

CITYSERVICE
In service of your property

SUSTAINABILITY REPORT

2022



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FROM THE CEO

Dear all,

If you are reading this sustainability report, you care about the environment we live in, just like we do. Not formally, not by following the latest ESG (Environmental, Social, and Governance) fads, but genuinely.

Over the last few decades, I have seen first-hand how our world has changed because of global growth in consumption and the actions of humanity. On the one hand, the speed of innovative technologies and industrial progress have opened unprecedented opportunities for humankind and made life more comfortable, but on the other hand, unfortunately, they have inevitably caused severe damage to the environment around us. Time is not our friend here and we can no longer live on empty declarations. We must each do our part to create a more sustainable environment through concrete actions, so that we can protect the environment around us for future generations.

The City Service SE Group has been guided by the principles of socially responsible business since its inception. We realised a long time ago that many of the solutions we have implemented not only add value but can also be a little more environmentally and socially friendly. That is why we use our best practices, the knowledge and expertise of our employees to provide services and products that make our clients' everyday lives easier and contribute in one way or another to saving the environment. Sustainability in our Group is not just about reducing environmental pollution. The success of an organisation in developing sustainable practices depends significantly on the commitment of its employees, and we are committed to the well-being and safety of every colleague. We do this by investing in the development of knowledge and competences, applying modern educational methodologies, and providing additional benefits packages. We pay close attention to employee motivation and participation in various activities.

We are committed to health and safety at work - we keep our promise to ensure a safe working environment, and for five years now we have not recorded a single fatality in the workplace. We are tolerant towards age, gender, race, religion, origin, and beliefs, ensuring equal opportunities and rights for all employees.

We have been providing comprehensive building maintenance for more than 20 years, and for the last 10 years we have been focusing on the efficient and intelligent use of energy resources in our buildings. In commercial buildings, we have successfully applied energy saving solutions based on the Exergio platform

and AI (Artificial Intelligence) algorithms to make buildings more sustainable and energy efficient. That means less polluting too.

We were the first on the market to educate dwellers of residential buildings on simple but effective ways to save heat at home. With the "5 Steps to Heat Saving Programme", we encourage communities to become more involved in actions that reduce the energy demand in their homes. On average, 10,750 tonnes less CO2 emissions per year. These are the results we have achieved after helping our clients implement renovation projects in close to 200 residential buildings. Modernisation of residential buildings allows citizens to breathe cleaner air, increases the value of the building and its apartments, contributes to a more sustainable environment, reduces the threat of climate change, and ensures a comfortable living environment for residents.

We have been investing for many years in digital tools for our clients to help them manage and solve the maintenance issues in their buildings in a way that is convenient and environmentally friendly. We have developed a self-service platform and a mobile application, BonoDomo, for private clients and eCSE for the business segment. They allow clients and our employees to use less vehicles and commute less, as many issues can be solved remotely, without having to travel to sites or live consultations.

We were one of the first in the sector to encourage clients to move away from paper bills, and today we are seeing a pleasing result: 57% of private company clients receive electronic bills. As a result, we save 144 trees every year to produce paper invoices. Globally, this is just a drop in the ocean, but by digitising our processes we are contributing to a more sustainable environment together with our clients. Sustainability is one of the most important goals in the Group's strategy, so we will continue to invest the knowledge and experience we have accumulated over decades in sustainability, actively develop and implement energy-efficient solutions, and care for the well-being of our clients and employees. With the presentation of the first Sustainability Report of City Service SE, I invite communities, partners, clients, and employees to join me on the sustainable path, because I honestly believe that together we can build a healthy, sustainable, and prosperous society.



Vytautas Turonis
Member of the Management Board of City Service SE,
responsible for the Baltic States

ABOUT THE SUSTAINABILITY REPORT



ABOUT THE SUSTAINABILITY REPORT

City Service SE

Narva mnt. 5, 10117 Tallinn, Republic of Estonia

Geography of activity: Lithuania and Latvia*

For more information on the Sustainability Report:

Natalija Mager-Falkauskienė, natalija.mager-falkauskiene@manobustas.lt, +37061489075

List of Lithuanian companies:

Alytaus Namų Valda UAB	EPC Projektai UAB	Mano Būstas Šiauliai UAB
Baltijos Būsto Priežiūra UAB	Exergio UAB ²	Mano Būstas Ukmergė UAB
Baltijos NT Valdymas UAB	Mano Aplinka UAB	Mano Būstas Vakarai UAB
Baltijos Transporto Valdymas UAB	Mano Bendrabutis UAB	Mano Būstas Vilnius UAB
Baltijos Turto Valdymas UAB	Mano Būstas UAB ³	Mano Būsto Klientų Patirčių Centras UAB ¹
Biržų Butų Ūkis UAB	Mano Būstas Alytus UAB	Mano Būsto priežiūra UAB
BonoDomo UAB	Mano Būstas Aukštaitija UAB	Merlangas UAB
BonoDomo Pay UAB	Mano Būstas Baltija UAB	Nacionalinis Renovacijos Fondas UAB
Butų Ūkio Valdos UAB	Mano Būstas Dainava UAB	Pastatų priežiūra UAB
Būsto Aplinka UAB	Mano Būstas Neris UAB	Pastatų Priežiūros Tarnyba UAB
City Service Cleaning UAB	Mano Būstas NPC UAB	Pastatų Valdymas UAB
City Service Engineering UAB	Mano Būstas Kaunas UAB	Rinkų Vystymas UAB
CSG IT UAB	Mano Būstas Klaipėda UAB	Skolos LT UAB
Energijos Taupymo Paslaugos UAB	Mano Būstas Radviliškis UAB	Šiaulių NT Valdymas UAB
Energetinių Projektų Valdymas UAB	Mano Būstas Sostinė UAB	Unitechna UAB

List of Latvian companies:

SIA BILANCE	SIA Namu Serviss APSE
SIA BonoDomo	SIA Manas Mājas ⁴
SIA City Service	SIA Manas Mājas 2 ⁵
SIA City Service Engineering	SIA Manas Mājas Salnas 2 ¹ ⁶
SIA Ēku Pārvaldīšanas Serviss	SIA Manas Mājas 3 ⁷
SIA Latvijas Namsaimnieks	SIA Ventspils Nami
SIA Livonijas Nami	

*The list does not include and has not been assessed for companies where the group has transferred control in 2022 and companies where the group has transferred or intends to transfer control in 2023.

¹ Until May 2023, the name was Mano Būstas UAB

² Until January 2023, the name was Apex Intelligence UAB

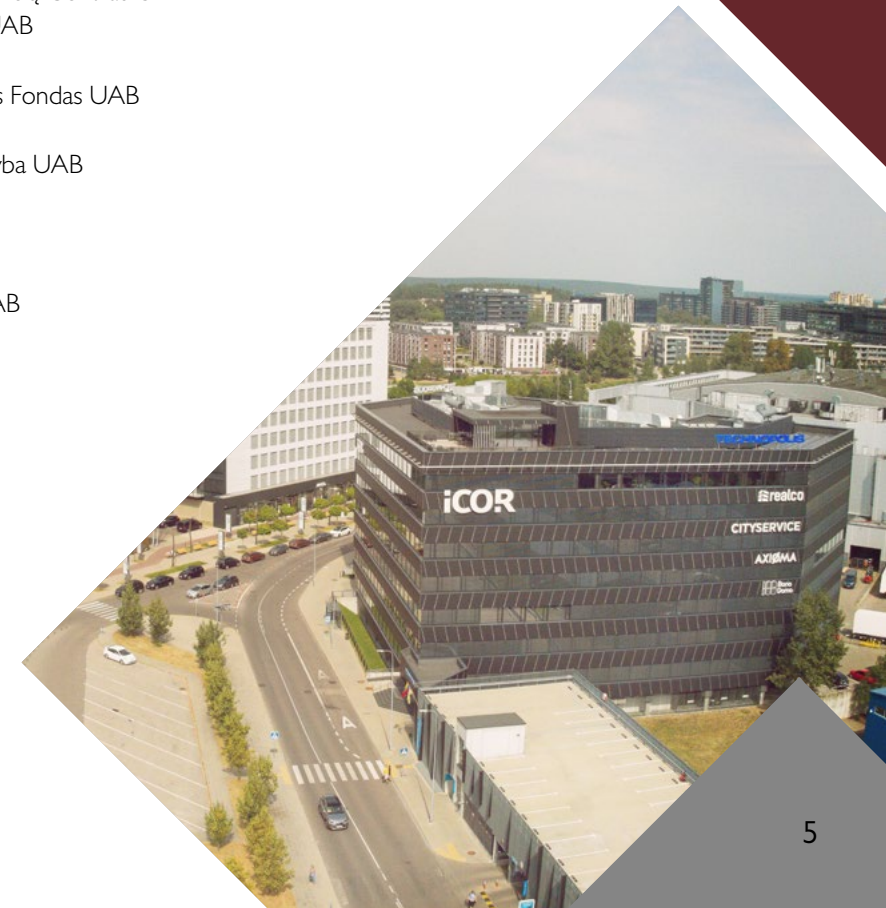
³ Until May 2023, the name was City Service UAB

⁴ Until January 2023, the name of the company was SIA NIRA Fonds Apsaimniekošana

⁵ Until January 2023, the name of the company was SIA NIRA Fonds Apsaimniekošana 2

⁶ Until January 2023, the name of the company was SIA NIRA Fonds apsaimniekošana-Salnas 2¹

⁷ Until January 2023, the name of the company was



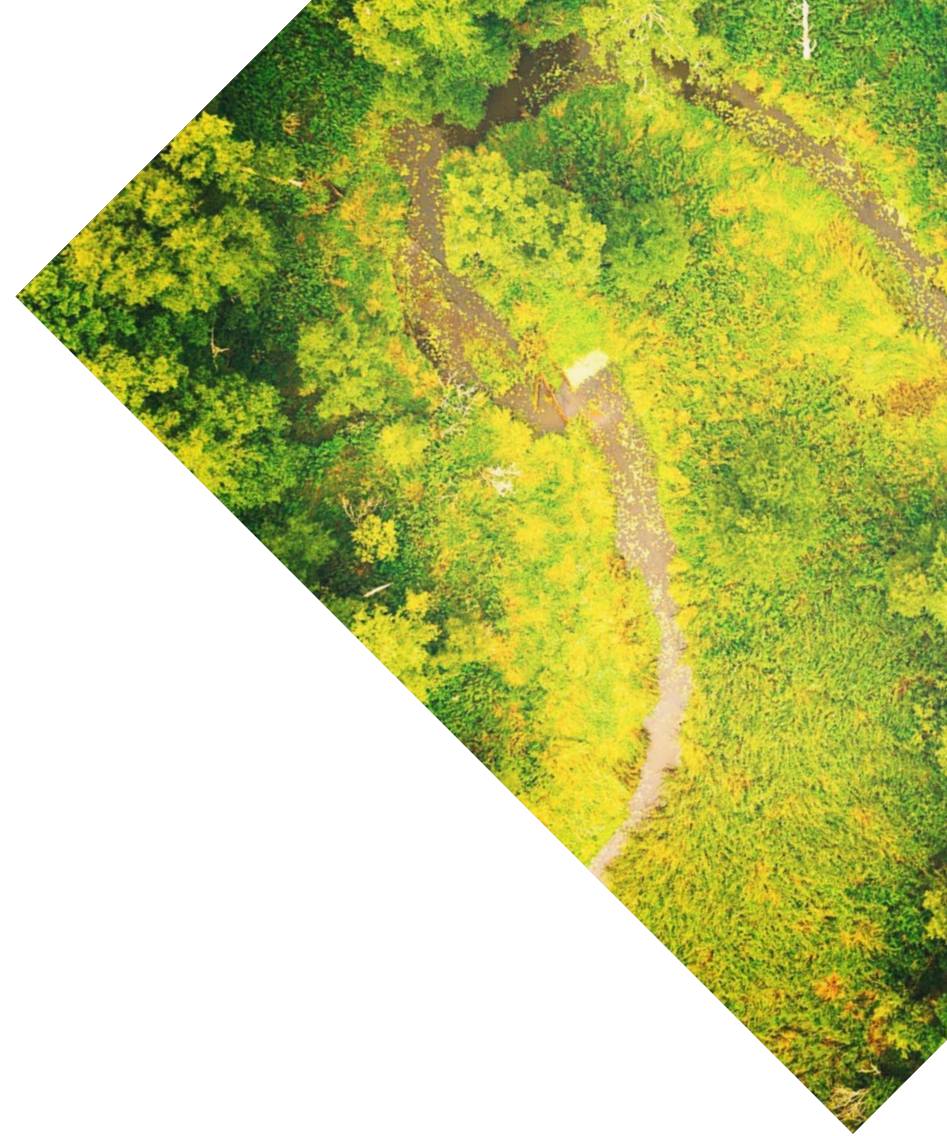
ABOUT THE SUSTAINABILITY REPORT

Reporting period and frequency of sustainability reporting

The sustainability report is planned to be submitted once a year.

The first sustainability performance report of City Service SE for 2022 was prepared in September 2023. Prior to this, a materiality analysis of sustainability performance was carried out, identifying the areas of sustainability that stakeholders see as most important. It also assesses the links between stakeholders' expectations and the operational strategy.

The Sustainability Report, which is not audited, is in line with the 2022 version of the Global Reporting Initiative (GRI). Global Reporting Initiative (GRI) standards and information available at the time of publication.



ABOUT US

Background



ABOUT US

City Service SE is the holding company of a group of building maintenance and integrated services companies in Lithuania and Latvia.

The Group's companies are engaged in the administration of the building management process, maintenance and repair of engineering systems, energy management and renovation, technical and energy audits of buildings, cleaning and maintenance of premises and grounds, IT, petrol station maintenance and debt management services. One of the Group's core activities is to develop and provide clients with energy saving solutions based on science and artificial intelligence.

The main activities of the Group's companies are:

Administration
of residential
buildings

Commercial
building
management

Cleaning
and
maintenance of
premises and
grounds

Exergio:
AI solutions
for building
management



ABOUT US

BACKGROUND

The core business of the City Service SE Group focuses on complex maintenance of residential buildings and commercial, public, and industrial facilities. The company's services are used by more than 190,000 households, major shopping centres, banks, and large manufacturing companies.

The company continuously introduces client-friendly digital tools in its operations and, using artificial intelligence and specialist knowledge, focuses on saving energy resources in both commercial and residential buildings.

In addition to its core business, the Group is involved in building renovation, petrol station maintenance and debt management services.

For more information on the Company's activities, please download the Annual Report [here](#).





SUSTAINABILITY IN THE GROUP

Sustainability principles and commitments

Sustainability governance

Stakeholder engagement

Assessing the materiality of sustainability themes

Key sustainability themes

SUSTAINABILITY IN THE GROUP

SUSTAINABILITY PRINCIPLES AND COMMITMENTS

The Company applies responsible business principles and commitments in its operations and complies with the International Labour Organisation (ILO) conventions relating to workers' rights and the working environment. The Group ensures the health and safety of its employees, operates a policy of fair remuneration and has a benefits package. The Group does not tolerate discrimination on the grounds of sex, race, sexual orientation, religion, or other grounds.

The Company respects all human rights, including internationally recognised human rights, which are directly or indirectly enshrined in the Constitution of the Republic of Lithuania and other legal acts.

The Company respects the rights of every human being equally, without differentiating people into separate categories, except to the extent that such differentiation is provided for by separate legal acts. These obligations apply broadly to all employees of the Group.

At the end of 2022, the Company did not have a written Responsible Business Policy in place for the above facts, but the absence of a written document is not a barrier to the application of the regulations or responsible business commitments. In the absence of a separate policy on this matter, due diligence or the precautionary principle are not applicable.

To date, the Group's employees have been made aware of all the above policy issues through the organisation's digital platform, eCity, which periodically uploads and updates theoretical material, knowledge tests, and other relevant and timely information. Individual presentations and discussions on certain issues of these policies are organised within the Group as and when required.



SUSTAINABILITY IN THE GROUP

Sustainability is integrated into the organisation's strategy

The philosophy of sustainability is central to the Group's activities and is receiving increasing attention each year. Sustainability is integrated into the organisation's strategy and includes not only environmental aspects, but also a focus on clients, employees, and other stakeholders.

In the business client segment, our sense of quality, sustainable and timely maintenance of our clients' assets is the company's top priority, so our clients can forget all the hassles of building maintenance and concentrate on their own activities. We are always one step ahead, offering more services of exceptional quality and constantly developing and innovating. Our many years of experience, innovation, a strong team of experienced experts and the recognition of our clients make us the market leader in commercial building maintenance.

Values that guide our services to business clients:



Responsibility. We consider our clients' wishes and always provide feedback. We keep our promises and deadlines and develop a responsible attitude to social and environmental issues.



Cooperation. We are one team. We share our knowledge and experience with our colleagues and proactively address challenges together. We believe that a strong community leads to quality in our daily work.



Innovation. We are interested in market innovations, constantly introducing technologically advanced tools and approaches. We are bold and inquisitive, so that we can offer our clients more modern and sustainable solutions.

SUSTAINABILITY IN THE GROUP

Sustainability is integrated into the organisation's strategy

In the Private client segment, our purpose is to make our clients feel safe, satisfied, valued, and assured about

the future of their homes. We continuously introduce innovative, sustainable, and transparent housing maintenance solutions that increase the value of our clients' assets and improve their living environment. We professionally represent our client communities, making us a market leader.

Values that guide our services to private clients:



Professionalism. We have developed a Building Maintenance Standard that enables us to deliver the highest quality service to our clients. We develop the skills of our staff because we believe that competence leads to progress.



Cooperation. We are professionals, so we listen to our clients' needs and meet their expectations. We always strive for common goals, sharing not only responsibility but also success.



Responsibility. We always consider our clients' needs and preferences, so we deliver on time and to a high standard. We keep our word, because responsibility to the client, the community and society is one of our fundamental values.



Innovation. We constantly strive to stay one step ahead. We use modern technologies and digital solutions in our work. This is how we meet the needs of today's consumers.



SUSTAINABILITY IN THE GROUP

SUSTAINABILITY GOVERNANCE

The Supervisory Board and the Management Board are the highest governance bodies of City Service SE.

The Supervisory Board is the collegiate supervisory body of City Service SE. The Supervisory Board operates on a Group-wide basis, i.e., it considers issues and takes decisions that relate not only to the activities of City Service SE, but also to the activities of the companies it directly or indirectly owns, or of the management or supervisory bodies of those companies. The Supervisory Board is elected by the General Meeting of Shareholders for a period of four years. The Supervisory Board currently consists of two members.

The main functions and responsibilities of the Supervisory Board include:

- the establishment of the company's Management Board, the appointment and dismissal of members of the Management Board;
- making decisions on the Group's activities (starting new activities or abandoning existing ones);
- making decisions on acquisitions or divestments and on the creation of new companies;
- approving the Group's business strategy.

The Supervisory Board also deals with other matters falling within its competence, as specified in the company's Articles of Association and in the legal acts governing the company's activities.

The Management Board is composed of the members of the Management Board and the Chairman of the Management Board, who does not hold any position in the organisation. All members of the Board are executive officers and the term of office of the Board is 4 years. Appointments to the Management Board are made by the shareholders of the company. The main selection criterion is based on the experience and competences of the prospective candidates in business management, as well as the personal confidence of shareholders. No consideration is given to diversity or independence in the appointment of Board members.

The role of the Management Board is important in ensuring the efficiency of the organisation's processes. The Board is responsible for setting the organisation's strategic objectives, deciding on the implementation measures and actions for objectives that can have a significant impact on the organisation's performance and effectiveness, identifying the

organisation's most important risks and issues to prepare for, and providing guidance on how to manage them.

All members of the Board of Directors hold other positions in Group companies and are not representatives of stakeholders (including underrepresented social groups). They have not been specifically selected based on competences related to sustainability. For this term of office, all Board members are men.

As a collegial body, the Board does not exercise control over sustainability, which is done by each Board member in his/her own area of responsibility. The Board member is responsible for decision-making on the organisation's impact on the economy, nature, and people, and is also responsible for the Group's activities in the Baltic States.

The Management Board is not responsible for preventing conflicts of interest. This is the responsibility of the country-appointed Management Board member within the organisation, who makes decisions based on the company's internal policies, procedures, and legislation.

In the event of critical situations in Group companies, the Management Board is informed immediately, while less significant issues are presented at periodic meetings.

The members of the Management Board responsible for the country have been directly involved in the development of the 2019-2024 business strategy and are regularly informed about its implementation, the development of the sustainability theme and the progress of projects and initiatives.

The organisation holds bi-annual strategy sessions to review the strategy's direction, objectives and actions. Once a month, a discussion on the results of the annual targets is held with the participation of the heads of all functions.

Once every 6 weeks, strategic projects are presented to the Project Board, which approves the projects and decides on their implementation, objectives and benefits. Launched projects are assessed against three main criteria: business value, time criticality, potential risks and/or opportunities.

The Project Approval Board is also attended by members of the Management Board responsible for the Group's country operations.

SUSTAINABILITY IN THE GROUP

Critical issues are discussed and resolved at periodic Management Board meetings and, in the event of unforeseen emergencies, senior management and Management Board members are informed immediately.

In the summer of 2022, a crisis occurred in which more than 200,000 SMS messages with repetitive content were mistakenly sent to the clients of one group of companies. As this created a risk of reputational damage and potential sanctions, the top management was informed, and appropriate actions were taken to contain the crisis.

The organisation is always keen to deal openly with problems and strives to work in a collaborative manner. Clients, contractors, and other stakeholders can always contact the organisation through publicly available channels: telephone, email, the self-service system, and express their views on the company's behaviour. The company actively cooperates with public authorities, consults them, and follows their advice to avoid or remedy adverse effects.

In the service sector, the organisation pays particular attention to the management of client complaints. According to the company's internal procedures, a complaint is a claim made by a client through any channel, expressing dissatisfaction with inadequate performance or non-performance of work, work quality, failure to meet deadlines, improper work culture, repeated referrals on the same issue, non-compliance with the GDPR, etc.

All client complaints are dealt with in accordance with the procedures adopted by the organisation. The responsible manager must contact the client within 4 working hours to clarify the situation. Based on the information received, a plan for resolving the complaint is provided.

Disputable situations concerning complaints from private clients are analysed by the Quality Team Leader who plans the further course of action.

Where complaints are received regarding GDPR issues, the validity of the complaint is assessed in all cases and a full response is provided to the client within the statutory time limit. If necessary, the client is contacted by telephone and the situation, or the decision taken is clarified verbally.

The company continuously develops preventive actions to avoid or reduce the risks of various disputes. To this end, individual teams, divisions, and departments work together to analyse specific cases and look for ways to correct or improve processes to prevent future disputes. To achieve this, individual working groups are set up and projects are initiated and implemented.

Those responsible for dealing with complaints and dispute situations are always involved in the design and implementation of processes so that they can express their views, make suggestions, and achieve the intended objectives. The company has a system in place to monitor the complaints it receives, how they are resolved and the feedback it receives from the client.

For all issues, including GDPR, the company's responsible persons analyse the number of complaints and their validity. Complaints are recorded in the system, analysed and the team holds periodic discussions to review the complaints recorded and suggest solutions to reduce them.

All stakeholders can always contact the company about the conduct of the company or its employees through the channels they prefer: telephone, email, client self-service.

SUSTAINABILITY IN THE GROUP

STAKEHOLDER ENGAGEMENT

The organisation has identified the stakeholders in its operations that are relevant to its integrated management system (quality, environmental, energy use, occupational safety, and health management systems). These are: clients, employees, shareholders, business partners, public authorities, communities, media. The organisation considers the stakeholders and their interests in its activities.

The company conducts periodic client surveys and organises focus groups if the need arises.

Periodic discussions are held with business clients on performance and meeting expectations. An employee engagement survey is also carried out once a year, the results of which are presented to all employees collectively and individually by department. Feedback is then obtained, and appropriate action plans are drawn up accordingly.

Important requirements (needs and expectations) of stakeholders in the organisation are:

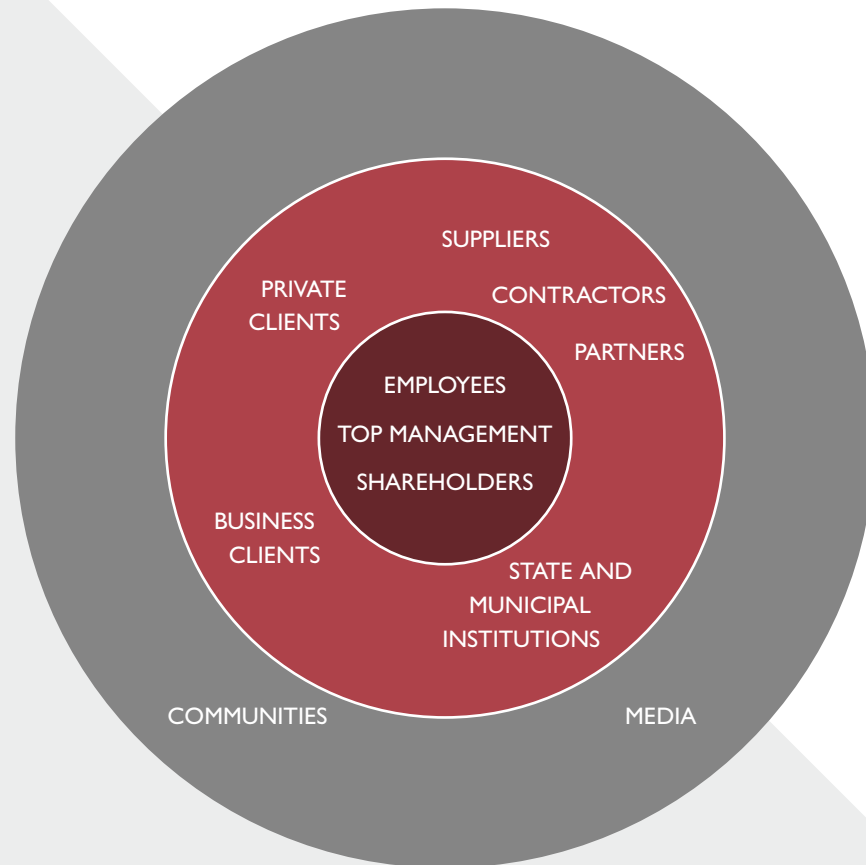
- Clients expect us to deliver on time, in high-quality and get it the first time. They want to feel important and recognised, to be easily contactable and to be informed in a timely manner about what is happening in the house or commercial property. They also expect us to increase the value of their property by providing our services, and they expect us to look after their properties efficiently and at an attractive price. Our clients want to live in tidy homes and buildings, in a clean environment, and to have transparency in our services.
- Employees expect good working conditions (in line with the Labour Code), work that matches their competences, training, and development.
- All stakeholders want us to be an organisation that preserves energy resources and respects the environment.
- Shareholders expect increasing business value and an efficient organisation.
- Business partners expect growth in the value of their business.



SUSTAINABILITY IN THE GROUP

ASSESSING THE MATERIALITY OF SUSTAINABILITY THEMES

Stakeholders of the Group:



Objective: Identify the areas of sustainability activity that are most important to stakeholders, so that activities are targeted and focused on areas where we can have the greatest positive impact.



9 stakeholder groups have been identified. 4676 respondents received the survey.



The survey was conducted in January 2023.



373 respondents out of 4676 (8%) responded.



Methodology: CAWI (online).

SUSTAINABILITY WITHIN THE GROUP

Survey sample

The survey questionnaire was distributed to 4,676 respondents, of which 373 (8%) responded.

It is noted that one respondent had the option of responding for more than one business entity.

Stakeholder	Mano BŪSTAS	EXERGIO*	CITY SERVICE CLEANING	CITY SERVICE ENGINEERING	BONODOMO	CITY SERVICE GRUPĒ
Shareholders	2	2	2	2	2	2
Communities	4	2	2	1	1	7
Staff	103	8	5	34	10	141
Clients	174	2	3	8	160	184
Media	6	-	-	1	2	6
Contractors / Providers / Partners	5	2	3	5	5	8
TOP Managers	17	4	5	7	5	22
Public Authorities	2	-	-	1	-	2
	313	20	20	59	185	372

*Until January 2023, the name was Apex Intelligence UAB

SUSTAINABILITY WITHIN THE GROUP

Survey of City Service stakeholder responses - what matters most to them?

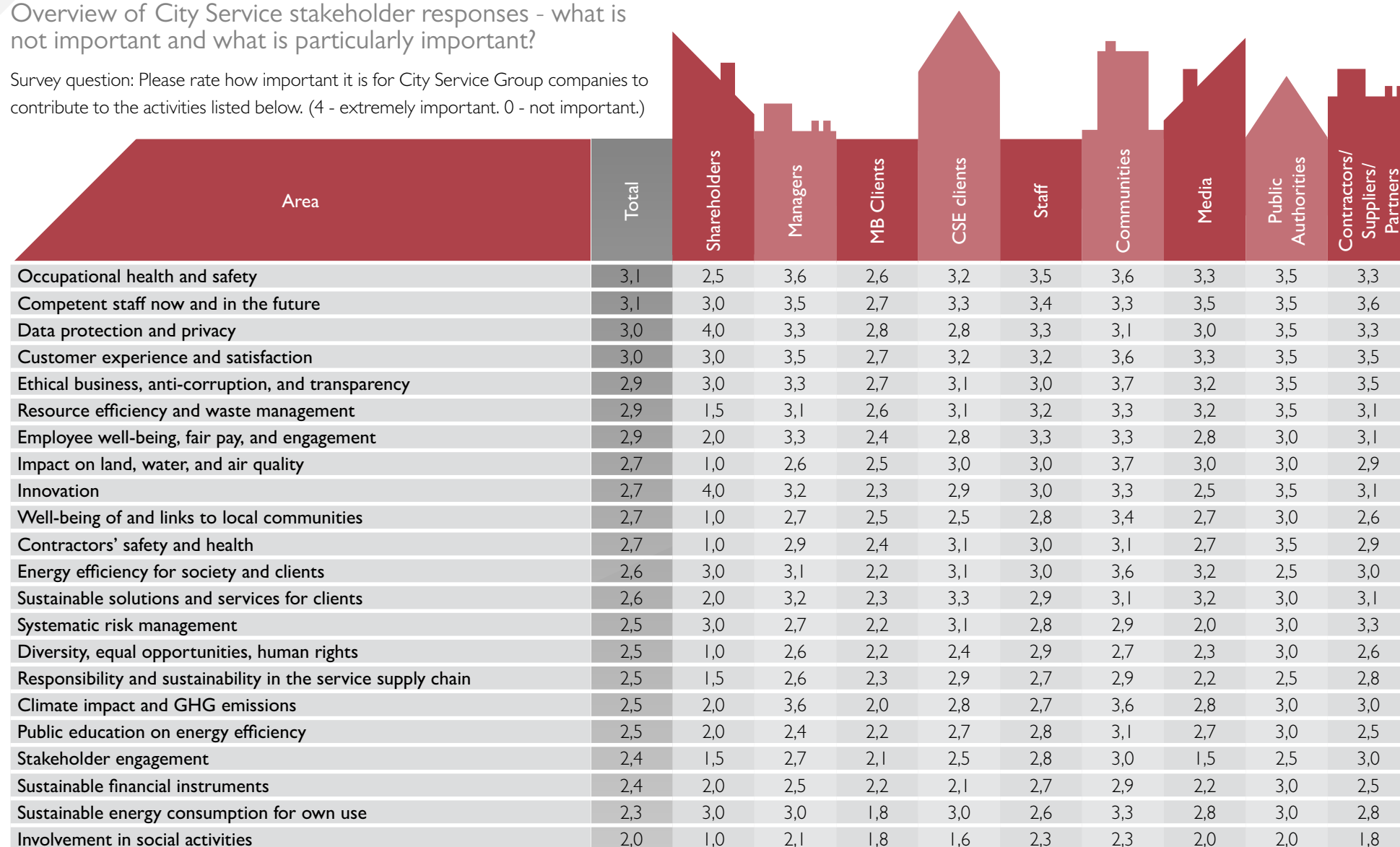
Survey question: Please select the 3 most key areas where City Service Group companies' sustainability activities should be focused?

Area	Overall assessment of relevance	Shareholders	TOP Managers	Private Clients	Business Clients	Staff	Communities	Media	State and Municipal Authorities	Contractors, Suppliers, Partners
Sustainable solutions and services for clients	37 %	0 %	36 %	43 %	29 %	30 %	57 %	67 %	0 %	38 %
Competent staff now and in the future	33 %	0 %	27 %	34 %	43 %	30 %	14 %	17 %	50 %	50 %
Energy efficiency for society and clients	27 %	0 %	55 %	28 %	0 %	23 %	14 %	33 %	0 %	13 %
Customer experience and satisfaction	26 %	50 %	27 %	28 %	14 %	22 %	29 %	17 %	100 %	25 %
Employee well-being, fair pay, and engagement	25 %	50 %	32 %	9 %	14 %	45 %	14 %	0 %	50 %	38 %
Resource efficiency and waste management	24 %	100 %	9 %	29 %	43 %	19 %	29 %	0 %	0 %	25 %
Occupational health and safety	21 %	0 %	14 %	8 %	57 %	38 %	14 %	17 %	0 %	0 %
Sustainable energy consumption for own use	19 %	0 %	14 %	24 %	14 %	16 %	14 %	17 %	0 %	13 %
Ethical business, anti-corruption, and transparency	17 %	0 %	14 %	22 %	14 %	12 %	14 %	50 %	0 %	13 %
Responsibility and sustainability in the service supply chain	16 %	0 %	18 %	18 %	43 %	13 %	0 %	0 %	0 %	25 %
Data protection and privacy	15 %	0 %	5 %	18 %	14 %	13 %	29 %	0 %	0 %	0 %
Impact on land, water, and air quality	15 %	0 %	5 %	21 %	43 %	11 %	0 %	0 %	0 %	0 %
Innovation	12 %	100 %	14 %	11 %	0 %	11 %	0 %	17 %	50 %	0 %
Climate impact and GHG emissions	12 %	0 %	27 %	10 %	29 %	9 %	43 %	17 %	0 %	25 %
Well-being of and links to local communities	7 %	0 %	0 %	10 %	0 %	3 %	0 %	17 %	50 %	13 %
Public education on energy efficiency	6 %	0 %	0 %	7 %	0 %	5 %	14 %	17 %	0 %	13 %
Sustainable financial instruments	5 %	0 %	0 %	8 %	0 %	2 %	14 %	0 %	0 %	0 %
Systematic risk management	5 %	0 %	5 %	7 %	0 %	1 %	0 %	0 %	0 %	13 %
Involvement in social activities	4 %	0 %	0 %	6 %	0 %	3 %	0 %	17 %	0 %	0 %
Diversity, equal opportunities, human rights	4 %	0 %	0 %	5 %	0 %	4 %	0 %	0 %	0 %	0 %
Stakeholder engagement	4 %	0 %	0 %	7 %	0 %	1 %	0 %	0 %	0 %	0 %
Contractors' safety and health	2 %	0 %	5 %	2 %	14 %	1 %	0 %	0 %	0 %	0 %

TVARUMAS GRUPĖJE

Overview of City Service stakeholder responses - what is not important and what is particularly important?

Survey question: Please rate how important it is for City Service Group companies to contribute to the activities listed below. (4 - extremely important. 0 - not important.)



SUSTAINABILITY IN THE GROUP

KEY AREAS OF SUSTAINABILITY

Stakeholders

The Group has identified stakeholders in its operations that are relevant to the organisation's sustainability activities. These include clients, employees, TOP management, shareholders, business partners, communities, national and municipal authorities, and the media.

A stakeholder survey was conducted in January 2023.

Materiality matrix

Once we had identified which sustainability areas stakeholders see as the most important, we drew the vertical axis of the materiality matrix, where the sustainability areas are ranked according to the number of respondents in the stakeholder group who chose a particular area as one of the three most important.

We assessed the link between stakeholder expectations and the operational strategy. During the internal sessions, we discussed and evaluated the importance of each area for the operational strategy, as well as the importance of stakeholder evaluation of all areas. We ranked the results on the horizontal axis of the matrix, according to the links to the operational strategy, from least (left) to most (right).

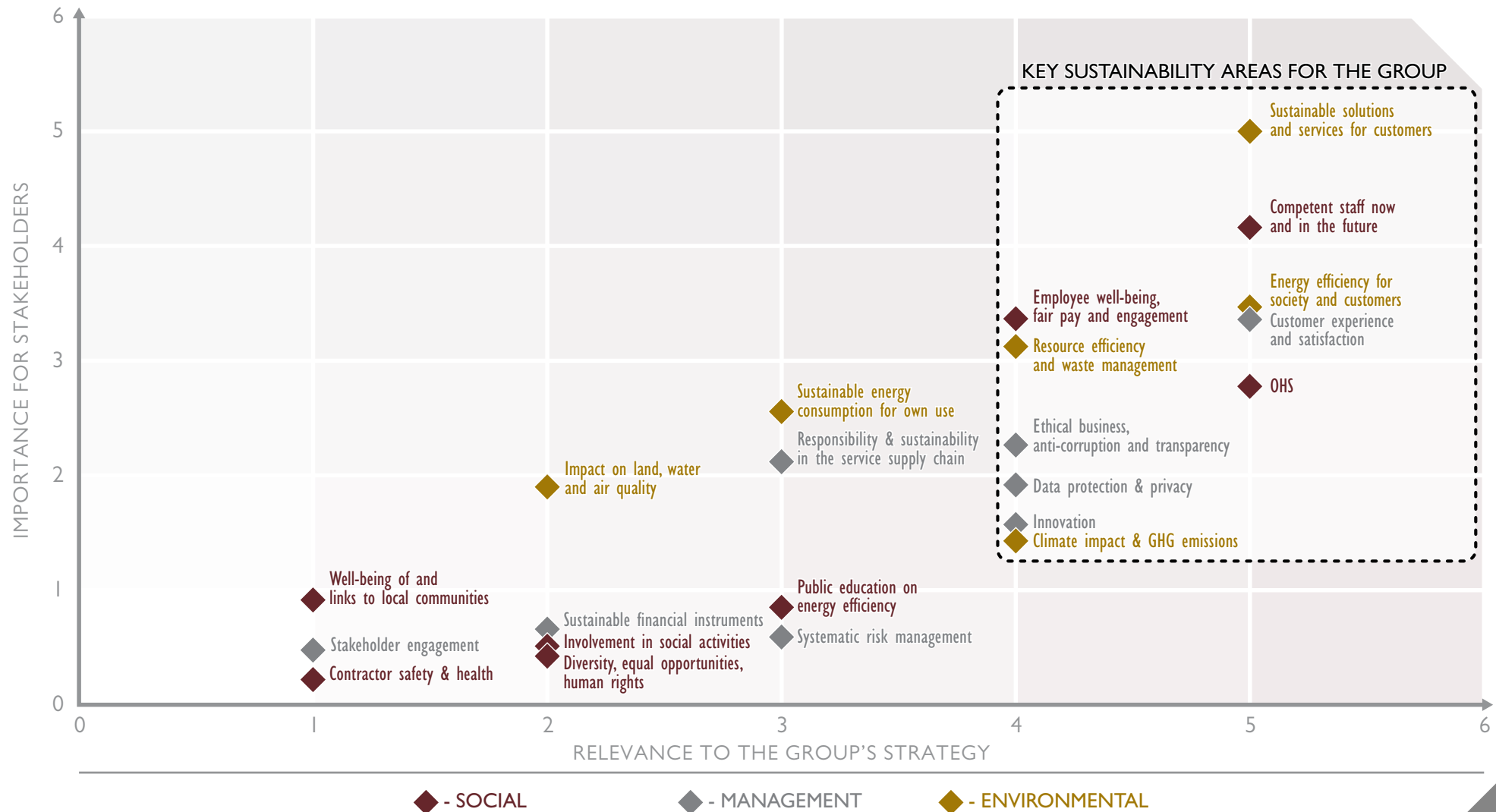
The materiality matrix structures the most key areas for sustainability activities, which will allow us to target sustainability activities to those areas where we can have the greatest positive impact.



SUSTAINABILITY WITHIN THE GROUP

Materiality matrix

The analysis has identified the key areas of sustainability for the organisation to target.





ENVIRONMENTAL

Climate impact and GHG emissions

Resource efficiency and waste management

Energy efficiency for society and clients

Sustainable solutions and services for clients

ENVIRONMENTAL

CLIMATE IMPACT AND GHG EMISSIONS

For more than a decade, the organisation has been working to contribute to a cleaner environment.

The organisation has an integrated quality, environmental, occupational health and safety and energy policy. It is approved and accessible to both employees and other stakeholders.

As buildings consume most energy resources, they are also one of the biggest environmental polluters. Therefore, by providing comprehensive building maintenance services, we work together to reduce the negative impact on the environment. We do this by introducing environmentally friendly solutions in buildings, based not only on engineering but also on artificial intelligence, and by encouraging and training our clients to save energy resources.

We consider the expectations of local communities and other stakeholders in our activities today and in planning the future of the organisation. We understand that more and more clients and investors are choosing companies that focus on sustainability and have relevant sustainability targets and commitments.

We have a responsibility to ensure that the buildings we maintain are safe for people and the environment, and we recognise that sustainability is a key factor in keeping buildings and people safe. All of this allows us to maintain a competitive advantage now and in the future.

However, the successful management of negative impacts depends not only on the Group's activities and efforts. It also depends on the involvement of all stakeholders: the performance and commitment of contractors, client awareness and knowledge of sustainability, employee development and education, the commitment of shareholders and managers, and the support of public authorities.

So far, climate and GHG impacts have not been included in the Group's strategy, but this will be done in 2023.



ENVIRONMENTAL

GHG footprint of the Group

In this report, the Group publishes the estimated emissions of its activities (GHG) in CO₂ equivalent. The calculation of emissions includes not only CO₂, but also other relevant greenhouse gases generated in the activity (direct scope - CO₂, CH₄, N₂O, HFCs; indirect scope - CO₂, CH₄, N₂O), converting them to CO₂ equivalent using standard factors and denoting the final total number of CO₂ equivalent.

This publication identifies the emission sources and their calculation methodologies, indicating the scope to which the emission source belongs. The knowledge and methodologies of market-based financial institutions and energy suppliers have been used to calculate GHG emissions. For direct emissions, official sources of the IPCC, Lithuania's national inventory report 2022, EMEP/EEA emission factors and Global Warming Potential (GWP) indicators were used, while for indirect emissions, emission factors from AIB and suppliers were used.

The calculation of emissions was based on the Greenhouse Gas Protocol (GHG) and the Global Reporting Initiative (GRI) standards and recommendations.

Emissions consolidation approach: operational control. The base year for the GHG calculation is 2022, with direct emissions of biogenic CO₂ amounting to 4.2 tCO₂ eq.

GHG emissions	Measurement units	2022
Direct scope (scope 1)	t CO ₂ eq.	2,563.7
Indirect scope (scope 2)	t CO ₂ eq.	191.1

Note: Calculated using the market-based method, based on actual electricity purchases. Under the location-based method, i.e., based on the country-specific nature of energy production, the company's indirect GHG emissions in 2022 would be 124.5 tCO₂ eq.

GHG emission intensity	2022
t / 1 employee	2.05
t / EUR 1 million turnover	32.74

Note: The emission intensity is calculated for the total GHG emissions of "Scope 1" and "Scope 2".

Energy consumption of the organisation	Measurement units	2022
Direct fuel consumption from non-renewable sources:		
Natural gas, diesel, petrol, liquefied petroleum gas (LPG)	GJ	34,576
Direct fuel consumption from renewable sources:		
Wood	GJ	41
Indirect energy consumption:		
Electricity	GJ	1,445
Heating	GJ	4,846
Total energy consumption of the organisation:	GJ	40,908

Note: Total energy consumption is calculated according to the GRI 302-1 formula. The conversion factors www.convert-measurement-units.com are used to convert energy quantities into TJ.

Energy intensity	2022
GJ / 1 employee	30.4
GJ / EUR 1 million turnover	486.2

Note: The energy intensity indicator is calculated according to the GRI 302 Energy methodology.

ENVIRONMENTAL

RESOURCE EFFICIENCY AND WASTE MANAGEMENT

The organisation has an integrated quality, environmental, occupational health and safety and energy policy. In addition, the Group has implemented the ISO 14001 system, which demonstrates that the organisation complies with the requirements for identifying, monitoring, managing, and improving key environmental aspects.

Contracts with waste management companies are periodically reviewed to ensure proper management and recovery of waste within the organisation. Chemical cleaners are being phased out in commercial client facilities in favour of environmentally friendly cleaning products. Soon, the Group will strive to purchase and use work tools made from recycled plastics, to replace the machinery used with less polluting equipment, and to separate waste at client sites.

To save natural resources, administrative documents are already submitted and signed electronically. This encourages the use of less paper. More and more battery-powered tools are being used for environmental management work, as this reduces the use of environmentally unfriendly petrol or diesel appliances.

Reducing CO2 emissions is included in the organisation's annual targets by expanding the deployment of intelligent remote control and energy-saving measures in client buildings. The organisation also contributes to client education and consultancy: it communicates periodically about renovation, automation of heat points, electricity savings by replacing old appliances with new ones, etc.

The Group's Exergio company is successfully applying intelligent energy saving solutions based on scientific and AI algorithms in a growing number of commercial buildings. They reduce energy consumption by an average of one-fifth per year in each facility.

More and more activities and processes are being digitised in the organisation. The aim is to avoid excessive use of paper, printing, and chemicals.

Tool and material storage has also been eliminated, and tool and material boxes have been installed in foremen's cars, containing all the tools needed for the job. This avoids inefficient commuting when the necessary tools or materials are picked up and returned to the work site.

All Group companies have existing contracts with waste removal service providers, who are selected according to a process that is valid and approved by the company.

The contracts include clauses to ensure that the waste generated is handled in accordance with legal requirements, information on what waste can be discarded and a list of prohibited substances.

In 2023, the area of resource efficiency and waste management will be definitively integrated into the Group's long-term strategy.

ENVIRONMENTAL

ENERGY EFFICIENCY FOR SOCIETY AND CLIENTS

This is a key area in the Group's strategy and is described in its policies on quality, the environment, occupational health and safety and energy use. The Group's companies also follow the guidelines and requirements of the energy use standard (ISO 50001:2011).

Recognising that the management of the negative impacts of this topic is largely dependent on the organisation's performance, the Group aims to educate clients and the public on this subject and to continuously develop and introduce energy efficiency products.

For more than 10 years, the Group's company, which has been servicing residential buildings and commercial, public, and industrial facilities, has been implementing energy-saving solutions in its clients' buildings, promoting, and supervising modernisation projects, and carrying out educational activities.

Last year, the organisation carried out an information campaign on the benefits of renovation and CO₂ savings, electricity savings in shared areas, the effect of retrofitting heat points, etc. Representatives of the Group's companies also participated as speakers in the conference "Energetikos žiema: sprendimai verslui" (Winter of energetics: solutions for business) organised by Verslo Žinios.

This year, the Group will expand its package of new energy-saving services and will offer residents of residential buildings solutions for remote control of heat points, installation of indoor temperature sensors, energy assessment of buildings, remote reading of metering devices, installation of renewable energy sources, and new renovation projects.

The energy efficiency policy will continue to be reviewed at strategic level at least once a year.



ENVIRONMENTAL

SUSTAINABLE SOLUTIONS AND SERVICES FOR CLIENTS

The Group's objective and one of its strategic directions is to develop environmentally friendly solutions for its clients, to use sustainable working tools and to become an environmentally neutral organisation by 2030.

The Group's companies offer and provide energy-saving solutions to their clients, which are implemented in residential buildings as well as commercial and public buildings.

In the latter, the Group's Exergio platform solutions have already been successfully deployed, resulting in an average 20% reduction in the consumption of energy resources in the facilities.

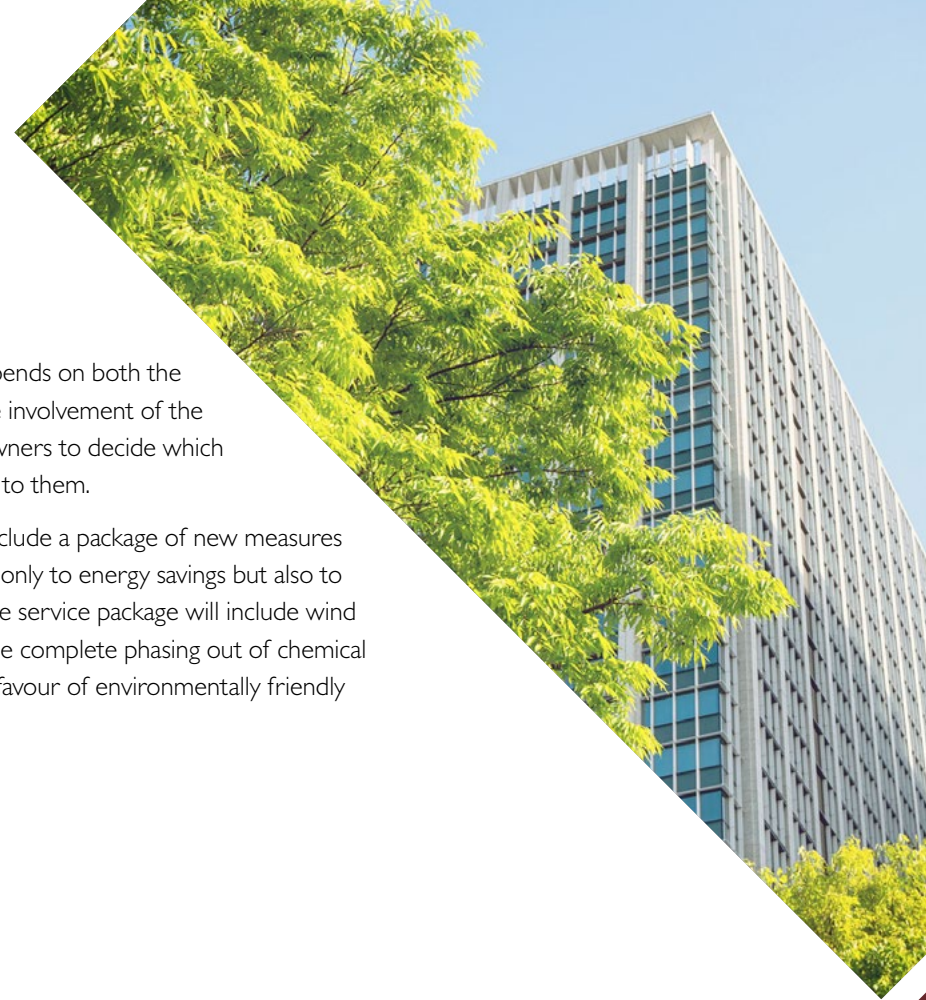
In 2022, Exergio deployed solutions based on science and AI algorithms in buildings with a total area of over 0.5 million square metres. In total, the company has deployed AI solutions in more than 100 commercial buildings.

The focus continues to be on the efficient use of electricity and heat energy in residential buildings, through the modernisation of existing and the installation of new engineering systems and the comprehensive modernisation of residential buildings. It is estimated that modernisation works in one residential building save on average 62.5 tonnes of CO₂ per year. In 2022, the Group's companies completed the renovation of 26 houses, resulting in a total reduction of 1,625 tonnes of CO₂ per year.

However, in 2022, both residential and non-residential buildings were still using a lot of energy resources inefficiently. Therefore, the organisation's aim is to improve the energy efficiency of such buildings, as this would help reduce the consumption of energy resources, provide a cleaner environment, and give the group of companies providing such services a competitive advantage.

Reducing energy consumption depends on both the actions of the organisation and the involvement of the clients, as it is up to the building owners to decide which energy-saving tools are acceptable to them.

The Group's development plans include a package of new measures that would further contribute not only to energy savings but also to a cleaner environment. In 2023, the service package will include wind and green energy products, and the complete phasing out of chemical cleaners in commercial facilities in favour of environmentally friendly cleaning products.



SOCIAL

- Competent workforce now and in the future
- Employee well-being, fair pay, and engagement
- Occupational health and safety
- Other social initiatives



SOCIAL

COMPETENT WORKFORCE NOW AND IN THE FUTURE

The objective of competent employees now and in the future is included in the Group's strategy. The Group's companies have periodic training plans, employee training, an employee engagement survey, a management competency 360 survey, and specialised programmes for employees in cooperation with vocational training centres.

As in every year, in 2022, the Group's companies focused on the personal growth of their employees and promoted cooperation between them. For their part, employees proposed and put into practice various solutions to improve the Group's operational efficiency and participated in various training courses and seminars.

In the countries where the Group operates, annual performance development interviews were held with employees to set objectives and discuss challenges, to develop their competences and to plan their careers within the Group.

These are open, respectful conversations between the employee and his/her line manager about the results achieved, an opportunity for the employee to receive feedback on how their performance is meeting the expectations of their manager or the company, and to set new annual objectives.

In 2022, the Group carried out an anonymous employee engagement survey, which gave employees the opportunity to respond openly to questions and to express their views on how the Group could improve. After the survey, the aggregated results were presented to all employees in live meetings with managers. Managers discussed what changes were needed in the organisation to improve employee engagement and, during the strategic sessions, improvement initiatives were included in the annual action plans.

In the future, the organisation plans to work more closely with educational institutions to develop training programmes to prepare the company's professionals. Another direction is the development of specialised programmes with vocational training centres, providing employees with targeted knowledge. It is also envisaged to continue training managers in feedback, goal setting and team management competences.

We have no doubt that employee training and education is one of the most key factors in changing their behaviour, developing the necessary skills and habits to reduce the environmental impact of the company's activities. Without employee development, we may inevitably have a higher staff turnover, which will have an impact on higher investments in new employee induction, training, and potential mistakes. This will have a negative impact on the environment, on nature and on clients.

In 2022, the average number of training hours per employee was 5.89 hours.

Successful management of negative impacts mainly depends on the actions of the organisation, but the competence of external training providers can also have an impact.

Group companies do not run programmes to facilitate future employability and manage career endings due to retirement or termination of employment.

SOCIAL

COMPETENT WORKFORCE NOW AND IN THE FUTURE

Total participants in 2022:

	Head count
Total number of employees involved	2689
Total number of unique participants	760

Average number of hours of training attended by the organisation's employees during the reporting period, by gender:

Gender	Total number of participants	Total % of participants	Total number of hours	Average number of hours per person
Women	1546	57.49 %	9550	6.18
Men	1143	42.51 %	6273	5.5
Total	2689	100 %	15823	5.89

Average number of hours of training attended by the organisation's employees during the reporting period, by employee category:

Category	Total number of participants	Total % of participants	Total number of hours	Average number of hours per person
Administrative employees	1739	64.67 %	10625	6.11
Technical staff	522	19.41 %	2944	5.64
Managing employees	428	15.92 %	2254	5.29
Total	2689	100 %	15823	5.89

SOCIAL

EMPLOYEE WELL-BEING, FAIR PAY AND ENGAGEMENT

Employee well-being, fair pay and engagement are embedded in the Group's strategy and detailed in strategic plans that are reviewed annually.

In 2022, the traditional employee engagement survey was carried out. The results were presented to employees and actions to improve engagement were subsequently included in the strategic plans.

Promoting employee engagement is especially important for the Group as it affects not only the efficiency and performance of employees, but also their well-being. Having more engaged employees with existing human resources, we can achieve better results for the organisation and deliver more value to clients. To a large extent, higher employee engagement depends on the Group's policy towards employee well-being.

The Group has a set of employee remuneration policies which are reviewed and adjusted, as necessary. Individual Group companies have adopted procedures for the payment of supplements to fixed salaries.

The remuneration policy is supervised and controlled by the top and middle management without the use of any external consultants.

There are no benefits in the Group companies which are allocated based on the employee's job title. Differences in benefits are only available for employees who belong to a trade union.

In the Group's Lithuanian companies, the collective agreements clearly define the minimum notice periods to be given to employees and their representatives before major operational changes are implemented. The notice periods are applied in accordance with the requirements of the Labour Code of the Republic of Lithuania, and the Group does not apply any specific time limits. Collective agreements also specify the conditions for consultation and negotiation.

At the same time, in the Group's companies operating in Latvia, this period is 4 weeks and there are no collective agreements.



SOCIAL

LITHUANIA:

	Total head count	Open-ended contract	Fixed contract	Full-time	Part-time
Head count	1406	1030	376	1056	350
<i>By city:</i>					
Alytus	11	11	0	10	1
Biržai	15	11	4	8	7
Kaunas	210	142	68	151	59
Klaipėda	165	132	33	124	41
Marijampolė	5	5	0	4	1
Panevėžys	101	71	30	70	31
Radviliškis	9	9	0	9	0
Šakiai	1	1	0	1	0
Šiauliai	74	72	2	68	6
Šilalė	1	1	0	1	0
Šilutė	14	14	0	12	2
Telšiai	6	6	0	5	1
Utena	16	16	0	15	1
Vilnius	778	539	239	578	200
<i>By gender:</i>					
Women	688	394	294	432	256
Men	718	636	82	624	94

The Group does not have data on employees working with its companies under service contracts. The data are as at 31.12.2022 and show the head count of the main employer. The number of employees working in secondary positions in other companies of the Group is not evaluated.

SOCIAL

LATVIA:

	Total head count	Open-ended contract	Fixed contract	Full-time	Part-time
Head count	129	126	3	87	42
<i>By city:</i>					
Riga	102	99	3	64	38
Liepaja	24	24	0	20	4
Ventspils	3	3	0	3	0
<i>By gender:</i>					
Women	65	64	1	47	18
Men	64	62	2	40	24

The Group does not have data on employees working with its companies under service contracts. The data are as at 31.12.2022 and show the head count of the main employer. The number of employees working in secondary positions in other companies of the Group is not evaluated.

SOCIAL

LITHUANIA:

Hires	712	100%
under 30	82	12%
30-50	301	42%
50+	329	46%
Vilnius	456	64%
Kaunas	73	10%
Klaipėda	65	9%
Panevėžys	54	8%
Šiauliai	49	7%
Other	15	2%
Female	440	62%
Male	272	38%

LATVIA:

Hires	44	100%
under 30	5	1%
30-50	26	4%
50+	13	2%
Riga	36	5%
Liepāja	8	1%
Female	19	3%
Male	25	4%

			Head count year-end	Changes, %
Redundancies	744	100%	1406	53%
under 30	91	12%	117	78%
30-50	304	41%	608	50%
50+	349	47%	681	51%
Vilnius	486	65%	777	63%
Kaunas	105	14%	208	50%
Klaipėda	79	11%	165	48%
Šiauliai	26	3%	74	35%
Panevėžys	19	3%	102	19%
Other	29	4%	80	36%
Female	363	49%	688	53%
Male	381	51%	718	53%

			Head count year-end	Changes, %
Redundancies	20	100%	129	16%
under 30	1	5%	6	17%
30-50	13	65%	63	21%
50+	6	30%	60	10%
Riga	17	85%	102	17%
Liepāja	3	15%	24	13%
Ventspils	0	0%	3	0%
Female	10	50%	65	15%
Male	10	50%	64	16%

SOCIAL

TOTAL ANNUAL REMUNERATION RATIO

The annual remuneration of the highest earner compared to the median remuneration of all employees cannot currently be provided due to the lack of a methodology to calculate the indicator.

At present, this indicator would not reflect the real situation regarding the fairness of the organisation's remuneration for a number of reasons, such as: (i) the particularities of the structure of the posts (full-time, part-time), as this eliminates a significant proportion of part-time employees, (ii) the activities and specificities of the companies in the group (e.g. if there are a significant number of employees in unskilled jobs at or close to the minimum wage, and if the number of administrative staff is significantly lower, the indicator will not reflect the reality of the situation and will lead to false conclusions).

By 2025, we plan to analyse the data and develop a methodology to calculate this indicator accurately.



SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

The Group pays particular attention to occupational health and safety, as it is thanks to the company's efforts to ensure safe working conditions and social protection for employees. A health and safety management system is in place for all Group employees.

The organisation has implemented the ISO 45001:2018 system, and each year internal safety awareness checks are carried out and the results are used to determine whether additional actions are needed to provide an even safer working environment for employees. The company carries out periodic occupational health and safety audits. These will continue in the future.

A stakeholder survey and materiality analysis were carried out for OHS 2023.

Regular occupational safety and health audits at the sites monitor potential hazards to workers, compliance with occupational safety requirements and determine whether additional measures are needed to improve worker safety. In 2022, 90 audits were carried out and 15 potential accidents were identified.

The occupational safety officers are continuously upgrading their competences through various training courses on occupational safety issues and the organisation has set a target of 0 fatalities in the workplace. In 2022, this target was achieved for the fifth consecutive year, but 8 accidents were not avoided. Of these, 12.5% were serious and 87.5% were minor.

Within the Group, the occupational safety manager is responsible for all matters relating to OHS. No external partners are employed.

The organisation has a strong trade union and has been consulting employees on occupational safety and health issues for many years.

Every year, employees are vaccinated against influenza and tick-borne encephalitis at the company's expense.

	2019	2020	2021	2022
Number of accidents	35	20	8	8

Note: The Group does not count the number of hours worked by all employees, so the relative value of the number of accidents based on the number of hours worked is not provided.

SOCIAL

OTHER SOCIAL INITIATIVES

The Group continuously initiates, supports, and promotes various social initiatives that contribute to strengthening community relations.

In 2022, one of the Group's largest social projects in Lithuania remained the community-focused digital news network Kalba Kaimynai (*Neighbors Talk*). The information published regularly on the online portals and Facebook pages covers seven Lithuanian cities. In five of them, 70% of the content consists of news from the respective city and 30% of news related to company activities. The project has grown over eight years and today has more than 113,000 followers on Facebook.

During the year, the overall engagement rate of Kalba Kaimynai readers reached 3.35%, while the average engagement rate of the Lithuanian market is just over 2%. Kalba Kaimynai maintained an average engagement rate above the national average throughout the year.

In 2022, the Group's company presented another fully renovated basketball court to the residents of Kaunas, located next to the house at 18 Kuršių Street, thus contributing to the promotion of community spirit and active leisure time. The renovated court has become a kind of art object.

The Group continued its successful cooperation with the football club Ataka. Thanks to the partnership, the club was able to continue football training for children from disadvantaged families.

The SOS Children's Villages project also continued to draw attention. On the Children's Day, the Group supported this initiative and took part in various activities with the children and discussed various topical and sensitive issues with the organisation's staff.

The Group presented many felt-tip pen sets, sports bags and reflectors to Ukrainian children studying at the private school Varnu Sala.

The project *Senjorų Avilys (Senior Citizens' Hive)* and the initiative *Susitikim, Mieli Senjorai (Let's meet, dear seniors)* were further developed. The Group provided financial support for initiatives aimed at computer literacy training for older people and various daily activities.

On the European Neighbours' Day, Mano BŪSTAS congratulated all its clients and sent them warm wishes. Through a video, the company promoted community spirit in the neighbourhood and reminded people of the importance of living harmoniously in proximity.

The festive competition *Kalėdinio Šventinio Namų Rinkimai (Christmas Festive House Election)* organised by Mano BŪSTAS also helped to strengthen community spirit. It encouraged clients to take photos of their balconies, staircases, courtyards, or other shared areas, get together and decorate the shared areas of their apartment building in a festive and sustainable way together with their neighbours. The photos with the most likes won prizes provided by the company. This initiative encouraged clients to become even more community-minded and to build community in their neighbourhood.

Group companies contributed to the organisation of the international championship for the cooking of *Žuvinė (fish soup)*, which takes place annually in the Pamarys region, where not only locals but also guests from other countries demonstrate their culinary skills.

GOVERNANCE

Customer experience and satisfaction

Ethical business, anti-corruption, and transparency

Data protection and privacy

Innovation

GOVERNANCE

CUSTOMER EXPERIENCE AND SATISFACTION

Customer satisfaction is a crucial aspect that is also linked to the Group's corporate philosophy. In order to provide quality and innovative services to clients in all business sectors, the organisation consistently invests in state-of-the-art tools and solutions that enhance satisfaction and experience.

This area is included in the organisation's strategy, which is reviewed at least once a year, and specific actions are described in the Customer Service Standard.

Managing the negative impact of customer experience and satisfaction is mainly dependent on the performance of the Group but is also influenced by the quality of the services provided by contractors to corporate and private clients.

To best meet client expectations and needs, a business and private customer experience survey is carried out once a year, and from the beginning of 2022, the Private Customer satisfaction Index (NPS) is measured every day.

Based on the data obtained, customer satisfaction targets are set, and improvement actions are planned. Periodic meetings are held at all levels to discuss the interim results and the next steps that will enable the interests of all clients to be better served and improved.

A strategic decision on the implementation of the Avaya system was taken in 2022. It contributes to achieving even greater efficiency in customer service operations and to better meeting the needs of private clients. The system should be fully operational by the end of 2023.

In April 2022, BonoDomo, a self-service platform for managing all daily tasks related to apartment buildings on computing devices and a mobile app, was launched to clients. In October of the same year, BonoDomo's services were complemented by a bundled payment tool - BonoDomo Pay.



MANAGEMENT

ETHICAL BUSINESS, ANTI-CORRUPTION AND TRANSPARENCY

The Group has high standards of transparency for all levels of the workforce, and preventive anti-corruption actions are in place both within the Group and at in cooperation with partners.

This has helped to ensure that in 2022, not a single case of corruption or non-transparent activity was recorded in the Group's operations.

As part of the implementation and continuation of the transparency policy, Group companies regularly issue public tenders for the purchase of works or services, which are open to all eligible entities.

A risk assessment has been carried out to eliminate risks in cooperation with external partners. This helped to identify potential threats and to assess the market and its best practices. The Group also uses standardised contractual forms, which include clauses to prevent actions that are not compatible with the principles of transparency.

To react promptly to changes in the external business environment and internal processes, it has been decided to designate a person responsible for risk management within the organisation.

The Group has also provided training to its employees through internal legal experts and external consultants to prevent corruption or non-transparent practices. The training provided employees in different areas with the ability to identify potential corruption and non-transparent practices, how to eliminate potential risks and what actions to refrain from.

In 2023, the Group initiated a project to develop and document a Group Anti-Corruption Policy, which will become an integral part of the business strategy.

MANAGEMENT

DATA PROTECTION AND PRIVACY

This is an important topic for the Group and is included in the organisation's strategy, and the essential criteria for data protection and privacy are described in the Group's Rules on the Processing of Personal Data and on the Processing of Personal Data of Employees and Candidates for Employment.

The organisation has a data protection project in place and is consistently implementing it. Its objective is to ensure compliance and adherence with data protection requirements between the company and its clients in the residential housing sector. The project was initiated and implemented due to changes in the legal framework in Lithuania.

Recognising that this is an area of relevance to clients, the organisation is focusing on employee education. In the second half of 2022 alone, over 200 employees who handle personal data in their activities were trained.

In addition, employees are provided with email advice, personal data management memos are developed and regularly reviewed and updated as necessary, and a personal data protection expert is increasingly involved in these processes.

The Group's immediate plans include the objective that all new employees of the company should be required to undergo personal data training and pass the relevant tests.

As part of the development of the Group's data protection project, participants meet every two weeks and periodically present interim results, targets, and plans to senior management. To ensure the quality of the data protection project, a law firm was engaged to carry out an internal audit of the company.

Undoubtedly, the successful management of the risks in this area depends mainly on the organisation's data protection policy, its compliance and improvement. However, it is worth noting that both client engagement and timely action contribute to the successful management of potential risks.

In 2022, the Group received 87 complaints from clients and 9 claims from the State Data Protection Inspectorate regarding potential data protection breaches. Of these, 4 complaints dealt with by the Inspectorate were substantiated, while the other 5 are still under investigation in the current period. There were no cases of leaks or theft of client data in the organisation during the period.

MANAGEMENT

INNOVATION

The Group has been developing and implementing innovative solutions for a number of years and this area is one of the most important in the organisation's strategy, which is reviewed twice a year.

The company is guided by the principles of responsible business and therefore develops its activities in a way that is not only efficient, but also sustainable and minimises the impact on the environment and people. One of the main objectives is therefore to balance the organisation's innovative solutions-based activities with the environmental and social impact of these activities.

All innovations are implemented in response to client needs and requests. However, the company itself is constantly looking for innovative solutions that help maintain its leading position in the market.

Since 2012, we have been conducting customer satisfaction surveys, and in 2022, part of the Group's companies started using the customer experience measurement (NPS) methodology, which allows us to respond quickly to client needs and to make effective changes in the organisation's operations.

Exergio provides energy reduction services in commercial buildings.

The algorithm-driven remote building management platform scans and analyses all building data: from the smallest sensors to the largest data streams.

Errors that hinder efficient operation are then progressively detected and corrected. The performance of the systems is then analysed remotely and corrected if deviations occur.

Using the Exergio platform, all building systems are tuned to work in the most efficient mode possible. This is the cheapest and fastest way to improve the energy efficiency of a building. The cost of installing the platform is not a percentage and is sometimes cheaper than investing in alternatives such as heating the building or replacing the hardware.

On average, Exergio reduces its clients' energy consumption by up to 20% per year, using solutions developed by engineers and based on AI.

Reducing energy consumption saves costs and protects the environment, and as EU requirements on environmental pollution become more stringent each year, implementing solutions will be mandatory for the Group.

In 2022, a decision was made to implement the Avaya system, which will help achieve even greater efficiency in customer service operations and to better meet the needs of private clients. The system is expected to be fully operational by the end of 2023.

In April 2022, the self-service platform BonoDomo was launched to clients. It is a completely new generation digital platform for managing all daily tasks related to apartment buildings on computer devices and a mobile app. In October of the same year, BonoDomo's services were complemented by a bundled payment tool - BonoDomo Pay.

The organisation launched the Fitekin system, a tool for digitising and archiving purchase invoices. It was used to reduce the number of paper invoices. At the end of 2022, 12 Group companies had received all their purchase invoices in digital format, which accounted for around 20% of all purchase invoices.

In 2022, the Cofis system was introduced in the organisation to ensure that clients receive correct invoices on time and without errors. The system also facilitates the invoicing process for staff and is environmentally friendly.

The process of innovation and its implementation depends mostly on the organisation itself: the ideas of the employees and their involvement in designing and implementing innovations.

An initiative called Idèjü Bankas (Ideas Bank) has been adopted in the Group of Companies. The idea is that employees can propose their own ideas that make routine activities more efficient or otherwise add value to both clients and the organisation. Ideas include innovative solutions that replace manual work or automate processes or actions.

One of the components of the annual strategy sessions is the theme of trends. It discusses the environmental signals and trends that are affecting or are likely to affect the organisation's performance and decides on their relevance.

However, part of the impetus for innovation comes from the company's clients, as innovations, when properly implemented, alleviate, or reduce client concerns.

LIST OF GRI INDICATORS



LIST OF GRI INDICATORS

Statement on the use of GRI standards		The sustainability report of City Service SE complies with the GRI Standards and is submitted for the period from 1 January to 31 December 2022.
Applicable GRI I		GRI I: Basis for application 2021
Applicable GRI standards for sectors		N/A
GRI 2: General information 2021		
GRI standard		Page
1. Organisation and its reporting practices		
2-1	Information about the organisation	5, 6
2-2	Entities included in the organisation's sustainability report	5, 6
2-3	Reporting period, frequency of reporting and contact person for questions About the report	5, 6
2-4	Restatements of information	5, 6
2-5	External assurance	5, 6
2. Activities and staff		
2-6	Activities, value chain and other business relationships	8, 9
2-7	Number and diversity of employees	29, 32, 33, 34
2-8	Workers who are not employees of the organisation	29, 32, 33
3. Governance		
2-9	Governance structure and composition	14, 15
2-10	Nomination and selection of the highest governance body	14, 15
2-11	Chair of the highest governance body	14, 15
2-12	Role of the highest governance body in overseeing the management of the organisation's impact	14, 15
2-13	Delegation of responsibility for managing the organisation's impact	14, 15
2-14	Role of the highest governance body in sustainability reporting	14, 15
2-15	Conflicts of interest	14, 15
2-16	Communication of critical concern	14, 15
2-17	Collective knowledge of the highest governance body	<i>Information on the measures taken to improve the knowledge and experience of the highest governing body (board and management) in the field of sustainable development is confidential due to the GDPR requirements for natural persons.</i>

2-18	Evaluation of the performance of the highest governance body	14, 15
2-19	Remuneration policy	<i>Information is withheld due to confidentiality restrictions</i>
2-20	Process to determine remuneration	29, 32
2-21	Annual remuneration ratio	29, 32, 36
4. Strategy, policies and practices		
2-22	Statement on sustainable development strategy	3
2-23	Responsible business policy	11, 12, 13
2-24	Embedding responsible business policy commitments	11, 12, 13
2-25	Processes to remediate negative impacts	14, 15
2-26	Mechanisms for seeking advice and raising concerns	14, 15
2-27	Compliance with laws and regulations	39, 41
2-28	Membership associations	<i>The Group participates in the associations of Būsto Rūmai, Prema, Vilnius Residential Housing Administration</i>
5. Stakeholder engagement		
2-29	Approach to stakeholder engagement	16
2-30	Collective bargaining agreement	29, 32
GRI 3: Key sustainability topics		
3-1	Process to determine key sustainability topics	17, 18, 19, 20
3-2	List of key sustainability topics	21, 22
3-3	Management of key sustainability topics	21, 22, 43
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GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	39, 41
205-2	Communication and training about anti-corruption policies and procedures	39, 41
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GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	23, 24, 25
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GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	23, 24, 25
305-2	Indirect (Scope 2) energy GHG emissions	23, 24, 25
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306-2	Management of significant waste-related impacts	23, 26
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403-2	Hazard identification, risk assessment and incident investigation	29, 37
403-3	Occupational Health and Safety services	29, 37
403-4	Employee participation, consultation, and communication on OHS issues	29, 37
403-5	Occupational Health and Safety training	29, 37
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