquarters of BITÉ Group is in Vilnius, Lithuania (EU).</p> <p>d. Countries of operation: Lithuania, Latvia, Estonia.</p> <p>More: SI <a href="https://www.bitegroup.net/group/about">https://www.bitegroup.net/group/about</a></p>
	2-2 Entities included in the organisation’s sustainability reporting	<p>a. A list of the entities included in the sustainability reporting is provided on AR p. 57: Investment in subsidiaries (business combinations and asset acquisitions).</p> <p>b. The list of entities included in the financial reporting corresponds to the list included in the sustainability reporting.</p> <p>c. The approach used for consolidating the information is equity share consolidation.</p>



GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-3 Reporting period, frequency and contact point	<p>a. Reporting period: from 1 January 2022 to 31 December 2022. Sustainability reporting is issued annually.</p> <p>b. Financial reporting aligns with the period of sustainability reporting.</p> <p>c. Financial reporting date of publication is 23 March 2023; sustainability reporting date of publication is October 2023.</p> <p>d. Contact point: BITÉ Group ESG Officer / Data Security Manager <b>Jolita Kurtinaitiene</b> <b>Jolita.kurtinaitiene@bite.lt</b> +370 699 23530</p>
	2-4 Restatements of information	There are no restatements of information from previous reporting periods.
	2-5 External assurance	<p>BITÉ Group follows the policy and practice of seeking external assurance of consolidated statements (FS) by one of the Big Four accounting companies. The results are presented to the highest governance body and senior executives. Consolidated financial results for 2022 are assured by PricewaterhouseCoopers UAB.</p> <p>The Science Based Targets initiative validated the corporate greenhouse gas emissions reduction targets submitted by <a href="#">BITÉ Group (Approved-Science-based-Target-Certificate)</a></p>
	2-6 Activities, value chain and other business relationships	SR p. <a href="#">56</a>
	2-7 Employees	SR p. <a href="#">42</a>
	2-8 Workers who are not employees	SR p. <a href="#">43</a>
	2-9 Governance structure and composition	SR p. <a href="#">52</a>
	2-10 Nomination and selection of the highest governance body	SR p. <a href="#">53</a>
	2-11 Chair of the highest governance body	SR p. <a href="#">52</a>
	2-12 Role of the highest governance body in overseeing the management of impacts	SR p. <a href="#">54</a>



GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	SR p. <a href="#">54</a>
	2-14 Role of the highest governance body in sustainability reporting	SR p. <a href="#">54</a>
	2-15 Conflicts of interest	SR p. <a href="#">53</a>
	2-16 Communication of critical concerns	SR p. <a href="#">54</a>
	2-17 Collective knowledge of the highest governance body	SR p. <a href="#">53</a>
	2-18 Evaluation of the performance of the highest governance body	SR p. <a href="#">53</a>
	2-19 Remuneration policies	SR p. <a href="#">55</a>
	2-20 Process to determine remuneration	SR p. <a href="#">55</a>
	2-21 Annual total compensation ratio	SR p. <a href="#">55</a>
	2-22 Statement on sustainable development strategy	SR p. <a href="#">4</a>
	2-23 Policy commitments	<a href="#">BITÉ Group Code of Conduct</a>
	2-24 Embedding policy commitments	Policies: SR p. <a href="#">40</a> , <a href="#">49</a> , <a href="#">53</a> , <a href="#">55</a> , <a href="#">59</a> Commitments: SR p. <a href="#">6</a>
	2-25 Processes to remediate negative impacts	SR p. <a href="#">58–59</a>
	2-26 Mechanisms for seeking advice and raising concerns	SR p. <a href="#">15–16</a>
	2-27 Compliance with laws and regulations	SR p. <a href="#">59</a> No significant instances of non-compliance during the reporting year (significant = more than 1000 euros)
2-28 Membership associations	SR p. <a href="#">57</a> <a href="https://www.gsma.com/">https://www.gsma.com/</a> <a href="https://infobalt.lt/">https://infobalt.lt/</a> <a href="https://www.first.org/">https://www.first.org/</a>	
2-29 Approach to stakeholder engagement	SR p. <a href="#">14</a>	
2-30 Collective bargaining agreements	SR p. <a href="#">48</a>	



GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR p. <a href="#">14-16</a>
	3-2 List of material topics	SR p. <a href="#">17</a>
	3-3 Management of material topics	SR p. <a href="#">15-16</a>
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	SR p. <a href="#">59</a> – No confirmed incidents of corruption during the reporting period.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR p. <a href="#">59</a> – No legal actions for anti-competitive behaviour, anti-trust, or monopoly practices.
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR p. <a href="#">30</a>
	302-2 Energy consumption outside of the organisation	SR p. <a href="#">30</a>
	302-3 Energy intensity	SR p. <a href="#">31</a>
	302-4 Reduction of energy consumption	SR p. <a href="#">31</a>
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR p. <a href="#">32</a>
	305-2 Energy indirect (Scope 2) GHG emissions	SR p. <a href="#">32</a>
	305-3 Other indirect (Scope 3) GHG emissions	SR p. <a href="#">33</a>
	305-4 GHG emissions intensity	SR p. <a href="#">34</a>
	305-5 Reduction of GHG emissions	All suppliers must comply with <a href="#">Supplier code of conduct</a>
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	No screening using environmental criteria was performed in 2022.
	308-2 Negative environmental impacts in the supply chain and actions taken	No negative environmental impacts were identified in 2022.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR p. <a href="#">44</a>
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR p. <a href="#">44</a>
	401-3 Parental leave	SR p. <a href="#">45</a>
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR p. <a href="#">46</a>

GRI STANDARD	DISCLOSURE	LOCATION
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	SR p. <a href="#">46</a>
	403-3 Occupational health services	SR p. <a href="#">46</a>
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR p. <a href="#">46</a>
	403-5 Worker training on occupational health and safety	SR p. <a href="#">46</a>
	403-6 Promotion of worker health	SR p. <a href="#">46</a>
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR p. <a href="#">46</a>
	403-8 Workers covered by an occupational health and safety management system	SR p. <a href="#">46</a>
	403-9 Work-related injuries	SR p. <a href="#">46</a>
	403-10 Work-related ill health	SR p. <a href="#">46</a>
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee
404-2 Programmes for upgrading employee skills and transition assistance programs		SR p. <a href="#">47</a>
404-3 Percentage of employees receiving regular performance and career development reviews		SR p. <a href="#">47</a>
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR p. <a href="#">49</a>
	405-2 Ratio of basic salary and remuneration of women to men	SR p. <a href="#">48</a>
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination during the reporting period.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	No screening using environmental criteria was performed in 2022.
	414-2 Negative social impacts in the supply chain and actions taken	No negative social impacts were identified in 2022
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Measured and reported to supervisory authorities, but not publicly disclosed.

**Annexes**







## Annex 1. EU taxonomy KPIs

Table 33. OpEx according to Taxonomy in 2022

Economic activity	NACE code(s)	Absolute OpEx 2022	Proportion of OpEx 2022	Substantial contribution criteria		Do no significant harm criteria										Category (enabling)	Category (transitional)
				Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx 2022	Taxonomy-aligned proportion of CapEx 2021			
				%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%		
<b>A. Taxonomy-eligible activity:</b>																	
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																	
Computer programming, consultancy and related activities	J62	9,637,320	2.74	N/A	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	2.74	N/A	E	
Programming and broadcasting activities	J60	106,013,201	30.17	N/A	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	30.17	N/A	E	
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>	J62 J60	115,650,521	32.91	N/A	100	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Y	32.91	N/A	E	
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																	
Data processing, hosting and related activities	J63.1.1	499,786	0.14	0	100	N	Y	Y	N	N/A	N/A	Y	0	N/A			T
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	J63.1.1	499,786	0.14														
Total: A.1 + A.2	J63.1.1 J62 J60	116,150,307	33.05														
<b>B. Taxonomy-non-eligible activities</b>																	
OpEx of Taxonomy-non-eligible activities (B)	J61	235,293,249	66.95														
TOTAL: A + B	J63.1.1 J62 J60 J61	351,443,556	100														

## Annex 1. EU taxonomy KPIs

### Accounting policy

BITÉ Group applies International Accounting Standards (IAS) and their amendments. The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020
- Reference to the Conceptual Framework – Amendments to IFRS 3.

The amendments listed above did not have any impact on the amounts recognised and disclosures in prior periods and are not expected to significantly affect current or future periods.

The Groups' total turnover, capital expenditure and operating expenditure were derived from the financial information enclosed into the [Annual Consolidated Financial Statements](#) that have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the IFRS Interpretations Committee (IFRS IC applicable to companies reporting under IFRS, as adopted by the European Union ('the EU'), issued and effective as at 31 December 2022. The consolidated financial results for 2022 are assured by Pricewaterhouse Coopers UAB, authorized by the Managers and approved for issue on 21 March 2023. Detailed accounting policies are listed in our [Annual Consolidated Financial Statements](#) p. 23.

### Specification of key performance indicators (KPI) in Annex 1:

BITÉ Group activities were evaluated in accordance with the EU taxonomy list of activities for climate mitigation and adaptation. Turnover, OPEX and CapEx related to EU taxonomy eligible activities in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006 were derived from related business lines in our accounting system and financial reports in the reporting year 2022.

In the previous reporting period 2021 only turnover of EU taxonomy eligible activities was reported. This year CapEx and OpEx KPIs were added to the report, thus there are no restatements to the reported information.

KPIs related to turnover are calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities, divided by the net turnover as defined in Article 2, point (5), of Directive 2013/34/EU. The turnover covers the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) 1126/20081 that qualify as enabling activities in accordance with Article 11(1), point (b) of Regulation 2020/852.

KPIs related to capital expenditure (CapEx) the proportion of CapEx referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator covering costs that are accounted based on: (a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii); (b) IAS 38 Intangible Assets, paragraph 118, (e), point (i).

The OpEx KPI referred to in Article 8(2), point (b), of Regulation (EU) 2020/852 is calculated as the numerator divided by the denominator covering direct non-capitalised costs that relate to maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, equipment by BITÉ Group or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

## Annex 1. EU taxonomy KPIs

### Contextual information

We reviewed the EU taxonomy list of activities for climate mitigation and adaptation and concluded that Data processing, hosting and related activities as well as Computer programming, consultancy and related activities attributed to the Information and Communication sector are relevant for BITÉ Group. The activities associated with NACE code J63.1.1 and J62 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. The calculation presents total turnover, OpEx and CapEx related to the activity in the reporting year 2022. BITÉ Group accounts CapEx and OpEx of Data processing, hosting and related activities (NACE code J63.1.1) as well as Computer programming, consultancy and related activities (NACE code 62) as a single ICT (Information and Communication Technology) business line, thus CapEx and OpEx were attributed to respective activities proportionally to the generated turnover. We considered that Data processing, hosting and related activities as well as Computer programming, consultancy and related activities substantially contribute to climate change adaptation, as we continue to invest into renewable energy, new data centres, equipment that meets the requirements laid down in Directive 2009/125/EC for servers and data storage products that does not contain the restricted substances listed in Annex II to Directive 2011/65/EU. Key drivers of change in the turnover KPI during the reporting period are revenues from contracts with customers from BITÉ Group telecommunication companies in Lithuania and Latvia. KPI turnover does not contain own internal consumption, however it is not possible to quantify the CapEx amounts related to Taxonomy-aligned activities pursued for own internal consumption as data is stored in the same data centres and transferred using the same transmission lines. OpEx KPI includes the expenditures relating to the day-to-day servicing of items of equipment, renewable electricity expenses that are included in the calculation of OpEx for both the numerator and denominator. The environmental objectives pursued by this activity are consistent with the BITÉ Group commitment to achieve GHG emission reduction targets approved by SBTi to limit temperature raise to 1.5 degrees by 2030 and to achieve net-zero emission by the year 2050. Activity has implemented adaptation solutions that substantially reduce the most important physical climate risks, such as georedundancy, back-ups and high availability technical means. These adaptation solutions do not adversely affect other economic activities, favour nature-based solutions - such as use of renewable energy, which is consistent with national adaptation plans. However, pre-defined indicators are not directly attributed towards the taxonomy eligible activities. To some extent pre-defined indicators can be applicable through ISO standards. Both BITÉ Group telecommunication companies are ISO14001 certified in 2022, and BITÉ Group services are also certified under ISO50001.

Analysis of EU taxonomy list of activities for climate mitigation and adaptation showed that Programming and broadcasting activities attributed to the Information and Communication sector are relevant for BITÉ Group. The activities associated with NACE code J60 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. BITÉ Group Media and Content segment activities were included into the calculation. The KPIs present total turnover, OpEx and CapEx related to those activities in the reporting year 2022 in BITÉ Group companies located in Lithuania, Latvia and Estonia. Media and Content segment includes the media operations in Lithuania, Latvia and Estonia, i.e., TV, commercial radio, streaming radio, video on demand, news and entertainment portals advertising services, wholesale and open market OTT services, content production and distribution services. Key drivers of change in the turnover KPI during the reporting period are revenues from other sources of income – contracts with customers and advertising in free TV media. Advertising revenues were included into the turnover as an integral part of the Programming and broadcasting activity. KPI turnover does not contain own internal consumption, however it is not possible to quantify the CapEx amounts related to Taxonomy-aligned activities pursued for own internal consumption as data is stored in the same data centres and transferred using the same transmission lines. OpEx KPI includes the expenditures relating to the day-to-day servicing of items of equipment, content costs that are included in the calculation of OpEx for both the numerator and denominator. The environmental objectives pursued by this activity are consistent with the BITÉ Group commitment to achieve GHG emission reduction targets approved by SBTi to limit temperature raise to 1.5 degrees by 2030 and to achieve net-zero emission by the year 2050.

# Annex 2. Independent review of EU Taxonomy disclosures



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## Independent Review of EU Taxonomy Disclosures

BITĖ Group<sup>1</sup> (hereinafter also referred to as "the company") engaged us to review and provide an independent expert opinion on its disclosures covering the year 2022 related to Regulation (EU) 2020/852<sup>2</sup> (hereafter referred to as "EU Taxonomy") and the delegated acts adopted thereon (hereafter referred to as "EU Taxonomy disclosures"). BITĖ Group's EU Taxonomy disclosures 2022 are provided on pages 26-28 and Annex 1. EU Taxonomy KPIs to the BITĖ Group Sustainability Report 2022.

The company is responsible for the voluntary reporting of non-financial information in accordance with the EU Taxonomy regulation and the delegated acts adopted thereon, as well as with the interpretation of the wording and terminology contained in the EU Taxonomy and the delegated acts adopted thereon, as is presented in sections "Accounting policy", "Specification of key performance indicators (KPI) in Annex 1" and "Contextual information" in Annex 1. EU Taxonomy KPIs to the BITĖ Group Sustainability Report 2022 (hereafter referred to as "interpretation").

Some wording and terminology in the EU Taxonomy and the delegated acts adopted thereon are still subject to considerable interpretation uncertainty and have not been officially clarified. As there is the imminent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation is prone to uncertainty. This uncertainty, in particular, also affects the quantification of performance indicators (KPIs) in measuring and/or evaluating these performance indicators.

### Reviewer's responsibility

We were not involved in the drafting of the BITĖ Group's Sustainability Report 2022. Our responsibility was to review the company's voluntary EU Taxonomy disclosures and to provide an independent expert opinion on the accuracy of the provided information in relation to the EU Taxonomy regulation, and whether it is meeting in principle the disclosure obligations set by Regulation (EU) 2021/2178<sup>3</sup>.

### Methodology

- As part of the independent review of the BITĖ Group's EU Taxonomy disclosures, our work included:
- Assessment of the overall format and presentation of the disclosures, considering the compliance of the provided information with the EU Taxonomy regulation and the delegated acts adopted thereon.
  - Identification of potential risks of material misstatement in the disclosures.
  - Inquiries of relevant personnel involved in the sustainability report preparation process about the preparation of disclosures and processes used to identify taxonomy-eligible and taxonomy-aligned economic activities.
  - Analytical assessment of selected disclosures.

Our independent review took place from 21<sup>st</sup> August to 4<sup>th</sup> September 2023. During the process, the company was allowed to make minor adjustments to the disclosures where necessary to meet in principle the EU Taxonomy regulation disclosure requirements.

<sup>1</sup>Group of entities, described in the BITĖ Group Sustainability Report 2022.

<sup>2</sup>Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

<sup>3</sup>Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.



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### Conclusion

Based on our work and the evidence gathered, nothing has come to our attention to indicate a material non-compliance of the provided information with the EU Taxonomy regulation. In our opinion, the disclosures represent an honest attempt to provide accurate information on the sustainability of the company's activities as established by the criteria in the EU Taxonomy.

BITĖ Group has chosen to voluntarily disclose the information concerning the EU Taxonomy to improve transparency of its sustainability reporting and better prepare for the upcoming reporting obligations, established by the Corporate Sustainability Reporting Directive (EU) 2022/2464. We congratulate the company on this initiative. However, we still encourage BITĖ Group to continue improving its EU Taxonomy disclosures. Together with this conclusion, we provided the company with recommendations. Should the company choose to follow these recommendations, BITĖ Group's interpretation of disclosures and calculation of Taxonomy-related KPIs might differ in its future reports.

### Restriction of Use

We draw attention to the fact that this independent review was performed for the purposes of the BITĖ Group and this statement is solely designed to inform the company about the findings of the review. Therefore, it may not be suitable for anything other than the aforementioned purpose. We are liable solely to the company and do not assume any responsibility to third parties. Our conclusion was not modified in this respect.

### Limitations

We have not carried out any work related to future projections outside the defined reporting period and statements of position, commitment, belief or opinion by BITĖ Group. Our review does not cover the external sources of documentation that the report provides links to.

### Independence, Impartiality and Competence

Sustain Advisory is an independent sustainability consulting company. Our team of certified sustainability specialists has trained and consulted over 200 companies in Lithuania and internationally on adopting best practices of sustainability reporting, ESG strategy creation, GHG calculation and more. Therefore, we have excellent practical and theoretical knowledge required to perform this assurance.

Sustain Advisory does not have a business relationship with BITĖ Group beyond that required of this assurance engagement. We have provided this assurance independently, there has been no conflict of interest.

All our work, including this assurance engagement, is based on ethical business practices and principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Ieva Kazakeviciute  
Director  
"Sustain Advisory"  
6<sup>th</sup> September 2023