

STATISTICUS

The background of the entire page is a photograph of a vast, rolling landscape of green hills. The hills are covered in dense vegetation, and the lighting creates strong highlights and shadows, emphasizing the undulating terrain. The sky is dark and moody, blending into the horizon. The overall tone is natural and serene, with a focus on the environment.

Corporate Sustainability Report for 2021

Contents

03

Letter from
the group CEO

05

Sustainability
at Staticus

06

Staticus activities and
initiatives in 2021

07

Sustainability Strategy
Development

08

2022 plans for Staticus'
sustainability activity

09

Philanthropic Social
responsibility

10

Health and
Safety

Letter From the Group CEO

Core values and a dedicated team drive strong results in 2021

2021 was a year when our core values of transparency and commitment to the long-term enabled us to navigate a complicated market context and achieve a year of consistent turnover, major new projects, and important steps forward in our sustainability strategy. These successes will be the foundation for a high-growth 2022.



Aušra Vankevičiūtė / CEO, Staticus

Delivering major projects and strong financial results

In 2021, we finalised and handed over benchmark-setting projects. Most notable among these was the Via Vika project in Oslo, the first building in Northern Europe with a closed cavity façade (CCF). We also continued to strengthen our position in the UK market, completing the Tottenham Hale Tower. Furthermore, our international team expanded and is now made up of specialists from more than 10 countries.

Importantly, we achieved our financial aims for the year, delivering a turnover of 61 mln. and a profit of 1.8 mln. This compares to 1.5 mln. in 2021.

Acquisition of new projects

The successful completion of the Via Vika project helped us to secure two new CCF projects. More generally, our approach to acquiring new projects in 2021 was a clear demonstration of our commitment to the long-term. We chose to be prudent, carefully selecting the right clients and thinking not only about scope, but also about delivery. For example, we secured governmental projects in Denmark and Norway. The funding for these projects is safe, and they can serve as "anchor projects" for our activities in the coming years.

Major steps forward in R&D

Staticus' innovation efforts moved forward on a number of fronts in 2021. We secured a national patent for a structural solution we have been developing, and now await our Europe-wide patent. In Q2, Norway Grants awarded us a EUR 3 million grant, in partnership with Oslo Metropolitan University, Sintef, and Kaunas University of Technology. The grant is for a project to develop hybrid façade solutions that replace aluminium with more sustainable materials, thus reducing their carbon footprint. Our R&D team also made progress in their research into IoT technologies, with numerous companies interested in partnering with us including a high profile Fortune 500 company. The team also initiated plans to develop extensive new testing facilities in 2022, and the procurement process for their project is already underway.

Updating the Staticus brand

Considerable effort in 2021 went into redefining Staticus' market positioning and updating the Staticus brand, building to a rebranding launch in early 2022. Our existing brand no longer reflected our status as a driver of innovation and a leading façade contractor in the Northern European market. Therefore, we worked intensively to develop a new visual identity that, while still reflecting our reliability, quality standards, and focus on partnership, contains fresh, clean elements that express our innovative and forward-thinking attitude. This process included the

development of new visual elements, and a complete overhaul of our website.

Intensive efforts in the area of sustainability

Our continued focus on sustainability was another significant component of our activities in 2021. We worked intensively on our new sustainability strategy, which will be launched shortly. The development of this strategy focused our minds on the sustainability of our group. We are thinking about and living out our desire for long-term, sustainable growth without fluctuations, which we will achieve through investment in people, both their education and their mindset.

Regarding sustainability in a wider sense, we dug deep into our ESG structure in 2021, and worked a lot on developing a sustainable business model, which means having the right clients, the right partners, the right supply chain and much more. This can be challenging because there are many factors outside of our control. For example, there is currently no alignment on supply chain transparency at a governmental level, making it challenging to source material you know is sustainable. Likewise, taxation policies on CO2 emissions and material requirements in different markets are not defined yet, so it is hard to make accurate forecasts and to plan. Nevertheless, one important area we can directly impact is sustainable design, which is ultimately more important than materials. We look forward to sharing our new sustainability strategy in early 2022.

Letter From the Group CEO

Navigating global supply chain upheaval

Q2 saw the onset of the continuing global crisis in materials and supply chain. Our dealers and suppliers started to prolong delivery terms, while prices increased significantly. We were forced to update prices for projects, while the supply chain team had standups every day and shared hourly updates on what was happening with the cost and availability of materials. Transparency with our stakeholders was critically important when material prices started to fluctuate. Many of our competitors began to offer locked prices, and some of our clients asked us to do the same. We were upfront with them in explaining that locking prices would create a major risk for us, and instead explained that we needed their help in managing this situation flexibly and ensuring our projects are successfully delivered. Thanks to this transparency, we were able to avoid a major long-term risk.

I am extremely proud that our team was able to navigate this complicated situation successfully to achieve strong results. We successfully worked together with our clients to update material prices on ongoing projects. This demonstrates that, having built long-term relationships, our clients understand that they need us too, and they are ready and willing to cooperate.

Building on a strong foundations in 2022

Going into 2021, our focus for the year was always to maintain consistency and achieve a similar turnover to 2020. However, we also wanted to prepare for a large number of projects in 2022. Despite the upheaval in supply chains and material, we were able to achieve these aims while also making substantial progress in our sustainability activities.

Looking forward further to 2022, we have projects already secured with clients who share the same understanding as we do regarding a project's success and its environmental impact, and we expect these projects to drive our turnover to over EUR80 million. The challenge, as in 2021, will be to stay on top of the supply chain issues, and I am fully confident our cross functional teams will do just that.

The invasion of Ukraine and our response

To finish, I would like to address the context of the Russian invasion of Ukraine. In terms of how this may impact our business, it is likely to further disrupt the availability of materials and the global supply chain. On the other hand, we took a strategic

decision many years ago to have no relations at all with Russia and Belarus until the leadership of those countries changed. This means we do not have any direct suppliers, partners or clients in them. As to how we are supporting Ukraine, we are active in numerous ways. We are supporting our employees in their own initiatives, and ensuring their wellbeing. We have been in contact with various Ukrainian entrepreneurs to understand what is most needed. We have made donations, and we are supplying medical equipment directly to Ukraine. Naturally, we are ready to employ Ukrainians interested in working with us.

An exceptional team that delivers

2021 was a year that presented our team with many challenges and uncertainties. And it is clear that 2022 will be similar. It is a testament to the expertise, dedication and teamwork of every Staticus employee, and to the strong and supportive partners we have, that Staticus continues to successfully grow and develop in these circumstances.

Yours faithfully,
Aušra Vankevičiūtė
 CEO, Staticus

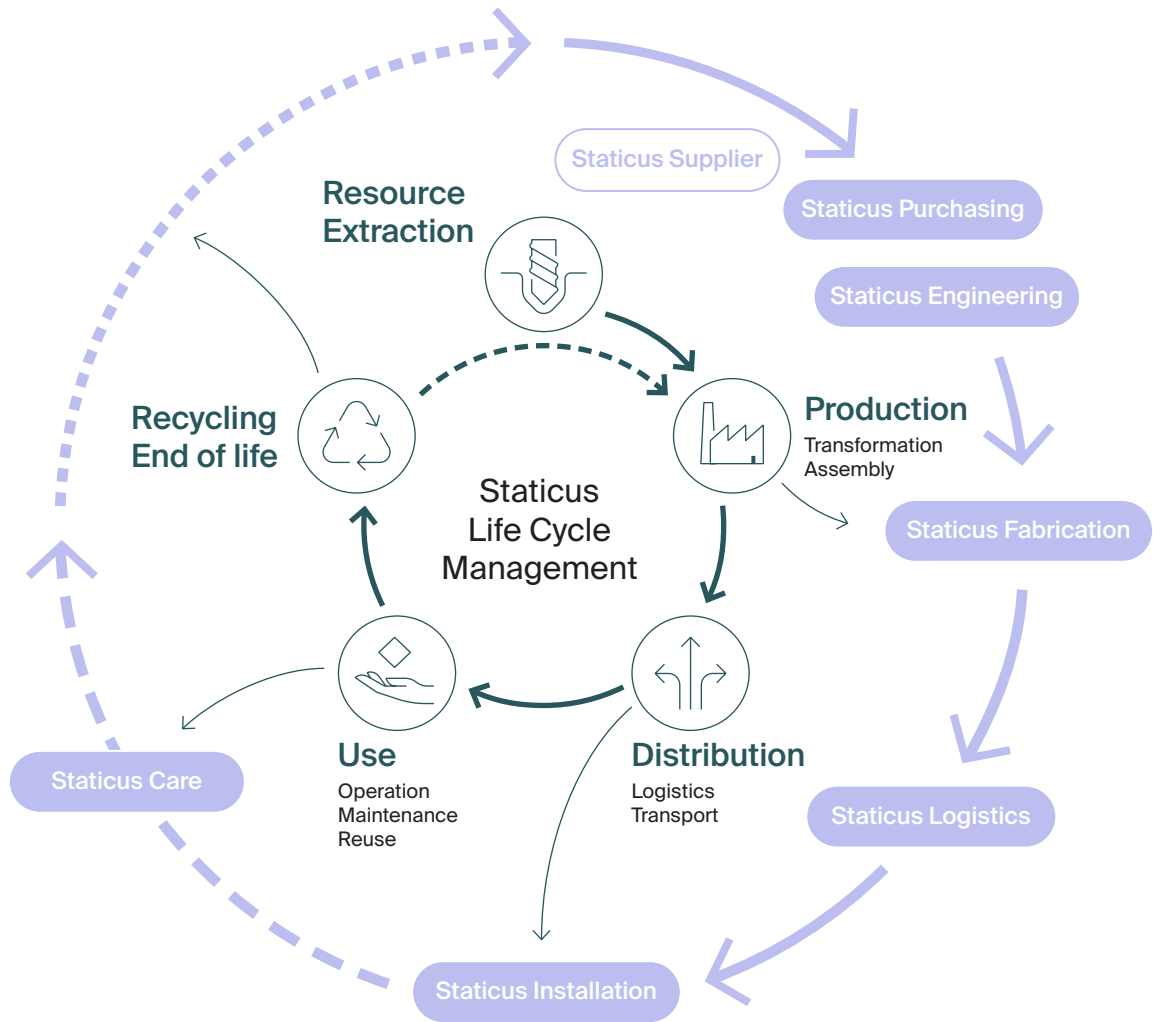


Image © Herzog & de Meuron – Vilhelm Lauritzen Arkitekter

Sustainability at Staticus

In 2021, Staticus continued to work with dedication and focus to ensure meeting the target of limiting global temperature increases to 1.5°C, as established in the Paris Agreement. As an end-to-end façade contractors, we are in a strong position to minimise the carbon footprint of our own operations, and of each project we work on. We achieve this in multiple ways, which include reducing the carbon emissions of

our facilities, and ensuring every opportunity is taken to REDUCE, RE-USE and RECYCLE. We thoroughly assess the entire life cycle of the products we produce, a process which begins with the purchasing of raw materials and runs all the way to the end-of-life phase of every façade. With Staticus Care we are offering continued services over the operation phase of the project to reduce its operational carbon footprint.



Staticus activities and initiatives in 2021



Operations

- In 2021, 100% of Staticus electricity consumption was covered by renewable energy.
- In June 2021, we started to engage directly with producers of green energy. Since then, 167 MWh of electricity has been supplied to Staticus' premises directly from a remote solar power plant in Lithuania.
- 100% of factory's outdoor area is equipped with LED lighting, as well as 55% of the indoor area.
- To ensure energy efficiency, the majority of our premises are now controlled via a Building Management System to manage lighting and HVAC systems, as well as motion and environmental sensors.
- New filters for our floor washing machines were installed to reduce aluminium pollution in wastewater.
- As part of our digitisation initiative, we shifted to digital drawings only. This will lead to over 1 million sheets of paper being saved by 2024.
- We are using 100% post-consumer recycled polyethylene foil to package our products. This foil is fully recyclable, which means there is no waste created at the construction site or our factory. Plastic packaging that is disposed at our factory is fully recycled by a waste handling company in Lithuania.



Products

- We strive to make carbon footprint a required performance criteria of each project we work on. We use a life-cycle assessment method and well-established calculation software to assess the carbon footprint of our façades at different design stages. This allows us to proactively reduce each product's carbon footprint.
- We continue to develop low carbon unitised system solutions to address market demand for sustainable façade systems.
- We develop standardised solutions in engineering in order to optimise material usage and reduce the volume of leftovers during the manufacturing process.
- We choose certified material suppliers who are able to provide Environmental Product Declarations for their products.
- We take ownership of the product life cycle and embed principles of "design for disassembly and reuse" from the early stages of the design process.
- Staticus Care provides services for building owners to reduce their carbon footprint during the operation of their building.



Ecosystem

We are addressing the continued lack of a universal and well-defined approach to sustainability in the façade industry in a number of ways:

- We exchange knowledge and raise awareness among our partners (architects, contractors, consultants, suppliers) by organising workshops on sustainability.
- We participate in conferences and public discussions where we present our approach to sustainability and share case studies showing how the carbon footprint of a façade can be reduced.
- We disclose our calculation results to help the industry establish universal thresholds and guidelines for assessing the embodied carbon of façades.
- Our Sustainability Lead, Anastasiya Popova, is a member of the CWCT Workstream dedicated to creating guidelines for life-cycle assessment in the façade industry.

Sustainability Strategy Development

In 2021, we extended our engagement with sustainability beyond just environmental aspects, with the goal of creating an integrated corporate sustainability strategy that also considers social and economic aspects.

Corporate sustainability is an approach that aims to create long-term stakeholder value, focusing on the social, environmental, and economic dimensions of doing business. In 2021, we engaged with an external sustainability consultancy to streamline Staticus' corporate sustainability strategy for the upcoming years. The first phase of the project, which consisted of defining material topics and targets in the field of

sustainability, has been concluded, with an action plan for achieving those targets now in place. The content of more than 25 interviews with external and internal stakeholders is reflected in the materiality analysis. The results are summarised in the matrix below, which sets out the priorities from both external and internal stakeholders' perspectives.



2022 plans for Staticus' sustainability activity

In 2022, we are moving to the implementation phase of our corporate sustainability strategy.

The following five categories build the foundation of Staticus' corporate sustainability strategy: transparency, partnerships, innovation in design and delivery, climate protection, and sustainable

organisation. The objectives, targets, and performance indicators for these categories have been translated into an action plan on corporate and team levels.



01 Transparency

1. Reporting / Communication:

- Establish sustainability reporting on material topics;
- Develop customer-specific reporting.

2. Compliance:

- Monitoring of legislation;
- Labor Practice;
- Health & Safety: zero incidents.

3. Business resilience:

- Risk management;
- Cost management.



02 Partnerships

1. Sustainable mindset as foundation for partnerships.

2. Supply Chain Management:

- ESG Risk analysis of supply chain;
- Roll-out ESG compliance criteria & monitoring;
- Use supplier assessment platform for management.

3. Cooperation with research and educational institutions.



03 Innovation in design and delivery

1. Monitoring of legislation on sustainable construction.

2. Low Carbon Systems.

3. Long-term engagement.

4. Circular Economy:

- Design for disassembly and reuse;
- Zero waste:
 - Optimize in-house waste management;
 - Optimize site waste management;
 - Operational efficiency.



04 Climate protection

1. Product carbon footprint

- Establish platform for project-specific analysis.

2. Value chain analysis carbon footprint:

- Estimate Scope 1, 2, 3 emissions;
- Development of carbon reduction targets incl. supplier engagement.



05 Sustainable organisation

1. Education and Training.

- Sustainable Mindset;
- Talent development;
- Reskilling.

2. Cross Functional teams.

3. Diversity and Inclusion.

4. Community Engagement.

Philanthropic Social responsibility

Supporting the society we work in

At Staticus, we believe in making a unique, positive impact on society that extends beyond our daily operations. We give back to the community by helping those in need because it is the right thing to do. We understand that a sustainable future is only possible when society is supported, and our people-first approach extends beyond our own team and partners to the wider society around us.

Staticus charity initiatives



We are supporting four disadvantaged families by providing them with better living conditions. In 2021, we broadened the scope of our support by starting to take care of a household in the district of Šakiai. We worked on replacing their windows, which were manufactured and installed just before Christmas.



Having renovated the housing of three families with multiple children in previous years, we continued to look after them in 2021. We ensured that these families could celebrate the biggest holidays of the year with plenty of festive food and presents for their children.



Our group and employees also continued to financially support the Raguvėlė Children's Day Centre in Anykščiai. More than 20 children from socio-economically disadvantaged backgrounds, aged 6 to 17, attend this centre. Our support ensures the centre has the supplies necessary for organising learning and extracurricular activities. Staticus has also contributed funds to help repair the centre after a fire, and we continue to stay in touch with the centre's founder in order to provide any additional support.



In total, we are taking care of the well-being of 43 children of various ages. These children receive presents, books, and delicious treats on big holidays and special occasions, such as the first day of school. We will continue our philanthropic efforts to take care of disadvantaged children and families in 2022.



Reacting promptly to the situation in Ukraine, Staticus has started supporting families who managed to escape the war. We continue partnering with the Save the Children organisation to provide urgent aid. Our mission is to ensure that the difficult lives of underprivileged children are made a little bit better.

Health and Safety

Our aim is always to ensure the overall safety, health and well-being of anyone involved in or affected by the work we do. This approach is crystalised in our zero injuries goal for all employees and subcontractors. Our intentions are born out by a strong health and safety record, and continuous activity to ensure our activities are in line with industry best practice.

Health and Safety record in 2021

We are proud that our efforts in the area of Health and Safety resulted in a very strong record in 2021, which included:

- 0 serious or fatal accidents registered,
- and a significant drop in accident frequency, from 2.8 per million working hours in 2020 to 0.9 per 1 million working hours in 2021.

A people-first Health and Safety Policy

Our people-first approach to workplace culture rests on two key pillars: respect for all stakeholders, and the continuous pursuit of knowledge and excellence. To ensure this vision is also an everyday reality within our team, we have developed a Health and Safety Policy which lays out specific actions that all parties involved can take in order to achieve an injury-free work environment.

In addition to safety, the measures Staticus currently has in place also take into account workplace stress, mental health risks, and long-term health hazards posed by environmental factors like dust, noise, and poor ergonomics.

COVID-19 measures

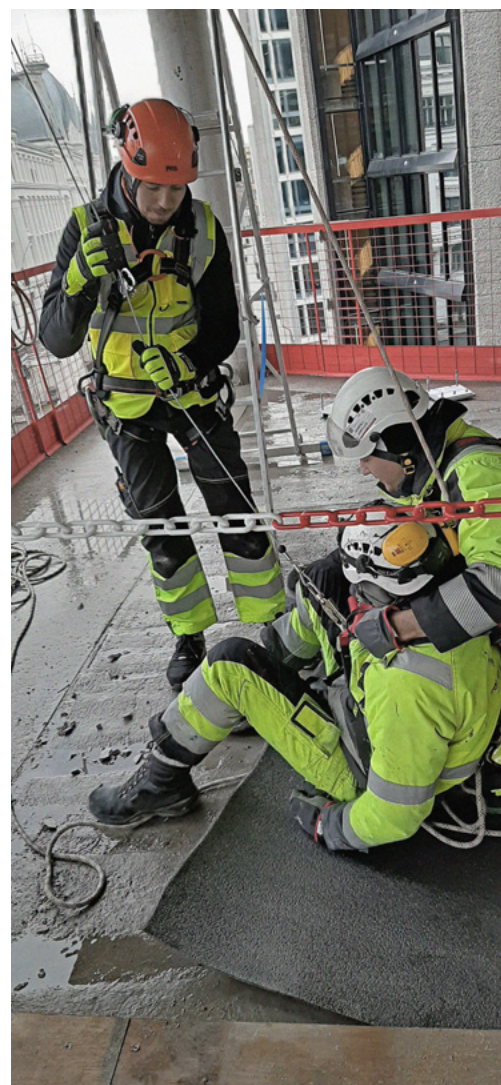
In order to ensure the health and safety of all stakeholders during the global COVID-19 pandemic, we diligently followed the recommendations set out by the Lithuanian Ministry of Health, the World Health Organization, and the health authorities of the countries we operate in. In 2021, we consistently provided relevant, up-to-date COVID-19 information to all involved via our intranet, and by email, special-purpose posters, and text messages. The focus over the year was on promoting vaccination, and we have been able to achieve a full vaccination rate of over 90% within our team.

Here at Staticus, our zero injuries policy applies to all employees and subcontractors. In fact, it is focused on anyone who is related to or affected by the work we do. Despite the significant challenges faced by the construction industry with regards to workplace safety, we aim to always ensure the overall health and well-being of everybody involved. In addition to safety, the measures Staticus currently has in place also take account of workplace stress, mental health risks, and long-term health hazards posed by environmental factors like dust, noise, and poor ergonomics.

Health and Safety management and measures

Staticus has adopted a comprehensive set of measures and methods to create a safe working environment that is compliant with all relevant regulations.

- Health and safety management. Our dedicated in-house management is supported by specialised UK-based health and safety consultants that help us to ensure that all our work is up to standard.
- Health and safety measures. To prevent on-site and factory floor accidents and injuries, we have put in place effective measures in the areas of production, transportation, delivery, and pandemic management.
- Safe work methods. All our employees are instructed in safe work methods, including lifting technique and working near the edge on open structures that pose an increased fall risk. Additional competence certificates include Achilles, Chas, and Constructionline.



STATICUS

STATICUS UAB (HQ)

Metalo g. 13, LT-02190 Vilnius, Lithuania
www.staticus.com

