

An aerial photograph of a coastal landscape. The top half of the image shows a dense green forest covering a hillside. A network of light-colored, winding paths or roads cuts through the trees. Below the forest is a wide, flat, light-colored sandy beach. The bottom half of the image shows a body of water with a greenish tint, likely due to algae or seagrass. The water's edge is slightly irregular, with some darker patches visible near the shore.

STATICUS

Corporate  
Sustainability  
Report for 2023



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# Letter from group CEO



## A milestone year that demonstrated our resilience

For us as a company, 2023 was a milestone year. We celebrated our 20th birthday, reflecting on our development from a small-scale producer of windows in Lithuania into an international façade contractor serving major clients across Europe.

It was also the year we completed our first strategic cycle (from 2020-2023), while developing and launching our new strategy for the upcoming 4 years. It was noticeable that key decisions we took 3 years ago bore fruit in 2023 and enabled us to record impressive growth while remaining resilient.

This resilience proved important in yet another year when the geopolitical and economic context refused to go back to normal. Although we didn't see crises on the same scale, it was still a turbulent year. Interest rates reached very high levels

which meant a lot of construction was put on hold due to financing challenges. This was not helped by ongoing concerns of recession in European economies and the outbreak of war in the Middle East.

Additionally, living costs went up. This meant as a business we had to find the balance between two competing needs. On the one hand, our employees needed higher salaries to manage the cost-of-living crisis. On the other hand, our clients wanted lower prices to mitigate high interest rates.

I am proud that we managed this balancing act well in 2023. This was only possible because we worked with the right clients and had the right projects in place. The strategic cycle we undertook in 2020 enabled us to be disciplined and judicious in our project selection, and this paid off

in 2023. Because we had already been looking ahead, we had projects like the Landspitali Hospital and partners including Tier 1 construction companies already in place. These projects match our high technical competencies and are the right scale for effective economies.

A secure pipeline of projects like this helped us minimise risk, ensuring we did not need to take on less secure projects with the potential to become “black swans.”

## Completing one strategic cycle and developing the next

Last year saw us complete our first strategic cycle while simultaneously developing our strategy for 2024-2027.

This meant there was a lot of focus on fulfilling commitments we had set ourselves 3 years ago and delivering on our promises. We hit our overall goal of EUR 100 million in annual turnover – a huge congratulations to the team for achieving this. There were many other successes, some of which I will mention during the course of this letter.

Meanwhile, as we were delivering on our existing promises we were also defining our new ones. In February, we kicked off the process of creating our vision for the next 4 years. The Strategy Steering Group – along with many other team members who volunteered their time to get involved – brainstormed ideas. This was followed by a period of intensive research, which included a lot of input from our partners.

In total, we had 77 interviews with different stakeholders. We wanted to listen and learn, understanding the pain points and challenges that our clients and partners face. I would especially like to thank all of our clients who participated for being so candid and open with us.

With our research done, we met in Autumn for an intensive programme of workshops guided by James Henderson from IMD, one of Europe's top ranked business schools. James had been heavily involved in the development of our 2020-2023 strategy, so it was great to get his invaluable input once again. During the workshop we took the hard decisions on where to play and how to win. The result was 5 Must Win Battles that represent the core elements of our 2024-2027 strategy:

1. **Boost Markets**
2. **Smarter Work**
3. **Empowering Culture**
4. **Staticus Labs**
5. **Staticus Care**

These Must Win Battles have a sponsor and 3 specific and measurable initiatives, each with a dedicated team and clear targets.

We launched our strategy at the start of this year. This launch was a major event for us, and getting there took a lot of effort and work from the team, for which I am very grateful.

## Being an engaged partner to strategically important clients

Last year, we secured new projects with two of our strategically important clients, Lendlease and Multiplex, both of whom are tier 1 global companies. We are grateful for the trust they have put in us and we take the responsibility very seriously.

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**Now it is our job to prove that they were right to choose us. We also made our first steps into the Dutch market, gaining the contract for the International Meeting Facility at the European Space Agency's Noordwijk campus in the Netherlands.**

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I have mentioned a couple of times this year the need to stay lean and keen – not to become “fat and lazy” like some real-life partners can. We don't take anything for granted, and want to always remain active, engaged, and ready for new challenges. As we continue to grow into a global player, there is no space to relax. The projects will become even more challenging, and we will need to go the extra mile to succeed.

## Getting our voice heard louder than ever

In 2023, we had a louder voice than ever within the industry. In total, members of our team spoke at more than 10 different events, with highlights including the ZAK World of Façades conference in London and the ABS conference in Switzerland. What really pleases me is that our expertise is being recognised and valued in diverse areas, from sustainability to industry trends to technical topics.

## Seeing our R&D activities bear fruit

Our 3-year strategic cycle involved a lot of investment into R&D. And in 2023, much of our hard work bore fruit as we managed to commercialise innovations we have been working on.

Most notably, the Hybrid Unitised Façade (HUF) we have been developing through a Norway Grants funded Staticus Care project in partnership with OsloMet, KTU and Sintef, was used in a project for the first time. This façade system uses timber to reduce embodied carbon by up to 75% while improving performance and offering an impressive aesthetic. Last year it was produced and installed for the Textiltorget project in Sweden, its first commercial use. And we received positive feedback from the client.

2023 also witnessed the first project to use our own façade system which was developed in-house. After passing rigorous performance tests at VINCI Labs in the UK that meet CWCT standards, this system was deployed for the Separatör 1 project in Sweden. This was another example of a strategic goal we committed to in 2020 being realised, and also represented a big step for us. Using our own system has implications for our organisational structure and competences, and this is an ongoing process. Naturally, we will still work with system houses, but we now have our in-house too which can be suitable depending on the project needs.

Overall, innovations in our industry are capital intensive, and we are committed to being careful regarding where we invest and what we target so that we have more successes commercialising our new products and services in the future.

## Implementing our Sustainability strategy

Our Corporate Sustainability Strategy, published in 2022, was put into practice in 2023. The strategy defined 5 focus areas: Transparency, Partnerships, Innovation in Design and Delivery, Being a Sustainable Organisation, and Climate Protection.

With regards to transparency and partnership, advances in our XD tool (more on that shortly) and the implementation of our collaboration-based negotiation strategy were notable successes this year. The successful deployment of our next generation HUF and our new façade system (mentioned above), were clear examples of successful sustainability-focused innovation. We continued our research into Internet of things (IoT) sensors, with a view to enabling predictive maintenance that saves on costs and materials. And I valued the opportunity to speak at the CWCT's annual general meeting, where I welcomed calls for more openness and clearer data on embodied carbon calculations.

As an organisation, we continued to diversify, with new talents onboarded from across Europe. We now have team members from 18 different nationalities within the company, increasing our diversity.

## Being a more adaptable, connected and responsive team

As we have learned over our 20-year history, entering new markets requires agility and adaptability. So, it is fitting that our teams are now all cross-functional and working according to an Agile approach.

Once again, embracing Agile was a commitment we set ourselves in 2020, and this was definitely a correct and important decision for our company. Our cross-functional teams can serve projects more effectively. They are better placed to address client pain points and meet their needs faster.

Adopting this approach has not always been straightforward. It has required a significant change in our mindset and has taken longer than we first anticipated. Nevertheless, we have made significant tangible progress, including the adoption of OKRs (Objectives and Key Results), and we will continue on this journey of becoming more adaptable and flexible.

Our ongoing digitalisation as an organisation is enabling greater transparency, efficiency and planning via our XD tool. Team members, partners and clients can now track a wide range of project metrics including daily production and installation rates, non-completed elements, transportation and logistics, and pricing. The tool automatically updates itself 3 times per day, and has quick links to QA information, technical designs, and shipping data.

Ultimately, by embracing a setup based on cross functional teams, applying Agile methodology and using digital tools, the work we do as individuals has more purpose and clarity. This makes our everyday work more meaningful, because we can see the larger goals we are contributing to.



“

With this approach, and our clear focus for development that is defined in our new strategy, I am confident that we will remain resilient and continue to grow in 2024.

”

## Looking ahead to 2024

While I am a positive person, I do see less than blue skies coming in 2024. My reasoning is that there are still many unpredictable factors that can influence markets. Interest rates remain high and there are important elections coming up in many countries. These can directly impact markets, and I believe many investors and other players are waiting to see what will happen.

Ensuring consistent growth will require extra effort and a strategic approach. We are careful in choosing our partners and projects, and remain conservative in terms of cash flow management and our approach to contract negotiations.

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Yours faithfully,  
**Aušra Vankevičiūtė**  
CEO, Staticus

# Staticus at glance

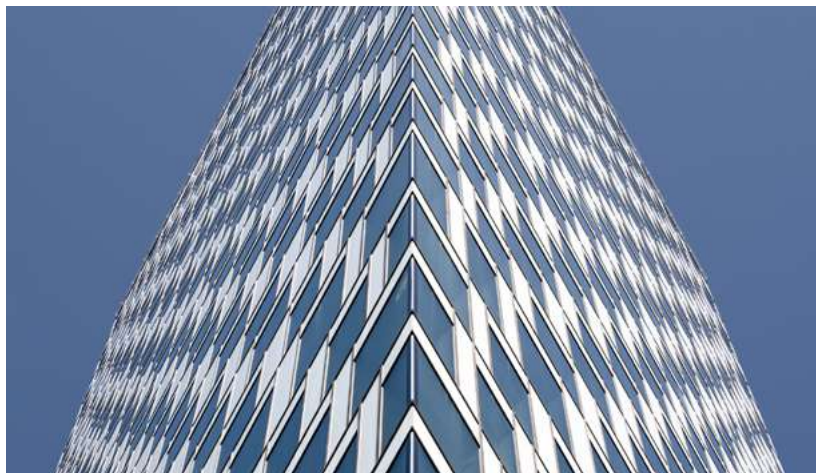


Photo copyright © Andrius Gudelis

Gothenburg City Gate, Gothenburg, Sweden

## A resilient company committed to the long term

Staticus is a leading Northern European façade contractor, working with major international players in the UK and Scandinavia. To handle the complexity of our clients' large-scale projects and meet their rigorous aesthetic and performance requirements, we draw upon over 2 decades of experience. Using adaptability, innovation and a partnership-oriented approach, we deliver benchmark-setting projects that maximise long-term value for our clients and for society.

As a family-owned business that has grown and developed sustainably over more than two decades, we understand the importance of having a long-term perspective.

The key to this long-term approach is our focus on partnership and transparency. We have adopted a collaboration-first negotiation strategy and we are proactive in finding innovation solutions for our partners at the pre-tender stage. Once a project is underway, our highly-developed XD tracking tool provides transparency, allowing our partners to monitor several aspects of a project's progress.

They are also 2 of the key focus areas in our Corporate Sustainability Strategy, which was published in 2022. The other 3 focus areas are innovation in design and delivery, being a sustainable organisation, and climate protection. This strategy, and our extensive R&D efforts, are already bearing fruit. In 2023, our next-generation Hybrid Unitised Façade (HUF) - which cuts embodied carbon by up to 75% compared to a standard aluminum system - was used in a project for the first time. We are also assessing the sustainability of each project and using this to improve design and production, while implementing life-cycle thinking through our end-to-end value chain.

As an organisation, we are deeply committed to people. We subscribe to the very highest standards of health and safety in the industry in order to keep our team, our partners, and the public safe. Our people-first culture within the company aims to create the conditions for every team member to develop and thrive.

## Consistently delivering innovative, high-quality façades

Our long-term approach enables us to consistently win and implement benchmark-setting projects.

We now have a very strong track record across the European market. This includes projects with major international players in the UK, Scandinavia and Central Europe, and our largest value project in Iceland. We have delivered the first ever project in the region to use Closed Cavity Façade technology. And, with our R&D team working on new innovations in IoT and hybrid façades, we aim to continue leading the way in the façade industry.



# Business regions

## Our offices and markets

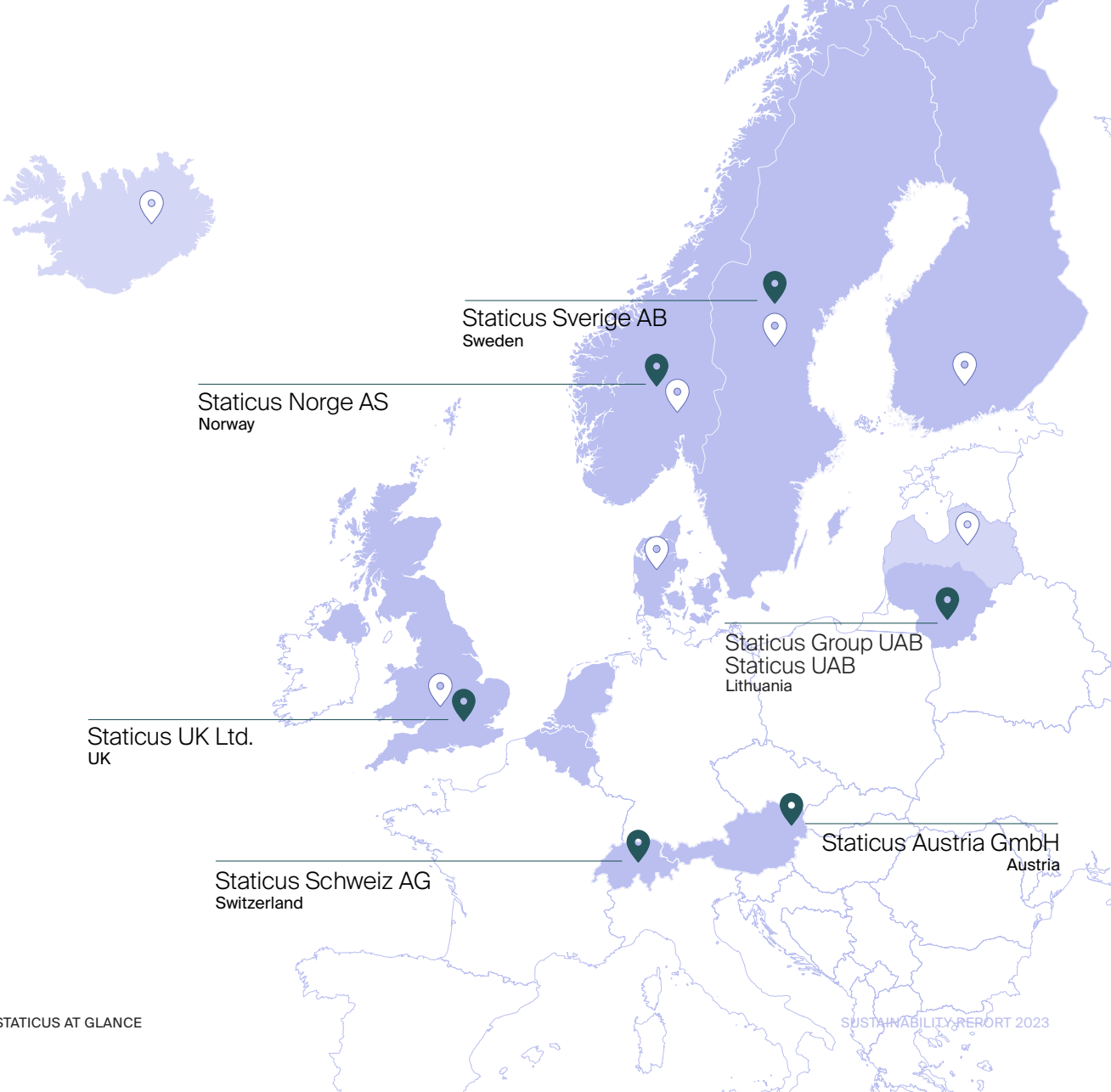
- Markets
- Offices
- Branches

Staticus is a truly international company, and we continue to expand our presence both in terms of where our team is based and which markets we operate in. We have delivered, or are currently working on, projects in 8 different countries: Norway, Sweden, Denmark, Finland, the UK, Iceland, the Netherlands, Latvia and Lithuania. And we have active operations in Belgium and Luxembourg.

Our international team has 7 offices at present. Our headquarters and production facilities are in Vilnius, Lithuania, and our sustainability team are based in Basel, Switzerland. We also have offices in London, Vienna, Kaunas, Oslo and Stockholm, and there are 18 different nationalities within our team.

STATICUS

STATICUS AT GLANCE



SUSTAINABILITY REPORT 2023



# Taking façades from concept to reality through an end-to-end value chain

We offer services at the following project stages:

At every project stage, our philosophy is that “your project is our project.” And we enter into every partnership with a commitment to the long-term, considering the overall impact of any decision and not just short-term gains. This means we take a proactive and collaborative approach and always strive to meet exactly the requirements of each project.



## Concept design

We collaborate closely and engage as early as possible to ensure the right customisations are made to meet each project's unique needs. This includes early-stage consulting, concept design development, advice on technical feasibility, and budget and cost planning.



## Design development

At this stage of the process, we work through each individual design question and problem-solving question. Other important activities at this project stage include feasibility consulting, structural and physical calculations, parametric design, workshop design, installation drawings, and as-builts.



## Mock-ups and testing

We are able to produce a wide range of mock-ups so that project partners can see and assess the aesthetics, materials and performance of the façade units. This includes the production of Performance Mock-Ups (PMUs) for testing. This testing takes place at facilities in the UK and Germany, or at our own facility using our newly constructed testing rig. Built in 2023, the rig is CWCT and EU compliant and was funded by Norway Grants. It is designed for visual mock-ups and performance testing and can accommodate oversized units. Using this rig, we can carry out full test sequences for Air Permeability, Water Tightness, Resistance Against Impact (interior and exterior), and Dynamic Water Tightness. Having a rig on site during production enhances our quality assurance and means every project is verified via physical testing before production starts and continuously during production itself.



## Production

Our 12,050 m<sup>2</sup> production facility can host up to 12 assembly lines, enabling us to work on multiple projects simultaneously and deliver highly complex, customised projects on time. Our average annual production capacity is 150 K m<sup>2</sup> of façade units.



## Installation

Our focus on installation begins at the early design stages. This enables us to deliver a smooth, continuous installation that maximises our use of on-site time while never compromising health and safety.



## Logistics

Our logistics specialists work closely with site managers to develop plans that minimise on-site storage. Completed façade units are delivered using just-in-time supply, and façade unit storage is also available at our facilities.



## Warranty and after-warranty

Staticus ensures comprehensive support through a dedicated team for warranty and post-warranty services, with regional partners across all project locations for prompt resolution of urgent issues.

# Staticus' Sustainability Strategy

Through corporate sustainability we create long-term value by focusing on the social, environmental, and economic dimensions of doing business.

Our commitment to sustainability and long-term thinking manifests itself in clear, concrete actions. In 2021, we developed our first Corporate Sustainability Strategy, building a foundation for future years.

We conducted a materiality analysis and defined clear sustainability objectives. The results of the materiality analysis are summarised in the matrix on the right, and plotted for relevancy of internal and external stakeholder.



# Putting Staticus Sustainability Strategy into actions

The current report provides a detailed account of our sustainability activities and performance in 2023, including key indicators, statistics and implementation projects under each of the 5 focus areas. The goals for the future are outlined with short-term and long-term targets.



## 01 Transparency

- Reporting / Communication:**
  - Establish sustainability reporting on material topics;
  - Develop customer-specific reporting.
- Compliance:**
  - Monitoring of legislation;
  - Labour practice;
  - Health & Safety: zero accidents.
- Business resilience:**
  - Risk management;
  - Cost management.



## 02 Partnerships

- Sustainable mindset as a foundation for partnerships.**
- Supply chain management:**
  - ESG risk analysis of supply chain;
  - Roll-out ESG compliance criteria and monitoring;
  - Use supplier assessment platform for management.
- Cooperation with research and educational institutions.**



## 03 Innovation in design and delivery

- Monitoring of legislation on sustainable construction.**
- Low carbon systems.**
- Long-term engagement.**
- Circular economy:**
  - Design for disassembly and reuse;
  - Zero waste:
    - Optimise in-house waste management;
    - Optimise site waste management;
    - Operational efficiency.



## 04 Climate protection

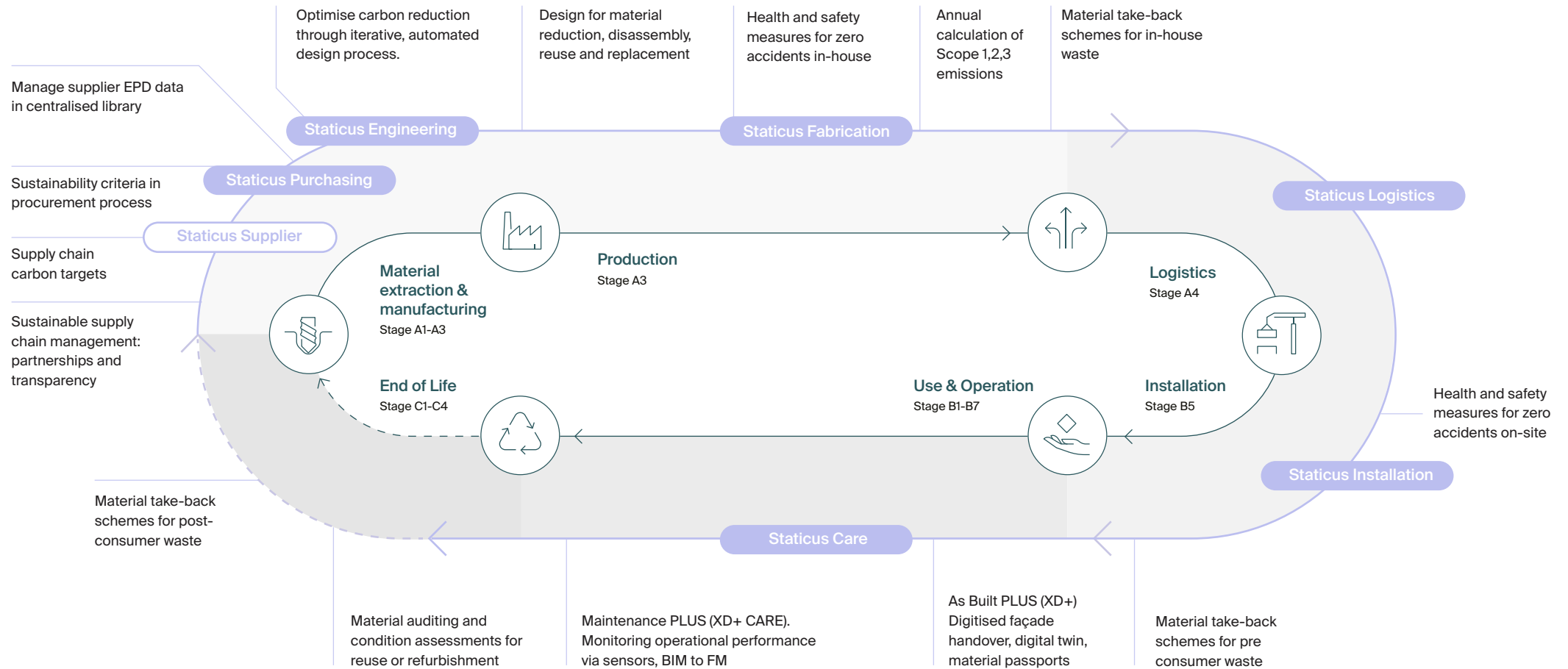
- Product carbon footprint:**
  - Establish a platform for project-specific analysis.
- Value chain analysis of carbon footprint:**
  - Estimate scope 1, 2, 3 emissions;
  - Development of carbon reduction targets incl. supplier engagement.



## 05 Sustainable organisation

- Education and training.**
  - Sustainable mindset;
  - Talent development;
  - Reskilling.
- Cross functional teams.**
- Diversity and inclusion.**
- Engagement.**

# Strategic Initiatives





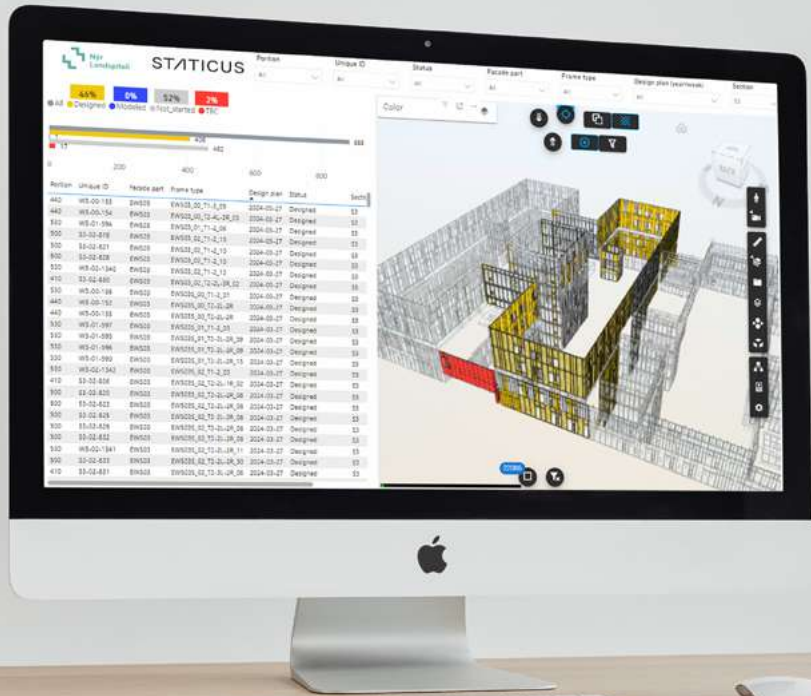
01

# Transparency

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# Reporting and Communication



At Staticus, by conducting sustainability reporting on material topics we are able to deliver transparency.

Reporting is a vital component of our sustainability activities, because it ensures we remain accountable and keeps us focused on continual improvement. In 2023, for the second time, our comprehensive sustainability reporting has been prepared according to the 5 focus areas of our corporate sustainability strategy.

As we take on ever more complex projects and work with Top-tier clients, we are reviewing, enhancing and developing these practices to ensure transparency, efficiency and reduced waste. To ensure effective quality assurance (QA) across all projects at Staticus', we developed an in-house digital tracking tool, the XD reporting.

This tool enables effective QA monitoring throughout our value chain and is trackable across an entire project. This tool connects detailed 3D models of our projects with data from Enterprise Resource Planning (ERP) and Common Data Environment (CDE) systems. The XD reporting tool

TRANSPARENCY provides our project teams, stakeholders, and clients with a method to check a project's progress in real time, ensuring transparency and further building trust.

In 2023, we made significant developments in the XD reporting tool;

- ▶ Automated reports for payment plans, technical and workshop design management dashboards, and added status filtering
- ▶ Integrated QA documents, enabling stakeholders to filter, locate and flag specific elements for compliance and track their status

# Compliance

## Monitoring of legislation

Lexington, Liverpool, UK



ST/ATICUS

01 TRANSPARENCY

COMPLIANCE

MONITORING OF LEGISLATION

We maintain compliance by monitoring country-specific legal frameworks, and demonstrating our quality and credibility via a comprehensive portfolio of certifications.

### UK Building Safety Act

The UK Building Safety Act came into force on 1st April 2023 to enhance building safety, particularly high-rise developments (now known as Higher Risk Buildings “HRB’s”). Under the Act, all parties involved in the construction and management of relevant buildings have greater responsibilities to ensure the buildings delivered comply with the UK Building Regulations. This extends not only during the construction phase but also in the management of the built asset after occupation. The BSA aims to put the resident’s welfare at the heart of this new legislation.

With Staticus expecting to work on many HRB’s in the future we have undertaken a review of our internal processes throughout our full value chain. Design undertaken by Staticus shall continue to follow our internal design review process. Furthermore, we have undertaken additional independent testing to ensure that our solutions

can be more accurately assessed and evidenced. Throughout the production and installation processes our project-specific Quality Plans have been updated and shall include mandatory evidence of all passive fire safety measures installed and any other mandated data required to fulfil the requirements of the ‘Golden Thread’ of information.

Our teams are enrolled on continued professional development aligned to the industry led ‘Joint Competent Initiative’ (JCI) recommendations. This is an important step taken by the industry to ensure that industry-wide, the people and organisations involved in the design, construction and management of façade systems meet a recognised minimum standard according to their role/function.

SUSTAINABILITY REPORT 2023



# Compliance

## Monitoring of legislation

Following Staticus' commitment to provide compliant, high-quality products underpinned by transparency in our processes, the enactment of the Building Safety Act is an opportunity to further demonstrate our 'Way of Work'. Also, the responsibility we undertake to our clients, investors and ultimately the end users of the building when we execute our agreements.

As our products are predominantly produced off-site, to aide transparency Staticus have developed our XD reporting tool. This online portal provides a remote view into the project progress, empowering the BIM model by enriching it with project-related quality reports and critical safety information. This continues at the building site, with site works incorporated into the model including the installation records, quality audits and photographic evidence of all firestopping within our package of works.

With the additional Gateways implemented for HRB under the BSA the construction industry will need to more widely adopt 'Early engagement' of highly competent specialists, to ensure detailed design (and its technical validation) is achieved prior to the Gateway 2 submission. With our highly competent teams, proven experience in managing façade packages of various complexities and client-centric transparency, we are well placed to support our clients and their project stakeholders to ensure compliance with the Building Safety Act.

### EU Carbon Border Adjustment Mechanism

The EU Carbon Border Adjustment Mechanism (CBAM) will put a carbon price on the production of carbon intensive goods and products that are entering the EU, to ensure the carbon price of imports are equivalent to the carbon price of domestic EU production.

The EU CBAM will come into force from 2026 following the current transitional phase. The gradual introduction of the EU CBAM between 2023 to 2025 aligns with the phase of out free allowances under the EU Emissions Trading System (ETS).

To comply with the requirements of the transitional phase, Staticus submitted quarterly EU CBAM reports in 2023, declaring all goods purchased outside the EU and their corresponding emissions.



# Compliance

## Health & Safety

Canada Water, London, UK

Health and Safety is the foundation of our work culture and practices. We never compromise when it comes to keeping our team, our partners, and the public safe.

Our aim is always to ensure the overall safety, health and well-being of everyone directly and indirectly involved in the work we do.

The continual pursuit of knowledge and excellence is central to our culture, and we apply this approach to our Health and Safety practices.

## Our Health and Safety Record in 2023

We are committed to achieving a strong Health and Safety record each year, and work continuously to ensure our activities are aligned with industry best practice.

We are proud that our efforts in Health and Safety resulted in a very strong record in 2023, which included:

0 serious or fatal accidents

0 occupational diseases

0.6 Accident Frequency Rate (AFR)

0.6 Lost Time Injury Frequency Rate (LTIFR)

No penalties or notices from HSE authorities or courts in the last 5 years.

Encouraging a culture where near misses and safety observations are reported without fear of reprisal is crucial for maintaining a safe and proactive work environment. Our focus is to decrease the number of unsafe conditions, and unsafe behaviours through increased reporting.

**In 2023, a 44% increase in reports of potentially unsafe working conditions or unsafe behaviour were recorded. By promoting a culture of increased reporting, we are able to improve our culture, safety procedures and overall risk management.**

To further bolster the safety and well-being of our employees, subcontractors, partners, and other stakeholders, we provide regular theoretical and practical health and safety training sessions. In 2023, these sessions focused on a range of topics, including working at heights and rescue actions in the event of a fall, fire safety, and first aid training in hazardous environments.

## Our Strategic Vision – Zero Accidents

Health and Safety is a priority at Staticus, and we ensure the necessary and ongoing resources are provided to continually improve safety performance.

In 2023 Staticus recorded zero serious or fatal accidents, and by 2025 our goal is zero work-related accidents. To achieve this, we will focus on targeted preventive actions. These include increased data collection on unsafe conditions, and unsafe behaviours. We will use this data to proactively identify unsafe situations and mitigate incidents.

We also aim to attend conferences and innovation fairs to keep up with the latest Health and Safety trends, technologies and applications.

## Holistic Approach

At Staticus, our zero injuries policy applies to all employees and subcontractors and everyone directly or indirectly related to our work.

Despite the significant challenges faced by the construction and manufacturing industry with regards to workplace safety, we aim to always ensure the overall health and well-being of everybody involved.

In addition to health and safety measures, Staticus takes into account workplace stress, mental health, and long-term health hazards posed by environmental factors like dust, noise, and poor ergonomics.

## Key Health and Safety Initiatives

### Comprehensive Training Programmes

We invest in training programmes for our employees to ensure they are well-informed about safety protocols, emergency procedures, and the proper use of equipment. Regular training sessions are conducted to keep everyone up-to-date with the latest industry standards.

In 2023, 99% of our construction site team members received practical first aid training.



### Hazard Identification and Risk Assessment

Staticus conducts thorough hazard identification and risk assessments at each project site and production facility. Our proactive approach allows us to address potential risks and implement preventive measures to mitigate the likelihood of accidents or injuries.

### Safety Inspections and Audits

Our dedicated safety team conducts regular inspections and audits to monitor compliance with safety regulations and identify areas for improvement. Our regular inspections and audits help us to maintain a Gsafe working environment and continuously enhance our safety practices.

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In 2023, we carried out 50 construction site audits and 173 inspections at production facilities.

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# Business Resilience

Victoria HUB, London, UK

STATICUS

01 TRANSPARENCY

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Staticus' consolidated revenue grew by an impressive 26% in 2023, compared to the previous year. Our significant growth is a clear indication of our successful business strategies, our efficient operations, and the trust our clients have in our services. While revenue grew, our net profit remained stable at 3.28% in 2023. This compares to 2.91% in 2022.

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In an economy experiencing high inflation and other uncertainties, maintaining a stable net profit is a significant achievement. We achieved this stability by implementing cost-saving measures, improving our supply chain management, and optimising our production processes. Our focus on efficiency allowed us to maintain profitability while still providing high-quality services to our clients.

We have a comprehensive risk management framework in place that enables us to identify, assess, and mitigate the various risks we face in our operations. We monitor market conditions and geopolitical developments closely and our cross functional teams enable us to react and adjust quickly to changing requirements. We also maintain a diversified portfolio of projects and clients across different regions and sectors, which reduces our exposure to any single market or country. We have established strong relationships with our suppliers and customers, and ensure timely payments and deliveries. We also have contingency plans and backup options in place in case we encounter unforeseen events or disruptions.

By following these measures, we aim to minimise the impact of the risks on our cash flow and performance.

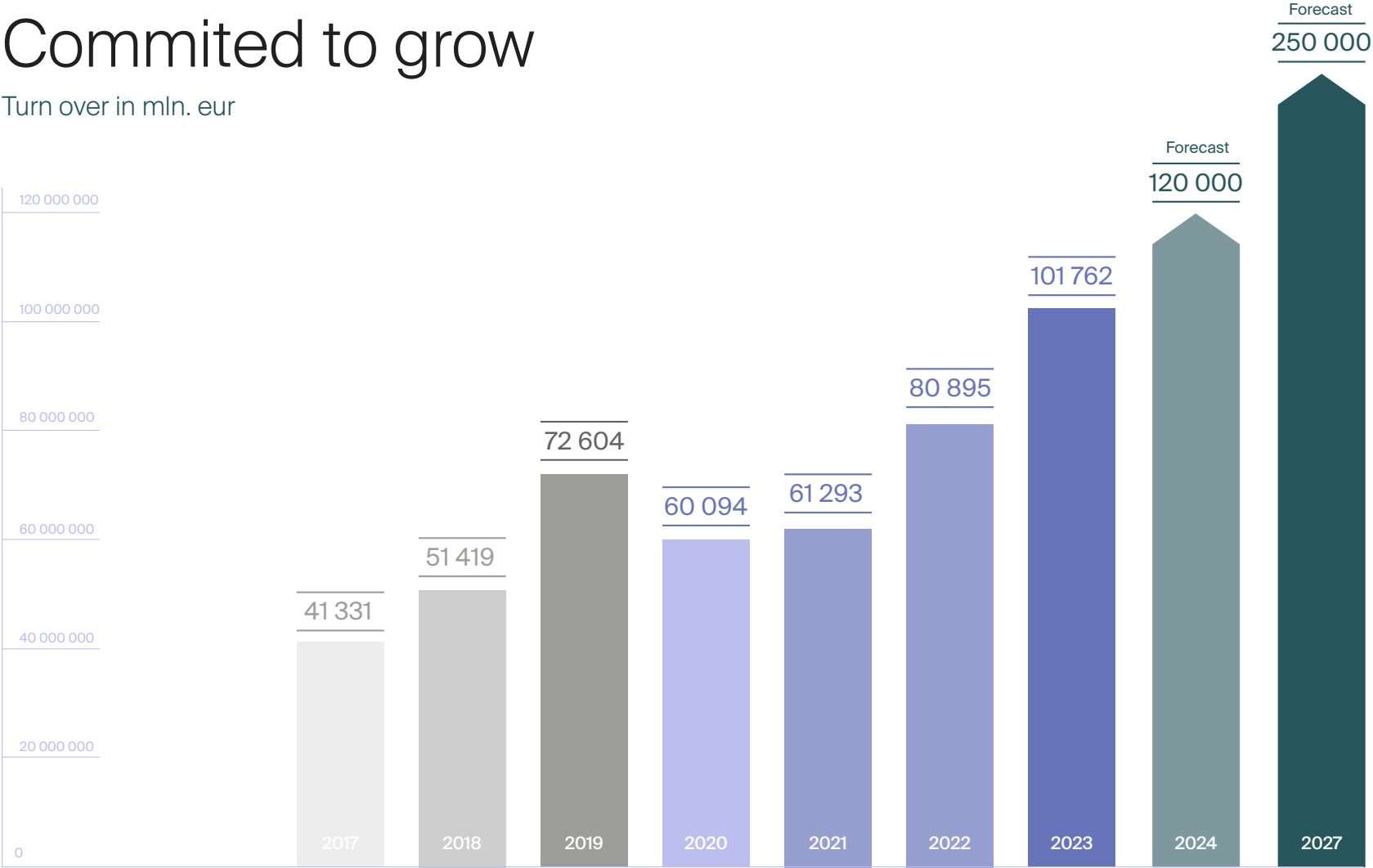
BUSINESS RESILIENCE

SUSTAINABILITY REPORT 2023



# Committed to grow

Turn over in mln. eur





02

## Partnerships



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# Sustainable mindset as the foundation for partnerships

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Our new approach to negotiation is one of the most important ways that we are building viable long-term relationships.

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Construction is a low-margin, high-risk industry. As a result, companies in our sector are often tempted to compete rather than cooperate. While this approach is understandable, it results in a net loss for the industry as a whole. Solutions that would be profitable for all parties are often ignored because of a 'zero-sum' mentality when negotiating.

Naturally, increasing our profitability is an important goal for our company. But we aim to do so in a way that aligns with our values and culture. "We could try to earn more by fighting more, by being more brutal," says Aušra. "But that's not us. We have committed to cooperation, to working together towards better results. That includes increasing profitability for us and our counter-parties by being open, transparent and collaborative."



# Supply Chain Management

While price and quality ratio is one of the key metrics in professional procurement, the implementation of our supplier's sustainability strategy is becoming increasingly more critical.

Underpinning the success of Staticus' sustainability strategy is a sustainable supply chain. Staticus seeks to develop long lasting relationships with suppliers who share our sustainable mindset.

In 2023, we carried out a supply chain survey to better understand our partners sustainability activities. We received over 50 responses, including all of our top tier suppliers. The survey results revealed that 40% of our suppliers have a clear sustainability strategy and more are taking firm steps towards defining one. The results also highlighted our supply chain's commitment to making long term and impactful change through the use of renewable power, sourcing material with high amounts of secondary material and generating EPDs for greater transparency.

In 2024 our aim is to embed a sustainability criteria into procurement decisions by introducing a new evaluation metric - a sustainability score. We also aim to develop carbon reduction targets in collaboration with our suppliers.

# Cooperation with industry, research and educational institutions



In 2023, Staticus participated in many successful collaboration, events and conferences with industry, research and educational institutions, including, hosting panel discussions as part of Oslo Urban Week, presenting at sustainability conferences, co-supervising a master thesis with ETH Zurich, and participating in key industry panels and committees.

## Hosting OMA Urban Week

As part of Oslo Urban Week 2023, Staticus hosted 3 panel discussions in our landmark Closed Cavity Façade project, the VIA Building. We invited industry experts, clients and partners to share their insights on three key topics: "Exploring the Urban Landscape - Refurbishment or New Construction," "Embracing the Wood Revolution - Comeback of Wood" and "Unveiling VIA Vika - A Landmark Achievement."

The event was a great example of the transparency and openness that is needed to accompany innovation if we are to truly move the dial on lowering our carbon usage. By sharing the research we are doing and showcasing the technologies we are developing, we can demonstrate what is possible and affect change across the façade industry.



Cooperation with industry,  
research and educational  
institutions



**Presenting at IEEE-TEMS International  
Conference on Technology and  
Entrepreneurship**

Staticus' was a primary sponsor of the IEEE-TEMS International Conference on Technology and Entrepreneurship. The 3-day academic conference brought together an international community of over 250 scholars and business professionals to address the theme: "Digital Ecosystems for Sustainable Society."

Staticus' IT Project Manager, Ricardo Seijas, presented our "Staticus Care " project, highlighting it's use of IoT sensors to provide valuable data for digital twins and BIMs. One of the key points Ricardo explained was that approximately two-thirds of a curtain wall's CO2 footprint comes from the use and operation phases, in which Staticus has very little involvement. The "Staticus Care" project is being developed to increase our involvement in a façade's life cycle and to further reduce operational carbon emissions. As Ricardo pointed out, data from sensors can play a major role in reducing the environmental cost of maintenance, repair, and refurbishment.

**Presenting at the Circular Building  
unConference**

Staticus' CBDO, Aulikki Sonntag, attended the Circular Building unConference event, hosted by the Circular Building Lab in Zurich. Aulikki participated in the Challenge panel discussion oabout "Product as a Service" in the construction sector and took home a positive outlook on the Circular Building Industry and its innovations.





**Co-supervising a master's thesis**

We co-supervised a master's thesis at ETH Zurich. The topic was "Expanding the material portfolio for unitised curtain wall systems: comprehensive analysis of performance, environmental impact, and feasibility for alternative material options."

Collaborating with universities and other educational institutions are an important mechanism for knowledge sharing and continuously driving innovation in the private sector. By providing design and industry expertise, Staticus was able to assist in producing a study aimed at reducing the embodied carbon over the lifecycle of a unitised curtain wall system through the use of alternative, bio-based materials.

**New London Architecture Tall Building Panel Appointment**

Our CBDO, Aulikki Sonnttag, was invited to join the New London Architecture (NLA) Panel on Tall Buildings. NLA is a construction industry community focused on building a better and more sustainable London and the Tall Buildings Panel is a key contributor to industry discussions on high-rise building development. With over 500 tall buildings in planning, approval or under construction, London is moving beyond its traditional low-rise, low-density city. Through Aulikki's appointment, Staticus is engaging with important discussions on how to manage high-density living in a post-pandemic city.

**CWCT Committees**

In 2023 we actively participated in the CWCT's sustainability workstreams, which were dedicated to establishing industry standards for embodied carbon calculation and using Environmental Product Declarations.

03

# Innovation in Design and Delivery

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# Developing Low Carbon Systems

Staticus is committed to minimising our environmental impact and reducing our carbon emissions.

To support our clients meet their project carbon reduction targets Staticus provides low-carbon façade systems and product alternatives including our innovative Timber Hybrid Unitised Façade (HUF) system and our bespoke Design for Manufacturing (DfM) system.

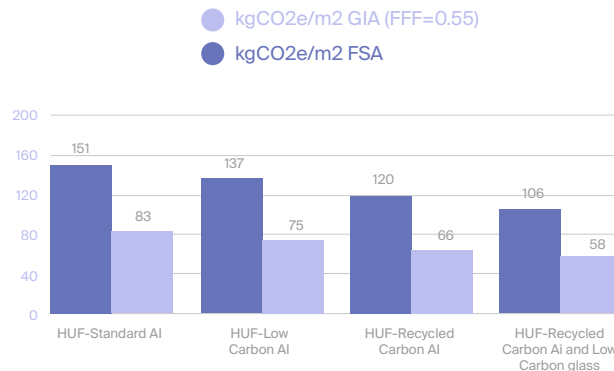
To best support our clients meet their project carbon emissions targets, Staticus undertakes embodied façade carbon calculations at early project stages to provide our clients with low-carbon alternatives. When compared to a baseline unitised curtain wall system (with European standard products), we can demonstrate up to 35% carbon savings by switching to low-carbon aluminium and glass, and up to 45% carbon savings by switching to our Timber HUF system.

Staticus' Timber HUF system replaces carbon intensive frame materials with timber. When compared to a European standard aluminium frame profile, the Timber HUF framing reduces the embodied carbon emissions by up to 70%. In 2023, we installed the Timber HUF system on a project for the first time at Textiltorget, a 9-storey renovation project in Stockholm. The project utilised our previous expertise in timber façades enabling us to design, test and install 1400m<sup>2</sup> of a bespoke Timber HUF system. It highlights our commitment to not only innovate but develop solutions that meet real market and client needs.



45%  
reduction

When comparing **hybrid unitised façade system** to a standard aluminium unitised system\*



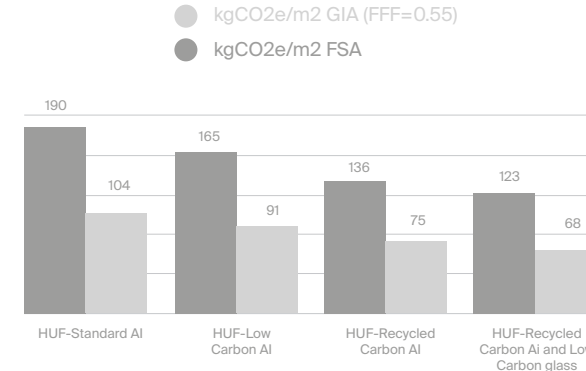
Hybrid Unitised Façade System

\*Hybrid unitised façade system assumes high recycled content aluminium and low carbon glass



35%  
reduction

When comparing **low carbon aluminium unitised façade system** to a standard aluminium unitised system\*\*



Aluminium Unitised Façade System

\*\*Low carbon aluminium unitised façade assumes high recycled content aluminium and low carbon glass





Installed HUF elements for the Textiltorget project.



Production of HHUF system elements for the Textiltorget project.



Installed HUF elements for the Textiltorget project.





Mock-up for Separatorm 1 project using Staticus developed system DfM



Testing frame connections for HUF



Testing the weathertightness of HUF

In May, prior to implementation, we conducted extensive testing of a full performance mock-up of the Timber HUF system at VINCI Technology Centre in the UK. The testing included air permeability, wind resistance, watertightness and impact resistance testing to EN standards. In 2024, we will conduct additional testing, including a climate chamber test and a fire resistance test, to meet diverse market and building requirements. This will enable us to make ongoing improvements to the system.

At Staticus, we have developed our own bespoke unitised aluminium curtain wall systems based on Design for Manufacturing (DfM) principles. DfM means designing parts, components or products with the utmost efficiency of manufacturing in mind. This is achieved by simplifying, optimising and refining the product's design, leading to a more environmentally friendly production. It also enables us to produce unitised systems at a lower cost.

In 2023, we completed installation of our DfM unitised curtain wall system on the Separatorm 1 in Flemingsberg, Stockholm. In collaboration with our local extrusion partner, we developed and produced bespoke unitised aluminium profiles. The DfM system met all necessary criteria for EN and CWCT testing certification.

# In-house Testing

In 2023, Staticus completed the construction of our new in-house testing rig.

The new rig was funded by the 2014-2021 Norwegian Financial Mechanism Program "Business Development, Innovation and SMEs" EEA and Norway Grants.

The testing rig offers an enlarged capacity and accommodates over-sized panels. It can be used for visual mock-ups as well as performance testing in accordance with CWCT and EU standards. We can carry out full test sequences for Air Permeability, Water Tightness, Wind Resistance, Impact (interior and exterior), and Dynamic Water Tightness.

The testing rig not only enhances our in-house quality control, but is also a valuable asset for our research and development activities. It allows us to efficiently prototype and test systems in development, including our low carbon systems.

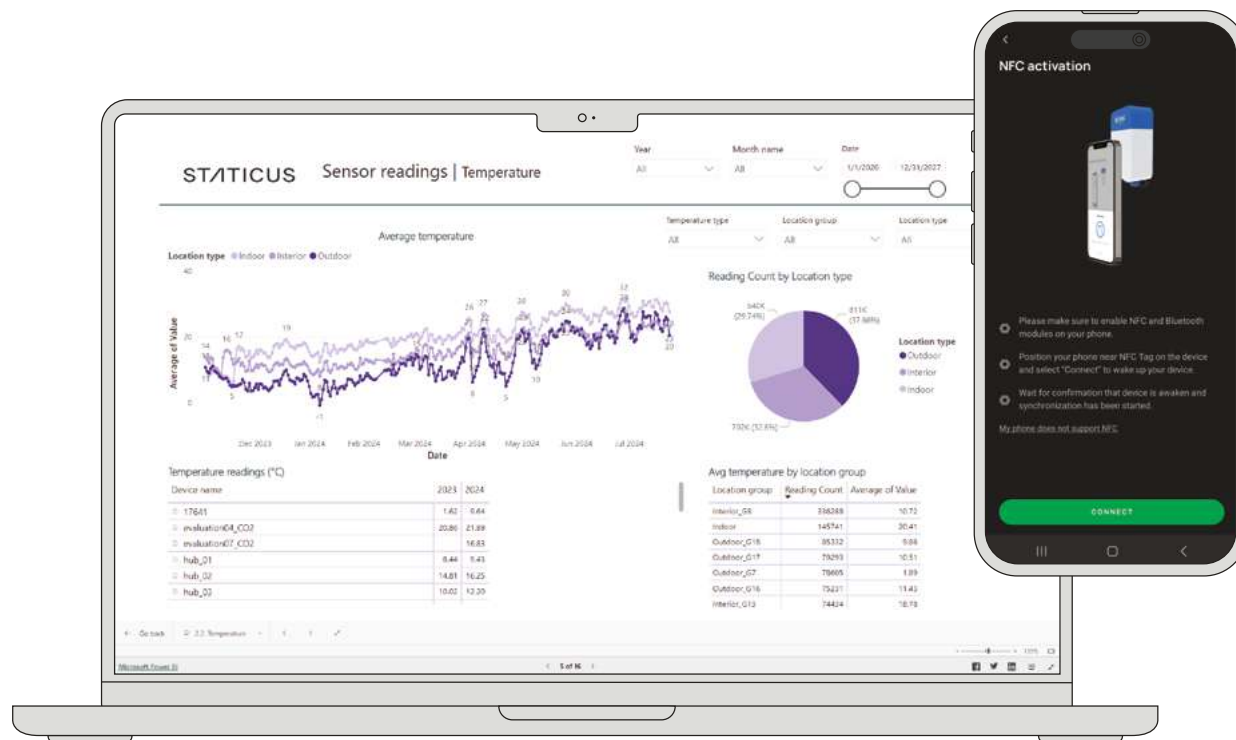


# Long-term Engagement

Staticus' R&D team is exploring ways to integrate Internet of Things (IoT) technology in our façade systems with the goal of enhancing building performance, and reducing maintenance costs. Achieving this can have a significant impact on reducing carbon emissions and lowering maintenance costs for a façade.

In 2023, we built an IoT system mock-up with sensors, the cloud data infrastructure and the pipeline connection between. Live data is being constantly streamed from our IoT system mockup to an azure platform, developed by our partner ADD Business Solutions. The real time data is monitored and analysed by our partners at SINTEF and OsloMet in order to calibrate their mould prediction and building physics models.

Once this data is integrated into a building management system (BMS), the BMS can be optimised for improved energy use and faster responses to changing conditions or potential issues. This is because our sensors are able to collect data that is otherwise unavailable to traditional BMSs, creating much richer datasets and providing all relevant information consolidated in one place.





# Circular Economy

## Design for Disassembly and Reuse



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In 2023, we finalised the disassembly exercise of a unitised curtain wall system. In collaboration with Dutch façade consultants Frontwise, we determined the disassembly rating of a state-of-the-art unitised façade system.

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In the disassembly exercise, we identified critical system components in terms of their accessibility and their potential for replacement or reuse.

There are multiple reasons why façade components may need to be replaced prior to the building's end-of-life, including end of a component's lifetime, design mistakes, force majeure, or new requirements by the building owner and/or the governing code.



# Circular Economy

## Zero Waste

Our goal at Staticus is zero waste in-house and on-site. To enable this we focus on optimising design and production processes.

During the design process we prioritise the standardisation of systems solutions that minimise waste through resource efficiency. And during the procurement and production processes we optimise our processing and assembly lines to reduce in-house waste. On-site we work closely with key stakeholders to ensure our waste management practices are aligned with our clients.

Our central goal is to ensure that 100% of waste generated in-house and on site is sorted and prepared for recycling or reuse. To enable this we ensure waste management monitoring throughout our value chain.

Waste generated at the factory in Vilnius is handed over to the waste handling company for recycling. On a monthly basis, we receive documentation from the waste handling company confirming that the waste generated across various categories (e.g. paper, plastic packaging, wood) has been 100% recycled.

Standardised solutions for packaging and special wrapping technique allow us to wrap the packages with the least amount of plastic foil. Moreover, the polyethylene foil that we use is 100% post-consumer recycled. This foil is fully recyclable, which means that the plastic waste generated at the construction site doesn't go to landfill.

For transportation of our units from the factory to the construction site, we use wooden pallets and steel stillages. Our steel stillages are returned to our manufacturing site, and continuously reused and maintained to ensure that they go through the maximum number of life cycles. Used wooden stillages from construction sites are dismantled and returned to our manufacturing site for reuse whenever possible. In this way, we do not generate any additional waste on the construction site.

Waste generated on site is carefully sorted and stored for recycling in the containers. Depending on the site management's preferences, we either hand over the containers to the registered waste managers for recycling at the place of the project, or fully return the waste to our manufacturing site for recycling in Lithuania.



Staticus logistics centre



Wooden stillages designed for the transportation of façade elements from the factory to the construction site



04

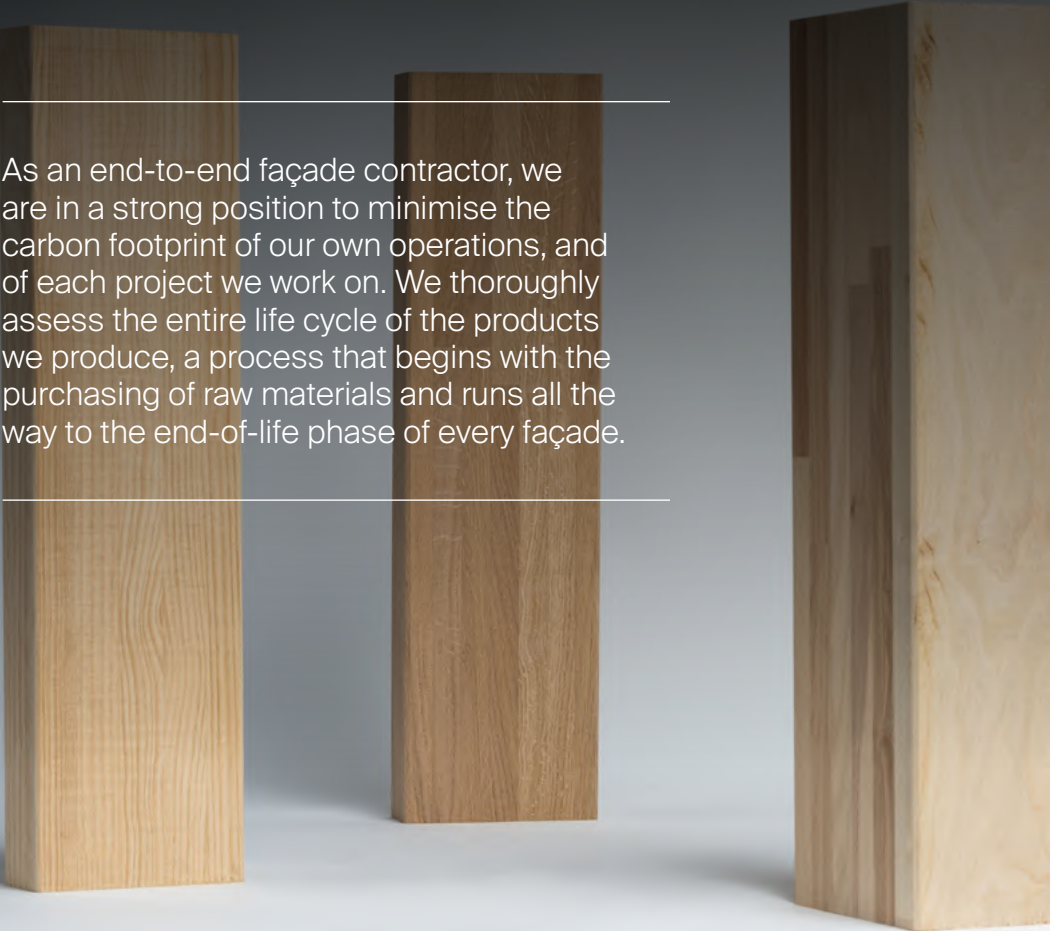
# Climate Protection

- 36 Product carbon footprint
- 37 Value chain analysis carbon footprint





# Climate Protection



As an end-to-end façade contractor, we are in a strong position to minimise the carbon footprint of our own operations, and of each project we work on. We thoroughly assess the entire life cycle of the products we produce, a process that begins with the purchasing of raw materials and runs all the way to the end-of-life phase of every façade.

## Product carbon footprint

In 2023, we built on our life-cycle carbon assessment knowledge to further improve the robustness of façade carbon calculations. Throughout different project stages we carry out façade carbon calculations to assess the embodied impact of the materials and products we use.

For early design and tender stages, we developed a new in-house tool to calculate façade carbon emissions in accordance with the Centre for Window and Cladding Technology (CWCT) methodology, outlined in "How to calculate the embodied carbon of façades." This ensures that we are aligned with industry and facilitates greater transparency and consistency. It has also allowed us, in combination with an established and growing internal EPD library, to push the usage of embodied carbon as a design variable for our engineers at early concept stages.

Last year we developed a comprehensive EPD library that we continue to update with the most current data from our suppliers. By establishing a standardised process for carbon calculations and supplier EPDs, we improve the accuracy of our carbon reporting in later project stages, where more detailed information is required.

Our goal at Staticus is to support our clients achieve their targets and continue to reduce our environmental impact in new and unique ways. We have established a strong and flexible framework to achieve this.

# Value chain analysis carbon footprint

Økern Portal, Oslo, Norway

Photo copyright © Andrius Gudelis

STATICUS

04 CLIMATE PROTECTION

In 2023, we continued to monitor our value chain's carbon footprint using the Supply Chain Sustainability Schools' Carbon Calculator.

The results revealed that 97% of Staticus' carbon emissions originate from material usage. The remaining 3% is from factory operation and transportation.

This demonstrated how important it is for us to engage with our suppliers to ensure there are low-carbon materials readily available in the market to source from. Low carbon materials market availability underpins our success to reduce our carbon footprint.

In 2024, we will carry out a comprehensive scope 1,2, and 3 emissions assessment according to GHG Protocol. From this assessment, and in consultation with our supply chain, we will define our carbon reduction targets and associated activities.



05

# Sustainable Organization

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39	Sustainability Committee
39	Talent development
39	Employee retention, promotion and return
40	High-performing Teams
41	Diversity and Inclusion
42	Engagement



# Education and Training

We foster a sustainability mindset within our employees and cascade sustainability objectives into the organisation. We nurture a culture of learning which includes talent development, career promotion and reskilling.



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## Sustainability Committee

The Sustainability Committee, consisting of 16 members, continued to accelerate the implementation of our sustainability strategy. Each division of the company is represented, ensuring that our sustainability objectives reach the full value chain.

The Sustainability Committee works in an agile way and meets on a biweekly basis to discuss the progress of sustainability-related initiatives, resolve issues and define next steps. The Sustainability Committee is governed by the Steering Committee that consists of the representatives from the Board of Directors.

## Talent development

Talent development and fostering a strong learning culture within Staticus are essential components of ensuring our long-term success. By investing in our employees' development, we can improve employee engagement, performance and innovation. A key aim at Staticus is to ensure employees have tools and learning required to carry out work, as well as opportunities to grow professionally.

We foster a culture of continuous learning and development and in turn, this encourages employees to utilise resources to enhance their skills and knowledge. Staticus also entered new markets in 2023, which required reskilling in compliance requirements and specific market demands. A key highlight in 2023 was three executive level staff starting a Masters Course of Management at ISM University of Management and Economics. This will provide advanced knowledge and skills in leadership, strategic planning, finance and operation, professional development and a global perspective on business practices and international markets.

Our goal at Staticus is to keep building high performance teams with highly qualified personnel, with the skills to meet our business goals and ensure our sustainability.

## Employee retention, promotion and return

Promoting employees allows Staticus to sustain our competitiveness in the façade industry, and remain one step ahead of the market. In 2023, the rate of promoted employees within the same department or from one department to another, increased to 7.8%. We achieved this by fostering an internal promotion culture and encouraging employees to take on new roles and responsibilities to support the company's expansion. By 2030 we plan to increase this number to 10%. Staticus's mission is to help its people build career paths, and to this end, priority is given to internal candidates whenever a new position is opened.

# High-performing Teams



Staticus' journey to becoming an Agile organisation started with our project realisation teams. In 2023, we made notable progress to more widely adopt the Agile methodology, fully implementing in our realisation and market teams.

In 2023, we also adopted the Objectives and Key Results (OKRs) goal planning system across our entire organisation. This system fosters a culture of high performance, and supports alignment to measurable and ambitious goals. This will be especially important as we focus on delivering the 2024-2027 Strategy.

Implementing these practices had a positive impact on employee and team engagement and client satisfaction.

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Survey results revealed increased team engagement at 83%, and improved client satisfaction at 91%.

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# Diversity and Inclusion




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Staticus is focused on creating and maintaining a diverse workforce and we prioritise diversity and inclusion.

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The main aim of our equal opportunities policy is to ensure that all job applicants, employees and others who work for the company are treated fairly and not discriminated against in any way. The goal is to maintain equal conditions for employees in the same position, regardless of nationality, religion or gender.

In 2023, we saw an increase across all our diversity indicators: the number of foreign employees increased by 2% to 7%, representing 18 different nationalities. Additionally, C-level positions are 56% female, and cluster leads are 75% female. This is very uncommon in the male-dominated construction industry, which highlights that diversity is of exceptional value at Staticus.

# Engagement



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Employee engagement is crucial for the success of the company, as it can lead to greater employee retention, as well as improvements in productivity, customer satisfaction, profitability and even company reputation.

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Our goal in this regard is to identify which aspects of our employees' experience are strongest, and which areas require improvement. Once these have been identified, we can then give attention to those areas that would better maintain and strengthen employee engagement.

In 2023, the results of our employee engagement survey revealed that engagement level was 48%. While Staticus is performing slightly above the industry benchmark our goal for 2024 is to increase employee engagement to 55%.

The vision is to identify strong aspects of our employees experiences and areas for improvement, for which priority attention should be given to maintaining and strengthening employee engagement.

# 2024 Outlook

Focus area	Sustainability objective	North Star	Near-term goals for 2024
<b>Transparency</b> 	<b>Reporting / Communication</b>	<ul style="list-style-type: none"> <li>— Produce annual sustainability reporting on material topics</li> <li>— Implement automated customer-specific reporting</li> </ul>	<ul style="list-style-type: none"> <li>— Publish Sustainability Report</li> <li>— Extend functionality and use of 5D reporting tool, adding cost to our visualised project mode</li> </ul>
	<b>Compliance</b>	<ul style="list-style-type: none"> <li>— Meet and exceed compliance requirements in each market</li> </ul>	<ul style="list-style-type: none"> <li>— Achieve full compliance with each market requirement</li> <li>— Health &amp; Safety: Zero accidents</li> </ul>
	<b>Business resilience</b>	<ul style="list-style-type: none"> <li>— Thoroughly manage risks and costs associated with changing conditions in order to ensure our business operates in a resilient and adaptive way</li> </ul>	<ul style="list-style-type: none"> <li>— Sustain annual growth at or above 15%</li> <li>— Ensure liquidity of over 1.1</li> <li>— Maintain financial performance</li> </ul>
<b>Partnerships</b> 	<b>A sustainable mindset as a foundation for partnerships</b>	<ul style="list-style-type: none"> <li>— Build long-term relationships with clients, partners and suppliers who share our sustainable mindset</li> </ul>	<ul style="list-style-type: none"> <li>— Engage in New London Architecture expert panels and programs through the joined partner network</li> <li>— Implement our negotiation strategy and further integrate sustainability criteria with trusted partners</li> </ul>
	<b>Supply chain management</b>	<ul style="list-style-type: none"> <li>— Establish and manage a centralised library of suppliers' sustainability data</li> <li>— Embed sustainability criteria into procurement decisions</li> <li>— Develop carbon reduction targets in collaboration with suppliers</li> </ul>	<ul style="list-style-type: none"> <li>— Carry on work with developed supplier surveys to create sustainability criteria and rankings for key supply chain members</li> </ul>



Sustainability  
goals 2024

Cooperation with universities and research institutions

- Collaborate with high-ranked universities and research institutions to develop R&D solutions, share knowledge, and attract top-level employees
- Continue collaborations with research institutions and other organisations to drive new R&D projects
- Encourage long-term engagement and results through student internship programs

Innovation in design and delivery



Monitoring of legislation on sustainable construction

- Be up-to-date regarding existing sustainability regulations in each market, and be in position to influence these regulations
- Full compliance with each market requirement
- Update library of regulation and client requirements in each market

Low carbon R&D systems

- Develop and use low-carbon façade systems in at least in 50% of our projects - these systems should satisfy low carbon footprint and high thermal insulation requirements
- Work on our next generation HUF or other low carbon systems and conduct additional testing for alternative climate zones and future weather conditions

Long-term engagement

- Manage the façade lifecycle through value added services, replaceable skins and IoT solutions
- Further engage in material take back initiatives to push reuse to the next level
- Utilise obtained data from façade sensors to calibrate analytical models for predictive maintenance and façade performance indicator tools

Circular economy

- Develop façade systems that satisfy the requirements of design for disassembly and reuse, and use these systems in projects
- Achieve Zero Waste in-house and on-site
- Revolutionise architectural possibilities through adaptable, forward-thinking solutions that explore modular elements and new installation techniques among many others
- Apply automation, robotics, and machine learning to reduce cost, waste and errors while increasing efficiency in material use
- Create new solutions for cladding and subframes through material explorations that reduce environmental impact without compromising quality

## Climate protection



### Product carbon footprint

- Have the automated measurement of project-specific CO2 footprints as a standard performance criteria
- Complete an evolving library of materials and products that combines manufacturer EPDs with internal design knowledge
- Explore generative AI in automating project and corporate carbon emission assessments

### Value chain carbon footprint analysis

- Annually measure scope 1,2, and 3 emissions
- Develop carbon reduction targets
- Expand scopes 1, 2 and 3 emissions reporting according to emerging frameworks and standards
- Define and publish carbon reduction targets with an outlook towards long term net-zero initiatives

## Sustainable organisation



### Education and training

- Foster a sustainability mindset within our employees
- Nurture a culture of learning which includes talent development, career promotion and reskilling
- Prioritise continued education by organising further Knowledge Club sessions and tech academy lessons around sustainability topics
- Enable our employees' continued growth through a bi-annual People Review process that ensures employee compensation is aligned with our organisational objectives and industry standards

### High-performing teams

- Become an organisation driven by high-performing teams capable of making client-centric decisions and adapting to market changes
- Grow leadership with strong capabilities to create a strong working culture
- Continue increasing business agility and improving crossfunctional team performance
- Utilise OKRs across the organisation to ensure goal alignment

### Diversity and Inclusion

- Celebrate diversity and practice inclusion by providing equal employment opportunities
- Maintain equal conditions for employees in the same position, regardless of nationality, cultural background, gender or age

### Engagement

- Maintain and strengthen employee engagement
- Create meaningful social impact by supporting the community we work in with our charitable activities
- Increase employee involvement in our philanthropic activities
- Support disadvantaged families across Lithuania by assisting with housing and resources, equipment and gifts
- Increase employee involvement in charity and outreach activities

