

**SOCIAL
RESPONSIBILITY
AND SUSTAINABILITY
REPORT
2022**



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CEO LETTER

As one of the largest construction groups in Lithuania, we see sustainability as an integral part of our business. I am pleased to present our first Sustainability Report, prepared in accordance with the global GRI standards, which provides a comprehensive overview of our achievements and objectives in the environmental, social and governance areas. In this report, we address the sustainability issues that are of most concern to our key stakeholders - customers, employees, shareholders, suppliers and partners.

To ensure sustainable and responsible operations, we follow internationally accepted agreements and guidelines. In this report, we reaffirm our commitment to the United Nations Global Compact, the Sustainable Development Goals and other generally accepted principles of social responsibility.

In the environmental area, our priorities are to reduce the environmental impact of buildings and services, waste and resource consumption and CO₂ emissions. In this report, we publish for the first time our calculated CO₂ footprint, which will serve as a starting point for further target-setting according to the European Green Deal. Our focused efforts are evidenced by our achievements in 2022 - PST's investment project, the BREEAM New Construction-certified business centre U219, was named as Product of the Year - we received the gold medal of the "Lithuanian Product of the Year 2023". Another achievement was the testing of more sustainable concrete, developed according to a special formula, in one of our projects.

In the social area, safety and well-being, training and education are of great importance for the Group. We are delighted to have achieved the key objective of our Vision Zero for Accidents at Work - 0 accidents at work in 2022. In 2023, we plan to continue focusing on promoting a safety and health culture. The Group's other priorities are promoting human rights, diversity, equality and inclusion. We aim to ensure a respectful and caring relationship with our employees, to increase diversity, and to foster well-being and internal culture.

In the governance (economic) area, business ethics, quality of services and buildings, innovation, operational efficiency and risk management are key topics for the Group's successful day-to-day operations. In 2023, the Group will continue its efforts to foster a culture of ethical business, ensure high quality of projects, risk management and strengthen cooperation with partners to ensure the necessary innovation and smooth deployment of new technology.

In this Sustainability Report, you will find more information on all our key sustainability topics, achievements and targets in each area. We will continue to focus on sustainability initiatives, responding to the expectations of our stakeholders.



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ABOUT THE SUSTAINABILITY REPORT

This public limited liability company's Panevezio statybos trestas AB (hereinafter - Company; PST), registered in Lithuania at P. Puzino g. 1, LT-35173 Panevezys, and its subsidiaries' (hereinafter the Company together with its subsidiary companies can be referred to as 'Group'.) **Social Responsibility and Sustainability Report** (hereinafter - Sustainability Report) is published in April 2023 for the period from **1 January until 31 December 2022**.

The information contained in this report includes consolidated information of all Group companies, in some cases separately presenting data for Panevezio statybos trestas AB. There are no separate sustainability reports for subsidiaries.

For the first time, the Group's Sustainability Report is prepared in accordance with **Global Reporting Initiative, GRI** standards 2021 updated version. The Sustainability Report is provided for the same period as the annual financial statements and should be read in conjunction with the Company's and Consolidated Annual Report. This report is published as a separate document, but in the future, it is planned to be integrated into the Annual Report, which is audited by an independent external auditor, which, after reading the part of the Sustainability Report, confirms that it is prepared by the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

The Sustainability Report presents the Company's and its subsidiaries' achievements and aspirations in the environmental, social and governance (ESG) areas. This report reveals how the Group contributes to the United Nations Sustainable Development Goals (SDGs) and adheres to the principles of the Global Compact.

The report is prepared in consultation with external sustainability experts but is not audited. The information contained in the Sustainability Report complies with the requirements for the Social Responsibility Report of the Republic of Lithuania and the guidelines for non-financial reporting of the European Commission.

This year, the Group has focused on carrying out a materiality analysis, conducting a stakeholder survey and developing a materiality matrix, which helped to identify the most important information for stakeholders. This Sustainability Report contains the best data available at its publication, but, looking ahead, the Group will continue to improve the quality of the information in the sustainability reports by fully and accurately disclosing all relevant performance indicators

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Questions or feedback on this report and the Group's sustainability activities can be submitted through the following contacts:

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ABOUT THE GROUP

Panevezio statybos trestas AB, together with its subsidiaries, is one of the largest construction companies in Lithuania, operating in the construction sector for more than 60 years. The Group has implemented many important and complex projects contributing to the country's economic growth, infrastructure development and environmental goals.

The Group operates in three countries: Lithuania, Latvia and Poland. The Group's activities include the construction and design of buildings, structures, facilities and communications, and other objects for various purposes in Lithuania and beyond, the production and design of metal structures for construction, the sale of building materials, and real estate development.

The Group consists of the following companies:

- Panevezio statybos trestas AB
- Skydmedis UAB
- Hustal UAB
- Vekada UAB
- Alinita UAB
- Aliuminio fasadai UAB
- Seskines projektai UAB
- Ateities projektai UAB
- PST investicijos UAB
- Tauro apartamentai UAB
- PS Trests SIA
- Kingsbud Sp.z.o.o.

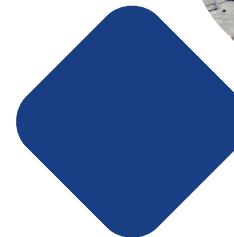
Among the particularly important partners in the Group's activities are subcontractors. As part of selecting subcontractors, the Company assesses subcontractors' qualifications. The most important requirements for subcontractors are compliance with environmental, occupational safety and health legislation and business ethics.

More information on the nature of the Group's activities is provided in the Company's and Consolidated [Annual Report](#).

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Main activities of Group companies:



Construction and design of buildings, structures, facilities and communications, and other objects for various purposes in Lithuania and beyond.



Sale of building materials.



Production of building materials.



Real estate development and management.

SUSTAINABILITY IN THE GROUP



MAIN SUSTAINABILITY PRINCIPLES

The Group aims to integrate sustainability principles into the overall operational strategy and key performance indicators. Sustainability is understood as an integral part of the Group's activities, closely linked to its commitments to stakeholders and key strategic directions. The principles of sustainable, responsible and fair business practices applied in the Group are described in the Code of conduct for employees, suppliers and company's representatives and other policies.

Key sustainability principles in the Group:

- To implement sustainability in three areas - **environmental, social and governance** - to create a balanced long-term value.
- When making decisions on the sustainable development of the Group, to take into account the **stakeholders'** expectations, respect our obligations towards them, and cooperate with them in a transparent and honest way.
- To keep our activities in line with **the European Green Deal** and **The Paris Agreement's** common objectives on climate change.
- To implement the Organization for Economic Co-operation and Development (**OECD**) guidelines for good governance.
- To contribute to the United Nations **Sustainable Development Goals**.
- To support and implement in our activities by the United Nations **Global Compact** principles on human rights, employee rights, environmental protection and corruption prevention.
- To conduct due diligence on environmental, social and economic impact management.
- To apply the precautionary principle when setting sustainability targets: use the best currently available scientific advice for environmental protection.

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The Group understands the importance of sustainable development and, in the future, will seek to refine the directions of its sustainability strategy even more, create a framework for the consolidation of responsible business principles at all organisational levels, and for their integration into the operational strategy, policies and procedures.



SUSTAINABILITY MANAGEMENT

Management of the environmental, social and economic impact of the Group is overseen by the board and the management team (top managers). The board reviews the results of impact management once a year and considers and approves the Group's operational strategy. Responsibility for sustainability in day-to-day operations is delegated by the board to responsible managers and companies' employees according to the material sustainability topics. The appointed responsible persons report on the results of environmental, social and economic impact management to the board regularly, during weekly, monthly and annual meetings, and present activity reports as required.

The company's CEO shall immediately inform the board of critical sustainability issues. In 2022, the Group's companies had no critical sustainability concerns.

Group management structure and composition

According to the Panevezio statybos trestas AB Company Statute the governance bodies of the Company are the general meeting of shareholders, the board (performing supervisory function) and the general director (CEO).

Board members perform supervisory and control functions. Only an audit committee is formed in the Company, elected for one year. The board also exercises the functions of the appointment and remuneration committee.

The board is composed of 5 members elected by the general meeting of shareholders to represent the interests of shareholders for a four-year term.

In 2022, the board consisted of 3 men and 2 women. 2 board members were independent. The board's chairman did not hold other important (high-level management) positions in the Company.

In 2022, the audit committee consisted of 1 man and 2 women, and 2 audit committee members were independent.

More information on the members of the board and the audit committee, including their other important commitments, is provided in [the Annual Report 2022](#), pg. 80-83.

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Nomination and selection of board members

The board of the Company is elected and cancelled by the general meeting of shareholders in accordance with the procedure established by the Law on Companies.

The Company's shareholders nominate candidates for board members. Board members must be qualified and competent to perform their functions and have many years of leadership experience. It must be ensured that at least 2 board members are independent, with at least two-fifths of the board members comprised of women.

So far, board members have not been selected based on competencies in sustainable development, and specific measures to deepen knowledge related to sustainability have not been applied - they would be applied if the need arose.

Conflicts of interest

Members of the board, employees, suppliers and representatives of the company are obliged to disclose information about any situation that may lead to a conflict of interest that may prejudice the Company's interests in favour of his/her or those close to him/her. Situations, where employees' personal, family or financial interests could clash with the interests of the Company, must be avoided.

The potential risk of conflicts of interest is assessed during the annual audit, and the auditor presents its conclusion. In 2022, no conflicts of interest were identified.

Whistleblowing channels and processes to remediate negative impacts

Stakeholders can seek advice and report a wide range of irregularities and concerns, such as possible, actual or previously committed criminal activity, misconduct in office or employment, or other breaches that threaten or undermine the public interest, by email to skundai@pst.lt and through other channels indicated on the PST [website](#).

Information on breaches is examined in accordance with the PST [Description of Procedure](#) for Provision and Examination of Information on Breaches.

Depending on the nature of the violation, the PST shall, by the Company's procedures, investigate the breach, report it to management and the responsible authorities, and undertake to remedy and/or repair the damage. In the absence of a described process, the Company shall act by the law.

STAKEHOLDER INVOLVEMENT

Continuous engagement with stakeholders, assessing and responding to their expectations, is crucial for the Group's success in ensuring sustainable operations. The Group's strategy defines 5 main stakeholder groups: **customers, employees, shareholders, suppliers and partners.**

Stakeholders are defined as groups that find our activities highly relevant and/or are significantly affected by our actions, as well as individuals and organisations that significantly influence the Group. The Sustainability Report's content is based on key stakeholders' views, needs and expectations.

MATERIALITY ANALYSIS OF SUSTAINABILITY TOPICS

At the beginning of 2023, the Group carried out its first materiality analysis of sustainability topics in accordance with GRI standards. The purpose of this assessment is to identify the Group's key environmental, social and governance topics, to start developing the Group's sustainability strategy based on these topics, and provide detailed information on their management in sustainability reports.

The results of the materiality analysis are summarised later in this report.

Key steps in assessing materiality:

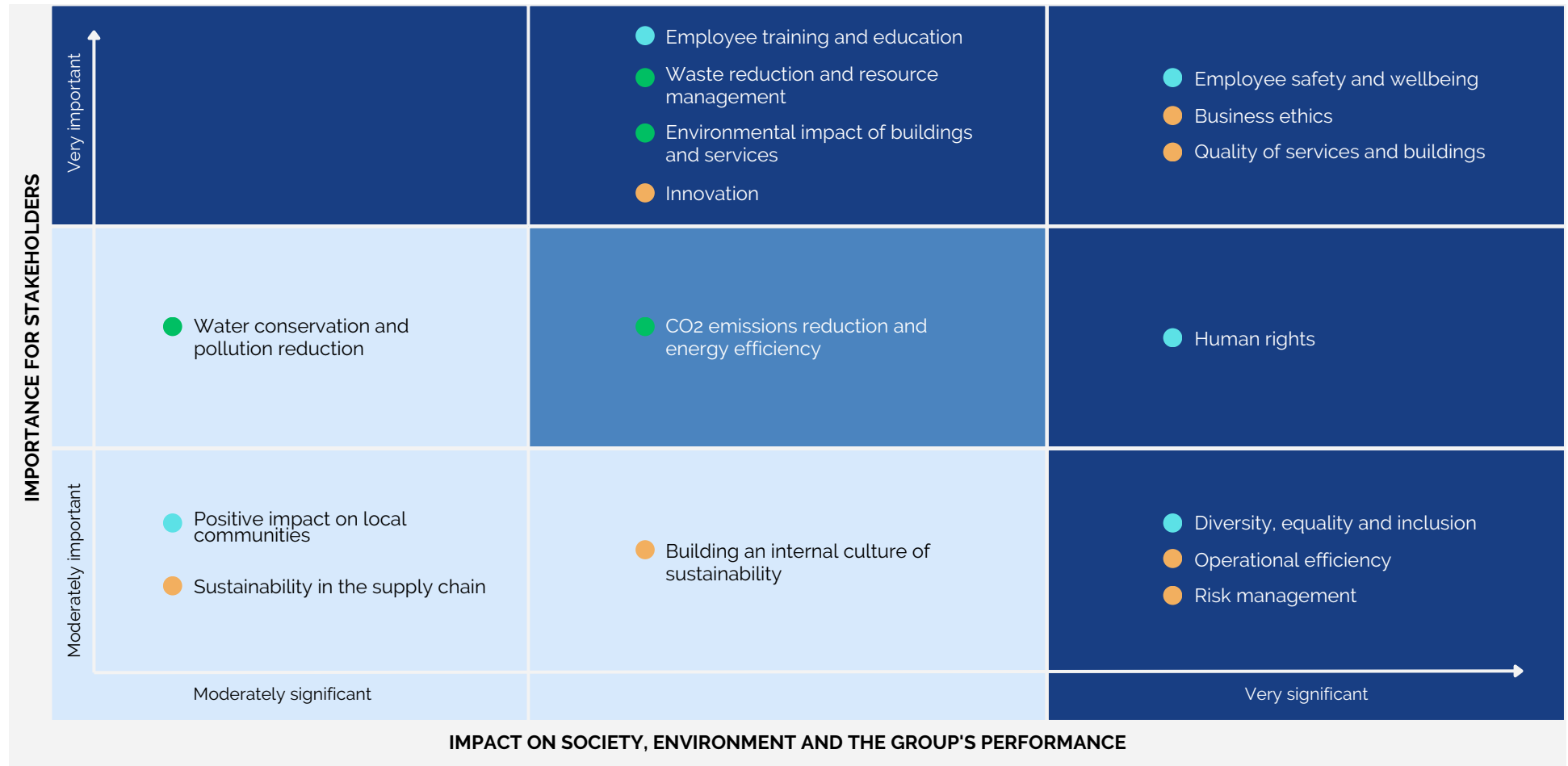
- 1 **Identification of relevant topics for sector peers.**
Topics of interest to companies in the construction and other sectors in which the Group operates were reviewed, and a list of potential sustainability topics was compiled. Topics recommended by other widely used sustainability standards were also assessed.
- 2 **Assessment of the topics that are most important to stakeholders.**
An anonymous survey was conducted to compile information on the most important sustainability topics for stakeholders. The survey was carried out in March 2023 by sending a questionnaire to targeted contacts from each stakeholder group. A total of 204 responses were received.
- 3 **Impact and risk assessment.**
Each sustainability topic has been assessed in terms of its potential impact on the environment and society, as well as its impact on the Group's performance. At this stage, the Group also discussed the main risks and opportunities related to sustainability and the potential financial impact on Group companies. The final result is a materiality matrix presented further.



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GRI 3-1

MATERIALITY MATRIX



● – Environmental; ● – Social; ● – Governance

The materiality matrix outlines the social, environmental and governance topics most relevant to the Group's sustainability. All of these topics are important, but to set sustainability priorities, they are ranked according to their importance to stakeholders and their impact on society, the environment and the Group's performance. Material topics are those that are very important to the stakeholders and have a very significant impact on society, the environment and the Group's results - highlighted in the darkest colour in the matrix. The management principles for all material topics are described in accordance with GRI requirements in this report, in chapters arranged by topic.

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GRI 3-3

KEY SUSTAINABILITY TOPICS

The materiality analysis identified 12 key (priority) sustainability topics, closely interlinked with each other and most relevant to Group's activities in the environmental, social and governance areas. The Group will continue developing its sustainability strategy and reporting based on these topics.

The United Nations Sustainable Development Goals the Group can contribute to the most are identified and listed for each topic (if applicable). The Sustainable Development Goals (SDGs) are a universal set of aspirations that set the direction for global economic, social and environmental development up to 2030.

This report details the principles behind managing the sustainability topics and the Group's performance and targets in each area.

Priority sustainability topic	Long-term direction	Sustainable Development Goals
Environmental area		
Environmental impact of buildings and services	To apply and develop new solutions and services to help reduce the environmental impact of buildings throughout their life cycle.	 
Waste reduction and resource management	To optimise production processes to decrease the amount of raw materials used and reduce and recycle waste.	
CO2 emissions reduction and energy efficiency	To reduce the amount of energy needed for our operations and the greenhouse gases (CO2) emitted.	 
Social area		
Employee safety and wellbeing	To create a safe and healthy working environment and improve working conditions.	 

Priority sustainability topic	Long-term direction	Sustainable Development Goals
Social area		
Human rights	To support and promote the protection of fundamental human rights in the Group's activities.	-
Employee training and education	To ensure all employees are given opportunities to improve and develop their skills.	
Diversity, equality and inclusion	To ensure equal opportunities, prevent discrimination at work and promote equality in recruitment.	 
Governance area		
Business ethics	To create and foster an ethical business culture, prevent corruption and bribery, and compete fairly.	
Quality of services and buildings	To ensure that the projects we deliver are of high quality, meet our clients' needs and comply with industry standards.	
Innovation	To develop and apply innovative solutions; introduce modern technologies into key business processes.	
Operational efficiency	To apply efficient, innovative and resource-saving process management methods.	
Risk management	To continuously assess operational risks and put in place measures to address and mitigate them.	-

EU TAXONOMY FOR SUSTAINABLE ACTIVITIES

The Taxonomy (Taxonomy regulation, 2020/852) of the European Union (EU) is a classification system for sustainable economic activities designed to direct private investment to environmentally sustainable activities that contribute to the environmental objectives of the European Green Deal. The Taxonomy regulation sets out scientific evidence-based criteria for assessing the sustainability of an activity. The activities of those companies that fall under the Taxonomy list and meet the criteria provided can be classified as sustainable and attract green investments.

The detailed results of the Taxonomy alignment assessment regarding revenue, capital expenditure (CapEx) and operating expenses (OpEx) are published in the Company's and Consolidated [Annual Report 2022](#), from pg. 90.



ENVIRONMENTAL AREA



CO₂ EMISSIONS REDUCTION AND ENERGY EFFICIENCY

The Group and its activities are responsible for a significant amount of greenhouse gases (GHGs) emitted into the atmosphere. Therefore, this topic is identified as one of the key impact areas to manage. Reducing emissions and increasing energy efficiency is an important part of the Group's strategy and will be the focus of future annual targets and impact reduction. However, it is important to note that the Company and its subsidiaries already purchase energy from 100% renewable sources, and approximately 30% of the total energy consumed is self-generated. The Company operates a 200 kW solar power plant, producing around 200,000 kWh of electricity annually. In 2023, the plant is planned to be expanded to cover up to 60% of the electricity consumption of the production base. The Company also operates three power plants of 30 kW each, collectively producing around 80,000 kWh of renewable electricity fed into the electricity grid. In 2022, a 150 kW solar power plant was placed into operation at the Group's company Skydmedis UAB. During the first year of operation, the investments have met expectations, allowing the company to generate up to 97% of the electricity it consumes.



The Company and its subsidiaries purchase energy from 100% renewable sources, and 30% of the Group's energy consumed is self-generated.

In this report, the PST publishes its estimated (GHG) emissions from its activities in CO₂ equivalent. The sources of emissions and the methodologies used to calculate them are identified, including the Scope to which the emission source belongs. The knowledge and methodologies of market-based financial institutions and energy suppliers were used to calculate GHG emissions. The emissions calculation was based on the Greenhouse Gas Protocol (GHG) and Global Reporting Initiative (GRI) standards and recommendations. The calculation of emissions includes not only CO₂ but also all other greenhouse gases (CO₂, NH₄, CH₄, HFCs) emitted in the activity, converting them to CO₂ equivalents using standard factors and naming the final total number as CO₂-eq. Emission consolidation method: operational control. The base year for calculating GHG emissions is 2022, as this is the first year in which PST has estimated its emissions. In 2022, the biogenic direct CO₂ emissions amounted to 46.7 t CO₂-eq and the indirect CO₂ emissions amounted to 1,030.7 t CO₂-eq.

GRI 305-1

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GRI 305-4

To get a better picture and set specific and measurable targets on this topic, PST aims to carry out measurements for the year 2023, which will lead to establishing an emission reduction plan.

A smaller CO₂ footprint of PST in 2022 was due to the 100% switch to renewable energy sources, as well as to higher average temperatures during the heating season, which required fewer resources.

GHG emissions

	Measurement units	2022
Direct (Scope 1)	t CO ₂ -eq	1,803.5
Indirect (Scope 2)	t CO ₂ -eq	243.0

*Calculated using the market-based method, based on actual electricity purchases. If calculated using the location-based method, based on the country-specific nature of energy production, the Company's indirect GHG emissions in 2022 would be 558.4 t CO₂-eq.

The GHG emission intensity is calculated by dividing annual emissions by the number of units of economic activity. In this case, PST calculates how much CO₂ is emitted per employee and per million Eur of annual turnover. As with the calculation of total emissions, the calculation intensity ratios include all GHG emissions, converting them into CO₂-eq.

GHG emissions intensity

	2022
t CO ₂ -eq / 1 employee	2.94
t CO ₂ -eq / 1 million Eur turnover	20.93

Note: The emission intensity ratio has been calculated for the total Scope 1 and Scope 2 GHG emissions.

WASTE REDUCTION AND RESOURCE MANAGEMENT

The Group aims to ensure the responsible management of all waste associated with its operations, continuously increase recycling and ensure responsible resource management. To conserve the environment and natural resources and to ensure comprehensive pollution prevention, the Company has a practice of preparing an environmental plan at the beginning of each project, which includes specific measures to manage significant environmental aspects and activities. This is to minimise the Group's footprint in this area. The Company's approach to waste reduction is specifically defined in the PST [Environmental Policy](#).

To successfully manage this topic, the Company has implemented an Environmental Management System in accordance with LST EN ISO 14001:2015. Waste reduction targets are set each year, describing the proportion of waste sorted to be achieved.

Objectives for 2023:



Ensure that at least 60% of waste is sorted in buildings under construction.



Ensure that at least 40% of waste is sorted at other unspecified sites.



To keep construction machinery, equipment and vehicles up-to-date, subject to financial constraints.

PST strives to reduce the Group's negative environmental impact through proper management of all waste generated from its operations. The Company supports and endorses the European Union's (EU) waste policy, which is based on the waste hierarchy principle of waste management, with priority given to waste prevention, then preparation for reuse, and only then recycling and recovering. PST sorts the

GRI 306-3

GRI 306-4

construction waste generated on-site. Building materials suitable for re-use are separated. Waste that is not suitable for reuse is sent to waste handlers. Waste generated on construction sites is also sorted according to all applicable requirements.

The waste sorting process is monitored and controlled through internal audits. Records of waste generated are kept in the electronic GPAIS system. At the end of the calendar year, the proportion of waste sorted is calculated.

Waste from operations

	Measurement units	2021	2022
General waste	t	12,531.279	3,684.020
Hazardous waste	t	2.923	4.759
Total	t	12,534.203	3,688.779

Note: All hazardous waste generated by the activity has been passed on to waste handlers.

Waste sent for recycling

	Measurement units	2021	2022
Wood	t	68.890	98.670
Metals	t	20.010	5.118
Paper	t	7.770	7.365
Glass	t	13.940	2.040
Plastics	t	0.040	0.065
Concrete brick mixes	t	3099.940	1042.500
Bituminous mixtures	t	1200.000	416.400
Total	t	4410.59	3590.109

Note: All of this waste has been sent for recycling, but PST cannot guarantee that the waste has actually been recycled.

WATER CONSERVATION AND POLLUTION REDUCTION

The company considers water conservation and reducing water pollution as one of its key objectives and aims to reduce its impact on this topic in every possible way. The approach to this topic is further described in the Company's [Environmental Policy](#).

Amount of water consumed

	Measurement units	2021	2022
Water consumption of PST fixed facilities	ML (megaliters)	3.211	4.312
Water consumption of PST construction sites	ML (megaliters)	1.365	12.102
TOTAL:	ML (megaliters)	4.576	16.414

PST does not use water from areas experiencing water stress, and all calculations are based on metering devices installed within the Company.



GRI 303-5

ENVIRONMENTAL IMPACT OF BUILDINGS AND SERVICES

The Company sees this topic as one of the most important for managing its impact on the environment, workers and society. The aim is, therefore, to apply and develop new solutions and services to help reduce the environmental impact of buildings throughout their life cycle. The circular economy is about preserving the value of products and materials for as long as possible, with as little waste as possible and as few resources used as possible, and the Company aims to do the same by trying to minimise its impact in this area.

It is important to note that in terms of volume, construction and demolition are among the largest sources of waste. The construction industry has a significant impact on the overall environmental performance of the life cycle of buildings and infrastructure, and given the long lifespan of buildings, the Company strives to promote better design in every possible way to reduce the impact on the environment and to increase the resilience and recyclability of their components. At the same time, the use of hazardous chemicals in construction sites is being steadily reduced by replacing them with less hazardous ones.

The Company's new buildings currently under construction are of energy efficiency class A++. Buildings with this energy performance use almost no thermal energy, which helps contribute to climate change mitigation. As the market is tightening its requirements for the energy class of new projects, PST is developing its competencies and technological base to be able to implement these types of projects.

2022 achievements:



PST investment project - U219 business centre (Vilnius, Ukmergės g. 219) was certified with BREEAM New Construction certificate and received a "Very Good" rating. It was recognised as the Product of the Year at the Lithuanian Confederation of Industrialists (LPK) awards, receiving the gold medal of the "Lithuanian Product of the Year 2023".



On one of the sites, the Company tested a more sustainable concrete developed using a special PST formula.



SOCIAL AREA



EMPLOYEES AND THEIR DIVERSITY

Professional, competent and responsible employees are the Group's greatest asset and essential to achieving its goals. The Group aims to ensure a respectful and caring relationship with its employees, to increase their diversity, and to foster well-being and internal culture.

On 6 August 2021, a Labour Council of 9 members was elected to represent employees in the Group. The Labour Council makes proposals to the employer on economic, social and labour issues of concern to workers, employer decisions, and laws and regulations governing labour relations. The Council is set up for a term of office of 3 years, starting from the beginning of its mandate.

As of 31 December 2022, the Group had a total of 805 employees, and PST had 536 employees. To compare, on 31 December 2021, there were a total of 833 employees in the Group and 560 employees in PST.

Breakdown of employees by gender and location

	Number of employees		Permanent employees by gender (indefinite contract)		Temporary employees by gender (fixed-term contract)		Full-time employees by gender		Part-time employees gender	
	PST	Group	PST	Group	PST	Group	PST	Group	PST	Group
Total	536	805	511	778	25	27	517	776	19	29
Women	90	121	86	115	4	6	84	112	6	9
Men	446	684	425	663	21	21	433	664	13	20
Lithuania	534	796	511	771	23	25	517	769	17	27
Latvia	2	7	0	5	2	2	0	5	2	1
Poland	0	2	0	2	0	0	0	2	0	0

Note: The tables present the Group's data at the end of the reporting period (2022).

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GRI 2-8

There were no significant fluctuations in the number of employees during the reporting period and between reporting periods.

The Group does not have information on the total number of workers (e.g. subcontractors' workers) who are not employees of the Group and whose work and/or workplace is controlled by the Group but plans to start collecting it from 2023.

DIVERSITY, EQUALITY AND INCLUSION

The group has placed a strong emphasis on diversity, equality and inclusion in 2022. By creating a work environment based on diversity, equality and inclusion, the Group ensures that the views of different stakeholders are taken into account and that the expectations of these stakeholders towards the Group are better reflected.

In 2022, as in the past, the majority of the Group's workforce - 85% (83% in PST) - was male, which is typical of the construction sector. This is strongly influenced by the specific nature of the activities carried out, i.e. women are less likely to opt for technological work in construction and directly related construction-technical-engineering occupations and outdoor work.

The Group does not discriminate on the basis of gender, assesses employees based on their qualifications, and provides equal employment and career opportunities for all. There were no cases of discrimination in 2022.



Percentage of individuals in each of these diversity categories on the Group's board

	Gender and age group	Share (%)
Board	Women	40
	Men	60
	Up to 30 years	0
	30-50 years	60
	More than 50 years	40

Percentage of employees in each of these diversity categories

	Gender and age group	Share (%)	
		2021	2022
PST	Women	15	17
	Men	85	83
	Up to 30 years	7	8
	30-50 years	42	43
	More than 50 years	51	49
Group	Women	19	15
	Men	81	85
	Up to 30 years	8	9
	30-50 years	47	47
	More than 50 years	45	44

The group is against forced, involuntary labour and child exploitation. Only persons of the legal age of the Republic of Lithuania may be recruited.

REMUNERATION POLICY

In order to attract professionals to management positions, the Group aims to maintain remuneration close to the market median in the country where the Group operates.

Employees benefit from advanced bonus schemes and an exceptional working environment. The Group also provides social security benefits for employees, such as death benefits for family members or relatives (in the event of the loss of an employee), and gifts at the birth of a child and on the occasion of an anniversary.

More information on the Remuneration Policy is provided in the [the Annual Report 2022](#), starting on pg. 99.

DETERMINING THE REMUNERATION FOR THE BOARD MEMBERS

The extraordinary general meeting of shareholders of 9 April 2021 approved the [procedure](#) for awarding and paying remuneration to independent board member of Panevezio statybos trestas AB for their activities on the board.

Under these arrangements, the independent member of the board is paid a fixed monthly fee. The members of the board, other than the independent members of the board, are paid remuneration (bonuses) for their work on the board, as decided by the general meeting of shareholders, in accordance with the Law on Companies of the Republic of Lithuania.

DETERMINING THE REMUNERATION OF TOP AND MIDDLE MANAGERS

The remuneration [policy](#) for top and middle managers of Panevezio statybos trestas AB was approved at the ordinary general meeting of shareholders on 29 April 2020.

The board approves the remuneration of the Company's chief executive officer (CEO). The remuneration of functional and branch directors is approved by the board on the recommendation of the CEO. The Company does not currently have any information on how the views of stakeholders (including shareholders) are taken into account in determining remuneration and the involvement of consultants in setting remuneration.

Remuneration for top and middle managers is made up of fixed and variable components. Fixed remuneration is the basic monthly salary of the staff member, as set out in the employment contract. The variable remuneration is based on the performance of the Company and the employee's performance.

The remuneration policy for board members and the management team is not linked to sustainability performance.

The consolidated remuneration report for 2021 was approved at the general meeting of shareholders on 28 April 2022, together with the 2021 set of financial statements.

Annual total compensation ratio

	PST		Group	
	2021	2022	2021	2022
The ratio of the annual total compensation for the organisation's highest-paid individual to the median annual total compensation for all employees	6.33:1	5.5:1	6:1	7.87:1
The ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees	-	0.24:1	-	2:1

For the highest-paid individual at PST, the annual increase in total remuneration was 4%. The annual percentage increase in the median total remuneration of all staff (excluding the highest-paid individual) was 17%.

At the Group level, the highest-paid individual had an annual total compensation increase of 38%. The annual percentage increase in the median total remuneration of all employees (excluding the highest-paid individual) was 19%.

EMPLOYEE SAFETY AND WELLBEING

The Group is committed to providing a safe working environment for its employees, and safety is one of its highest priorities.

One of the Group's main objectives is to become a leader in the construction market, guaranteeing safe and hazard-free workplaces for the employees of Panevezio statybos trestas AB and for all the employees who work on behalf of the Company.

The Group has an Occupational Health and Safety (OHS) Policy and relevant ISO 45001 procedures in place:

- Implementation of legal and other requirements for environmental protection and occupational safety and health (ADSSAP-02).
- Emergency preparedness and response (ADSSVP-04).
- Monitoring and measurement (ADSSVP-06).
- Occupational safety and health management (OSHMP-09).
- Identification and risk assessment of occupational hazards (DSSAP-10).
- Managing objectives, targets and management programmes (KADSSVP-002).
- Design Management (KADSSVP-003).
- Purchase and sale (KADSSVP-004).
- Selection of subcontractors (KADSSVP-005).
- Exchange of information (KADSSVP-007).
- Management of measuring instruments (KADSSVP-009).
- Document production and management (KADSSVP-010).
- Non-conformities, corrective actions (KADSSAP-012).
- Records Management (KADSSVP-014).
- Internal audit (KADSSVP-015).
- Employee training (KADSSVP-016).

This helps to ensure the ongoing identification and assessment of OHS risks, the definition of risk management measures, and the monitoring of their implementation.

WORK-RELATED RISKS

Good management of occupational health and safety contributes significantly to the Group's sustainable and long-term performance. In the construction sector, the

risk of injury and occupational diseases is high where there are high physical loads or where hazardous work, chemicals or other materials are involved.

Hazardous and harmful risk factors (hazards) identified:

- Noise - noise from mobile electrical work equipment on a construction site.
- Hand vibration - when working with portable electrical work equipment on a construction site.
- Low and high temperatures (working outdoors, indoors, during cold and warm seasons)
- Inadequate lighting - artificial lighting (when work is carried out outdoors, in open spaces during the dark, or in basements).
- Contact with hazardous chemicals - petroleum products (fuels, lubricants, etc.), acids, alkalis in mixtures and other hazardous chemicals used, soil, paints, adhesives, and sealants.
- The physical exertion of lifting and carrying loads by hand involving the muscles of the arms, legs and back.
- Falls from height - scaffolding; mobile towers, ladders; mobile work platforms; workplaces at a height not protected by safety fencing.
- Falling at the same level (horizontal), risk of slipping, tripping, stumbling.
- Falling objects - lifting loads with cranes; workplaces at heights not protected by safety fencing; hazardous areas near buildings and lifting equipment.
- Risk of tripping, pinching - erecting and dismantling heavy structures using lifting equipment.
- Risk of being run over, pinched, or crushed by moving vehicles - delivery of building materials, waste removal, landscaping.
- Risk of entrapment and crushing of rotating parts of machinery and equipment.
- Risk of cuts and dents when using sharp tools or materials with sharp edges or sharp corners.
- Exposure to electrical currents (alternating current over 50 V and direct current over 75 V, high voltages of 10 kV and above).
- Fragmented, flying particles of work materials - hazardous areas on a construction site when working with portable electrical work equipment.
- Fire hazards - welding, metal cutting with power tools causing sparks, use of electrical household appliances.
- Potential displacement and collapse of stored building materials and structures - storage of building materials and heavy structures.
- Hazards in the work and services provided by other organisations and their employees.

GRI 403-1

- Dust risk - excavation and construction work during the warm season.
- Tamping and clamping of excavation slopes (soil) - in excavations and trenches.

To manage these risks, the Group has implemented an occupational health and safety management system for all employees of the Group, based on a recognised risk management/management system standard (LST ISO 45001:2018).

The Group carries out annual risk assessments and health and safety training and has identified preventive measures and a health and safety plan. These actions help to ensure that the risk of worker injuries and occupational diseases is minimised. During the reporting period, the Company had no accidents at work.

To ensure the successful and effective implementation of the safety and health plan, the Group uses an evaluation of the effectiveness of its actions and procedures, which includes the following processes:

- External audits.
- Internal audits.
- Managerial analysis.
- Discussions at the company's Occupational Safety and Health Committee meetings.
- Knowledge acquired through qualification and training in management (understanding of OHS requirements).

Partners, suppliers and others working on behalf of the Group are involved in the occupational safety and health system processes.

Work-related injuries

	Measurement units	2022
Accidents at work	number	0
Number of minor accidents (injuries) per million hours worked	ratio	0

Note: The total recordable injury rate per million hours worked is calculated according to the GRI 403-9 formula. The total number of hours worked by all staff in 2022 is 1,103,490 hours.

GRI 403-9

Work and achievements in 2022:



The overarching goal of the Vision Zero for Accidents at Work project - 0 accidents at work - has been achieved in 2022.



Representatives of the Group - OHS specialist V. Fijalkauskas and Technical Director K. Grimalis - participated in the Safety and Health Committee of the Lithuanian Construction Association, which dealt with relevant OHS issues.

Plans for 2023:

Next year, the Group plans to focus on improving qualification and training delivery:



Introducing an e-learning platform for qualification and occupational safety and health training to improve the quality and accessibility of training for every worker.



Promoting a culture of safety and health by creating memos, reminders and short training sessions to inform workers in a timely and on-the-spot manner about potential risks and measures to reduce them.



Increasing employee involvement in creating a safe environment - The Group will aim to involve more of its employees in creating a safe and healthy working environment through interactive training programmes and the digitalisation of processes.



Promoting employee well-being - The Group envisages promoting healthy lifestyles by offering stress management programmes.

EMPLOYEE TRAINING AND EDUCATION

One of the main objectives of the Group's strategy is to promote the training and development of employees at all levels. Employee development and the improvement of specific and general skills ensure the proper and smooth running of the Group's businesses and operational processes and are one of the most important factors in ensuring competitiveness.

Employee development plans are drawn up annually, taking into account the Group's objectives and the competencies required to achieve them. The Group provides opportunities for staff to improve their knowledge and skills through various training courses, seminars and conferences. The Company and its subsidiaries provide regular in-house training for employees based on the nature of the work and the requirements of the workplace.

The Group focuses most on Occupational Health and Safety (OHS) training, which is included and described in the Group's Occupational Health and Safety Policy. To ensure a smooth process on this topic, the Group has also implemented the ISO 45001 procedure Personnel Training (KADSSAP-016) and the training procedures are defined in the Group's procedure for training, testing and assessment of the Group's employees' knowledge in the field of occupational safety and health.

The Company and its subsidiaries are responsible for developing the qualifications and skills of their employees, which means investing time and money in organising and implementing the necessary training and education programmes.

The Group's training is delivered in two tracks:

1. Using training providers (external training).
2. Higher education institutions (employee studies).

The Group continuously invests in training and development courses to improve its employees' competencies and awareness of occupational safety and health. In 2022, training courses were organised at the Company and at training institutions. The total number of employees and managers trained in 2022 was 243. Employees have received the following training:

- For workers in high-rise work.
- For cargo handlers.
- For lifting equipment locksmiths and fitters.
- For operators of lifting platforms and their equipment.

243 employees and managers trained

GRI 404-1

In 2022, the Group dedicated a total of 200 hours to various external and internal training sessions.

The average number of training hours per employee per year

	Number of specialists	Number of hours	Average hours of training per employee
Women	2	118	59
Men	12	804	67
OHS specialists	7	84	12
Persons authorised by the employer*	5	34	6.8
Energy workers (heating)	2	82	41
Training of certified construction professionals for the certificate of competence	4	72	18
Training for the renewal of the certificate of competence for certified construction professionals	16	48	3
Training of certified construction professionals to supplement the certificate of qualification for work in the territory of a cultural heritage object, its protection zone, a cultural heritage site	10	64	6.4

* Employer's authorised person - the head of the structural unit to which the head of the company has delegated the implementation of OHS prevention measures (head of a department, office, bureau or other units)

Plans for 2023:



This year's objective is included in the Company's investment plan - to purchase an electronic platform for briefing and training, which will enable employees to be educated on OHS issues anywhere, anytime and from any smart device.

BUILDING AN INTERNAL CULTURE OF SUSTAINABILITY

The Group consistently strives to foster an internal culture of sustainability. There is a strong focus on encouraging staff, creating a supportive environment for developing and implementing new ideas, and constant information sharing. The Group aims to ensure that employees feel comfortable in their workplace, can develop their skills and knowledge, and are free to create and implement sustainability-related ideas.

A well-established sustainability culture helps the Company manage its negative environmental impacts, ensure a sustainable construction process and contribute to a sustainable society.

To create and foster an internal culture of sustainability, the Group has developed additional related documents to communicate the Group's position on various sustainability issues to its employees. The following documents are available to all employees:

- [Supplier code of conduct](#)
- [Environmental policy](#)



2022 achievements:

In 2022, the following initiatives have been implemented within the Group to promote a culture of sustainability:



Steps Challenge - to reduce car driving, employees participated in a steps challenge (using the Walk15 app), which saw them walk more than 32 million steps together.



Tree planting campaign in Panevezys district - in Pasiliai forest, together with the forest ranger, the employees planted about 3,500 birch seedlings, covering an area of about 1 ha.



Renovation of modular offices (container buildings) for more comfortable and sustainable work for colleagues on construction sites.

POSITIVE IMPACT ON LOCAL COMMUNITIES

Positive impact on communities is one of the Group's key focus areas. The Group believes that corporate social responsibility - effective only when integrated into daily work and managed like any other business activity - leads to a sustainable and responsible economy.

The Group's constant and continuous improvement in business and project management, quality, customer satisfaction, supply and subcontractors' chain management, environmental protection and public relations is not only a matter of being open to the surrounding community but also of acting ethically, honestly and transparently towards the market, the environment, society and employees.

The Group's businesses are guided by the highest standards of business ethics and social ethics. Social responsibility activities are based on the Group's values and define the Group's approach to its activities, the incorporation of social, environmental and transparency principles into the Company's and the Group's internal processes, as well as in its relations with its customers.

The construction sector has a significant environmental and ecological footprint, with the depletion of natural resources, the use of a wide range of machinery (trucks, tractors, etc.) and the use of polluting building materials. Without managing the risks associated with such activities, the impact on the environment, including communities, can be significant.

To successfully manage this topic, the Group is implementing local community involvement, impact assessment and the following development programmes:

- A life cycle perspective is taken into account when determining the environmental aspects of projects. The following key stages of the product/service life cycle are assessed in the process: procurement of raw materials, design, manufacture of construction products, transport, construction of the building, use of the building, demolition at the end of the cycle and final disposal.
- The Group monitors and measures environmental, social and governance indicators such as waste, hazardous chemicals used, incidents of ground contamination by petroleum products, stormwater pollution, internal combustion engine emissions, particulate air pollution, noise, indoor dust, street dirt/dust, electricity, water and fuel consumption, etc.
- The Group and its companies report the results of the measurements to the regulatory authorities.

GRI 413-1

SUPPORTING LOCAL COMMUNITIES

In 2022, the Group continued to pursue its goal of being a reliable and socially responsible company by investing its financial and human resources in a wide range of complementary activities and by supporting social, sporting, cultural and health promotion projects. In 2022, the Group supported 17 various organisations.

2022 achievements:



Contributions to financial and other forms of support for Ukraine's fight for freedom.



Financial support to organisations related to child and animal welfare.



Support for the Panevezys Basic Boarding School for the Deaf and Hard of Hearing (purchase of a new vehicle for transporting students).



Organising of periodic blood donation campaign in the business centre U219 in cooperation with the National Blood Centre.



Tree planting campaign in Pasiliai Forest, Krekenava municipality, Panevezys district.

HUMAN RIGHTS

The Group aims to provide a working environment based on respect for fundamental human rights and human values. The importance of ensuring human rights is defined in PST [Code of conduct for employees, suppliers and company's representatives](#). PST expects the employees, suppliers and representatives in all branches of the Company to prohibit all forms of discrimination and harassment.

In 2022, The Group did not identify any human rights risks or human rights violations.

The Company and the Group respect the principles of human rights protection, do not tolerate any violation of human rights, advocate a fair and transparent remuneration policy, comply with the laws on overtime and working time, respect the right of workers to rest and do not tolerate any form of harassment and violence.

The Company opposes discrimination and forced labour of any kind. Employees of the Company have equal rights and opportunities regardless of gender, nationality, social or marital status, membership of a social or political organisation or personal characteristics. In 2022, the Company and the Group did not record any human rights violations or complaints in relation thereto.



GOVERNANCE AREA



BUSINESS ETHICS

Business ethics is integral to PST and the Group's business activities. The Group aims to create and foster ethical business culture, prevent corruption and bribery and compete fairly.

The Group's position and broader approach to business ethics is described in PST Code of conduct for employees, suppliers and company's representatives, which is accessible to all stakeholders.

The Group has identified and is guided by the following principles:

- 

Accountability (for impacts on society, economy, and environment)
- 

Transparency (of decisions and activities that affect society and the environment)
- 

Ethical (decent) behaviour
- 

Respecting (listening and responding to) stakeholders' interests
- 

Respect for the rule of law
- 

Compliance with international standards of conduct
- 

Respect for human rights

GRI 205-3

GRI 2-27

FIGHTING CORRUPTION AND BRIBERY

The Company and its subsidiaries do not tolerate corruption of any kind or its manifestation and are committed to open competition, ethical business conditions and adequate transparency and openness in their operations. The Group does not tolerate fraud, extortion, the creation of unofficial accounts, the execution of unofficial and improperly documented transactions, the recording of fictitious expenses, the use of false documents and other forms of corruption. The anti-corruption provisions apply to all employees of the Group, members of the management and supervisory bodies and third parties acting on behalf of the Group.

The risk is mitigated by having comprehensive internal control mechanisms in place to identify potential corruption risk factors. The Company and the Group's companies continuously monitor and improve their business processes.

The Company and its subsidiaries refrain from any form of influence with politicians and do not contribute to the election campaigns of political parties, their representatives or their candidates. The Group always cooperates with the authorities and is ready to provide all the necessary information.

The Company and its subsidiaries shall ensure that all its procurement is carried out in accordance with the principles of equality, non-discrimination, transparency, mutual recognition, proportionality, confidentiality and impartiality, and in a manner that makes rational use of resources. Suppliers shall be selected based on the most economically advantageous tender or the lowest price, based on equal and non-discriminatory treatment between suppliers.

As part of the subcontractor selection process, the Group carries out an assessment of subcontractor qualifications. Ensuring compliance with environmental and occupational health and safety legislation and the integrity of subcontractors are key requirements for subcontractors.

There were no significant cases of non-compliance during 2022. There were also no fines for non-compliance with laws and regulations. The Group complies with the law as defined by government regulations.

No cases of corruption were reported in 2022.

SUSTAINABILITY IN THE SUPPLY CHAIN

Sustainability in the supply chain is managed by selecting suppliers based on their practices and their impact on the environment, human rights and communities. By contributing to sustainability initiatives in the supply chain, the Group can provide an impetus for suppliers and building product manufacturers to join together and make their operations more sustainable.

A sale/purchase procedure is foreseen to ensure a proper process for this topic. In addition, the management of this topic is defined in the Quality and Environmental policies.

The proportion of the procurement budget spent by country

Location	Share of products and services purchased by country (%)
Lithuania	94.4
Poland	2.7
Latvia	1.5
Germany	1.3

Note: The Group's geographical definition of 'local' is Lithuania. 'Significant locations of operation' are defined by construction sites.

New suppliers have not been evaluated on environmental and social criteria so far. In 2023, it is foreseen to start evaluating suppliers against sustainability criteria, giving preference to suppliers that meet them.

2022 achievements:



The procurement management system has been digitised, and procurement has been launched on the e-procurement platform Viacorex.



Purchase/sales contracts have been transferred to Doclogix, which allows a significant reduction in paper and ink consumption.



GRI 204-1

GRI 308-1

GRI 414-1

INNOVATION AND OPERATIONAL EFFICIENCY

The Company and its subsidiaries are continuously focusing on improving the efficiency of operational management, the quality of construction works and introducing modern technologies. The Group seeks ways to improve efficiency, innovative and resource-efficient process management, working conditions, and construction work and services quality.

By optimising production processes, the Company and its subsidiaries aim to reduce the amount of energy used in their operations. The Group is investing in technologies that produce and use green energy.

The Group adopts and uses advanced processes and technologies to maintain excellence in the construction sector. Working with partners, the aim is to expand the use of Building Information Modeling (BIM) principles in project management activities.

The Group uses modern design software to prepare building projects. The Group also actively monitors and continuously adds relevant applications to the currently used software.



2022 achievements:



ST's investment project - "U219" business centre (Vilnius, Ukmerges g. 219), certified according to BREEAM, was recognised as the product of the year at the Lithuanian Confederation of Industrialists (LCI) awards - it received the gold medal of the "Lithuanian Product of the Year 2023".

Plans for 2023:



The Group's projects involve a wide range of stakeholders: clients, designers, subcontractors, and suppliers of materials and services, so collaboration with partners is key to innovation and the introduction of modern technologies. In 2023, the Group will seek to strengthen cooperation with partners to help ensure the necessary innovation and smooth technology deployment.

QUALITY OF SERVICES AND BUILDINGS

Quality of services and buildings is one of the Group's key strategic topics. The Company and its subsidiaries are committed to ensuring that the projects they deliver are of high quality, meet the needs of their clients and comply with industry standards.

To meet the needs and expectations of its customers, the Group endeavours to understand not only the customer's current needs but also its forecasted needs by identifying the key characteristics of its products/services, assessing its position in the marketplace, identifying the market opportunities and weaknesses, and forecasting its future competitive advantage.

The Group is guided by a quality management system that has been developed, documented, implemented and continuously monitored to ensure the smooth implementation of this topic. The Group is committed to continuously improving the performance of its quality management system in accordance with the requirements of LST EN ISO 9001:2015. Specific processes have been identified, their sequence and interactions defined, and criteria and methods identified for effective processmanagement.

The Company and its businesses have established quality objectives and requirements for the product or service in their product and service marketing planning. The requirements are detailed in the Group's [Quality Policy](#). Quality objectives and requirements are reviewed yearly.

The management systems implemented in the Company and its subsidiaries are certified by an independent surveillance audit carried out by auditors from the certification firm Bureau Veritas. Results of internal and external audits are analysed and decisions to improve the management system are taken by the management team.



RISK MANAGEMENT

Risk management is part of strategic management integral to the Group's operations. The Group's main objective in managing risks is to identify and optimally manage the higher and more significant risks. The Group aims to continuously assess its operational risks and implement measures to address and mitigate them.

PST and the Group companies are exposed to a variety of risks in the course of their business:

- Legal regulation
- High levels of competition
- Shortage of skilled labour
- Economic cyclicality
- Consistency of order intake
- Volatile material prices on the global market
- Rising material prices
- Macroeconomic factors
- Dumping

Only some of them may significantly impact the Group's and the Company's performance. The main factors that create business risks for the Company and the Group are competition in the construction market and changes in demand for construction services.

Demand for construction services is also strongly influenced by the volume of investment and the funding available from EU structural funds. Increases and fluctuations in the prices of materials and services complicate the budgeting process for ongoing projects and the ability to complete projects within planned costs. This creates additional risks in fixed-price construction contracts and reduces the profitability of projects.

The Company's and the Group's operations are also affected by the economic situation in Lithuania and the countries where the Group's companies operate (economic cyclicality), geopolitical changes, Russia's military invasion of Ukraine, and the risks associated with COVID-19.

Uncertainties remain in global economic developments due to the anticipated regional and global crisis.

More information on risks and their management is provided in the Group's [Annual Report 2022](#), pg. 78.

Information on the types of financial risks and risk management is provided in Note 4 to the Separate Financial Statements and Note 4 to the Consolidated Financial Statements. Legal uncertainties are disclosed in Note 28 to the Separate Financial Statements and Note 27 to the Consolidated Financial Statements.



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Statement of use	Panevezio statybos trestas AB has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2022.	
GRI 1 used	GRI 1: Foundation 2021	
Applicable GRI Sector Standards	Not applicable	
GRI 2: General Disclosures 2021		
GRI Standard	Page	
1. The organisation and its reporting practices		
2-1	Organizational details	pg. 4, 5
2-2	Entities included in the organisation's sustainability reporting	pg. 4, 5
2-3	Reporting period, frequency and contact point	pg. 4
2-4	Restatements of information	pg. 4
2-5	External assurance	pg. 4
2. Activities and workers		
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2-7	Employees	pg. 19
2-8	Workers who are not employees	pg. 19

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3. Governance		
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2-10	Nomination and selection of the highest governance body	pg. 8
2-11	Chair of the highest governance body	pg. 8
2-12	Role of the highest governance body in overseeing the management of impacts	pg. 8
2-13	Delegation of responsibility for managing impacts	pg. 8
2-14	Role of the highest governance body in sustainability reporting	pg. 4
2-15	Conflicts of interest	pg. 8
2-16	Communication of critical concerns	pg. 8
2-17	Collective knowledge of the highest governance body	pg. 8
2-18	Evaluation of the performance of the highest governance body	<i>To date, there has been no specific process for assessing the board's performance in terms of sustainability. Such a process would be foreseen should the need arise.</i>
2-19	Remuneration policy	pg. 21
2-20	Process to determine remuneration	pg. 21
2-21	Annual total compensation ratio	pg. 21
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	pg. 3
2-23	Policy commitments	pg. 7
2-24	Embedding policy commitments	pg. 7
2-25	Processes to remediate negative impacts	pg. 8
2-26	Mechanisms for seeking advice and raising concerns	pg. 8

GRI Standard		Page
2-27	Compliance with laws and regulations	pg. 29
2-28	Membership associations	<i>Panevezio statybos trestas AB is a member of the Lithuanian Construction Association, Association of construction products testing laboratories and a member of Panevezys Chamber of Commerce, Industry and Crafts. Metalo meistrai UAB is a member of the Lithuanian Welders Association, PST investicijos UAB is a member of the Lithuanian Real Estate Development Association.</i>
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	pg. 9
2-30	Collective bargaining agreements	<i>The Company does not have a collective agreement with its employees.</i>
GRI 3: Material Topics 2021		
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3-3	Management of material topics	pg. 10
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303-5	Water consumption	pg. 16
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	pg. 14

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305-2	Energy indirect (Scope 2) GHG emissions	pg. 14
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403-9	Work-related injuries	pg. 23
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404-1	Average hours of training per year per employee	pg. 24
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405-1	Diversity of governance bodies and employees	pg. 20
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406-1	Incidents of discrimination and corrective actions taken	pg. 20
GRI 413: Local Communities 2016		
413-1	Activities related to local community participation, impact assessment and development programmes	pg. 26
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414-1	New suppliers that were screened using social criteria	pg. 30

UN GLOBAL COMPACT PRINCIPLES

At the beginning of this century, the United Nations drafted and published the Global Compact, a set of 10 universal principles to which all organisations seeking to operate in a responsible and sustainable manner are invited to voluntarily adhere. We support these principles in our work and promote their implementation in areas where we can have an impact. Below is a list of all the principles and the pages in this report that describe our activities, ambitions and initiatives in relation to these principles.



	Global Compact principle	Page
1	We support and respect the protection of internationally proclaimed human rights.	pg. 27
2	We make sure that we are not complicit in human rights abuses.	pg. 27
3	We uphold the freedom of association and the effective recognition of the right to collective bargaining.	pg. 27
4	We do not use forced and compulsory labour and work to eliminate all forms of it.	pg. 27
5	We do not exploit child labour and work to eliminate all forms of it.	pg. 27
6	We do not discriminate and work to eliminate discrimination in respect of employment and occupation.	pg. 27
7	We support a precautionary approach to environmental challenges.	pg. 7
8	We undertake initiatives to promote greater environmental responsibility.	pg. 13
9	We encourage the development and diffusion of environmentally friendly technologies.	pg. 13
10	We do not tolerate corruption and work against corruption in all its forms, including extortion and bribery.	pg. 29