



Sustainability Report

2022



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Word from CEO

As the CEO of SoliTek, I am proud to lead a company that is dedicated to making a positive impact on society and the environment through our sustainable practices.

At SoliTek, our commitment to sustainability goes hand in hand with our core values and business operations. We understand the importance of balancing between economic growth, social responsibility, and environmental stewardship. By prioritizing sustainability in our decision-making processes, we strive to create long-term value for our stakeholders while contributing to a more sustainable future.



Julius Sakalauskas
CEO of SoliTek

Regarding our social impact, we believe in fostering an inclusive and diverse work environment. SoliTek is committed to providing equal opportunities for all, regardless of gender, age, or disability. We have successfully integrated employees with disabilities into our workforce and provided flexible working conditions that empower our employees to achieve a healthy work-life balance.

Furthermore, we have supported the Ukrainian war refugees by offering them employment opportunities, and helping them integrate into our company and the local community.

In terms of our environmental impact, SoliTek recognizes the urgent need to address the challenges posed by the PV industry. We have taken significant steps to develop PV modules that are environmentally sustainable and safe. Through material health assessments conducted by SundaHus, we have achieved the highest level A rating, making us the only PV manufacturer in the world to receive this

esteemed evaluation. We have also obtained Cradle to Cradle (C2C) Silver certification, demonstrating our commitment to the circular economy principles and responsible material usage.

Looking ahead, SoliTek has set ambitious sustainability goals for the year 2023. These goals encompass various aspects of our operations, including social impact, environmental performance, and supply chain sustainability. We are determined to continue our journey towards a more sustainable future, guided by these goals and driven by our commitment to making a positive difference.

Sincerely,

Julius Sakalauskas
CEO of SoliTek

Governance

SoliTek, a family-owned solar module manufacturing company based in Lithuania, is a proud member of the BOD Group. Besides solar modules, The BOD Group produces lithium iron phosphate (LFP) solar batteries and eye lenses.

SoliTek also provides the installation of photovoltaic (PV) systems and parks in Lithuania. With a highly organized and knowledgeable team, the company group is dedicated to delivering high-quality products and services.



As of 2022, the **BOD Group employed 293 individuals**, while SoliTek had 100 employees. The company group is governed by a board comprising six members, whose diverse experience spans technical knowledge to expertise in EU commission plans for the energy transition.

Vidmantas Janulevičius



serves as the Chairman of the Board and also holds the position of President at the Lithuania Confederation of Industrialists. This confederation serves as the representative voice for various business associations.

Žygimantas Vaičiūnas



the former Minister of Energy in Lithuania from 2016 to 2020, brings valuable experience in EU commissions and Lithuania's energy-related projects.

Julius Sakalauskas



the CEO of SoliTek Cells, holds responsibility for the company's strategic growth. With his extensive product management, logistics, and finance background, he enables the SoliTek team to maintain a clear vision and follow it.

Mantas Rimkus



the CFO/COO of the company group, possesses extensive expertise in finance and banking.

Vladas Sakalauskas



oversees and manages real estate, incorporating high-quality standards from his experience working and volunteering in the army.

Nerijus Pačėsa



brings vast experience in strategic management and entrepreneurship from various organizations. He utilizes his sales and marketing skills within the company group.



Sustainability Report 2022

Social Impact



The problem:

The PV industry in the EU faces a shortage of skilled workers. However, the EU has the potential to tap into the talents of refugees, immigrants, individuals with disabilities, and other underrepresented groups and integrate them into various industries. At our company, we are committed to creating an inclusive environment that welcomes people from diverse backgrounds.



Diversity
of backgrounds,
perspectives



Equity
in teams, management &
subordinates, no hierarchy



Inclusion
via empowerment,
organizational culture

Sustainability assessment

Sustainability assessed by Ecovadis

To ensure that our social strategy aligns with international standards, we have engaged the services of EcoVadis, an independent organization specializing in assessing sustainability documents.



ecovadis

Their expertise ensures that our sustainability documents are valid, accurate, and adhere to high-quality standards. By working with EcoVadis, we are dedicated to upholding our commitment to sustainability and social responsibility.



Methodology & Assessment Model



Environment



Labor & Human Rights



Sustainable Procurement



Work Ethics

Diverse & equal workforce

Solitek provides equal opportunities regardless of disabilities, origin, race, gender, etc. 1/5 of our workforce has individuals with disabilities, and our employees' gender ratio is one of the best in the industry.

In 2022, SoliTek provided job positions for 29 Ukraine war refugees ensuring their integration in Lithuania is as fast and smooth as possible. Most of them, by the end of 2023, decided to return back to Ukraine, yet 10 of them are still a part of the company.

Integration of employees with disability

1 of 5 our employees has disability



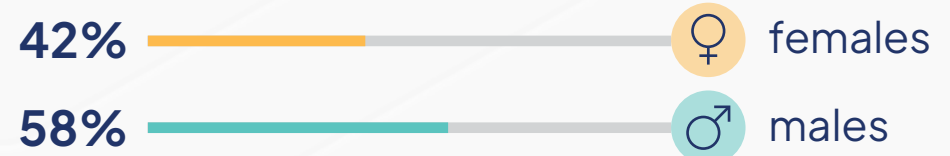
Integration of Ukrainian refugees

29 Ukrainian war refugees employed

10 Ukrainian refugees have decided to remain with SoliTek

Equal opportunities

1,6 times better gender ratio than industry average



Extra flexible work conditions

SoliTek provides flexible working conditions that provide employees the freedom to work from home, work from different locations, or have non-traditional working hours outside of the standard 40-hour workweek. This flexibility enables employees with diverse differences in age to balance work and personal life to manage work, studies, parenting, etc.

Benefits of flexible work conditions

- 

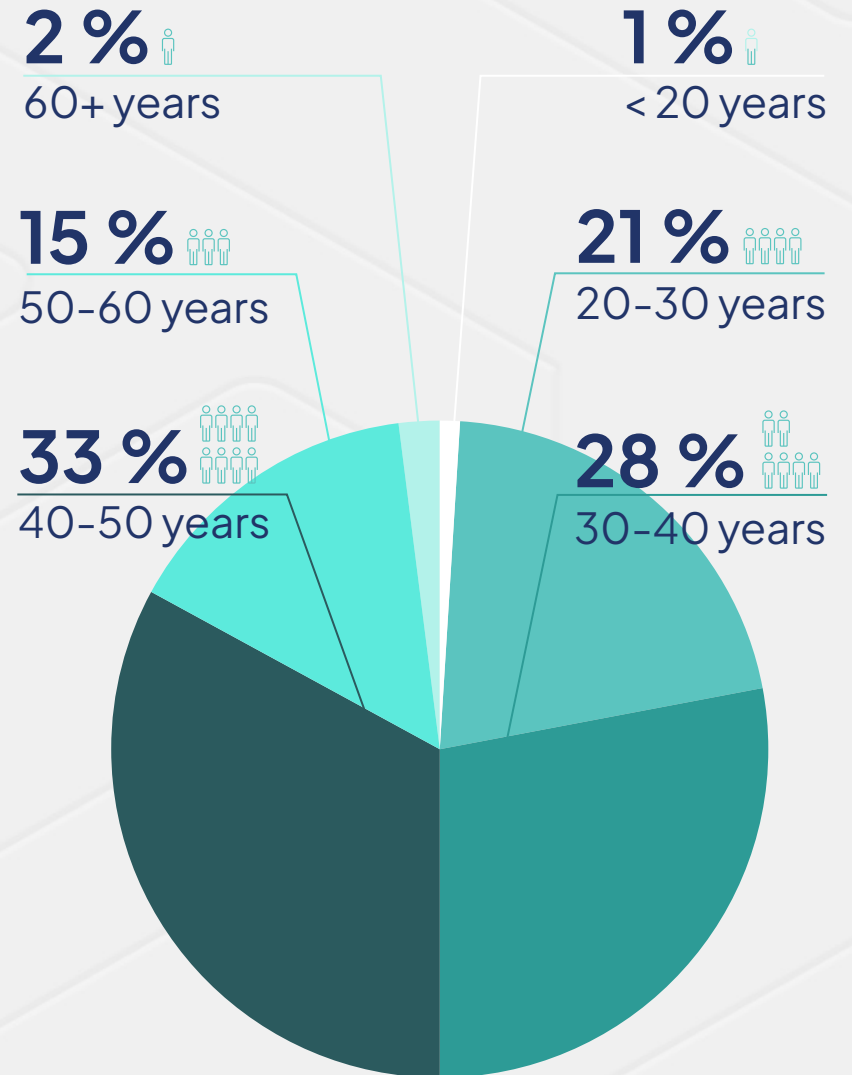
Happier, more satisfied employees
- 

Better retention of top talent
- 

Reduced costs
- 

More sustainable business practices with a lower carbon footprint

Diverse age range of employees



Low incident rate

Our incident rate is



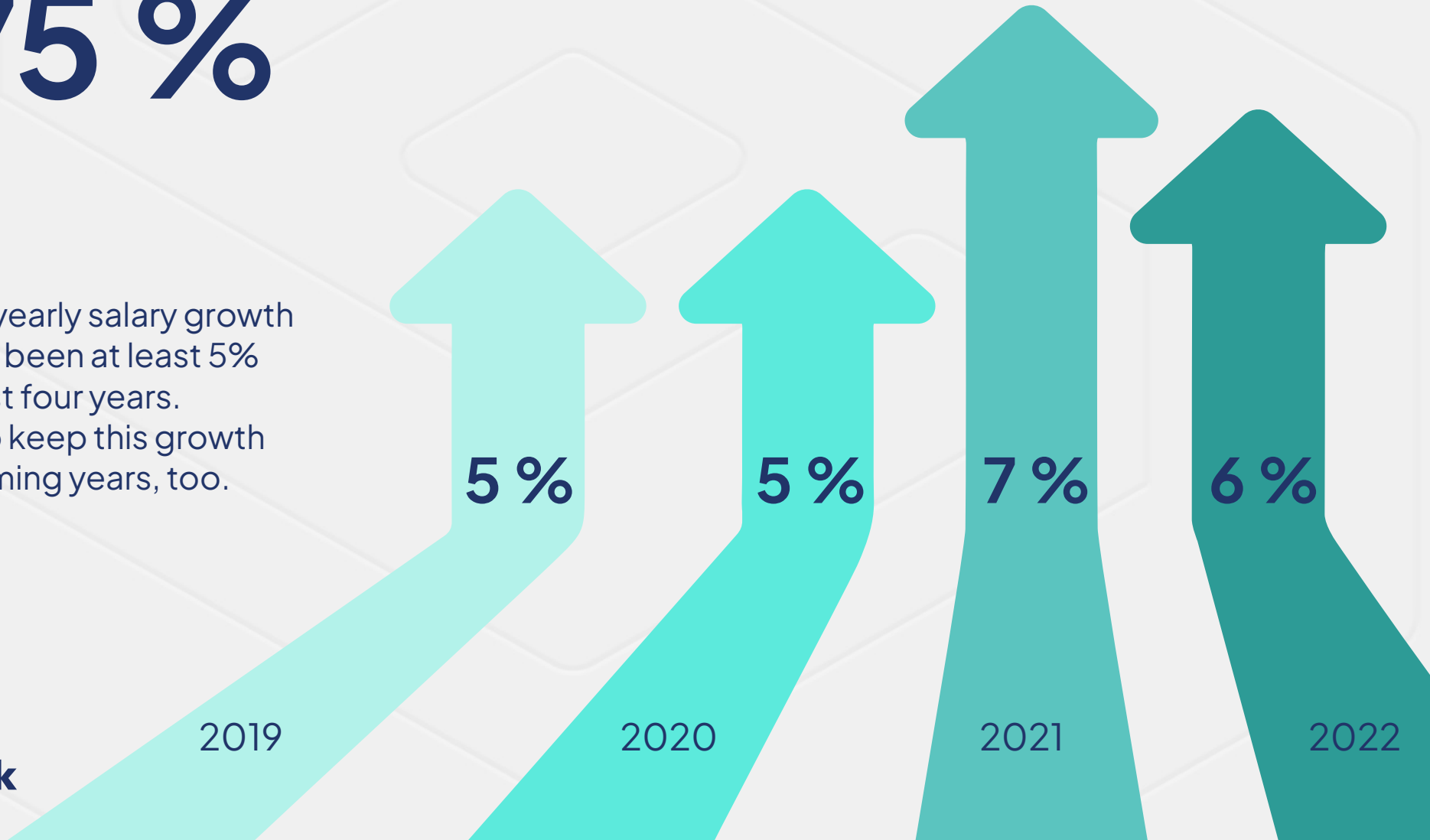
2,02

It has been calculated using the formula below:
Incident rate = Total incidents (2) * 200 000
(average number of hours worked per hundred
employees worldwide) / actual number of hours
worked (196448)

Stable growth of salary

Yearly salary growth – 5,75 %

The average yearly salary growth in SoliTek has been at least 5% during the last four years. We expect to keep this growth for the upcoming years, too.





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Environmental Impact



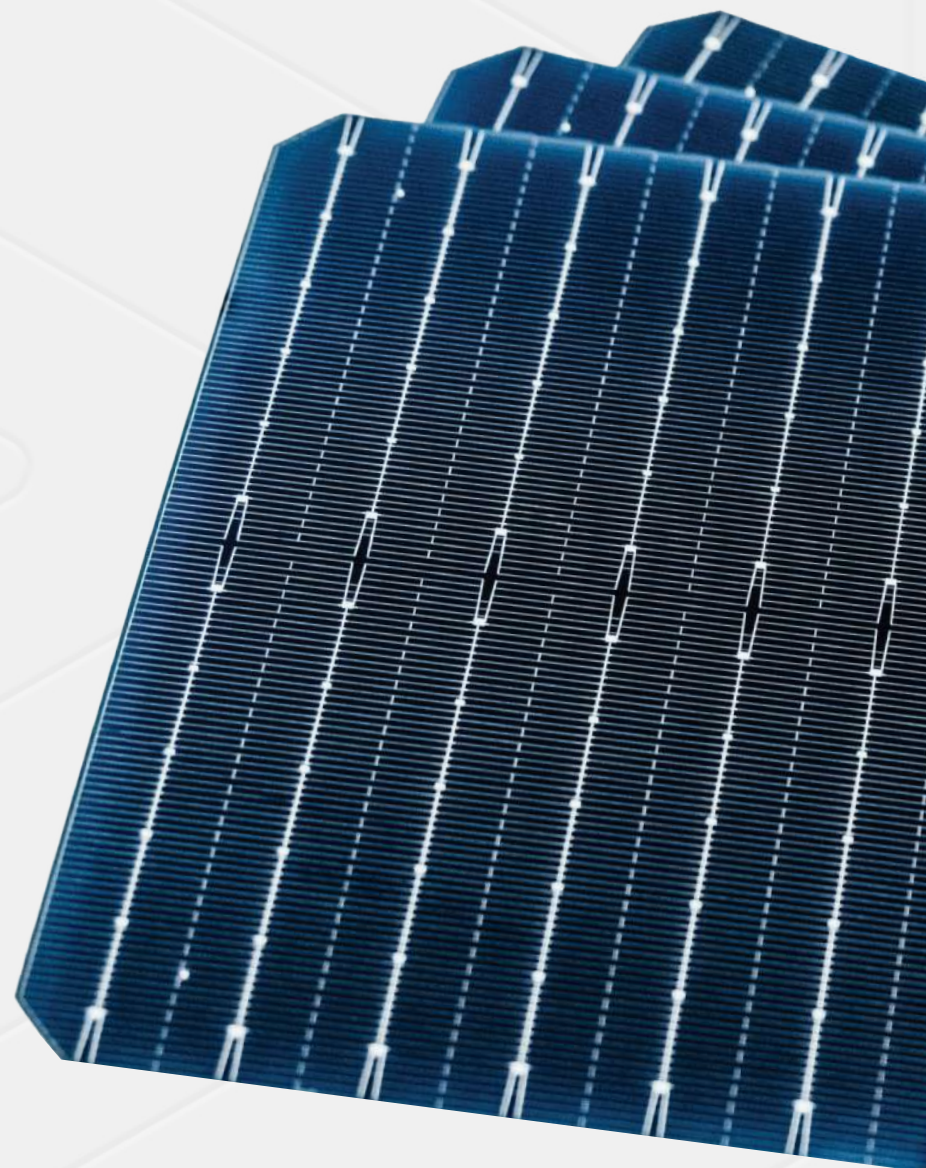
The problem:

The PV industry's extensive use of materials, including environmentally unfriendly ones, poses a significant risk of environmental pollution. Additionally, the lack of clarity surrounding PV recycling creates concerns about the accumulation of PV waste that is difficult to manage.



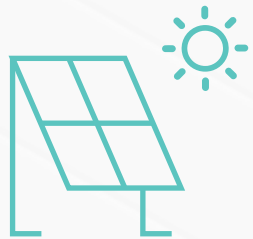
Our approach:

At SoliTek, we prioritize the development of PV modules that are both environmentally sustainable and safe for people. We are committed to investing heavily in exploring circular solutions to address the challenges of PV waste management. Our efforts have gained recognition through a material health assessment conducted by SundaHus, an independent organization based in Sweden. Through this assessment, we have evaluated our PV modules, company practices, and supply chain using the Cradle to Cradle (C2C) framework.



By enabling our products to be used in the construction industry, we ensure that the materials used in our products are safe. **This, in turn, allows our customers to earn LEED points and other relevant certifications.**

As a company, we actively analyze and assess the recycling process of our PV modules, ensuring that we take concrete action to address end-of-life considerations.



100%
Renewable energy



98,8%

98.8 % Recyclable
Solar Panels



Less CO2 &
Waste



Cleaner Air



Cleaner Water

Sweden-based SundaHus material health assessment

**LEVEL
A**

– the only PV manufacturer in the world

We have achieved the highest rating of level A, which sets SoliTek apart as the sole PV manufacturer to receive such an esteemed evaluation among over 10 other industry counterparts.

We received a material passport from SundaHus. A material passport serves as a product lifecycle document, containing detailed information about the materials used in a product's manufacturing process. SundaHus reviewed and identified the composition of the materials down to the level of chemical compounds (down to the level of CAS numbers).

At SoliTek, we have disclosed the complete material composition of our products in the SundaHus database based in Sweden. This information is readily accessible to users of the database. The SundaHus process involves collecting information on the module's material composition, assessing their recyclability, and evaluating the toxicity of the materials involved.

Cradle to Cradle standard

SILVER certification

We are one of only two PV companies in the world that meet this standard.

The vision of the Cradle to Cradle (C2C) Innovation Institute is to create a world where materials and products are designed and manufactured in a thriving circular economy, ensuring safety and maximizing the health and the well-being of both people and the planet.

SOLITEK



Europe's
greenest
solar panel

SOLID Pro /
Bifacial

Made in EU

— YEAR

30

PRODUCT
WARRANTY



Material health



Material reutilization



Water stewardship



Social fairness



**Renewable energy &
carbon management**

Cradle to Cradle Certified® is the leading multi-attribute standard used globally across industries by designers, brands and manufacturers for designing and making products that enable a healthy, equitable and sustainable future. C2C standard evaluates products in 5 categories: Material Health, Material Reutilization, Renewable Energy, Water Stewardship & Social Fairness.

The standard has different levels of certification (basic, bronze, silver, gold, platinum).

Relentless PV modules innovation & circular module life

3 EU Horizon projects



that SoliTek is involved

2 scientific research articles



on the circular use of solar
equipment that SoliTek is
covered in

We have successfully implemented several EU Horizon projects, including Super PV, HighLite, and CIRCUSOL, aiming to address industry-level challenges and contribute to developing and testing innovative solutions in 2022.

As part of the EU Horizon project "CIRCUSOL," SoliTek has conducted in-depth research and collaborated with other co-authors to publish a review on PV module recycling, refurbishment, and re-use. Furthermore, our research has focused on exploring alternative PV module designs that facilitate easier recycling. Both of these articles can be accessed through the project's resources.

Article

THE PV RECYCLING
CHALLENGES

Article

HOW TO INCREASE CIRCULARITY IN
THE PV INDUSTRY SUPPLY CHAIN

Measuring our environmental impact

We identified 4 KPIs to measure our environmental impact

Electricity Consumption:

SoliTek's electricity consumption encompasses both manufacturing and office spaces. In 2022, our electricity consumption amounted to:

4.8
MWh/MW

Water Consumption:

Hot and cold water is exclusively used within our office facilities. In 2022, the total water consumption reached:

6.79
m³/MW

Waste:

The amount of production waste in 2022 amounted to:

0.46
tons per MW

CO₂ emissions:

As part of our commitment to sustainability, we do not own any conventional cars, except for one diesel-based forklift. All other forklifts in our fleet are electric, minimizing emissions:

0.04
kgCO₂/kW

CO2 emissions (Scope 1-2)

**Made using 100 %
renewable energy
&
with 400 times
lower CO₂ emissions**

SoliTek powers its energy with geothermal pumps for heating & cooling. We have 200 kW PV system on the roof, the rest of electricity is renewable-based from the grid.

In terms of carbon emissions, SoliTek maintains a low rate of 0.04 kg/kW CO₂, significantly lower than the average of 16.5 kg/kW CO₂ among the top 5 PV module producers. In 2022, SoliTek achieved a net-positive position in CO₂ emissions, offsetting a total of:

26,650
kg/CO₂

thanks to the electricity generated by our PV system.

SoliTek named the most sustainable company of 2022

SoliTek was awarded as the leader in the circularity field by the Vilnius Chamber of Commerce, Industry, and Crafts. We achieved it thanks to our commitments in the sustainability field: using recycled glass, achieving net-positive emissions, Sundahus & C2C certificates, etc.





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Supply Chain Assessment



Problem:

The global PV supply chain is exposed to various risks, including concerns such as forced labor and unsafe working conditions for employees. At SoliTek, we recognize the importance of addressing these risks and have implemented a proactive approach to analyzing and monitoring our suppliers to mitigate such risks.



8 offsite assessments

SoliTek has undertaken 8 offsite assessments of our suppliers to evaluate potential social and environmental risks.

49 questions to suppliers

We have addressed a total of 49 questions to these suppliers. Based on the results, we have identified some low and medium risks.

Some suppliers do not possess the ISO 45001 standard

In terms of low risks, some suppliers do not possess the ISO 45001 standard or an equivalent certification, and they have not shared the necessary data with us.

Specific CO₂ reduction targets

For medium risks, certain suppliers have not established specific CO₂ reduction targets.

To address these identified risks, we are implementing measures to support our suppliers

This includes assisting them in adopting health and safety standards, collecting missing data, and aiding in the establishment of CO₂ reduction strategies and targets. We aim to collaborate with our suppliers to ensure compliance and enhance sustainability practices.



Sustainability Goals for 2023

1. To achieve Gold certification for the Cradle to Cradle standard
ALREADY ACHIEVED
2. To exclusively utilize energy generated from our PV park
ALREADY ACHIEVED
3. To further reduce our CO₂ emissions by testing recycled polysilicon
4. To obtain a Gold certificate from Ecovadis
5. To develop a comprehensive code of conduct
6. To kick off 3 brand new EU Horizon projects

1.

To achieve Gold certification for the Cradle to Cradle standard

To accomplish this goal, we will conduct a comprehensive Cradle to Cradle assessment for the V4, focusing on assessing the sustainability and environmental performance of our products.



2.

To exclusively utilize energy generated from our own PV sites

To achieve this, SoliTek will establish a 5 MW PV park, enabling us to power all applications within our company group with renewable energy.

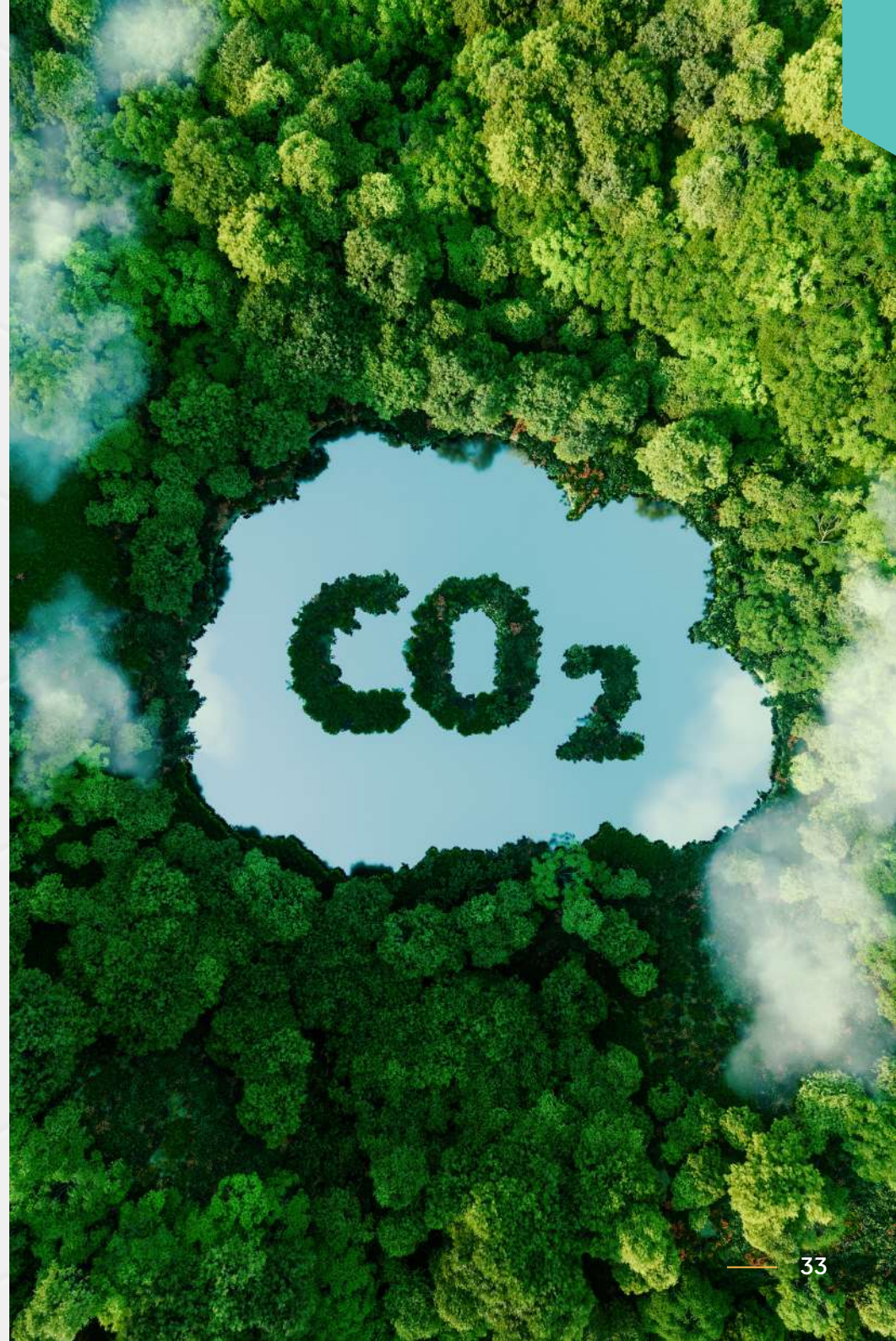


5 MW PV park

3.

To further reduce our carbon footprint and CO₂ emissions

To achieve this, we will increase the use of recycled materials in our production processes. In 2023, we will conduct testing with recycled polysilicon, a step towards achieving our carbon reduction goals



4.

To obtain a Gold certificate from Ecovadis

To accomplish this, we will:

- Undergo a reassessment by Ecovadis, which involves updating our policies related to environmental practices, human resources, and sustainable procurement.
- Report on various issues, including human rights and environmental concerns.
- Establish additional key performance indicators (KPIs) and set CO₂ reduction targets.



5.

To develop a comprehensive code of conduct

A document that is integrated into our business through policies and action-based approaches. This will involve implementing procedures, establishing KPIs, and setting targets that align with our code of conduct.



6.

To kick off 3 brand new EU Horizon projects that we received funding for

Two of these projects are specifically focused on PV module recycling, reintegrating materials into PV module manufacturing, circular PV module design, and more. The goal of another project is to develop an integrated PVT module for facades.





Sustainability Report 2022

Thank you

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