



ITERUM SUSTAINABILITY STRATEGY

Madara Strautmane, June, 2024

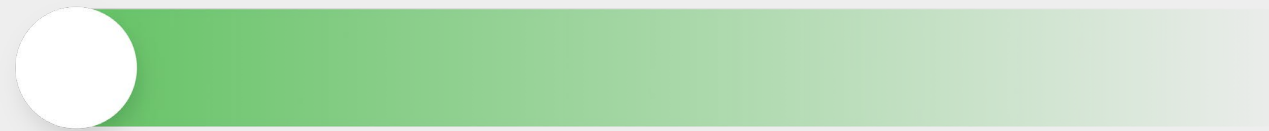
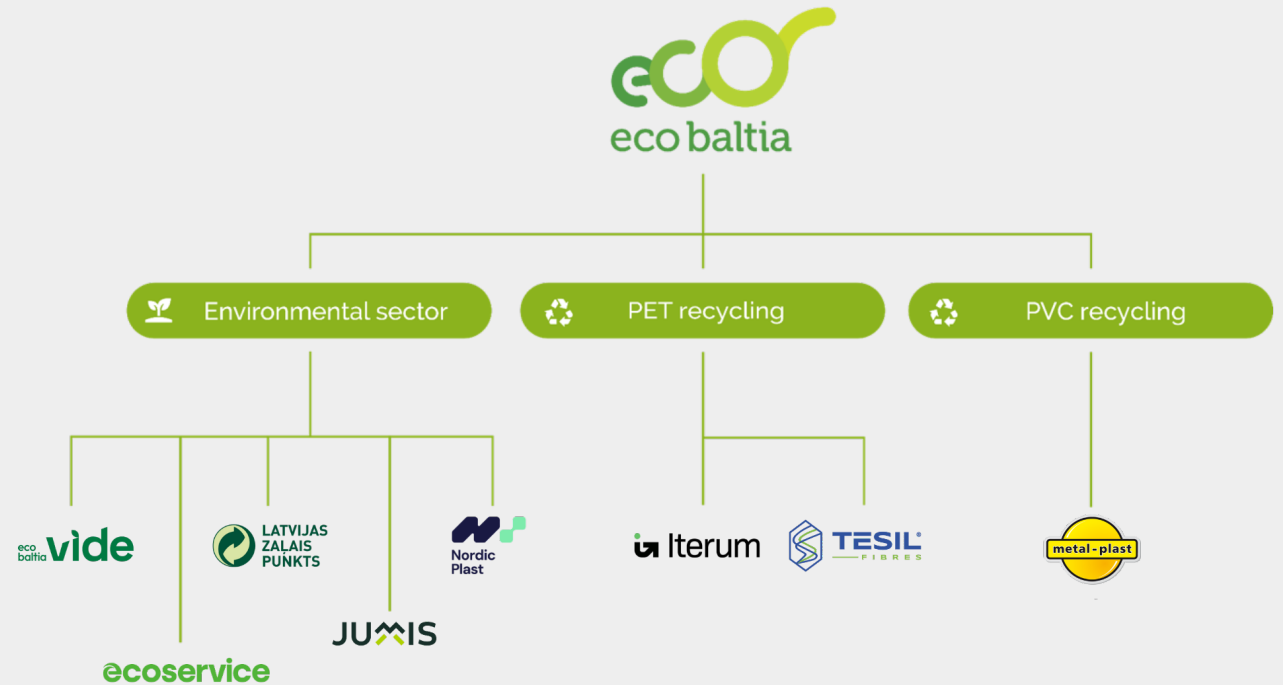


STRATEGIC PRIORITIES

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

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

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



ECO BALTIA



Commitment to the United Nations Sustainable Development Goals




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

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








Commitment to United Nation Sustainable Development Goals

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






Commitment to United Nation Sustainable Development Goals

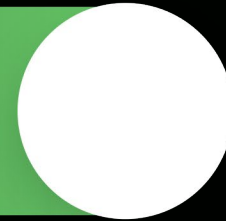
SDG	Goals	Classification	UN Goal – description	Relevant actions carried out by Eco Baltia Group
AFFORDABLE AND CLEAN ENERGY 	SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	7.2	By 2030, increase substantially the share of renewable energy in the global energy mix.	Share of use of renewable energy is being increased gradually (CNG, green electricity).
		7.3	By 2030, double the global rate of improvement in energy efficiency.	Measures to ensure energy efficiency – improvement of the energy efficiency on unit of production.
DECENT WORK AND ECONOMIC GROWTH 	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	8.5	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	Employees receive equal remuneration for the performance of equal work despite their ages or gender, age or race.
		8.8	Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.	<ul style="list-style-type: none"> • Security, Health & Safety rules with regular trainings, informing in place • Code of Conduct in place • Yearly investment and improvement in work environment and safety.
INDUSTRY INNOVATION AND INFRASTRUCTURE 	SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	9.1	Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Development and expansion of various sorted waste collection infrastructure.
		9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	<ul style="list-style-type: none"> • Innovation leading to higher use of recycled materials; • Innovation leading to reduction of energy performance per ton of production (kWh/t; m3/t).



Commitment to United Nation Sustainable Development Goals

SDG	Goals	Classification	UN Goal – description	Relevant actions carried out by Eco Baltia Group
RESPONSIBLE CONSUMPTION AND PRODUCTION 	SDG 12: Ensure sustainable consumption and production patterns	12.2	By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Use of recycled materials as input raw materials; • Gradual increase in share of renewable fuel vehicles in EB vehicle fleet; • Gradual increase in share of renewable energy use; • Implementation of Closed loop business principle.
		12.5	By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	Consistent increase in efficiency in waste management and recycling business operations
		12.6	Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	Regular Stakeholder survey conduction and publishing Sustainable activities and initiatives
		12.7	Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Include Sustainable procurement criteria in procurements organized by EB.
CLIMATE ACTION 	SDG 13: Take urgent action to combat climate change and its impacts	13.3	Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning	<ul style="list-style-type: none"> • Implementation of CO2 emission monitoring and reduction plan; • Events for company's stakeholders focused on the improvement of the awareness of the circular economy and Sustainability
PEACE, JUSTICE AND STRONG INSTITUTION 	SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	16.1	Significantly reduce all forms of violence and related death rates everywhere	Zero tolerance towards ethical violence

ENVIRONMENTAL IMPACT



Responsible business operations

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

ENVIRONMENTAL IMPACT



Short-Term (2024–2025)

- Set Science-Based Targets initiative (SBTIs)
- Develop a Sustainability reporting system according to International Sustainability reporting standards
- Improve energy consumption efficiency to 0,595 mWh per unit produced
- Recirculate 25% of water used in the production process
- 100% electricity consumed from renewable energy plants.



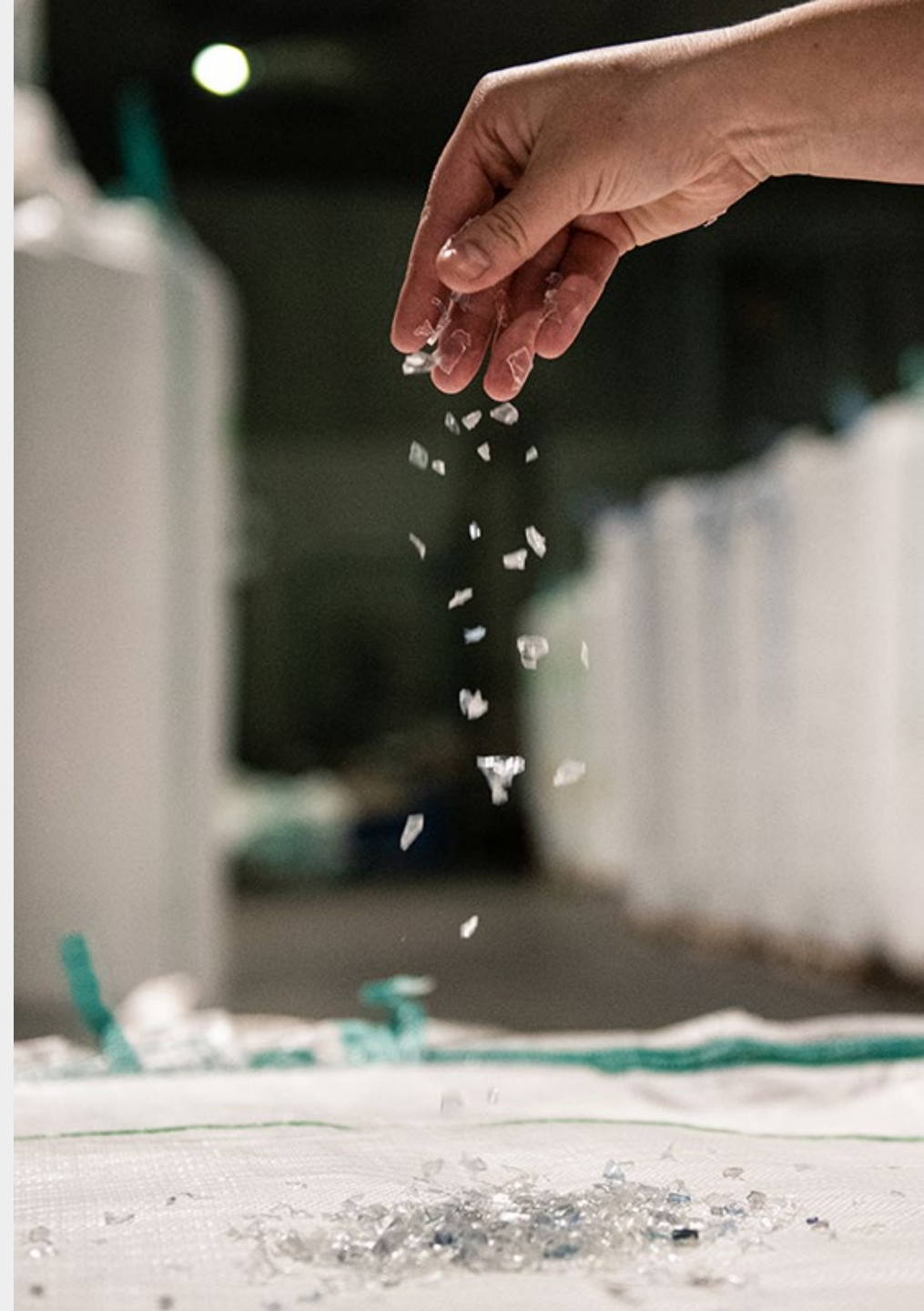
Medium-Term (2026-2029)

- Reduction of CO2 emissions by 50% per unit produced compared to 2021*
- Improve energy consumption efficiency to 0,510 mWh per unit produced
- Recirculate 50% of water used in the production process
- Maintain 100% recycled material use in the production of the final product
- Maintain Net-zero greenhouse gas emissions (GHG) across the value chain

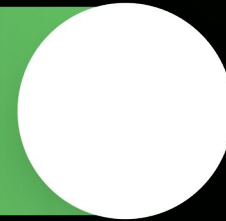


Long-Term (2030-2050)

- Maintain Net-zero greenhouse gas emissions (GHG) across the value chain
- Towards the circular economy and positive impact on Climate change by :
 - continuously reducing our carbon footprint
 - > improving operational eco-efficiency
 - > Procuring and producing renewable and low carbon-intensive energy
- optimizing natural resource consumption



SOCIAL IMPACT



Human-centered culture

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

SOCIAL IMPACT



Short-Term (2024–2025)

- Reduce TRI (Total Case Incident Rate) rate to 0.6
- Increase employee engagement index to 8,3
- Transition to global employee satisfaction evaluation methodology
- Reduce employee turnover to 27%
- Increase employee efficiency to 25 kEUR EBITDA per employee
- 8 hours of professional development training per employee per year
- Host >6 field trips in Iterum facilities to increase society's awareness of the circular economy



Medium-Term (2026-2029)

- Reduce TRI (Total Case Incident Rate) rate to 0
- Increase employee engagement index to 8,5
- Reduce employee turnover to 23%
- Increase employee efficiency to 34 kEUR EBITDA per employee
- 16 hours of professional development training per employee per year
- Host >12 field trips in Iterum facilities to increase society's awareness of the circular economy
- 100% of production workplaces shall be individually adjusted in accordance with employees' ergonomic requirements



Long-Term (2030-2050)

- Maintain TRI (Total Case Incident Rate) rate to 0
- Maintain employee engagement index at 8,5 or above
- Maintain >16 hours of professional development training per employee per year
- Host >24 field trips in Iterum facilities to increase society's awareness of the circular economy
- Having a positive impact on society by delivering social, economic, and environmental value



GOVERNANCE PRINCIPLES



Fairness and equality in every step of the business

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

GOVERNANCE PRINCIPLES



Short-Term (2024-2025)

- "Zero-incidents" with legal non-compliance and major financial penalties
- Customer Satisfaction score >30 NPS
- Reach >65 points on 100-point scale in EcoVadis evaluation
- Develop partnerships and ensure the company's participation in the development/improvement of industry legislation
- Certify the company according to ISO 45001 standard
- >85% of employees remuneration is set according to median level of the market.



Medium-Term (2026-2029)

- Customer Satisfaction score >70 NPS
- Reach >70 points on 100-point scale in EcoVadis evaluation
- Maintain partnerships and ensure the company's participation in the development/ improvement of industry legislation.
- Maintain company's certification according to ISO 9001, ISO 14001, ISO 45001, ISO 50001, FSSC 22000, and GRS standards
- >95% of employees remuneration is set according to median level of the market



Long-Term (2030-2050)

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





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