

## **BALTO print annual report on Quality management, Corporate Social Responsibility, Environmental Protection and Sustainability**

BALTO print has taken pride in manufacturing beautiful books since 1996, and is known to be a reliable partner in more than 20 countries. To us, real care means not only providing excellent service and quality, but also sincere commitment to sustainable operations. We commit ourselves to manufacturing, packing and delivery of all kinds of beautiful books in a responsible and environmentally friendly way. BALTO print really cares.

We hold quality management, social responsibility as well as environmentally responsible choice of materials and production methods as complementary factors enforcing our goal: To make our world and our societies a better place to live in. BALTO print acknowledges sustainability as a clear path to success. We encourage and expect all our employees and business partners to commit to our strategy to make it happen.

We know how important every detail in the manufacturing and delivery process is to our customers. Our way to provide high-class quality includes:



We are **proactive** in understanding and **meeting with our customers' requirements and needs**.



We rely upon a carefully chosen supply chain of **long-term professional partners, suppliers and subcontractors**. We ensure **stability of product quality** using only reliable and tested raw materials for the production of books.



We continuously **improve our processes**: We learn from every order, we empower our employees to share their ideas and to implement them. We also make them an active part of our process improvement teams (Kaizen, PDCA, management and other).



**We master our job.** Thus, BALTO print collaborates as a reliable long-term partner, **sharing our large experience with our Customers** to make every book become a successful story.



We work according to the **highest standards** and are certified:

1. ISO 14001: Environmental management certification. Nr. SRS19/073
2. ISO 9001: Quality management certification. Nr. SRS19/073
3. ISO 45001: Occupational health and safety. Nr. SRS19/073
4. FSC: Chain of Custody certification. Nr. C107574
5. All our materials comply with REACH European standard for the use of chemicals.
6. We assure full traceability of raw-materials used in our production. If needed, BOM (Bill Of Material) will be provided.
7. We are happy to announce that we have been audited on ISO standards (audits took place 2019-09) and received the extended certification for a 3-year period



We believe in training as a key influencer of quality. In 2019 all middle management and key specialists in production attended a course on problem root identification and -solving.

BALTO print is a well-known and respected company which supports various social initiatives within the community we live in:



**Arts & Culture:** BALTO print supports young artists to make the lives of many people more colorful through arts, and we are a long-term partner of the *Možasis Teatras* Theater in Vilnius. We also support many different publishing initiatives and young authors.



**Leadership:** BALTO print is a long-term partner of an annual *conference* on leadership, which successfully shares international best practices within the local community.



**Freedom:** BALTO print actively promotes the national celebration of the recovery of freedom of publishing in Lithuanian language, regained on the 7th of May 1904.



**Health and Safety:** BALTO print takes care of all our employees.

- We make sure our employees have a Safe and Ergonomic working place.
- We also provide administrative staff with broadened possibilities to work from home (with trustworthy information security).
- We have invested in workforce comfort building new premises for personal well being (e.g. showers and well equipped locker rooms).
- We encourage our employees to participate in sports to support their health. As a result, many of our employees participated in sports events in 2019, like “*CEO run*”, “*Vilnius Marathon*”, “*Christmas Marathon*” and other. We also organize an annual sports event for all our employees.





We are proactive in taking care of our planet, undertaking -among others- these actions:



**1.** All raw-material used to produce a book is **paper based**. Forests provide us with paper fiber, absorb CO<sub>2</sub> from the atmosphere (converting it to biomass) and release oxygen. Because trees absorb more CO<sub>2</sub> the faster they grow, growing forests are the best allies against climate change. Thus, BALTO print supports sustainably managed forests. We utilize paper as efficiently as possible to minimize waste.

**1.1.** We encourage our Customers to choose paper from guaranteed exemplarily managed forests. BALTO print works with **FSC™** (the Forest Stewardship Council™), an international non-profit organization which provides a certification system for forest management and chain-of-custody.



**BALTO print is happy to see that the number of books under the FSC standard has increased by 8%** from 2018 to 2019.

**1.2.** We minimize paper waste in our book production process. Such waste is inevitable due to the characteristics of the technological process, but we do our best to successfully reduce it according to the BPA (Best Practice Available). Among others, we undertook these actions:

**1.2.1.** Standardization of processes. Once a process is somehow improved, we standardize it so every operator from any shift can achieve the same result without needing extra quantity of paper.

**1.2.2.** Improved training for new employees. This action helps us to prepare new operators faster, resulting in lower need for raw materials during training.

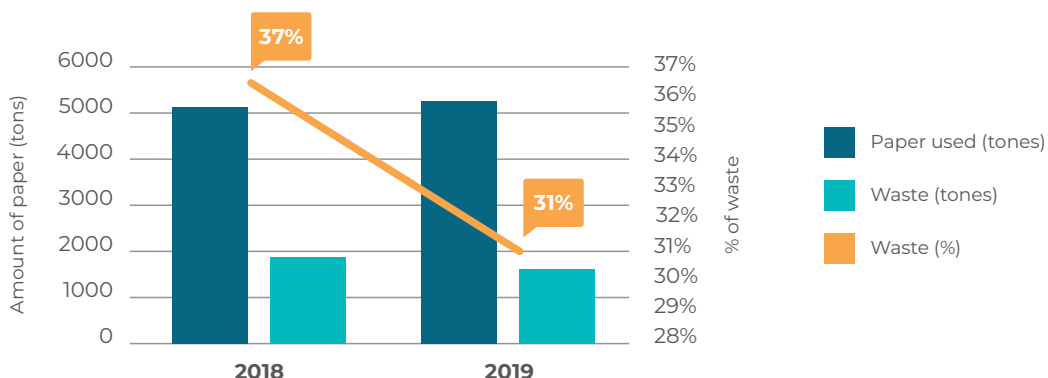
**1.2.3.** Continuous training for best practice sharing among operators.

**1.2.4.** Lower % of non-conformities helped us to reduce waste.

**1.2.5.** We encourage our sales managers to guide Customers to choose qualities from our range of standard papers or available paper in our paper stock.



**As a result, we have reduced paper waste with 15%**  
*Total amount of paper used and total waste (tons and %)*



**1.3. We reduced the amount of paper usage in administrative operations by 69 tons through information digitalization.** For instance, technical information is electronically transmitted to machine operators, replacing printed reports. Unavoidable waste paper is utilized by administrative personnel, as far as possible.



**2.** Another important element in the production of books is **water**. As reducing water consumption is crucial, actions to improve our employees' awareness and to reduce the consumption of water are constantly carried out both in production premises and offices. We have also invested in a new CTP (computer to plate unit), which uses less water to make plates.

**2.1. As a result, we have reduced our total consumption of water by 5%** from 5.142 m<sup>3</sup> in 2018 to 4.901 m<sup>3</sup> in 2019.

**2.2.** The result should have been much better, but in summer we had to change part of our factory's cooling installation and a bigger amount of water was inevitably used.

*Consumption of water (m<sup>3</sup>)*





### 3. **Energy consumption** is another important measure

**3.1.** We are aware of the impact energy consumption has on climate, so we invest in energy saving solutions.

**3.2.** In 2019 as many as 337 lamps were changed to more efficient LED lamps, saving 141.000 kWh per year.

**3.3.** We also invested in more efficient book production lines (printing press, block preparation line, computer to plate line, etc.) which helped to further reduce electricity consumption.

**3.4.** We replaced some compressors, resulting in a reduction of 90.000 kWh per year.

**3.5. As a result, we have reduced our total consumption of electricity by 13% from 2.573.046 kWh in 2018 to 2.233.529 kWh in 2019.**

*Consumption of electricity (kWh)*



**3.6.** We are happy to inform you that BALTO print uses green energy, as 100% of our electricity comes from renewable resources.





## 4. Other measures to reduce BALTO print's impact on nature are:

### 4.1. The amount of **solid and/or hazardous waste**.

- ✓ We encourage our employees to use in stock raw materials before purchasing new. This procedure not only reduced waste by 45 tons, but also made it possible to reduce our prices.
- ✓ We measure and control all our waste. At BALTO print 100% of our waste is sorted and 96% of it is returned for recycling.

### 4.2. **Air pollution.**

#### 4.2.1. **We minimize carbon emissions from truck transport:**

- ✓ Our deliveries are carried out by energy efficient EUROV or EUROVI trucks only.
- ✓ Drivers are trained and expected to minimize carbon emissions during transport.
- ✓ Transport companies are expected to prefer transport by sea where it is possible and a better environmental choice.
- ✓ In order to reduce fuel consumption, optimal routes are planned.
- ✓ Almost all our raw-materials are bought from local distributors.

#### 4.2.2. In transportation of goods **we minimize carbon emissions from sea freight transport:**

- ✓ When arranging sea freight, we ensure the vessels used fulfil internationally recognized environmental accreditations (e.g. MARPOL 73/78, Clean Shipping Index, Clean Cargo Working Group).



**5.** We are located in the beautiful city of Vilnius, which has plenty of parks and is surrounded by forests. One very little animal, the bee, is a symbol of hard-working and responsible community members. It is also an important actor helping plants and flowers to reproduce and thus providing us with a cleaner and colourful city. BALTO print is helping this **biodiversity** by having a beehive on the roof of our facilities. Not only are our neighbors very happy with that, but we enjoy natural and healthy honey from our **BALTO bees**.



# Report on Achievement of Targets for ENVIRONMENTAL CARE



## Targets set for 2019:

- **Goal #1: To reduce electrical energy consumption by 5%.**  
*Result: Electrical energy consumption reduced by 13 %* thanks to investments made in new and more efficient equipment.
- **Goal #2: To reduce water consumption by 5%.**  
*Result: Water consumption reduced by 5%,* thanks to internal training and involvement of all BALTO print personnel in rational use of water, as well as investments in new equipment.
- **Goal #3: To increase sorting and recycling of household waste in the offices.**  
*Result: We are sorting and recycling all waste.* This includes e.g. batteries, office paper, lamps, electronic devices.
- **Goal #4: To increase the amount of paper used from guaranteed exemplarily managed forests using FSC standard.**  
*Result: The total amount of books printed on FSC paper increased by 8%.*
- **Goal #5: To increase the awareness of all employees regarding environmental care, rational use of resources, sorting and quality.**  
*Result: Regular meetings held, audits regularly carried out, internal communication improved.*
- **Goal #6: Invest in a new book block manufacturing line which uses less material and energy to produce blocks.**  
*Result: the new line installed in 2019-06 consumes 3% less lining material and 2.5 times less electricity.*

## Targets set for 2020:

- **Goal #1:** To reduce electrical energy consumption by 5%.
- **Goal #2:** To reduce water consumption by 5%.
- **Goal #3:** To promote the usage of environmental friendly and FSC certified materials.
- **Goal #4:** To improve the working comfort of employees by renovating and enlarging the manufacturing departments canteen.
- **Goal #5:** To use the heat of the compressors to heat the premises and thus reducing the consumption of energy for heating for 800 m<sup>2</sup>.
- **Goal #6:** To improve the isolation of the buildings to reduce the need for heating.
- **Goal #7:** To join the Book Chain project. Joining the Book chain project (<https://bookchainproject.com/home>) would allow us to achieve several important goals:
  - forest Sourcing tool will help identify the best paper option for the book in terms of responsible forest sources.
  - information regarding Labour & Environment, Chemicals & Materials will be made easy and transparently available.



# BALTO print Corporate Policy on the **PROTECTION** of the **ENVIRONMENT**



-  BALTO print takes care of the environment. All our business decisions take into account the impact they may have on the environment. As far as it is possible, we avoid (and when it is not possible, minimize) any harmful impact on the environment.
-  All our employees and business partners must effectively share this aim.
-  BALTO print complies with all applicable European and Lithuanian legislation regarding environmental protection, including ISO 14001 standard.
-  BALTO print collaborates with our Customers and Suppliers in finding environmental friendly solutions applicable to all aspects of our operations.
-  BALTO print supports responsible forestry as a means of reducing CO<sub>2</sub> in the atmosphere. We are FSC™ certified and we encourage our Customers to choose paper from verified sources.
-  BALTO print actively works to minimize waste and to recycle as much of unavoidable waste as possible. We sort our waste and deliver it to accredited recycling stations.
-  At BALTO print we audit and measure our achievements towards goals for environmental impact on a yearly basis. Our goals are being monitored to make sure we always are on top of or one step ahead of the development

Signed,

*Artūras Karosas, owner and CEO.*

