eco baltia

Environmental sector
ESG Strategy

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INTRODUCTION

STRATEGIC PRIORITIES

Environmental sector being part of Eco Baltia group perceives its sustainability strategy as the combination of the environmental, social and governance factors of business. We understand that challenges connected with the climate change, pollution control, and responsible resource management are urgent and deserve full attention.

Above all we have determined the protection of environment through responsible business operations in order to reach our 2030 targets towards positive impact on Climate change. In the social area, we have determined the health and safety and an empowerment of our people and value creation to our stakeholders as our priority.

We have also prioritized the development of our company as a community and business player that drives economic prosperity ethically and innovatively.

ENVIRONMENTAL IMPACT

Responsible business operations

Our business operations are focused on being environmentally friendly and fully contributing to the Circular Economy, minimizing resource consumption and reducing emissions to maximize our impact on positive climate change.

Short-Term (2023–2024)

- Set Science-Based Targets (SBTs)
- Develop Sustainability reporting system according to Intranational Sustainability reporting standards
- Start calculating and set the Scope 3 GHG emissions target
- Maintain the record of no major cases of environmental non-compliance
- Create ISO certified material testing Laboratory

Medium-Term (2025-2029)

- Avoid 6 times more CO_2 emissions through the services provided than we generate in our operation.
- 30% of vehicle fleet operated on sustainable fuels
- Reduction of CO_2 emissions by 25% per unit produced compared to 2021
- 50% of collected materials are recovered
- 100% electricity consumed form renewable energy plants.

Long-Term (2030-2050)

- Reduction of CO_2 emissions by 50% per unit produced
- Switch to vehicle fleet operated fully on sustainable fuels
- Towards A Circular Economy
- Towards positive impact on Climate change by :
  - continuously reducing our carbon footprint
    - improving operational eco-efficiency
    - Procuring and producing renewable and low carbon intensive energy
  - optimizing natural resource consumption

SOCIAL IMPACT

Human centered culture

Our respect to human rights and care for thriving environment where people can realize their potential through creating value for our customers and stakeholders, demonstrates our commitment to achieving long-term success.

Short-Term (2023–2024)

- About 100 leadership positions involved in Business Strategy planning by 2024
- >50% employees involved in various development programs by 2024
- Annually carry out at least four major Social educational campaigns to promote Circular Economy and sustainable waste sorting

Medium-Term (2025-2029)

- Rate of accidents per 100 employees <1 accident
- Annually carry out at least seven major Social educational campaigns to promote Circular Economy and sustainable waste sorting
- Establish the concept for expansion of Talent Academy to Eco Baltia International Talent Academy
- >90% employees involved in various development programs

Long-Term (2030-2050)

- Attain the goal of "Zero-Accidents" at workplace
- Protecting our people and planet, enabling further prosperity
- Having a positive impact on society by delivering social, economic and environmental value
- Educating 5 million consumers around the World on waste sorting and recycling by 2030

GOVERNANCE IMPACT

Fairness and equality in every step of the business

Our business is based on our integrity and ethical principles to ensure the highest standards of integrity and fairness throughout the company and our value chain and moving forward in meeting societal needs for sustainable growth and leadership.

Short-Term (2023–2024)

- "Zero-incidents" with legal incompliance and financial penalties
- Customer Satisfaction score >30 NPS
- Leading environmental management player in core markets
- Launch full scale ENVI division cross boarder integration process
- Organize quarterly cross boarder legislative update brunch

Medium-Term (2025-2029)

- Customer Satisfaction score >50 NPS
- Leading environmental management and plastics recycling player in core markets
- Complete full scale ENVI division cross boarder integration process
- >90% of employees renumeration is set according to median level of the market

Long-Term (2030-2050)

- Towards A Circular Economy by:
  - developing partnerships with external associations and organizations in worldwide markets
  - becoming a circular economy thought leader
  - innovating sustainable products serving customers' needs
  - diverting plastic waste from the environment

ECO BALTIA

Commitment to United Nations Sustainable Development Goals

4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
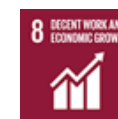13 CLIMATE ACTION
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

In 2021 Eco Baltia launched its first ever Sustainability strategy aligned with United Nation Sustainability development goal.

Eco Baltia currently has identified 9 out of 17 sustainable development goals as possible areas, in which it can contribute to the global efforts to achieve better and more sustainable future.

Commitment to United Nation Sustainable Development Goals

SDG	Goals	Classification	UN Goal – description	Relevant actions
QUALITY EDUCATION	SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	4.4	By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	Constant increase in employee development training programs and provision of Human centered environment with constant ability to increase knowledge.
		4.7	By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.	Frequent educational campaigns for society in order to increase awareness of Circular Economy.
GENDER EQUALITY	SDG 5: Achieve gender equality and empower all women and girls	5.1	End all forms of discrimination against all women and girls everywhere.	The basic principles of equal treatment are considered at all times.
		5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	No discrimination of women in managerial positions in Eco Baltia Group's companies.
		5.b	Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.	No discrimination of women in recruitment process despite the position.
CLEAN WATER AND SANITATION	SDG 6: Ensure availability and sustainable management of water and sanitation for all	6.1	By 2030, achieve universal and equitable access to safe and affordable drinking water for all.	Employees provided with clean drinking water.
		6.3	By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.	All business activities are organized in compliance with all water management regulations.
		6.4	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	Reduction of water consumption (per ton of produced material) and increase in re-used amount of water for production needs.

Commitment to United Nation Sustainable Development Goals

SDG	Goals	Classification	UN Goal – description	Relevant actions
AFFORDABLE AND CLEAN ENERGY	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	Share of use of renewable energy is being increased gradually (CNG, green electricity).
		7.3	By 2030, double the global rate of improvement in energy efficiency.	Measures to ensure energy efficiency – improvement of the energy efficiency on unit of production.
DECENT WORK AND ECONOMIC GROWTH	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Employees receive equal remuneration for the performance of equal work despite their ages or gender, age or race.
		8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	• Security, Health & Safety rules with regular trainings, informing in place • Code of Conduct in place • Yearly investment and improvement in work environment and safety.
INDUSTRY INNOVATION AND INFRASTRUCTURE	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1	Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Development and expansion of various sorted waste collection infrastructure.
		9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	• Innovation leading to higher use of recycled materials; • Innovation leading to reduction of energy performance per ton of production (kWh/t; m3/t).

Commitment to United Nation Sustainable Development Goals

SDG	Goals	Classification	UN Goal – description	Relevant actions
RESPONSIBLE CONSUMPTION AND PRODUCTION	SDG 12: Ensure sustainable consumption and production patterns	12.2	By 2030, achieve the sustainable management and efficient use of natural resources	• Use of recycled materials as input raw materials; • Gradual increase in share of renewable fuel vehicles in EB vehicle fleet; • Gradual increase in share of renewable energy use; • Implementation of Closed loop business principle.
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	Consistent increase in efficiency in waste management and recycling business operations
		12.6	Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	Regular Stakeholder survey conduction and publishing Sustainable activities and initiatives
		12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Include Sustainable procurement criteria in procurements organized by EB.
CLIMATE ACTION	SDG 13: Take urgent action to combat climate change and its impacts	13.3	Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	• Implementation of CO_2 emission monitoring and reduction plan; • Events for company's stakeholders focused on the improvement of the awareness of Circular Economy and Sustainability
...TICE AND STRONG INSTITUTION	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.1	Significantly reduce all forms of violence and related death rates everywhere	Zero tolerance towards ethical violence

01 Vision

02 Environmental impact

- Reduction of Greenhouse gas (GHG) emissions and Carbon footprint
- Innovation
- Natural resource consumption and efficiency
- Energy intensity and consumption

03 Social impact

04 Governance impact

ENVIRONMENTAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025, 2030)
Reduction of Greenhouse gas (GHG) emissions and Carbon footprint	• Reduce the carbon footprint from our business operations. • Invest in modern technologies and solutions to achieve energy consumption efficiency and emission saving.	Energy	Calculation of GHG emissions Scope 1, Scope 2 & Scope 3	Goal 2030: Reduction of CO2 emissions by 50% per unit produced. Goal 2024: Start calculating GHG Scope 3 emissions.
			Ratio of CO2 avoided compared to CO2 caused	Goal 2025: Avoid 6 times more CO2 emissions through the services provided than we generate in our operation.
			GHG emission validation	Starting from 2024: Carry out certification and/or yearly recertification based of ISO 14064:2018-1 requirements in all ENVI Division companies.
			Share of sustainable vehicle in the corporate fleet	Goal for 2025: 30% of all environmental services vehicle fleet operated on sustainable fuels. Starting from 2023: All administrative vehicles that have to be replaced shall be replaced to vehicles operated on sustainable fuels.
			Share of forklifts operated on sustainable fuels in the total amount	Goal 2030: 100% of indoor forklifts operated on sustainable fuel/electricity.
Innovation	Focus on innovation with aim to reduce the impacts on the environment in the area of energy saving, production efficiency and development of new products.	• Reduction of negative impact on the environment; • Development of new products	• Number of hours of tests in the production amounting to 3-5% of the total amount of the production hours; • Number of processes developed	Goal 2024: Creation of establish a Latvian National Accreditation Bureau (LATAK) accredited material testing Laboratory in cooperation with Latvijas Zalais punkts and Nordic Plast as part of LIFE Project.
				Goal 2024: Creation of Small Environmental Innovation center.
				Goal 2028: Expansion of existing underground, textile and electronic waste collection container system by 2.5 times.

ENVIRONMENTAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Natural resource consumption and efficiency	• Maximize the resource efficiency and minimize the waste volume. • Use recycled materials sophistically as the primary or secondary input in the manufacture of products. • Minimizing non-renewable resource consumption by increasing renewable resource consumption.	Reduce the impact on the environment through suppliers who offer solutions within the circulation solution.	Share of sorted materials in total waste collected.	Goal 2025: Increase sorting of municipal solid waste to maximize the recovery of materials and minimize landfilling amounts and costs
				Goal 2025: 50% increase in construction and demolition waste sorting compared to 2022.
			Share of recycled materials in the total consumption of materials.	On-going goal: Maintain 100% recycled material use in production of final product.
			Electricity consumption coverage from renewable (green) energy plant	Goal 2025: 100% electricity consumed form renewable energy plants.
			Electricity consumption coverage from own renewable energy plant	Goal 2025: Installation of the first sustainable energy production plant and gradually increase electricity consumption from own renewable energy plants in upcoming years.

ENVIRONMENTAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Energy intensity and consumption	• Manage energy (water, fuel, electricity) sources so that their intensity is reduced, and mitigate the pollution risk. • Ensure the quality of products intended for the food & hygiene packaging production.	• Reduction of water, fuel and electricity consumption. • Mitigation of the pollution risk • High quality of the company's products	Electricity consumption efficiency (kWh per ton of production).	On going goal: 2% increase in electricity consumption efficiency annually.
			Reduction of total water consumption	On going goal: 3% reduction in the total water consumption annually.
			Water consumption efficiency (% of recirculated water from total amount of water consumed).	Goal 2025: Recirculate 22 000 m3 water used in production per year.
			Water consumption efficiency (m3 per ton of production)	On going goal: 7% increase in water consumption efficiency compared to 2022.
			Fuel and CNG consumption efficiency (litters and kilograms per m3 of waste collected)	On going goal: 2% increase in fuel and CNG consumption efficiency annually.
			Energy efficiency validation	Annual goal: Carry out yearly recertification based of ISO 50001:2018 requirements.

01 Vision

02 Environmental impact

03 Social impact

- **Health and safety**
- **Training and development**
- **Education on the circular economy**

04 Governance impact

SOCIAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Health & Safety	• Protect and improve Health & Safety of employees, and reduce the negative impact on the society. • Focus on providing decent work environment for our employees with aim to increase the sense of belonging to Eco Baltia Group.	• Create united Educational program to tackle the most common Health & Safety issues; • Frequent risk mitigation activities. • Employees' well-being.	Number of work related accidents (incl. Minor and major accidents that lead to inability to work)	Yearly goal starting from 2030: Attain the goal of "Zero-Accidents" at workplace.
			Rate of accidents in company expressed per 100 FTE employees	Goal 2025: Decrease the rate of accidents per 100 employees to 1 accident or less at maximum.
			Share of missed working days due to work related injuries	Goal 2024: Start calculating the share of missed working days due to work related injuries.
			Occupational Health & Safety management System validation	Annual goal: Yearly recertification based on ISO 45001 requirements.
			Share of FTE employees participation in Health & Safety trainings and campaigns	Goal 2025: 100% FTE employees participation rate in all Health and Safety and Fire safety trainings and >50% or more participation in campaigns.
			Share of workplaces that correspond to the common ergonomic standards	Goal 2030: 100% of office workplaces shall be equipped in accordance with ergonomic requirements. Goal 2025: 60% of production workplaces shall be equipped in accordance with ergonomic requirements.
			Share of ENVI division facilities that correspond to the common standard	Goal 2030: Reconstruct all common area facilities, needed to be reconstructed to meet Eco Baltia common standard.
			Share of company's net profit allocated for improvements in working environment and safety.	Goal 2025: Allocate at least 1.5-3% of ENVI division's net profit for improvements in working environment and safety.

SOCIAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Health & Safety (contd.)	• Focus on providing decent work environment for our employees with aim to increase the sense of belonging to Eco Baltia Group.	• Employees' well-being.	NPS score in employee satisfaction survey	Goal 2024: Conduct united employee satisfaction survey among ENVI division companies according to international eNPS methodology and set targets for future period. Goal 2024: Implement and conduct work-life balance survey as part of annual employee satisfaction survey and set the base level.
			Share of automated production processes (where it is possible and needed)	Goal 2025: 60% of production positions where it is possible shall be equipped with automatic/robotic solutions.
			Share of ENVI division FTE employee turnover	Goal 2025: Maintain the employee turnover rate at 38% or lower through employee loyalty and professional development by providing training according to the employee's position and career development.
			Share of employees covered with health insurance	Yearly goal: 100% employees after successful completion of probationary period provided with health insurance coverage is the same as in previous year or better.
			Share of production employees provided with one warm meal per day and drinking water and hot beverages paid by company	Goal 2025: 100% production employees provided with one warm meal per day with unlimited drinking water and hot beverages free of charge.
Training and Development	• Focus on creating thriving environment where people can realize their potential through creating value for our stakeholders.	• Expand the existing Talent Academy to Eco Baltia International Talent Academy; • Provide training according programs to employee's position and career development	Concept establishment for EB International Talent Academy	Goal 2025: Establish the concept for expansion of Talent Academy to Eco Baltia International Talent Academy and Launch Eco Baltia International Talent Academy.
			Launch of International Talent Academy	Goal 2026: Launch Eco Baltia International Talent Academy.
			Share of company's HR budget allocated to employees training and development	Goal 2025: 5% of company's HR budget allocated for employees training and development.

SOCIAL IMPACT GOALS

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Education for the circular economy	• Focus on increasing society's awareness of Circular Economy; • Promotion and reinforcement of sustainable habits in society to improve the environment, including waste sorting	Society's education and well-being	Share of citizens practicing waste sorting in Latvia	Goal 2025: Provide public information and education, promoting an increase in waste sorting from 79% to 82% by 2025.
			Share of company's net profit allocated for social impact programs.	Goal 2025: Allocate up to 3% of ENVI division's net profit for sponsorships, donations and targeted social impact programs therefore positively impacting and introducing Circular Economy.
			Number of events participated in by ENVI division companies, organized in ENVI division production plants and organized by ENVI division companies with aim to increase society's awareness on Circular economy	Annual goal starting from 2024: 35 fieldtrips annually hosted in ENVI division's facilities.
				Annual goal: Carry out four social awareness campaigns in each PRO management system social awareness campaigns with an audience of 100 000 (reach) to promote the circular economy and sustainable waste sorting.
				On-going: Annual participation in at least 10 city festivals with aim to increase society's awareness on Circular economy.

01 Vision

02 Environmental impact

03 Social impact

04 Governance impact

- Compliance with environmental regulations
- Compliance with quality standards
- Compliance with ethical standards
- Equality in terms of remuneration
- Stakeholder engagement

GOVERNANCE IMPACT

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Compliance with environmental regulations	• Ensure compliance with local and international legislation, regulations and other requirements for the protection of the environment. • Keep track of draft legislation to be enacted.	• Compliance with Latvian and EU environmental legislation and regulations • Knowledge of legislative updates for upcoming 1-2 years.	Compliance with 100% of legislative requirements and requirements of international standards.	Yearly goal: 100% compliance with principles in the area of the environment.
			0 incidents in legislation subject to financial penalty	Yearly goal starting from 2023: Attain the goal of "Zero-major incidents" with legal incompliance and financial penalties. Yearly goal starting from 2024: Organize quarterly cross boarder legislative update brunch.
Compliance with ethical standards	Ensure that Company cooperate only with partners in line with: • counterparty verification procedure; • Financial standards; • Ethical standards; • ISO quality system standards	• Compliance with Latvian and EU ethical standards	Compliance with 100% of ethical and human rights requirements of international standards.	Yearly goal: 100% compliance with principles in the area of the human rights and ethics. Zero tolerance towards ethical violence.
			Share of cooperation compliance with Eco Baltia counterparty verification procedure	Yearly goal: 100% compliance with company's internal counterparty verification procedure.
			Share of cooperation parties with valid environmental permits	Yearly goal: 100% of partners have valid industry and in National level required environmental permits.
Equality in terms of remuneration	• Ensure equality in terms of remuneration for all employees. • Ensure that remuneration in Eco Baltia group' s companies shall be in accordance of the market	• Equality; • Non-discrimination	Share of employees receiving remuneration according to median of the market.	Goal 2025: >90% of employees renumeration is set according to median level of the market.
			Gender pay gap ratio	Goal 2025: 100% Equal pay for all genders according to competence and performance.

GOVERNANCE IMPACT

Key Sustainability area	Purpose	Areas involved	Metrics	Strategic goal (by 2023, 2025 or 2030)
Stakeholder engagement	Ensure that company's goals and values are in line with major Eco Baltia stakeholders	Stakeholder engagement	Share of stakeholder participation in annual stakeholder survey	Goal 2025: >50% reach in annual stakeholder survey.
Corporate Social Responsibility	Society's education and well-being	Ensure high quality of service and customer satisfaction.	NPS score in Customer Satisfaction survey	Yearly goal: Conduct Annual Customer Satisfaction survey and reach NPS result of 50 or higher.
Quality standard assurance for all stakeholders	Company operates according to international environmental and quality requirements	Integrated management systems in area of environment, quality governance.	0 incompliances in External and Internal audits assessments	Yearly goal: External and Internal Audit assessment – reaching no major material non-compliance.
			Compliance with international standard ISO 9001:2015	Annual goal: Annual audit of ISO 9001:2015 with a positive audit rating and no material non-conformances.
			Compliance with international standard ISO 14001:2015	Annual goal: Annual audit of ISO 14001:2015 with a positive audit rating and no material non-conformances.
		Cross border integration in full scale within ENVI division companies	Share of processes integrated according to best practices within ENVI division	Goal 2024: Launch full scale ENVI division cross boarder integration process.