

SUSTAINABILITY REPORT



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SIA EIROPLASTS
a producer of ventilation
systems and elements

MESSAGE FROM OUR SUSTAINABILITY TEAM

This is our first Sustainability Report

«The climate and ecological crisis is the greatest threat that humanity has ever faced. It will no doubt be the issue that define and shape our future every day like no other day.» Gretha Thunberg, THE CLIMATE BOOK (2022).

We stand by Gretha's message. Latvia historically has always been a green country and we want to stay this way. Past years were challenging – Covid-19, a war in Ukraine, problems in supply chains, global energy crisis. Our team remains committed to finding and implementing greener and more sustainable solutions despite the obstacles we face.

We have been working to develop our ESG plan. By studying best sustainability practices in Europe and other countries, committing to United Nations sustainability goals, implementing and refining sustainable practices, by learning more and more about carbon footprint, we are raising our level of knowledge. Only by knowing more, we can make better decisions for all of us.

*Sustainability
team*



ABOUT REPORT

DETAILS

SIA EIROPLASTS with trademark EUROPLAST is privately owned factory and is located in Acone, Latvia. Nature of ownership is limited liability partnership (SIA). EIROPLASTS is producer of ventilation systems and elements.

REPORTING PERIOD

From January 1st, 2022 till December 31st, 2022. Publication date 28.06.2023. Report also includes information about our environmental impact in years 2020 (our base line), and 2021.

REPORTING PRINCIPLES

Report is based on ESRS - European Sustainability Reporting Standards draft. The report reflects the impact of organizations affects on the environment, society, and governance (ESG).

DATA CREDIBILITY

For our data quantification in Scope 1, 2, and 3 we use ISO 14064-1 guidelines, ISO Net Zero Guidelines, GHG protocols, different calculating tools, and legislative materials.

While our data is not third-party verified, we use industry-standard guidelines and best practices to ensure its accuracy.



MANAGEMENT SUMMARY

We are a manufacturing company. Our fundament is to offer our clients the best services and products, so for the past several years we are transforming our inner processes to be more flexible, risk-knowing, and in a knowledge-based approach.

In EUROPLAST we tackle sustainability issues with empathy toward all involved parties. Every year we set goals and tasks that we try to achieve. In addition, we cooperate with various Latvian and foreign companies, for which issues of sustainability and social responsibility are also important.

Last year we obtained a certificate of conformity from the Swedish Research Institute for our metallic production line, which is a high-class assessment. This year, we continue to improve management and move towards obtaining other certificates that will allow us to demonstrate order in our internal and external processes.



CORPORATE SOCIAL RESPONSIBILITY POLICY

EIROPLASTS committed to continuously improving internal processes related to smart company management, human rights, employment practices, environmental sustainability, fair business practices, and incl. ethical attitude in cooperation with interested parties, consumer rights, public involvement, and development.

EIROPLASTS ethical values are based on the basic principles of fairness, equality and justice, and are constant at all levels of the company.

EIROPLASTS follows all applicable laws and regulations related to employing minors in the workplace. We take special care to ensure the safety and health of all our employees, including providing emotional support when necessary.

EIROPLASTS periodically reviews the decisions made regarding equal treatment between the genders and guides decisions to break down barriers. Working hours and pay are determined by the laws and regulations of the Republic of Latvia, as well as cultural and social practices, and are equal for both genders.

We respect the basic rights of people and respect them regardless of their culture, gender, and/or other affiliation.

EIROPLASTS provides information to interested parties about social responsibility, i.e. is not afraid to share knowledge and skills, as well as, if necessary, indicates the possibilities of increasing competence.

EIROPLASTS supports people's right to religious and political values, promotes fair treatment of minorities, and smaller groups, and in supply chains supports companies that use natural, financial and human resources effectively, as well as responsibly about people's religious and political views.

EIROPLASTS corporate social responsibility drives the goals, improves the company's sustainability, reduces risks, and improves the reputation in front of society. The social responsibility strategy goes hand in hand with other company policies, as well as the United Nations' sustainability goals, and is based on international standards and examples of good practice.

<https://europlast.lv/lv/about>

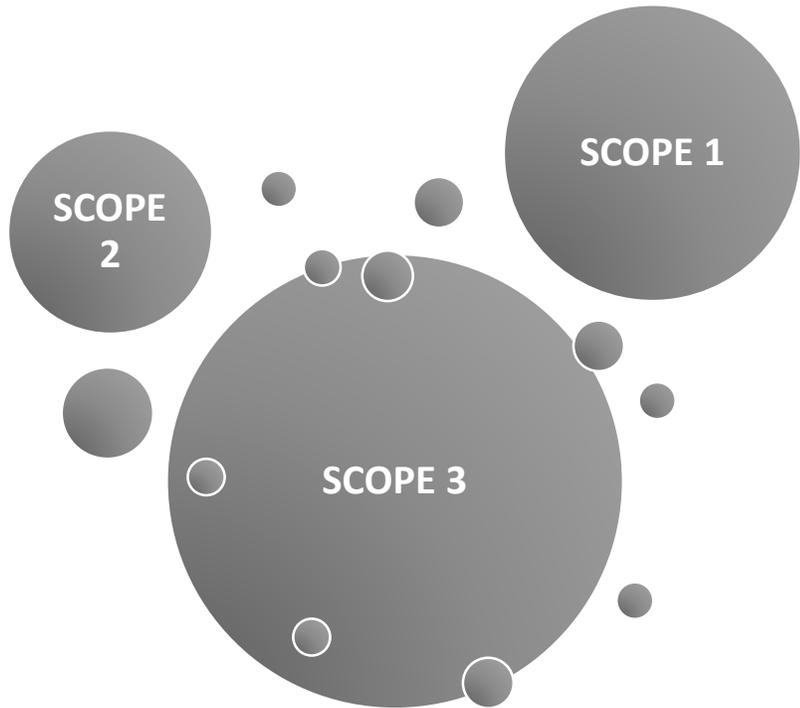


SUSTAINABILITY STRATEGY





ENVIRONMENTAL



Where we are and how can we reduce CO₂?



Science-based targets



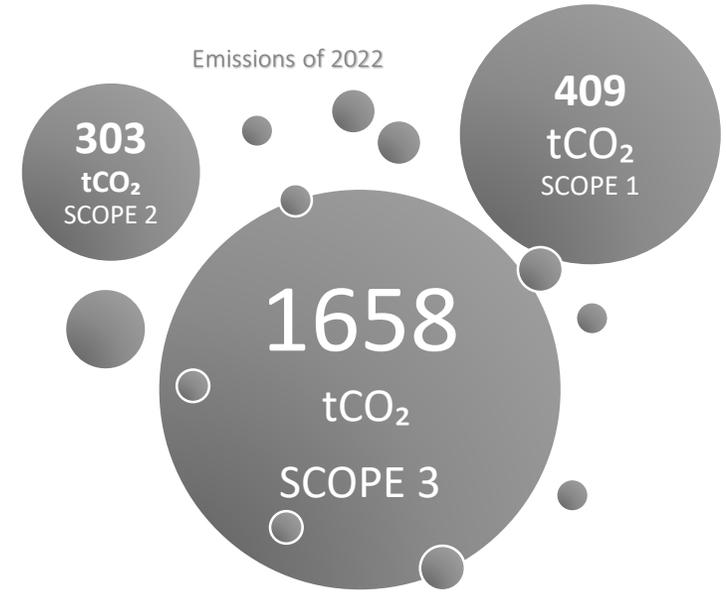
tCO₂ stands for metric tons of carbon dioxide



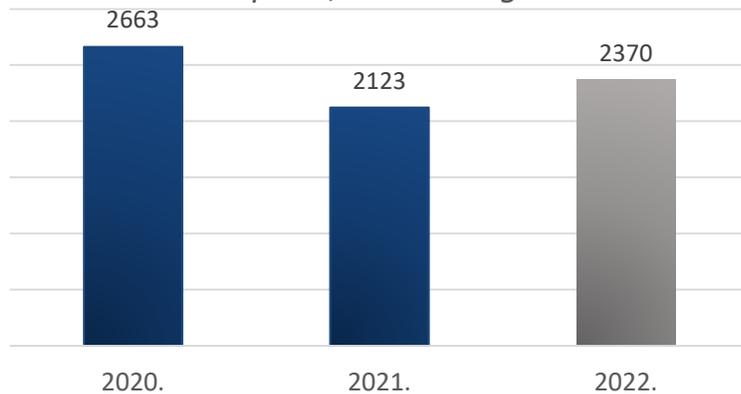
ENVIRONMENTAL

PROCESS

In May 2022, we formed a team and began the process of calculating our carbon footprint. We conducted a comprehensive GHG inventory covering Scope 1, Scope 2, and Scope 3 emissions. By November, we had a clear understanding that our footprint was not considerable, but also not excessively large. Throughout 2022, we focused on determining our baseline, identifying areas where we could begin minimizing GHG emissions.



the entire picture of the calculated emissions in scopes 1, 2 and 3 together



CALCULATION

To carry out our calculations, we started with basic tools such as Excel and manual counting. Our plan is to upgrade our process in the next few years to more advanced ones – digitalize. Emissions are calculated in the metric tons of carbon dioxide.

SCOPE 1 the calculations include data from emission sources that are controlled in EIROPLASTS, such as the consumption of non-renewable energy resources in the production facility, emissions from industrial processes, vehicles owned by EIROPLASTS.

SCOPE 2 calculations include emissions from purchased energy - electricity from renewable energy sources.

SCOPE 3 calculations include all other emissions covered by Scope 2, such as emissions from the production of purchased materials, business trips and waste disposal.

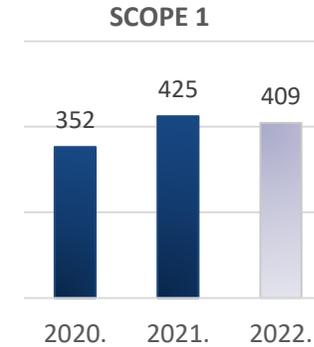
Sustainability performance indicators



ENVIRONMENTAL

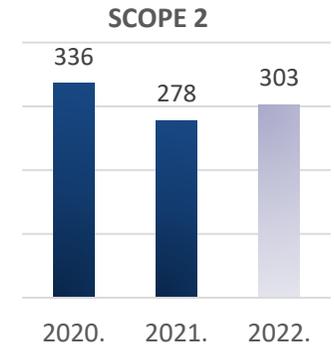
SCOPE 1 | DIRECT EMISSIONS

In 2020 (baseline) our footprint was 352tCO₂, and in 2021 it was 425tCO₂. 2022 it was little smaller but 409 tCO₂. Our biggest emitter is diesel fuel for our factory operating machines and fuel for transportation.



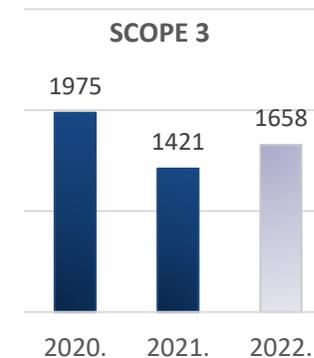
SCOPE 2 | INDIRECT EMISSIONS FROM IMPORTED ENERGY

In 2020 footprint was 336 tCO₂, in 2021 it was 278 tCO₂, and in 2022 it's even more. Currently working on solar panel projects, and we hope it will replace purchased energy by at least 35-70%.



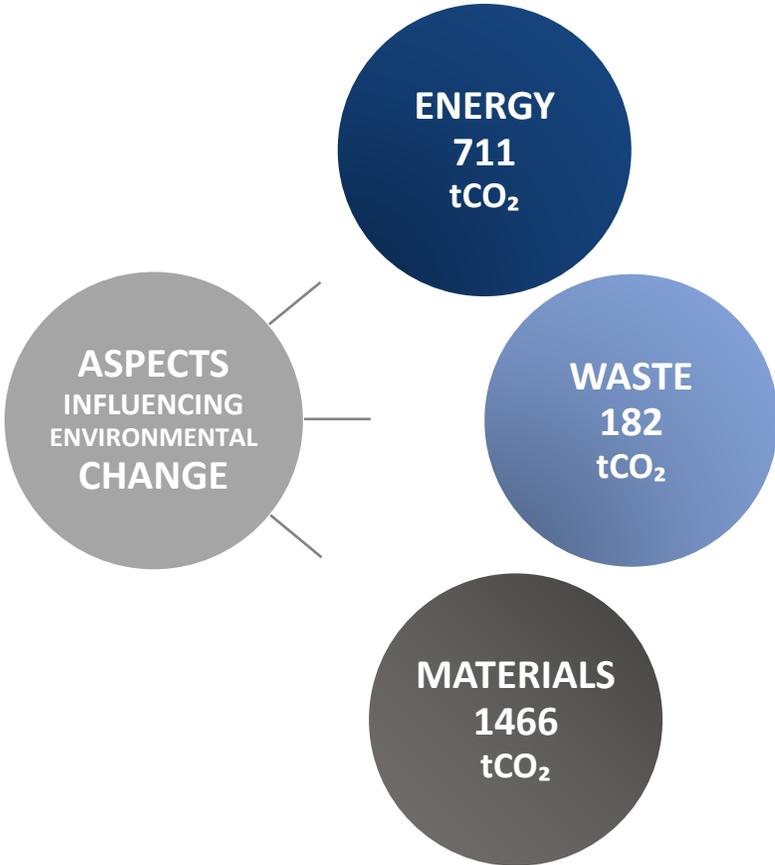
SCOPE 3 | OTHER EMISSIONS

Calculated emissions from other sources and in 2020 footprint was 1975 tCO₂, in 2021 it was 1421 tCO₂, in 2022 1658 tCO₂.





ENVIRONMENTAL



INFORMATION ABOUT THE DIFFERENT ASPECTS THAT INFLUENCE ENVIRONMENTAL CHANGE:

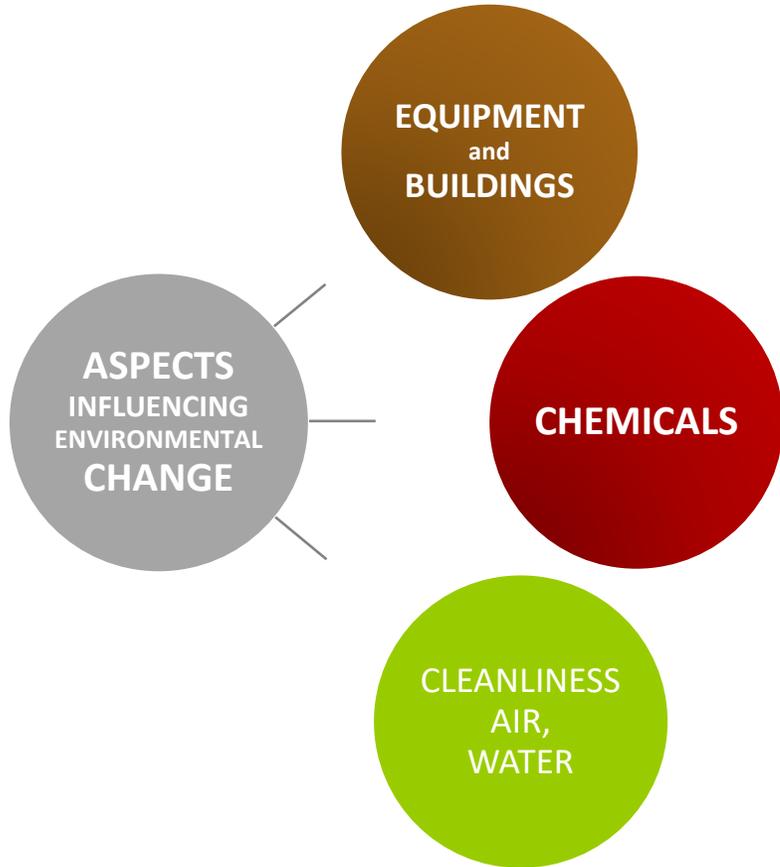
ENERGY – We use electricity, diesel fuel, and transport fuel (diesel, gasoline). Our goal for the next couple of years is to transform our energy management system. We are on the road to getting an ISO 50001 certification for our management system. We have already completed three energy audits with three different energy audit companies. We are also working with Latvian-certified energy auditors for equipment energy monitoring and gathering knowledge on how to master energy monitoring digitally ourselves. In 2021, our board members started on the road to renewable energy. In 2022, 43% of the energy we used was renewable, and we aim to increase that percentage further. In 2022, our team attempted to tackle the dependency on oil for heating water that cleans the product before painting and also uses energy for painting, but we were unable to find a good and efficient solution at an acceptable cost. We need to keep adopting energy-efficient technologies and practices in our operations, such as efficient heating and cooling systems, as they are necessary.

WASTE – In the spring of 2022, we slightly change our waste management system. We are collaborating with other companies to minimize the waste that is going to landfills. It's reducing our and other companies CO₂ emissions drastically. By smarter waste management we avoided - 657 tCO₂. Avoided emissions refer to the greenhouse gas emissions that are prevented from being released into the atmosphere.

MATERIALS – Emission reduction in materials is due to changes in our suppliers. We are currently calculating 134 different items. Some of the biggest material categories where we have the biggest emissions are chemicals, metals, plastic, and plastic packaging.



ENVIRONMENTAL



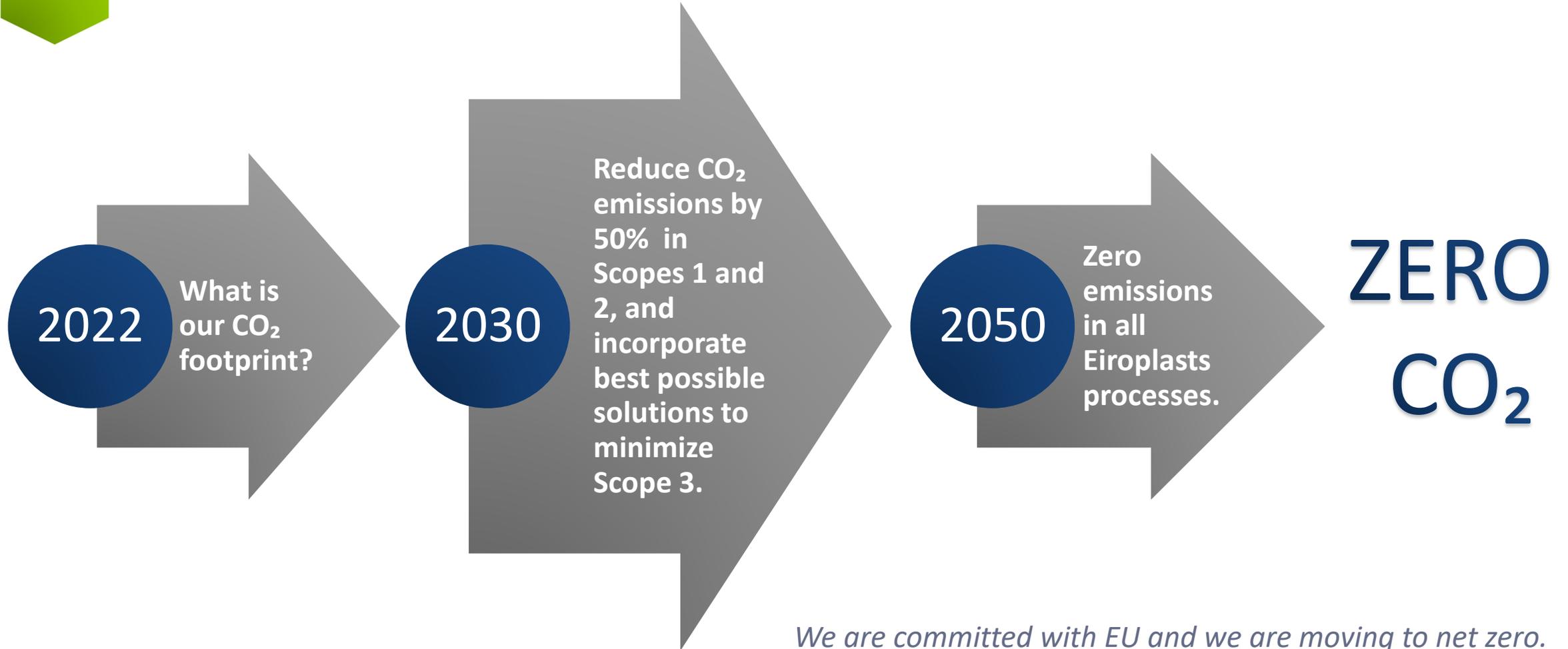
EQUIPMENT and BUILDINGS - company started with less than 2000 m² and now has more than 8000 m² of industrial park area. The newest buildings have a reasonably good building energy label. Although some buildings need improvements to significantly reduce CO₂ emissions, we are constantly investing in the production plant.

CHEMICALS – we are currently working with testing labs to ensure RoHS 3 compliance. There are changes to our products, but we have a great team working on it and it's only a matter of time before we can celebrate our new certification. We already have a certificate M1 - purity of our product. We are also working towards ISO 45001 certification for our occupational health and safety management system.

CLEANLINESS, AIR, WATER – We have obtained environmental pollution permits for B and C category pollution according to Latvian legislation, and we are required to pay a tax for the emitted substances. Therefore, our interest in improving air and water quality, as well as cleanliness, is not only environmentally friendly, but it is also necessary to make an investment to reduce the annually increasing costs. Additionally, we have implemented a wastewater treatment system outside our territory to ensure that our water quality is maintained at high standards.



ENVIRONMENTAL

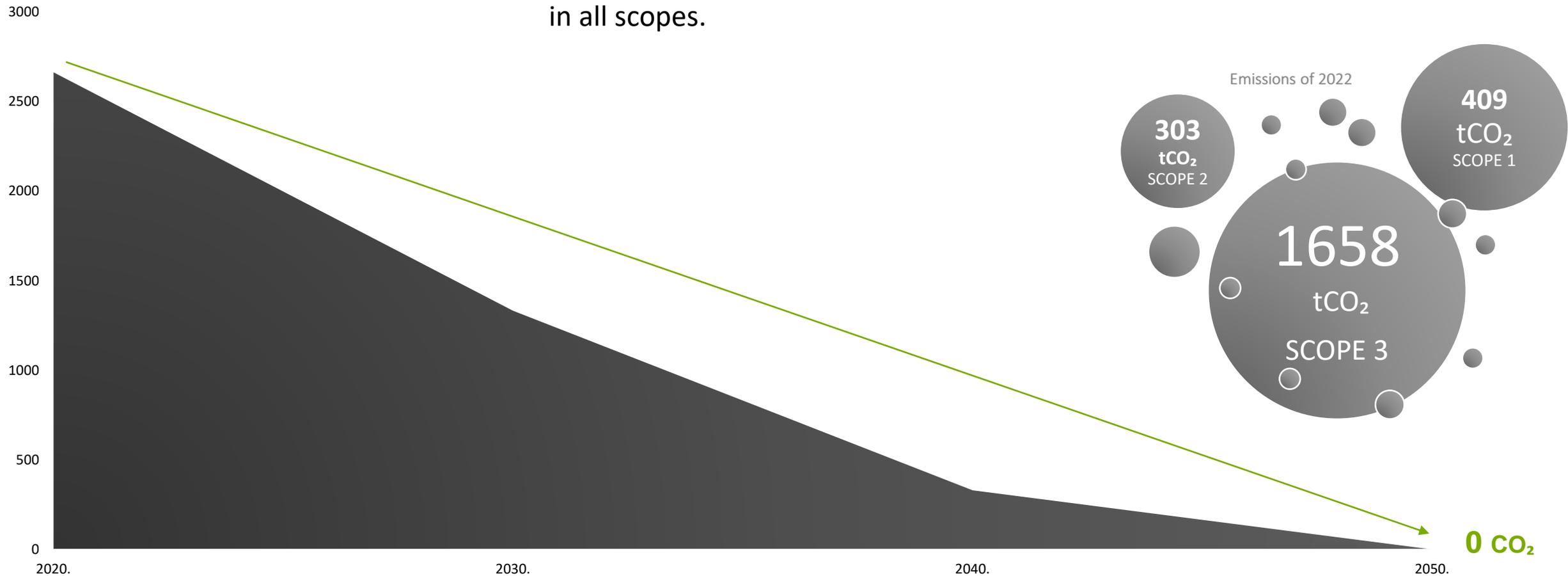




ENVIRONMENTAL

GOAL: To achieve 0 emissions by 2030 in scopes 1. and 2.

GOAL: To achieve 0 emissions by 2050 (in line with the EU strategy) in all scopes.



In scope 3, the accounting includes only data that are available.

EMISSIONS REDUCING PLAN



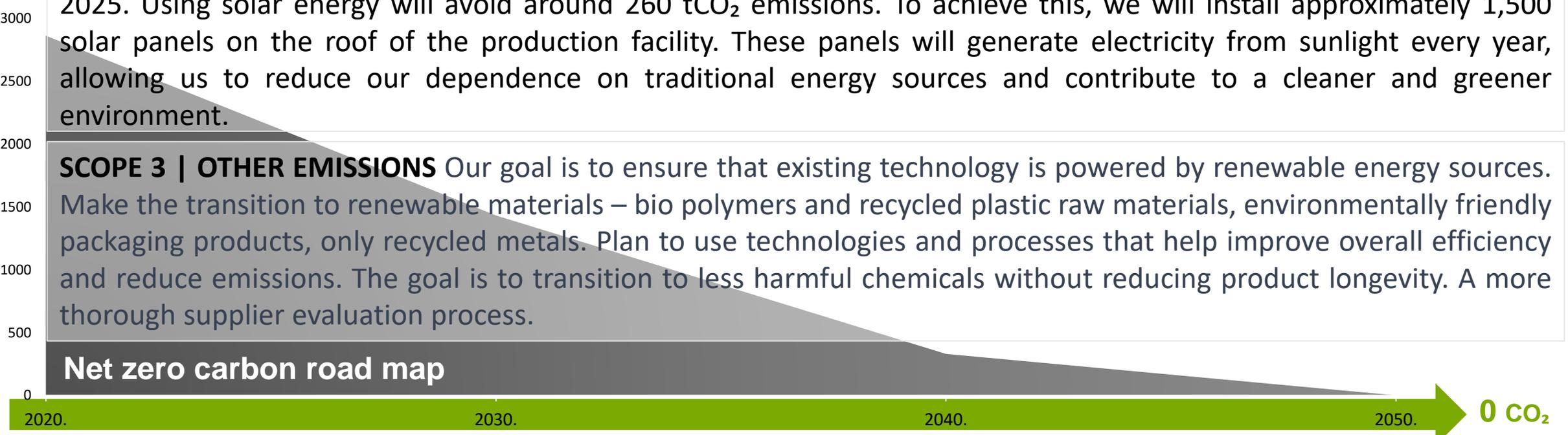
ENVIRONMENTAL

SCOPE 1 | DIRECT EMISSIONS Our goal is to reduce oil consumption by about 200 tCO₂ by the year 2025. To achieve this, we have planned to make several changes, including switching from diesel fuel to air-water heat pumps for heating, using electricity for water heating, and recuperating heat from our production processes. We also plan to adopt sustainable fuel for our transportation needs.

SCOPE 2 | INDIRECT EMISSIONS FROM IMPORTED ENERGY Our goal is to change the energy management system by 2025. Using solar energy will avoid around 260 tCO₂ emissions. To achieve this, we will install approximately 1,500 solar panels on the roof of the production facility. These panels will generate electricity from sunlight every year, allowing us to reduce our dependence on traditional energy sources and contribute to a cleaner and greener environment.

SCOPE 3 | OTHER EMISSIONS Our goal is to ensure that existing technology is powered by renewable energy sources. Make the transition to renewable materials – bio polymers and recycled plastic raw materials, environmentally friendly packaging products, only recycled metals. Plan to use technologies and processes that help improve overall efficiency and reduce emissions. The goal is to transition to less harmful chemicals without reducing product longevity. A more thorough supplier evaluation process.

Net zero carbon road map



WORKFORCE AND EMPLOYMENT

Our internal policy is to be honest, fair and objective towards all persons we deal with in our activities. When starting a working relationship, we do not consider ethnicity, religious beliefs, political beliefs. At EUROPLAST, we stand for professional investment, for alignment with our mission and goals, and for moving towards the kind of work environment we envision.

In the summer of 2022, in cooperation with the State Employment Agency, we gave students the opportunity to learn skills and get their first work experience. We believe that we can be a good example for starting a working relationship. We also often cooperate with educational institutions, for example, technical schools - we give students the opportunity to visit our production plant and gain an insight into our production processes.

SOCIAL RESPONSIBILITY



	2020.	2021.	2022.
Women / Men	35/ 57	41/60	45/67
employee turnover	29%	32%	50%
gender pay	identical		
short-term employees	0	4	13
student employment	0	4	11
forced employment	0	0	0

<https://europlast.lv/en/news/students-gain-work-experience-at-europlasts>



COMMUNITY

In past years we made changes in our suppliers - but when it's possible we choose cooperation partners even on the other side of the driveway. We donate financial resources and time to our community we donate to organizations that support children with special needs and orphans, we donate to charitable institutions that take care of the elderly at the end of life, and also to charitable institutions who take care of animals, etc., and of course, people who have suffered in the war in Ukraine.

PRODUCT SAFETY and QUALITY | Employees HELTY and SAFETY

Investing in product safety is essential for us. We continuously update our knowledge in every aspect of safety. Last year, we received the RISE certificate, and currently, we are working towards obtaining RoHS 3 certification. Additionally, we are in the process of obtaining the ISO 45001:2018 certification, which will demonstrate our commitment to the safety of our workforce. We also aim to significantly reduce the costs of conflicts within our organization.

	2020.	2021.	2022.
donations	3 300 €	3 664 €	82 359 €
research costs	9 077 €	10 644 €	73 532 €
product safety improvement	14 090 €	41 038 €	4 850 €
workplace disputes	4 293 €	4 740 €	11 023 €





GOVERNANCE

WHISTLEBLOWING

In Latvia we have in force Whistleblowing Law, and also we have our own inner procedure.

BOARD

Our company is privately owned and consists of two members who jointly manage and represent the company.

CUSTOMER PRIVACY AND DATA SECURITY

We are in the process of obtaining ISO/IEC 27001 certification, and we are compliant with the General Data Protection Regulation (GDPR) to ensure customer privacy and data security.

	2020.	2021.	2022.
composition of the board	identical		
political contribution	0 €	0 €	0 €
risk management			ISO 27001
cybersecurity	0 incidents		
sanctions fines	0 €	0 €	0 €

REGULATORY COMPLIANCE

We have extended compliance management. Together we have a system to manage all our regulatory requirements and it's over 200 regulatory documents.

RISK MANAGEMENT

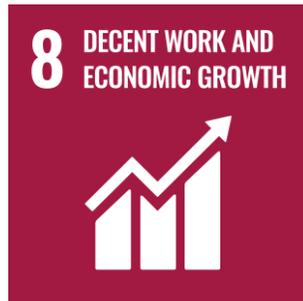
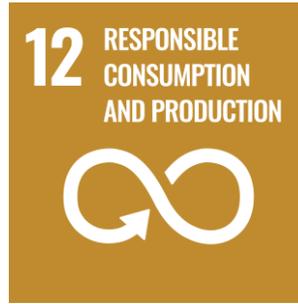
Our risk management is based on knowledge from the ISO 31000 risk management standard family. Our team participates in many seminars and follows trends, so we all have a better understanding of what to incorporate into our practices and internal policies.

VALUE CHAIN

We build sustainable and resilient supply chains. Although communication with suppliers on environmental, social and governance (ESG) issues is currently in its infancy, we are actively working to improve communication.

DIGITAL PROCESSES

According to the results of the digital skills survey, digitization has not been our strongest practice. However, we are currently making changes and engaging in processes that will improve our performance.



UNATED NATIONS sustainability goals

We have been working for the past year to develop our ESG plan. By choosing **five sustainability focus topics** - we can convert all forces to their direction.

Our focus points – gender equality (SDG 5), economic growth (SDG 8), industry innovation and infrastructure (SDG 9), responsible consumption and production (SDG 12), and peace, justice, and strong institutions (SDG 16).



SUSTAINABLE DEVELOPMENT GOALS

What we at SIA EIROPLASTS are committed?



Gender equality

We believe that women's equal participation in decision-making is essential. In 2023, we are committed to participating in the *'DigitALL: Innovation and technology for gender equality'* initiative. We will begin by promoting free education, such as through programs like Riga TechGirls.

<https://rigatechgirls.com>



Decent work and economic growth

We aim to increase worker productivity by focusing on our own labor practices and policies. By implementing international standard practices, we believe we can achieve higher results.



Industry, innovation and infrastructure

Our sustainability and development teams are constantly exploring new ways to introduce innovations, both in our internal processes and in the products we manufacture. We are committed to growth and are always looking for ways to improve.



Responsible consumption and production

Our goal is to manufacture only what is in demand from our sales team. We constantly improve our internal processes. Additionally, we are committed to reducing the amount of technological waste by approximately 50% until 2030.



Peace, justice and strong institutions

At the beginning of 2022, we ceased all cooperation with Russia. We changed suppliers for our sourced materials and stopped selling our products there. Additionally, we do not cooperate with Belarus due to their aggressive actions.



Smart process management, investments in technologies, innovative solutions and social responsibilities are our pillars.

SIA EIROPLASTS

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