Find value in each and every thing!
2024 Sustainability Report



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### **MESSAGE FROM OUR CEO**

Dear Reader,

It is with great pride that I present Eco Baltia's first Annual Sustainability Report. As the leading environmental and waste management group in the Baltics, we have long recognized that true business success is inseparable from responsibility towards people, communities, and the environment.

Since our foundation, Eco Baltia has grown into a regional frontrunner in the circular economy, offering a unique, vertically integrated suite of environmental services across Latvia, Lithuania, Poland, and the Czech Republic. In 2023 alone, we processed over 250 thousand tons of materials, supported by a modern asset base spanning 30 facilities. These achievements reflect not only operational excellence, but our commitment to driving meaningful impact at scale.

Our ESG journey is well underway. In the past year, we made tangible strides: 63% of the waste we collect in Latvia is handled using low-emission vehicles (18.5% in Baltics), and we increased our renewable energy share to 15% of our total consumption. We have adopted a Group-level ESG strategy and are developing individual ESG roadmaps for each company within Eco Baltia, ensuring that sustainability is deeply embedded across all operations.

These efforts are not about compliance—they are about creating long-term value, contributing to the well-being of future generations, and supporting the EU's climate and circular economy goals. We are proud that our work has been recognized with ESG awards and, more importantly, with the trust of our partners, clients, and communities.

This report marks the beginning of a new chapter. We are committed to transparent reporting, continuous improvement, and collaborative action. Together, we can accelerate the shift to a more sustainable and resilient future.

Thank you for joining us on this important journey.

Sincerely,



Māris Simanovičs, Chief Executive Officer, Eco Baltia



## **Eco Baltia Group Operations and Development Overview**

Eco Baltia, as the largest environmental resource management and recycling group in the Baltic region, continued to significantly strengthen its position in the region in 2024 by promoting the implementation of circular economy principles and sustainable business practices. The Group's main business areas include environmental management services and plastics recycling.

#### **Sustainability and ESG Progress:**

In 2024, Eco Baltia continued to develop and implement a consolidated ESG strategy across the Group and its subsidiaries. Key initiatives focused on enhancing the work environment and occupational safety, strengthening the Lean culture, promoting employee well-being, and developing new competencies.

A significant emphasis was placed on circular economy principles, including:

- · Establishing new construction waste-sorting sites,
- · Promoting household and textile waste sorting,
- Investing in state-of-the-art waste-sorting facilities in Latvia and Lithuania.

#### **Key Investments and Development Projects:**

- EUR 11.7 million invested in the most modern wastesorting facility in the Riga metropolitan area, with an annual capacity of up to 150,000 tons.
- EUR 18 million approved for the reconstruction of the Vilnius sorting centre in Lithuania.
- Acquisition and reorganization of "Eko Osta", reinforcing the Group's position in hazardous waste management.
- "ITERUM" opened a new PET recycling plant, one of Northern Europe's largest, with an investment exceeding EUR 35 million.
- "Nordic Plast" invested EUR 1.7 million to increase recycling capacity and relocated operations to new premises in Jelgava.

#### **Financial Results:**

In 2024, the Eco Baltia Group achieved a net turnover of EUR 261.54 million, representing a 20% increase over the previous year. The Group's EBITDA increased by

56.3% to EUR 44.4 million. Profit before tax increased to EUR 9.39 million compared to EUR 0.99 million a year earlier. These results were driven by improvements in efficiency, increased productivity, and targeted investments.

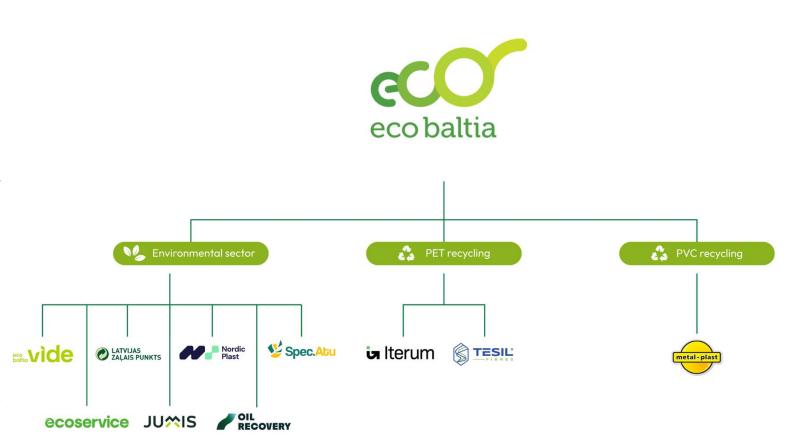
#### **Key Achievements in Sustainability:**

- Achieved notable results in multiple sustainability and ESG evaluations.
- Launched the producer responsibility system for textile products in Latvia.
- Signed contracts with manufacturers and distributors of wet wipes and balloons in preparation for changes in the Natural Resources Tax Law.
- Advanced plastic packaging recyclability initiatives in cooperation with "Nordic Plast", including the establishment and accreditation of a packaging testing laboratory.

#### Outlook for 2025:

In 2025, Eco Baltia will focus on further growth in PET and plastic recycling, as well as environmental management and PVC recycling in Poland. Key priorities will include:

- Enhancing occupational safety and working conditions
- Supporting employees and developing competencies
- Strengthening ESG and sustainability performance
- Investing in expanded recycling and environmental management capacities.



# KEY SEGMENTATION OF THE GROUP



#### **Environmental sector**

Waste collection; trade of sorted recyclables; producers responsibility organization; liquid waste & bio toilets; street cleaning and street maintenance services; construction waste collection and sorting; hazardous waste management

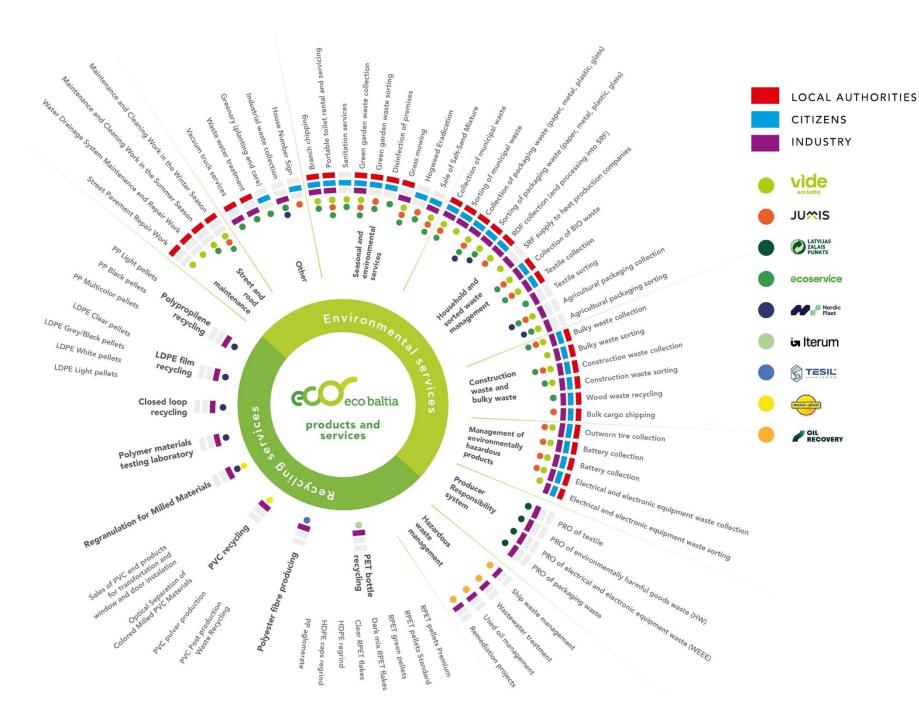


Polyethylene terephthalate (pet) recycling fibre production



**PVC recycling** 

PVC post-production scrap recycling



# **LAST 10 YEARS OF ECO BALTIA**

"Nordic Plast" invests 2.5M EUR in a new upgraded plant.

2015



EBRD becomes a significant minority shareholder in the Issuer (~10M EUR of new equity was provided in exchange for 30% of shares).

PET Baltija invests 1.2M EUR in a new PET bottle processing and flake production line.

2017

adjacent facility.

2020

PET Baltija has relocated its rPET production plant to the

#### ecoservice

Acquisition of the leading Lithuanian WM operator Ecoservice completed, with refinancing of the pan-Baltic WM segment.

Buyout of minority stakes in LZP, JUM (full buyout) and PTB (partial buyout) completed.

2022





Acquisition of the road and street maintenance companies Pilsetas Eko Serviss, PES Serviss and B124.1

Acquisition of Metal Plast in November 2023.

2024

2013

2014

Launch of the 1st high-quality rPET pellets production facility in the Baltics.

2016

Eko Kurzeme invests 2.8M EUR in a new waste sorting plant in Liepaja, with a processing capacity of 22 k t. of household waste per year.

2018

Four EU grants for funding development of the recycling segment are secured (total amount of ~4M EUR).

PET Baltija invested ~2M EUR in expansion of the rPET pellet production facility.

2021

INVL Baltic Sea Growth Fund acquires 52.81% of shares in the Issuer. Overhaul of development strategy of the Issuer is completed.

Eco Baltia vide wins new Riga MSW collection tender, doubling the market share in the respective area.

**BALTIC SEA** GROWTH FUND 2023

Acquisition of TESIL Fibres completed with expansion outside of the Baltics.



Acquisitions of 40.4% stake in the Latvian road maintenance company in Daugavpils (Daugavpils Spec. ATU)

Acquisitions of hazardous waste management company Oil Recovery (before – Eko Osta)



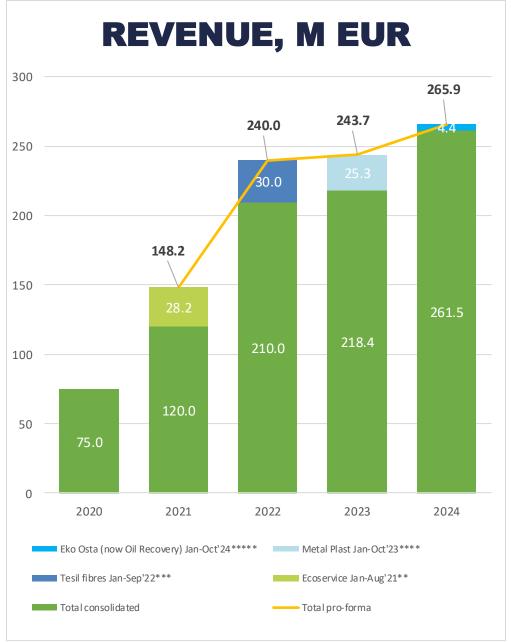


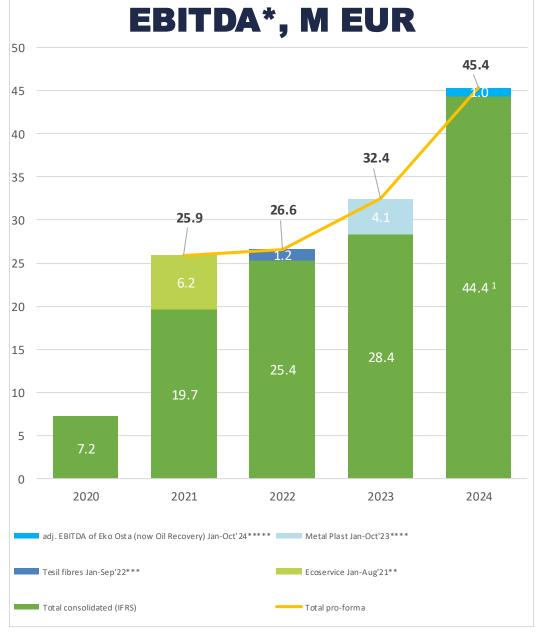


# KEY FINANCIAL HIGHLIGHTS

### Strong growth with robust profitability

- **EBITDA growth:** considerable increase, M&A activities contributing 30-40% to total growth
- Environmental Services segment Growth:
  - 2021: Driven by Riga MSW agreement and market share
  - 2022: Continued unit revenue growth
  - 2023: Acquisition effect of Pilsētas Eko Serviss
  - 2024: Organic price-led growth in waste collection underpinned by growing landfill tax rates and tariffs
- Plastics Recycling segment Growth:
  - Driven by "Green" trend
  - Major brands using reusable materials
  - Increased packaging demand due to COVID-19
  - Acquisition of Metal Plast in 2023





#### Notes

Revenue and EBITDA results are pro-forma to reflect full-year effect of acquisitions

<sup>&</sup>lt;sup>1</sup> Consolidated EBITDA at the end of the Year 2024 amounted to EUR 44.4 million. Adjusted consolidated EBITDA, adjusted by insurance damage compensation, compensation for fire damage to the environment and restoration of the building, write-off of equipment, at the end of the Year 2024 amounted to EUR 38.1 million.



<sup>\*</sup> EBITDA is presented on an IFRS basis, with the exception of pro-forma contributions from acquisitions, which reflect local GAAP accounting

<sup>\*\*</sup> Ecoservice pro-forma result for Jan-Aug'21

<sup>\*\*\*</sup> Tesil fibres pro-forma result for Jan-Sep'22

<sup>\*\*\*\*</sup> Metal Plast pro-forma result for Jan-Oct'23

<sup>\*\*\*\*\*</sup> Eko Osta (now Oil Recovery) pro-forma result for Jan-Oct'24

## **Eco Baltia achievements in Sustainability evaluations**

#### **Eco Baltia results in EcoVadis evaluation**

Eco Baltia has achieved notable recognition in the **EcoVadis** sustainability assessment, reflecting its commitment to responsible and sustainable practices. "ITERUM" received a **Bronze Medal with 65 out of 100 points**, highlighting its strong performance in environmental, social, and governance areas. Meanwhile, the Eco Baltia ENVI sector (consolidated) achieved **45 points out of 100**, demonstrating ongoing efforts toward enhancing sustainability across its operations and setting the stage for further improvements in future assessments.





#### **Eco Baltia results in Diversity is Strength 2024**

The company was awarded SILVER status in the assessment of the employer movement "Diversity is Strength!" organized by the Society Integration Foundation. In 2024, 81 employers participated in the assessment, and 24 employers received the highest rating – Silver status – for successful implementation of diversity policies and active employee involvement in promoting an inclusive work environment.



#### Eco Baltia results in Sustainability Index 2024

"Eco Baltia vide" participated in the Sustainability Index for the fourth time in its history, receiving recognition from experts and a high rating - an award in the platinum category. However, "ITERUM" this year managed to improve its results from the Gold category in 2023 to the Platinum level in the 2024 category. Additionally, in 2024, Sigulda City "JUMIS" and "Nordic Plast" participated in the Sustainability Index evaluation for the first time, and both received the Gold level category. Participation in the Sustainability Index not only provided the opportunity to gain knowledge from experts in various fields on how to boost your business growth, but also provided the opportunity to track the dynamics of your performance in the area of corporate sustainability and responsibility.



### **General disclosures**

#### General basis for preparation of sustainability statements

# Disclosure of general basis for preparation of sustainability statement

This Sustainability Statement is prepared for the fiscal year 2024 to provide transparent information about our sustainability activities. The statement is fully compliant with the European Sustainability Reporting Standards (ESRS) to meet the requirements of Directive (EU) 2022/2464, also known as the Corporate Sustainability Reporting Directive (CSRD). Under the Sustainability Disclosure Act, the obligation to prepare a consolidated sustainability report for "Eco Baltia" will become binding in 2026. Currently, reporting is voluntary, and there is still room for improvement in reporting practices and data collection.

# Disclosure of extent to which sustainability statement covers upstream and downstream value chain

The Sustainability Statement is prepared on a consolidated basis, covering the same scope as the Group's financial reporting and including all fully controlled companies. It addresses both business operations and the upstream and downstream value chain, focusing on the most significant impacts, risks, and opportunities.

Eco Baltia Group operates a vertically integrated value chain that spans waste collection, recyclable sorting, plastics recycling, and polyester fiber production. Waste is primarily sourced through municipal contracts and private agreements in Latvia, Lithuania, Poland, and the Czech Republic, with suppliers vetted for compliance with environmental and social standards. Downstream, the Group delivers recycled materials and products to

industrial clients, contributing to a circular economy while maintaining strong stakeholder engagement and governance practices.

#### Basis for preparation of sustainability statement

Consolidated

#### Reporting period start date

2024-01-01

#### Reporting period end date

2024-12-31

#### Disclosure of subsidiary undertakings included in consolidation that are exempted from individual or consolidated sustainability reporting

"Eco Baltia vide", "Ecoservice", "Nordic Plast", "Jumis", "Latvijas Zaļais punkts", "ITERUM", "Metal-Plast", "Tesil Fibres". Companies that are part of the Eco Baltia group but have not been included in the consolidated Sustainability report since they were not part of the group for the entire 2024 period are "Daugavpils Specializētais Autotransporta uzņēmums" and "Oil Recovery", which were acquired in May and November, respectively.

#### GOV-1 The role of the administrative, management, and supervisory bodies

#### Disclosure of the composition of administrative, management, and supervisory bodies, their roles and responsibilities, and access to expertise and skills about sustainability matters

Eco Baltia's administrative, management, and supervisory bodies comprise executive and non-executive members, whose selection and nomination adhere to the company's policy. The Management Board's composition ensures the necessary skills and competencies, including industry-specific knowledge, and emphasizes diversity, with a preference for experienced managers. The roles and responsibilities regarding sustainability matters are outlined in internal Regulations, including oversight of impacts, risks, and opportunities. Training and access to sustainability expertise are supported by Sustainability managers, the company's policies, and ongoing evaluation processes.

#### Information about the composition and diversity of members of administrative, management, and supervisory bodies

The administrative, management, and supervisory bodies of the Eco Baltia group comprise diverse and experienced members. The documentation specifies that a clear structure and processes are in place to manage conflicts of interest. For instance, forms are used to disclose personal business interests, indicating robust protocols in place. Additionally, roles and responsibilities are clearly defined, with detailed descriptions of decision-making processes aligned with governance policies. This structural framework supports informed decision-making and ensures ethical compliance.

# Information about the representation of employees and other workers

The company ensures equal opportunity and non-discrimination for all employees, and the representation of employees and other workers is formalized in employment agreements. Employees have the right to form and participate in workers' organizations and unions, and to engage in collective bargaining. Additionally, trustees are elected to represent employees in negotiations, ensuring their voices are heard and recognized.

# Information about members' experience relevant to sectors, products, and geographic locations of undertaking

The members of AS Eco Baltia's administrative, management, and supervisory bodies are selected based on a stringent policy that ensures they possess the relevant experience and competencies necessary for the company's governance across various sectors, products, and geographic locations. The policy requires board members to have the education and knowledge needed to achieve strategic, business, and financial objectives, while ensuring representation, diversity, and accountability in key functions.

Management's role in governance processes, controls, and procedures used to monitor, manage, and oversee impacts, risks, and opportunities is delegated to a specific management-level position or committee

Yes

Dedicated controls and procedures are implemented to manage impacts, risks, and opportunities.

Yes



#### GOV-1

#### The role of the administrative, management, and supervisory bodies

Information about reporting lines to administrative, management, and supervisory bodies in governance processes, controls, and procedures used to monitor, manage, and oversee impacts, risks, and opportunities

The Group utilizes a structured system of governance processes, controls, and procedures to oversee impacts, risks, and opportunities. Reporting lines for these governance processes include the identification of responsible administrative, management, and supervisory bodies. Each subsidiary within Eco Baltia has appointed persons responsible for environmental and social compliance, ensuring regular reporting and monitoring. Quarterly risk assessments and monthly management board reviews support the continuous oversight of governance procedures.

Additionally, the Group's top management assesses the availability and performance of necessary expertise and skills through regular evaluations and documented assessments. This approach ensures that the Eco Baltia Group is governed by individuals with a deep understanding of the sector and region, contributing to the company's sustainability leadership and fair business conduct.

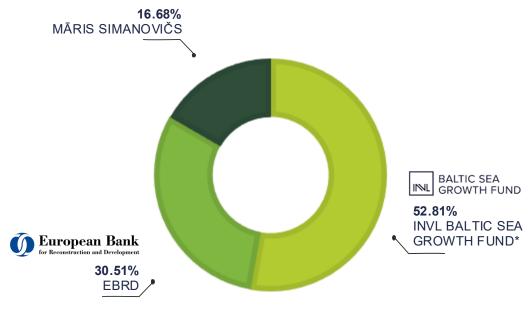
The Supervisory and Management Boards of Eco Baltia bring together a diverse and experienced leadership team whose backgrounds closely align with the company's strategic focus on environmental services, recycling, and regional growth. Their collective expertise spans key sectors, including waste management, investment management, legal advisory services, and corporate governance, making them well-positioned to support Eco Baltia's operations across Latvia, Lithuania, Poland, and the broader Central and Eastern European region.

On the Supervisory Board, Chairman Vytautas

Plunksnis contributes substantial experience in international private equity, particularly across the Baltic and Nordic regions. Deimante Korsakaite, as Deputy Chair, offers deep M&A and legal expertise, having structured numerous high-value transactions across Lithuania. Other members, such as Alberto Atienza Guell from the EBRD, bring further depth with extensive experience in equity investments across various sectors, including manufacturing in CEE, SEE, and Turkey. Independent board member Jurgita Petrauskiene brings direct operational insight in the water and waste sectors. At the same time, Gints Pucēns and Algimantas Markauskas contribute legal and strategic management capabilities, respectively, with proven records in corporate structuring and biotechnology leadership.

The Management Board, led by CEO Māris Simanovičs, provides robust operational leadership. With over 20 years in the environmental sector, Māris has overseen Eco Baltia's transformation into the Baltics' largest integrated environmental services group. Supporting him, CFO Santa Spūle ensures sound financial governance and the execution of investment strategies. At the same time, Chief Legal Officer Sigita Namatēva leverages her experience in regulatory development to align operations with EU legislation. Board member Saulius Budrevičius drives innovation and investment project execution, particularly in the areas of waste treatment technology and infrastructure. Together, the boards bring a complementary mix of strategic oversight, sectorspecific knowledge, and cross-regional experience. This ensures Eco Baltia is not only equipped to lead in environmental services and circular economy practices but also to expand responsibly and effectively across new markets.

#### **Shareholder structure of Eco Baltia**



<sup>\*</sup> INVL BALTIC SEA GROWTH FUND REPRESENTED BY UAB "SALVUS"

#### Members of the Supervisory and Management Boards by gender

	Female	Male	Other than female and male	Gender not reported	Total
Number of members of administrative, management, and supervisory bodies	4	6	0	0	10

#### Members of the Supervisory and Management Boards by gender

	Under 30	30-50	Over 50	Total
Number of members of administrative, management, and supervisory bodies	0	8	2	10



### **ECO BALTIA GROUP MANAGEMENT TEAM**



VYTAUTAS PLUNKSNIS
Chairman of Supervisory
Board at Eco Baltia

Vytautas has extensive experience in international investment management. As Head of INVL Private Equity, Vytautas has been involved in various large-scale investment projects for INVL in Lithuania, Latvia, Moldova, and Norway.



DEIMANTE
KORSAKAITE
Deputy Chair of the
Supervisory Board at
Eco Baltia

Deimante is recognized as one of the leading M&A experts in Lithuania, with extensive experience in transaction structuring and negotiations, as well as legal due diligence.

Advised local and international clients on deals with a combined value of almost €2 bn.



ALBERTO ATIENZA
GUELL
Member of Supervisory
Board at Eco Baltia

Alberto has extensive experience in public and private equity and quasiequity transactions across a wide range of industries (with a focus on healthcare & pharma, manufacturing & services, consumer goods, and retail) and geographies, having executed high-profile investments in CEE, SEE, and Turkey. Currently, he serves as Associate Director in the EBRD's Equity team, based in London.



JURGITA
PETRAUSKIENE
Independent Member of
Supervisory Board at
Eco Baltia

Jurgita is a certified board member (with 15+ years of industry experience in water supply, wastewater, waste management) with competencies in investment projects, innovation, strategic planning, and management.



GINTS PUCĒNS

Member of Supervisory

Board at Eco Baltia

Gints has extensive experience advising on acquisitions, disposals, and company restructuring. Gints provides legal advice on corporate governance and shareholders issues. Legal support in fundraising for both established businesses and agile start-ups.



ALGIMANTAS
MARKAUSKAS
Independent Member of
Supervisory Board at Eco
Baltia

Algimantas is acknowledged as a robust leader and accomplished manager. With over 14 years of experience in senior roles at Thermo Fisher Scientific, he developed the company's subsidiary in Vilnius, which was acclaimed as the most valuable company in the Baltics in 2022. His forte lies in crafting and executing corporate strategies.

# Information about roles and responsibilities of administrative, management, and supervisory bodies

Eco Baltia's governance structure ensures the involvement of its administrative, management, and supervisory bodies in sustainability oversight. The Group Supervisory Board, Management Boards, and senior management of group companies regularly set and supervise goals, ensuring compliance with environmental and social laws, permits, internal procedures, and quality standards, and thereby also hold responsibility for adopting and overseeing strategies.

#### Disclosure of how dedicated controls and procedures applied to management of impacts, risks and opportunities are integrated with other internal functions

Eco Baltia ensures the integration of dedicated controls and procedures for managing impacts, risks, and opportunities with other internal functions through several mechanisms. The internal risk assessment is carried out on a quarterly basis at each subsidiary level, overseen by the Internal auditor, documents results, and reports to the Board. Additionally, Management Boards and senior management frequently review compliance with Environmental and Social Laws and the effectiveness of governance processes. These procedures demonstrate the company's commitment to integrating risk management with broader internal functions.

Disclosure of how administrative, management, and supervisory bodies and senior executive management oversee setting of targets related to material impacts, risks and opportunities and how progress

#### towards them is monitored

administrative, management, supervisory bodies, along with senior executive management of Eco Baltia, oversee the setting and monitoring of sustainability targets through various structured processes. These include regular reviews of human resource performance, compliance with safety and environmental regulations, and periodic updates to governance policies. Additionally, the Management Boards hold monthly meetings to evaluate the performance and project execution status, ensuring alignment with environmental and social laws and internal quality standards. Moreover, the Group has a defined Risk Management Policy, which identifies, assesses, and manages risks continuously to meet its strategic goals, reviewed by supervisory bodies. These combined mechanisms ensure that sustainability targets are set appropriately and progress towards them is effectively monitored.

#### Disclosure of how administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed to oversee sustainability matters

Eco Baltia's governance bodies ensure the skills and expertise needed to oversee sustainability matters. The Supervisory Board has adopted an UN SDG-aligned sustainability strategy with defined KPIs, while top management regularly reviews impacts, risks, opportunities, and resource allocation. Expertise is further supported through training, consultations, and cooperation with relevant authorities to ensure health, safety, and regulatory compliance.

### **ECO BALTIA GROUP MANAGEMENT TEAM**



MĀRIS SIMANOVIČS Chief Executive Officer & Founder

More than 20 years in the environmental industry

One of the most highly regarded managers in the environmental segment in Latvia. Under Māris' management, Eco Baltia has successfully evolved into a regional player with significant growth opportunities. He is actively seeking new ways to foster further business development.



SANTA SPŪLE
Chief Financial Officer
&
Board member

More than 20 years in accounting, audit, and finance

In her professional career,
Santa has served as a CFO
in various companies.
Santa's key priorities are
oriented towards budgeting,
performance assessment,
fundraising, standardization
of accounting across the
group, and internal and
external audits.



SIGITA NAMATĒVA
Chief Legal Officer
& Board member

More than 20 years in law

Sigita is one of the most experienced lawyers in the field of waste management and environmental issues.

She has taken part in the development of numerous waste management legislation changes in Latvia and Brussels.



SAULIUS
BUDREVIČIUS
Board member

More than 20 years in the environmental industry

Saulius is responsible for overseeing research and development initiatives, as well as the successful implementation of various investment projects within the Group.

# Information about identity of administrative, management and supervisory bodies or individual(s) within body responsible for oversight of impacts, risks and opportunities

The administrative, management, and supervisory bodies at Eco Baltia comprise various levels of oversight. The Supervisory Board sets the strategic direction, including sustainability KPIs aligned with UN Sustainable Development Goals. Company reviews the performance of responsible persons and managers of group companies in achieving environmental and social compliance. Each subsidiary has appointed responsible persons for environmental and social compliance, and the Management Boards and senior management oversee this compliance through regular reporting and reviews. The composition of governance includes executive members from all Eco Baltia subsidiaries, as well as others who hold managerial roles and supervise adherence to Environmental and Social Laws. Dedicated working groups and management at the group and company levels actively manage risk, including sustainability-related risks, through strategic oversight and legal compliance monitoring.

# Description of management's role in governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities

The company's governance structure ensures that specific roles and bodies are responsible for overseeing ESG matters. The Board of Directors, as well as management-level roles such as the Chief Executive Officer (CEO), Chief Sustainability Officer (CSO), and Chief Financial Officer (CFO), are explicitly responsible for ESG oversight, strategy, and implementation. Regular reviews and supervision by the Management Board and Supervisory Board ensure

continuous monitoring and integration of sustainability practices into business operations.

#### Description of how oversight is exercised over management-level positions or committees to which management's role in governance processes, controls and procedures used to monitor, manage and oversee impacts, risks and opportunities is delegated to

Oversight of the management-level position or committee responsible for governance processes, controls, and procedures is exercised through a structured risk management hierarchy. The Supervisory Board oversees the entire risk management program across the Group, approves the Risk Management Policy, and reviews management's reports on key risks and exposures. The Group's Management Board is responsible for developing and implementing the risk management program, setting risk appetite and tolerance levels, and allocating necessary human and financial resources, including conducting performance evaluations of responsible individuals and managers to ensure effective and continuous environmental and social performance. Continuous training initiatives such as the Talent Academy and various workshops on sustainability topics further enhance the skill sets of relevant personnel.

# Information about sustainability-related expertise that bodies either directly possess or can leverage

Eco Baltia's internal ESG capacity is led by experienced professionals who ensure that sustainability is embedded across all business units. Since 2022, Madara Strautmane has served as the Group's Sustainability Manager, responsible for developing and coordinating sustainability strategies, managing ESG reporting processes, and facilitating stakeholder engagement. In 2024, the ESG team was further strengthened with the appointment of Anete

Smoča as ESG Manager for the Environmental sector, enhancing the Group's ability to manage sector-specific sustainability initiatives. Through this combined approach — leveraging board-level expertise and a dedicated ESG management function — Eco Baltia ensures effective oversight and implementation of its sustainability agenda. This structure supports the Group's ambition to lead in the circular economy and uphold high standards of environmental, social, and governance performance across its operations.

# Disclosure of how sustainability-related skills and expertise relate to material impacts, risks, and opportunities

The company's administrative, management, and supervisory bodies ensure compliance with all ethical and human rights requirements, adhering to international standards. The governance structure oversees material sustainability impacts, risks, and opportunities through established procedures and policies.

Regular cross-border legislative updates and internal audits are conducted to maintain compliance and update the organization's sustainability expertise.

Additionally, the company prioritizes education, training, and certification, such as ISO standards, to enhance the skills and knowledge of its governing bodies relevant to sustainability matters and continuously improve the effectiveness of risk management practices. At the company level, each Management Board ensures the implementation of the Risk Management policy, integrates risk management into decision-making processes, and reviews risk reports for approval at the higher level.

Directors and CEOs provide leadership in risk management, ensuring alignment with the company's strategy and reporting on the performance of risk management. Functional managers and risk owners are responsible for identifying and assessing risks within their areas, developing mitigation plans, and reporting to higher management. The Internal Audit function supports the identification and assessment of risks, conducts independent evaluations, and provides recommendations to strengthen risk management efforts. This hierarchical structure ensures comprehensive oversight and effective management of impacts, risks, and opportunities.



### ova Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

Disclosure of whether, by whom and how frequently administrative, management and supervisory bodies are informed about material impacts, risks and opportunities, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets adopted to address them

The administrative, management, and supervisory bodies of Eco Baltia are kept informed about material impacts, risks, and opportunities through regular engagements. The Management Boards and senior management of group companies set goals and supervise compliance with applicable Environmental and Social Laws, ensuring regular reporting. Monthly meetings are held to review performance, project execution status, and necessary corrective actions. Additionally, the Supervisory Board has adopted a new strategy, which includes sustainability targets that are monitored and implemented by the respective bodies.

Disclosure of how administrative, management and supervisory bodies consider impacts, risks and opportunities when overseeing strategy, decisions on major transactions and risk management process

Our administrative, management, and supervisory bodies play a crucial role in overseeing the company's strategy, significant transactions, and risk management processes. The bodies conduct regular reviews of the company's sustainability strategy, ensuring alignment with our long-term goals and regulatory requirements. They actively engage with stakeholders to understand their concerns and expectations, incorporating this feedback into strategic decisions. Before approving foremost transactions. the bodies require comprehensive impact assessments to evaluate potential environmental, social, and governance (ESG) implications. They ensure that appropriate risk mitigation measures are in place to address identified ESG risks associated with foremost transactions. The bodies oversee the integration of sustainability risks into the overall risk management framework, ensuring that these risks are systematically identified, assessed, and managed. They monitor the effectiveness of risk management practices and require regular reporting on sustainability risks and opportunities. By embedding sustainability considerations into these key oversight functions, our administrative, management, and supervisory bodies ensure that the company remains resilient and responsive to evolving sustainability challenges and opportunities.

# Disclosure of how governance bodies ensure that appropriate mechanism for performance monitoring is in place

Eco Baltia ensures that its governance bodies maintain appropriate mechanisms for performance monitoring through regular supervisory measures and thorough review processes. The Management Boards and senior management of group companies are responsible for supervising compliance with all applicable Environmental and Social Laws, permit terms, internal procedures, and quality standards. The governance bodies, including the Supervisory Board, are periodically informed about material impacts, risks, and opportunities as they review the performance of group companies in monthly meetings, propose necessary corrective actions, and manage any grievances that arise. Specific strategies for performance monitoring include the continuous improvement projects, digitalization, and automation of processes, and regular updates to governance policies.

#### Integration of sustainability-related performance in incentive schemes

Incentive schemes and remuneration policies linked to sustainability matters for members of administrative, management and supervisory bodies exist

Yes

## **Description of key characteristics of incentive schemes**

The incentive schemes for Eco Baltia's administrative, management, and supervisory bodies are designed to align with the company's sustainability goals. The remuneration system incorporates several bonus schemes related to financial, operational, market, and developmental indicators established by the company. These incentive schemes are reviewed and approved

by the Supervisory Board, ensuring they support the company's sustainability strategy.

Performance against specific sustainability-related targets and (or) impacts is being assessed in incentive schemes for members of administrative, management and supervisory bodies

Yes

Description of specific sustainability-related targets and (or) impacts used to assess performance of members of administrative, management and supervisory bodies

The company sets sustainability-related targets to assess the performance of members of administrative,

management, and supervisory bodies, which are cascaded according to the OKR methodology throughout the company. Additionally, management boards and senior management set and monitor these goals, ensuring alignment with the company's sustainability objectives.

# Description of level in undertaking at which terms of incentive schemes are approved and updated

The approval and updating of incentive scheme terms at Eco Baltia occur at the management board level for individual companies within the Group. Furthermore, incentive schemes for senior management are approved by the Supervisory Board or even the

General Meeting of Shareholders, as outlined in the Articles of Association and internal regulations.



#### GOV-

#### Risk management and internal controls over sustainability reporting

# Description of scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting

Eco Baltia Group's risk management and internal control processes for sustainability reporting encompass a comprehensive approach, including risk identification, assessment, treatment, monitoring, and communication. The Group identifies potential risks through a systematic effort and evaluates them to understand their nature and impact. Various strategies and control measures are employed to manage these risks effectively. The effectiveness of the risk management program is continually improved through annual self-evaluations. The details and changes in the risk management processes are documented and regularly reviewed by management and the supervisory boards, ensuring their integration into the company's strategic and operational frameworks.

#### Description of risk assessment approach followed

Eco Baltia's risk assessment approach is grounded in a comprehensive risk management policy that encompasses all activities and involves the systematic identification and assessment of risks. The policy outlines the group's commitment to value protection and creation, ensuring that risks are managed appropriately within an established risk appetite. The risk management process includes the crucial steps of identification, assessment, treatment, monitoring, review, and communication of risks. Specific methodologies are applied to categorize risks into strategic, operational, safety/ hazard, and financial risks, with tailored strategies for mitigation and management. Regular assessments and updates ensure the integration of risk findings into internal processes and continuous improvement efforts.

# **Description of main risks identified and their mitigation strategies**

Eco Baltia identifies and evaluates potential crises through a defined crisis management plan, appointing crisis managers and teams trained in crisis resolution. The plan includes communication protocols and resource availability for emergency actions, ensuring swift response and mitigation.

The company maintains Quality and Environmental Management Systems, such as ISO 9001 and 14001, to manage operational risks and facilitate continual improvement. Regular risk assessments and crisis management plans are integrated into daily operations, and specific actions, including fire safety training and infrastructure improvements, are implemented to mitigate identified risks. Additionally, monthly risk assessments are reported to management, ensuring ongoing monitoring and adjustment of risk management strategies.

# Description of how findings of risk assessment and internal controls as regards the sustainability reporting process have been integrated into relevant internal functions and processes

Our organization has established robust mechanisms to ensure that the findings from risk assessments and internal controls related to the sustainability reporting process are effectively integrated into our internal functions and processes. This integration is crucial for maintaining the accuracy, reliability, and transparency of our sustainability reporting. By systematically incorporating these findings into our functions and methods, we enhance our ability to manage sustainability risks effectively and ensure the integrity of our sustainability reporting.

Description of periodic reporting of findings of risk assessment and internal controls to

# administrative, management and supervisory bodies

Eco Baltia reports the findings of risk assessment and internal controls periodically to the administrative, management, and supervisory bodies through structured procedures. For instance, the Head of Internal Security documents the results of security assessments and reports them to the relevant Group company's Board of Directors. Additionally, an annual status report on the management of AML/CFT risk is prepared by the Legal Director and submitted to the Management Board of Eco Baltia (Risk Management Policy, Internal Control Procedure).



#### Strategy, business model, and value chain

#### Description of significant groups of products and (or) services offered, including changes in reporting period (new/ removed products and/or services)

In 2024, Eco Baltia introduced new products and services while reorganizing and removing others. The company acquired "Eko Osta" and integrated it into the newly established "Oil Recovery", which now handles hazardous waste collection and processing. Additionally, "Mano aplinka plus" was merged into "Ecoservice". "PET Baltija" rebranded to "ITERUM" and "Polimeru parks' was liquidated. These changes reflect the company's ongoing efforts to optimize and expand its environmental service portfolio in the Baltics and beyond.

#### Description of significant markets and (or) customer groups served, including changes in reporting period (new/removed markets and/or customer groups)

During the reporting period, Eco Baltia expanded its operations and adjusted its market presence across several countries. Specifically, the acquisition of 40.40% "Daugavpils Specializētais Autotransporta Uznēmums" and the establishment of a new company, "Oil Recovery", through the acquisition of "Eko Osta", broadened its market in Latvia. Furthermore, the company optimized its operations in Lithuania by merging "Mano aplinka plus" into "Ecoservice" and liquidating "Pagėgiu savivaldybės komunalinis ūkis" These changes signify Eco Baltia's commitment to expanding and optimizing its market presence and customer service coverage.

#### Total number of employees (head count), at end of period

2 3 0 4

# banned in certain markets

The company ensures compliance with market-specific regulations and sustainability principles by not offering products or services that are banned in particular markets. This adherence underscores the company's commitment to lawful operations and its proactive approach to mitigating potential risks associated with prohibited activities, as evidenced by the stipulations in the documents on environmental protection, labor law. and occupational safety.

#### Total net revenue

261 540 000 EUR

#### Description of sustainability-related goals in terms of significant groups of products and services. customer categories, geographical areas, and relationships with stakeholders

Eco Baltia has set specific sustainability-related goals for key areas of its business, including achieving zero major incidents with legal non-compliance and financial penalties, ensuring 100% compliance with ethical standards and counterparty verification procedures, and maintaining high levels of employee remuneration equity. Additionally, the company aims for 100% compliance with human rights requirements and ethical standards. Goals include enhancing stakeholder engagement, achieving a reach of over 50% in the annual stakeholder survey by 2025, and attaining a customer satisfaction NPS score of 50 or higher. These objectives are integrated into the company's overall sustainability strategy, which aligns with the United Nations Sustainable Development Goals and includes initiatives related to environmental performance, social responsibility, and governance improvements.

#### Description of products and services that are List of ESRS sectors that are significant for and the Procurement Policy, which mandate rigorous undertaking

The company identifies its significant ESRS sectors based on their contributions to activities in Latvia, Lithuania, Poland, and the Czech Republic. These include waste management, sorting, and recycling of materials such as PET bottles, polyethylene, and textiles. Additionally, significant activities involve environmental services, road and street maintenance, and hazardous waste processing. These sectors are critical due to their substantial impact on revenue and alignment with the company's sustainability goals.

#### **Description of business model and value chain**

Eco Baltia maintains a comprehensive stakeholder engagement plan that is reviewed annually. The plan includes identifying stakeholders, assessing mutual impacts, and ensuring compliance with legislative requirements. Eco Baltia emphasizes meaningful involvement. communication. community continuous improvement in waste sorting infrastructure. Key initiatives include expanding battery collection points, promoting biowaste sorting, and customizing sorting containers for accessibility. Additionally, Eco Baltia organizes events, such as charity campaigns and customer satisfaction surveys, to enhance stakeholder relationships and sustainability efforts.

#### Description of inputs and approach to gathering, developing and securing inputs

Eco Baltia and its subsidiaries gather and develop inputs through a common group strategy, setting ambitious goals aligned with the UN Sustainable Development Goals. The company ensures the security of inputs by adhering to robust policies and procedures, including the Sustainability and Environmental Policy

compliance with environmental and social laws, as well as secure permit conditions. Regular reporting, audits, and monitoring by senior management ensure continuous compliance and input security.

#### Description of main features of upstream and downstream value chain and undertakings position in value chain

Eco Baltia operates across a vertically integrated value chain that encompasses waste collection, recyclable sorting, plastics recycling, and polyester fiber production. Upstream activities primarily involve secure sourcing of waste from municipal contracts and private agreements across Latvia, Lithuania, Poland, and the Czech Republic. Key suppliers and partners are regularly vetted for compliance with environmental and social standards. Downstream, Eco Baltia provides recycled materials and products to various industrial clients, thus closing the loop in the circular economy. The company maintains strong relationships with stakeholders through continuous engagement and adherence to robust governance practices.



#### MB-2 Interests and views of stakeholders

#### Disclosure of how interests and views of stakeholders are taken into account by strategy and business model

Our organization recognizes the importance of incorporating the interests and views of our stakeholders into our strategic and business decisions. By actively engaging with our stakeholders and integrating their interests and opinions into our strategy and business model, we enhance our ability to create long-term value and build strong, trust-based relationships.

# Description of stakeholder engagement in Eco Baltia group companies:

#### Own workforce:

- · Internal communication campaigns.
- Development of a bonus package for employees based on the maturity of their employment.
- · Improvement of working conditions.
- Survey on the satisfaction of employees.
- PR and communication of experts, business initiatives, and their results.
- Invitation to participate in the Eco Baltia Double-Materiality assessment to identify the most significant topics according to the opinion of Eco Baltia Group's internal stakeholders.

#### Affected communities:

- Information in a local media introducing and explaining the project and activities.
- Offers to sort waste more, including new opportunities for sorting (smart containers, textiles, biowaste, and

- containers for collecting cigarette butts).
- Responses to citizens' questions were provided, including preparing press releases or providing answers to regional media.
- Introduction of the Circular Economy and the EU Green Deal, organization of multiple sustainabilitypromoting events, i.e., "ESG afternoon".
- Expansion of the battery collection network in municipalities (more than 400 public battery collection points).
- Invitation to participate in the Eco Baltia Double-Materiality assessment to identify the most significant topics according to the opinion of Eco Baltia Group's external stakeholders.

#### Clients and end-users:

- Information in mass media introduces and explains the activities, as well as the company's PR and communication efforts, from experts, business initiatives, and results.
- Direct communication.
- Customer satisfaction survey in all municipalities where Eco Baltia Vide and JUMIS operate.
- Research and participation in identifying the "Greenest Brands in the Baltics 2024".
- Introduction of Circular economy and EU Green Deal, organization of multiple Sustainability promoting events, i.e., "ESG afternoon"
- Introduction of the cigarette butts' collection system and installation of 172 specially branded public waste bins across municipalities to encourage proper

disposal.

- By the end of 2024, more than 320 Eco Baltia's textile sorting points in Latvia had been introduced.
- Eco Baltia and NGO «Tavi draugi» organized a social campaign to collect gifts for children and fulfill their Christmas wishes. During the campaign, a series of charity concerts featuring well-known musicians took place throughout Latvia to attract audiences and expand the donor base. More than 3 tons of the most valuable textiles were donated to charity organizations & Ukrainian refugees.
- Invitation to participate in Eco Baltia Double-
- Materiality assessment to identify Eco Baltia's most significant topics according to the opinion of Eco Baltia Group's external stakeholders.

#### **Business partners, suppliers:**

- Direct contact introducing the company and project, along with an invitation to a site visit.
- PR and communication of experts about industry, output goals, and business results.
- Invitation to participate in Eco Baltia Double-
- Materiality assessment to identify the most significant and essential topics, as per the opinion of Eco Baltia Group's external stakeholders.

#### **Industry NGOs:**

 Participation in NGO (Employers' confederation of Latvia, Latvian Chamber of Commerce and Industry, Latvian Association of Waste Management Companies, Latvian Tire Management Association, The Red Jacket).

- · RecoVynil, PETCore, working groups, workshops.
- We believe that waste sorting infrastructure must be accessible to every resident, including those with visual or perceptual impairments. Eco Baltia invited companies, municipalities, and organizations to customize sorting containers with specialized stickers to enhance the accessibility of the sorting infrastructure. Several NGOs and day centers expressed interest in customizing sorting containers located near their sites with specialized stickers. Sorting containers were customized.

#### Investors, financial institutions:

- · Direct communication.
- · Presentations.
- Digitalization projects.
- LEAN culture in all group companies.
- Monitoring of business KPI.
- PR and communication of experts, business initiatives, and results.
- Invitation to participate in Eco Baltia Double-Materiality assessment to identify the most significant topics for Eco Baltia according to the opinion of Eco Baltia Group's internal and external stakeholders.

**Communication with the stakeholders** 

The company's stakeholders are communicated through the Nasdaq Baltic website, the most popular social networks, the Eco Baltia group website, which features an investor and press release section, as well

as various media, including TV, radio, and other outlets. In the year under review, Eco Baltia group organized four shareholders' meetings and two investor webinars. In 2024, a strong focus was put on citizen

surveys, to ascertain the level of public knowledge about the circular economy and its benefits.

Eco Baltia has identified several material impacts, risks, and opportunities through a comprehensive materiality assessment. These findings are integral to shaping our strategy and business model. By systematically integrating these material impacts, risks, and opportunities into our strategy and business model, we ensure that our operations are sustainable, resilient, and aligned with stakeholder expectations.

List	of material impacts, risks and opportunities and their interaction	with strategy and business model	ager goodst	are togeth seath artistation seath
Topic	Title & description	Туре	Upates Outon	points shorting Medium Longitus
E1	Greenhouse gas emissions from waste treatment	Potential negative impact	•	•
E1	Landfill waste reduction	Actual positive impact	•	•
E1	Carbon footprint from vehicle fleet used for waste collection	Actual negative impact	•	•
E1	Energy usage in waste management facilities	Potential negative impact	•	•
E2	Odor emissions	Potential negative impact	•	•
E2	Fugitive dust from waste handling	Potential negative impact	•	•
E2	Air pollution from vehicle emissions	Potential negative impact	•	•
E5	Excessive energy consumption from waste processing operations	Potential negative impact	•	•
E5	Resource depletion through inefficient recycling practices	Potential negative impact	•	•
E5	Greenhouse gas emissions from waste transportation	Potential negative impact	•	•
E5	Pollution from hazardous waste materials	Potential negative impact	•	•
E5	Depletion of natural resources due to insufficient recycling	Potential negative impact	•	•

List	ist of material impacts, risks and opportunities and their interaction with strategy and business model			chin operations	ream.	arin ake	arr Tr
Topic	Title & description	Туре	Upstress	Onwork do,	med short	Medium	Longiter
E5	Air pollution from waste incineration and decomposition	Potential negative impact		•		•	
E5	Water pollution from waste runoff and leachate	Potential negative impact		•		•	
S1	Exposure to hazardous materials	Potential negative impact		•		•	
S1	Challenging work conditions can lead to physical strain and fatigue	Potential negative impact		•	•		
S1	Employee morale and job satisfaction	Potential negative impact		•		•	
S1	Discrimination or harassment negatively impacts workplace culture	Potential negative impact		•	•		
S1	Worker Injuries due to Handling Hazardous Materials	Potential negative impact		•		•	
S1	Long-Term Health Issues for Workers	Potential negative impact		•		•	
S1	Emergency Response Plans	Potential negative impact		•		•	
S1	Occupational Stress from Shift Work	Potential negative impact		•		•	
S1	Equal pay for equal work	Potential positive impact		•		•	
S3	Job creation and economic stimulation	Potential positive impact		•			•
S3	Improved community cleanliness and quality of life	Potential positive impact		•			•
G1	Employee Engagement and Morale Enhancement	<ul> <li>Potential positive impact</li> </ul>		•			•
G1	Innovative Problem Solving and Efficiency Gains	<ul> <li>Potential positive impact</li> </ul>		•			•
G1	Ethical Conduct Violation	Potential negative impact		•			•

List	ist of material impacts, risks and opportunities and their interaction with strategy and business model			Charlote lations	s realth	arri	tern ch
Topic	Title & description	Туре	Updied	Onwood Do	uned shorts	Medium	Longiter
G1	Stakeholder Trust and Reputation	Potential positive impact		•			•
G1	Delayed supplier payments causing financial strain	Potential negative impact		•		•	
G1	Preferential treatment of certain suppliers leading to unfair competition	Potential negative impact		•		•	
G1	Insufficient vetting of suppliers risking non-compliance	Potential negative impact		•		•	
G1	Inefficient dispute resolution harming supplier relationships	Potential negative impact		•		•	
G1	Lackof diversity in supplier base limiting innovation and community support	Potential negative impact		•		•	
G1	Corruption scandals erode public trust in the company	Potential negative impact		•			•
G1	Bribery incidents	Potential negative impact		•			•
G1	Unethical bidding practices distort market competition	Potential negative impact		•		•	
G1	Internal corruption weakens governance structure	Potential negative impact		•		•	
G1	Employee morale declines due to perceived corruption	Potential negative impact		•		•	
E1	Carbon Emissions Regulations Fines	Risk		•		•	
E1	Litigation from Environmental Impact	● Risk		•		•	
E1	Increased energy costs	● Risk		•		•	
E2	Emissions from Waste Collection Vehicles	● Risk		•	•		
E2	Odor Emissions from Waste Facilities	● Risk		•	•		

List	of material impacts, risks and opportunities and their interaction with str	ategy and business model	West Court of Charles of the Charles
Topic	Title & description	Туре	Jefet Com Oper Operate Start before Medium tem
E2	Fugitive Dust from Waste Handling	Risk	• •
E5	Supply Chain Disruptions Cause Resource Shortages	Risk	• •
E5	Excessive Carbon Footprint from Resource Use	Risk	• •
E5	Over-Dependence on Non-Renewable Resources Causes Long-Term Sustainability Issues	Risk	• •
E5	Water Scarcity Due to High Water Usage	Risk	• •
<u>E</u> 5	High Carbon Emissions from Waste Collection Vehicles	Risk	• •
E5	Regulatory Non-compliance	● Risk	• •
E5	Pollution Incidents	Risk	• •
<u>E5</u>	Community Opposition	Risk	• •
S1	Employee Health and Safety Hazards	● Risk	•
S1	Labor Disputes due to Poor Working Conditions	● Risk	•
S1	Lack of Diversity and Inclusion	● Risk	•
S1	Inadequate Employee Training	● Risk	•
S1	Poor Mental Health Support	● Risk	•
 S1	Inadequate Safety Training Leading to Injuries	Risk	• •
S1	Exposure to Hazardous Materials Affecting Worker Health	● Risk	• •

List	ist of material impacts, risks and opportunities and their interaction with strategy and business model			pedi kretin intreen kein
Topic	Title & description	Туре	116 greater Orthodological	speaking the speak
S1	Community Health Impact from Waste Operations	Risk	•	•
S1	Low chances attracting high level professional	Risk	•	•
G1	Ethical compliance breaches	Risk	•	•
G1	Ineffective communication channels	Risk	•	•
G1	Unethical supplier practices can damage company reputation	Risk	•	•
G1	Over-reliance on single suppliers can create operational risks	Risk	•	•
G1	Inadequate management of supplier ESG performance can lead to non-compliance	Risk	•	•
G1	Risk of Fines and Penalties	Risk	•	•
G1	Loss of Contracts and Revenue	Risk	•	•
G1	Increased Regulatory Scrutiny	Risk	•	•
G1	Internal Fraudulence Risks	Risk	•	•
E1	Operational Fleet Transition to Sustainable Fuels	Opportunity	•	•
E1 E2	Renewable energy projects	Opportunity	•	•
E2	Emission Reduction Technologies Implementation	Opportunity	•	•
E2	Carbon Credit Trading	Opportunity	•	•
E2	EV/hybrid Vehicle Fleet	Opportunity	•	•

List	of material impacts, risks and opportunities and their interaction w	ith strategy and business model	hoesteeden munoopeeden	gre gard green green	(A)
Topic	Title & description	Туре	The stage of the other of the other of the other	Dormest Shortise Medium Lon	g, ter
E2	Air Quality Monitoring Systems	Opportunity	•	•	
E5	Implement advanced recycling technologies	Opportunity	•	•	
 E5	Optimize resource usage through data analytics	Opportunity	•	•	
E5	Invest in renewable energy projects	Opportunity	•	•	
 E5	Enhanced Recycling Programs	Opportunity	•	•	
E5	Waste-to-Energy Conversion	Opportunity	•	•	
E5	Efficient Resource Recovery	Opportunity	•	•	
E5	Sustainable Product Development Partnerships	Opportunity	•	•	
E5	Implement Advanced Recycling Technologies for Higher Material Recovery	Opportunity	•	•	
E5	Offer Comprehensive Waste Management Solutions for Corporates	<ul><li>Opportunity</li></ul>	•	•	
E5	Adopt Circular Economy Practices to Minimize Waste Generation	Opportunity	•	•	
S1	Improved Employee Training on Safety Protocols	Opportunity	•	•	
S1	Investment in Health and Safety Technology	Opportunity	•	•	
S1	Comprehensive Health Programs for Employees	Opportunity	•	•	
S1	Regular Safety Audits and Inspections	Opportunity	•	•	
S1	Engagement in Community Health Initiatives	Opportunity	•	•	

List	of material impacts, risks and opportunities and their inter	naterial impacts, risks and opportunities and their interaction with strategy and business model				
Topic	Title & description	Туре	The treat Concore to the Etropie Short to the Medium term			
S1	Mental health support initiative	Opportunity	•			
S1	Promoting equal treatment	<ul><li>Opportunity</li></ul>	•			
S3	Community Education Programs	Opportunity	•			
S3	Local Employment Initiatives	<ul><li>Opportunity</li></ul>	•			
S3	Health and Safety Improvements	<ul><li>Opportunity</li></ul>	•			
G1	Robust Ethics Training Programs	<ul><li>Opportunity</li></ul>	• •			
G1	Transparent Reporting Practices	<ul><li>Opportunity</li></ul>	•			
G1	Employee Engagement Initiatives	<ul><li>Opportunity</li></ul>	•			
G1	Ethical Sourcing Policy	Opportunity	•			
G1	Supplier Collaboration Programs	<ul><li>Opportunity</li></ul>	•			
G1	Risk Management Protocols	<ul><li>Opportunity</li></ul>	• •			
G1	Performance-Based Incentives	<ul><li>Opportunity</li></ul>	•			
G1	Implement Anti-Bribery Training Programs	<ul><li>Opportunity</li></ul>	•			
G1	Establish Whistleblower Protection Policies	<ul><li>Opportunity</li></ul>	• •			
G1	Enhance Board Oversight on Corruption	Opportunity				
G1	Regular Compliance Audits	Opportunity				

#### Description of the processes to identify and assess material impacts, risks, and opportunities

# **Description of double-materiality assessment process**

The purpose of conducting a double materiality assessment for the Eco Baltia group is to comprehensively evaluate the intersection of our business operations with environmental, social, and governance (ESG) factors from two distinct but interconnected perspectives. Firstly, the 'outside-in' perspective assesses how ESG issues can have a material financial impact on our company, influencing our performance, risk profile, and strategic decision-making.

Secondly, the 'inside-out' perspective considers the significance of our company's impact on society and the environment. This holistic approach ensures that we align with stakeholder expectations and regulatory requirements, while also promoting transparency and accountability in our sustainability practices.

By undertaking this dual analysis, we systematically identify and prioritise material topics that are both significant to our stakeholders and have substantive influence on the economic, environmental, and social aspects of Eco Baltia. The assessment helps us discern which ESG topics are integral to our value creation processes and long-term sustainability, allowing us to focus our efforts on areas where we can make the most meaningful contributions and improvements. This, in turn, not only enhances our corporate responsibility but also informs our stakeholders, including investors, customers, and employees, about how Eco Baltia is actively managing its ESG risks and opportunities.

#### **Materiality matrix**

The materiality matrix serves as a strategic tool for organizations to focus their efforts and resources on addressing the most significant sustainability issues that matter to both the business and its stakeholders. Issues

that fall into the high-importance and high-stakeholderinterest quadrant are considered the most material and require the organization's attention and action.

# Description of methodologies and assumptions applied in the process to identify impacts, risks, and opportunities

Our organization employs a structured and systematic approach to identify and assess material impacts, risks, and opportunities. We apply the double materiality principle, considering both financial materiality (which has implications for the company's financial performance) and impact materiality (which impacts the environment and society). We engage with a broad range of stakeholders, including employees, customers, suppliers, investors, and local communities, to gather diverse perspectives on material issues. We use impact and risk mapping techniques to visualize and prioritize potential impacts, risks, and opportunities based on their severity and likelihood.

# Description of process to identify, assess, prioritise, and monitor potential and actual impacts on people and environment, informed by due diligence process

Our organization employs a comprehensive due diligence process to identify, assess, prioritize, and monitor potential and actual impacts on people and the environment. This process is integral to our sustainability strategy, ensuring that we effectively address significant impacts. We conduct thorough impact analyses to evaluate the severity and likelihood of potential and actual impacts. This includes both qualitative and quantitative assessments. Our assessment considers both financial materiality (impacts on the company's financial performance) and impact materiality (impacts on the environment and society). Impacts are prioritized based on their relative severity and likelihood of occurrence. Negative impacts are given precedence based on their

potential harm, while positive impacts are considered based on their scale, scope, and probability. We apply qualitative and quantitative thresholds to determine which impacts are material for reporting purposes, as prescribed by ESRS guidelines.

# Description of how process focuses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts

By focusing on specific activities, business relationships, geographies, and other factors with heightened risks, we ensure that our organization effectively addresses significant adverse impacts and aligns with our commitment to sustainable and responsible business practices.

relative severity and likelihood and positive impacts based on their relative scale, scope and likelihood and determines which sustainability matters are material for reporting purposes

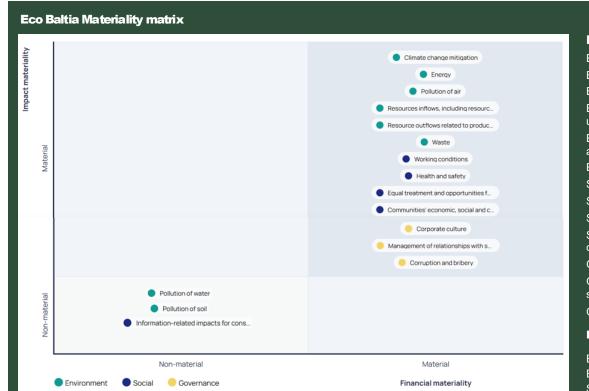
Yes

Process considers impacts with which undertaking is involved through own operations or as result of business relationships

Yes

Process includes consultation with affected stakeholders to understand how they may be impacted and with external experts

Yes



#### Material sustainability topics

- E1 Climate change mitigation
- E1 Energy
- E2 Pollution of air
- E5 Resources inflows, including resource use
- E5 Resource outflows related to products and services
- E5 Waste
- S1 Working conditions
- S1 Health and safety
- S1 Equal treatment and opportunities for all
- S3 Communities' economic, social and cultural rights
- G1 Corporate culture
- G1 Management of relationships with suppliers including payment practices
- G1 Corruption and bribery

#### Non-material sustainability topics

- E2 Pollution of water
- E2 Pollution of soil
- S4 Information-related impacts for consumers and/or end-users



#### Disclosure requirements in ESRS covered by the undertaking's sustainability statement

#### List of ESRS Disclosure Requirements complied with in preparing sustainability statement following outcome of materiality assessment

Eco Baltia's sustainability statement complies with the ESRS disclosure requirements, including the provision of a comprehensive list of topics deemed material following their materiality assessment. The company's sustainability statement includes a content index detailing each compliant ESRS disclosure requirement, along with corresponding page numbers and paragraphs for easy reference.

Additionally, a separate table is provided, listing data points derived from other EU legislation, distinguishing those assessed as material and non-material. Specific explanations are provided for any significant topics, such as climate change, which are deemed not material, ensuring transparency and forward-looking analysis.







# ENVIRONMENT



## **Climate change**

#### Transition plan for climate change mitigation

# Explanation of how targets are compatible with limiting of global warming to one and half degrees Celsius in line with Paris Agreement

The company's targets, such as a 50% reduction in CO2 emissions per unit produced by 2030 and achieving 100% electricity consumption from renewable energy by 2025, align with the Paris Agreement's goal of limiting global warming to 1.5°C. These goals are part of a broader strategy to enhance operational eco-efficiency, increase the use of renewable and low-carbon energy, and optimize resource utilization, demonstrating a commitment to the Paris Agreement and achieving climate neutrality by 2050.

# Explanation of decarbonisation levers identified, and key actions planned

Eco Baltia has identified several decarbonisation levers and key actions in its transition plan. Key actions for the short term (2023-2024) include setting Science-Based Targets (SBTs), developing a sustainability reporting system, and initiating the calculation and setting of the Scope 3 GHG emissions target. For the medium-term (2025-2029), actions include avoiding six times more CO2 emissions through services than generated in operations, operating 30% of the vehicle fleet on sustainable fuels, reducing CO2 emissions by 25% per unit produced compared to 2021, recovering 50% of collected materials, and ensuring 100% electricity consumption from renewable energy sources. Longterm actions (2030-2050) focus on reducing CO2 emissions by 50% per unit produced and entirely switching the vehicle fleet to sustainable fuels. The strategy also encompasses continuous improvements in operational eco-efficiency, optimizing natural resource consumption, and procuring and producing renewable and low-carbon-intensive energy. This comprehensive approach aligns with the company's commitment to the Circular Economy and significantly contributes to climate change mitigation efforts.

# Disclosure of significant operational expenditures (Opex) and (or) capital expenditures (Capex) required for implementation of action plan

In 2024, Eco Baltia Group's significant operational and capital expenditures were directed towards multiple development initiatives aimed at enhancing waste management and recycling capacities. Key investments included EUR 2.8 million for a new automated plastics sorting and recycling line at "Nordic Plast", as well as the construction of a new Resource Management Centre with a planned capacity of up to 150,000 tons per year. Additionally, the new factory of "ITERUM" was opened, with a capacity of 80,000 tons per year, and there was substantial rebuilding at Ecoservice's waste sorting facility, supported by the company's funds and financial backing from Luminor.

# Explanation of the relationship of significant CapEx and OpEx required to implement actions taken or planned to key performance indicators required under Commission Delegated Regulation (EU) 2021/2178

The company commits significant capital expenditures (CapEx) and operational expenditures (OpEx) to actions that enhance its environmental sustainability

and mitigate the impacts of climate change. Notable investments include the development of renewable energy infrastructure, such as the installation of solar panels and the purchase of CNG-powered and electric vehicles. These initiatives align with key performance indicators, including increasing the share of renewable energy consumption to 100% by 2025 and reducing CO2 emissions by 50% per unit produced by 2030.

# Explanation of the relationship of significant CapEx and OpEx required to implement actions taken or planned to CapEx plan required by Commission Delegated Regulation (EU) 2021/2178

Eco Baltia's significant capital expenditure (CapEx) and operational expenditure (OpEx) requirements for implementing planned actions closely align with the group's broader investment strategy, as outlined in the documents. Key initiatives include the construction of a new Resources Management Centre and a new production site for "ITERUM", as well as rebuilding Ecoservice's waste sorting centre. These projects are designed to enhance waste sorting and recycling capabilities, thereby supporting the company's transition plan for climate change mitigation in line with Commission Delegated Regulation (EU) 2021/2178. Additionally, the group has shown a commitment to energy efficiency and renewable energy solutions, as evidenced by investments in solar panels and CNG-powered trucks. These investments are integrated into the company's financial planning and are overseen by the Group

Supervisory Board to ensure alignment with Eco Baltia's long-term sustainability goals.

# Explanation of potential locked-in GHG emissions from key assets and products and of how locked-in GHG emissions may jeopardise achievement of GHG emission reduction targets and drive transition risk

The company has initiated several actions that address potential locked-in GHG emissions from key assets and products. These actions include relocating production facilities, which reduces transportation-related CO2 emissions, and investing in modern energy-efficient technologies, such as automated plastic sorting lines and renewable energy sources, which will decrease the overall carbon footprint. The improvements in operational efficiency, such as the increased use of robotics and automation, are expected to contribute significantly to emission reductions and help mitigate transition risks by aligning with the company's GHG emission reduction targets.



#### Explanation of how transition plan is embedded in and aligned with overall business strategy and financial planning

The transition plan for climate change mitigation is deeply integrated into Eco Baltia's overall business strategy and financial planning. The company emphasizes the alignment of its sustainability initiatives with strategic objectives through various actions, including the adoption of new technologies and enhancements to operational efficiency. Significant investments have been made in infrastructure and process improvements, including the construction of a modern waste sorting plant and the relocation of production facilities to increase capacity and reduce emissions. Eco Baltia also

prioritizes stakeholder engagement, ensuring that environmental goals are synchronized with community and regulatory expectations, thus reinforcing the company's commitment to a sustainable economy.

# Transition plan is approved by administrative, management and supervisory bodies

In 2021, the Group Supervisory Board of Eco Baltia approved a new strategy for 2021-2025, which encompasses sustainability aspects. Furthermore, the Management Board and Supervisory Board of Eco Baltia are responsible for reviewing and approving policies, including the sustainability strategy, to ensure alignment with the group's objectives and regulatory requirements.

# **Explanation of progress in implementing transition** plan

In 2024, significant progress was made in implementing Eco Baltia's climate change mitigation transition plan. Key developments included the official opening of the new waste sorting plant, the Resource Management Centre, with an initial capacity planned to sort 45,000 tons per year, and the new "ITERUM" factory, which has a processing capacity of 80,000 tons per year. Investments were made in modernizing facilities and improving process efficiencies, such as the relocation and technical adjustments at "Nordic Plast", and rebuilding efforts at Ecoservice's waste sorting premises. These advancements contribute to the group's strategic goals for sustainability,

improving waste sorting and processing capacities, thereby aligning with the company's long-term transition plan objectives.

Туре	of climate-related risk		.e	in obe	dille	ku. Kitek	rin Tur	riteri.
Торіс	Title & description	Туре	UPED	Chille	Donu.	Short	Medi	Long
E1	Greenhouse gas emissions from waste treatment	Potential negative impact		•			•	
	Greenhouse gas emissions from waste treatment operations and transportation contribute to climate change.							
E1	Landfill waste reduction	Actual positive impact						
	Our increased recycling reduces the amount of waste sent to landfills, lowering methane emissions which are potent greenhouse gases.							
E1	Carbon footprint from vehicle fleet used for waste collection	Actual negative impact						
	The use of diesel-powered vehicles for waste collection emits CO2 and other pollutants.			•		•		
	Our target: Upgrade to vehicles operated with sustainable fuels, enforce regular vehicle maintenance and implement route optimization software.							

Торіс	Title &description	Туре	Upsteam Ournote diote	short-teeth Medium-teeth Long-teeth
E1	Energy usage in waste management fa cilities	Potential negative impact	•	•
	High energy consumption in waste processing and management facilities can lead to increased carbon emissions.			
E1	Risk: Carbon Emissions Regulations Fines	Risk	•	•
	Stricter regulations on carbon emissions could result in hefty fines for non-compliance, impacting financial performance.			
	We implementing robust emissions monitoring and reduction strategies, investing in renewable energy sources, and upgrading to more efficient waste management technologies.			
E1	Risk: Litigation from Environmental Impact	Risk	•	•
	Litigations or lawsuits arising from environmental damages or disasters caused by waste management activities can lead to significant legal costs.			
	We implementing rigorous environmental safety protocols and maintaining transparent community relations.			
E1	Risk: Increased energy costs	Risk	•	•
	Rising energy costs associated with transitioning to greener technologies and energy sources can reduce profit margins.			
	We adopting energy-efficient equipment, optimizing energy use, and exploring on-site renewable energy generation.			
E1	Opportunity: Operational Fleet Transition to Sustainable Fuels	<ul><li>Opportunity</li></ul>		
	Transition to sustainable fuels (e.g. HVO and bio-CNG) in waste collection vehicles can lower fuel expenses and reduce greenhouse gas emissions.			
E1	Renewable energy projects	<ul><li>Opportunity</li></ul>	•	•
E2	Investing in renewable energy sources like solar and wind can reduce operational costs and enhance company reputation.			

#### **Description of scope of resilience analysis**

Eco Baltia's resilience analysis encompasses a comprehensive evaluation of the potential impacts of climate-related risks, both physical and transitional, as part of its strategic and operational planning. This includes considering natural hazards and ensuring that emergency preparedness and response plans are in place. For example, the company integrates climate scenario analysis to understand the implications on its business model and strategy. Additionally, as part of the ISO certifications for major companies within the group, ongoing monitoring and updates of management systems are conducted to ensure they adhere to the latest standards, which indirectly supports resilience against climate risks.

# Disclosure of how resilience analysis has been conducted

The resilience analysis at Eco Baltia is conducted by utilizing a comprehensive Risk Management system, which includes the identification, evaluation, and monitoring of various risks. This analysis involves conducting periodic impact assessments, providing regular reports to state environmental services, and engaging stakeholders to evaluate climate-related

risks and opportunities. The company also employs numerous internal and external audits to ensure compliance with relevant laws and to adapt to changes in regulatory requirements. Furthermore, Eco Baltia continually updates its crisis management and business continuity plans to address potential risks effectively.

#### Time horizons applied for resilience analysis.

The company conducts resilience analysis over short-term (2023–2024), medium-term (2025–2029), and long-term (2030–2050) horizons to assess the robustness of its strategy and business model in relation to climate change impacts. These time frames reflect the progression of initiatives and goals, including setting Science-Based Targets (SBTs), transitioning vehicle fleets to sustainable fuels, and achieving significant reductions in CO2 emissions. The analysis includes a detailed evaluation of operational and strategic adjustments required to maintain resilience under various climate scenarios.

#### **Description of results of resilience analysis**

Eco Baltia conducted a resilience analysis as part of their 2021-2025 strategy update. This included a sustainability strategy and KPIs aligned with the UN Sustainable Development Goals. The resilience analysis took into account various improvements and new initiatives, such as the construction of new facilities and the relocation of operations, aimed at enhancing operational efficiency and sustainability. For example, the new Resource Management Centre, opened in 2024, is designed to significantly increase waste sorting capacity, while the opening of the new "ITERUM" factory in 2024 expanded processing capacity by 30%.

Additionally, resilience is supported by regular updates to environmental and social policies, compliance with ISO standards across multiple dimensions, and continuous stakeholder engagement. The resilience analysis also emphasizes the company's commitment to reducing GHG emissions and improving fire and work safety standards in response to past incidents.

# Description of ability to adjust or adapt strategy and business model to climate change

Eco Baltia's strategy and business model demonstrate significant adaptability to the impacts of climate change. The group has integrated ambitious sustainability KPIs into its overall strategy, including

reducing CO2 emissions by 50% per unit produced by 2030, transitioning to a vehicle fleet entirely operated on sustainable fuels, and continuously improving operational eco-efficiency. Additionally, the company has committed to sourcing 100% of its electricity from renewable energy sources by 2025 and plans substantial investments in modern technology to enhance energy efficiency and reduce emissions.

These initiatives highlight Eco Baltia's proactive approach to adjusting and evolving its strategic and operational frameworks to mitigate climate-related risks and capitalize on the opportunities presented by the transition to a low-carbon economy (Environmental sector ESG Strategy and relevant strategies for 2021-2025).

### Description of the processes to identify and assess material climate-related impacts, risks and opportunities

# **Description of process in relation to impacts on climate change**

Eco Baltia has established a comprehensive process for identifying and assessing climate-related impacts, specifically focusing on its GHG emissions. Detailed measures include the implementation of a CO2 emission monitoring and reduction plan, as well as consistent innovation aimed at reducing the

company's carbon footprint. For instance, Eco Baltia has introduced infrastructure for the sustainable sorting of textiles, the use of renewable energy, and the enhancement of operational eco-efficiency. Additionally, the organization actively engages in educational campaigns to raise awareness about the principles of the circular economy and the importance of waste sorting.

#### Policies related to climate change mitigation and adaptation

# Policies in place to manage its material impacts, risks and opportunities related to climate change mitigation and adaptation

Sustainability and Environmental Policy

# **Description of key contents of policy: General Overview**

- Defines sustainability as meeting current needs while minimizing risks to future generations.
- Applies to all employees and is shared with customers and suppliers.
- Emphasizes innovation, efficiency, and environmentally friendly operations.

#### **Guiding Principles**

- Activities must be socially, environmentally, and economically responsible.
- Compliance with laws and international standards.
- Promotion of circular economy and responsible resource use.
- Engagement with stakeholders and respect for human rights.
- Focus on corporate governance, fair pay, safety, and public education.

#### **Environmental Responsibility**

- Commitment to reducing environmental impact using best available technologies.
- Life cycle assessment of products and services.
- Focus on reducing CO<sub>2</sub> emissions and landfill waste.
- Setting and monitoring quantitative environmental targets.

#### **Economic Responsibility**

- Emphasizes competitiveness, innovation, and long-term value creation.
- Participation in industry development and scientific research.
- Continuous review of economic impact on stakeholders.

#### Social Responsibility

- Goal of zero workplace accidents and a safe working environment.
- Fair compensation, work-life balance, and diversity inclusion.
- Employee development through training and career growth opportunities.

#### **Stakeholder Cooperation**

- · Fair treatment and free competition.
- Engagement through consultations, partnerships, and feedback mechanisms.
- Collaboration with a wide range of stakeholders including NGOs, authorities, and communities.
- Commitment to data protection and ethical partnerships.

#### **Environmental Policy Principles**

- Minimizing environmental and biodiversity impact.
- Promoting sustainable habits and public awareness.
- Adoption of clean technologies and energy-efficient practices.
- Support for green procurement and digital

communication to reduce resource use.

#### Governance

- Policy approved by the Management and Supervisory Boards.
- · Reviewed every three years.
- Legal department responsible for updates.





#### Actions and resources in relation to climate change policies

# Description of actions and resources related to climate change mitigation and adaptation

Eco Baltia has implemented various initiatives and allocated significant resources to address climate change mitigation and adaptation. In the short term (2023-2025), the company set Science-Based Targets (SBTs) and began calculating and setting its Scope 3 GHG emissions target. Medium-term (2025-2029) goals include operating 30% of the vehicle fleet on sustainable fuels and achieving a 25% reduction in CO2 emissions per unit produced compared to 2021. By 2030, the company aims to reduce CO2 emissions per unit produced by 50% and transition to a fully sustainable vehicle fleet. Additionally, the company has developed a Sustainability Strategy aligned with the United Nations Sustainable Development Goals (SDGs) and invested in modern technologies to enhance energy consumption efficiency and emission savings.

Eco Baltia has taken several significant actions and allocated resources to mitigate and adapt to climate change. Short-term (2023-2024) actions include setting Science-Based Targets (SBTs), developing a sustainability reporting system, initiating the calculation of Scope 3 GHG emissions, and establishing an ISOcertified material testing laboratory. Medium-term (2025-2029) initiatives involve avoiding six times more CO2 emissions through services than generated, operating 30% of the vehicle fleet on sustainable fuels, reducing CO2 emissions by 25% per unit produced compared to 2021, recovering 50% of collected materials, and consuming 100% electricity from renewable energy sources. Long-term (2030-2050) goals aim for a 50% reduction in CO2 emissions per unit produced, transitioning the vehicle fleet to fully sustainable fuels, and continuously reducing the carbon footprint through various measures. Financial resources allocated include investments in modern technologies to achieve energy efficiency and emission reductions.

#### **Description of decarbonisation lever types**

The company is implementing a variety of

decarbonisation levers to mitigate climate change. These include increasing the share of renewable energy sources, such as CNG and green electricity, and improving energy efficiency per unit of production. Additionally, the company is investing in modern technologies and solutions to enhance energy consumption efficiency and achieve emission savings. To reduce CO2 emissions, the aim is to cut emissions by 50% per unit produced by 2030 and ensure that 100% of electricity consumed comes from renewable energy plants by 2025.

Further initiatives include the gradual integration of sustainable fuels into the vehicle fleet and forklifts, with a goal of having 30% of all environmental services vehicles operated on sustainable fuels by 2025, and all indoor forklifts powered by sustainable fuel/electricity by 2030. The company also plans to install its own sustainable energy production plant and gradually increase electricity consumption from these sources in the coming years.

The company has set a target to reduce CO2 emissions through its services by 6 times more than it generates in its operations by 2025. It has also committed to starting the calculation of Scope 3 GHG emissions in 2024 and conducting annual certification and recertification by the requirements of ISO 14064:2018-1.

#### Adaptation solution type

Eco Baltia and its subsidiaries implement various adaptation solutions to address the impacts of climate change as part of their common Group strategy and sustainability initiatives. Notably, the company has undertaken construction of new facilities, such as the Resources Management Centre and new production sites for "Nordic Plast" and "ITERUM", which are

designed to enhance waste sorting and recycling capabilities. These facilities also incorporate measures such as solar panels and energy-efficient equipment to mitigate their environmental impact. Additionally, fire safety improvements and process automation have been prioritized to enhance resilience against future risks.

# Explanation of relationship of significant CapEx and OpEx required to implement actions taken or planned to key performance indicators required under Commission Delegated Regulation (EU) 2021/2178

The company's significant capital expenditures (CapEx) and operating expenditures (OpEx) investments in climate change mitigation and adaptation actions are specifically aligned with their key performance indicators under Commission Delegated Regulation (EU) 2021/2178. For instance, Eco Baltia has invested in renewable energy for its fleet with a planned target of increasing the percentage of vehicles running on sustainable fuels to 30% by 2025. Additionally, the company regularly allocates 1.5-2% of its profits towards enhancing the working environment and work safety. These expenditures are consistent with the company's climate-related targets and financial allocations, emphasizing their commitment to reducing GHG emissions and enhancing operational energy efficiency.

# Explanation of relationship of significant CapEx and OpEx required to implement actions taken or planned to CapEx plan required by Commission Delegated Regulation (EU) 2021/2178

Eco Baltia has linked its significant capital expenditures (CapEx) and operational expenditures (OpEx) for climate change mitigation and adaptation actions to its overall capital expenditure plan. The company has prioritized investments in modern technologies and

solutions to enhance energy consumption efficiency and emission reduction. Notably, Eco Baltia has committed to substantial projects like the development of a new Resource Management Centre and a new production site for "ITERUM", both of which have specific environmental targets. The company also plans to invest in renewable energy solutions, including solar panels, to support its sustainability efforts in operations. These investments align with the capital expenditure (CapEx) plan required by Commission Delegated Regulation (EU) 2021/2178.

# Explanation of any potential differences between significant OpEx and CapEx disclosed under ESRS E1 and key performance indicators disclosed under Commission Delegated Regulation (EU) 2021/2178

Eco Baltia provides detailed explanations regarding potential differences between significant OpEx and CapEx disclosed under ESRS E1 and key performance indicators mandated by Commission Delegated Regulation (EU) 2021/2178. The explanation focuses on aligning these expenditures with climate change mitigation and adaptation policies, including decarbonization efforts and the use of renewable energy. This alignment ensures that OpEx and CapEx are directly contributing to environmental sustainability goals, thereby addressing any discrepancies in reported financial data.



### E1-4 Targets related to climate change mitigation and adaptation

#### **Disclosure of climate-related targets**

Topic	Target title & description	Metric	Baseline (2023)	2024
E1 E5	GHG emissions reduction	tCO2e	39 192	36 016

#### **GHG** emissions reduction targets

	Metric	2023	2024
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions	tCO2e	21 912	20 424
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions	tCO2e	17 280	10 404
Gross market-based Scope 2 GHG emissions	tCO2e		
Total GHG emissions			
Total GHG emissions (location-based)	tCO2e	39 192	32 058
Total GHG emissions (market-based)	tCO2e	21 912	21 654

## **GHG** emission intensity

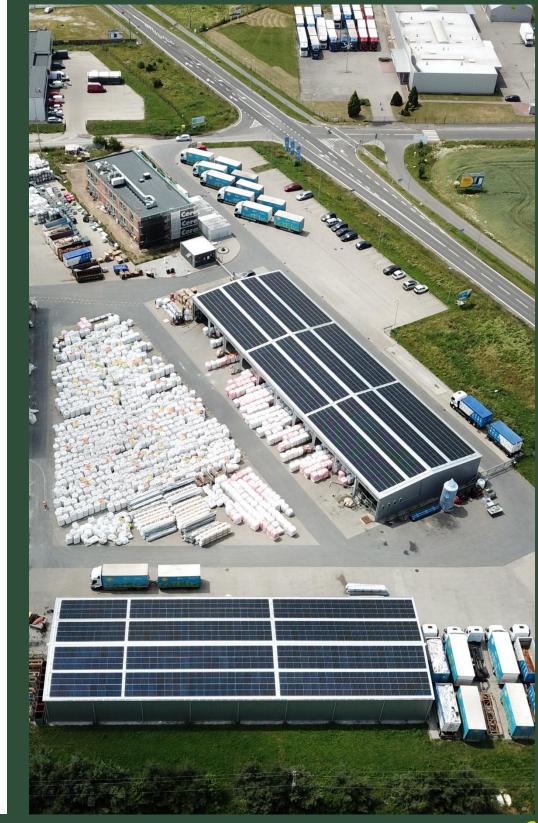
[GHG emissions on 1 MEUR Revenue]



### Energy consumption and mix

#### **Energy consumption and mix**

Title	Metric	Consumption
Fuel consumption from natural gas	MWh	7 596
Fuel consumption from other fossil sources	MWh	75 360
Consumption of purchased or acquired electricity, heat, steam, and cooling consumption	MWh	39 199
Total fossil energy consumption	MWh	122 156
Share of fossil sources in total energy consumption	%	84.91
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	21 713
Total renewable energy consumption	MWh	21 713
Share of renewable sources in total energy consumption	%	15.08
Total energy consumption	MWh	143 869
Non-renewable energy production	MWh	0
Renewable energy production	MWh	0



#### 6 Gross Scopes 1, 2, 3 and Total GHG emissions

#### Gross Scopes 1, 2, 3 and Total GHG emissions - GHG emissions per scope

Scope 1: Direct emissions	20 424	Scope 2: Indirect emissions from energy purchases		11 634 Scope 3: Other Indirect emissions -	
Combustion of fuels in stationary sources tCO2e	1 458	1. Purchased Electricity	tCO2e	10 404	
Combustion of fuels in mobile sources tCO2e	18 966	* Location-based method	tCO2e	10 404	
3. Fugitive emissions tCO2e	-	* Market-based method	tCO2e	-	
Process emissions from physical or tCO2e chemical processing	-	2. Heat and Steam	tCO2e	1 230	

Total location-based GHG emissions	tCO2e	32 058
Total market-based GHG emissions	tCO2e	21 654

<sup>\*</sup> The emission factors used are listed in Appendix 'Used Emission Factors List.'

# LisDisclosure of how GHG emissions reduction targets and (or) any other targets have been set to manage material climate-related impacts, risks and opportunities

Eco Baltia has established GHG emissions reduction targets that encompass both absolute and intensity values. These targets cover Scope 1 and 2 emissions and are disclosed in accordance with the GHG Protocol. The company has also committed to a long-term net-zero goal, aligning with a 1.5°C trajectory by 2050. However, it has not yet fully integrated Paris-aligned targets covering Scope 3 emissions.

#### 7 GHG removals and GHG mitigation projects financed through carbon credits

Eco Baltia has undertaken significant initiatives to enhance GHG removals and storage through various projects in its operations and value chain. A notable development is the construction of the Resource Management Centre, which is capable of sorting significant volumes of waste and contributes to GHG emission reductions. Additionally, the company has made substantial investments in recycling

infrastructure, including a new production site for "ITERUM" and upgraded facilities for "Nordic Plast", aimed at increasing recycling capacity and reducing emissions. These efforts demonstrate Eco Baltia's commitment to minimizing resource consumption and supporting GHG removals in line with their sustainability strategy.

**Net revenue** 

261 540 000 EUR

Net revenue used to calculate GHG intensity

261 540 000 EUR

GHG emissions intensity, location-based (total GHG emissions per net revenue)

117

### **Pollution**

### Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

### Disclosure of process to identify impacts, risks and opportunities and to assess which ones are material

The process begins with a Double Materiality Assessment, which considers:

- **Impact Materiality:** How the company's activities affect the environment and society (e.g., emissions, waste leakage, soil contamination).
- Financial Materiality: How pollution-related issues affect the company's financial performance (e.g., regulatory fines, cleanup costs, reputational damage).

- **Screening of Operations:** Evaluate all sites and activities for pollution risks (e.g., landfill, leachate, incineration emissions).
- Value Chain Analysis: Include upstream (e.g., suppliers of hazardous materials) and downstream (e.g., waste disposal partners) impacts.
- Stakeholder Engagement: Consult with regulators, local communities, and environmental NGOs to identify concerns and expectations.
- Use of Tools and Data: Apply environmental impact assessments (EIAs), life cycle assessments (LCAs), and pollution monitoring data

Site locations and business activities have been screened to identify actual and potential pollution-related impacts, risks and opportunities in own operations and upstream and downstream value chain

Yes

### **Policies related to pollution**

### Disclosure of whether and how policy addresses mitigating negative impacts related to pollution of air, water and soil

Eco Baltia has adopted a comprehensive internal policy framework for preventing, controlling, and reducing pollution. The company's procedures aim to prevent and minimize the release of waste and hazardous substances into the air, water, soil, and living organisms, by applicable environmental laws and standards.

### To manage pollution-related impacts and risks:

- Daily preventive measures are implemented to limit the release of pollutants into the environment.
- The company's premises are fenced and secured to prevent unauthorized access and reduce

environmental risk.

- All material storage areas are equipped with waterproof surfaces and integrated rainwater drainage systems designed to prevent contamination of soil and water.
- The drainage systems are fitted with screens or filtration systems to capture solid particles and petroleum products before runoff is discharged.
- Petroleum products and chemicals are stored in their original containers within dedicated collection tanks to ensure containment and minimize the risk of spills.

#### **Accidental Pollution Management**

### Eco Baltia has defined procedures to address accidental pollution:

- Immediate containment and recovery actions must be initiated upon detecting leaks or spills.
- The source of pollution must be stopped immediately, and the spill collected without delay.
- The responsible supervisor and environmental specialist are notified at once to coordinate the response.
- Root cause analysis is conducted for each incident, with corrective actions implemented including, where necessary, staff training to prevent recurrence.

These practices are integral to the company's environmental management system, contributing to the prevention of pollution during operations. The measures are subject to regular monitoring and review, and the company is committed to continually improving its performance in pollution prevention.

eco baltia

### **Circular economy**

### Policies related to resource use and circular economy

### Policies to manage its material impacts, risks and opportunities related to resource use and circular economy

Sustainability and Environmental Policy

#### **Description of key contents of policy:**

#### 1. General Overview

- Defines sustainability as meeting current needs while minimizing risks to future generations.
- Applies to all employees and is shared with customers and suppliers.
- Emphasizes innovation, efficiency, and environmentally friendly operations.

#### 2. Guiding Principles

- Activities must be socially, environmentally, and economically responsible.
- Compliance with laws and international standards.
- Promotion of circular economy and responsible resource use.
- Engagement with stakeholders and respect for human rights.
- Focus on corporate governance, fair pay, safety, and public education.

### 3. Environmental Responsibility

- Commitment to reducing environmental impact using the best available technologies.
- Life Cycle Assessment of Products and Services.
- Focus on reducing CO<sub>2</sub> emissions and landfill waste.

Setting and monitoring quantitative environmental targets.

#### 4. Economic Responsibility

- Emphasizes competitiveness, innovation, and long-term value creation.
- Participation in industry development and scientific research.
- Continuous review of economic impact on stakeholders.

#### 5. Social Responsibility

- Goal of zero workplace accidents and a safe working environment.
- Fair compensation, work-life balance, diversity, and inclusion.
- Employee development through training and career growth opportunities.

#### 6. Stakeholder Cooperation

- Fair treatment and free competition.
- Engagement through consultations, partnerships, and feedback mechanisms.
- Collaboration with a wide range of stakeholders, including NGOs, authorities, and communities.
- Commitment to data protection and ethical partnerships.

### 7. Environmental Policy Principles

- Minimizing environmental and biodiversity impact.
- Promoting sustainable habits and public

- awareness.
- Adoption of clean technologies and energy-efficient practices.
- Support for green procurement and digital communication to reduce resource use.

#### 8. Governance

- Policy approved by the Management and Supervisory Boards.
- · Reviewed every three years.
- The legal department is responsible for updates.

### Description of whether and how policy addresses waste hierarchy (prevention, preparing for re-use, recycling, other recovery, disposal)

Eco Baltia's policy on resource use and circular economy embraces the waste hierarchy framework. This includes prioritizing waste prevention, preparing for re-use, and recycling. The policy also emphasizes other recovery methods, such as energy recovery and responsible disposal. Eco Baltia's commitment is reflected in their promotion of returning materials to the market with maximum added value and developing an efficient waste management system. They aim to reduce the amount of landfilled waste and monitor CO2-equivalent emissions to mitigate environmental impact.

### 53 Targets related to resource use and circular economy

#### Disclosure of resource use and circular economy-related targets

Topic	Target title & description	Metric	Baseline (2023)	2024
E1 E5	GHG emissions reduction	tCO2e	39 192	36 016

### Resource outflows

### Description of the key products and materials that come out of the undertaking's production process

Eco Baltia focuses on integrating circular economy principles into its production processes by developing advanced material recycling and circular economy practices. Specifically, the company is engaged in innovative recycling technologies for materials such as bottle caps and polymer packaging, upgrading sorting capabilities to enhance material recovery quality, and implementing tray recycling and collection systems for improved traceability. Strategic investments aim to create durable, reusable, and recyclable products, contributing significantly to waste reduction and resource efficiency.





# SOCIAL

### **Own workforce**

### Material impacts, risks and opportunities and their interaction with strategy and business model

# All people in its own workforce who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2

Eco Baltia includes all individuals in its workforce who the company's operations may materially impact within the scope of its ESRS 2 disclosures. This encompasses employees and non-employees who are significantly affected by various factors, such as work-related accidents and occupational health and safety issues, which are thoroughly investigated and addressed through preventive measures.

### Description of types of employees and nonemployees in its own workforce subject to material impacts

The company's workforce includes employees, self-employed individuals, and workers provided by third-party employment agencies. Employees primarily consist of drivers, loaders, environmental maintenance workers, and production staff in various subsidiaries like "Eco Baltia vide", "Ecoservice", "ITERUM" and "Nordic Plast". Non-employees are mainly agency workers, such as those contracted through HR factor for "Eco Baltia vide" and Triangle Recruitment CZ for "Tesil Fibres". The operations often take place outside company premises, increasing the risk of work-related accidents, which are primarily due to non-compliance with safety protocols, careless behavior, and inadequate work organization.

### Material negative impacts occurrence (own workforce)

The company reported a total of 72 work-related accidents in 2024, with five classified as severe. Most of these accidents were primarily attributed to non-

compliance with occupational safety and health instructions and careless behavior. The company has implemented various preventive measures, including additional safety training, regular communication about incidents via the intranet, and structural adjustments to enhance safety oversight. Detailed investigations were conducted for each incident to determine root causes and implement corrective actions to prevent recurrence. The company also organized safety campaigns and training sessions to improve employee adherence to safety protocols.

### Description of material impacts on workers that may arise from transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations

The company has taken significant steps to mitigate potential negative impacts on workers during its transition to greener and climate-neutral operations. Initiatives include extensive training programs such as the Leadership Pipeline training and various employee skill enhancement workshops to facilitate reskilling and upskilling. Regular internal communication and employee feedback mechanisms, such as satisfaction surveys, help address employee concerns and improve working conditions. Additionally, measures are in place to enhance physical working environments and reduce employee turnover. These measures aim to counteract potential job losses due to operational restructuring by creating opportunities for job creation and skill development.

# Information about the type of operations at significant risk of incidents of forced labor or compulsory labor

Eco Baltia and its subsidiaries do not employ forced labor practices. In all locations where the Group operates, including Latvia, Lithuania, and the Czech Republic, employment relationships are based on free will and formalized through written agreements. Regular inspections by state services confirm compliance with labor laws, ensuring that no instances of forced or compulsory labor occur.

Moreover, policy documents such as the Human Resources Policy and Personnel Handbook reinforce the commitment to prohibiting forced labor across all operational areas.

## Information about countries or geographic areas with operations considered at significant risk of incidents of child labor

The company adheres to strict regulations regarding child labor across its geographic locations. In Latvia, child labor is regulated by national laws, with employment permitted from the age of 13 under specific conditions. The company offers opportunities for children aged 15 and above to participate in light jobs during the summer holidays. In Lithuania, children aged 14 and above are permitted to work under stringent conditions regarding safety and health, provided they obtain written consent from their parents and schools. The company does not practice child labor and rarely employs adolescents for seasonal work. In the Czech Republic, work for children under 15 is prohibited, and minors between 15 and 18 can only work under regulated conditions. These practices ensure that the company operates within legal frameworks to prevent child labor incidents in its operations.

# Disclosure of how understanding of people in its own workforce/value chain workers with characteristics, working in particular contexts, or undertaking particular activities may be at greater risk of harm has been developed

The company has developed its understanding of the factors that may place certain segments of the workforce at greater risk of harm through comprehensive human resources policies and occupational health and safety systems. The company ensures a safe working environment by providing extensive training in occupational health and safety, implementing risk assessments, and establishing procedures for monitoring and responding to potential

risks. Additionally, safety instructions, personal protective equipment, and regular internal communications about workplace incidents reinforce risk awareness among employees. The company's safety campaigns, and training are designed to mitigate common causes of workplace accidents, such as non-compliance with safety instructions and hazardous working methods. Understanding the specific risks faced by workers in various contexts allows the company to tailor its safety measures and policies effectively, ensuring the well-being of all employees, including those in high-risk roles and locations.

ldenti	fied material impacts, risks and opportunities		A	rn merations	iteath	giri urigiri
Topic	Title & description	Туре	Upstre	Church Donn	Short	Medit Longs
S1	Exposure to hazardous materials	Potential negative impact		•		•
	Workers may come into contact with hazardous waste, leading to potential health risks and injuries.					
S1	Challenging work conditions can lead to physical strain and fatigue	Potential negative impact		•	•	
	Challenging work conditions can lead to physical strain and fatigue					
	Workers handling waste management tasks may experience physical strain, fatigue, and long-term health issues due to repetitive heavy lifting and long hours.					
	We implement ergonomic improvements, provide adequate rest breaks, and ensure that work is rotated to minimize strain.					
S1	Employee morale and job satisfaction	Potential negative impact		•		•
	Substandard working environments, low pay, and lack of recognition can lead to low employee morale and job satisfaction.					

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Торіс	Title & description	Туре	1)k	σ·	9° 9°	Mr. To
S1	Discrimination or harassment negatively impacts workplace culture	Potential negative impact		•	•	
	Discrimination or harassment negatively impacts workplace culture					
	Discrimination or harassment in the workplace can lead to a toxic work environment and high employee turnover.					
	We establish and enforce anti-discrimination and anti-harassment policies, provide diversity training, and create a safe mechanism for employees to report issues.					
S1	Worker Injuries due to Handling Hazardous Materials	Potential negative impact		•		•
	Workers may be exposed to hazardous materials, increasing the risk of injuries and health issues.					
	We implement comprehensive training programs and provide adequate protective equipment.					
S1	Long-Term Health Issues for Workers	Potential negative impact		•		•
	Prolonged exposure to waste and recycling materials can lead to chronic health problems.					
S1	Emergency Response Plans	Potential negative impact		•		•
	Inadequate emergency response plans can exacerbate the consequences of accidents and incidents.					
 S1	Occupational Stress from Shift Work	Potential negative impact		•		•
	Irregular shifts can cause occupational stress and impact mental health of employees.					
	We implement fair shift rotations and provide mental health support services.					
S1	Equal pay for equal work	Potential positive impact		•		•
	Equal pay for equal work, anti-discrimination training, diversity recruitment efforts, and programs to support underrepresented groups. Addressing equal treatment and opportunities involves fostering a culture of respect, tolerance, and acceptance, where all employees have access to the same opportunities for advancement, career development, and recognition.					

Торіс	Title &description	Туре	The grant Country of the stroke of the strok
S1	Risk: Employee Health and Safety Hazards	Risk	
	Exposure to hazardous materials, improper equipment usage, and operational accidents can lead to severe health issues for employees and potential lawsuits or regulatory penalties.		
	We implement stringent safety training programs, regular health check-ups, and provide proper personal protective equipment.		
S1	Labor Disputes due to Poor Working Conditions	Risk	•
	Inadequate wages, long hours, and poor working conditions can lead to strikes, decreased productivity, and high turnover rates.		
	We ensure competitive wages, reasonable working hours, and continuously improve working conditions through regular employee feedback.		
S1	Risk: Lack of Diversity and Inclusion	Risk	
	Failure to promote a diverse and inclusive workplace can result in discrimination claims, reputational damage, and reduced employee morale.		
	We implement diversity and inclusion policies, regular training programs, and establish a zero-tolerance policy towards discrimination. Improve the function of trusted persons (potentially one for admin dep. and one for production).		
S1	Risk: Inadequate Employee Training	Risk	•
	Insufficient training programs can lead to inefficiencies, increased error rates, and potential safety risks, impacting overall operational effectiveness.		
	We develop comprehensive training programs that include both initial orientation and ongoing skills development.		
S1	Poor Mental Health Support	Risk	
	Neglecting employee mental health can lead to increased absenteeism, lower productivity, and higher healthcare costs.		
	We provide access to mental health resources, establish workplace wellness programs, and promote a supportive work culture.		

Торіс	Title & description	Туре	The property Only oberty	syntateiste Shortieth Healthrie	Longiter
S1	Risk: Inadequate Safety Training Leading to Injuries	Risk	•	•	
	Lack of proper safety training for employees may result in frequent workplace injuries, potentially leading to increased compensation costs and downtime.				
	We implement comprehensive and regular safety training programs and conduct safety drills.				-
S1	Exposure to Hazardous Materials Affecting Worker Health	Risk	•	•	
	Exposure to Hazardous Materials Affecting Worker Health				
	Employees could be exposed to hazardous materials, leading to serious health issues and costly healthcare claims. We ensure proper use of Personal Protective Equipment (PPE), regular health check-ups, and enforce strict handling protocols for hazardous substances.				١
S1	High Tumover Due to Poor Working Conditions	Risk			
	Poor working conditions may lead to high employee tumover, reducing productivity and increasing recruitment costs. We improve working conditions, implement employee wellness programs, and offer competitive benefits and compensation.		•	•	
S1	Risk: Community Health Impact from Waste Operations	Risk			
	Proximity of waste management operations to residential areas might adversely affect community health, leading to reputational damage and legal issues.				
	We invest in advanced waste processing technologies to minimize emissions and conduct regular community health impact assessments.				
S1	Insufficient Emergency Response Leading to Accidents	Risk			
	Lack of adequate emergency response plans and equipment can lead to severe accidents and regulatory fines.  We develop and regularly update emergency response plans, conduct drills, and ensure availability of necessary emergency equipment.		•	•	

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Topic	Title & description	Туре	nde any de	y 240, Men Tours
S1	Low chances attracting high level professional	Risk	•	•
S1	Improved Employee Training on Safety Protocols	Opportunity	•	•
	Enhancing safety training can reduce workplace accidents and associated costs.			
S1	Investment in Health and Safety Technology	Opportunity	•	•
	Implementing advanced safety technology can lower health-related incidents and improve productivity.			
S1	Opportunity: Comprehensive Health Programs for Employees	Opportunity	•	•
	Offering comprehensive health programs can reduce absenteeism and increase employee retention rates.			
S1	Regular Safety Audits and Inspections	Opportunity	•	•
	Conducting regular safety audits can identify risks early and prevent costly incidents.			
S1	Engagement in Community Health Initiatives	Opportunity	•	•
	Participating in local health initiatives can improve the company's public image and attract more business.			
S1	Mental health support initiative	Opportunity	•	•
	Establish internal position for mental health support (independent person/specialist).			
S1	Opportunity: Promoting equal treatment	<ul><li>Opportunity</li></ul>	•	•
	By promoting equal treatment and opportunities for all, organizations can create a more inclusive and supportive work environment, where diversity is valued, and every individual can thrive and contribute to their full potential.			

### Policies related to own workforce

### Disclosure of policies adopted to manage material impacts on own workforce, as well as associated material risks and opportunities

Own workforce, Working conditions, Health and safety of the Own Workforce, Equal treatment and opportunities for all Affected communities, Communities' economic, social, and cultural rights
Sustainability And Environmental Policy

### **Description of key contents of policy:**

#### 1. General Overview

- Defines sustainability as meeting current needs while minimizing risks to future generations.
- Applies to all employees and is shared with customers and suppliers.
- Emphasizes innovation, efficiency, and environmentally friendly operations.

#### 2. Guiding Principles

- Activities must be socially, environmentally, and economically responsible.
- · Compliance with laws and international standards.
- Promotion of circular economy and responsible resource use.
- Engagement with stakeholders and respect for human rights.
- Focus on corporate governance, fair pay, safety, and public education.

#### 3. Environmental Responsibility

- Commitment to reducing environmental impact using the best available technologies.
- · Life Cycle Assessment of Products and Services.
- Focus on reducing CO<sub>2</sub> emissions and landfill waste.
- Setting and monitoring quantitative environmental targets.

### 4. Economic Responsibility

- Emphasizes competitiveness, innovation, and longterm value creation.
- · Participation in industry development and scientific

- research.
- Continuous review of economic impact on stakeholders.

#### 5. Social Responsibility

- Goal of zero workplace accidents and a safe working environment.
- Fair compensation, work-life balance, diversity, and inclusion.
- Employee development through training and career growth opportunities.

#### 6. Stakeholder Cooperation

- Fair treatment and free competition.
- Engagement through consultations, partnerships, and feedback mechanisms.
- Collaboration with a wide range of stakeholders, including NGOs, authorities, and communities.
- Commitment to data protection and ethical partnerships.

#### 7. Environmental Policy Principles

- · Minimizing environmental and biodiversity impact.
- · Promoting sustainable habits and public awareness.
- Adoption of clean technologies and energy-efficient practices.
- Support for green procurement and digital communication to reduce resource use.

#### 8. Governance

- Policy approved by the Management and Supervisory Boards.
- · Reviewed every three years.
- · Legal department is responsible for updates.

### Additional information about policies related to own workforce

	Yes	No
Policies are aligned with relevant internationally recognized instruments	•	
Policies explicitly address trafficking in human beings, forced labor or compulsory labor and child labor	•	
Policies explicitly address trafficking in human beings	•	
Policies explicitly address forced labor or compulsory labor	•	
Policies explicitly address child labor		•
Workplace accident prevention policy or management system is in place	•	
Specific policies aimed at elimination of discrimination are in place		•
Policies aimed at elimination of harassment are in place		•
Policies aimed at promoting equal opportunities are in place	•	
Supplier codes of conduct include provisions addressing safety of workers	•	
Supplier codes of conduct include provisions addressing precarious work	•	
Policies and procedures which make qualifications, skills and experience basis for recruitment, placement, training and advancement at all levels are in place	•	
Undertaking assigns responsibility at top management level for equal treatment and opportunities in employment, issue clear company-wide policies and procedures to guide equal employment practices, and link advancement to desired performance in this area	•	
Adjustments to physical environment to ensure health and safety for workers, customers and other visitors with disabilities have been made	•	
Undertaking evaluates whether job requirements have been defined in way that could systematically disadvantage certain groups	•	
Up-to-date records on recruitment, training and promotion that provide transparent view of opportunities for employees and their progression within undertaking have been kept	•	
Programs to promote access to skills development are in place	•	



### Description of relevant human rights policy commitments relevant to own workforce

Eco Baltia Group implements a comprehensive human rights policy that ensures all employment relationships are based on voluntary and mutual consent, as stated in employment contracts across Latvia, Lithuania, and the Czech Republic. The Group enforces strict non-discrimination policies governed by national labor laws and internal Human Resources policies. These policies prohibit discrimination based on age, gender, ethnicity, religion, sexual orientation, political beliefs, and other statutory criteria, and promote equal opportunities for all employees. Mechanisms are in place to address grievances related to unequal treatment, allowing employees to report issues confidentially to management or personnel departments for investigation. Additionally, the group companies have established channels for worker representation and collective bargaining, further supporting their commitment to human rights within their workforce.

### Description of processes and mechanisms to monitor compliance with UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and OECD Guidelines for Multinational Enterprises

Eco Baltia Group has established comprehensive processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Guidelines for Multinational Enterprises. Each subsidiary has appointed responsible persons to ensure compliance with environmental and social requirements and to fulfill the obligations outlined in issued permits. These policies are integrated into the Group's Human Resources Policy, Personnel Handbook, and Internal Rules. The Group ensures that all employment

relationships are voluntary and formalized through written agreements, with specific measures in place to prevent forced labor and child labor. Relevant national laws and internal policies govern non-discrimination and equal opportunity, ensuring everyone is treated fairly regardless of age, gender, ethnicity, or other factors. These policies are regularly reviewed to ensure they remain current with changes in applicable laws and best practices.

### Disclosure of matters that are material about, as well as a general approach to respect for human rights, including labour rights

The company does not employ any form of forced labor across its operations, ensuring that all employment relationships are based on free will and formalized through written agreements, as evidenced by the practices of Ecoservice Group and Tesil Fibres s.r.o. in Latvia. Non-discrimination and equal opportunity are prioritized, with policies aligned with Latvian Labor Law and internal guidelines that promote mutual respect and equal treatment, irrespective of age, gender, ethnicity, religion, sexual orientation, and other statutory criteria. No discrimination or harassment is tolerated, and equal opportunities are assured for recruitment, job evaluation, and career development. The Ecoservice Group and Tesil Fibres s.r.o. also adhere to these principles, ensuring the implementation of equal opportunity procedures and comprehensive protocols to prevent, mitigate, and address discrimination.

# Disclosure of matters that are material about, as well as general approach to engagement with people in own workforce/value chain workers/affected communities /consumers, and end-users

Eco Baltia Group outlines a comprehensive approach to engaging with its workforce, value chain workers,

affected communities, consumers, and end-users. The company resolves labor disputes through structured negotiations and provides robust internal communication mechanisms, including email, the intranet, and monthly stand-up meetings. Additionally, Eco Baltia has a whistleblower policy that ensures anonymity and protection for employees who report breaches. The group promotes employee satisfaction and engagement through initiatives such as adopting a LEAN culture, conducting internal surveys, and implementing various wellness and safety campaigns. Specific policies aimed at preventing discrimination and harassment, as well as promoting equal opportunities, are also in place.

#### Disclosure of matters that are material in relation to, as well as general approach to measures to provide and/or enable remedy for human rights impacts.

Eco Baltia ensures compliance with human rights policies and actively prevents forced labor across all its operations, as evidenced by zero reported cases in Latvia, Lithuania, and the Czech Republic. The company's employment practices are governed by free will, with documented agreements that reflect adherence to international standards. Nondiscrimination and equal opportunity are integral to its Human Resources Policy and are enforced through national labor laws, ensuring a respectful and fair working environment. Employees have avenues to report grievances confidentially, transparency and accountability. Worker engagement is fostered via opportunities for union participation and representation in line with company policies and regional legislation.

### **Description of how policies are aligned with relevant internationally recognized instruments**

Eco Baltia Group's policies align with internationally

recognized instruments, ensuring compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises, as evidenced by protocols such as the prohibition of forced labor. Additionally, Eco Baltia Group's internal policies, including the Group Human Resources Policy and Personnel Handbook, emphasize non-discrimination and equal opportunities as governed by respective national labor laws (Latvian Labor Law, Lithuanian Labor Code, and Czech Labor Code).

### Processes for engaging with own workers and workers' representatives about impacts

### Disclosure of whether and how perspectives of own workforce inform decisions or activities aimed at managing actual and potential impacts

Eco Baltia engages its workforce in decision-making processes by maintaining direct and representative communication channels with employees. The Group companies conduct regular employee satisfaction surveys, the results of which inform management decisions aimed at enhancing the work environment and improving employee satisfaction. Additionally, each subsidiary assigns responsible persons to ensure that these engagement results educate the company's strategy and actions.

### Disclosure of stage at which engagement occurs, type of engagement and frequency of engagement

Engagement occurs at multiple stages, including project preparation, public consultation meetings, and during the Environmental Impact Assessment procedure. The type of engagement includes stakeholder identification and analysis, public consultation meetings, and surveys to determine public opinion. Engagement frequency includes annual reviews of the stakeholder engagement plan. The engagement activities are organized according to group strategy, legislative requirements, and specific project needs. Stakeholder feedback is gathered through meetings, surveys, and public consultation processes to inform decision-making.

# Disclosure of Global Framework Agreement or other agreements related to respect of human rights of workers

Eco Baltia Group has established agreements with workers' organizations and trade unions. Employees of the group can freely participate in these organizations and engage in collective bargaining. Specifically, "Eco Baltia vide" and "ITERUM" have elected trustees to

represent employees for collective bargaining purposes. Additionally, Ecoservice Group and Tesil Fibres s.r.o. have similar arrangements in place, ensuring that workers' perspectives on human rights and other matters are considered in negotiations with employers.

### Disclosure of steps taken to gain insight into perspectives of people in its own workforce that may be particularly vulnerable to impacts and (or) marginalised

Eco Baltia has implemented several measures to understand and address the perspectives of vulnerable and marginalized employees. The company conducts regular employee satisfaction surveys and internal communication campaigns designed to engage its workforce openly and transparently. Additionally, employees have access to various communication channels, including emails, the intranet, meetings, and social media groups, to express their opinions and concerns. To further support disadvantaged groups, Eco Baltia ensures that workplace infrastructure is accessible, such as customizing sorting containers for persons with impairments. The company also promotes a culture of inclusion through various employee well-being activities, health and safety campaigns, and continuous improvement methodologies, such as LEAN, to ensure that all employees, including those who are vulnerable or marginalized, are engaged and their perspectives are considered in decision-making processes.

### Disclosure of any conflicting interests that have arisen among different workers and how these conflicting interests have been resolved

The company actively manages conflict of interest situations by classifying employees into high-risk and low-risk groups, based on their duties and

responsibilities. Employees are required to declare any suspected conflicts of interest to their direct managers, the Head of the Company, or the Ethics Commissioner as soon as they become aware of them. New employees must also disclose any potential conflicts of interest during their probationary period. Detailed reports are maintained, outlining the nature of the disputes, the individuals involved, and the steps taken to resolve them. The company's Human Resources Officer is responsible for this classification process, and all conflict-of-interest declarations are reviewed annually for accuracy and proper management.

### Disclosure of how the undertaking seeks to respect human rights of all stakeholders engaged

Eco Baltia engages with its workforce and workers' representatives through structured stakeholder identification and analysis processes. The company conducts internal communication campaigns, employee satisfaction surveys, and invites participation in strategic initiatives to capture perspectives. Eco Baltia also holds regular meetings, training sessions, and public consultations during project preparations to ensure comprehensive engagement. Employee feedback mechanisms, such as surveys and grievance processes, are utilized to continuously improve the work environment and ensure employee voices are considered in decision-making.

# Information about effectiveness of processes for engaging with its own workforce from previous reporting periods

Eco Baltia Group measures the effectiveness of its workforce engagement processes through various means, including employee satisfaction surveys and feedback mechanisms. In 2024, the company achieved a historically high response rate of 76% in its employee satisfaction survey, although overall

satisfaction stood at 58 points out of 100. Following the survey, directors of each company collaborated with employees to develop action plans aimed at enhancing the work environment and improving satisfaction levels. Additionally, initiatives like the LEAN culture adoption and regular internal communication updates, including monthly stand-up meetings and multiple communication channels, contribute to enhancing employee engagement and feedback.

### Processes to remediate negative impacts and channels for own workers to raise concerns

### Disclosure of general approach to and processes for providing or contributing to remedy where undertaking has caused or contributed to a material negative impact on people in its own workforce

Eco Baltia Group addresses workplace conflicts and grievances primarily through negotiations, adhering to the existing hierarchical structure. Disciplinary actions are governed by the Latvian Labour Law and the Labour Code of the Republic of Lithuania, ensuring that employees have the right to provide explanations before any action is taken. In unresolved cases, employees may seek resolution through the Labour Disputes Commission or court. The company also has a whistle-blower policy managed by an internal auditor, which provides a confidential channel for employees to report potential legal breaches or threats to community interests. This process safeguards against retaliation and promotes a culture of transparency and accountability.

# Disclosure of specific channels in place for its workforce to raise concerns or needs directly with undertaking and have them addressed

Eco Baltia Group has implemented several channels for its workforce to raise concerns directly with the organization. These channels include a whistleblower policy, accessible via a special email and hotline, which is managed by an internal auditor who reviews each message. Employees can report anonymously and without fear of sanctions. Additionally, the company utilizes various communication platforms, including email, intranet, meetings, TV screens, and social media groups, to ensure effective internal communication. Regular meetings and surveys are conducted to address employee concerns and improve satisfaction. The Group also fosters a culture of open

communication and trust, encouraging employees to report potential risks and near misses for timely intervention.

#### Disclosure of how issues raised and addressed are tracked and monitored, and how effectiveness of channels is ensured

Eco Baltia Group has implemented a whistleblower policy that enables employees to report any possible breaches of law or community interests through a dedicated email and hotline managed by an internal auditor. Reports can be anonymous, and the internal auditor records and reviews each message. If a report is substantiated, a commission of three senior management representatives will investigate and decide on further actions. No sanctions are imposed on the whistle-blower. One example is a report received in 2024 about an employee working while intoxicated. The report led to an investigation and subsequent measures to ensure safety. Eco Baltia monitors compliance with all applicable Environmental and Social Laws through regular reviews by Management Boards, which also propose necessary corrective actions. Additionally, the company conducts employee satisfaction surveys and utilizes LEAN methodologies to improve work processes and engagement.

#### Disclosure of whether and how it is assessed that its own workforce is aware of and trust structures or processes as way to raise their concerns or needs and have them addressed

The company has implemented several communication channels to ensure employees are aware of and trust the structures and processes available for raising concerns. These channels include email, the Intranet, Facebook closed groups, and regular meetings with managers. Employee satisfaction surveys are

conducted to assess the effectiveness of internal communication, and the results are shared across the organization through various internal communication tools, such as TV screens and message boards. Additionally, there is a focus on creating a culture of open and transparent communication to foster trust among employees.

### Policies regarding protection against retaliation for individuals who use channels to raise concerns or needs are in place

The company has established comprehensive policies to protect individuals using whistleblowing channels from retaliation. These policies ensure the protection of personal data, prohibit the disclosure of the whistleblower's identity without a valid reason or consent, and guarantee protection against identity theft and adverse consequences for the whistleblower and their related persons. Additionally, the policies prohibit any form of discipline, dismissal, or other adverse implications against individuals who make a whistleblower report. The administrative liability for disturbing whistleblowing includes fines for natural and legal persons, as well as public officials.

### Disclosure of the timeframe for channel for raising concerns to be in place

The internal whistleblowing system at Eco Baltia was implemented in accordance with the Whistleblowing Law and has been in force since 20 October 2022. Each employee is informed about the system at the start of their employment or professional relationship, and the rules are readily accessible both on the Intranet and in hard copy.

### Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Description of action taken, planned, or underway to prevent or mitigate negative impacts on own workforce

#### **Actions Taken:**

- **1. Enhanced Health and Safety Protocols:**Implemented comprehensive health and safety measures, including regular training sessions, to ensure a safe working environment.
- **2. Secure Employment Initiatives:** Introduced policies to provide job security, including long-term contracts and support for career development.
- **3. Fair Wage Practices:** Established a fair wage policy to ensure all employees receive competitive and equitable compensation.

#### **Actions Planned:**

- **1. Work-Life Balance Programs:** Planning to introduce flexible working hours and remote work options to improve work-life balance.
- **2. Diversity and Inclusion Training:** Developing training programs to promote diversity and inclusion within the workforce.
- **3. Mental Health Support:** Planning to offer mental health resources and counselling services to support employee well-being.

#### **Actions Underway:**

- Social Dialogue Enhancement: Strengthening mechanisms for social dialogue, including regular meetings with worker representatives and the establishment of works councils.
- 2. Equal Opportunity Measures: Implementing

measures to ensure equal treatment and opportunities for all employees, including gender equality initiatives and support for employees with disabilities.

3. Violence and Harassment Prevention:

Enforcing strict policies and procedures to prevent workplace violence and harassment, including awareness campaigns and reporting mechanisms.

#### **Tracking Effectiveness:**

- Regular Assessments: Conducting regular assessments to monitor the effectiveness of these actions and initiatives.
- Feedback Mechanisms: Establishing feedback mechanisms to gather employee input and make necessary adjustments.
- Performance Metrics: Utilizing performance metrics to evaluate the impact of these actions on employee satisfaction and overall workforce wellbeing.

#### Initiatives or processes whose primary aim is to deliver positive impacts for own workforce are also designed to support the achievement of one or more of Sustainable Development Goals

The company has aligned several initiatives aiming at positive impacts for its workforce with the Sustainable Development Goals (SDGs). It actively contributes to SDG 4 through continuous employee development training programs and societal educational campaigns about the Circular Economy. For SDG 5, gender equality and empowerment are prioritized in

managerial positions and recruitment processes. Efforts towards SDG 8 include providing safe and secure work environments and ensuring equal remuneration. SDG 9 is supported by developing sustainable infrastructure and promoting industrial innovation. This dual approach shows a commitment not only to workforce enhancement but also to broader sustainability goals.

# Information about measures taken to mitigate negative impacts on workers that arise from transition to greener, climate-neutral economy

Eco Baltia has implemented various measures to mitigate adverse impacts on workers stemming from the transition to a greener, climate-neutral economy. These measures include conducting workplace safety campaigns, additional safety training sessions, and regular internal communications about workplace incidents. The company has also implemented structural adjustments by assigning responsibilities to remote branch managers to ensure occupational safety and health. Furthermore, improvements have been made to the process for personal protective equipment, and regular occupational health and safety audits are conducted to ensure compliance and identify areas for improvement.

### Description of internal functions that are involved in managing impacts and types of action taken by internal functions to address negative and advance positive impacts

The company's internal functions involved in managing impacts include the Management Boards and senior management of group companies, who set goals and supervise compliance with environmental and social

laws, terms and conditions of permits, internal procedures, and quality standards. Specific actions taken include regular safety training, internal communication about workplace incidents. reassessment of professional risk factors, structural adjustments to enhance occupational safety, and improvements to processes for the use of personal protective equipment. Additionally, fire safety audits and occupational health and safety audits have been conducted to enhance safety measures. Regular job safety specialist instructions and monthly job safety meetings are held to track and assess the effectiveness of these initiatives in improving workplace safety and employee satisfaction.

# Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

# Disclosure of whether and how own workforce or workforce' representatives were engaged directly in setting targets

In compliance with the requirement to disclose whether and how the own workforce or workers' representatives were engaged directly in setting targets, Eco Baltia has implemented structured processes for stakeholder engagement, including employees. For instance, it is noted that employees participate in setting and reviewing goals through various channels, such as annual surveys, which result in actionable plans for improvements based on their feedback. Furthermore, specific projects and initiatives, such as the adoption of the LEAN methodology, involve employees to ensure efficient work practices and adherence to safety standards. Additionally, employees are involved in internal communication campaigns and have platforms for voicing concerns, which are then addressed by management.

# Disclosure of whether and how own workforce or workforce' representatives were engaged directly in tracking performance against targets

Eco Baltia engages its workforce and their representatives directly in tracking performance against targets set for managing material impacts, risks, and opportunities. The Group conducts monthly meetings where management reviews performance, project execution status, and deviations, proposing

necessary corrective actions. Employee involvement is further facilitated through various internal communication channels, regular surveys, and satisfaction assessments, ensuring continuous feedback and engagement.

# Disclosure of intended outcomes to be achieved in lives of people in its own workforce

To drive positive outcomes for its workforce,

Eco Baltia has set specific, time-bound targets. These include achieving zero major incidents with legal incompliance and financial penalties starting from 2023, ensuring 100% compliance with ethical and human rights requirements by 2024, and guaranteeing equality in terms of remuneration by 2025. Additionally, the company aims for 100% equal pay for all genders based on competence and performance by 2025. The company's commitment to employee wellbeing is reflected in goals like covering all employees with health insurance by 2025 and providing expert lectures and ergonomic workplace improvements. These targets underscore Eco Baltia's commitment to fostering a positive and supportive work environment.

# Information about stability over time of target in terms of definitions and methodologies to enable comparability

The company has demonstrated a clear commitment to ensuring the stability and

comparability of its targets over time by defining specific yearly goals and compliance measures. For instance, starting from 2023, the company aims to achieve 'Zero major incidents' with legal non-compliance and financial penalties, and it plans to organize quarterly legislative updates from 2024. Additionally, there are set yearly goals for compliance with ethical standards, including achieving 100% adherence to principles related to human rights and ethics, as well as a zero-tolerance policy towards unethical behavior. These targets reflect consistent definitions and methodologies, thereby enabling comparability over time.

### Disclosure of references to standards or commitments which targets are based on

The company has set specific annual goals to ensure compliance with various ethical and human rights standards. includina international and EU regulations. These targets are framed within internal procedures, such as the counterparty verification process, quality system standards, stakeholder engagement activities. commitments include achieving 100% compliance with ethical standards, ensuring that partners hold valid environmental permits, and maintaining equal employee remuneration. The company also emphasizes zero tolerance for ethical violations and promotes ongoing legislative updates to ensure effective compliance management.



### **S1-6 Characteristics of the undertaking's employees**

### Characteristics of undertaking's employees - number of employees by gender

Gender	Number of employees (head count)
Male	1782
Female	878
Other	-
Not reported	-
Total Employees	2660

Characteristics of undertaking's employees - number of employees in countries with 50 or more employees representing at least 10% of total number of employees

Country	Number of employees (head count)
Latvia	1097
Lithuania	1277
Total number	2374

Average number of employees in countries with 50 or more employees representing at least 10% of total number of employees

YES

### Number of employees who have left the undertaking

1018

### Percentage of employee tumover

38.27%

### **Description of methodologies and assumptions used to compile data**

Employee turnover coefficient is calculated according to the following method (X/Y) = PTR, where X - Number of employees who have left the undertaking; Y - Total number of employees at the end of the period; PTR - personnel turnover rate.

### Employees numbers are reported in head count or full-time equivalent

The number of employees used for calculating employee turnover is reported in headcount units.

### Employees numbers are reported at end of reporting period/average/other methodology

Employee numbers are reported at end of the reporting period

### Information about stability over time of target in terms of definitions and methodologies to enable comparability

Eco Baltia ensures the consistency and comparability of its employee rotation indicators by maintaining stable definitions and methodologies year over year. Employee rotation is defined as the ratio of voluntary and involuntary employee departures to the average total workforce within a calendar year, measured separately for each group subsidiary and aggregated at the group level.

To enhance strategic workforce planning and support long-term employee engagement, Eco

Baltia has established internal benchmark targets for employee rotation rates, aligned with industry norms and operational realities in the environmental services and recycling sectors. These targets are set at both the Group level and per subsidiary and are periodically reviewed to reflect evolving market conditions and talent retention strategies. Specifically:

- The target range for annual employee rotation is maintained between 10% and 43% for core operational entities, striking a balance between workforce renewal and retention of key competencies.
- Business units that exceed target thresholds are subject to internal diagnostics and HR response plans, which include engagement surveys, onboarding improvements, and manager training.

### Disclosure of references to standards or commitments which targets are based on

Eco Baltia's targets for employee turnover rates are based on internationally recognized standards and internal strategic commitments that promote workforce stability and sustainable employment practices. The company aligns its methodology and target-setting approach with the European Sustainability Reporting Standards (ESRS), specifically ESRS S1 – Own Workforce, which outlines specific requirements for disclosing workforce-related metrics and targets, including turnover rates. This alignment ensures that Eco Baltia's turnover data remains consistent, comparable, and relevant for long-term value creation and effective risk management.

In addition, Eco Baltia draws on guidance from the OECD Guidelines for Multinational Enterprises and the UN Global Compact, particularly Principle 6, which emphasizes the promotion of fair and non-discriminatory labor practices and the importance of stable employment.

Eco Baltia companies' ESG strategy also identifies employee turnover as a key performance indicator tied to business resilience and employee engagement. This indicator is regularly monitored in collaboration with the INVL Baltic Sea Growth Fund, Eco Baltia's majority shareholder, as part of a broader sustainability oversight framework. By grounding turnover targets in these external standards and internal commitments, Eco Baltia ensures its approach remains robust, transparent, and aligned with stakeholder expectations and responsible business conduct.

### Further detailed breakdown by gender and by region

Characteristics of undertaking's employees - information on employees by region - reported in head count

Region	Number of employees (head count)	Female	Male	other	Not reported
LV0 – Latvia	1097	268	723	0	0
LT0 – Lithuania	1277	355	860	0	0
CZ0 – Czech Republic	90	47	52	0	0
PL517 – Poland (Wałbrzyski)	196	50	146	0	0

# Characteristics of non-employee workers in the undertaking's own workforce

Disclosure of the most common types of non-employees (for example, self-employed people, people provided by undertakings primarily engaged in employment activities, and other types relevant to the undertaking), their relationship with the undertaking, and the type of work that they perform.

Eco Baltia Group production companies, if needed, employ agency workers to support basic-level production operations. This approach enables efficient meeting of seasonal or fluctuating production demands, ensuring continuity and flexibility in manufacturing processes. These workers are typically engaged in routine, manual, or lower-skilled tasks within production lines, supplementing the core workforce during periods of peak demand.

### Collective bargaining coverage and social dialogue

### Percentage of total employees covered by collective bargaining agreements

5%

### Percentage of its employees covered by collective bargaining agreements are within coverage rate by country (in the EEA)

All Eco Baltia Group employees who are covered by a collective bargaining agreement are located within the European Economic Area (EEA). This ensures that their employment terms align with regional labor standards and regulatory frameworks.

Working conditions and terms of employment for employees not covered by collective bargaining agreements are determined based on collective bargaining agreements that cover other employees or based on collective bargaining agreements from other undertakings

For employees not covered by collective bargaining agreements, working conditions and terms of

employment are guided either by the provisions of applicable collective agreements covering other employees within the Group or by reference to agreements from comparable undertakings. Eco Baltia is committed to continuously improving and safeguarding working conditions in line with best practices. This commitment is further supported by the implementation of occupational health and safety standards, with several Group companies certified under ISO 45001.

# Description of extent to which working conditions and terms of employment of non-employees in own workforce are determined or influenced by collective bargaining agreements

At Eco Baltia, certain non-employees, such as agency workers engaged in basic-level production tasks, are part of the broader workforce that supports operational needs. While collective bargaining agreements do not directly cover these individuals, their working conditions and terms of employment are nonetheless influenced by the

standards established in such contracts. Specifically, working conditions for non-employees are aligned, where applicable, with the provisions of collective bargaining agreements that apply to comparable employees within Eco Baltia or similar undertakings. This approach helps ensure fairness and consistency across the workforce. Moreover, Eco Baltia is committed to maintaining and improving working conditions for all individuals engaged in its operations, regardless of employment status. This is reinforced by adherence to international best

practices and the ISO 45001 occupational health and safety standard, to which several Eco Baltia companies are certified. This framework provides a structured and continuously evolving approach to health, safety, and welfare for both employees and non-employees alike.

# Own workforce in region (non-EEA) covered by collective bargaining agreements by coverage rate and by region

Eco Baltia's operations are primarily concentrated within

the European Economic Area (EEA). As of the reporting period, the Group does not maintain a direct workforce in non-EEA regions. Consequently, there is no applicable data regarding coverage by collective bargaining agreements outside the EEA.

Should operations expand beyond the EEA in the future, Eco Baltia remains committed to upholding international labor standards, including the right to freedom of association and collective bargaining, as outlined in ILO Conventions and regional labor frameworks.

### Adequate wages

### All employees are paid adequate wage, in line with applicable benchmarks

Employees across Eco Baltia Group are remunerated in line with local market conditions and applicable benchmarks. In Latvia, wages and benefits align with the market median, as determined by the Fontes Remuneration Survey and data from the State Revenue Service, with annual reviews for salary adjustments based on performance, responsibilities, and market trends. In Lithuania, salaries are determined by market conditions, as verified by the Lithuanian Department of Statistics, with annual reviews tied to both budget and

individual performance. Meanwhile, in the Czech Republic, wages are established through collective bargaining and although below the national median, they are revisited annually based on performance and responsibilities. Therefore, most employees are paid wages regarded as adequate according to benchmarks relevant to their location.

### **Compensation metrics**

#### **Gender pay gap**

20 %

### **S1-9 Diversity metrics**

### Number of employees (head count) at top management level

Gender	Number of employees (head count)
Male	73
Female	70
Other	-
Not reported	-
Total Employees	143

### Percentage of employees at top management level

Gender	%
∕lale	51
- Female	49
Other	-
Not reported	-

### Disclosure of own definition of top management used

C-Suite employees and all employees who report directly to C-suite level management



### **Affected communities**

### Material impacts, risks and opportunities and their interaction with strategy and business model

# All affected communities who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2

Eco Baltia has engaged with affected communities through various initiatives, including public consultations, educational events, and stakeholder engagement activities. To date, no involuntary resettlement or economic displacement has been reported in their projects, such as the waste sorting plant in Lauciena. The company has diligently addressed community concerns, as evidenced by documented public discussions and surveys.

### **Description of types of affected communities** subject to material impacts

Eco Baltia Group has detailed its engagement with affected various communities. focusing communication. consultation, and promoting sustainable practices. The principal communities involved include residents near operating sites, municipalities, and stakeholders along the company's value chain, including suppliers and logistics providers. Specific initiatives include the implementation of biowaste sorting projects, expansion of battery collection points, customization of waste sorting containers for visually impaired individuals, and community-focused campaigns such as collecting gifts for Ukrainian orphanages. Furthermore, the company ensures meaningful communication and seeks feedback through public consultation meetings, local media information dissemination, and stakeholder surveys. Regular interactions with state regulatory authorities and municipalities demonstrate the company's adherence to legal requirements and its dedication to fostering positive community relationships.

### Type of communities subject to material impacts by their own operations or through the value chain

Eco Baltia engages with a variety of communities impacted by its operations and value chain activities. Local communities are consulted during project preparations, particularly during Environmental Impact Assessments, as seen with the Salaspils County municipality and state institutions such as the Ministry of Environmental Protection and Regional Development. Public consultation meetings are organized when required by law, ensuring stakeholders, including residents, are informed about the projects. Additionally, Eco Baltia's initiatives often involve local communities. such as promoting waste sorting and expanding infrastructure for better recycling practices in municipalities. Engaging local communities around operational sites is a key part of their strategy, with activities such as expanding the battery collection network and introducing specialized sorting containers to enhance accessibility. Furthermore, Eco Baltia leads social campaigns, such as "Style – Textile," to mitigate the environmental impact of fast fashion, demonstrating its commitment to positively influencing the communities at various points along its value chain.

### Material negative impacts occurrence (affected communities)

Eco Baltia has implemented several measures to

minimize the negative impacts on affected communities. The company has not engaged in any land acquisition involving involuntary resettlement or economic displacement in its projects, ensuring that no communities are displaced or their livelihoods are lost. Public consultations and surveys were conducted during project impact assessments, reflecting an inclusive approach to engagement. Additionally, Eco Baltia has established grievance mechanisms to address community concerns promptly.

# Description of activities that result in positive impacts and types of affected communities that are positively affected or could be positively affected

Eco Baltia's activities have had several positive impacts on various communities. The company has launched several initiatives, including the expansion of a biowaste sorting approach, a battery collection network, and specialized waste sorting containers designed to cater to people with visual impairments. Additionally, they have run charity campaigns to collect gifts and organized concerts for Ukrainian orphans. These actions have had a positive impact on communities by promoting environmental sustainability and providing direct support to vulnerable groups.

### Description of material risks and opportunities arising from impacts and dependencies on affected communities

In 2024, Eco Baltia Group companies did not engage in any land acquisition activities that would result in involuntary resettlement or economic displacement. Projects such as the waste sorting plant in Riga region

and the construction waste sorting facility in 'Stūraiņi' proceeded without impacting local communities or requiring resettlement, as these sites are situated in industrial zones. An assessment of socio-economic factors was included in the Environmental Impact Assessments, and public consultations were held to ensure community engagement. No current land users were identified who could be affected, and no grievances related to resettlement have been reported. Overall, Eco Baltia's activities demonstrated compliance with regulations and a commitment to minimizing social impacts on affected communities.

Disclosure of whether and how the undertaking has developed an understanding of how affected communities with particular characteristics or those living in particular contexts, or those undertaking particular activities may be at greater risk of harm

Eco Baltia has systematically carried out assessments to understand the potential risks and impacts on affected communities. According to the Environmental Impact Assessment procedure for the 'Lauciena' development project, public discussions were held to

inform and gather feedback from local inhabitants. The company also reviewed and integrated recommendations from the public and local councils into its plans. This engagement ensures that the specific characteristics of affected communities are considered, particularly those surrounding industrial zones, which are identified as low-risk due to the absence of residents and existing land users. Additionally, Eco Baltia ensures compliance with safety and environmental regulations to minimize risks to local

communities.

Disclosure of which of material risks and opportunities arising from impacts and dependencies on affected communities are impacts on specific groups

Eco Baltia has implemented measures to mitigate potential negative impacts on affected communities, with a particular focus on community health, safety, and security. In 2024, no involuntary resettlement or economic displacement occurred in their development

projects at the Riga region and 'Stūraini' sites, both of which are located in industrial zones without current land users. Public consultations were held to inform and gather opinions from local communities. Additionally, security services are provided by trained, licensed personnel, with emergency protocols in place. Therefore, there were no significant impacts on specific groups within the affected communities in 2024.

Identified material impacts, risks and opportunities		ď	ager appropriate the party states are states and		
Title &description	Туре	Upstr	Owner	Down! Shot	Medit Lords
Job creation and economic stimulation	Potential positive impact		•		•
The waste management industry can create a significant number of jobs, stimulating local economies.					
Improved community cleanliness and quality of life	Potential positive impact		•		•
Proper waste management can lead to cleaner communities and improved quality of life.					
Opportunity: Community Education Programs	Opportunity		•		•
Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.					
Local Employment Initiatives	Opportunity		•		•
Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.					
Health and Safety Improvements	Opportunity		•		•
Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and enhancing quality of life.					
	Job creation and economic stimulation The waste management industry can create a significant number of jobs, stimulating local economies.  Improved community cleanliness and quality of life Proper waste management can lead to cleaner communities and improved quality of life.  Opportunity: Community Education Programs Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.  Local Employment Initiatives Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.  Health and Safety Improvements Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and	Title & description  Job creation and economic stimulation The waste management industry can create a significant number of jobs, stimulating local economies.  Improved community cleanliness and quality of life Proper waste management can lead to cleaner communities and improved quality of life.  Opportunity: Community Education Programs Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.  Local Employment Initiatives Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.  Health and Safety Improvements Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and	Title & description  Job creation and economic stimulation The waste management industry can create a significant number of jobs, stimulating local economies.  Improved community cleanliness and quality of life Proper waste management can lead to cleaner communities and improved quality of life.  Opportunity: Community Education Programs Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.  Local Employment Initiatives Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.  Health and Safety Improvements Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and	Title & description  Job creation and economic stimulation The waste management industry can create a significant number of jobs, stimulating local economies.  Improved community cleanliness and quality of life Proper waste management can lead to cleaner communities and improved quality of life.  Opportunity: Community Education Programs Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.  Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.  Health and Safety Improvements Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and	Title & description  Job creation and economic stimulation  The waste management industry can create a significant number of jobs, stimulating local economies.  Improved community cleanliness and quality of life  Proper waste management can lead to cleaner communities and improved quality of life.  Opportunity: Community Education Programs  Implement initiatives to educate communities on waste management practices, leading to reduced waste generation and higher recycling rates.  Local Employment Initiatives  Create job opportunities for local residents, enhancing economic stability and fostering goodwill towards the company.  Health and Safety Improvements  Implement programs aimed at improving health and safety standards in local communities, reducing healthcare costs and

### Policies related to affected communities

### Policies to manage material impacts, risks and opportunities related to affected communities, including specific affected communities or all affected communities

Sustainability and Environmental Policy

### Sustainability matters addressed by the policy:

Climate change, Climate change mitigation Climate change, Energy; Circular economy, Resources inflows, including resource use Circular economy, Waste; Own workforce, Working conditions Own workforce, Health and safety; Own workforce, Equal treatment and opportunities for all; Affected communities, Communities' economic, social and cultural rights Business conduct, Corporate culture; Business conduct, Management of relationships with suppliers including payment practices

#### **Description of key contents of policy:**

#### 1. General Overview

- Defines sustainability as meeting current needs while minimizing risks to future generations.
- Applies to all employees and is shared with customers and suppliers.
- Emphasizes innovation, efficiency, and environmentally friendly operations.

#### 2. Guiding Principles

- Activities must be socially, environmentally, and economically responsible.
- · Compliance with laws and international standards.
- Promotion of circular economy and responsible resource use.
- Engagement with stakeholders and respect for human rights.
- Focus on corporate governance, fair pay, safety, and public education.

### 3. Environmental Responsibility

- Commitment to reducing environmental impact using the best available technologies.
- Life Cycle Assessment of Products and Services.
- Focus on reducing CO2 emissions and landfill

waste.

Setting and monitoring quantitative environmental targets.

#### 4. Economic Responsibility

- Emphasizes competitiveness, innovation, and long-term value creation.
- Participation in industry development and scientific research.
- Continuous review of economic impact on stakeholders.

### 5. Social Responsibility

- Goal of zero workplace accidents and a safe working environment.
- Fair compensation, work-life balance, diversity, and inclusion.
- Employee development through training and career growth opportunities.

### 6. Stakeholder Cooperation

- Fair treatment and free competition.
- Engagement through consultations, partnerships, and feedback mechanisms.
- Collaboration with a wide range of stakeholders, including NGOs, authorities, and communities.

Commitment to data protection and ethical partnerships.

#### 7. Environmental Policy Principles

- · Minimizing environmental and biodiversity impact.
- Promoting sustainable habits and public awareness.
- Adoption of clean technologies and energyefficient practices.
- Support for green procurement and digital communication to reduce resource use.

#### 8. Governance

- Policy approved by the Management and Supervisory Boards.
- Reviewed every three years.
- The legal department is responsible for updates.

### Disclosure of any any particular policy provisions for preventing and addressing impacts on indigenous peoples

Eco Baltia has stated that there is no community of indigenous peoples in the regions where they operate, specifically Latvia, Lithuania, Poland, and the Czech Republic. As such, no specific policy provisions are currently applicable or in effect for the company's operations to prevent and address impacts on

indigenous peoples.

### Description of relevant human rights policy commitments relevant to affected communities

Eco Baltia Group adheres to comprehensive human rights policy commitments relevant to affected communities, ensuring engagement, respect for human rights, and provision of remedies. The group organizes public consultations during Environmental Impact Assessments and disseminates information through local media (Document 45). Specific measures include avoiding involuntary resettlement and economic displacement and conducting surveys to gauge public opinion. Furthermore, Eco Baltia engages with communities through educational initiatives and CSR activities, fostering a culture of resource efficiency and environmental awareness.



### Disclosure of general approach in relation to measures to provide and (or) enable remedy for human rights impacts

Eco Baltia Group has established a grievance mechanism to handle any complaints or grievances raised by affected communities. Although no involuntary resettlements or displacements occurred in the year 2024, the company has ensured that any grievances related to its operations will be considered and addressed individually. This commitment is evident through organized public consultations and surveys conducted during project assessments, which acknowledge and integrate community feedback into their environmental and social reports.

# Disclosure of extent and indication of nature of cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve affected communities

In 2024, Eco Baltia Group reported no instances of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises involving affected communities. The company's engagements during project preparations and public consultations, such as the Stakeholder Engagement Plan and public meetings for projects like the 'Lauciena' development, demonstrate commitment to transparency and community involvement, thus mitigating potential conflicts with these international standards. Additionally, Eco Baltia has systems in place to handle grievances and ensure compliance with all legal requirements and international guidelines, further supporting its

compliance record.

# Disclosure of explanations of significant changes to policies adopted during reporting year

In 2021, Eco Baltia adopted a new Sustainability and Environmental Policy, which includes fundamental principles and responsibilities aimed at reducing the negative impact of its operations on society, the economy, social conditions, and the environment. During the 2024 reporting year, Eco Baltia initiated multiple development projects, including the construction of the new Resource Management Centre and other facility upgrades. These changes are part of ongoing efforts to improve work safety, working conditions, and corporate governance, indicating significant policy adjustments to enhance operational efficiency and social responsibility.

### Disclosure on an illustration of the types of communication of its policies to those individuals, group of individuals or entities for whom they are relevant

Eco Baltia employs a comprehensive internal communication strategy to ensure effective dissemination of its policies relevant to affected communities. Key channels include email, internal intranet with dedicated sections, meetings with managers, TV screens, podcast, and various events. To foster broader community engagement, the company utilizes local media, public consultation meetings, and stakeholder engagement plans to communicate its policies and gather feedback. Specific internal initiatives, such as the LEAN culture, monthly stand-up meetings, and an employee newspaper, further enhance the reach and clarity of communications.

### Processes for engaging with affected communities about impacts

# Engagement occurs with affected communities or their legitimate representatives directly, or with credible proxies

Eco Baltia group companies engage directly with affected communities and their legitimate representatives during the project preparation and implementation stages. The stakeholder engagement plan identifies stakeholders, sets engagement goals, and reviews activities on an annual basis. Public consultation meetings and surveys were conducted to gather community input during the Environmental Impact Assessment, ensuring compliance with legal requirements.

### Disclosure of function and the most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform undertakings approach

Eco Baltia's top management has established a structured approach to stakeholder engagement, where each subsidiary appoints responsible individuals to execute environmental and social requirements. The Management Boards and senior management of group companies oversee compliance and ensure that necessary actions are implemented. Regular review meetings and performance monitoring are conducted, ensuring that engagement results inform the company's approach.

#### Disclosure of how the undertaking assesses the effectiveness of its engagement with affected communities

The effectiveness of Eco Baltia's engagement with affected communities is assessed through various mechanisms, including public consultations, surveys, and response to community feedback. Specifically, during the 'Lauciena' development project, two public meetings were organized to inform and gather input from residents. Additionally, a survey was conducted to gather public opinion, and the feedback received, including letters from the public, was reviewed and incorporated into the project report. This reflects a structured approach to ensure community perspectives are integrated into decision-making processes.



### Processes to remediate negative impacts and channels for affected communities to raise concems

Disclosure of general approach to and processes for providing or contributing to remedy where undertaking has identified that it connected with a material negative impact on affected communities

Eco Baltia has implemented a formal grievance mechanism to address any potential grievances or complaints arising from its operations or projects. Each case is assessed individually, with clear procedures in place to ensure that all grievances are considered, documented, and resolved appropriately. The company places strong emphasis on transparent communication and meaningful consultation with affected communities.

This includes:

- Organizing public discussions to engage stakeholders;
- Publishing relevant information through multiple channels to ensure transparency;
- Responding promptly and effectively to stakeholder concerns.

As part of its impact assessments for development projects, Eco Baltia routinely conducts public consultations to inform and involve local communities, reinforcing its commitment to addressing community needs and mitigating potential negative impacts.





# GOVERNANCE



### **Business conduct**

### The role of the administrative, supervisory and management bodies

### Disclosure of role of administrative, management and supervisory bodies related to business conduct

The administrative, management, and supervisory bodies play a crucial role in maintaining high standards of business conduct at Eco Baltia. Key responsibilities include identifying and addressing conflicts of interest, as outlined in the Conflict of Interest Situation Reporting Procedure. These bodies, including the Ethics Commissioner, are actively involved in ensuring transparency and ethical business practices through detailed documentation and resolution of potential

conflicts. The management framework includes regular reviews and updates of conflict-of-interest situations, led by the Head of Legal Department and the Ethics Commissioner, to uphold integrity and accountability within the organization. All potential partners, whether clients or suppliers, are assessed according to an internal procedure, which involves evaluating their sanctions risk, registration status, financial data, and payment discipline. Transactions above a certain threshold are approved by the Supervisory Board, which considers and evaluates the assessed risks. Procurements are made following the Internal

Procurement Procedure, evaluating several offers against specific evaluation criteria for each procurement. Internal audit reviews and audits different aspects of transactions and business conduct.

### Disclosure of expertise of administrative, management and supervisory bodies on business conduct matters

The members of the administrative, management, and supervisory bodies at Eco Baltia are required to be well-versed in the company's Code of Conduct and other internal policies, with an obligatory familiarization process upon their commencement of employment.

Continuous education is ensured through regular training, and their expertise in business conduct matters is maintained via internal communication channels, meetings, and updates. Furthermore, the Group Ethics Commissioner and the supervisory structures ensure compliance with conflict of interest declarations and other ethical guidelines, underscoring the expertise of the governing bodies in matters of business conduct.

### **Business conduct policies and corporate culture**

### Disclosure of policies with respect to business conduct matters

Code of Conduct, Sustainability policy, Risk Management policy, Articles of Association, Policy on the selection, nomination, evaluation, and responsibility of the Management Board members, Code of Conduct of a Cooperation Partner on Environmental And Social Matters

### Description of key principles of documentation listed above:

### 1. Purpose and Scope

- Applies to all employees and management of 'Eco Baltia', as well as its subsidiaries.
- Guides ethical conduct across all business areas, ensuring compliance with internal policies and external regulations.
- Establishes minimum standards; stricter local laws or policies take precedence.

#### 2. Core Values

- The Group's actions are driven by determination, creativity, enterprise, courage, and proactiveness.
- · Vision: To be a global leader in the circular economy.
- Mission: "Find value in everything."

### 3. Zero Tolerance for Corruption

· Bribery, kickbacks, facilitation payments, and undue influence are

prohibited.

- · Cash payments to counterparties are not allowed.
- Employees are required to report any suspicious activities and adhere to anti-corruption procedures.

#### 4. Conflict of Interest

- Employees must avoid any situation in which their interests conflict with the Group's interests.
- Examples include preferential treatment for relatives, parallel employment, or financial self-interest.
- · All conflicts must be reported in writing immediately upon identification.

### 5. Gifts and Hospitality

- Must be legitimate, proportionate, and transparent.
- Gifts exceeding €75 or any questionable hospitality must be reported to the Ethics Commissioner.
- Cash gifts or equivalents (e.g., vouchers, shares) are strictly

prohibited.

### 6. Lobbying

- All lobbying activities must be conducted in a manner that is legal, ethical, and transparent.
- No undue benefits may be offered to public officials or political parties.
- Employees must disclose relevant relationships with public officials.

### 7. Donations and Sponsorships

- Must not involve political support, corruption, or personal gain.
- Must be transparent, fair, and approved by the Ethics Commissioner.
- Permitted only within Group-supported social initiatives.

### 8. Political Participation

- · Personal political activity is permitted with prior notification.
- · Must take place outside working hours, unless otherwise agreed.
- The Group does not provide political funding.

# Description of how the undertaking establishes, develops, promotes and evaluates its corporate culture

Eco Baltia Group establishes, develops, and promotes its corporate culture through various structured policies and procedures, coordinated by the Human Resources and Legal Department. The Group's Personnel Policies emphasize clear, transparent, and fair principles for personnel management, ensuring a modern working environment conducive to professional growth and development. The corporate values, which include ambition, creativity, responsibility, opportunity-seeking, and courage, are integrated into daily operations and communication channels such as e-mails, intranets, meetings, and social media, fostering a cohesive and engaged workforce. Regular activities, such as employee surveys, performance management reviews talent development programs, and internal communication initiatives, are in place to assess and enhance the corporate culture. The Code of Conduct and related procedures establish a legal and administrative framework that all Eco Baltia stakeholders must comply with. The Code of Conduct adopts a zero-tolerance approach towards bribery and corruption.

# Description of the mechanisms for identifying, reporting, and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules

The company has established mechanisms for identifying, reporting, and investigating concerns about unlawful behavior or behavior that contradicts the company's code of conduct. Employees can report such concerns through various channels, including directly to their managers, the Group Ethics Commissioner, or the Head of Internal Audit, either by email or phone. Reports of violations are documented,

assessed for compliance with whistleblower criteria, and investigated accordingly. Investigation outcomes, including the findings and any necessary actions, are communicated to the relevant authorities and stakeholders. The company ensures confidentiality and protects whistleblowers from retaliation, adhering to the legal requirements for whistleblower protection. The internal audit function and management also have the right to identify unlawful behavior and initiate internal investigations.

### Disclosure of safeguards for reporting irregularities, including whistleblowing protection

As of October 2022, the company has established comprehensive procedures to ensure the confidentiality and protection of whistleblowers' data. These procedures include the pseudonymization of sensitive information and restricting data access strictly to personnel who require it for investigation purposes. Multiple secure channels are available for submitting whistleblower reports, including dedicated email addresses and automated answering systems, which provide accessible and confidential avenues for reporting. Whistleblowers are guaranteed protection against retaliation, including safeguards against dismissal, negative employment evaluations, or other consequences. To further support whistleblowers, the company offers various legal protections, including access to state-provided legal aid and exemption from legal liability. The individual responsible for investigating whistleblower reports has clearly defined rights and obligations, which include the authority to report directly to Group management and to implement measures that maintain the whistleblower's anonymity throughout the investigative process. Regular training sessions are conducted to ensure that employees are fully aware of the internal whistleblowing system and their rights under these policies.

Additionally, the company commits to reviewing and updating its whistleblower protection rules every two years, ensuring alignment with evolving legal standards and procedural best practices.

# Undertaking is committed to investigating business conduct incidents promptly, independently, and objectively.

The company is dedicated to conducting business conduct investigations promptly, independently, and objectively. Staff conducting internal investigations have unrestricted access to necessary documents, personnel, and property, and they receive support from employees and management. All employees are required to cooperate fully, ensuring that accurate and truthful information is provided promptly. Investigations are concluded with a detailed report presented to the management board or supervisory board, ensuring transparency and accountability.

#### Policies with respect to animal welfare are in place

AS Eco Baltia has a Sustainability and Environmental Policy that encompasses animal welfare considerations. While specific policies regarding animal welfare are not explicitly detailed, the overarching commitment to sustainability and corporate social responsibility suggests an inclusive approach to ethical practices, which may implicitly cover animal welfare.

### Information about policy for training within organisation on business conduct

Eco Baltia ensures that all employees are familiar with the Code of Conduct and related business conduct procedures. New hires are introduced to these procedures during onboarding, and employees in highrisk roles receive additional training and periodic knowledge checks. Awareness is reinforced through mandatory training, team briefings, and intranet updates, ensuring a comprehensive understanding and

fostering a strong culture of ethics and compliance throughout the organization.

### Disclosure of the functions that are most at risk in respect of corruption and bribery

Eco Baltia has identified specific functions most at risk (like procurements, clients, senior management) of corruption and bribery, including conflict of interest situations, gifts and hospitality, lobbying activities, donations and sponsorship, political participation, procurement, and counterparty verification. The Group's Internal Audit function regularly updates the corruption risk assessment, and the Chief Legal Officer reviews and updates the corruption risk mitigation program. The company implements tailored procedures to mitigate these risks across its operating regions, and compliance with these procedures is mandatory for all employees.

### Entity is subject to legal requirements with regard to protection of whistleblowers

Eco Baltia Group complies with relevant national laws regarding the protection of whistleblowers, as evidenced by their comprehensive internal alarm system rules. Whistleblowers benefit from anonymity, protection against retaliation, and the assurance that their identity and personal data will be disclosed only to necessary parties for report handling or legal intervention. Whistleblowers, associated individuals, and those assisting them are protected from adverse consequences, with multiple layers of legal aid and support provided. Additionally, whistleblower reports are handled with utmost confidentiality and are processed through designated channels, ensuring impartiality and thorough investigation.



### Management of relationships with suppliers

### Description of policy to prevent late payments, especially to SMEs

Eco Baltia Group has instituted comprehensive procurement policies aimed at ensuring fair and timely payments to suppliers, particularly SMEs. These policies mandate adherence to applicable legal and regulatory standards, highlight transparent procurement procedures, and stress the importance of fair dealings. The group emphasizes timely payment and compliance with contractual terms, thus fostering good supplier relationships and mitigating risks associated with late fees.

# Description of approaches in regard to relationships with suppliers, taking account risks related to supply chain and impacts on sustainability matters

Eco Baltia has established a comprehensive procurement procedure to manage its relationships with suppliers. This includes a structured approval and tendering process, adherence to legal and ethical standards, and incorporation of environmental and social criteria in supplier selection. The company emphasizes fair competition, transparency, and compliance with its code of conduct, especially in preventing late payments to SMEs and ensuring timely

payments to suppliers. There are specific provisions for assessing the environmental and social performance of suppliers, promoting green procurement practices, and mitigating or minimizing supply chain disruptions. Stakeholder engagement and the annual review of procurement procedures are also integral parts of their strategy.

# Disclosure of how social and environmental criteria are taken into account for selection of supply-side contractual partners

Eco Baltia Group incorporates social and environmental criteria into the selection process for

supply-side contractual partners. Compliance requirements for partners include adherence to environmental laws, human rights, and labor rights as defined by the ILO and the UN, as well as occupational health and safety standards. The Group's procurement policy mandates consideration of environmental and social factors, including ISO certification and the inclusion of green procurement criteria. It requires potential suppliers to meet these standards to be eligible for contracts.

### Prevention and detection of corruption and bribery

### Information about procedures in place to prevent, detect, and address allegations or incidents of corruption or bribery

Eco Baltia has implemented comprehensive policies and procedures to prevent, detect, and address allegations or incidents of corruption and bribery. These procedures include a zero-tolerance policy and strict prohibitions on bribery, illicit payments, and corruption. Any breach of these procedures must be reported to the Ethics Commissioner, who is responsible for investigating, escalating the case, and recommending appropriate disciplinary actions to the Board. The Supervisory Board may also decide on the seriousness of the violation and direct the necessary actions to prevent future breaches. Regular reviews and updates of the corruption risk mitigation program are conducted to ensure efficiency and compliance. Moreover, all employees are subject to mandatory adherence to these anti-corruption measures and may

consult the Group Ethics Commissioner in the event of any doubts.

### Investigators or investigating committee are separate from chain of management involved in prevention and detection of corruption or bribery

The investigators or investigating committee conducting internal investigations are established as separate entities from the chain of management involved in the matters under investigation. Specifically, the Group Ethics Commissioner, who reports directly to the Supervisory Board, is responsible for general internal investigations, as well as other designated responsible persons, such as the Internal Auditor, who leads these investigations. Additionally, internal investigations are conducted impartially and independently, ensuring investigators maintain free access to necessary documents, personnel, and information, enabling an unbiased examination of allegations of corruption or bribery.

### Information about process to report outcomes to administrative, management and supervisory bodies

The company has designated the Internal Auditor as the Responsible Person for handling whistleblower reports. This role includes reporting relevant findings to Group Management, including the Management Board, and, if necessary, escalating cases to the Supervisory Board whenever significant irregularities are identified. The Responsible Person also ensures that outcomes are communicated to the whistleblower within the stipulated timeframe. In parallel, the Group Ethics Commissioner reports to the Board and Supervisory Board on compliance with anti-bribery and anti-corruption procedures and initiates all necessary preventive and corrective measures.

Information about how policies are communicated to those for whom they are relevant (prevention and detection of corruption

#### or bribery)

Eco Baltia effectively communicates its anti-corruption and anti-bribery policies to all relevant stakeholders through multiple channels, ensuring accessibility and understanding. These channels include internal platforms such as the intranet, web pages, email communications, and management training sessions and meetings. Additionally, new employees are introduced to the Code of Conduct and related procedures at the start of their employment, and continuous updates are provided through regular training sessions and internal communications, including newsletters and digital displays in common areas.



# Information about nature, scope and depth of anti-corruption or anti-bribery training programs offered or required

The company's anti-corruption and anti-bribery training programs are designed to foster transparency and ethical behavior among employees. Training sessions cover key policies and the Code of Conduct, emphasizing the importance of preventing conflicts of interest, avoiding gifts that may influence decision-making, managing conflicts of interest, and understanding the procedures for reporting unethical behavior. Group companies ensure regular and comprehensive training that includes practical scenarios and assessments to reinforce the knowledge gained.

### Disclosure of an analysis of its training activities by, for example, region of training or category

The focus of training is on identified categories of employees with a high risk, such as those working with procurements, clients, customers, and those involved in decision-making. These employees have received detailed training. Other categories of employees are informed about the main principles of procedures, the main liabilities of employees, and the Group's zero tolerance for bribery and corruption. Channels for whistleblowing are communicated to all employees and publicly to all clients and suppliers.

### Prevention and detection of corruption or bribery - anti-corruption and bribery training table

The company's approach to anti-corruption and anti-bribery training involves structured programs outlined in the Code of Ethics. The training covers the prohibition of any form of bribery and corruption among employees, including directors and board members. It emphasizes zero tolerance towards bribery, kickbacks, and facilitation payments and includes regular updates to the corruption risk assessment by the Internal Audit function. Employees are regularly trained to identify risks, including conflicts of interest, gifts, and hospitality. Compliance with these procedures is mandatory and overseen by the Group's Ethics Officer.





# ESG INITIATIVES IN 2024



Through conferences, forums, and engaging initiatives, we promote knowledge sharing and sustainable practices, showcasing innovative solutions and building collaborations for a circular economy. Our activities aim to inspire forward-thinking ideas and drive sustainable choices in everyday life.

We create discussions and hands-on activities that help people learn about environmental care. By offering activities designed for young people, we encourage students to take action for a more sustainable future.

### **Key events and collaborations include:**

- EBV: Līdere Forum, LAMPA conversation festival, Baltic Brand Forum, LASUA industry conference, LTRK "Business-friendly municipalities"; Family-friendly municipality competition.
- EB: "Sustainability afternoon", Swedbank entrepreneurs' experience days, organizing tours at our facilities to educate the public on the importance and methods of waste sorting, promoting environmental awareness; sponsorship of the series/podcast "The day after sustainability"
- LZP: largest school bonding festival "Čē Čē Championship," LAMPA conversation festival, sponsorship of feature film "Slāpes," Baltic Brand Forum.
- JUMIS: family-friendly municipality competition.











On 26 September, Ecoservice joined partners, municipalities, the Ministry of Environment, and other sector representatives at the 21st annual "Waste Management Forum" in Druskininkai.

The central theme was the growing risk of fires and environmental accidents in waste management, emphasizing proactive prevention over reactive response.

### **Key Insights:**

- Jonas Sakalauskas (Averus) noted that the evolution of products and waste types has increased accident risks, making crisis prevention essential.
- ŽALVARIS Director Vitoldas Sapoznikovas and Ecoservice Director General Jurgita Nacevičienė shared their experiences in crisis management.
- **Panel Discussion** Experts, including Marija Lippa, discussed strategies to prevent environmental incidents from escalating into crises, moderated by Arijus Katauskas.
- **Textile Waste Challenge** From January 1, 2025, textile waste must be collected separately, which opens reuse opportunities but raises concerns about recycling capacity, funding, and unclear producer responsibility regulations.
- Industry Call to Action Ecoservice's Laura Zukė emphasized the need for financing recycling technologies and mandating recycled textiles in production to improve textile waste management.









### Eco Baltia: Sustainability afternoon. Fostering ESG awareness and education in business.

This event underscored the significance of Environmental, Social, and Governance (ESG) practices and equipped businesses for the forthcoming EU Corporate Sustainability Reporting Directive (CSRD).

### Impact:

- Improved understanding of ESG reporting requirements and sustainability practices.
- Actionable knowledge was shared through real-world case studies and expert experiences.
- Collaboration between government representatives, industry experts, and business leaders helped drive ESG adoption.











At the Sustainability Plan conference, industry expert Linas Černiauskas emphasized that ensuring the continuity of a circular packaging lifecycle requires active cooperation from all participants in the value chain. Ecoservice Director General Jurgita Nacevičienė reinforced this perspective during the panel discussion "Sustainable and Circular Packaging – Mission Possible".

### **Design as a Key Enabler**

In his presentation "Will We Give Packaging a Second Chance? YES/NO", Linas highlighted that targeted adjustments at the design stage can significantly increase the likelihood of packaging being reused or recycled. Integrating circularity principles from the outset ensures each stage of the packaging journey supports sustainability goals.

### **Consumer Education and Waste Sorting**

Equally critical is raising public awareness and fostering responsible waste sorting habits. Current data shows that 40% of materials deposited in paper, plastic, metal, and glass packaging containers are incorrectly sorted. This not only removes these materials from the recycling stream but can also contaminate otherwise recyclable waste. Additionally, packaging still accounts for 30% of the mixed municipal waste stream, underlining the untapped potential for improved collection and recycling practices.



### ČĒ ČĒ Championship 2024

The ČĒ ČĒ Championship engages youth, children, and municipalities in a dynamic educational initiative that fosters teamwork and collaboration. The event strengthens the values of trust, respect, and community, inspiring participants to build stronger relationships within classrooms and beyond.

**Event target audience:** Society at large, Youth and children, Municipalities

**Collaboration type:** participation and partnership

**Support focus:** Education and sports

#### **Communication Activities:**

- Press releases and media interviews
- Social media coverage
- Logo placement in event visuals and materials
- On-site event participation and presentations

### Achieved audience:

- 1,170,000 webpage cempis.lv views: 61,173 unique visitors
- The number of registered classrooms increased by 24% compared to 2023











### Supporting Youth Environmental Education – "Žalioji Odisėja" National Competition

Ecoservice supported the 8th finale of Žalioji Odisėja, a national competition promoting environmental awareness among Lithuanian high school students.

### **Purpose and Objectives**

- · Strengthen environmental knowledge.
- · Foster responsible attitudes and behaviors.
- · Promote correct packaging waste management and efficient resource use.

### **Highlights**

Thirteen school teams reached the final, showcasing strong problem-solving and creativity. The jury included representatives from the Ministry of Environment, VšĮ Žaliasis taškas, the Environmental Protection Department, and Vilnius City Municipality.

### **Partners & Acknowledgments**

The event was organized by VšĮ Žaliasis taškas and Kita Forma, with support from partners including European Commission Representation in Lithuania, Ministry of Environment, Vilnius City Municipality, VILNIUS TECH, Elektronikos platintojų asociacija, EMP Recycling, Ecoservice, Coca-Cola HBC, and Gamtos licėjus.

### **Impact**

By supporting Žalioji Odisėja, Ecoservice contributes to the development of a new generation of environmentally conscious citizens who are equipped with the knowledge, skills, and motivation to drive sustainable change.







# ENVIRONMENTAL ADVOCACY AND CHARITABLE CONTRIBUTIONS

### Driving positive change through environmental awareness and social responsibility

We actively engage the community in sustainability and eco-conscious activities, fostering a deeper sense of responsibility towards the environment. By educating the public on key environmental issues, we encourage informed, positive actions. Our contributions also extend to supporting children's homes, creating a sustainable future for vulnerable communities.

### **Key events and collaborations include:**

- EBV: LAB! collaboration with LIDL Latvia to donate to SOS village and other charity organizations; donation of repaired electrical goods to the Riga City Municipal Agency "Riga Energy Agency" by LAB!; donation to SOS children's villages Latvia; supporting the Baby Box project and informing the public about available options during difficult times;
- EBV, LZP: charity donation to the Children's Hospital Foundation
- LZP, EBV & JUMIS: regional educational activities: participation in events like the Sigulda Festival, Mārupe Children's Festival, and the "Be Knowledgeable, Be Safe!" campaign to educate and engage the community.
- EB: donation to Ronald McDonald House Charities Latvia
- EBV, LZP & Iterum: Donation to the organization "Entrepreneurs for Peace" to support the Ukrainian people in their fight for freedom!

### **Key impact:**

- Provided essential support to communities in need.
- Demonstrated the power of collaboration to achieve both social responsibility and environmental sustainability.
- Promoted the circular economy by extending the lifespan of electrical appliances.







#### **ENVIRONMENTAL ADVOCACY**

#### **Onshore Solar Power Plant Installation**

In line with our commitment to renewable energy and greenhouse gas reduction, Ecoservice has commenced the implementation of Project No. 03-005-J-0001-J06-00346 under the joint initiative "Investment Support for Solar Power Plants on Land". The project involves the construction of a ground-mounted solar power plant with an installed capacity of **500 kW**.

#### **Key impact:**

This initiative promotes investment in new electricity generation capacity from renewable energy sources (RES), specifically onshore solar, contributing to Lithuania's clean energy transition.

The installation is supported by EUR 187,848.50 in financing, provided under the Recovery and Resilience Plan "Next Generation Lithuania", funded by the European Union's Recovery and Resilience Facility – NextGenerationEU. The Lithuanian Energy Agency administers the project.

Project start date: 28 May 2025

**Expected completion date:** 31 January 2026

Upon completion, the solar power plant will contribute to Ecoservice's long-term sustainability strategy by reducing reliance on fossil fuels, increasing the share of renewable energy in operations, and supporting Lithuania's national climate objectives.







#### **ENVIRONMENTAL ADVOCACY**

#### **RECOBUD – A Systemic Approach to Recycling PVC Windows**

On World Environment Day, Ecoservice, together with project partners Saint-Gobain (Saint-Gobain Glass and Glassolutions Saint-Gobain PL), PreZero Polska, and Metal-Plast, announced the launch of the RECOBUD joint initiative. The project aims to establish an effective, scalable model for the collection and recycling of dismantled PVC windows, enabling these materials to gain a second life as valuable raw materials.

#### **Project Scope and Process**

RECOBUD provides a comprehensive, ready-to-implement solution for the construction sector – from reporting and accepting dismantled windows, to their processing and the provision of full environmental documentation.

- Metal-Plast Responsible for collecting and processing used PVC into full-value regranulate.
- PreZero Polska Manages the collection, transportation, and processing of glazing packages.
- Saint-Gobain Uses recovered cullet to produce new building glass, thus closing the material loop.

The project's technologies ensure maximum raw material recovery in compliance with the highest environmental standards.

#### **Strategic Impact**

Beyond its operational scope, RECOBUD represents a significant step toward advancing the circular economy in the construction industry. The initiative is founded on transparency, shared responsibility, and the creation of long-term value for both the environment and participating companies.

By transforming dismantled PVC windows into high-quality secondary materials, RECOBUD reduces the amount of waste sent to landfills, conserves natural resources, and lowers the carbon footprint associated with the production of virgin materials.









WSPÓLNY PROJEKT METAL-PLAST, SAINT GOBAIN I PRE ZERO

STARTUJE RECOBUD

-KOMPLEKSOWE ROZWIĄZANIE
DLA OKIEN PVC Z DEMONTAŻU





# ENVIRONMENTAL ADVOCACY AND CHARITABLE CONTRIBUTIONS

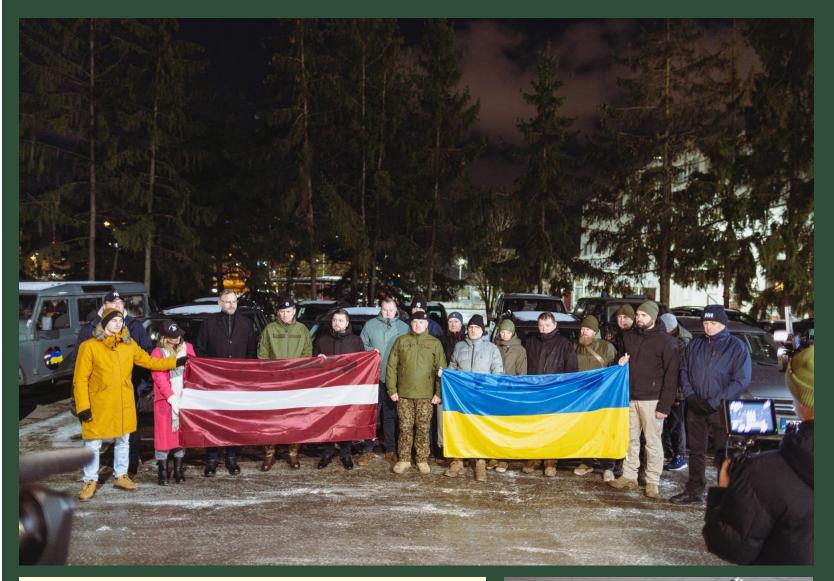
### Donation to the organization "Entrepreneurs for Peace" to support the Ukrainian people in their fight for freedom

Eco Baltia companies stand in solidarity with Ukraine by supporting the organization "Entrepreneurs for Peace". This initiative provides vital support to communities and healthcare institutions, helping those who are most in need.

• Part of the funds was allocated to purchase and deliver a hearing screening device for newborns to the Lviv Children's Hospital.

#### **Companies that contributed:**

- Eco Baltia vide
- Latvijas Zaļais punkts
- Iterum







### Supporting sports initiatives for environmental, social, and governance impact.

We invest in local communities through sports, nurturing talent, and emphasizing community involvement, while promoting diversity and unity. Our initiatives promote youth development through sports such as volleyball, beach volleyball, basketball, rally, and golf. We also encourage employees' health and wellness through events like the RIMI Riga Marathon and the cycling festival "Unity Ride."

#### **Key events and collaborations include:**

- EBV: basketball club «Rīgas Zeļļi» and «Daugavpils»; association "Latvijas Volejbola federācija", O-sand beach volleyball club, and volleyball club "Augšdaugava"; WRC 2024 Tet Rally Latvia.
- EB: organization of the Eco Baltia Golf 2024 tournament; participation in Rimi Riga Marathon 2024 and in the cycling festival "Unity Ride"
- Iterum: support for the Falcons Children's Hockey School











### Tet Rally Latvia & Eco Baltia Vide - fostering environmental sustainability in sports

This partnership highlighted the importance of waste management, sustainability, and public education during the Tet Rally Latvia.

#### **Key Initiatives:**

- Waste sorting & recycling infrastructure accessible waste sorting stations at rally venues, service parks, and spectator zones.
- Public awareness campaign educational content on waste sorting and sustainability practices in collaboration with social media and event platforms to spread awareness.
- Innovative Outreach release of an engaging promotional song to inspire responsible behavior.

#### **Impact:**

- Promoted a greener rally by reducing waste and encouraging spectators to recycle.
- Enhanced public engagement with practical tips on sustainability and waste management awareness.

#### **Achieved results:**

- Event attendance: 100,000 150,000 visitors
- The Tet Rally Latvia campaign reached a total audience of over 186 million, with the majority—80%—engaged through online media. Live TV broadcasts were provided by 43 broadcasters across five continents, reaching an audience of 80.4 million.











#### **Zero-Waste Hiking Initiative – "Coastline Trek with Friends"**

Ecoservice participated in the "Coastline Trek with Friends", organized in partnership with VĮ Valstybinių miškų urėdija, marking our first hike where 100% of waste was either recycled or converted into energy. This achievement reflects the power of collaboration between committed partners, professional waste managers, and an engaged community.

#### **Collaborative Approach**

- Vilniaus apskrities atliekų tvarkymo centras (VAATC) and Waste Culture ensured the availability
  of waste sorting bins at all recreation and start-finish areas, combining infrastructure with
  creative educational activities to reinforce correct waste sorting and environmentally responsible
  behavior among participants.
- Ecoservice provided 20 waste collection containers and deployed a dedicated team to assess and re-sort waste generated during the hike. Recyclable materials were sent to sorting facilities, and residual waste was prepared for energy recovery.
- Gren, operator of one of Lithuania's largest waste-to-energy plants in Klaipėda, processed all non-recyclable waste to generate green energy.
- VšĮ Žaliasis taškas (The Green Dot) representatives engaged participants at the starting point, teaching correct sorting practices and encouraging litter collection along hiking routes.

#### **Impact & Commitment**

This initiative demonstrates that zero-waste events are achievable through strategic partnerships, proper infrastructure, public education, and responsible waste management. Ecoservice remains committed to promoting sustainable event practices and advancing the transition toward a circular economy.



### Community Engagement for a Cleaner Environment – "Let's Clean Up Świebodzice"

For the third consecutive year, Ecoservice proudly acted as a strategic sponsor of Let's Clean Up Świebodzice (PoczyszczjMY Świebodzice), a community-led environmental initiative organized in cooperation with the City of Świebodzice. The event's mission is to promote pro-environmental values, encourage responsible waste management, and inspire younger generations to take an active role in protecting and preserving our natural environment.

This year's clean-up effort mobilized volunteers to work along four designated routes: Sportowa Street, Zimny Dwór, Bajka, and Ciernie – the latter prioritized due to the significant waste and debris left in the aftermath of recent floods. Participants worked together to remove litter, sort collected materials, and restore the cleanliness of public spaces, directly improving the local environment and community well-being.

In addition to the clean-up activities, the event featured a community gathering where participants could enjoy a warm meal, fostering a sense of solidarity and shared purpose. Educational activities, eco-themed games, and prize challenges were organized to reinforce environmental awareness and make learning about sustainability engaging and memorable, particularly for children and young people.

By supporting Let's Clean Up Świebodzice, Ecoservice not only helps reduce local environmental pollution but also strengthens community bonds, nurtures sustainable habits, and demonstrates the power of collective action in addressing environmental challenges. These efforts reflect our broader commitment to corporate social responsibility and our vision of a cleaner, greener future for all.







#### **TEXTILE SUSTAINABILITY INITIATIVE**

The textile sustainability initiative encompassed awareness campaigns, expert discussions, and collaborations, resulting in substantial increases in textile recycling and increased media visibility. These efforts align with our commitment to environmental sustainability and social responsibility.

- **New textile container network extension:** expanded the textile container network (over 320) for increased accessibility and convenience.
- The "Style Textile" campaign in May included media communication, digital advertisements, and social media outreach. The campaign's partners RIMI, TOP!.
  - **Audience reached:** through social media and digital advertisement, we reached 613,363 people, and through media publications, we reached 379,348 people.
- Textile campaigns in November, "Let textiles come out of the closet!" included media communication, digital advertisements, and social media outreach—the campaign's partners RIMI.

**Audience reached:** through social media and digital advertisement, we reached 995,284 people, and through media publications, we reached 602,145 people.









### **TOBACCO WASTE DISPOSAL AWARENESS** INITIATIVE

We aim to reduce environmental pollution by promoting the proper disposal of tobacco waste and minimizing its adverse impact on the environment. Our efforts support sustainability and social responsibility, ensuring our message resonates widely.

- The "Cīgmīnas" installations, placed in popular locations, served as a powerful visual representation of the cigarette litter problem, drawing public attention and effectively conveying the message.
- 172 specially branded public waste bins were installed across municipalities to encourage proper disposal.
- The initiative featured expert discussions, collaborations, and a comprehensive media campaign including digital advertisements, social media outreach, and media publications.
- Media visibility: The campaign achieved significant media visibility, garnering a total of over 4.4 million impressions. During the campaign, 146 publications were released, reaching a potential audience of 2,822,182 people and generating an advertising value equivalent to € 45,243.70.









### Pūt, vējiņi, dzen laiviņu, Aizdzen mani miskastē

Izsmēķis ir no plastmasas, tas dabā nesadalās









## BIOLOGICAL WASTE SORTING PROMOTION INITIATIVE

Encouraging communities to participate in sorting organic waste, we aim to reduce landfill waste and promote the composting of organic materials. This initiative supports a circular economy by transforming biological waste into valuable resources. Our efforts focus on educating the public on how to properly sort biological waste and encourage active participation in organic waste management programs.

- **Pilot project:** "**Pūt vai Nepūt?!**" in collaboration with "Rīgas namu pārvaldnieks" and "Latvijas Namsaimnieks," we launched a pilot project for sorting biowaste in multi-apartment buildings. The project identified key challenges and proposed solutions to improve waste sorting habits, thereby contributing to better public awareness.
- **Audience reached:** through social media, we reached 737,064 people, and through media publications, we reached 934,741 people.
- Educational content: in partnership with komposts.lv, we created expert videos to guide people on efficiently and effectively implementing the BIO waste sorting. Additionally, we developed 16 video materials addressing frequently asked questions, making waste sorting accessible and understandable for everyone.







### Kas BIO šķirot prot, spēj vidi uzlabot!



Šķiro BIO atkritumus, lai tie satrūd un izzūd, nevis krājas poligonos.







## ENCOURAGING HABIT CHANGE IN E-WASTE MANAGEMENT

We aim to inspire change in how people perceive and handle electronic and electrical equipment waste. Our campaign, "Dod iespēju laboties" ("Give a chance to improve"), and the launch of "LAB!" set the stage for a new approach to e-waste, promoting reuse and creative solutions instead of immediate disposal.

- Opening of e-waste repair shop "LAB!": A new repair shop, "LAB!", aims to repair around 200 pieces of equipment every month. There are at least two good reasons for repairing electrical devices: first, it conserves natural resources, and second, it supports the community by providing refurbished equipment for charity or resale at more affordable prices compared to new devices.
- From March 4th to April 1st, we ran an active campaign using various media, digital channels, videos, and radio to encourage more sustainable habits around electronic devices. Instead of discarding items at the first sign of trouble, we encouraged giving them a chance to be repaired or repurposed, contributing to reduced pollution from electronic waste. Campaign advertisements were displayed over 3.7 million times, and the campaign reached an estimated 730,761 internet users.









# **ENCOURAGING SUSTAINABLE GIFTING HABITS**

We continued the **"Gift Exchange Closets"** initiative, started in 2023, across three Latvian cities. The project promoted sustainable gifting by encouraging people to exchange unused items, thereby reducing waste and fostering reuse.

From December 18th to January 13th, participants donated and selected gifts at AKROPOLE Alfa in Riga, Šokolāde in Sigulda, and Rietumu centrs in Liepāja. Leftover items were donated to the charity Otrā Elpa.

The initiative helped reduce clutter, inspired sustainable habits, and created meaningful connections, proving that small actions can lead to impactful change.









#### **INTERNAL ESG INITIATIVES**

Our monthly themed calendar underscores our commitment to ESG values, fostering social responsibility, environmental awareness, and strong governance. These initiatives integrate these principles into our daily work, helping to build a responsible and sustainable workplace.

#### Social responsibility and well-being initiatives

- Health month: "Recycle your habits": encouraged healthy, active lifestyles through a step challenge, "Healthy Mondays," a stand-up performance, and a challenge hike.
- Employee health promotion: accessible physiotherapy services at ITERUM, L240, and G5 offices to support physical well-being.
- Purposeful self-development: activities included a seminar with a neurologist, experience-sharing sessions, family day & volleyball tournament, and book-sharing shelves at all locations to foster growth.
- Company sports day: fostered team spirit, unity, and celebrated achievements in a fun, sporty environment.
- Participation in RIMI Riga Marathon and Latvian Cyclists' Unity Ride: promoted an active lifestyle through participation in these iconic events.

#### Social responsibility and charitable initiatives

• "Wear your courage": promoted courage at work and personally, including an in-person seminar and a courage challenge, with donations to fund "Courage Boxes" for the Children's Hospital.

#### Social responsibility and employee engagement

· Shadow day: employees' children shadowed staff at EBV and ITERUM factories.

#### **Good governance**

- Team activities for governance: assigned team tasks to reinforce good governance practices.
- The Traveling Cup Most Responsible Colleague: Recognizes colleagues who exemplify company values and responsible behavior.
- "Discovering value among us" podcast: promoted transparency by exploring different roles and talents within the company, released monthly.



SEMINĀRS ar neiroloģi SANDRU VESTERMANI -KĀPĒC TIK GRŪTI MAINĪTIES?

Atbalsta metodes ceļā uz personības pārmaiņām – produktīvāku sevis versiju.





#### PĀRSTRĀDĀ SAVUS PARADUMUS!

#### 28.oktobris: DONORU PIRMDIENA

Palīdzi citiem - ziedo asinis veselības uzlabošanai un pat glābšanai kādam, kuram tas ļoti nepieciešams!

Nodod asinis Asinsdonoru izbraucienu autobusā, kas būs pieejams
 EBV G5 teritorijā no plkst. 11:00 līdz 13:00.











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Find value in each and every thing!
2024 Sustainability Report

