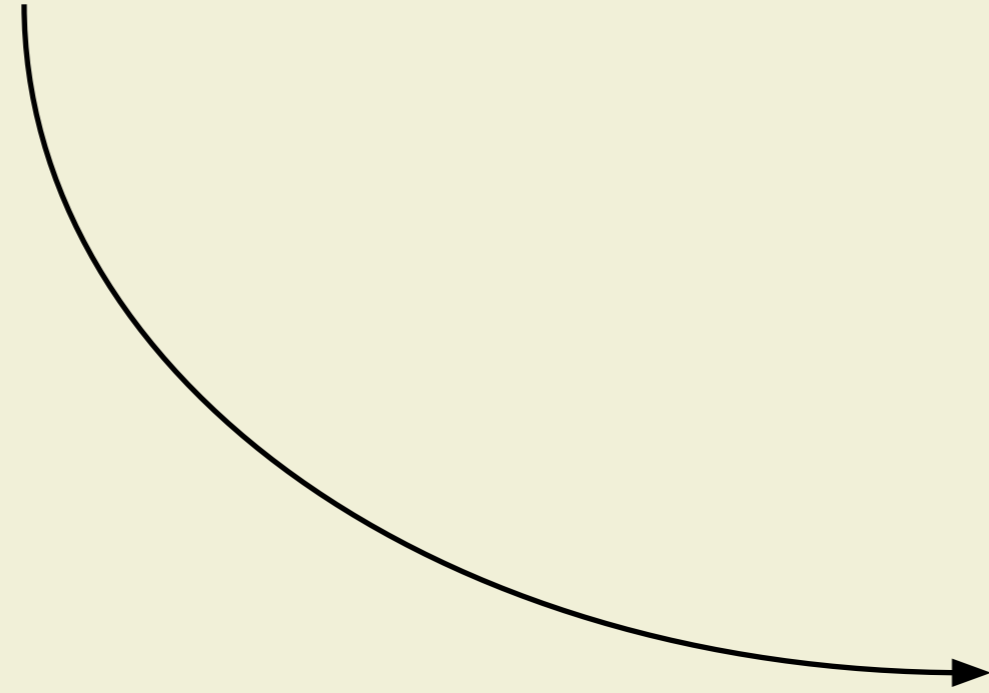


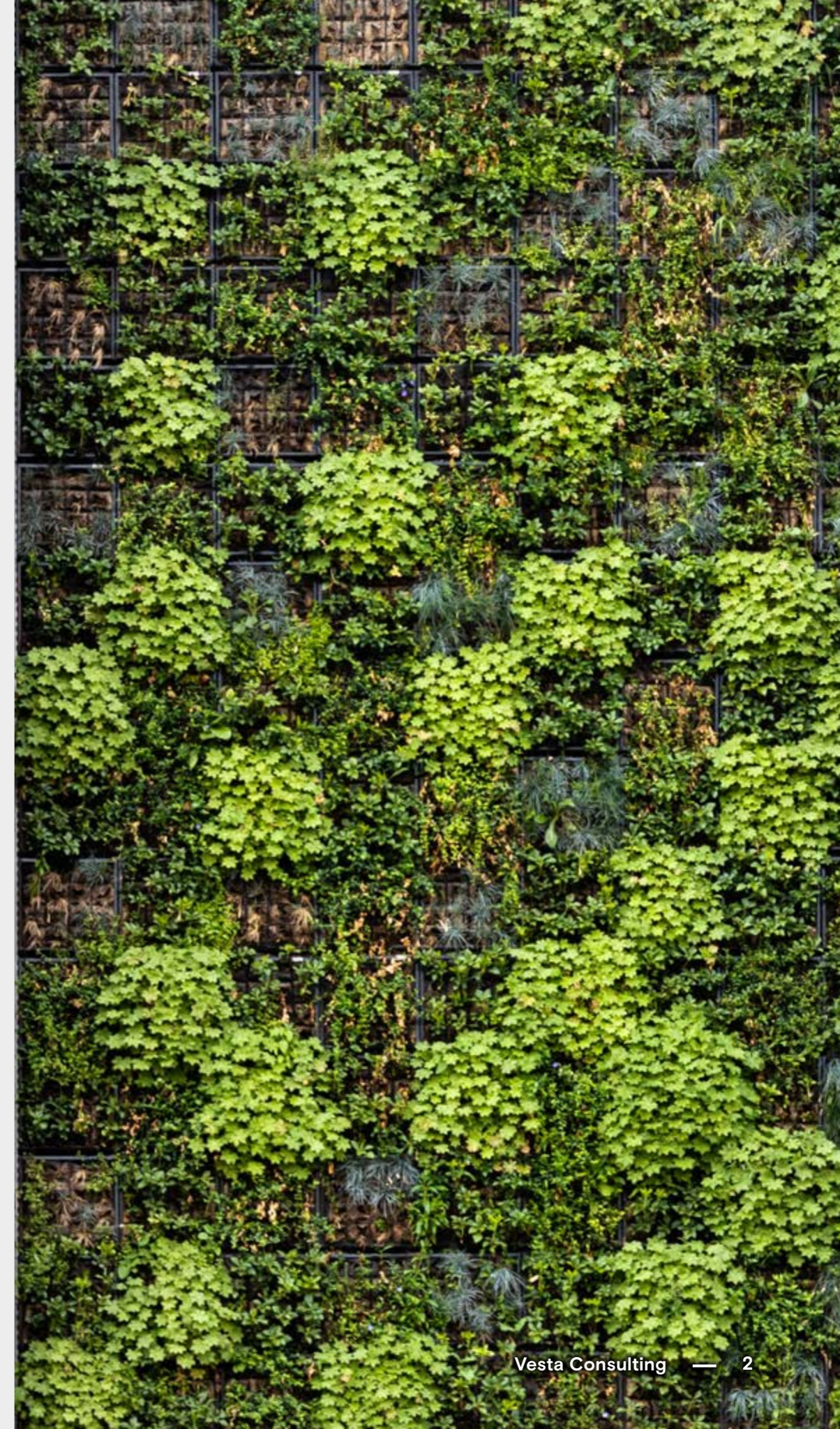
Sustainability Report

2022



Structure

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1. Letter from the CEO

More and more private and public companies operating in various sectors are developing their organisations on the basis of sustainability principles. The European Union's Green Deal, together with the EU Taxonomy and Sustainable Finance Disclosure Regulation, has a major impact on the need for green recovery, the transformation of organisations and the attraction of investment in green technologies. We also see strong demand for sustainability among our clients, who perceive it as a competitive advantage when exporting their goods or services to other Western or Northern European countries, which are generally more mature and have higher standards of sustainable development. Implementing sustainability principles allows organisations to discover new opportunities, understand the biggest impacts they create, assess and manage ESG risks, as well as develop long-term strategies for a successful and sustainable organisation. VESTA's experience and expertise helps clients to understand and purposefully implement sustainable transformation in the projects they develop and activities they carry out.

VESTA began its journey in 2012, when the concept of sustainability was something uncommon and unfamiliar in the Baltic societies and business communities. As I write this message and celebrate VESTA's 10th birthday, I can only welcome the increased focus on sustainability on the market and the ongoing positive changes that are taking place when implementing sustainability principles in organisations. I appreciate and am pleased with the journey VESTA has travelled and the experience it has gained through its contribution to the development and implementation of clients' sustainability strategies. It's also what drives us to grow and develop an even more sustainable organisation. I am particularly proud of the VESTA team, which is guided by long-term values that

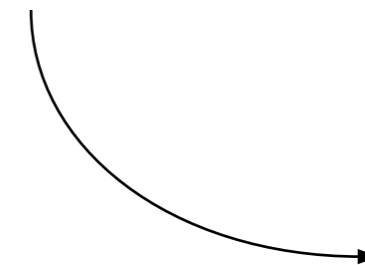
enable us to achieve our clients' goals and fulfil our organisation's purpose – to help discover, understand and implement sustainability principles.

In 2020, we developed VESTA strategy for 2021–2023, whose one of the main strategic goals is to develop VESTA organisation based on the sustainability standards. We are a consultancy company, so in our day-to-day activities we work with many different stakeholders who influence VESTA's activities and, of course, results. That's why we care about them and strive to engage them as much as possible in the activities of our organisation. I will admit that one of the biggest challenges is finding the most appropriate way and sufficient resources to ensure greater engagement of all the stakeholders with our organization.

When developing VESTA's sustainability strategy, we have defined six key areas for ourselves: corporate governance, human capital development, sustainable economic growth, sustainable development advocacy, supply chain management and environmental footprint. More details on this you will find further in the sustainability report (see the link [here](#)).

Yet the biggest impact on the development and performance of our organisation comes, in my opinion, from our people, who are committed to helping our customers meet their sustainability goals. In recent years, we have been working systematically to ensure good working conditions, maintain a high level of employee engagement, and ensure diversity and well-being. This is a priority for our organisation. Therefore, I am very pleased to receive feedback that VESTA is seen as a desirable and responsible employer that provides opportunities for development and an inclusive work environment.

However, we also face a number of challenges in human capital development and see that we need to be more pro-active in order to achieve our goals. It is unfortunate that by providing good opportunities for developing our competencies in the field of sustainable development, we have not at the same time exploited the leadership and management potential of existing employees. Therefore, in 2021, the majority of vacancies at the managerial level were filled by externally recruited employees. VESTA has had a transparent, equal opportunities ensuring compensation and benefits policy for several years already. However, as you will find in the report below, there was a significant difference in VESTA between the average actual remuneration of male and female employees in 2021. Therefore, we will take decisive action to ensure that all employees, regardless of their gender, have confidence in their competencies and leadership skills, and we will provide opportunities to grow and realize their potential.

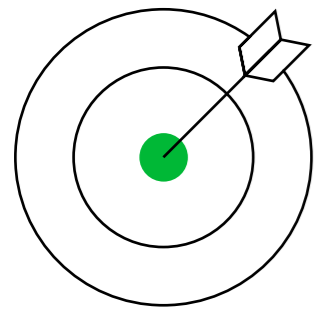


Evaldas Savickis

Founder | CEO

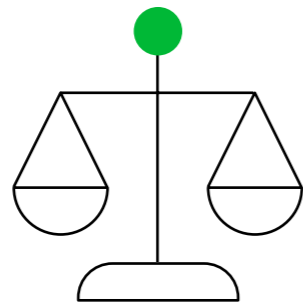
2. About our Report

This Sustainability Report is the first report that we have developed to communicate our journey towards sustainability. This report marks our progress for the period January 1st – December 31st, 2021, and our future commitments.



Accuracy

We provide detailed and accurate information, especially, clear data and calculation methodologies.



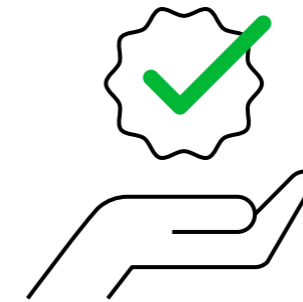
Balance

We provide a balanced and transparent view of our performance. We do not shy away from our negative impacts and where we have failed to achieve our targets.



Clarity

We aim to communicate our sustainability process and results clearly and concisely and to reflect the most relevant information to our stakeholders.



Reliability

Even though this report has not undergone an external assurance process, we strove to transparently disclose our information and methods used in our indicator calculations.

Our sustainability report was prepared following disclosure structure that we deem appropriate, ensuring the disclosure of the most relevant sustainability impacts of the company. We based our report on a set of principles to ensure its quality and that we convey the information openly and honestly to our stakeholders:

If you would like to know more about our strategy or report, feel free to contact:



Elvyra Mikšytė

VESTA Sustainability Manager

elvyra@vestaconsulting.lt

3. A Glance at our Strategy

	Pillars	Categories	Material topics	Objectives
	Governance	Governance	Compliance Human Rights Transparency Business ethics	G.1 objective: Ensure compliance with laws and other external and internal regulations, contractual obligations and professional standards G.2 objective: Ensure respect for human rights G.3 objective: Ensure company transparency G.4 objective: Ensure good business ethics
	Social impacts	Human Capital development	Diversity, equality and inclusion Talent attraction and retention Training and education Employees' safety and wellbeing	S.1 Objective: Attracting and retaining employees who meet diversity criteria, ensuring equal opportunities and inclusion S.2 Objective: Attracting talents S.3 Objective: Effective integration of new staff and ensuring their wellbeing S.4 Objective: Competence development and continuous professional development, ensuring access to training S.5 Objective: Ensuring a safe and healthy working environment, contributing positively to employee well-being and work/life balance
	Economic impacts	Sustainable development advocacy Sustainable economic growth	Sustainable development advocacy Strong economic development Maintenance of high-quality service	E.1 Objective: Raising market awareness of sustainable development principles E.2 Objective: Maintain relevant professional licenses E.3 Objective: Create high economic value for stakeholders E.4 Objective: Maintain high-quality of services
	Environmental impacts	Supply chain management Environmental footprint	Supply chain management Environmental footprint	En.1 Objective: Reducing VESTA's environmental footprint En.2 Objective: Making a significant contribution to climate change mitigation En.3 Objective: Work with suppliers meeting sustainability criteria

4. About VESTA

4.1. Our Mission, Vision and Values

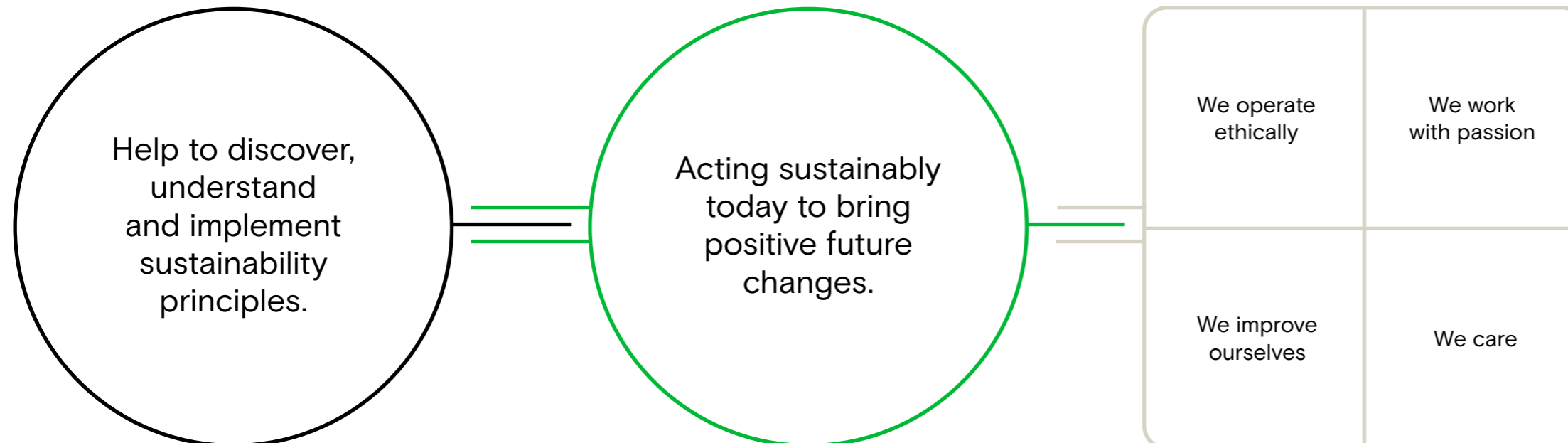
We are a team of forward-thinking sustainability professionals providing sustainability consultancy services, including green building certification, corporate sustainability consulting and engineering. We help clients develop sustainable businesses, transform operations, manage risks, build energy-efficient buildings, and create a healthy environment, leading to higher returns in the long term.

Sustainability is a concept deeply engrained in our business model, our thinking, all our activities and business strategy and is an integral part of our mission and vision.

Our mission:

Our vision:

Values:



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We strive to manage our environmental, social, economic and governance impacts within the course of our business development. Therefore, VESTA sustainability committee has led the development of the sustainability strategy that helps us structure and reveal our performance and make meaningful progress in minimising our negative and reinforcing our positive impacts.

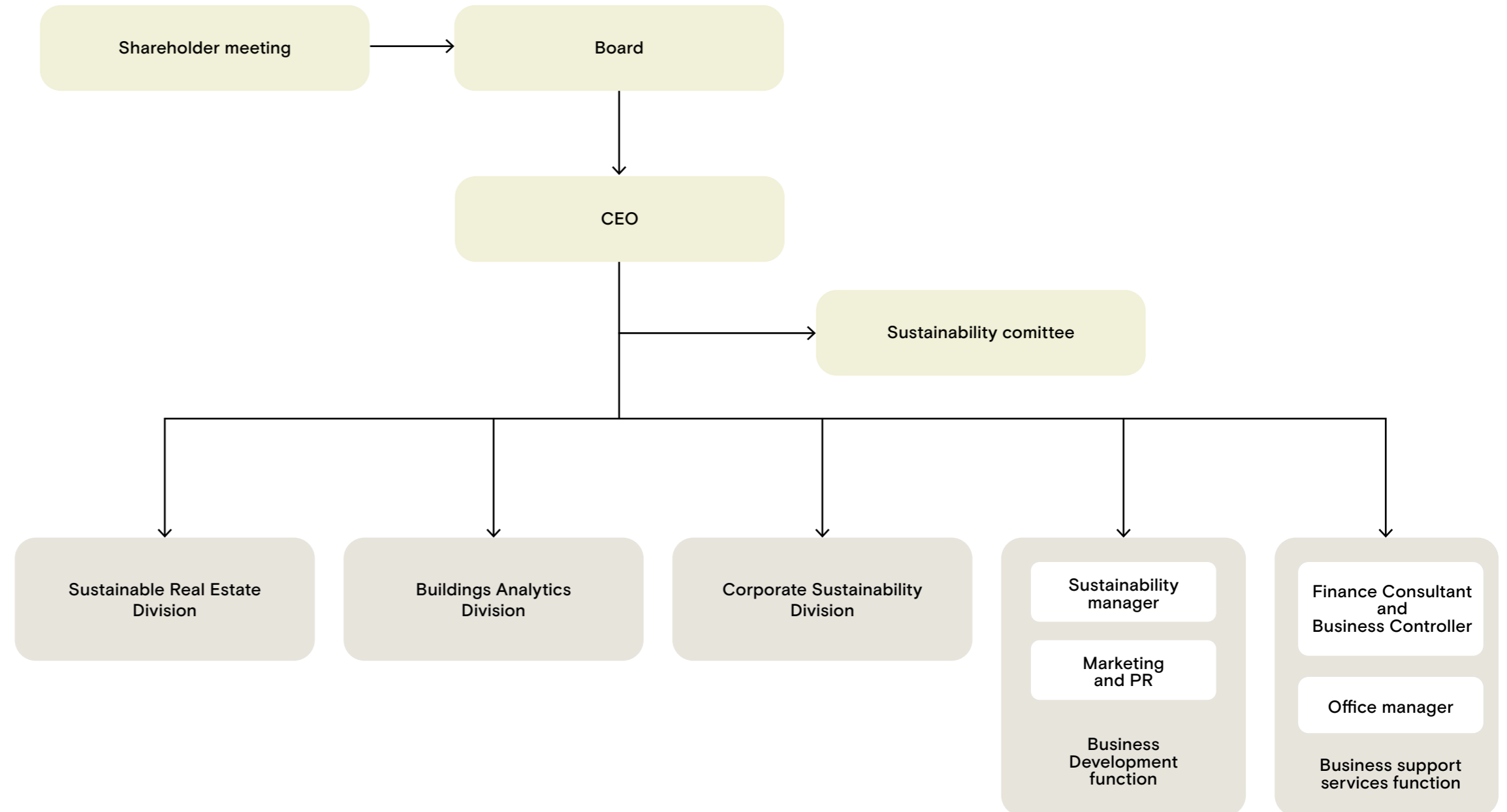
4. About VESTA

4.2. Company Structure

VESTA is a closed joint-stock company governed by the Board whose members are all 3 shareholders, including the company founder and CEO. The company has 3 divisions that provide sustainability consultation and analytics services to our clients: Sustainable Real Estate, Building Analytics and Corporate Sustainability divisions. Each division has a manager leading our teams and reporting to the company's CEO. Moreover, there are also additional functions managed and led by the CEO of the company such as Business Development and Business Support Services functions. Business Development function includes Sales, Internal Sustainability management, and Marketing and Public Relations activities. Business Support Services function entails Finance Consultant / Business Controller and Office Management and Administration.

During 2021 VESTA grew remarkably and employed 11 new employees. As a result, at the end of 2021 VESTA had 22 employees that were based in 2 offices – in Vilnius, Lithuania and in Riga, Latvia.

You can see our team on our [website](#).



4. About VESTA

4.3. Sustainability Committee

VESTA strives to ensure just governance and successful management of sustainability within the company. Hence, we have dedicated a part-time position for a Sustainability Manager to coordinate the

process of sustainability strategy development and implementation and have established a sustainability committee that carries out regular meetings and develops and implements sustainability aspects

of our business strategy. Our sustainability committee consists of our Sustainability Manager, CEO, Finance Consultant, Marketing and PR Specialist, and heads of company divisions.

Meet our sustainability committee for 2021



**Evaldas
Savickis**

CEO,
Board member



**Rūta
Grigaliūnaitė**

Sustainability Manager
(until Feb. 2022)



**Asta
Liepienė**

Board member,
Finance Consultant and
Business Controller



**Dovilė
Binkevičienė**

Marketing & PR
Specialist
(from Mar. 2021)



**Egidijus
Dargevičius**

Head of Sustainable
Buildings Division
(from May 2021)



**Kiril
Simbirskij**

Head of Corporate
Sustainability Division



**Viktorija
Sankauskaitė**

Head of Building Analytics
Division
(July 2021 - Feb. 2022)

4. About VESTA

4.4. Services

10
years of
experience

130
projects
completed

6
countries
(projects in LT, LV,
EE, UA, SE, PL)

2
million sq.m.
certified

Building Certification

We help to evaluate and choose the best certification system of International green building standards and to carry out the certification process from registration to the completed application for new construction and existing buildings. Our professional team provides certification and consulting services in accordance with these frameworks:

BREEAM New Construction International
BREEAM In-Use International
BREEAM Refurbishment

LEED New Construction
LEED Operations and Maintenance
WELL

FITWEL
EDGE

Corporate Sustainability Services

Sustainable development is a value-driven approach to the way the organisation is run that leads to long-term success. We help to integrate sustainability principles for your business by creating a tailored sustainability strategy to manage your organisation's impacts and improve its environmental, social, economic and governance performance. Our professional team provides:

Sustainability strategy for business: development, consulting
SFDR and EU taxonomy compliance consultancy
Sustainability reporting based on international standards (GRI, ESG, SDG, GRESB)
Carbon neutral strategy development

Building Analysis & Environmental Studies

We perform a wide range of advanced analyses - building energy performance consultation and energy audits, studies required for sustainable building certification. Services are not only limited to building analysis, specialists also carry out various environmental impact assessments and feasibility studies. We help to optimize design solutions and minimize risks from the early stage of the project. Our professional team provides:

Buildings Dynamic Modeling
Energy Audits
Energy Performance Consultation And Certification
Carbon Neutral Consultation

GHG Calculations
Life Cycle Analysis
Environmental Product Declaration (EPD)
Preparation And Verification

Conferences & Trainings

Individual or group education on sustainable business management to provide clients with information on sustainability implementation.

5. How We Developed our Strategy



During 2020-2021 our Sustainability Manager and Sustainability Committee have closely collaborated and led the development of the sustainability directions of our business strategy, with an ambition to shape VESTA's course of action and strengthen our performance. The strategy was developed following best-practice principles for sustainability management, employee experience and competencies, and global frontrunners' examples. The sustainability strategy development process was carried out by completing stakeholder analysis, materiality assessment and initiating an employee engagement process via surveys and active discussions.

5.1. Our Stakeholders

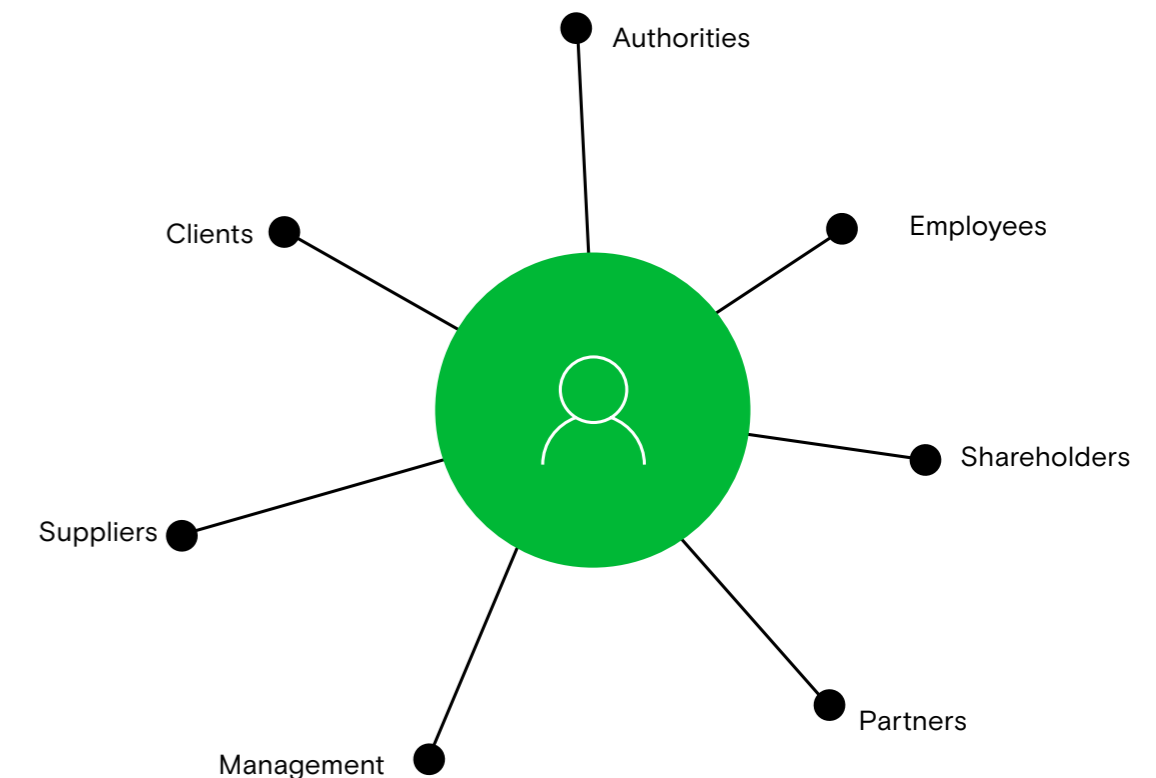
VESTA seeks to manage its sustainability impacts and create value for a range of stakeholders who have an interest in the company's activities and who are in the field of interest of the company.

Therefore, we carried out a detailed analysis to identify all company's stakeholders and select key stakeholders via assessing their power towards the company and interest in the company's activities.

We carried out the whole process by first, engaging all VESTA employees in a workshop and then refining the results via discussions in our Sustainability Committee. **As a result, the key stakeholders were identified to be our clients, employees, management of the company, shareholders, partners and suppliers (those providing services or products to us) and authorities (municipalities and state)** This process allowed us to further identify our impacts via materiality assessment by evaluating our key stakeholder potential needs and concerns and plan stakeholder engagement strategies.

We started the stakeholder engagement process by initiating a dialogue with one of our key stakeholders – company employees. We did that via several surveys focusing on diversity, inclusion and equality, engagement as well as satisfaction and via having one-

on-one semi-annual and annual meetings which helped us to set strategic directions for strengthening our social impacts on our employees (see [section 6.2. Social Impacts](#)). We plan to further continue the engagement process by expanding our efforts across other stakeholders in the year 2022. We hope this will allow us to get a better understanding of their expectations for us and integrate them into our business strategy.

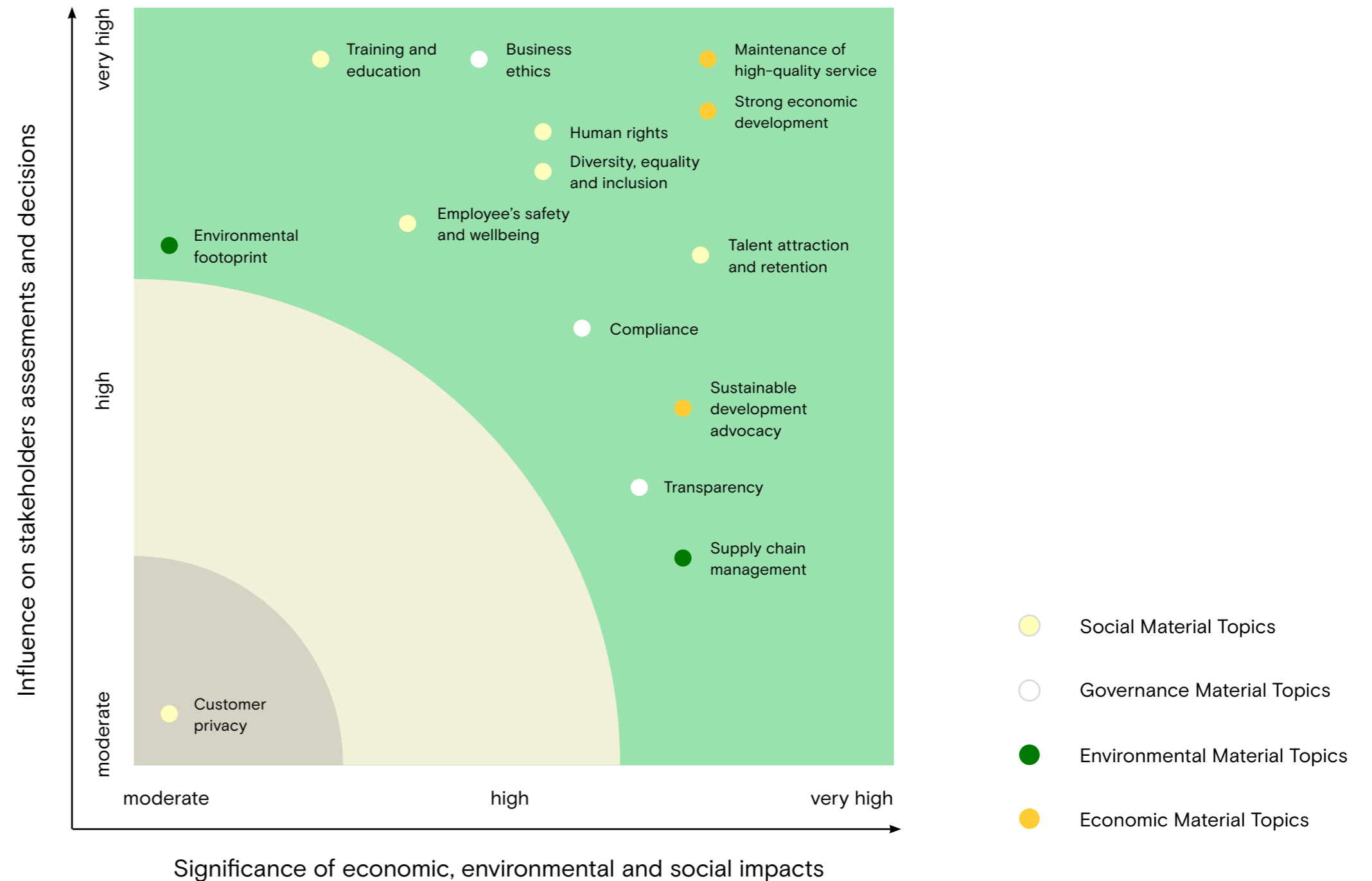


5. How We Developed our Strategy

5.2. Our Material Topics

Further, in our strategy development, our sustainability committee has identified our potential material topics (our sustainability directions) based on EU legislation, our business strategy, stakeholder needs, market trends and sustainability best practice in similar organisations. Then we have set priorities for those topics by assessing their environmental, social, economic and governance impacts and importance to our key stakeholders. Based on this assessment a final list of material topics was refined. As a result, our material topics were integrated into VESTA sustainability strategy with specific goals, performance indicators and action plans for their successful implementation.

We, hereby, invite you to read further sections of this report to familiarise yourself with what we have managed to accomplish over the year 2021 and with our plans for strengthening the management of our impacts.



6. Sustainability Performance

In this section we disclose what our sustainability directions mean to us along with our sustainability strategy objectives and demonstrate how we have performed to achieve them in 2021. Since 2021 was the first year of implementation of the sustainability strategy, we are still working on setting up mechanisms to track the set indicators on a consistent basis and ensure proper oversight of the progress in achieving the objectives.

Therefore, in this report we describe our objectives and key performance indicators and indicate our assessment of the achieved target on a five-step scale which indicates the progress of our work.

Progress Key



- 1 - not started
- 2 - not achieved
- 3 - behind plan
- 4 - on plan
- 5 - achieved

Ex.:



At the end of this report, you can find a full list of our performance indicators with attributed targets, results and our insights reasoning certain outcomes (See Annex [1: Sustainability Performance Indicators](#)).

6.1. Governance

Here in VESTA, we believe that without appropriate governance practices it is hardly possible to succeed in sustainable development. Dedicated structures of rules, processes and policies used to direct and manage the company in line with corporate values allow reaching effective impacts management and shared value creation, preservation, and realisation. Besides, it ensures the expectations of our stakeholders are met and our business is conducted in a respectful and ethical manner. Hence, we have identified the main governance directions and have set compliance, human rights, transparency, and business ethics topics as a basis of the whole sustainability strategy implementation.

We are currently working on setting up our internal governance systems and progress and KPI tracking mechanisms. However, for the purpose of preparation of this report the performance of our governance KPIs has been assessed subjectively and retrospectively by the company's management, using the available information.

6.1.1. Compliance

We always strive to work according to the highest professional and ethical standards and follow our fundamental values so that we would operate our business beyond solely complying with the law.

G.1 Objective: Ensure compliance with the law and other external and internal regulations, contractual obligations, and professional standards

Target G-1: Zero detected violations of laws, regulations and contracts (external and internal)

Assessment:



Based on the assessment of management, during 2021 there were no identified significant violations of laws, internal or external regulations, contractual obligations, or professional standards. We are striving to make this process more objective, therefore, in upcoming years, we will continue our work on setting up the system for ensuring good governance practices via compliance, anti-corruption, anti-bribery, anti-fraud policies and violation registers.

6. Sustainability Performance

6.1.2. Human Rights

Here in VESTA we believe that all human beings must be treated with dignity and respect. Therefore, we do not tolerate any of human rights violations and want to ensure that all people are respected and provided with equal opportunities and that all employees are well educated on this topic and can secure contribution to our healthy working environment.

G.2 Objective: Ensure respect for human rights

Target G-2: Zero detected human rights violations



Based on the assessment of the VESTA management, there were no identified violations nor expressed grievances over human rights in 2021. For a more objective assessment, we analysed the results of our employee satisfaction, diversity and engagement survey which also confirmed that there were no grievances expressed on the human rights topics. In the future, we are planning to develop violation registers, also, whistle-blower and grievance mechanisms

for our stakeholders to have a channel to express and address their concerns.



Even though most of fundamental human rights are deeply rooted in every each of our values, we have realized that there are several topics in the area that require a deeper education and awareness. For that purpose, our employees have participated in a seminar about equal opportunities for all employees to foster our corporate culture respecting and valuing all people connected to our organisation. Also, we are planning to continue the thematic education cycle in the upcoming years.

6.1.3. Transparency

We value each of our stakeholders and we want to convey correct, transparent and relevant information to them and help to engage in the dialogue with us.

G.3 Objective: Ensure company transparency

Target G-3: Preparation and publication of the annual and sustainability report



This sustainability report transparently communicates our progress and challenges in our performance and is meant to enable our stakeholders to make informed decisions about us. In order to make this report accessible to everyone, we have published it online on our website. We have also published our financial reports publicly too in the State Enterprise Centre of Registers.

We have also had some initiatives to improve our transparency to our employees. Due to the COVID-19 pandemic remote work has

6. Sustainability Performance

brought challenges to ensure timely information dissemination to our employees. To solve this issue, we have started a monthly internal newsletter in 2021 that helped to ensure transparent and regular communication and boost the team spirit. Presentation of the Company's annual results to the employees has also taken place during the reporting year with a plan to continue such initiative. We plan to present the annual results to our employees at least once a year.

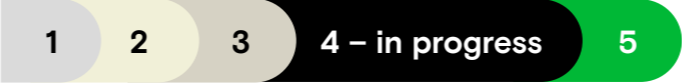
In the future to improve our performance in terms of transparency to our stakeholders, we are planning to carry out transparency assessments and engage our internal and external stakeholders. This will help us better understand what information is relevant to them and if it is available and easily accessible, so we can set up action plans for improvement if deemed needed.

6.1.4. Business Ethics

G.4 Objective: Ensure good business ethics

Target G-4: Zero detected violations of the Employee Code of Conduct

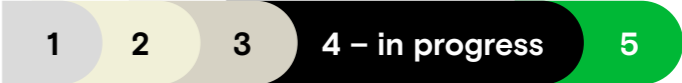
Assessment:



Our employees are the ones who shape our work culture and through them, we can secure that our business is being conducted in an ethical and respectful way. We have always tried to ensure ethical conduct by inviting people who share the same ethical working culture and values to join our team and by ensuring clear internal communication about the company's cultural values. To further secure the ethical conduct of our business, we are developing an Employee Code of Conduct and shall ensure all employees are familiar with it and support its implementation.

Target G-5: 0 detected repeated violations of the Supplier Code of Conduct and ethical cooperation clauses in the contracts with clients

Assessment:



An important part of the ethical business conduct objective relates to our business relationships. We want to ensure that all business relationships we engage in would follow the same strong ethical sense. To secure this, we are preparing a Supplier Code of Conduct which will allow us to manage our relationships and ensure that we cooperate with responsible and ethical suppliers.



6. Sustainability Performance

6.2. Social Impacts

We are fortunate to employ people with a wide range of talents, perspectives, and experiences. We believe that we can make a positive impact on our employees by fostering their wellbeing and inclusion, providing a safe and healthy work environment, ensuring equal opportunities.

Even though our efforts to manage VESTA's direct impacts are essential, we realize that most of the sustainability-related impacts come through the services provided to our clients. Having diverse and professional employees allows us to fulfil our clients' needs and expectations and help them to advance the sustainability of their practices. Competent professionals are the core of our business model, therefore, we make an exceptional effort to attract talents who are a good match for us. We also want our new employees to have a flawless start here with us and be able to grow into a strong community of sustainability, certification and energy professionals.

For these reasons we have set these directions for the human capital area of our strategy: **diversity, equality and inclusion, talent attraction and retention, training and education, and employees' safety and wellbeing.**

6.2.1. Human Capital Development

6.2.1.1. Diversity, equality, and inclusion

Diversity ensures a healthy range of opinions, creates opportunities, ensures better decision-making and is our moral responsibility. Thus, we seek that our employees would represent a diverse picture of our society. We aim that each individual has equal opportunities to succeed by securing equal opportunities in development, remuneration and progressing their career. Moreover, we strive to create an environment for our employees that would foster a strong sense of belonging to our community and enable full contribution to the organization's success. Therefore, we have set several objectives and targets for us to strengthen our social impact and improve the environment for our employees. We started to work on these objectives by engaging our employees in a dialogue via engagement and satisfaction, diversity, equality and inclusion surveys.

S.1 Objective: Attracting and retaining employees who meet diversity criteria, ensuring equal opportunities and inclusion

Target S-1: 75% of positive answers in diversity, equality and inclusion survey indicator (0 survey answers with quartile Q1 < 7)

Assessment:



The survey results allowed us to better understand how our employees feel in our organisation and how they perceive our climate on human rights values. The surveys shed light on the fact that there is room for improvement (71.1% of answers were below our target) in terms of ensuring diversity, inclusion, equality and improving the well-being of our employees. The answers to our surveys and later discussions gave us directions on how to improve our transparency and internal communication, also, how to build a stronger team spirit which we are doing by implementing internal communication plans and improvements to procedural transparency. Also, we have established an Internal Culture Committee with the purpose to encourage employee engagement and strengthening the team spirit via the planning of internal events and initiatives. We have committed to carrying out regular employee surveys and developing additional action plans to keep improving the environment for our employees and strengthen our employees' sense of belonging.

6. Sustainability Performance

6.2.1.2. Talent attraction and retention

Since we believe that we can make the most essential impact through our services, it is significant for us to ensure talent attraction and retention. We would like to be seen by potential new employees as a desired workplace, therefore, we monitor how many employees have contacted us personally for opportunities to work here and how long it takes to fill a vacant position.

Moreover, attracting new talents is a challenge but we believe that there may be a lot of talents with great potential, who may not have extensive experience in our field. We also believe that we can create a good environment to progress their career here. Thus, we have set goals to attract interns and employ 50% of them within 3 years after internship.



Egidijus Dargevičius

Head of Sustainable Buildings Division

Hired: 2021



Kiril Simbirskij

Head of Corporate Sustainability Division

Promoted: 2021



Viktorija Sankauskaitė

Head of Building Analytics Division (until Feb. 2022)

Hired: 2021

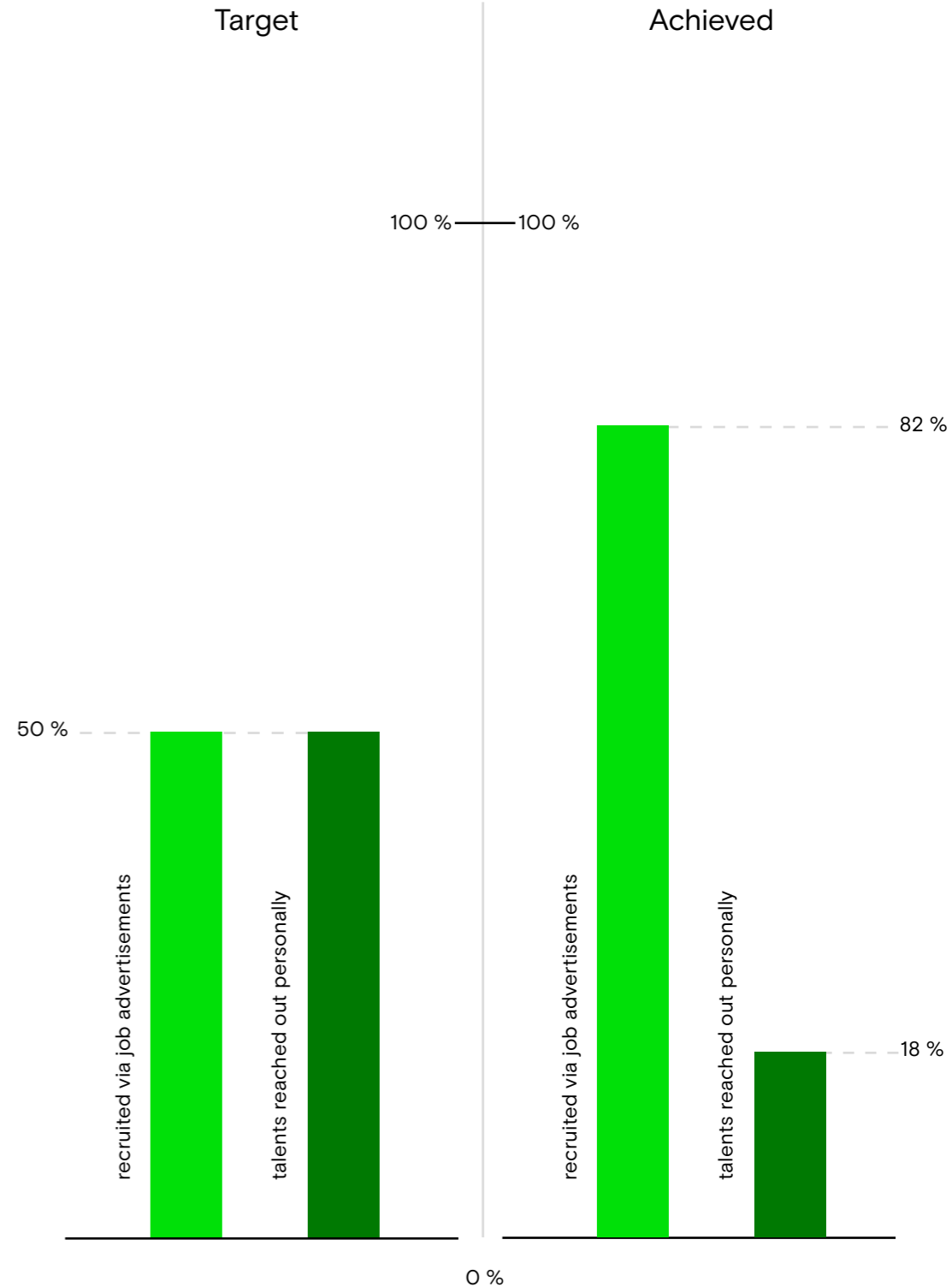
S.2 Objective: Attracting talents

Target S-2.1: 50% of recruited employees who reached out to VESTA for a position personally and not via the job advertisements

Assessment:

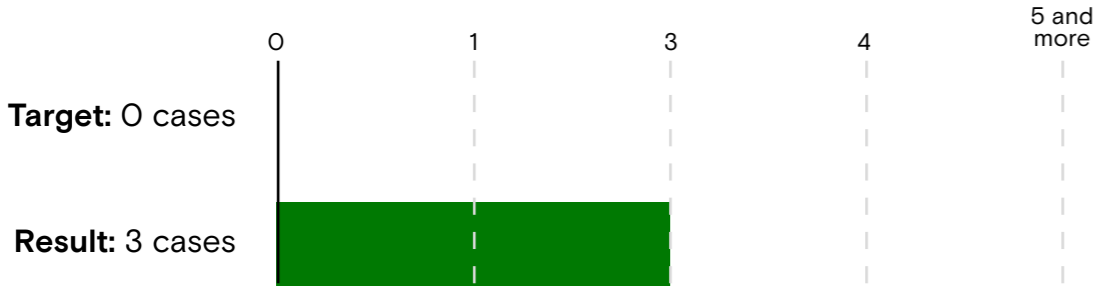
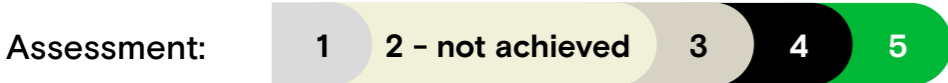


It seems that in 2021 we were not so successful to achieve these targets because less than 50% of new employees have contacted us personally. However, it is important to note that in 2021 we have grown extensively and employed 11 new talents. This time we needed to look for new talents more actively and we believe that in this case **18% of new employees who reached out** personally is not such a bad result. However, to improve this result we are planning to carry out more active communication about our company to attract new talents.



6. Sustainability Performance

Target S-2.2: 0 No. of cases when the time taken to fill a vacancy lasts longer than 3 months (from the posting of the vacancy until signing the contract)



In 2021 out of 11 new employees, we were also searching for 3 managers, who could lead our teams and it took us longer than 3 months to find the right people. Albeit this time we failed to reach our targets, the most important thing is that in the end, we had a good team of managers joining us, who strengthened our teams and services. We also hope that our work with more active communication about our company in the future will help us fill our vacancies more quickly.

Target S-2.3: 50% of interns employed within 3 years of recruitment to the intern position



In 2021 we had an intern in Corporate Sustainability Division. However, their priority was to continue studying abroad after the internship and of course, we supported such ambitions. During 2022 we are planning to carry out more active communication and to find more interns who would later join our team as employees or come back to work with us after finishing their studies.

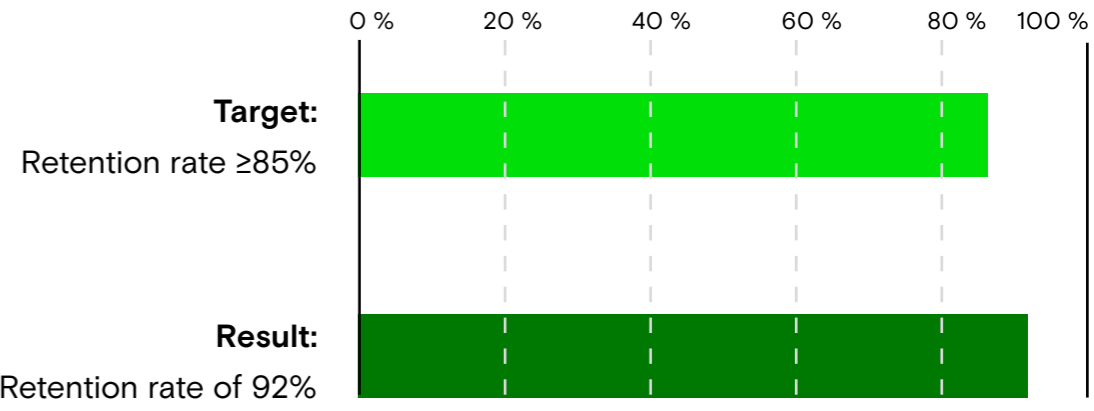


S.3 Objective: Effective integration of new staff and ensuring their wellbeing

Target S-3.1: Retention rate $\geq 85\%$



Since a competent and happy workforce is of the utmost importance for our success, we are happy that most of the newly recruited employees stayed in our organisation for longer than a year and we had only 2 people who left our organisation in 2021. Therefore, we achieved and even performed stronger than our retention target and reached a **92% retention rate**¹.



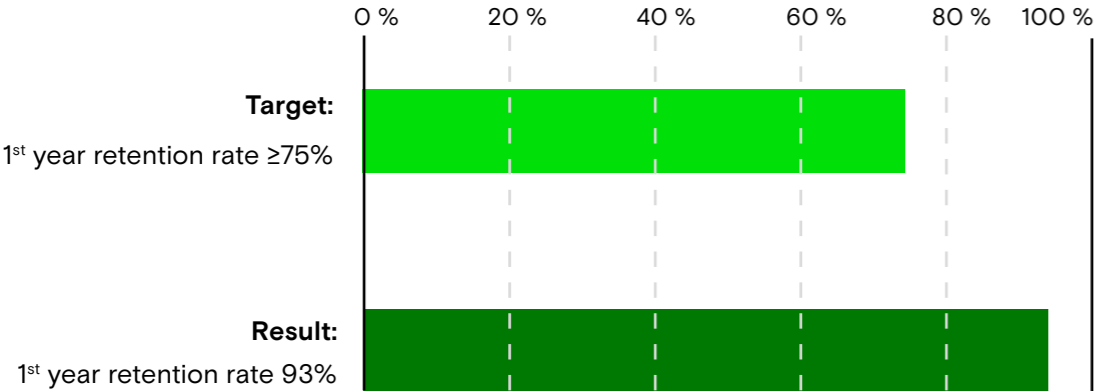
¹ - Retention rate calculation formulas provided in [Annex I. Sustainability Performance](#).

6. Sustainability Performance

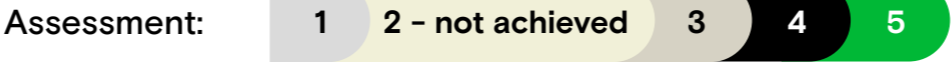
Target S-3.2: First-year retention rate $\geq 75\%$



In 2021 there was only one employee who left after working with us for a shorter than a 1-year period. Therefore, we performed better than our target with **93% first-year retention rate**¹. This indicates that most of our attracted talents are a right fit for us and find satisfactory opportunities with us. We are determined to maintain such good performance in our retention targets and will be working on strengthening our recruitment, onboarding and integration processes by developing onboarding and employee development programmes and procedures.

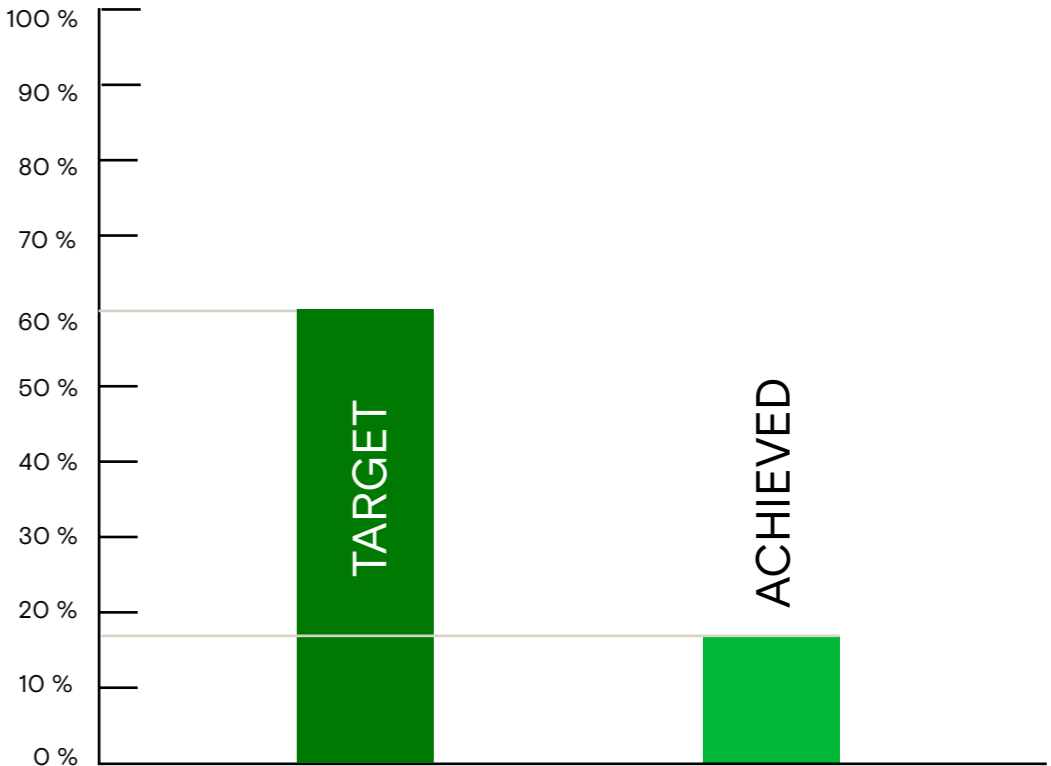
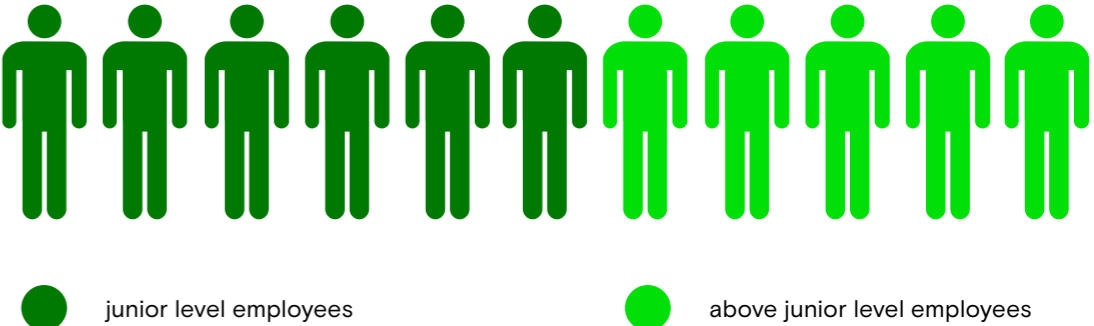


Target S-3.3: Filling 60% of vacant positions above junior level with internal candidates



Expanding our teams by **11 new employees out of which 6 were above junior level, limited our possibility to fill so many vacant positions internally. Therefore, we were unable to reach the target of 60%. One position was filled internally which amounts to 17%** of all new vacancies above junior level. To ensure that we provide our employees with equal opportunity to advance their careers, we developed our Compensation and Benefits Policy that was introduced to all employees. The policy defines an employee evaluation framework and indicates how employees can grow to higher positions. We are determined to improve this result via our targets on employee training and education, and by developing an employee development programme.

11 new employees



¹ - Retention rate calculation formulas provided in [Annex I. Sustainability Performance](#).

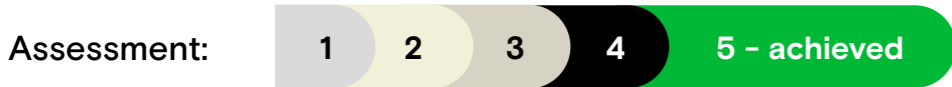
6. Sustainability Performance

6.2.1.3. Training and education

VESTA strives to ensure that all our employees can realise their potential within the organisation and continually develop their professional knowledge and competencies. Employee development allows us not only to satisfy our employees' ambitions to grow as professionals, but also to strengthen our impact via high-quality sustainability consultation.

S.4 Objective: Competence development and continuous professional development, ensuring access to training

Target S-4.1: ≥80 hours of training attendance per employee per year



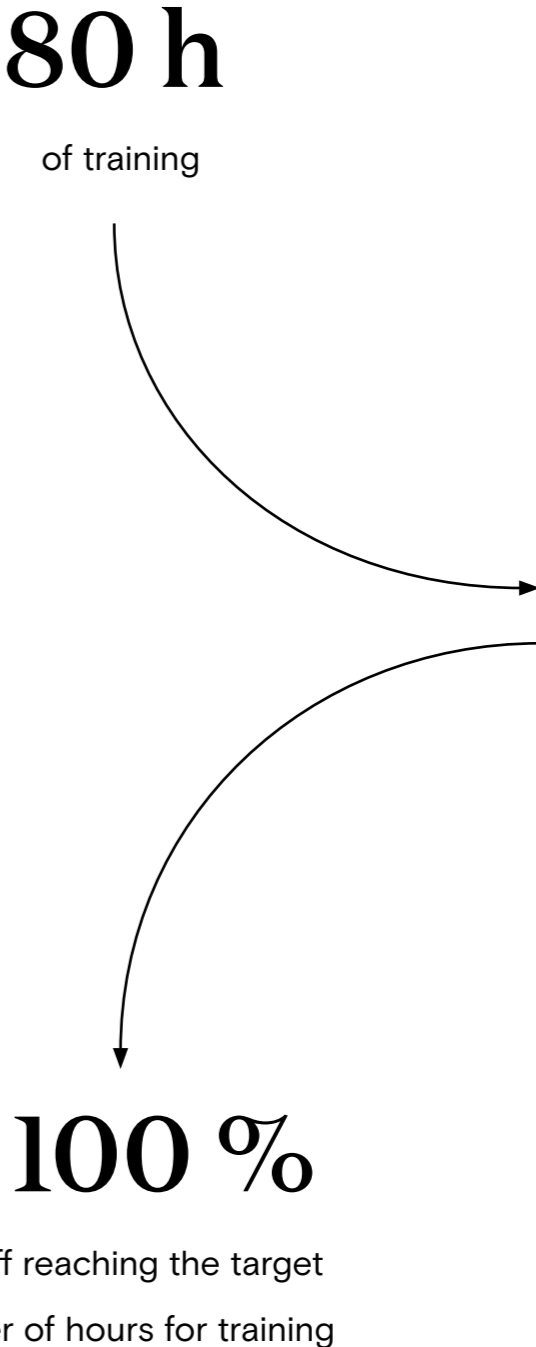
In 2021 an appropriate time tracking mechanism had not been developed, that would allow us to track the time spent on professional development via training. However, it was always important for us to encourage employees to attend the trainings, so we made sure to allocate the budget needed. Based on the retrospective assessment carried out by the management,

all employees in their teams managed to attend trainings for at least 80h in 2021. For the year 2022 we have developed an improved tracking tool to be able to measure the result more objectively and precisely.

Target S-4.2: 100% of staff reaching the target number of hours for training



Based on the retrospective assessment of the management, we have reached the target and all employees have dedicated a sufficient amount of hours to training. We are determined to maintain this result and ensure that employees get these opportunities for development via properly planned trainings during annual employee performance reviews and individual development goals that are later reflected in the company's budget.



6. Sustainability Performance



6.2.1.4. Employees' safety and wellbeing

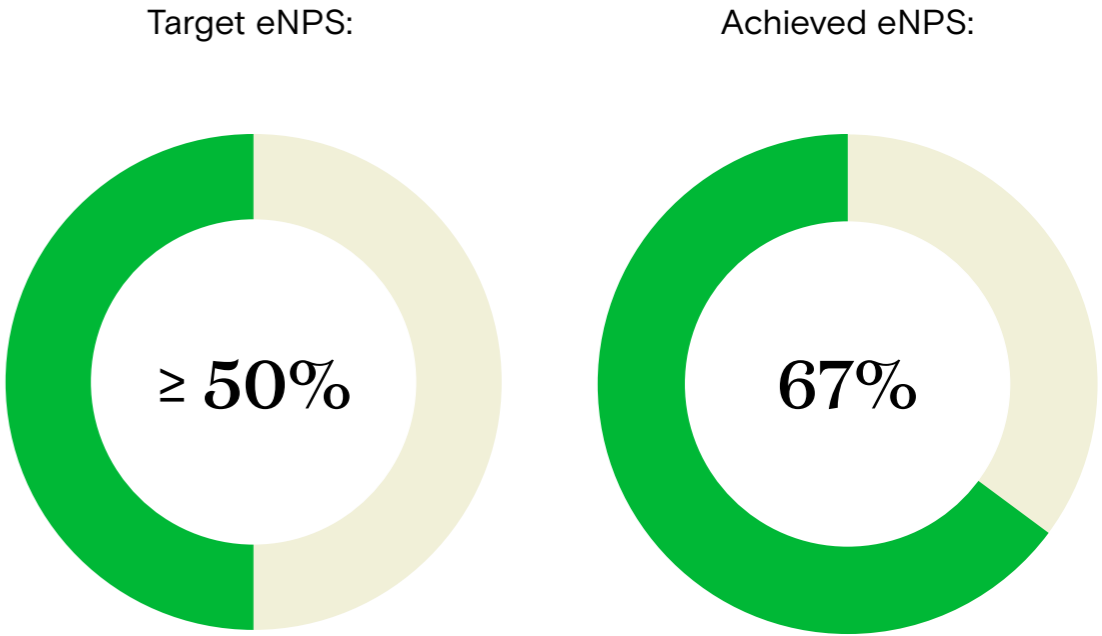
We strive to create an environment in which our employees could feel productive and satisfied. It is important for us to ensure that our working conditions secure good mental and physical health. Therefore, we create a flexible environment, allowing employees to balance personal and professional needs, while maintaining a healthy and productive workload. We also organize occupational safety trainings for all employees, restrict overtime and track our employee satisfaction and engagement indices².

S.5 Objective: Ensuring a safe and healthy working environment, contributing positively to employee well-being and work/life balance

Target S-5: Employee net promoter score (eNPS) ≥ 50%



We have assessed our employees' attitudes towards our working environment via an employee satisfaction and engagement survey. **We are happy to see an eNPS result of 67%**, which means that our employees perceive working at VESTA as a positive experience and most of them would recommend others to apply and work here.



² - see our performance indicators in [Annex I. Sustainability Performance](#).

6. Sustainability Performance

6.3. Economic Impacts

6.3.1. Sustainable Development Advocacy

Being a community of professionals passionate about sustainability and striving for change, we believe we can make a great impact by sharing our knowledge and experience with the broader public and raising market awareness on sustainability. We, therefore, have set targets for us to actively share our knowledge by regularly organising a sustainability conference and thematic seminars that would gather various market actors and sustainability professionals. We seek to



inspire them to make necessary changes and transformations in their organisations and projects to foster the transition towards a more sustainable society and economy.

E-1 Objective: Raising market awareness on sustainable development principles

Target E-1.1: Organize a sustainable development conference “Sustain” once a year

Target E-1.2: Organize at least 3 thematic sustainability seminars a year



Our ambition in organising a sustainability conference and seminars lies in conveying a sustainability message via engaging and high-quality conference content. Unfortunately, due to COVID-19 pandemic restrictions and lack of resources in 2021, we were unable

to organize such events. We plan to organise the conference and seminars after the threats and restrictions of the pandemic will be lifted and after we get back on track to normal office life. We hope we will be able to announce our events shortly in the future.

Target E-1.3: Participate in at least 5 conferences or seminars as speakers



Despite our plans of organising our own educational events did not succeed, we have participated in a total of 6 events as speakers in 2021. You could have seen us on Verslo Žinios online conference Sustainable Business where we introduced the main principles for developing a sustainability strategy. Also, at Verslo Žinios BREIF conference, where we presented the role of sustainability in the real estate sector or other events of Lithuanian Green Building Council or Executive network Vadovų Klubas.

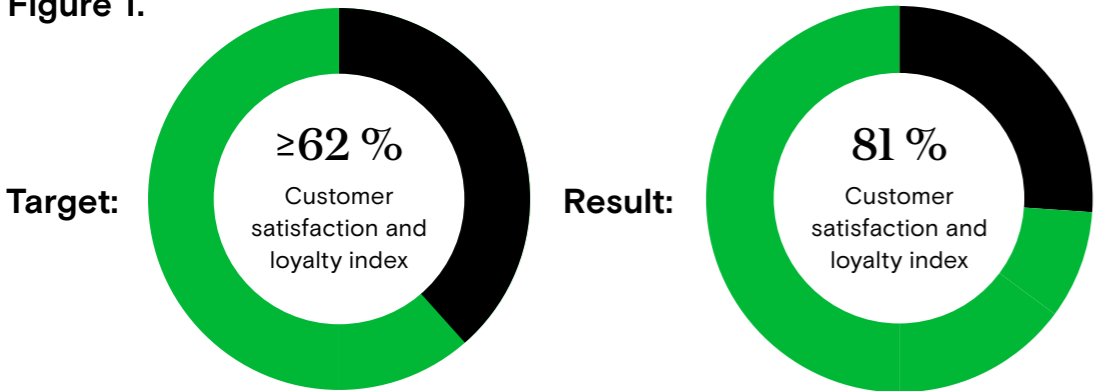
6. Sustainability Performance

6.3.2. Sustainable Economic Growth

6.3.2.1. Strong Economic Development

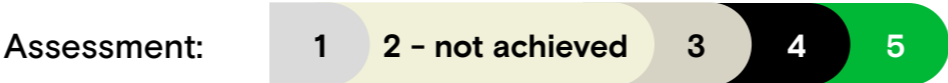
Sustainable development cannot be reached without financial returns that ensure business existence and continuity. We also aim that our performance would lead to strong economic value for our stakeholders. Therefore, we are determined to fulfil our clients' needs and share our professional competences by providing a variety of high-quality professional services. We also strive to create strong economic value for our clients so that sustainability solutions would be a practical and beneficial solution that could be reasonably scaled up in our society. Also, we seek to share our economic value created with our employees and local communities through fair and competitive remuneration and aid projects.

Figure 1.



E.2 Objective: Maintain relevant professional licenses

Target E-2: Obtain and maintain all relevant professional licenses



Maintaining relevant licences allows us to provide a variety of high-quality services. In the year 2021 we failed to achieve this target as we had **76.5% of licences that we deem relevant to our business, although we held 100% of licences that we needed to provide our services.** We are determined to improve this indicator as we have plans, individual employee development goals and budgets set for our employees to obtain the remaining licences in the near future.

E.3 Objective: Create high economic value for stakeholders

Target E-3.1: Customer satisfaction and loyalty index ≥62 %



In 2021 with a help of professional analysis and research agency we have carried out a survey to assess our clients' satisfaction and loyalty index for the very first time. We appreciate seeing a rather high response rate (close to 30% of responses), which indicates a strong relationship with our clients resulting in their active feedback. We are delighted to see such excellent results. **The satisfaction and loyalty index of 81% exceeds our target (fig. 1)** and indicates that our services create great value for our clients and a vast majority would recommend others to work with us. The survey has shed light on the fact that clients appreciate our professional and competent team, which shares its expertise in an easy and useful way.

6. Sustainability Performance

Target E-3.2: Average salary to be at least equal to the average salary of companies providing similar services

Assessment:



We are striving to share economic value created with our employees so that the compensation and benefits provided would meet their expectations and be competitive in the market. We have developed a transparent Compensation and Benefits Policy for our employees to be able to assess their remuneration based on different job levels and grades as well as requirements for different job levels and define employee development opportunities. We have also calculated our company's average monthly remuneration for 1 full-time equivalent (FTE) in 2021 that resulted in the average monthly remuneration of 3219.69 euros per FTE³. We have also investigated the market data in Lithuania and Latvia where our offices are established by researching the statistics and other available sources. Unfortunately, there were no sufficient data that would allow us to carry out a quantitative comparison of salary data in the market as the methodologies of calculating average salaries for the data available were undisclosed.

However, we entrusted a professional recruitment agency to assess our salary data for separate job levels and grades and received their evaluation that our remuneration provided to employees corresponds with current labour market conditions in all material respects.

Target E-3.3: Close average salary gender pay gap to 0% in the long-term

Assessment:



We are determined to secure equality for all our employees and that also entails equal pay for male and female employees for same grade positions. We have already made certain actions to prevent gender bias in our organisation. For instance, to have more objective recruitment we attract talent via a professional recruitment agency that can ensure that gender bias is avoided. Moreover, our Compensation and Benefits Policy ensures transparency of remuneration opportunities for each job level and grade. Also, it provides a framework for employee evaluation based on competence

and results and reduces room for subjective judgment and bias. Although we took steps to provide equal opportunities to everyone despite their gender or other personal features, the pay gap in our company amounts to 35,35% shows that we have a lot of room for improvement. Such pay gap in 2021 could be explained by the fact that most of our managing and senior positions were taken by male employees. In 2021 there were 4.23 FTE in managing and senior positions: 3,64 FTE were male, and 0.59 FTE were female employees. This clearly shows the gender imbalance in higher-paying positions. Therefore, we are currently striving to find ways to address this issue to create more gender balance in the senior positions and close the pay gap⁴. One of the ways we will be doing this is via our employee development programme to ensure that all employees despite their gender can develop their leadership and management skills and get the necessary support to build confidence and grow into senior or managing positions within the company. We are currently working to identify other actions needed and set an appropriate timeframe for this objective.

³ – see our performance indicators in [Annex I. Sustainability Performance](#).

⁴ – see calculation methodology in [Annex 2: Calculation methodologies](#)

6. Sustainability Performance

6.3.2.2. High-quality of Services

E-4 Objective: Maintain high-quality of services

Target E-4.1: 100% projects reached the targeted certification level



In 2021 we started evaluating our performance by monitoring the share of our projects that reached the targeted certification level. We are delighted to see that out of all projects we were working with in 2021, 12 were granted BREEAM certificates and that all our projects reached the desired or even better asset performance level. During 2021, 8 projects were granted BREEAM New Construction certificates (4 for the Design stage and 4 received the Final certificate) out of which 4 achieved Very Good and 4 achieved Excellent asset performance level. There were also 4 projects that received BREEAM In-Use certificates which reached Very Good asset performance level.

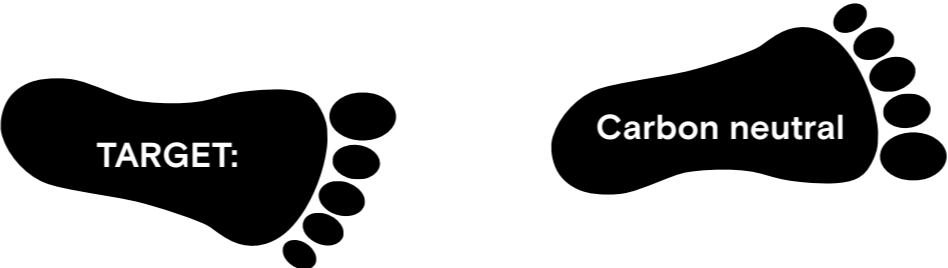
For the next year, we are planning to develop more detailed set of indicators that would allow us to assess the quality of other services, including all services provided by the Corporate Sustainability and Building Analytics Divisions.

6.4. Environmental Impacts

6.4.1. Environmental Footprint

Although our activities do not make a considerable environmental impact, climate change mitigation is a topic of high importance to us, sustainability enthusiasts, and our stakeholders. Witnessing limited global progress in trying to mitigate exacerbating climate change impacts, we are determined to act and put our effort towards minimising our own footprint and sharing our competencies with our clients to help them do the same.

Also, since a significant portion of VESTA impact comes through its suppliers, we seek to align their engagement not only in environmental, but also social and governance practices. For this reason, we work hard to set the standards of how they are expected to behave towards sustainable development and our organisational values.



6.4.1.1. Greenhouse Gas Emissions

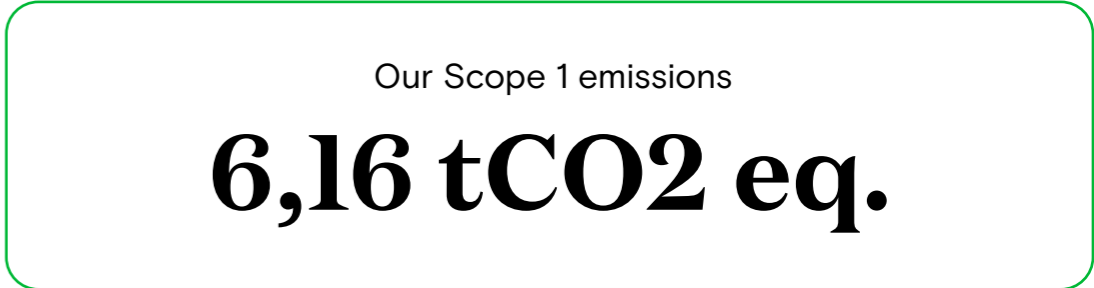
En.1 Objective: Reduce the company's environmental footprint

Target En-1.1: Carbon neutral in terms of GHG Scope 1 and 2

Therefore, we have carried out a thorough assessment of our CO2 emissions for Scope 1, 2 and 3⁵.



VESTA is an asset-light company, thus, Scope 1 contains only fuel consumption from a leased car and fuel consumption for employees' cars used for business trip purposes. Our Scope 1 emissions amounted to **6,16 tCO2 eq.**



⁵ – Our emissions accounting is based on The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. We accounted our emissions using operational method consolidation approach. See [Annex II for more detailed calculation methodology](#).

6. Sustainability Performance

Scope 2 emissions include direct energy consumption in VESTA office space that is accounted for and paid directly by the company. In accordance with GHG protocol methodology, our Scope 2 is reported in two ways: market-based approach and location-based approach. Since in Vilnius's office we buy certified green energy our market-based emissions equal to **0 tCO2 eq**. While location-based emissions amount to **1,75 tCO2 eq**. The emissions for energy consumption in Riga's office are allocated to scope 3 because the energy is not purchased directly from energy supplier.

To reach our target to become carbon neutral for Scope 1 and 2, **we have compensated 7 t/CO2 eq** emissions via solar power generation and bundled wind power projects offered by UN Clean Development Mechanism. Our experience shows that offsetting schemes may carry high risks of fraud. Therefore, it is very important for us that our offsetting investment would generate real value and meet transparency and legitimacy criteria. Therefore, we carried out a careful assessment of projects to invest in and selected renewable energy projects via UN Carbon Offset platform that were proved to achieve emission reductions via replacing fossil fuel energy in the grid.

Scope 1



Emissions
6,16 tCO2 eq

Scope 2



Market-based emissions
0 tCO2 eq



Location-based emissions
1,75 tCO2 eq

Compensated

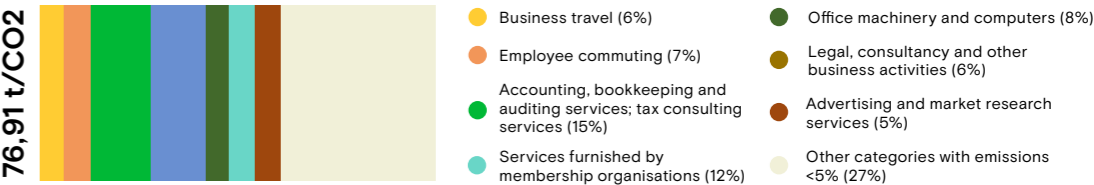


7 t/CO2 eq

Target En-1.2: Reduce Scope 3 emissions by 7% compared to previous year



We have calculated our emissions in accordance with relevant GHG protocol Scope 3 categories and have accounted for 95,23 % of our Scope 3 expenses. **Our Scope 3 emissions amount to 76,91 t/CO2 eq**. Most of our emissions occur from: business travel (6%), employee commuting (7%) and services and products essential to our business activities such as accounting, bookkeeping and auditing services; tax consulting services (15%), Services furnished by membership organisations (12%), office machinery and computers (8%), Legal, consultancy and other business activities (6%) Advertising and market research services (5%). The remaining 27% of Scope 3 emissions occurred from different other categories which amounted to less than 5% of total scope 3 emissions.



6. Sustainability Performance

2021 is the first year that we have calculated and reported our emissions. Therefore, we expect to start addressing the emissions from the year 2022. Reducing scope III emissions will be a challenge, as the highest emissions occur from essential products and services which we cannot cease using, however, we are determined to find ways to reduce them.

First, we are planning to carry out engagement of scope 3 stakeholders – our suppliers of the highest emission categories to collect relevant emissions data. This will help us to make our emission estimation more precise and replace proxy calculations which were now estimated using monetary value and emission factors. Then we are planning to continue the engagement of our suppliers to calculate their own emissions and set emission reduction strategies. Furthermore, we are planning to integrate emission reduction goals into our procurement policy where we will set a mechanism by which carbon footprint reduction targets could be implemented. For instance, by evaluating our suppliers and favouring more sustainable ones, also, reducing the use of carbon-intensive products.

Figure 2. Vesta emissions

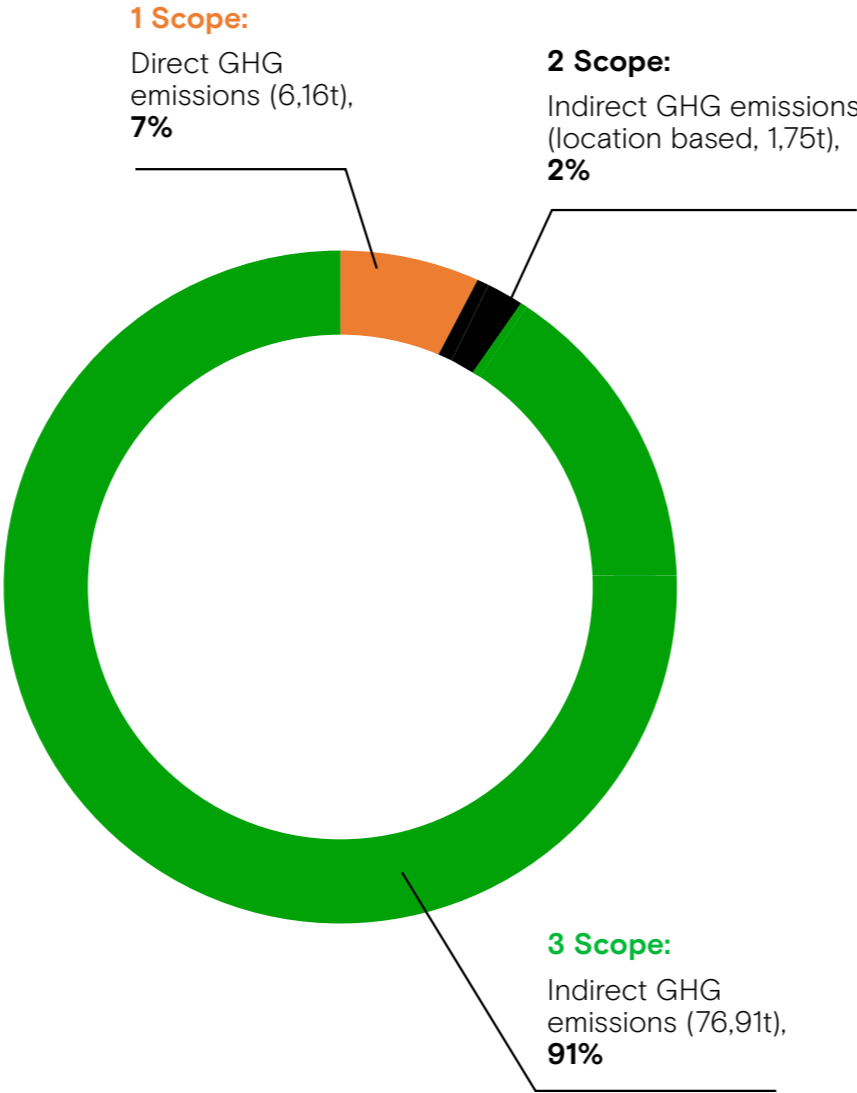
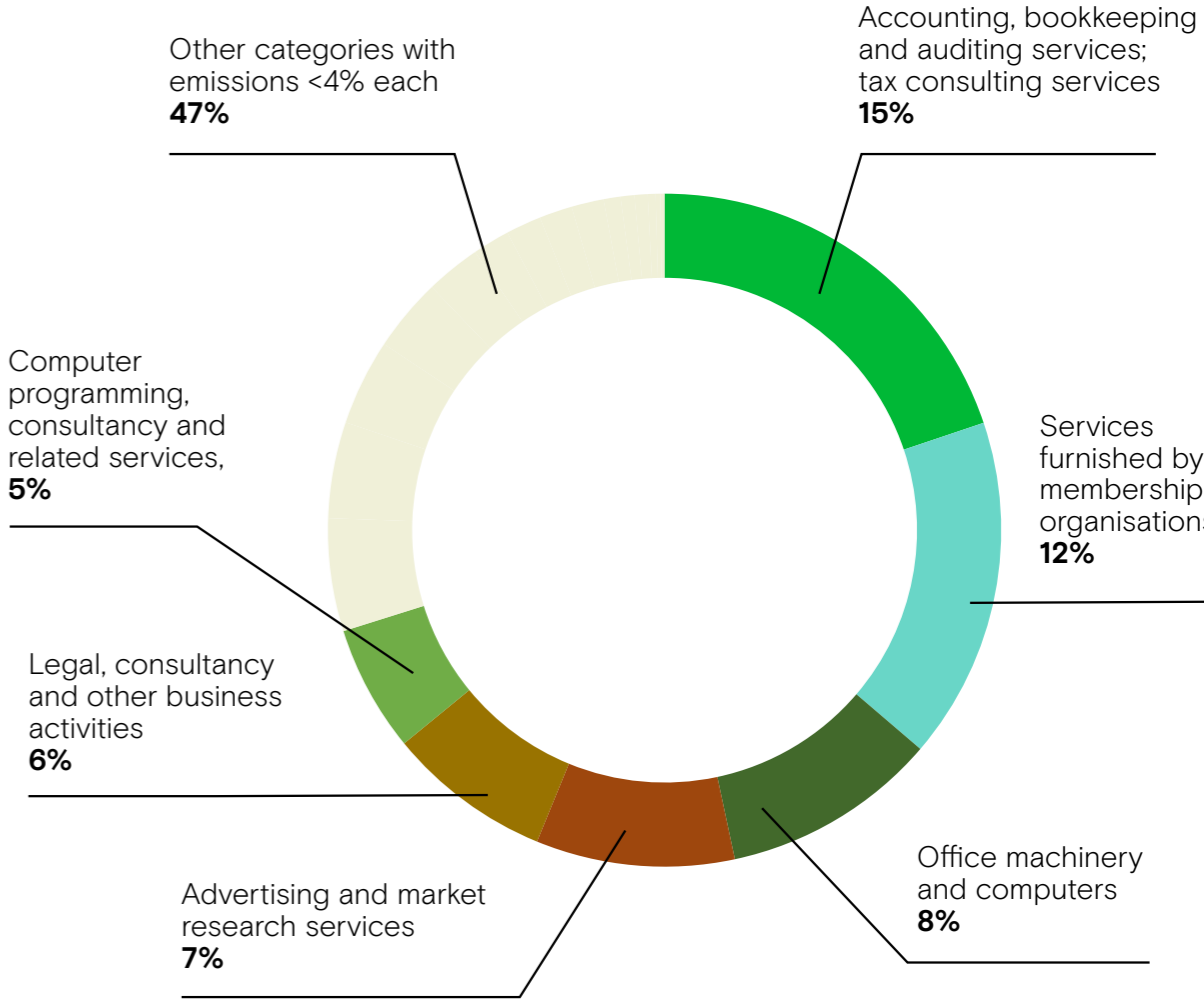


Figure 3. Scope 3 emissions and categories



6. Sustainability Performance

6.4.1.2. Environmental Impact via our Services

We help our clients to foster their sustainability practices and reduce environmental impacts by providing our services. We can demonstrate our substantial contribution to climate change mitigation via EU Taxonomy alignment.

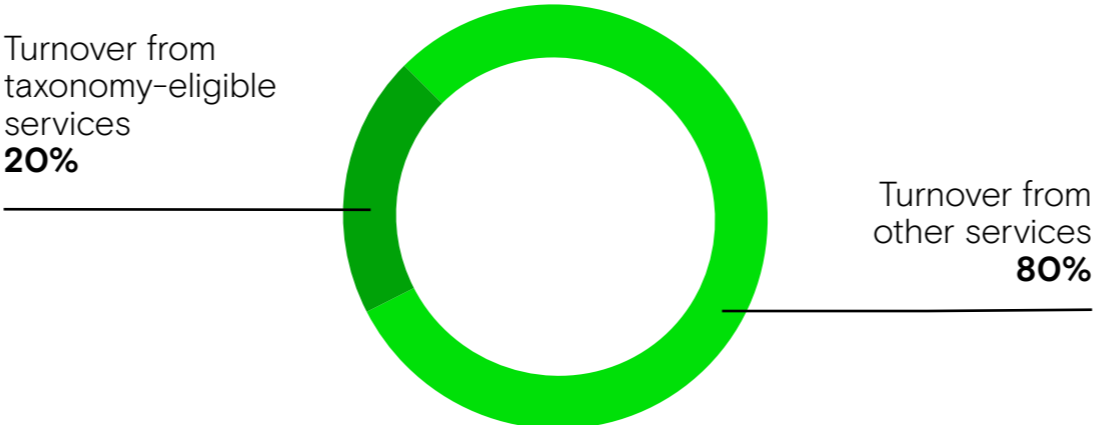
En.2 Objective: Make a significant contribution to climate change mitigation

Target En-2: 100% of eligible turnover is EU taxonomy aligned



Out of all the services provided by our company, building analytics, energy performance certification consultancy and energy auditing services are included in the EU Taxonomy (fall under economic activity 9.3. Professional services related to energy performance of buildings). Therefore, the turnover received from these services is EU Taxonomy eligible. The share of eligible turnover in 2021 has

amounted to 20% of total turnover. We estimate, that the turnover from these services meets screening criteria under EU Taxonomy Climate delegated act but for complete EU Taxonomy alignment, we lack documented policies securing EU Taxonomy minimum safeguards. Also, we lack documented robust climate risk and vulnerability assessment, although, the screening of the risks has been carried out and no material risks were identified that may affect the performance of the economic activity. Therefore, our assessment indicates that 100% of eligible activities are potentially alignment with EU Taxonomy in 2021.



6.4.2. Supply Chain Management

En.3 Objective: Work with suppliers meeting sustainability criteria

Target En-3: All suppliers meet VESTA Procurement Policy requirements



We are aware that we are making substantial environmental and social impact indirectly via our supply chains. We are determined to manage our impact via engagement of our suppliers and procurement process defined in the Procurement Policy and Supplier Code of Conduct. In 2021 we had not developed relevant policies and processes. Therefore, we will start tracking our progress after these documents are developed.

7. Annex 1: Sustainability Performance Indicators

7.1. Governance Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
Material topic – Compliance				
G.1 objective: Ensure compliance with laws and other external and internal regulations, contractual obligations and professional standards				
KPI G-1	Number of detected violations of laws, regulations and contracts (external and internal);	0	0	Retrospective assessment carried out for all indicators under objective
PI G-1.1	Number of legal actions from third parties	0	0	
PI G-1.2	Number of detected corruption cases	0	0	
PI G-1.3	Number of fraud cases detected (e.g. accounting fraud, client fraud, broadly defined; incl. falsification of documents or evidence);	0	0	
PI G-1.4	Number of unmanaged conflicts of interest (building certification, corporate governance, procurement of services, etc.)	0	0	
PI G-1.5	Share of staff informed of changes to internal policies/procedures/standards/laws	100%	100%	
PI G-1.6	Number of occupational safety incidents and accidents	0	0	
Material topic – Human Rights				
G.2 Objective: Ensure respect for human rights				
KPI G-2	Detected human rights violations	0	0	
PI G-2.1	Human rights training for staff at least once a year	1	1	

7. Annex 1: Sustainability Performance Indicators

7.1. Governance Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
Material topic - Transparency				
G.3 Objective : Ensure company transparency				
KPI G-3	Preparation and publication of the annual and sustainability report	1	1	
G-3.1	Company's objectives and results presented to employees	1	at least 1/yr	
KPI G-4	Share of stakeholders satisfied with transparency (%)	1	1	Will be tracked from 2022
Material topic - Business ethics				
G.4 Objective: Ensure good business ethics				
KPI G-4	Number of detected violations of the Employee Code of Conduct	0	0	
KPI G-5	Number of detected repeated violations of the Supplier Code of Conduct and ethical cooperation clauses in the contracts with clients	1	1	Supplier Code of Conduct being developed. Contracts with clients being updated to include ethical cooperation clauses
PI G-5.1	Proportion of client contracts that include clauses on ethical conduct	100% contracts signed from 2021 October	36%	Ensuring that all new contracts were appropriately aligned took some time because some clients were sceptical and challenged our new approach. However, we are persistent with our vision on ethical conduct. To improve the performance, we started tracking each contract and were carrying out regular reminders to ensure that in the future this practice becomes normal and reaches the target.

7. Annex 1: Sustainability Performance Indicators

7.2. Social Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
Material topic – Diversity, equality and inclusion				
S.1 Objective: Attracting and retaining employees who meet diversity criteria, ensuring equal opportunities and inclusion				
KPI S-1	Share (%) of positive answers in diversity, equality and inclusion survey indicator (0 survey answers with quartile Q1 < 7)	71,1%	0 answers Q1<7	We have set us quite ambitious targets were to have 75% of positive answers to our survey questions (≥ 7, scored on Likert 1-10 scale) (measured as 0 answers with first quartile Q1 < 7). Following the results of our survey, we also engaged the employees in discussions.
Material topic – Talent attraction and retention				
S.2 Objective: Attracting talents				
PI S-2.3.1	Recruitment of interns to relevant divisions	1	At least 1, desired 3	Intern in Corporate Sustainability Division in 2021
KPI S-2.3	No. of interns employed within 3 years of recruitment to the intern position	0%	50%	Intern's priority to continue studies abroad
KPI S-2.1	Number of recruited employees who reached out to VESTA for a position in person compared to the number of recruited employees who applied via job advert	18%	50%	
KPI S-2.2	No. of cases when time taken to fill a vacancy >3 months (from the posting of the vacancy to contract signing)	3 cases	0 cases with period > 3 months	All for managing positions

7. Annex 1: Sustainability Performance Indicators

7.2. Social Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
S.3 Objective: Effective integration of new staff and ensuring their wellbeing				
KPI S-3.1	Retention rate	92%	85%	
KPI S-3.2	First year retention rate	93%	75%	
KPI S-3.3	Filling vacant positions with internal candidates (when a vacancy occurs, above junior level, vertical)	17%	60%	
Material topic – Training and education				
S.4 Objective: Competence development and continuous professional development, ensuring access to training				
KPI S-4.1	Hours of training per employee per year	Achieved	80h/yr	Achieved, based on assessment by management
KPI S-4.2	Percentage of staff reaching the target number of hours for training	100%	100%	Achieved, based on assessment by management
Material topic – Employee safety and wellbeing				
S.5 Objective: Ensuring a safe and healthy working environment, contributing positively to employee well-being and work/life balance				
KPI S-5	Employee net promoter score (eNPS)	67%	50%	
PI S-5.1.1	Employee satisfaction index;	0	0	
PI S-5.1.2	Employee engagement index	22%	0	According to survey results, team spirit strengthening activities and internal communication plans set up to improve the indicator
PI S-5.1.3	No. of occupational safety trainings		At least 1/yr	
PI S-5.1.4	Limited overtime	2 cases with >60h/6months, 7 cases with >15h/month	0 cases with >60h overtime/6 months and 15h/month	Improved workload planning and delegation practices implemented to avoid overtime.

7. Annex 1: Sustainability Performance Indicators

7.3. Economic Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
Material topic – Sustainable development advocacy				
E.1 Objective: Raising market awareness of sustainable development principles				
KPI E-1.1	Sustain conference	0	1/yr	Postponed due to COVID-19 and lack of resources
KPI E-1.2	VESTA thematic sustainability seminars	0	3/yr	Postponed due to COVID-19 and lack of resources
KPI E-1.3	Participation in conferences/seminars as a speaker	6	5/yr	Postponed due to COVID-19 and lack of resources
Material topic – Strong economic development				
E.2 Objective: Maintaining relevant professional licences				
KPI E-2	Maintaining all relevant professional licences	76,5%	100%	
E.3 Objective: Create high economic value for stakeholders				
KPI E-3.1	Customer satisfaction and loyalty index	81	≥62	
KPI E-3.2	Average salary, to be at least equal to the average salary of companies providing similar services	3219.69 €	Deviation ≥0	Confirmed by professional recruitment agency
KPI E-3.3	Close average salary gender pay gap in the long-term	35,35%	0%	Action plan is being developed and appropriate timeframe being set
Material topic – Maintenance of high-quality services				
E.4 Objective: Maintaining a high quality of services				
KPI E-4.1	Share of projects that have reached the target certification level	100%	100%	

7. Annex 1: Sustainability Performance Indicators

7.4. Environmental Indicators

Nr.	Key Performance Indicators	Result 2021	Target	Comments
Material topic - Environmental footprint				
En.1 Objective: Reducing VESTA's environmental footprint				
KPI En-1.1	GHG Scope I and II	6,16 t/CO2eq	Carbon neutral	Scope I = 6,16 tCO2eq Scope II (market-based)= 0 t/CO2eq Scope II (location-based)= 1,75 tCO2eq 6,16 tCO2eq of emissions offset via UN Clean Development Mechanism projects in UN Carbon Offset Platform
KPI En-1.2	GHG Scope III	76,91 t/CO2eq	-7% reduction compared to previous year	2021 was the first year to calculate and report emissions, therefore emission reduction target will be reported from 2022
En.2 Objective: Making a significant contribution to climate change mitigation				
KPI En-2	Share (%) of turnover aligned with EU Taxonomy	100% of eligible income potentially aligned	100% of eligible income aligned	Minimum safeguards to be ensured in 2022 for actual alignment and document climate risk assessment to be documented for alignment with EU Taxonomy
Material topic - Supply Chain Management				
En.3 Objective: Work with suppliers meeting sustainability criteria				
KPI En-3	Share (%) of suppliers meet VESTA Procurement Policy requirements	-	100%	

8. Annex 2: Calculation Methodologies

8.1. Human Capital

8.1.1. Talent attraction and retention

The retention rates were calculated using these formulas:

$$\text{Retention rate} = \frac{(\text{No. of employees who worked during the period})}{(\text{No. of employees at the beginning of the period})} \times 100$$

$$\text{First year retention rate} = \frac{\text{No. of employees who left in 2021 and worked < 1yr}}{\text{Total No. of employees who worked < 1yr in 2021}} \times 100$$

8.2. Strong Economic Development

8.2.1. Average monthly remuneration

We have calculated our company's average monthly remuneration for 1 full-time equivalent (FTE) in 2021 whereby we divided total actual remuneration expenses (including fixed salaries, vacation and sickness payments, bonuses, unused vacation accruals as well as all the related taxes thereon) by the calculated number of FTE's

(which includes the time that employees are remunerated for). The above-mentioned computation resulted in the average monthly remuneration of 3219.69 euros per FTE.

8.2.2. Average salary gender pay gap

We have calculated the average monthly remuneration for a male and female employee full-time equivalent (FTE) based on the same principles described in section 8.2.1. This resulted in an average male FTE salary equal to 4198,83 euros and an average female FTE salary equal to 2714.68 euros. The pay gap was calculated using the formula:

$$\text{Gender paygap (\%)} = \frac{(\text{Salary}_M - \text{Salary}_F)}{\text{Salary}_M} \times 100$$

Salary_M – average monthly remuneration for a male FTE

Salary_F – average monthly remuneration for a female FTE

8.3. Environmental Footprint

8.3.1. GHG emissions

The carbon footprint represents the total volume of greenhouse gases resulting from everyday Vesta Consulting activity. The emissions accounting is based on international The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Operational method⁶ consolidation approach are used. All three scopes are reported.

Scope 1. Direct emissions

Direct emissions come from sources owned or controlled by the company. Most common scope 1 emissions are emissions from energy generation, fugitive emissions of refrigerants gases and emissions from mobile combustion. As Vesta is an asset-light company only fuel consumption from rented and employee-owned cars used for business travel is included in purposes in scope 1 for the reporting year. The calculation method applied:

⁶ – Under the operational control approach, a company accounts for 100 percent of the GHG emissions over which it has operational control. It does not account for GHG emissions from operations in which it owns an interest but does not have operational control.

8. Annex 2: Calculation Methodologies

$E_{fuel} = FC_{fuel} \times EF_{fuel}$, where

E_{fuel} – GHG emissions from mobile fuel combustion, t CO₂ e.

FC_{fuel} – Fuel consumption (by type), TJ.

EF_{fuel} – Fuel emission factor, tCO₂ e/TJ.

The emission factors used for each type of fuels are presented in the table below, additionally, data source is indicated.

Fuel Type	Emission factor						
	Unit	tCO ₂ /TJ	Reference	kg CH ₄ /TJ	Reference	kg N ₂ O/TJ	Reference
Gasoline		70,13	NIR 2020, CS	20	IPCC 1996 Revised, D	0,6	IPCC 1996 Revised, D
Diesel		72,8	NIR 2020, CS	5	IPCC 1996 Revised, D	0,6	IPCC 1996 Revised, D
Bioethanol		70,8	NIR 2020, CS	3	IPCC 1996 Revised, D	0,6	IPCC 1996 Revised, D
Biodiesel		70,8	NIR 2020, CS	3	IPCC 1996 Revised, D	0,6	IPCC 1996 Revised, D
LPG		66,81	NIR 2020, CS	62	IPCC 1996 Revised, D	0,2	IPCC 1996 Revised, D

* Notations: CS – country specific, D – default, NIR – Lithuania’s National GHG Report

Fuel consumption data was gathered through the invoices of gas stations for year 2021 and employees’ travel expense reports.

Scope 2. Indirect emissions

Indirect emissions include emissions from the consumption of generated electricity and heat.

Vesta is renting office spaces in a business centers in Vilnius (Lithuania) and Riga (Latvia), company is billed monthly for renting, heating, and common space electricity by the property owner. Emissions related to the office rent (bills from the property owner) are allocated to Scope 3 emissions.

The company has a direct contract with an energy provider for electricity that is consumed in the rented premises in Lithuania, thus the data on actual energy consumption is available for the Vilnius office. During the reporting year only certified green energy under European Guarantees of Origin Scheme was purchased from the electricity supplier Elektrum Lietuva UAB. Therefore the scope 2 is reported in two ways: market-based approach and location-based

approach. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using grid-average emission factor data). A market-based method reflects emissions from electricity that company have purposefully chosen⁷. Emissions from electricity consumption are calculated as follows:

$E_{electricity} = FC_{electricity} \times EF_{electricity}$, where

$E_{electricity}$ – GHG emissions from electricity use, t CO₂ e.

$FC_{electricity}$ – Electricity consumption, kWh.

$EF_{electricity}$ – Electricity emission factor, tCO₂ e/kWh.

In case of location-based approach the electricity emission factor is sourced from report on European Residual Mixes 2020 by the Association of Issuing Bodies.

Energy	Emission factor	
	Unit	Reference
LT Electricity energy mix	tCO ₂ /kWh	0,340
		Residual mix 2020, CS

⁷ – GHG Protocol Scope 2 Guidance. Executive summary. An amendment to GHG Protocol Corporate Standard.

8. Annex 2: Calculation Methodologies

Electricity consumption data for the reporting year was gathered from the monthly bills from the energy supplier. The data was available for the whole reporting period.

Energy use in Riga office is included in scope 3, as there is no direct purchase of energy from the energy supplier and consumption is included in the office's rental bills.

Scope 3. Other indirect emissions

Other indirect emissions are emissions that result from Vesta activities, purchased goods and services where the company has no operational or financial control. GHG protocol provides 15 emissions categories for scope 3, which are distinguished between upstream emissions – GHG emissions related to purchased or acquired goods and services and downstream emissions, that stands for GHG emissions related to sold goods and services. Vesta did not sell any physical goods and nor had any franchises or provided investments during the reporting year, therefore only upstream emissions of scope 3 are relevant. The categories included in the GHG calculations, and their calculation methods are described in the table below.

Scope 3 emissions		
Upstream	Included in calculations	Calculation method
Category 1: Purchased goods and services	Yes	Monetary value X Emission factor
Category 2: Capital goods	Not occurring	-
Category 3: Fuel- and energy-related activities (not included in scope 1 or scope 2)	Not occurring	-
Category 4: Upstream transportation and distribution	Not occurring	-
Category 5: Waste generated in operations	Yes	Scope 3 emissions
Category 6: Business travel	Yes	Distance traveled (by type of transport) X emission factor Hotel stay, room per night x emission factor
Category 7: Employee commuting	Yes	Fuel used X emission factor
Category 8: Upstream leased assets	Not occurring	-
Downstream scope 3 emissions		
Category 9: Downstream transportation and distribution	Not occurring	-
Category 10: Processing of sold products	Not occurring	-
Category 11: Use of sold products	Not occurring	-
Category 12: End-of-life treatment of sold products	Not occurring	-
Category 13: Downstream leased assets	Not occurring	-
Category 14: Franchises	Not occurring	-
Category 15: Investments	Not occurring	-

Category 1: Purchased goods and services category includes all upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the company in the 2021 year. Products include both goods and services and we included the following expenses in our calculation:

- Office consumables
- Computer programming, consultancy, and related services
- Advertising and market research services
- Telecommunication and IT related services
- Accounting, bookkeeping, and auditing services
- Legal, consultancy and insurance services
- Representation and catering services
- Office furniture and equipment expenses
- Projects certification, memberships, subscription and professional licenses expenses
- Rent expenses
- Expenses of repairs and maintenance
- Professional development and training expenses
- Other general and administrative expenses

8. Annex 2: Calculation Methodologies

The emissions were calculated using monetary value of expenses in each subcategory and emission factor for the category. The relevant emission factors were obtained from DEFRA, Base Carbon ADEME and Ecoinvent 3.6 databases.

Category 5: Waste generated in operations category includes emissions from third-party disposal and treatment of waste that is generated in the company's office in the reporting year. The calculation method applied is volume of waste generated multiplying by emission factor of waste treatment.

Category 6: Business travel includes emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. Emissions from transportation in vehicles owned or controlled by the reporting company are accounted for in scope 1 (for fuel use). This category also accounts emissions from accommodation during business travels.

Emissions from transportation were calculated by multiplying distance travelled by each type of transport km by emission factor of transport type. The emission factor was obtained from Base Carbon ADEME

and Ecoinvent 3.6 database. Specific online carbon emission calculator provided by airBaltic was used for flights with airBaltic airlines.

Hotel stay, room per night emissions were calculated by multiplying number of nights by emission factors of a hotel stay. DEFRA emission factors were used.

Category 7: Employee commuting category includes emissions from the transportation of employees between their homes and Vesta office and emissions from teleworking (i.e., employees working remotely) were included. Emissions from commuting were calculated by multiplying distance travelled by each type of transport by emission factor of transport type. For teleworking the total days worked from home were multiplied by emissions factor of a computer user.

Data on purchased goods and services was obtained from company's accounting system. Business travel destinations, traveling method, hotel stays number were gathered from business travels orders, fuel and expenditure reports. Data for employee commuting

was gathered through questionnaire with questions regarding the distance from home to work, type of transport used and number of days per year worked from home in 2021.

We turn your focus to the future

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