



# SOCIAL RESPONSIBILITY REPORT 2018

**Amber  
Grid**



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## ON THE PROGRESS REPORT

In preparing a Social Responsibility Progress Report of the Company (hereinafter – the Progress report, the report) AB Amber Grid (hereinafter – the Company, “Amber Grid”) follows the principles of the Global Compact initiated by the United Nations (UN), and the recommendations of the Global Reporting Initiative (GRI) that help to assess performance in relation to relevant economic, environmental, workers, human rights, market and public relations indicators.

This report is prepared for all stakeholders: business partners, investors, employees and their trade union, media representatives, social partners, residents and local communities, other related organizations.

This is the third Social Responsibility Progress Report of the Company. Previous performance of the Company in the area of social accountability has been published as part of annual reports.

This Progress report presents works and achievements of Amber Grid in 2018 in the area of social responsibility that is related to the market, environmental protection, relations with the employees and the society. The report describes the strategic directions, actions and achievements of the Company’s social responsibility.

We invite you to submit questions or points for consideration and comments on the improvement of the social responsibility report by e-mail [soc.atsakomybe@ambergrid.lt](mailto:soc.atsakomybe@ambergrid.lt).

In 2018, no feedback was received from the stakeholders on the 2017 report or on the ongoing responsible activities.

This Progress report is made in Lithuanian and English, and is publicly available on the Company’s website [www.ambergrid.lt](http://www.ambergrid.lt) (in the column “Social responsibility”), on the website of Nasdaq Baltic Stock Exchange. The report has not been audited.

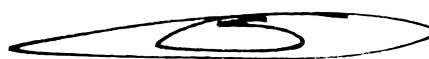
## STATEMENT FROM THE CEO



**Dears,**

We consider a socially responsible business as openness to a different approach, positive initiatives, dialogue, collaboration and innovation. It is creativity in generating valuable ideas and implementing them, by treating challenges as a new opportunity to build your success, and responsibility for own actions that are based on morality, active care not only for yourself but also for your environment, communities, your country.

I invite to make yourself familiar with the Social Responsibility Report of Amber Grid, which provides an overview of the key initiatives and achievements of the company's socially responsible activities. I assure you that we will continue to strive to act responsibly and will actively participate in building a more sustainable future.



Sincerely yours,  
**Saulius BILYS**

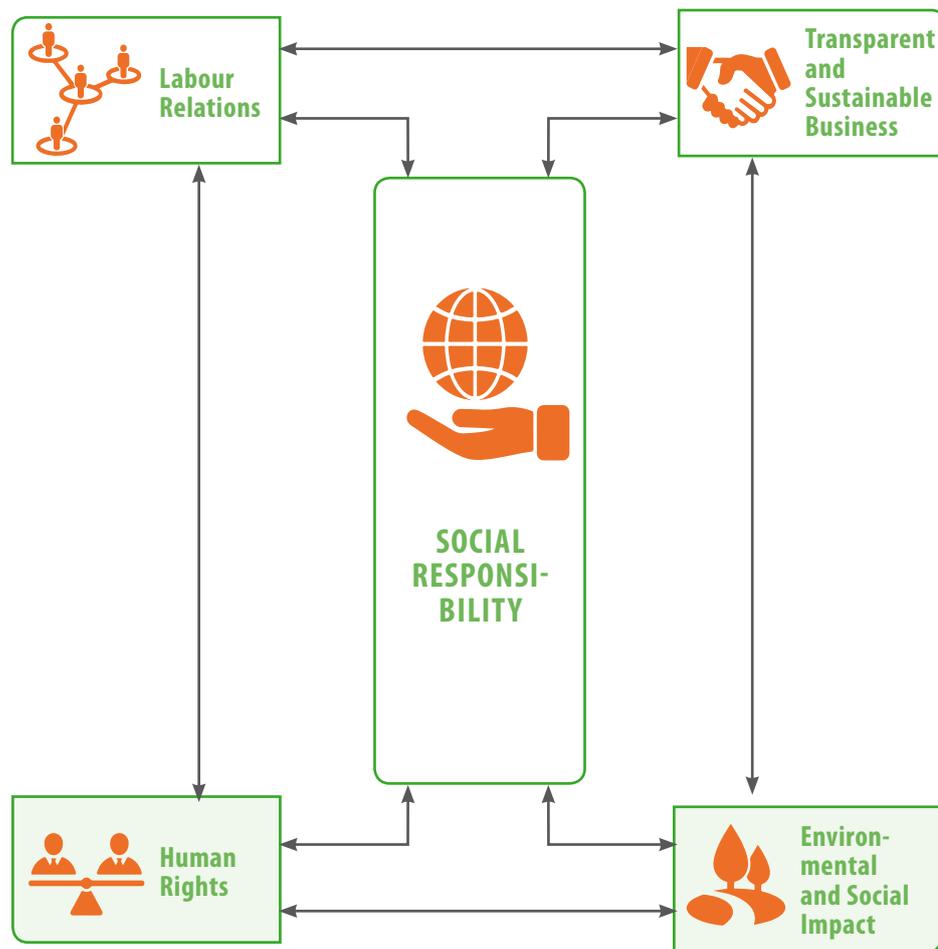
# PRINCIPLES AND PRIORITIES OF RESPONSIBLE ACTIVITIES

Amber Grid believes that the ways in which the result is achieved are of importance. Consequently, based on good practice of the country and of international organisations, the company aims to improve business practices, implement modern human resource management and apply natural resources-friendly technologies, human health-friendly materials and processes. In planning its activities, the Company takes into account the economic and social expectations of the stakeholders, ensures transparent management, develops ethical relationships in the market, implements corruption prevention measures and contributes to creating a good business climate

in the country. The Company seeks to maintain the status of a reliable social partner at national level by contributing to addressing the social challenges of our society.

The Social Responsibility Policy in the Company is based on the Company's vision, mission, values as well as on the activities and objectives approved in the five-year strategy - development of regional activities and ensuring the success of strategic projects, efficient activity, creating and advanced organization. Responsibility of the Company in the broad sense is focused on these key areas (see fig. 1):

Fig. 1. Areas of social responsibility policy



**SOCIAL RESPONSIBILITY IN THE MARKET: AN EFFICIENT AND TRANSPARENT BUSINESS** – Open and honest cooperation with the stakeholders who help implement socially responsible business provisions, secure and reliable transmission of natural gas to system users, fight against corruption and bribery, ensuring competitiveness, fairly paid taxes;

**SOCIAL RESPONSIBILITY IN THE AREA OF ENVIRONMENTAL PROTECTION** – Effective use of natural resources in the activities, participation in ecological landscape and biodiversity preventive programs, promotion of environmentally friendly attitude among employees, contractors, suppliers and the society;

**SOCIAL RESPONSIBILITY IN RELATIONS WITH THE EMPLOYEES** – Responsibility towards the employees, care for the health, safety and equal rights of the company's employees, application of advanced performance management and reward systems, creation of conditions for personal and professional development of employees, development of general competencies;

**SOCIAL RESPONSIBILITY IN RELATIONS WITH THE SOCIETY** – Development of various social initiatives, volunteering and other projects for local communities and nationally, cooperation with scientific institutions. Once a year, a survey is conducted to assess the Company's socially responsible activities in the area of corporate governance. The results are used to assess the importance of the measures taken and to determine the level of maturity, and to prepare a plan of specific actions of social responsibility for the next year that helps effectively achieving the goals pursued.

## VALUES, STRATEGY AND GOALS OF THE COMPANY

The Board of Amber Grid approves the operational strategy of the Company. The strategic directions in 2017-2022 operational strategy correspond to the strategic directions formed by the main shareholder UAB EPSO-G - development of regional activities and ensuring the success of strategic projects, sustainable growth of the company and ensuring long-term shareholder benefits, efficient operation and innovations, the developing and advanced organization (see fig. 2).

In the perspective of 2017–2022, Amber Grid sees the gas market of the region of four Eastern Baltic countries, specifically Lithuania, Latvia, Estonia and Finland, as one common market, i.e. the market that operates according to a harmonized set of rules, with a single formed zone of gas trading, balancing and exit-entry points. After building an interconnection between Amber Grid and GAZ-SYSTEM S.A. (after implementing a pipeline connection between Poland and Lithuania), the gas market in the region will be linked to the European Union gas market.

In order to contribute to the development of renewable energy sources (RES), the company

intends to start developing activities related to the introduction of system of guarantee of origin of gas made of RES.

There are plans to develop an effective organizational structure for the improvement of the activity management. For this purpose, the company plans to create an efficiency improvement plan in the light of the results of internal analyses carried out, and will also conduct a comparative analysis of the performance of the European WHO. On the basis of the results of the analysis, improvements to ongoing business processes will be carried out. The company will continue to systematically implement advanced management techniques.

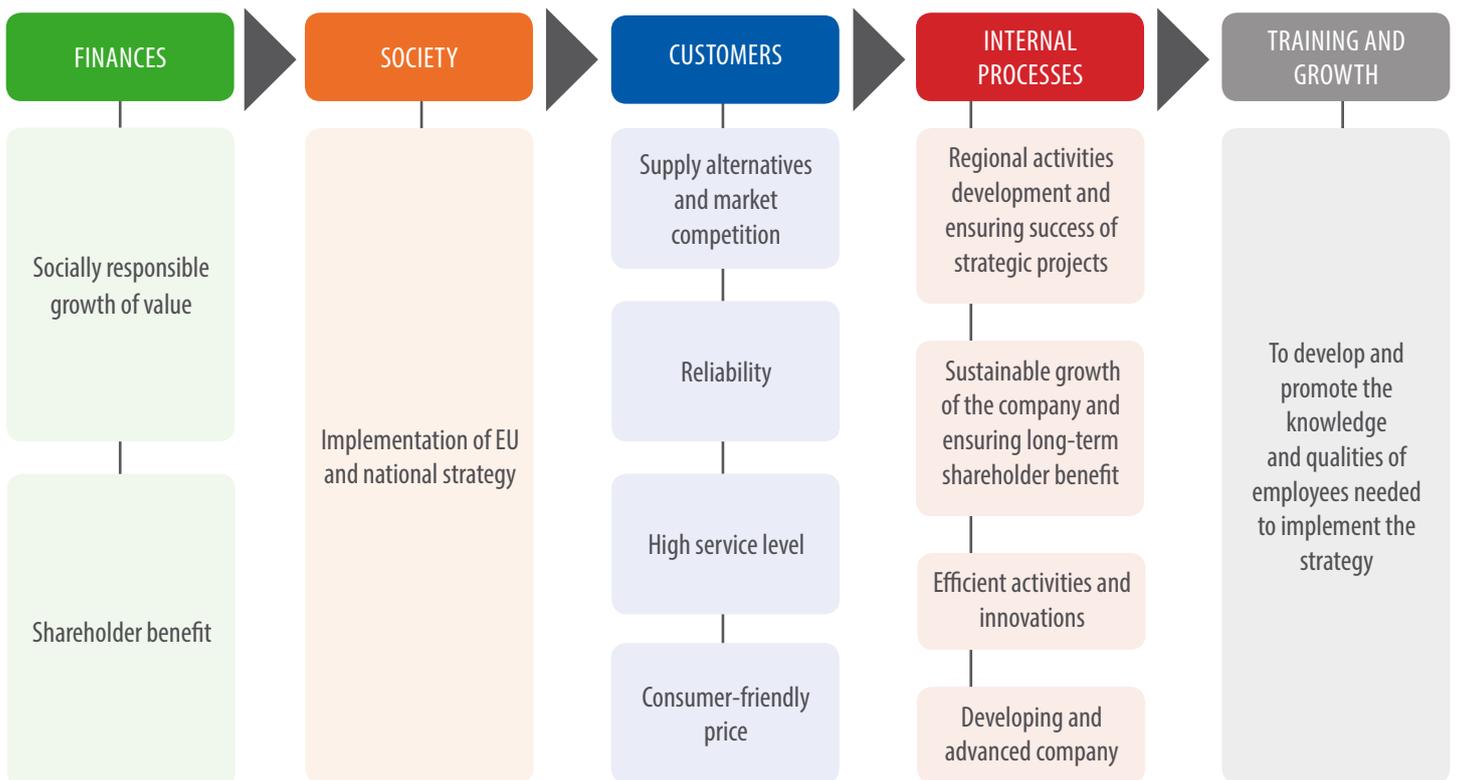
The development of technological processes will include the digitization of IT systems. The company plans to introduce the Asset Management IT system, to develop a reliable IT system for efficient gas flow management and interactive information exchange between the transmission system operator and system users. These projects are included in the Company's IT Systems Development Strategy.

Much attention will be also paid to ensuring cyber security of IT systems. The existing IT systems will be reviewed, and the newly installed systems will be subject to specific safety requirements.

## In the perspective of 2017–2022,

Amber Grid sees the gas market of the region of four Eastern Baltic countries, specifically Lithuania, Latvia, Estonia and Finland, as one common market, i.e. the market that operates according to a harmonized set of rules, with a single formed zone of gas trading, balancing and exit-entry points.

Fig. 2. Presentation of Amber Grid strategy



## MISSION, VISION, VALUES OF THE COMPANY

### VISION OF AMBER GRID

An innovative energy company in an integrated European gas network.  
 To implement the strategic directions, Amber Grid models an appropriate organizational culture that is based on the Company's values. Amber Grid" is guided by common human, national and professional values. The values of Amber Grid form the foundation of the Company's behavior, performance, culture of the organization.  
 A description of the Company's values is presented below.

### MISSION OF AMBER GRID

We provide effective and reliable gas transmission, we create favourable conditions for competition in the gas market and for the development of renewable energy sources.

### VALUES

#### PROFESSIONALISM

- ➔ I do the job better than expected
- ➔ I say what I do, and I do what I say
- ➔ I keep my promises

#### COOPERATION

- ➔ I communicate clearly and in a comprehensive manner
- ➔ I demonstrate my position and respect other people
- ➔ I help others to achieve the result

#### ADVANCEMENT

- ➔ I take the initiative and learn from mistakes
- ➔ I am looking for new ideas and implement them
- ➔ I am constantly strengthening my skills and sharing them

## STAKEHOLDERS

In implementing the objectives set out in the operational strategy, the Company values and seeks to take into account the social and economic interests and expectations of the stakeholders. Each direction of strategic activities is linked to one or more stakeholders. Official, partnership or consultative contacts are maintained with groups or individuals that/who express interest in Amber Grid activities. The stakeholders are provided with detailed information related to the Company's activities, except for cases that are regulated by the Company's sensitive information policy. At least once a year, the Company presents publicly financial and non-financial reports to the stakeholders. The company informs local communities in advance about the projects

that are carried out in their neighbourhood. During the implementation of the projects, the time of the works is coordinated with the locals to minimize the inconvenience caused by the work being done. The company participates in the activities of other organizations and institutions within its competence, consults with the market participants, supports and develops social dialogue, shares experience, organizes information events and regular meetings.

### The stakeholders affecting successful activities of Amber Grid:

- ➔ Customers;
- ➔ State representatives;
- ➔ The general public and media;
- ➔ Foreign partners;
- ➔ Regulatory authorities;

- ➔ Suppliers and service providers;
- ➔ Shareholders;
- ➔ Employees;
- ➔ Contractors;
- ➔ Trade unions;
- ➔ Local communities.

**AB Amber Grid defines its responsibilities and relies on the following documents in its activities:**

### Internal policies and procedures of the Company:

- ➔ Collective agreement;
- ➔ Code of Organizational Culture;
- ➔ Ethical employment and working conditions policy;
- ➔ Environmental and occupational safety and health policy;
- ➔ Equal opportunities policy;

### Documents that are valid for EPSO-G group companies:

- ➔ Corporate governance policy. It is aimed at ensuring good governance practices in EPSO-G group of companies by setting uniform principles of corporate governance in the group of companies and interaction between parent company and other group companies;
- ➔ Social responsibility policy. It is aimed at improving business practices, implementing modern human resource management, applying natural resource-friendly technologies, materials and processes that have no negative effects on human health, based on good practice of the country and international organizations;
- ➔ Transparency and communication policy. It is aimed at helping to communicate more efficiently with each other and with external stakeholders: the society, shareholder, market controllers, etc.;
- ➔ Corruption prevention policy. It is aimed at establishing the basic principles and requirements of corruption prevention and the guidelines for ensuring compliance with them in EPSO-G group of companies, and conditions for implementing the highest standards of transparent business performance;
- ➔ Employee remuneration policy. It is aimed at proper management of wage costs

and developing motivational incentives to make the reward directly dependent on the achievement of the goals that are raised for the company and each employee;

- ➔ Accounting policy. It is aimed at ensuring that stakeholders are able to assess the performance, prospects of the group's companies, and to make appropriate economic decisions
- ➔ Dividend policy. It is aimed at establishing clear guidelines for expected equity

and return on investment for existing and potential shareholders, by ensuring simultaneously the sustainable long-term growth of the value of companies, timely implementation of strategic projects that are of importance for the country, thus consistently strengthening confidence in the whole group of energy transmission and exchange companies;

- ➔ Interest management policy. It is aimed at developing in EPSO-G group of companies a unified interest management system

that is in line with good practice to ensure that decisions in the group's companies are taken objectively and impartially, as well as to create an environment that is unfavourable to corruption and to increase confidence in the activities of the group's companies;

- ➔ Sensitive information protection policy. It is aimed at developing a uniform system for the identification, use and protection of confidential and commercially (industrially) sensitive information, and to help members of the management bodies and employees of EPSO-G group's companies in protecting confidential information entrusted to them from inappropriate and harmful disclosure;
- ➔ Technological assets development and operation policy. It is aimed at consistent implementation of the principles for the management and development of electricity and natural gas infrastructure that are based on cost analysis, at implementing advanced technologies, at management and development of energy transmission infrastructure in a socially responsible way, taking into account the requirements of occupational safety and environmental protection;
- ➔ Support policy. It is aimed at ensuring that the support provided is public and does not raise public doubts as to its expediency and the transparency of the allocation process;
- ➔ Risk management policy. It is aimed at implementing in EPSO-G group of companies a uniform risk management system in accordance with COSO ERM standards applied in international practice, that define the principles and responsibilities for identifying, assessing and managing risks
- ➔ Employee Performance Assessment Policy. It is aimed at developing a consistent system for evaluating individual goals of the employees to help effectively manage wage costs, and at creating motivational incentives for the employees who perform their duties properly and exceed expectations;
- ➔ And other.



# ABOUT THE COMPANY

Amber Grid is Lithuanian Natural Gas Transmission System Operator that is responsible for natural gas transmission (high-pressure pipeline transportation) to system users, operation, maintenance and development of natural gas infrastructure. The Company has been operating since 1 August 2013, when the temporary natural gas transmission license, which was issued to the company by the State Control Commission for Prices and Energy (hereinafter referred to as the NCC), came into force.

The Company manages UAB GET Baltic, which organizes trading on the natural gas exchange and which was issued with a licence of a natural gas market operator by the NCC. Currently, UAB GET Baltic organizes trading on the natural gas exchange in Lithuanian, Latvian and Estonian markets. Amber Grid owns 100 percent of UAB GET Baltic shares.

Since 1 November 2015, Amber Grid is a member of the European Network of Transmission System Operators for Gas (ENTSO-G).

## KEY PERFORMANCE INDICATORS

In 2018, the company's income amounted to 54.3 million EUR and, compared to 2017, decreased by 15.6 per cent. This was mainly influenced by a 36.5 percent reduction in the price of gas transmission services for domestic customers.

Due to the impairment of fixed assets at the end of 2018, the Company's operation in 2018 was loss-making. Net loss amounted to 21.6 million EUR. Excluding the impact of a one-off asset impairment, the net profit in 2018 amounted to 10.4 million EUR (in 2017, as a result of the revaluation of fixed assets and recorded impairment, the net loss amounted to 9.9 million EUR, the net profit in the last year before the revaluation impact was 20.3 million EUR). In 2018, the Company transported 22.3 TWh of natural gas to Lithuanian consumers up to the internal exit point, or 8,1 % less than in 2017, and an amount of 27.8 TWh of natural gas was transported to the Kaliningrad Region of the Russian Federation (in 2017 - 25.7 TWh).

## CORPORATE GOVERNANCE

According to the Articles of Association in force, the Company's management bodies are:

*Fig. 3. The principles of management of Amber Grid*



### GENERAL MEETING OF SHAREHOLDERS

The General Meeting of Shareholders is the highest governing body of the Company. During the reporting period, the Company's shareholders had equal rights (property and non-property) provided for in laws, other legal acts and the Articles of Association of the Company. None shareholder has been granted exclusive rights, all shareholders have equal rights. During the reporting period, the Company's management bodies created the right conditions for the implementation of shareholders' rights.

### THE BOARD OF THE COMPANY

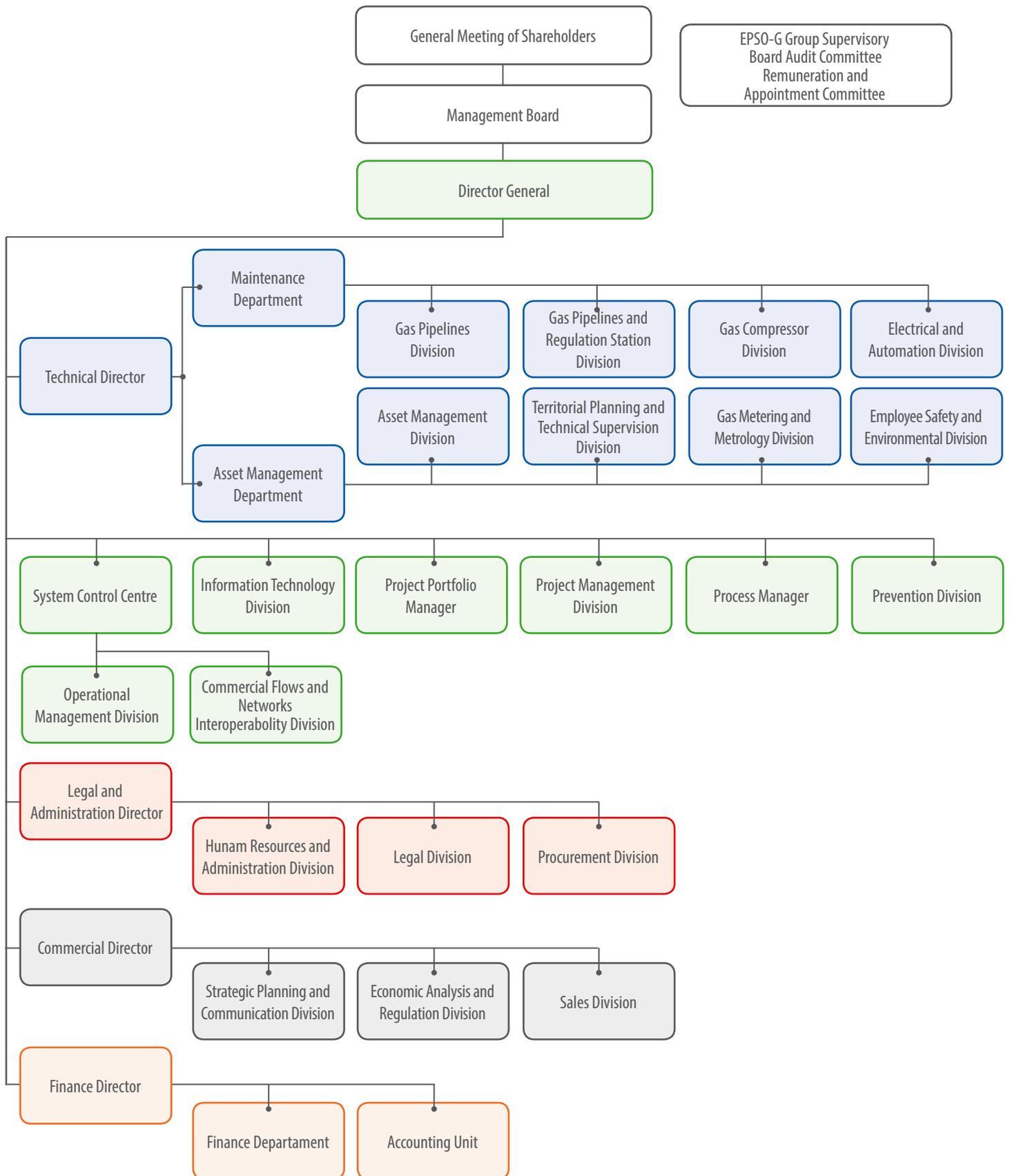
On 1 January 2018, when amendments to the Law of the Republic of Lithuania on Companies entered into force, the responsibilities of the Board of Amber Grid were expanded by providing it with supervisory functions. In accordance with the provisions of the law, the composition of the Board was renewed – the work of the company's administration representatives in the Board was replaced by new members not related with the company through employment relations. In order to continue to comply with good governance practice, the representatives of the administration of the company who perform the executive function, may no longer be elected to the five-member board that performs supervisory function. It is provided for in the Articles of Association of the Company that the Board of the Company consists

of 5 (five) members elected for a period of four years. The Board of the Company consists of two independent members and three employees of the parent company UAB EPSO-G. The Board is elected by the General Meeting of Shareholders for a four-year term. The continuous term of office of a member of the Board is no longer than two full successive terms of office, i.e. no more than eight consecutive years. The principle of proper representation of all shareholders' rights in the Board is ensured in electing the members of the Board. The competences of the members of the Board are in line with the core areas that are directed by the Board. In proposing candidates to take the position of the members of the Board, priority is given in particular to the candidate's competence and the need to ensure that the board has representatives of all relevant competencies as per the core directed areas. The Board elects the Chairman of the Board from its members.

### DIRECTOR GENERAL

The Head of the Company – the Director General is a single-person management body of the Company who is elected, appointed, recalled and dismissed by the Board of the Company. The laws, other legal acts and the Articles of Association of the Company stipulate the competence of the Director General, the procedure for the election and revocation. The Director General organizes the activities of the Company, manages it, acts on behalf of the Company and enters into transactions unilaterally, except in cases provided for in the Articles of Association of the Company and legal acts.

## AB AMBER GRID CORPORATE GOVERNANCE STRUCTURE



## SHAREHOLDERS

As of 31 December 2018, more than 2,200 natural and legal Lithuanian and foreign citizens were the shareholders of the Company, of which the shareholder UAB EPSO-G owned a controlling stake (96.58%) in the Company. The rest of the Company's shares (3.42%) is quoted on the additional trading list of NASDAQ Vilnius Stock Exchange Baltic.

The main shareholder of the Company – UAB EPSO-G is 100% owned by the Ministry of Energy of the Republic of Lithuania.

## MEMBERSHIP IN ORGANISATIONS

The Company is a member of the European Network of Transmission System Operators for Gas (ENTSOG) ([www.entsog.eu](http://www.entsog.eu)), of the association “Polish-Lithuanian Chamber of Commerce” and of the National Energy Association of Lithuania.

**Table 1. Shareholders of the Company**

Shareholder	Address of the registered office / legal entity's code	Number of shares owned under the right of ownership, pcs
UAB EPSO-G	A. Juozapavičiaus str. 13 Vilnius, Lithuania / 302826889	172.279.125
Small shareholders		6.103.389
<b>Total</b>		<b>178.382.514</b>

The ENTSOG was established under Regulation (EC) No 715/2009 of the European Parliament and of the Council as an organization for cooperation between gas transmission system operators at European Community level.

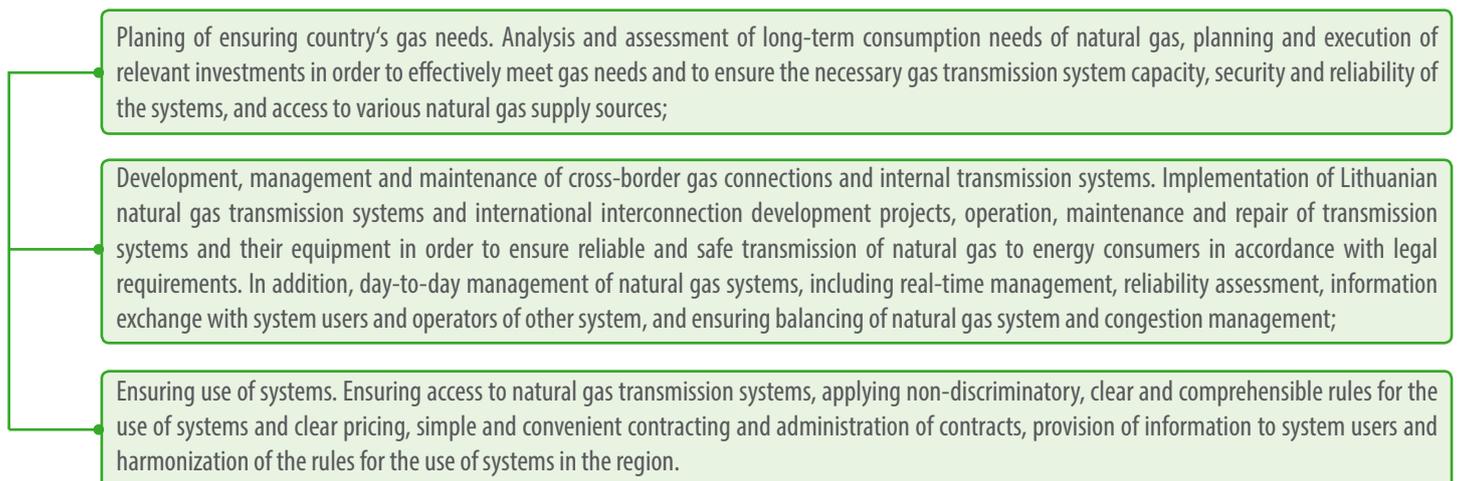
The association “Polish-Lithuanian Chamber of Commerce” is a bilateral Lithuanian-Polish economic cooperation organization. The association collects information for its members about business opportunities in both countries, cooperates with organizations and individuals ensuring business management

and development, organizes conferences and thematic events.

The National Energy Association of Lithuania was established in 2016. The Association forms the common position of the energy sector, represents the interests of its members at the state institutions, public and international organizations, aims to develop and improve the conditions of Lithuanian electricity and gas supply to the country's consumers, and promote the economic and technical progress of the energy sector.

## DESCRIPTION OF SUPPLY CHAIN

The value created by the Company – ensured reliability of natural gas transmission systems, availability of transmission infrastructure, and created conditions of competition in the natural gas market. The value chain of the Company consists of key equivalent processes



The prices of natural gas transmission services provided by “Amber Grid” and of balancing are regulated by the NCC.

In 2018, the Board of the Company established the prices of natural gas transmission services for 2019 - thanks to the Company's focus on operational efficiency, the deployment of smart network maintenance technologies and the pre-attribution of part of the permissible income level to short-term services they will not reach the ceiling set by the NCC.

The prices of natural gas transmission services, that are valid from 1 January 2019, are published on the website of AB Amber Grid [www.ambergrid.lt](http://www.ambergrid.lt).

The Company purchases various goods, services and works necessary for efficient operation from the suppliers operating in the market. This is done in accordance with the Law on Public Procurement.

## RISK MANAGEMENT

The Company's risk management methodology has been prepared in accordance with the provisions of the International Standard COSO ERM (edition of June 2017), the Risk Management Methodology of EPSO-G and the internal documents of Amber Grid

Figure No 4 presents a scheme depicting the Risk Management Model of the Company according to the COSO ERM standard. Risk management is a unified part of the Company's management and planning, including the Company's mission, vision and values. The principles of risk management help to create, preserve and realize the value of the Company. The risk management model defines the key conditions that are necessary for the efficiency and effectiveness of risk management in the Company.

**Fig. 4.** Risk Management Model according to the COSO ERM standard



# RESPONSIBILITY AND TRANSPARENCY

The Company does not tolerate in its activities any manifestations of corruption, inappropriate benefits, gift acceptance, provision, offer, promise or requirement by abusing current positions. The Company's corruption prevention activities are based on national legislation and voluntary obligations overriding them:

All Company's managers are directly responsible for the implementation of anti-corruption measures and show an example for their employees;

Proportionate anti-corruption procedures based on risk assessment are applied;

The assessment of corruption related risks is carried out on a regular basis, the measures to reduce corruption related risks are planned and adapted, the effectiveness of anti-corruption activities is monitored and, if necessary, more effective measures are implemented.

In April 2018, a meeting was held between the Company's management and the employees responsible for the Lithuanian-Polish gas connection project (GIPL), and the responsible officials of the Special Investigation Service of the Republic of Lithuania on the transparency of the implementation of the GIPL project. The possible risks (threats) that could arise during the implementation of the tenders of the project and during the project implementation, preventive measure as well as the possibilities of cooperation were discussed during the meeting.

In February 2018, during the meeting, the Company's Commission for Ensuring Implementation and Control of Implementing Rules for Corruption Prevention Policy adopted 2 decisions:

on the realization of gifts handed over to the Company in 2017;

on confirmation of the conclusions of the Security manager's investigation on possible conflicts of interest of 3 employees of the Company. On the basis of the approved conclusions, 2 employees were punished for the untimely and incomplete declaration of private interests.

In accordance with the Rules for Implementation of the Corruption Prevention Policy of the Company, in January-February 2018 the Company's employees declared private interests (hereinafter - Declarations). In 2018, 3 Declarations were revised / supplemented (in 2017 – 2 declarations). In 2018, 2 employees informed the Security manager of the Company of the possible situation of conflict of interest (in 2017 – four employees).

In July 2018, the Company has joined the policy of managing the interests of the members, managers and employees of the collegial bodies of UAB EPSO-G group of companies and applies it to the full extent with additional regulation. In other words, henceforth, the Company's employees declare their private interests in accordance with the aforementioned policy.

Violations of legal provisions and rules of conduct, of ongoing transactions and accounting by the Company's managers and employees, bribery, corruption, impact trading, abuse, conflict of interest, nepotism and cronyism, violations of the requirements of transparency, equality, non-discrimination, proportionality and impartiality of procurements carried out can be reported by a trust line: by e-mail [sauga@ambergrid.lt](mailto:sauga@ambergrid.lt) or by telephone: +370 666 06 084; +370 5 232 7787. This information is only available to the Company's Corruption Prevention Officer, who ensures the full confidentiality of its sender.

In 2018, a report / complaint that the Company opposes the issue of a building permit to private individuals for the construction of residential houses alongside a trunk gas pipeline has been received by a trust line. After taking initial verification steps, it has been found out that the Company cannot agree to issue this permit, as the territory falls within the protection zone of a gas pipeline, where the construction of residential houses is prohibited by the legislation of the Republic of Lithuania (no reports and complaints were received in 2017).

In the 3rd quarter of 2018, the Head of the Company's Prevention Unit, in accordance with the Law of the Republic of Lithuania on Corruption Prevention, the provisions of the Procedure for conducting corruption risk

In 2018,

**2 employees**

**informed the Security manager of the Company of the possible situation of conflict of interest, in 2017**

**4 employees**

analysis approved by the Order No 1601 of the Government of the Republic of Lithuania of 8 October 2002 "Regarding the approval of the Procedure for conducting corruption risk analysis", having regard to the recommendations for the identification of areas of activity of State or municipal institutions where there is a high probability of corruption approved by the Order No 2-170 of the Director of the Special Investigation Service of the Republic of Lithuania of 13 May 2011 "Regarding the approval of the recommendations for the identification of areas of activity of State or municipal institutions where there is a high probability of corruption, has carried out in the Company the determination and assessment of probability of occurrence of corruption and of areas of activity where there is a high probability of occurrence of corruption.

In 2018, the Company's performance in managing inventories and non-current assets was assessed. In accordance with the criteria set forth in Article 6 (4) and (6) of the Law on Prevention of Corruption, after assessing the information collected and taking into account the measures taken by the Company to reduce probability of occurrence of corruption, it was concluded that there is a minimum probability of occurrence of corruption in managing inventories and fixed assets in the activities of Amber Grid.

On 26 October 2018 and on 9 November 2018, annual corporate anti-corruption events / trainings were organized for the responsible employees of the Company (taking decisions on behalf of the Company, participating in procurements, etc.). During these training

sessions the participants were taught / discussions were held how to recognise situations of conflict of interest, conflicts of interest, how to avoid conflicts of interest. 45 employees of the Company participated in the training (50 employees in 2017).

## PUBLIC PROCUREMENTS

### REGULATION

When planning and executing procurements and procurement agreements, the Company is guided by the provisions of the Law of the Republic of Lithuania on Procurement Carried out by Contracting Entities in the Spheres of Water Management, Energy, Transport or Mail Services (hereinafter referred to as the Law), of other legislation governing procurement and applicable to the Company, or good commercial practice where the law does not apply to certain procurements.

### INTERNAL PROCESSES

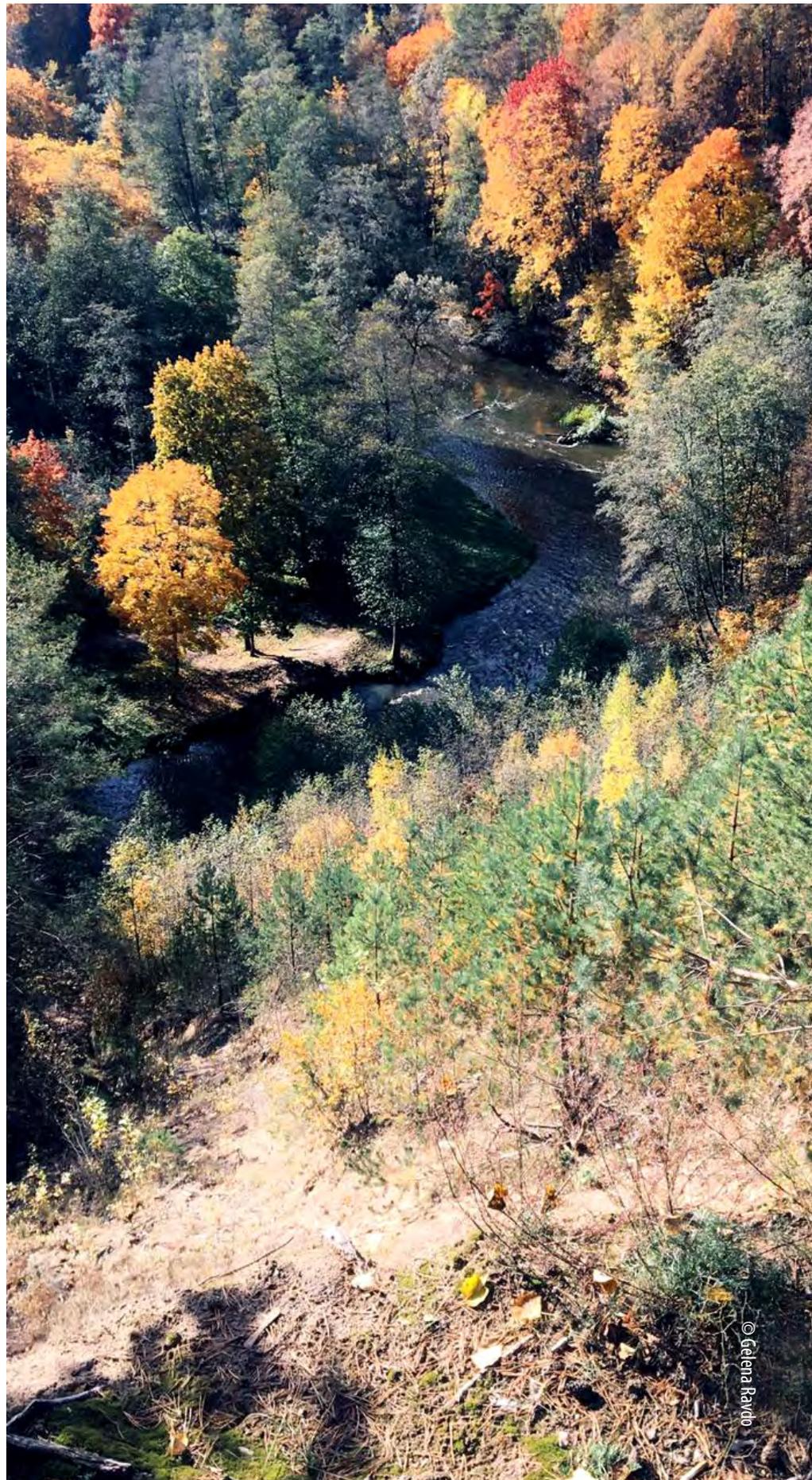
The planning and execution of procurement in the Company are regulated by approved processes and documents. Procurements are planned in the Company and the Procurement Summary is published according to the procedure established by the Law. Normally, procurements in the Company are carried out by procurement commissions, whereas low value procurements are carried out by procurement organizers appointed by the order of the Director General. Multi-level controls are ensured in decision-making.

### TRANSPARENCY

All persons participating in the Company's procurements, as well as those who may have direct or indirect influence over them, have signed declarations of impartiality and confidentiality pledges. The Company makes publicly available the procurement contracts it has concluded in accordance with the procedure established by the Law. The Company also prepares and provides to the Public Procurement Office:

report on procurement procedures for each completed procurement;

reports of public procurement contracts, of procurement contracts and of internal transactions for all procurements made during the calendar year.



© Gelena Pavlova

# EMPLOYEES

On 31 December 31 2018,  
the Company had

**329 employees**

The employees represent the strength and main property of AB Amber Grid - experienced and competent professionals implementing projects of strategic importance to the state. The company is focused on the development of the professional skills of the employees and the formation of a value creating business culture. The Company is aiming to make the Company's employees proud that they work in an advanced organization, the employees are allowed to develop in the professional field, to reconcile professional and family responsibilities, tolerance of individual differences is encouraged.

On 31 December 31 2018, the Company had 329 employees (on 31 December 2017 – 346 employees). Table 2 presents their distribution according to the groups of positions held. In 2018, the Company's employee turnover rate was 12.4 % (in 2017 – 6,2 %). The employee turnover rate in 2018 has increased due to the changes in the organizational structure.

**Table 2.** Employee structure by categories

GROUPS OF POSITIONS	Number of the employees on 31 December 2018 <sup>2</sup>	Number of the employees on 31 December 2017
Director General	⇌ 1	1
Top-level managers	⇌ 4	4
Middle-level managers	↓ 27	28
Experts-specialists	↓ 173	195
Workers	↑ 124	118
<b>All employees</b>	↓ <b>329</b>	<b>346</b>

Table 3 presents the structure of employees by educational background.

**Table 3.** Structure of employees by educational background

EDUCATIONAL BACKGROUND	Number of the employees on 31 December 2018	Number of the employees on 31 December 2017
University degree or equivalent	↑ 190	188
Non-university higher education	↓ 50	54
Secondary and vocational	↓ 89	104

## REWARD SYSTEM

The purpose of the company's reward system is to create motivational incentives for the employees to ensure that the value of their remuneration is linked to the achievement of the set objectives and tasks. Therefore, the remuneration of all the employees of Amber Grid is comprised of two parts - fixed and variable. The fixed part of the remuneration depends on the level of

responsibility for the position held, which is determined according to the methodology applied in international practice. The variable part of the remuneration is not a bonus and is paid when the Company's objectives and the individual ones that have been agreed during the annual dialogue are implemented, and the employee demonstrates behaviour based on

<sup>1</sup> Number of the employees excluding the employees on parental leave.

<sup>2</sup> In 2018, the number of the employees in the category of workers increased, and the number of the specialists fell due to the transfer of part of the positions assigned to the category of specialists to the category of workers.

the Company's values. The Company reports to the shareholder for the achievement of the Company's annual objectives.

Table 4 presents average monthly salary by groups of employees in 2017-2018. The average salary in Lithuania in 2018 – 935.7 EUR (<https://osp.stat.gov.lt/naujienos?articleId=5973390>).

## TRADE UNION

On 23 June 2017, Amber Grid trade union was established by 113 employees of the Company at the constituent meeting. At the end of 2018, there were 225 members in the trade union, and 8 members represented in the renewed board. The purpose of the trade union is to represent and defend the professional, labour, economic and social rights and legitimate interests of its members. Meetings of the representatives of the trade union and the Company's management are periodically organized to discuss issues that are of relevance to the trade union.

The company supports groupment of the employees into voluntary trade unions, and cooperates closely with them and develops a constructive social dialogue.

## COLLECTIVE AGREEMENT

In 2018, after reaching an agreement with the employer, the trade union signed a new Collective Agreement on additional economic and social benefits. The General Meeting of Employees agreed to their equal application to all employees of the company without distinguishing members of the trade union.

The purpose of a collective agreement is to represent the rights and legitimate interests of all employees. The agreement stipulates employment, remuneration, social, economic and professional conditions and guarantees that are not regulated by laws or other regulatory acts. Additional financial guarantees apply to the employees (benefits in cases of accidents, illness, death of relatives, support for the birth of a child, support for raising three or more children or a disabled child), additional holiday days (on the occasion of the birth of a child, death of a close relative and in other cases) and other guarantees.

The Company supports the cultural, sporting and tourist activities of the employees' team, various

**Table 4.** Average monthly salary by groups of employees in 2017-2018.

Groups of positions	Average monthly salary, EUR (before tax), 2018	Average monthly salary, EUR (before tax), 2017
Director General	↓ 9.433	9.605
Top-level managers	↑ 5.541	5.519
Middle-level managers	↑ 2.966	2.738
Experts-specialists	↑ 1.574	1.426
Workers	↑ 1.152	1.008
Average	↑ 1.603	1.462

festive events and other social activities in which all employees of the Company are entitled to participate without discrimination and restrictions.

## POSSIBILITY OF REMOTE WORK

The Company keeps pace with today's trends, and on 8 August 2018 it confirmed the procedure of remote work. The purpose of this procedure is to ensure flexible working opportunities for the Company's employees when the nature and technical conditions of their activities allow them to perform the functions assigned to them in this form of work organization.

The employees who take advantage of this opportunity are pleased with the terms and conditions provided by the Company to work comfortably and promptly, as if they were in the office.

## COMPETENCE DEVELOPMENT

Taking into account the raised operational objectives, education plans and other development needs, the Company pays great attention to the development of employee competencies.

During vocational training, the employees refresh their knowledge required for their job and receive required certificates and qualification refreshment certificates. In 2018, 244 employees participated in the compulsory training and certifications (in 2017 – 227 employees). In 2018 they were issued with 600 certificates (or they were extended) (in 2017 – 338 certificates).

During general training, seminars and conferences, the employees get acquainted with the innovations in their field of activity, improve or develop new skills that are necessary for the work. In 2018, 163 employees participated in general competence development training (in 2017 – 194 employees). 112 training sessions of different names have been held (in 2017 – 138 different training programs).

The section „Competence Development“ indicates the total number of participants, i.e. part of staff may have been participated more than once in training.

In 2018, the total of 324 employees of the Company participated in Amber Grid training (in 2017 – 304 employees). This accounts for about 91.5 percent of all employees who worked in the Company. In 2018, one employee had an average of 9.5 hours of training per year (in 2017 – 87%, of all employees, 7 training hours).

## INTEGRATION OF NEW EMPLOYEES

The new employee adaptation process, which was updated in 2017, is successfully applied and maintained. New employees are introduced to the employees and activities of the Company's units. The aim of the program is to help

The survey questionnaires were completed by

**243**  
**employees**

who shared their opinion, i.e. more than

**70 %**

of all employees of the Company.

newcomers to adapt to the organizational culture of the Company faster, to integrate into the team, to understand work principles and to start creating value for the Company.

## EMPLOYEE INVOLVEMENT

The Company has for the first time conducted the employee engagement survey that helped to evaluate the areas of organization management, activities organization and work with people, which influence employee motivation and engagement. The survey questionnaires were completed by 243 employees who shared their opinion, i.e. more than 70 % of all employees of the Company. The survey showed that the Company's employees commend the balance between work and personal time, work activities, direct managers, and culture of cooperation. The company also received useful insights which areas need to be improved, and targeted measures have been taken to increase employee involvement and motivation.

## PROTECTION OF HUMAN RIGHTS AND EQUAL OPPORTUNITIES

The Company relies on the Descriptions of Ethical Employment and Equal Opportunities Policies approved in 2017, which emphasize that all forms of discrimination are strictly prohibited (International Labour Organization Conventions No 100 and No 111).

The Company ensures equal rights for all employees, and does not tolerate discrimination in employment, salary, training, career, termination of employment relations or retirement, and in other areas for the employees' race, nationality, gender, sexual orientation, age, political affinities, as well as for other aspects which could lead to discrimination, it does not tolerate any threatening, harassing or exploiting behaviour of the employees.

Employees who may have been subjected to unlawful acts may lodge a complaint with the responsible person appointed by the Company. If the employee is dissatisfied with the outcome of the complaint examined, he / she may defend his / her violated law in accordance with the law. Any employee who saw and / or has a suspicion of, and / or witnessed discrimination, harassment or sexual harassment shall notify thereof his / her immediate superior or a responsible person appointed by the Company. The Company ensures confidentiality in the handling of complaints, and all employees and the Company, accordingly, must keep confidential any information obtained during the investigation of the infringement. Violation of this provision is considered a gross violation of labour discipline.

In 2018, no discrimination or other incidents involving violation of human rights have been detected in the Company (none have been detected in 2017).

The majority of the company's employees are men. This is strongly influenced by the specifics of the activities carried out: women are less likely to opt for works of technical engineering profile and technological works performed outdoors, and specialties directly related to them. In 2018, the Company had 59 female employees (in 2017 – 63 female employees) and 270 male employees (in 2017 – 283 male employees). The average age of the employees is 45,1 years (of women – 46 years, of men – 44,9 years). At the end of 2018, the ratio of the middle-level management of the units was as follows: 21 man and 6 women were holding managerial post (in 2017 – 21 man and 7 women).

## EMPLOYEE PERFORMANCE EVALUATION SYSTEM

Employee performance evaluation is one of the most important methods of governance and effective management that helps to achieve organizational goals and create positive relations between managers and their subordinates, to plan employees' careers and increase their motivation.

## ANNUAL DIALOGUE

An annual dialogue is a means of managing employee performance by ensuring that their personal objectives are raised in line with the Company's objectives. The objectives must be measured, specific, time-bound, achievable and motivating. An annual dialogue helps to assess how the objectives set for the employee have been achieved and to set new objectives, it forms a feedback culture between the manager and the subordinate. During the dialogue, the employees' competence development, learning and career opportunities are also discussed. All specialists and managers of the Company participate in the annual interview process. All specialists and managers of the Company participate in the annual interview process.

The Company's employees of workers category who are unable to have a personal annual dialogue due to the specifics of their work, are evaluated on the basis of the set performance indicators and receive feedback on a monthly basis.

## LEAN IMPLEMENTATION EXPERIENCE IN THE COMPANY

The Company continues to develop the application of LEAN practices in the Company's activities. In 2018, the training and application of LEAN methods was extended to the units that were not included in the first stage. The managers and specialists of the Company are trained to understand and visualize business processes, identify non-value activities, to identify activities that create added value for the customer and wastage in the process, daily reporting systems, indicator definition, problem-raising, and standardized problem-solving techniques.

Together with the units that started to apply these practices in the first phase of application of LEAN practices, the Company designed a four-level daily reporting system based on performance indicators across the company and started applying a strategic planning LEAN method Hoshin. In the next stage, the Company seeks to consolidate and deepen the application of selected LEAN practices in its activities, and to introduce a company process equalization methodology Heijunka. The main goal of the application of LEAN practices in the company: to involve the employees in the continuous development process of the organization, develop an effective and motivating culture of organization and management system.

## EMPLOYEE HEALTH

The Company promotes healthy lifestyle, sports activities and physical health care of its employees. Compulsory preventive health checks and preventive vaccinations of employees are organized in the Company. In 2018, 236 health checks for the employees were carried out (159 in 2017). 86 employees were vaccinated against tick-borne encephalitis (158 in 2017), and 86 employees were vaccinated against flu (111 in 2017).

The employees who constantly or often work outside were equipped with heat-retaining clothes and warm sleeping bags.

## SPORTS ACTIVITIES AND OTHER INITIATIVES

In 2018, a health week was organized in the Company, during which the employees participated in relaxing Gong Therapy classes. Additional blood tests paid by the employer as additional benefits for the employees provided for in the collective agreement were also organised. 160 employees took advantage of this opportunity.

In 2018, the Company created favourable conditions for the employees to engage in sports – to play basketball, football or volleyball. 10 employees of the Company tested their endurance at “We Run Vilnius” and other marathons.

During team building events a lot of attention is paid to the sporting activities of the employees and the promotion of a healthy lifestyle.



# ENVIRONMENTAL PROTECTION AND SAFETY OF WORKERS

The principles and commitments of Amber Grid related to Environmental Protection and Occupational Safety and Health are set out in the Description of Environmental and Occupational Safety and Health Policy.

The principles set out in the aforementioned description are aimed at minimizing as effectively as possible the negative impact of the Company's activities on the environment and ensuring the safety and health of the employees. The set principles of prevention, security, environmental sustainability are binding on all stakeholders and their groups participating in the process of Amber Grid activities.

## MANAGEMENT SYSTEM

The Company has implemented an environmental and occupational safety and health management system that meets the requirements of the international standards ISO 14001 and OHSAS 18001. The environmental protection and occupational safety and health management system is integrated into the processes of planning, organizing and managing Amber Grid activities. Environmental and occupational safety and health management that is set by standards helps to ensure continuous reduction of the environmental impact of the activity, safety and health of occupational risk workers, and the implementation of the requirements applicable for the activities that are set by international and Lithuanian legislation, regulations and other normative documents.

The Company's management, taking into account the social and economic situation as well as the financial and technical capabilities of the company, is committed to ensure continuous improvement of environmental protection and occupational safety and health management processes, enhancement of efficiency of environmental protection and occupational safety and health, and to lead according to standards acceptable to the management process.

The Environmental and Occupational Safety and Health Management System, which is implemented in the Company, operates in a recurring process of „Planning-Implementation-Inspection-Analysis“. The employees at all levels

are involved in the process according to clearly defined responsibilities for certain parts of the coordination of the management process and its implementation. Taking into account the conditions of the changing economic, social and natural environment, changing external and internal factors that influence the Company's activities, the system processes are constantly monitored, reviewed and periodically adjusted. The management of influencing factors is directly related to the goals and objectives that are raised in terms of the implementation of the principles of the Company's environmental protection and occupational safety and health policy.

By improving the environment and working conditions, the Company constantly invests in new equipment, production process technologies, information management and other tools. Taking into account the identified environmental aspects and occupational risk factors arising from the Company's activities, only reliable measures that comply with quality standards, reduce

environmental impact and ensure the safety and health of workers are applied.

Identification of occupational risk factors and their significance are assessed in accordance with generally accepted risk management methodologies and applicable international, Lithuanian legislation and internal legal acts of the Company, as well as taking into account changes in indicators of continuously increased efficiency, the Company's obligations to its stakeholders, duration, frequency, danger, consequences of impact, etc.

On 10 to 12 December 2018, an external maintenance audit of integrated environmental and occupational safety and health management system has been carried out. The audit revealed 1 slight non-compliance with fire safety requirements (no non-compliances were determined identified in 2017).

In ensuring social cooperation and partnership, all employees of the Company are regularly informed



and educated on issues of environmental protection and occupational safety and health.

Last year, just like every year, in objects (of Panevėžys area), which are served by Gas Distribution Stations (hereinafter - GDS), as part of 2018 Amber Grid "repairs and investment programs, works has been carried out both economically and by way of contracting.

Works of installation of process management and automation systems, general construction works in Palanga GDS that lasted for the most part of the year. Old generation gas boilers were dismantled and new economical, modern condensing gas boilers "Baxi" were installed in Rietavas GDS. Flushing works for heating systems were carried out in Kėdainiai GDS, Panevėžys GDS-2, Šiauliai GDS. In cooperation with the colleagues from the Gas Station, the workers of GDS Unit performed works of repair of a by-pass line of Palanga GDS, they also changed insulating couplings in Kretinga GDS, Pakruojis GDS. Mention must also be made of installation of rotary meters for gas metering lines in Radviliškis GDS, Daugėliai GDS, Pakruojis GDS. Economically, using their long experience, the workers performed with excellence node equipment repairs in Utena GDS, Anykščiai GDS gas flow regulating devices, and also replaced exit pipeline insulation coupling in Alksniupiai GDS.

At the end of 2018, at the initiative of the GDS Unit, a passive on-call staffing procedure of the Operations Department was developed and implemented. It regulates in detail the procedure of passive on-call staffing and helps to ensure uninterrupted and safe operation of the natural gas transmission system objects.

During 2018, a mobile gas compressor, designed for pumping over gas, was used 7 times to pump over gas / reduce pressure in piping of a trunk gas pipeline. The total of 272 981 m<sup>3</sup> of gas was saved and not emitted to the atmosphere.

In 2018, in order to increase the security of gas transmission by ensuring public interest and benefits for the consumers, control unit start / receive cameras were installed: of the 2nd line of a trunk gas pipeline (hereinafter – a TGP) Panevėžys –Šiauliai (DN1000); in the branch of a TGP to Palanga GDS (DN250); in the branch of a TGP to Naujoji Akmenė GDS (DN300/250); in the branch of a TGP to Girininkai GDS (DN300); in the branch of a TGP to Jonava GDS, in the 1st and 2nd lines (DN400 and DN500), and inappropriate tap units and connecting parts were replaced. The main objective of these projects was to modernize the natural gas transmission system using smart technologies to increase the security and reliability of the natural gas transmission system, to ensure

Over the course of 2018, the following works have been carried out in the way of GDS household and contracting:



efficient, safe and reliable provision of the natural gas transmission service.

In 2018, the total of about 1.1 km of a trunk gas pipeline to Kaliningrad was reinstalled in the territory of Kaunas FEZ. In 2018, 15 gas leaks were found on a TGP Ivacevičiai-Vilnius-Riga route during the operation works of the trunk gas pipelines. 13 leaks are planned to be removed in January 2019, 2 were removed in 2018.

In 2018, a total of 218 km of a trunk gas pipeline was inspected in the way of internal diagnostics (a branch of a TGP to Marijampolė GDS, a TGP Panevėžys-Šiauliai-Klaipėda). It should be noted that both gas pipelines are difficult to diagnose internally: a branch of a TGP to Marijampolė GDS has low flow, and a TGP Panevėžys-Šiauliai-Klaipėda has even 3 sets of piping of different diameters from 325 mm to 426 mm, and was put into operation back in 1964 (i.e. it is one of the oldest gas pipelines of the Company). In April 2018, control devices were launched in the branch of a TGP to Marijampolė GDS, and in December 2018, diagnostic works were completed in a TGP Panevėžys-Šiauliai-Klaipėda.

In summer 2018, 54 the most dangerous defects were eliminated in the branch of a TGP to Marijampolė GDS. 44 corrosion defects were also re-insulated after the diagnostics in a TGP Minsk-Vilnius-Vievis. The total of more than 200 m of the piping was re-insulated.

In 2018, a Plan for the development of occupational safety and health, and environmental protection, that is aimed at employee education, promotion of activity and thinking, was implemented. In implementing the measures provided for in the plan, a great deal of attention was devoted to ability of the employees to identify the risks encountered by them in their daily work, and on gaining skills by the employees that are necessary to protect themselves against such risks. In April 2018, a „Safety Week“ was organised in the Company for the first time. During a "Safety Week", checks of safety knowledge of all employees, including the management and the middle-level managers were carried out. 172 employees participated in the checks. For the second year in a row, the contest „See the risk!“ was organised. In November 2018, training for all Company's managers on the issues of workers' safety and labour law were organised.

## MARKET, CUSTOMERS

The Company is granted the exclusive right to provide natural gas transmission services throughout the territory of the Republic of Lithuania.

In ensuring the country's strategic interests, the Company effectively develops the transmission system, reliably executes gas transmission.

Seeking favourable conditions for the operation of the Baltic gas market in the integrated European gas network, the Company actively contributes to the development of an integrated European gas transmission system, and cooperates with the Baltic gas transmission system operators.

The transmission system operated by the Company is connected to the natural gas transmission systems of the Republic of Latvia, the Republic of Belarus and the Kaliningrad Region of the Russian Federation, Klaipėda LNG Terminal, the distribution systems of Lithuanian distribution system operators and the consumer systems directly connected to the transmission system.

### REGIONAL GAS MARKET

In view of the fact that the implicit capacity allocation model introduced in the Baltic States has been favourably evaluated by market participants, from 1 July 2018 Amber Grid, Conexus Baltic Grid AS (Latvia) and Elering AS (Estonia) started applying the implicit capacity allocation model not only on the day-ahead ordered products, but also on within-day traded gas and capacity products. Capacity allocation is related to gas trade on natural gas exchange UAB GET Baltic. The short term gas market of three Baltic countries became integrated also for the within-day traded gas products.

The process of establishing a common regional market in the Baltic region will be carried out in several stages. From 2020, the Latvian and Estonian gas markets will be merged, and Finland will join the common regional market at the earliest from 2022. Lithuania will join



In 2018, the Company has entered into contracts with

**103** system users

with **100** system users in 2017

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a common Baltic gas market in its entirety when agreements with other countries on a cross-border compensation mechanism and some other regional market elements will be reached.

The purpose of the formation of a common regional market is to connect the Baltic and Finnish natural gas markets to a common balancing zone where cross-border transmission tariffs would be abolished, gas system balancing and transmission capacity allocation would be carried out jointly by all

transmission system operators in the Baltic States, gas trading would take place at one virtual point of sale. This would improve access (it would become direct) of other countries in the region to alternative gas supply sources, would increase competitive pressure, and the efficiency of gas infrastructure utilization would increase in Lithuania. Also, natural gas prices in all Baltic States would be unified, a significantly increased common market trading area would become more attractive to international gas trading companies, and this

would allow greater competition, decrease in gas prices and more attractive other gas supply conditions.

In order for the natural gas market to function properly, clear and uniform rules must be introduced in Estonian, Latvian, Lithuanian and Finnish markets. In October 2017, the Company conducted a public consultation of Baltic gas transmission system operators on the principles of transmission capacity management in the common Baltic market and the concept of a common balancing zone model. After the public consultation, both documents and the evaluation of the submitted comments were approved by the Regional Gas Market Coordination Group. Taking this into account, in 2018, Amber Grid, Connexus Baltic Grid AS, Elering AS, Gasum OY (Finland) and Baltconnector OY (Finland) continued to work on harmonizing transportation and balancing rules for activities in the common regional gas market.

In 2018, the Project of Common Rules for the Use of the Transmission System and Balancing Rules was drafted and agreed upon between the Transmission System Operators. The importance of these projects is that, once they are approved, the single market would introduce uniform rules for all users of the system, which would simplify the transportation and balancing of natural gas across the area.

The regional market plan provides that transmission system operators will provide basic services to market participants via a single IT platform. A technical specification is planned to be prepared in the 1st quarter of 2019. It is planned to analyse the existing IT systems of transmission system operators, and in this context, formulate requirements for the Common IT Platform.

## CUSTOMERS

The customers of the Company include large electricity, district heating production, industrial companies and medium-sized Lithuanian business companies, natural gas supply companies, natural gas distribution system operators, which are provided with natural gas transmission services. In 2018, the Company has entered into contracts with 103 system users (with 100 system users in 2017).



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# RELATIONS WITH THE SOCIETY: SUPPORT

**In order to ensure the purposefulness, publicity of support provided and transparency of the awarding process, the Board of Amber Grid approved by the decision of 22 August 2017 the Company's Rules of the Procedure for the Provision of Support, which were prepared in accordance with the objectives of the Company's performance strategy for 2017–2022 and the principles of support policy of UAB EPSO-G group of companies.**

## DIRECTIONS OF SUPPORT

The Rules of the said procedure provide that the Company may influence the quality of life of the communities or their environment by implementing the development envisaged in the strategy and the projects that are economically important for the state. For this reason, the Company is entitled to support from its profit the needs of the local regions and / or communities in which these projects are carried out, education, culture, sports, social services, health care or other areas of community welfare. The company may also provide support to individuals who study in the programmes of the courses that are related to their direct activities. The Company also encourages voluntary unpaid engagement of the employees in activities of realization of objectives that are important to the society or the local community, and, taking this into account, may allocate support.

In providing support, the Company is guided by the following principles: compliance with operational objectives, transparency and impartiality, equality as well as coordination of confidentiality and publicity. The Company does not grant support for the funding of political parties or political campaigns, to cover the debt obligations of the participants of political campaigns that occurred during the period of political campaigns, or those that are related to political campaigns, for charity and support funds set up by politicians or by people close to politicians,

for legal entities that have improperly implemented or have breached a contract for support previously concluded with any company of UAB EPSO-G group of companies (or with other donor and this is known), as well as for activities that promote or relate to games of chance or gambling of this nature, alcoholic beverages, smoking or other intoxicating substances, and for other activities which have or may have a negative impact on the society.

The profit share allocated by the Company for support is determined annually at the ordinary General Meeting of Shareholders, by making a reserve for this amount, taking into account the profit achieved of the reporting years and the projects being implemented. The profit share allocated for support may not account for more than 1% of net profit for the financial year, in any case not exceeding 50 thousand of euros. The Rules of the procedure for granting support are published on the Company's website: [www.ambergrid.lt/en/about-us/ab-amber-grid-social-responsibility-policy/sponsorship-policy](http://www.ambergrid.lt/en/about-us/ab-amber-grid-social-responsibility-policy/sponsorship-policy). No support was granted to any parties in 2018.

## SOCIAL INITIATIVES

### DIALOGUE CULTURE AND COOPERATION PROJECT

The Company launched a long-term project “Dialogue Culture and Cooperation” for the presentation of the pipeline connection between Lithuania and Poland (GIPL) to the local communities. During the meetings, the GIPL project is presented by emphasizing its importance, objectives, and benefit. In the formation of a culture of dialogue, well-known public figures were invoked for the meetings with the local community to discuss topics that raise people’s curiosity and critical attitudes to various social phenomena. The first 19 meetings with the communities were organized - in the municipalities in the territories of which a trunk gas pipeline will be built. In 2019, 64 meetings are scheduled.

### ENVIRONMENTAL MANAGEMENT ACTION

More than 90 employees of the Company together with members of their families participated in the voluntary social action “Darom” (70 employees in 2017). The Company received acknowledgement from the organizers of the action for the participation in the action “Darom” 2018.

### WORLD CLEANUP DAY

The clean up action took place in 155 countries around the world. In Lithuania, 30 national and regional parks were cleaned on that day. 40 employees of the Company joined the action in order to clean the Trakai Historical National Park and Kurtuvėnai Regional Park.

### CHARITY AUCTION

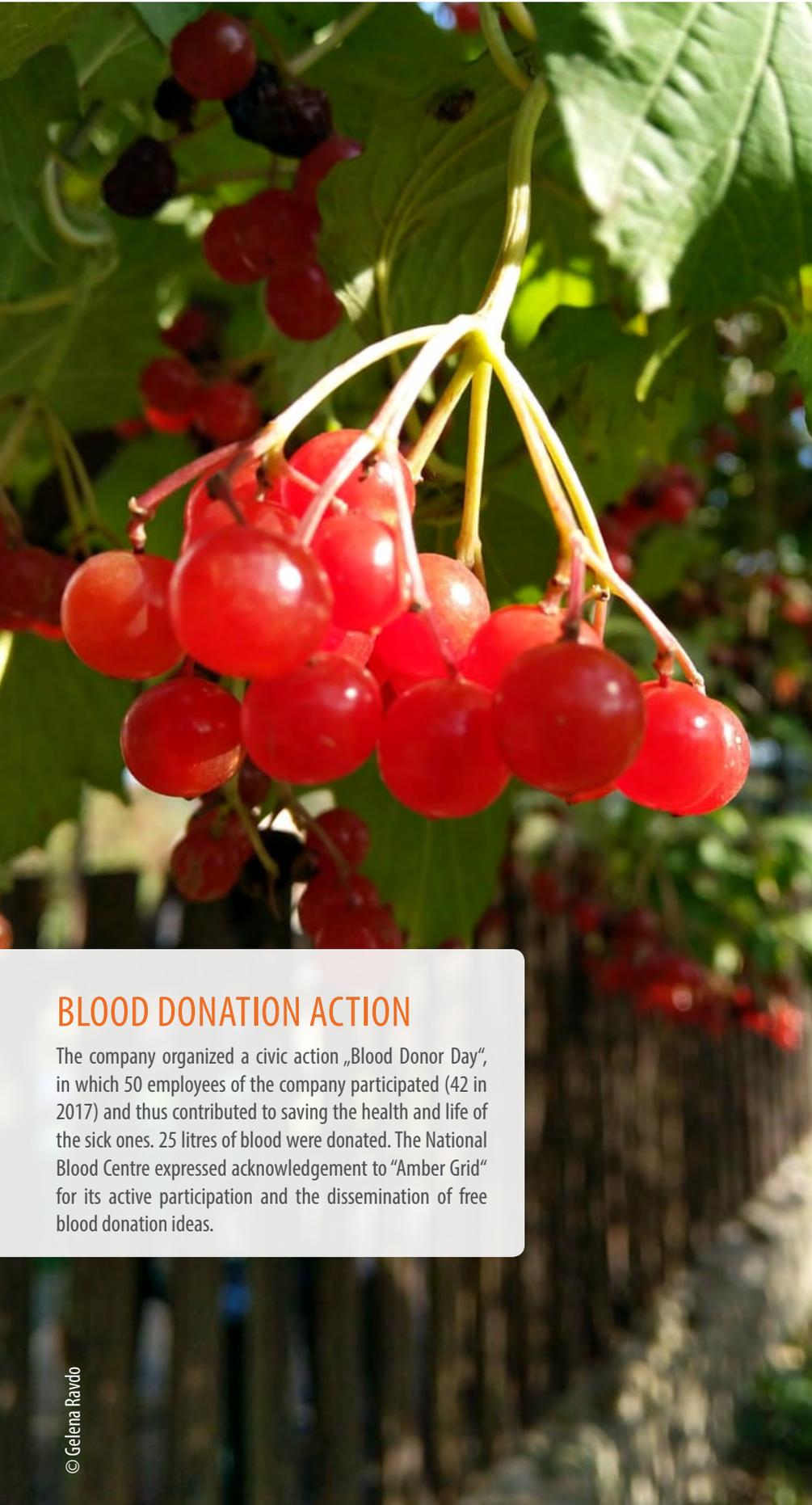
An auction was held during the Company’s summer feast. 1120 euros were collected during the auction. We have allotted the total amount to the Childhood Cancer Fund Rugutė. The fund supports children with oncological diseases.

### THE COMPANY’S EMPLOYEES DONATED BALLOONS TO CHILDREN

On the International Day for Protection of Children, the largest umbrella organization for child welfare in Lithuania „NGO for children“, as every year, held a feast “Children constellation” during which the organisation invited to create together a happy childhood and thanked people who encourage and promote positive socialization. The Company’s employees contributed to the feast and bought 250 pieces of helium balloons that, together with children’s dreams, were released for the flight at the end of the feast.



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## BLOOD DONATION ACTION

The company organized a civic action „Blood Donor Day“, in which 50 employees of the company participated (42 in 2017) and thus contributed to saving the health and life of the sick ones. 25 litres of blood were donated. The National Blood Centre expressed acknowledgement to “Amber Grid” for its active participation and the dissemination of free blood donation ideas.

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## FAVOURABLE WIND MILL ACTION

10 employees of the Company contributed to a volunteer action of favourable wind that will accompany “the little captains on their journey through a stormy ocean of disease”, and speckled the holders of “Favourable wind mills”. All funds received from the sale of mills are allocated to the Childhood Cancer Fund Rugutė. The fund supports children with oncological diseases.

## VOLUNTEERING AT ANIMAL SHELTER

Fifteen employees of the Company volunteered at animal shelter “Beglobis”.

## CAREER DAYS

Amber Grid contributed to Career Day for Senior Class Students which is organised every year at VGTU (Vilnius Gediminas Technical University) Lyceum of Engineering. The Company’s employees visited, presented the Company’s activities and introduced the profession of gasman to the students - what knowledge and education need to have and acquire those who wish to engage in natural gas transmission activities.

## PROJECT “CHILDREN’S DREAMS”

The Company’s employees joined this project and realised the dreams of children who grow up in difficult conditions. Clothes, shoes and various toys were donated to realise Christmas dreams of the children.

## CHRISTMAS CHARITY FAIR

The employees of Amber Grid traditionally invited the youth of Lithuanian Special Society of Creative Works Guboj. Creative disabled artists organized a handicraft exhibition for the employees of the Company before the holidays and offered them to buy their handiwork. The charity fair was held in the lobby of the Company’s headquarters. Therefore, the employees of Amber Grid “infested” the colleagues from other companies who were happy to buy souvenirs and thus personally contributed to support for the purposes of the society.

## EVALUATED ACTIVITIES

Saulius Bilys, the Director General of Amber Gri, and Tomasz Stępień, the Director General of Polish Transmission System Operator GAZ-SYSTEM S.A., were announced People of the Year of Polish Energy and were awarded by Minister of Energy of the Republic of Poland during the conference organised by the Lower Silesian Institute for Energy Studies. They received this award for the Lithuanian-Polish gas transmission and market merger project (GIPL) that was started to be implemented.

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