

2023

Ummaras

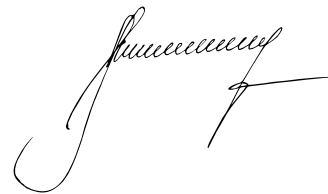
SUSTAINABILITY REPORT

Introducing the first Sustainability Report of Umaras – our commitment to our employees, suppliers, customers, partners and society to work towards our sustainability goals. We believe that integrity and responsibility underpin business success and value. As one of the largest producers of polyethylene films in the Baltics States, we build our reputation through honest and consistent work and trust instead of empty words.

We are living up to our commitments to society by doing our part to reduce pollution. We have been making progress towards becoming a more sustainable polyethylene packaging and films company for some time. By introducing cutting-edge technologies and developing environmentally friendly products, we are making deliberate efforts towards a circular economy. In this Sustainability Report, you will find information on the actions and progress related to our products and environmental solutions. It also gives an overview of where we are now in meeting our sustainability goals and sets out the direction we want to take in the future.

I would like to thank our customers and partners for their support and cooperation. I would also like to express my sincere thanks to our talented employees, whose dedication and initiative are indispensable for making sustainable progress.

Milda Samsonaitė,
CEO of Umaras JSC



About us

Umaras JSC (hereinafter – Umaras) is one of the largest companies in the Baltic States offering polyethylene packaging and films production solutions. With more than 30 years of experience, we deliver our products to more than 25 countries.

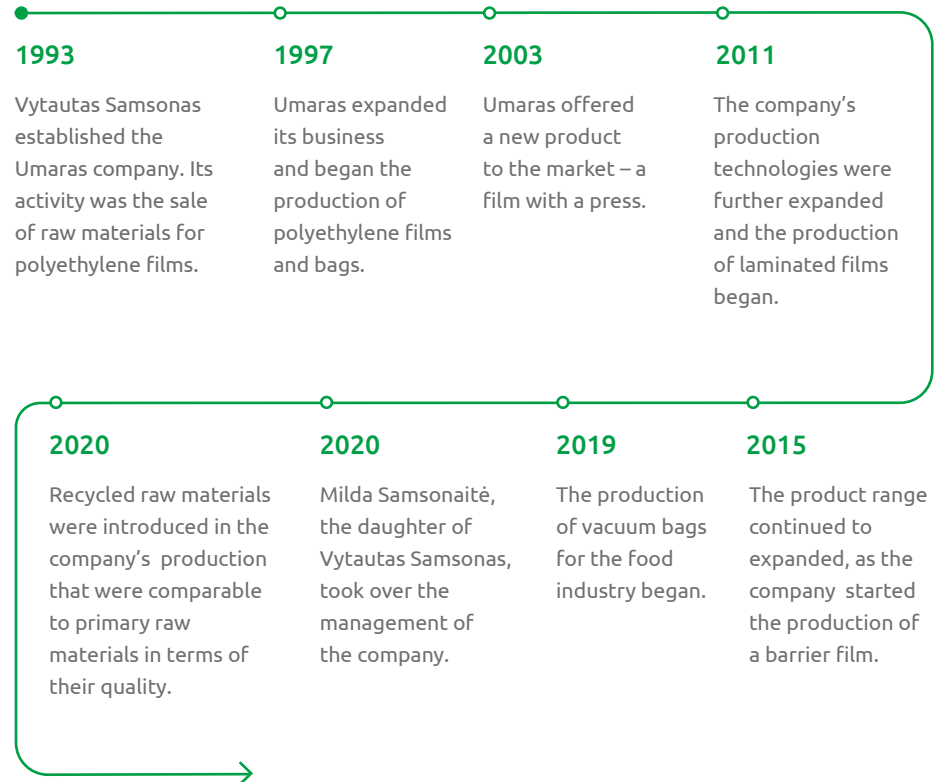
We have a competent and continuously evolving team, and we invest in state-of-the-art equipment and production solutions. Flexible, partnership-oriented and reliable, we are constantly growing and expanding to develop new products that meet our customers needs and expectations. Every year, we adopt increasingly sustainable production and emission reduction measures in order to become more sustainable. As a result, our customers can benefit from a very wide range of products for different industrial sectors: printed packaging, lamination films, barrier films and many others.

We are based in Utena, where we employ more than 200 people.

● Export countries



History of Umaras



Overview 2023



25

Export countries



209

Employees



30

Years of manufacturing and sales experience



€39 million

Annual turnover



17 000 tons

Annual production



€10 million

Investment in manufacturing process modernization

Our Values

Every day, we are guided by the values that form the DNA of our business. They reflect Umaras behaviour and communication culture with colleagues, customers and partners.



Quality

Only high quality raw materials are using in our production. The care and permanent investments in new technologies and our employees competence is not ending processes.



Sustainability

We always have ongoing new projects that we could offer sustainable products, which contains biobased and recycled materials.



Environmental protection

The main goal – to produce only environment friendly products. The green purposes is very clear for us, we always trying to find the way to reduce CO₂ pollution by ourselves.



Pollution prevention

Trying our best to minimize all the bad impact for environment formed during production process. We have been installed specific volatile organic matter incinerator to clean production process exhausting air 99,9 % from organic volatile particles.



Customer needs

We are happy to be able to offer our customers high quality advanced products. Our mission is not just listen but also hear and react to meet our customers needs.

Our Products

We are one of the leading producers of polyethylene packaging and film in the Baltic States. Our products are the choice of well-known global and local companies – food and beverage, household, construction, agricultural and other industrial brands. At Umaras, we offer a wide range of packaging and films for a variety of sectors:



Food packaging



Industrial packaging



Seafood packaging



Construction films



CE certified films



Converting films



Agricultural films



Barrier films

We employ state-of-the-art production facilities, allowing for a wide range of lamination, extrusion, printing, bag and film production technologies and options for polyethylene packaging and film.

By offering a broad product portfolio, we can meet the expectations and needs of our customers. Our choice of raw materials and production technologies is always based on the individual needs of the customer, the specifics of the business and the purpose of the packaging. Our extensive product range allows us to choose the most appropriate packaging for each application, in line with our customers sustainability objectives.

We also deliver excellent product quality and ensure compliance with rigorous food packaging requirements. In doing so, we focus on sustainability and environmental impact.

We operate 14 extrusion production lines

Bag Production Technology

High-quality polyethylene bags are used to package a wide range of products, food and industrial goods. They help protect various items and products from damage during storage and transport. Umaras manufactures an extensive range of packaging products, including vacuum multilayer film bags, laminated bags for packaging fish and seafood products, special bags for peat, soil, wood pellets, inserts and bottle bags for containers.

Our products:

- Stand-up pouch
- Stand up pouch with zipper
- 3 side sealed bags
- 3 side sealed bags with zipper
- Center back seam pouch
- New bottom seal bag making machine
- New bags - on - roll making machine
- Laminated bags
- Barrier film bags



Printing Technology

Thanks to the latest technology, we use as many as 8 different colours and offer our customers single-sided and double-sided film products with their desired print.

Lamination Technology

- Packaging of foodstuffs (frozen goods, legumes, fish, baked products, savoury and sweet delicacies, cereals, coffee, etc.)
- Packaging of personal care products and cosmetic articles (washing powders, creams, gels)
- Packaging of growing mediums, fertilisers
- Packaging of pet food articles
- Packaging of consumer goods
- Other technical packaging applications

Product Quality and Safety

We recognise our responsibility to ensure that our customers receive only the highest quality products that are safe, environmentally friendly and convenient for the end user – and our team of skilled employees makes sure of this.

This market has been our home for many years, which is a testament to our experience and commitment to continuous product development and innovation. Our products are versatile, used in many different sectors across the world, and we operate to the highest internationally recognised standards.

Throughout the production chain, we maintain safe and responsible manufacturing processes and management practices. Quality improvement is our never-ending mission.



BRC Quality Standard

Our packaging products meet the quality standards of the British Retail Consortium (BRC). This standard is recognised and respected by food manufacturers around the world. Compliance with the BRC Standard demonstrates that our products meet the requirements of food safety management standards, and that we follow advanced quality improvement measures in our daily operations.



ISO Standards

The Company has implemented and maintains the following international ISO standards:

ISO 9001

ISO 14001

ISO 15593

Our products and operational processes are designed to meet our customers needs. These standards also show that we have effective quality, hygiene and environmental management systems in place.

ISCC PLUS Certification

Our polyethylene (PE), produced from renewable natural resources, has been certified under the International Sustainability and Carbon Certification (ISCC PLUS). This certification confirms that our production processes are as environmentally friendly as possible, that our raw materials are traceable in a transparent way, and that we are committed to social sustainability. The ISCC PLUS Certification is used to assess and ensure all of these aspects.



OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability

We operate in a world where environmental preservation, social responsibility and a sustainable circular economy have never been more relevant. We recognise the global challenge of plastic waste and our role in addressing it. Primary plastics are produced from fossil fuels, and we appreciate the importance of plastic reduction and circularity in this sector.

For some time now, Umaras has been pursuing new avenues and proactively addressing complex sustainability challenges in the polyethylene packaging and film industry. Our goal is clear: to invest in advanced equipment and production solutions and to drive a responsible course towards a circular industry together with our customers. We are committed to innovating and creating more sustainable solutions by using raw materials from recycled plastics, reducing film thickness and facilitating post-consumer recycling of our products to ensure circularity. This not only reduces plastic waste, greenhouse gas emissions and the impact of our operations, but also contributes to our customers sustainability goals.

We recognise that all operations matter on this path. We therefore especially appreciate the contribution of our employees to the sustainability goals. We are committed to ensuring the well-being, safety and development of our employees. Talent is the key to our success. We also place importance on Umaras contribution to local communities. We aim to build mutually beneficial relationships and work together to achieve social development and environmental sustainability.

Sustainability Priority Themes

Efficient Use of Resources

We strive to reduce energy consumption and the use of virgin plastics made from fossil fuels.

Climate Change

We aim to reduce greenhouse gas emissions from our operations and the carbon dioxide equivalent (CO₂e) footprint of our finished products.

Circular Economy

We aspire to adapt our processes and find solutions and innovations that integrate circularity into our products.

Employee Health, Safety and Well-being

We work to create a safe, healthy and motivating working environment for all our employees and to observe the principles of social responsibility throughout our supply and production chain.

Business Ethics and Transparency

Our operations are guided and governed by the highest standards of integrity, responsibility, respect and transparency.

Sustainability Solutions in Production

Circular Economy Solutions

At Umaras, the circular economy serves as our guiding principle, whereby plastics can be recycled to contribute to the circular economy and not become waste packaging.

All waste plastic and by-products from our operations are recycled here at the Umaras premises and used as inputs for new products. Recycling waste and materials is widely regarded as the main solution to reduce plastic waste, but not all plastics can be recycled.

75.29 % of our products are recyclable,
23.84 % partial recyclable.

Our factory uses
100%
of all available raw materials.

We have always strived to stay one step ahead of the curve and ensure sustainable operations. Using recycled plastics is therefore not something new for us. We have been implementing these processes virtually since our inception.

Our customers can choose more sustainable products made from post-consumer recycled (PCR) plastic, which contains up to **70%** recycled plastic and the finished product is **100%** recyclable.

We are actively looking for solutions and new production technologies to further maximise the use of recycled plastics in our production and to maintain the highest quality and reliability of our products. Our highly competent team is focused on these goals, developing and testing new products in our laboratory until the best formula is achieved.

CO₂e Reduction Solutions

Sustainable production options have been on our radar since 2015. One of the first renewable natural resources we used in our production was biopolymers made from sugar cane, and later Sabic Bio-based raw materials.

Bioplastics have the reputation of being the least harmful type of plastic, made from renewable resources, i.e. plants. This is a major victory in the fight to reduce pollution and protect the planet. These solutions allow for significant reductions in the use of fossil fuels and in the amount of pollution generated through recycling.

Polyethylene (PE) made from renewable natural resources has been certified under the

International Sustainability and Carbon Certification

(ISCC PLUS).

As well as meeting these sustainability criteria, such plastics offer the same high quality as products made from fossil fuel resources.

Our products can contain up to **90 %** renewable natural raw materials and are **100 %** recyclable.

These products have a carbon footprint up to **80 %** lower than fossil fuels and help reduce the greenhouse gas footprint.

Environmental Solutions

At Umaras, we have implemented a project partially funded by the European Union under the Eco-innovation LT+ measure, amounting to about EUR 1 million in value. During the project, an incinerator was installed for the combustion of volatile organic compounds.

After we implemented this project, all our exhausting **air is cleaned 99.9 %** from any volatile organic compounds.

The company implemented the project along with other improvements to its production practices. For example, the company uses a lot of cold water in its production process, which is necessary to cool the equipment. At the same time, the combustion of volatile organic compounds generates a lot of residual heat, which is forced into the cold by a special convective cooler. By extracting the cold from the heat, we save electricity.

The ultimate goal of the joint project has been not only to burn volatile substances in a safe manner, but also to save electricity and reduce the effects of global warming.

Principles and Commitments

Circular production processes, climate change mitigation, safe and ethical working conditions, supply chain management, sustainable and high-quality polyethylene packaging and film products – all of these are central to Umaras operations. We are therefore committed to contributing to at least 5 of the 17 United Nations Sustainable Development Goals in our business:



Goal 12

We are committed to implementing and maintaining circular economy solutions in our business and to promoting responsible consumption and production:

- Ensuring that all polyethylene packaging and film produced is recyclable;
- Increasing the recycled plastic content of products;
- Identifying solutions to increase the availability of raw materials from renewable resources for product manufacturing.



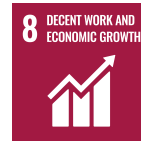
Goal 9

We are dedicated to the development and continuous improvement of packaging and film products. Since the very beginning, we have sought innovations and technological solutions that allow us to offer more sustainable products to our customers, while at the same time promoting business growth, employment opportunities and stability.



Goal 13

We are committed to measuring and monitoring greenhouse gas emissions and reducing the amount of virgin plastic produced from fossil fuels, along with other measures to reduce greenhouse gas emissions.



Goals 8 and 5

We believe in equality, inclusion and diversity, and an ethical and motivating working environment.

Sustainability Management

At Umaras, delivering and upholding the principles of sustainability are not the responsibility of just one employee. Every department and employee in the company plays an important role. We recognise that significant change can only be achieved by moving in the same direction. From human resources and operations to procurement and production, all teams are pulling together to achieve our sustainability goals.

Our sustainability team is therefore organised around different disciplines and departments, and the experts work together to help us set priorities, realise our sustainability goals and measures, and manage sustainability risks and opportunities. The Company's dedicated employee has been tasked with coordinating the work of the team, delivering the Company's sustainability goals and setting and implementing new strategic objectives, organising the Sustainability Report, and updating the General Manager on sustainability-related issues.

We bring in independent consultants to help us meet our sustainability goals, access expert insights and improve our performance – we value their expertise and support.

Stakeholder Engagement

Our stakeholders are the people and organisations that are highly engaged and/or significantly affected by our activities. Likewise, stakeholders can have a material impact on the implementation of our strategy.

We consider our stakeholders, who influence business processes, transactions and decisions, to be an essential component of responsible and sustainable business development. At Umaras, we are actively looking for effective ways of cooperation, keeping in mind the needs and expectations of such stakeholders. We understand that effective and close communication among different stakeholders allows for a more productive development of a sustainable and responsible business ecosystem.

We embrace flexibility, partnership, reliability and change, always working to improve. Challenges keep us moving forward and remind us that continuous learning, discipline and long-term partnerships with our stakeholders are the building blocks of a successful business.

Please see the table below for an overview of Umaras stakeholders, as well as the main themes and modalities of dialogue.

	Key themes	Collaboration
Employees	<ul style="list-style-type: none"> • Performance, technological advances, sustainability and business strategy • Professional development • Workplace safety, employee well-being • Remuneration and additional benefits • Emerging issues • Market news • Equal rights and opportunities • Work-life balance 	<ul style="list-style-type: none"> • Meetings • Electronic means • Internal events • Surveys • Annual assessments • Team building activities • Training • Feedback

	Key themes	Collaboration
Customers	<ul style="list-style-type: none"> • Workplace safety, employee well-being • Remuneration and additional benefits • Emerging issues • Market news • Equal rights and opportunities • Work-life balance 	<ul style="list-style-type: none"> • Meetings • Electronic tools • Company visits • Events
Suppliers and partners	<ul style="list-style-type: none"> • Business ethics and transparency • Product and service supply issues • Company performance, operational and technological advances • Business strategy 	<ul style="list-style-type: none"> • Meetings • Electronic means • Surveys
State and local authorities	<ul style="list-style-type: none"> • Regulatory issues 	<ul style="list-style-type: none"> • Meetings
Regional communities	<ul style="list-style-type: none"> • Education about the Company's activities, technologies and innovations 	<ul style="list-style-type: none"> • Meetings • Electronic means • Community events
Banks, insurance companies	<ul style="list-style-type: none"> • Business ethics and transparency • Company performance, operational and technological advances 	<ul style="list-style-type: none"> • Financial performance

Future Goals and Challenges

The rapidly evolving legal environment, changes in the requirements for sustainability, environmental protection and the plastics sector demand dynamic changes, require new competences and resources in organisations. At Umaras, we want to do more than simply conform to the legislative framework – our goal is to confidently lead the way towards sustainability, which lies at the heart of our corporate values.

We are therefore expecting to conduct a double materiality assessment in the near future, together with our stakeholders, so that we can make a detailed and informed assessment of the risks and opportunities that affect our company internally, as well as the external effects of our activities on the environment and society.

We also plan to soon start developing our sustainability strategy. This sustainability strategy would become an integral part of our overall corporate strategy and would support all employees in achieving our short- and long-term strategic sustainability goals.

In addition, we intend to increase the level of employee engagement on sustainability issues and to improve sustainability knowledge and competences.

Although Umaras is not required to disclose its sustainability information under the requirements of the Corporate Sustainability Reporting Directive, we have a strong commitment to transparency, responsibility and sustainable business practices towards our stakeholders and will continue to improve and disclose our sustainability information.

The production of polyethylene packaging and film products in line with the circular economy framework and greenhouse gas reduction targets is a high priority for us at Umaras. However, in order to the circular economy, it is important to connect all participants in the supply chain. Continuous development and reinforcement of sustainable products on the market demand continued progress and innovation in production technology, the availability of suitable systems and processes, and support from the state.

Transparent corporate governance contributes to long-term success. We are therefore committed to ensuring that the company operates to the highest standards of ethics and social responsibility. All our supply chain players are held to ethical and behavioural standards. We also aim to ensure that our activities are sustainable and serve the public interest.




ENVIRONMENTAL RESPONSIBILITY

Greenhouse Gases


In order to develop an effective climate change mitigation strategy and the measures to support it, we need to assess the greenhouse gas (GHG) emissions associated with our activities. By doing so, we can better understand the risk factors for climate change and set reasonable targets for reducing GHG emissions.

For 2023, we have made full and complete calculations of Scope 1 and Scope 2 GHG emissions and partial calculations of Scope 3 GHG emissions.

Scope 1
1%




Use of fossil fuels in company-owned equipment, cars, forklifts and other vehicles




Indoor cooling

Scope 2
12%




Electricity


Scope 3
87%




Purchased raw materials and goods



Fuel and energy related activities



Transport and distribution of purchased goods and raw materials



Waste generated in operations

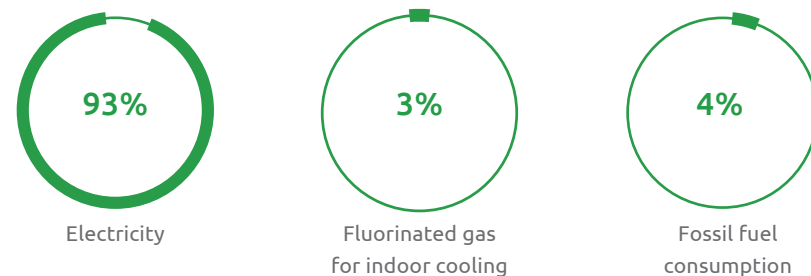
Categories according to GHG Protocol Scopes.

The greenhouse gas (GHG) emissions from Umaras activities in 2023 were 51953.32 tCO₂e and 48822.41 tCO₂e for the market-based location-based methods respectively.

GHG emissions (market-based), tCO ₂ e	
Scope 1	441.38
Scope 2	6399.14
Scope 3	45112.81
Total:	51953.32
GHG emissions (location-based), tCO ₂ e	
Scope 1	441.38
Scope 2	3268.23
Scope 3	45112.81
Total:	48822.41

For Scope 1 and Scope 2 GHG emissions, 93% of GHG emissions are attributable to electricity use. For Scope 3, GHG emissions from the purchase of raw materials and other goods account for the largest share – over 90%.

Scope 1 and 2 GHG emissions (market-based)



As part of its sustainability journey, Umaras is working to help mitigate climate change by reducing GHG emissions. To achieve this goal, we intend to expand our Scope 3 GHG emissions calculation categories and continue to take measures and identify solutions to reduce electricity and fossil fuel consumption. In line with the principles of the circular economy, we hope to promote the transition to renewable energy sources and thus further contribute to our ambitious GHG emission reduction targets.

Our Scope 3 GHG emissions are attributable to the Umaras supply chain, which is outside our direct management and control. The GHG emissions associated with our supply chain are much higher than our Scope 1 and Scope 2 GHG emissions. In our efforts to reduce Scope 3 GHG emissions, we are determined to work with our stakeholders and help ensure that GHG emissions are minimised in all indirect aspects of our operations and sourcing of raw materials.

GHG Emission Intensity

1 employee



254.67
t CO₂ ekv.

kg production output



0.003
t CO₂ ekv.

*The GHG emission intensity is calculated by dividing annual emissions by the number of economic activities. In our case, we have calculated the GHG emission intensity in terms of number of employees and production output.

Air, Water and Soil Quality

Through our business activities, we have a responsibility to the community in which we operate, which is why we are committed to minimising our impact on air quality.

Umaras uses printing machines that release ethanol, ethyl acetate and propanol into the air during operation. We comply with all legal requirements governing air quality. We regularly monitor the environment and the internal findings confirm that emissions into the ambient air do not exceed the prescribed standards and are well below the limit values.

In addition, we regularly take inventories of ambient air pollution sources and their emissions in accordance with the legal requirements in Lithuania. More detailed and up-to-date air quality monitoring results are available on the website of Umaras at umaras.eu.

We strive not only to comply with legal requirements, we want to do and achieve more. That is why we completed a project to install an incinerator for volatile organic compounds. **Thanks to this project, all our air emissions are 99.9 % clean from any volatile organic compounds.**

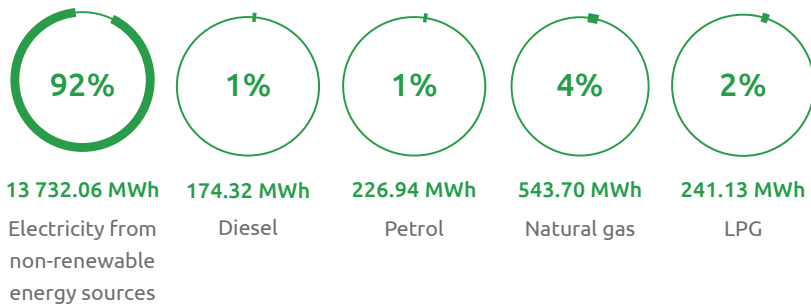
Umaras operations have no impact on groundwater, surface water and soil quality.

Energy Management

All production is energy-intensive. To minimise the environmental impact of our operations, we place great importance on one of our priorities – efficient energy management. By using less energy, we are also improving our financial performance.

In 2023, the direct and indirect energy consumption of Umaras was 14918.15 MWh. The consumption of electricity from non-renewable energy sources was 13 732.06 MWh. Most of the energy consumed is electricity used in production and space heating.

Distribution of consumed energy

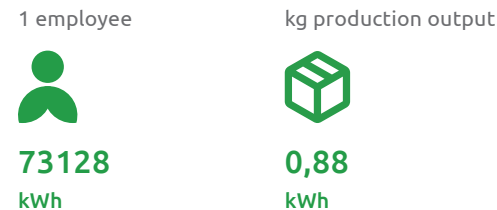


We have a two-pronged energy reduction strategy. First, we continually work to improve energy efficiency in order to reduce our overall energy consumption. Second, we are increasing our investment in solutions that help us switch to electricity from renewable energy sources. In this way, we wish to reduce the use of fossil fuels and our impact on the environment.

We are implementing the following energy-efficient solutions:

- We have conducted an energy audit.
- We have applied thermal insulation solutions to the equipment to ensure that the generated heat is not released into the environment, but rather isolated inside the equipment and used to heat it. This saves electricity used to heat the equipment.
- We have upgraded the equipment that generates hot air during cooling. This air is used to heat the factory floor during the cold season, resulting in lower heating energy costs.
- We have replaced halogen bulbs with more efficient LEDs.
- We have installed motion sensors to control lighting in rooms and other areas offering the greatest benefits.

Energy consumption intensity



*The energy consumption intensity indicator is calculated by dividing the annual energy consumption by the number of economic activities. In our case, we have calculated the energy intensity in terms of number of employees and production output.

Water Management

Our direct activities mainly use water for the processing of plastic by-products, for cooling during production processes, and for the operation of some manufacturing equipment. In addition, we use a small amount of water in the common areas for sanitary and domestic purposes.

In 2023, we used 6 643 m³ of water.

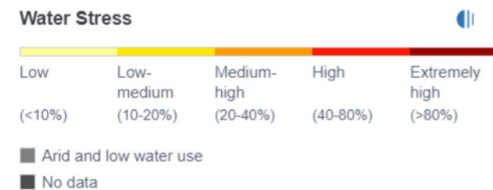
In Umaras production activities, fresh water is supplied from the city's water supply system. Most of the fresh water is returned to the mains water system. The final product is completely free of fresh water.

We have used the Water Risk Atlas by the World Resources Institute (WRI) to assess our performance in relation to water stress zones. Our Company's facilities are located in north-eastern Lithuania, which is classified as a high water stress area.

The water stress risk map illustrates the relationship between the total water demand and the available water resources (renewable surface and groundwater supplies). Water demand includes domestic, industrial, irrigation and livestock uses.

Although the WRI Water Risk Atlas places the Umaras operation in a high water stress zone, the official data published by the European Union's Eurostat or by the Lithuanian authorities suggest that Lithuania is one of the few countries in Europe with sufficiently abundant fresh groundwater reserves. There are also few industries in Lithuania that use significant quantities of water. As Lithuania is one of the few economies with a centralised water supply from groundwater, which is abundant, water scarcity has not been experienced and should not be expected in the future.

Fresh water is one of the most valuable and essential resources. Given the importance of fresh water to the planet and our communities, Umaras aims to reduce water use even further.



Resource Use and the Circular Economy

The European Green Deal includes measures to encourage Member States to shift towards a circular economy, which seeks to maximise the value of products, materials and resources over their lifecycle and minimise the amount of waste generated, thereby promoting sustainable economic growth. According to the Green Deal and the new Circular Economy Action Plan, all packaging on the EU market must be recyclable by 2030.

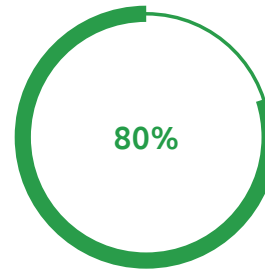
Plastics and plastic waste have been the subject of much public debate, but in today's world it is difficult to imagine plastic-free production. Due to its versatility, plastic is an essential component and the main packaging material for many products. This is especially true for foodstuffs in order to protect them from chemical, physical and biological external factors.

As a producer of polyethylene packaging and films, we recognise our responsibility to use these materials correctly and to be part of the continuing recycling effort. We therefore strive to implement the circular economy principles in our activities, so that plastics can support economic growth, without polyethylene packaging and films becoming waste products.

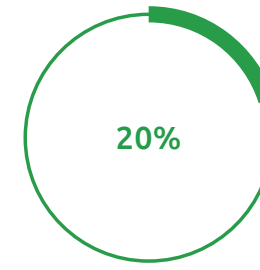
Recycling plastics and using more sustainable raw materials are key to reducing the negative environmental impact of our products.

Resource Use

We use the following raw materials for the production of polyethylene packaging and films: PE – LDPE, MDPE, HDPE, LLDPE, MLLDPE; POP; PP; EVA; EBA; EVOH; PA; PET; PP; MDO.



Raw materials made from fossil fuels



Raw materials made from recycled plastics

Raw material	Quantity, tonnes
From renewable natural resources	7.4
From non-renewable natural resources	13 646.1
Total	13 653.5

As part of its transition to the circular economy model, Umaras main objective is to achieve greater use of recycled plastic raw materials and raw materials from renewable natural resources. This can be realised by reducing the amount of virgin raw materials from fossil fuels. This also helps reduce greenhouse gas emissions.

Our products use Sabic Bio-based raw materials from renewable natural resources. By using this raw material, we reduce our CO₂e footprint for about 4 CO₂/kg of production compared to plastic raw material derived from fossil fuels.

We employ technology that reduces the thickness of the packaging, while maintaining its quality and durability. This also reduces the amount of raw materials used.

Recyclability

When we design and produce recyclable polyethylene packaging and films, we reduce the environmental impact of our products by extending their life cycle, reducing plastic waste, greenhouse gas emissions and the use of raw materials. We are committed to improving the recyclability of our products. Our aim is to ensure that all Umaras products are recyclable or have an alternative recyclable solution.



Production is suitable for further processing



Production is suitable for partial processing

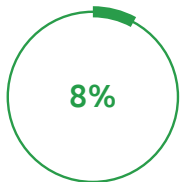


Production is not suitable for further processing

Waste Management and Reduction

In addition to the measures already in place regarding the recyclability of our products, we also recognise the importance of reducing the amount of waste generated in our direct operations.

The majority of waste in Umaras activities comes from production processes. In 2023, our operations generated a total of about 367.11 tonnes of waste, 92% of which is non-hazardous waste.



Hazardous waste



Non-hazardous waste

Waste generated in 2023:

Hazardous waste	Quantity in tonnes
Hazardous waste*	30.48
Non-hazardous waste	Quantity in tonnes
Plastic (recycled at Umaras)	106.518
Other waste plastics	43.262
Metal	9.49
Paper and cardboard	23.75
Wooden packaging	152.98
Small electronics	0.63
Total	367.11

* The largest share of hazardous waste is from varnishes, paints, absorbents and oil/water separators, etc.

It is also important to note that the by-products of our operations are recycled right here at the Umaras factory. In this way, we reduce the generation of waste plastics. In 2023, we recycled a total of 106.518 tonnes of waste plastics into raw materials. Our company uses 100% of all available raw materials.

We are members of the PRS Return System. We return all used wooden pallets from our operations so that they can be restored and reused. In this way, we contribute to our Company's sustainability and circularity goals in waste management.

Biodiversity

Umaras believes that biodiversity is a priceless asset that not only enriches our planet with a multitude of life forms, but is also a necessary condition of a more sustainable world and life for everyone.

Umaras operations are not adjacent to any biodiversity-sensitive areas, including Natura 2000 protected areas, UNESCO World Heritage Sites and other protected territories in Lithuania.

Although our activities – the production of polyethylene packaging and films – do not have a direct impact on biodiversity, as part of our sustainability journey, we do feel responsible for indirect impacts on biodiversity in our supply chain, mainly through sourcing raw materials. It serves as a further incentive to operate in a sustainable way, using environmentally friendly technologies and seeking solutions to increase the use of recycled plastic raw materials and raw materials from renewable natural resources.

Our ambition to manage the environmental impact of our products includes the impact on biodiversity.

Area occupied by Umaras

Intended use	2023 m.
Area of administrative, industrial premises and other sealed area, ha	4.6479 ha
Land area for other uses, ha	2.6516 ha
Total land used, ha	7.2995 ha

Locations of Umaras in relation to protected areas

Property type	Saugomos teritorijos tipas	Atstumas iki saugomos teritorijos	Komentaras
Operations in Utena	Nemeikščiai Area	Approx. 1.5 km	Included in the Natura 2000 protected areas network (BAST)*
	Aliai Marsh	Over 3 km	Included in the Natura 2000 protected areas network (BAST)*
	Aliai Telmological Reserve	Over 3 km	
	Oak Botanical and Zoological Reserve	Approx. 4.5 km	
	Oak Forest	Over 7 km	Included in the Natura 2000 protected areas network (BAST)*
	Tauragnas Landscape Reserve	Approx. 12 km	
	Aukštaitija National Park	Approx. 12 km	Included in the Natura 2000 protected areas network (BAST)*

* BAST – sites of importance for habitat conservation, PAST – sites of importance for bird conservation.

SOCIAL RESPONSIBILITY

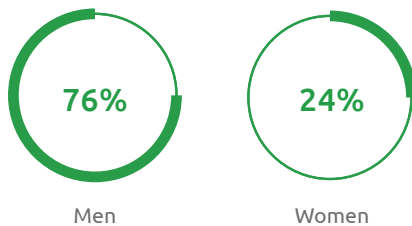
Employees, Diversity, Inclusion and Equal Opportunities

Our Talent

One of the most important resources at Umaras is its employees. Competent and motivated talent is essential for solving everyday business challenges and achieving the Company's strategic goals. As Umaras continues to grow, one of our priorities is to attract and develop people with diverse talents, ideas and experience, and to create a supportive and motivating workplace climate. We are therefore committed to creating a working environment where employees can grow, feel safe and happy, both physically and mentally. By investing in our people, encouraging learning and development, we hope to create a culture in which everyone's contribution is recognised and appreciated.

In 2023, the company had 204 permanent employees in Lithuania, of whom 155 were men and 49 women.

The Company does not employ seasonal workers and does not use temporary employment services.



In 2023, Umaras employed 3 employees with disabilities.

In 2023, Umaras had a staff turnover of 33.33%. The majority of employees are employed in the production processes – 79.4%. One of the reasons most often cited for staff turnover is that shift work and/or night work may not be suitable for everyone. In our activities, we maintain open communication and close cooperation between employees and managers, promote a positive corporate culture and offer opportunities for development. We always work to retain talented and competent employees at Umaras.

In 2023, the Company employed 54 new staff.

Diversity, Inclusion and Equal Opportunities

Diversity, equality and inclusion are integral to Umaras corporate culture and team performance. We believe in creating and maintaining an inclusive company culture where all employees feel welcomed and have the opportunity to unleash their potential and abilities. Everyone is afforded equal opportunities to develop and contribute equally to the success of the Company.

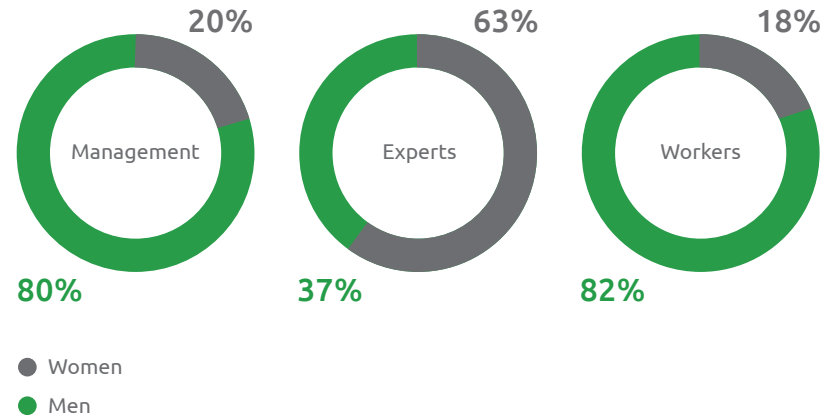
To ensure a level playing field for existing and prospective employees in all areas of the employment relationship – from the recruitment process and dismissal to remuneration and the internal work culture – we have adopted and implemented the following key instruments:

- **Equal Opportunities Policy.** This Policy stipulates that all employees shall be provided with equal working conditions and opportunities for training, development and career advancement, regardless of gender, race, nationality, language, background, social status, faith, belief or opinion, age, sexual orientation, disability, ethnicity, religion or any other factor.
- **Abuse and Harassment Prevention Policy.** This Policy aims to provide and implement effective and efficient prevention measures, to protect employees from incidents of workplace abuse and harassment, and to assist employees in clearly and accurately identifying potential incidents of workplace abuse and harassment. The Policy aims to create a working environment that protects and preserves the honour, dignity, physical and psychological integrity of all employees.
- **Remuneration Policy.** This Policy establishes the procedures for determining, granting and calculating remuneration and ensures that the principle of equal opportunities is observed in the pay of equivalent positions: equal pay for equal work of equal nature, irrespective of belief, sex, race, nationality, language, background, social status, faith, opinion, age, sexual orientation, disability, ethnicity, religion and other circumstances.

In the event of abuse, harassment, psychological pressure, or discrimination, every employee shall have the opportunity to speak to the responsible corporate officer. The Company is committed to handling all complaints and reports correctly and efficiently. No instances or reports of misconduct were received in 2023.

We take steps to educate, inform and nurture an environment where all employees feel welcome, heard and empowered to excel.

In 2023, the majority of employees were male. This is due to the specific nature of the Company’s activities, which makes it more likely that men will choose the jobs offered by the Company. Men occupy 80% of management positions. Despite the fact that men make up the majority of the company’s workforce, Umaras does not discriminate on the basis of gender in any way and creates equal career opportunities for all employees, regardless of their gender, as well as the conditions to develop their skills and competences.



Collective Bargaining

Umaras has not concluded collective agreements with its employees. However, all employees are free to join any association or trade union and to bargain collectively for wages or better working conditions and to take other initiatives to build stronger employment relations.

Occupational Health, Safety and Wellbeing

Occupational Safety

Safety is one of our core values and the main goal is to ensure that there are no incidents or accidents related to employee safety and that every task and process is performed in a safe manner.

To ensure safety at work, the Company has adopted the Occupational Health and Safety Policy, which ensures that all business processes follow the highest safety standards and comply with EU and national legislation. Compliance with this Policy enables us to assess occupational risks, implement appropriate preventive measures to maintain a safe working environment across all our processes and provide employees with the necessary protective equipment.

In 2023, one employee had an accident in which they sustained a minor injury. There have never been any fatal accidents in Umaras' operations.

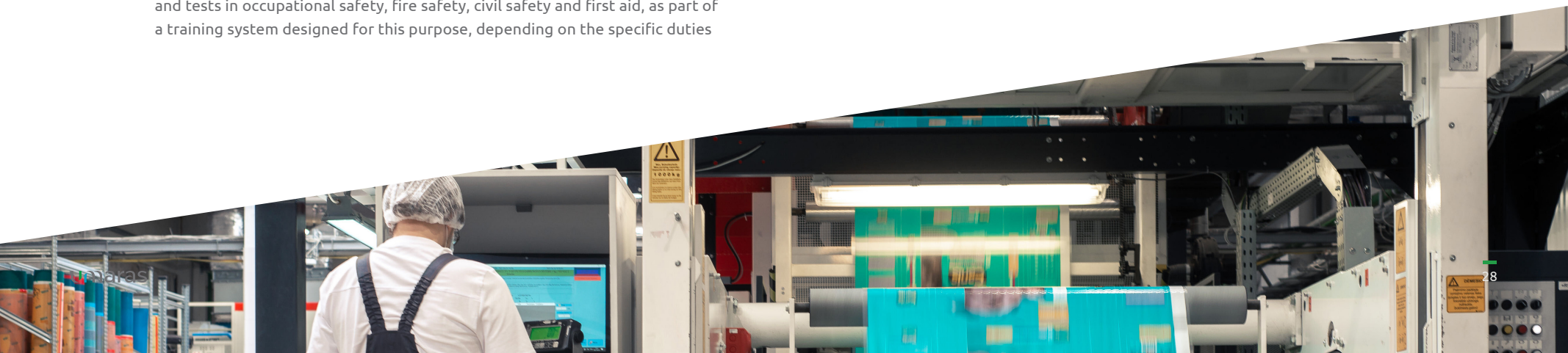
For the Occupational Safety and Health Policy to be effective, employees not only need to understand their responsibilities, but also the risks associated with their work, and to have adequate training and knowledge in occupational safety. To achieve this, all employees are required to complete and pass annual training and tests in occupational safety, fire safety, civil safety and first aid, as part of a training system designed for this purpose, depending on the specific duties

and responsibilities of the employees and the associated risks. Newly recruited employees are also required to complete the training and tests for compulsory occupational safety rules before starting work.

On average, each employee receives 8 hours or more of occupational safety and health training per year.

Additional health and safety training is given to employees who are tasked with monitoring occupational safety in the Company's operations. This and similar training is delivered by qualified external experts.

Furthermore, we are working to instil a mindset where occupational safety and health practices become an integral part of every employee's daily work, from management to factory workforce. We also encourage a corporate culture that supports a safe working environment for everyone on the team.



Employee Health and Wellbeing

We recognise that the physical and psychological well-being of our employees affects many operational aspects, including employee retention, loyalty, cooperation and engagement.

We are therefore committed to helping our employees achieve a good work-life balance, look after their health and ensure that they feel recognised and appreciated for their work.

At Umaras, we have a number of initiatives aimed at improving the health of our employees and promoting the importance of self-care and care for others:

- All staff are covered by additional accident insurance.
- After 5 years of employment with the Company, production workers are covered by additional health insurance, which gives them the opportunity to take care of their health with quality and convenience, to seek medical treatment at any medical facility and to pay for the most common medical expenses.
- The Company pays for preventive health checks and hygiene skills courses and certificates.
- Administrative staff who have been with the Company for more than two years are covered by term life insurance.
- The Company has a dedicated fitness area with fitness equipment and other exercise facilities.
- During the cold season, the Company rents a gym where employees can play basketball and football once a week.
- The employees are provided with rest areas where they can relax and socialise with each other.

- As part of our commitment to good working conditions and a healthy microclimate, we offer our employees flexible working arrangements and, where possible, remote work, allowing them to balance work and family needs.

Caring for Employees

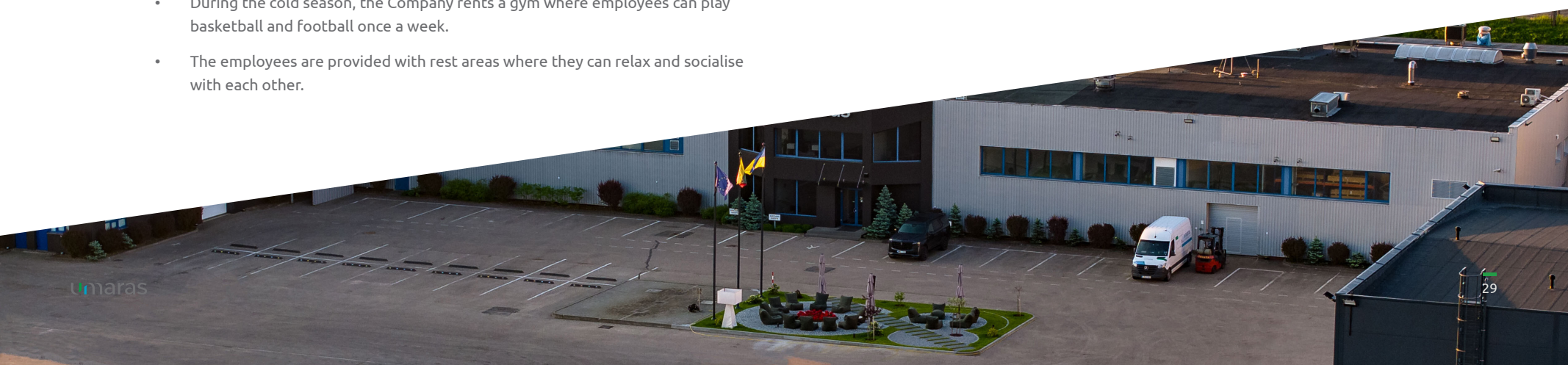
In addition to ensuring the safety, health and well-being of our employees, it is our duty to always look for ways in which we can improve the working environment for our employees and provide an even more comfortable space to relax and work.

As part of our efforts to ensure the well-being and motivation of our employees, we offer the following additional benefits:

- We motivate all our employees with lump sum bonuses and perks.
- We award cash bonuses for personal anniversaries, marriage and the birth of a child.
- A cash bonus is paid in death cases of a family member (spouse, parent, child).
- We give presents to employees' children during the major winter holidays.

Community

We always encourage a friendly working environment and organise employee trips, sports and other events and other team-building activities.



Employee Training and Skills Development

At Umaras, we support the professional development and success of every employee. It is our duty to give employees the opportunity to grow and to make it happen.

Employee training includes both internal and external courses. Internal training is organised on our dedicated virtual training platform, which employees can access at their convenience. We also organise external training on a variety of topics: team-building sessions, training for managers, sales representatives, data protection and marketing training, etc. Depending on their job title and duties, employees are trained in their respective professional fields (finance, human resources, sales, etc.).

The onboarding and orientation procedures for new employees are a major priority. While our responsible manager ensures a smooth onboarding process, each new employee is also assigned a mentor to help them get to know the Company's culture, values, responsibilities and ease into the new working environment. The new recruit also benefits from access to job-related training materials on our virtual training platform.

Over the years, we have supported a number of Umaras employees in developing their skills and professional knowledge, as well as entering a vocation or acquiring further education.

We have long-standing partnerships with vocational training institutions and colleges to provide opportunities for all our employees to develop their professional skills and to gain vocational or higher education.

In addition to training, we value and encourage the exchange and sharing of knowledge and experience among colleagues.

Value Creation and Community Support

We support and empower the communities in which we operate. We have been long-time sponsors of the Utena basketball team Juventus, which represents and unites all of our community.

We are also long-term financial sponsors to the organisations Jaunimo linija (Youth Helpline) and Mamų unija (Mothers' Union).

In 2023, we also provided financial support to cultural, sports and educational centres and institutions that serve the local community: the Utena Cycling Team; the Utena Centre for Informal Education; the Panevėžys Chamber of Commerce, Industry and Crafts; and the Utena Culture Centre.

Schoolchildren, students and other groups wishing to get a first-hand experience of polyethylene packaging and film production are given opportunities for visits and tours of our facilities.

When the Russian war in Ukraine broke out, first thing what we did is supported non profit organization Blue-Yellow, which are supporting Ukraine financially. As well, supplied Ukraine with polyethylene film, which was needed to cover broken windows of people's houses.

BUSINESS ETHICS AND TRANSPARENCY

Business Ethics and Transparency

Umaras operates a robust governance framework based on ethics, transparency and integrity. Ethics shape our actions and contribute to creating safe and attractive jobs. Ethics positively influence our relationships with each other, building strong collaborative relationships with our customers, suppliers and the communities in which we operate. The rapidly evolving economy, growing competition and technological advancements are demanding high standards of both the company and its employees.

Business Ethics

Business ethics play an important role in any company as a means of defining and shaping organisational values, objectives and principles. Ethical operations at Umaras are assured through compliance with applicable legal requirements and the highest principles and standards of integrity in all our business activities and markets.

Anti-corruption

We have a zero-tolerance approach to corruption, bribery and kickbacks in all our activities. We comply with all applicable legal requirements in Lithuania.

No employee, independent third party or any party acting on behalf of the Company may pay, offer, promise or authorise to pay any public or private party in any country for the purpose of benefiting the Company.

Our relations with employees, customers, suppliers, partners and the state are underpinned by the principles of integrity, responsibility and transparency. We strongly believe that compliance with the principles of business ethics is a core value that helps build and maintain long-lasting and beneficial relationships with customers, partners and employees. Umaras has not experienced any incidents, complaints or cases where business ethics, anti-corruption or employee welfare matters may have been violated.

Data Protection

Umaras recognises the critical importance of data privacy and protection. In an increasingly digital work environment, sharing personal data has become part of everyday life. It is therefore necessary to guarantee that personal data is processed responsibly. This includes the data of employees, job applicants, customers and business partners. Personal data are collected and processed fairly and lawfully in accordance with the requirements of the General Data Protection Regulation. The Company has adopted the Personal Data Processing Regulations to regulate the processing of personal data in the Company, thereby ensuring compliance with and implementation of the Law on Legal Protection of Personal Data of the Republic of Lithuania, as well as with other laws and regulations on personal data protection. We shall only collect data that is necessary, store information responsibly, share data only when legally permitted and when sharing is necessary, and properly dispose of any records that are no longer necessary for our business purposes. Personal data shall be retained only to the extent and for as long as is necessary to achieve the intended purposes.

Protection of Human Rights

We stand by the United Nations (UN) Universal Declaration of Human Rights, the Ten Principles of the UN Global Compact, and the EU and Lithuanian legislation on the protection of human rights.

We have a zero-tolerance policy on discrimination on grounds of religion, background, gender, age, status and apply rigorous procedures to deal with any such incidents. We value and respect the dignity and human rights of our employees, customers, suppliers, partners and all other stakeholders.

We have a strict zero-tolerance policy for child labour and forced labour across our supply chain.

ABOUT THE SUSTAINABILITY REPORT

About The Sustainability Report

We are delighted to present the first Sustainability Report of Umaras, detailing our sustainability performance, key sustainability initiatives and the measures being implemented in our operations.

This Sustainability Report is also available on our website at umaras.eu.

We welcome comments and questions on the Sustainability Report from all stakeholders – please contact us on the general Umaras email address at info@umaras.eu.

Sustainability Reporting Scope and External Assurance

The Sustainability Report of Umaras covers the Company's activities from 1 January 2023 to 31 December 2023. The information contained in the Sustainability Report addresses all of Umaras operations, production units and administrative premises. Umaras is not part of any group of companies.

The Sustainability Report presents the best available information at the time of issue, but has not been subject to a formal audit.

Principles for the Preparation of the Sustainability Report

The Sustainability Report was prepared in accordance with the Nasdaq ESG

Disclosure Guidelines and in line with the Voluntary Standard for Non-listed Small- and Medium-Sized Enterprises (VSME), published by EFRAG (European Financial Reporting Advisory Group) in January 2024, which is currently undergoing harmonisation. Sustainability disclosures under the VSME are presented on the basis of disclosure requirements and indicators in the Basic Module.

Methodology for Calculating Greenhouse Gas Emissions

Greenhouse gas (GHG) emissions were calculated by multiplying the operational data of the Company and its suppliers by the standard GHG emission factors as required by the Greenhouse Gas Protocol (GHG Protocol).

The emission factors used for the calculation of GHGs are available from the following sources: Department for Environment, Food and Rural Affairs, 2023; Association of Issuing Bodies, 2022.

The GHG calculations include information on emissions of the main GHG gases: methane, nitrous oxide, carbon dioxide, and fluorinated gases, expressed as CO₂ equivalent (CO₂e). The conversion of GHGs to CO₂e takes into account the global warming potential over a 100-year period, based on the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC, 2014).



Nasdaq ESG Metrics

Environmental Metrics

Nasdaq ESG Indicator	Description	Page	Notes
E1	GHG Emissions	18-19	
E2	GHG Emissions Intensity	19	
E3	Energy Usage	20	
E4	Energy Intensity	20	
E5	Primary Energy Sources	20	
E6	Water Usage	21	
E7	Environmental Operations	19-23	
E8	Climate Oversight / Board	-	Not applicable – no Board in the Company
E9	Climate Oversight / Management	11-16	
E10	Climate Risk Mitigation	-	

Social Metrics

Nasdaq ESG Indicator	Description	Page	Notes
S1	CEO and Employee Pay Ratio	-	
S2	Gender Pay Ratio	-	
S3	Employee Turnover	26	
S4	Gender Diversity	26-27	
S5	Temporary Worker Ratio	26	
S6	Non-Discrimination	27	
S7	Injury Rate	28	
S8	Global Health and Safety	28-29	
S9	Child and Forced Labour	32	
S10	Human Rights Policy	32	

Corporate Governance Metrics

Nasdaq ESG Indicator	Description	Page	Notes
G1	Board Gender Diversity	-	Not applicable – no Board in the Company
G2	Board Independence	-	Not applicable – no Board in the Company
G3	Incentivised Pay	-	
G4	Collective Bargaining	27	
G5	Supplier Code of Conduct	-	
G6	Business Ethics and Anti-Corruption	32	
G7	Data Privacy	32	
G8	ESG Reporting	34	
G9	Disclosure Practices	34	
G10	External Assurance	34	

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2023