



Social responsibility report 2010

PakMarkas



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Preface

As time passes by we gain better knowledge of the company's role and consider social responsibility to be one of the pre-requisites of a successful business. While expanding our activities we create goals in fields where we ensure maximum positive effect on the welfare of our employees, protecting the environment, creating honest and mutually beneficial relationships with our partners and the society. Our effort is being appreciated by the company's shareholders, workers, clients and that makes our business worthwhile.

During the last few years the radical change in economic conditions provided new challenges. We had to make quite a lot of decisions on saving our expenditures, still we still follow the responsible business practice. It is not easy to always act right however we learn a lot from our mistakes, correct them and take all necessary measures for them not to be repeated.

Today we are happy to have the opportunity to go through the work done during 2010 together with you. By introducing them publically we sincerely hope to encourage social consciousness in business and society. By the way the summary of our work in the report gives us the opportunity to assess our own progress and understand how our business can be meaningfully and responsibly developed.

During the last year we managed to do quite a lot. However we understand that we still have a long path of sustainable development to walk. We invite you to join us in this journey. Together we can do much more!

We wish you a pleasant reading!

Executive letter

Thank you for reading our company's social responsibility report.

While talking about the work a company performs the impact on the environment is quite often left aside these days. Is environment protection important?

To protect the environment means to know how to live with the nature, live using the opportunities it provides us with but not breaking its laws.

Companies are seeking maximum profit and simplifying quite a few processes by refusing everything that is not necessary because that way it would be more effective, more useful and more economical. While following that the investment pays off more quickly. Employee and leadership motivation systems also contribute to the seek of better profit.

It is not easy to change all that.

Unfortunately while gaining profit in such way we sacrifice the future. The cities are getting bigger, territories of old factories are turning into modern offices and commercial buildings, but people are not so fond of settling in there. It is said that industrial areas are more polluted.

To clean and tidy them up and make them suitable for people to live in – these are the questions quite often left for the next generation to solve.

Maybe we can live and work in such a way that the company would not do any harm to the people nearby and the environment would stay clean? It depends solely on us on how we will get along with the society and what we will leave after us, how those who will live after us will manage to continue our activities and whether we will leave something precious to the future generations and whether they will have a friendly and safe environment.

Maybe it is worth to try?

Yours respectfully
Virginijus Gumbaragis



PakMarkas



OUR MISSION

Our aim is to offer our clients innovative packing and marking solutions and to become leaders in that area in Baltic states and improve the welfare of our shareholders, employees and business partners.

About PakMarkas

For 17 years we have been offering a complex of packing and marking solutions to Lithuanian and foreign markets. Self-adhesive labels and shrink sleeves, packing and marking equipment, various packing solutions – these are the essential products and services we offer to all branches of food and drink, pharmaceutical and chemical and other industry.

Since we have useful knowledge of packing, professional team and modern technologies we can suggest, help to choose and find out the best decision.

Our clients are our partners ensuring the success of our company therefore we cherish long-term and reliable relationships, responsibly perform our duties and constantly seek our products and services to be of the highest quality.

Our main activities:

- Printing of self-adhesive labels and shrink sleeves;
- Selling of packing materials;
- Selling of packing and labeling equipment;
- Selling of spare parts.

Our values

Consideration for a client. We are always considering what is best for our client because we understand that our welfare depends on the welfare of our client.

Constant improvement and competence. We are able to win even under the most difficult and volatile conditions because we are constantly renewing and applying our knowledge.

Teamwork. We believe that if we work together as a team we will achieve our aim much faster.

Respect for employees and business partners. We understand that respect serves as the basis upon which a long-term reliable relationships are formed.

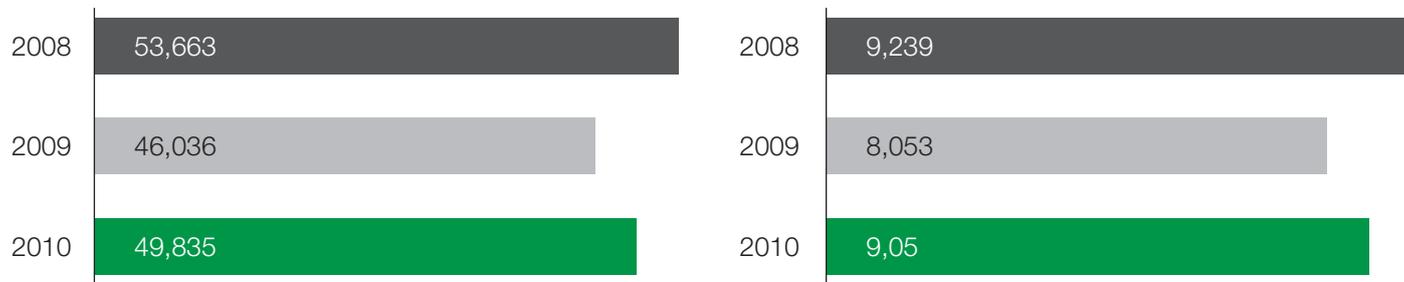
Desire to have the lead. It is a driving motive helping us to make new strides.

Company information

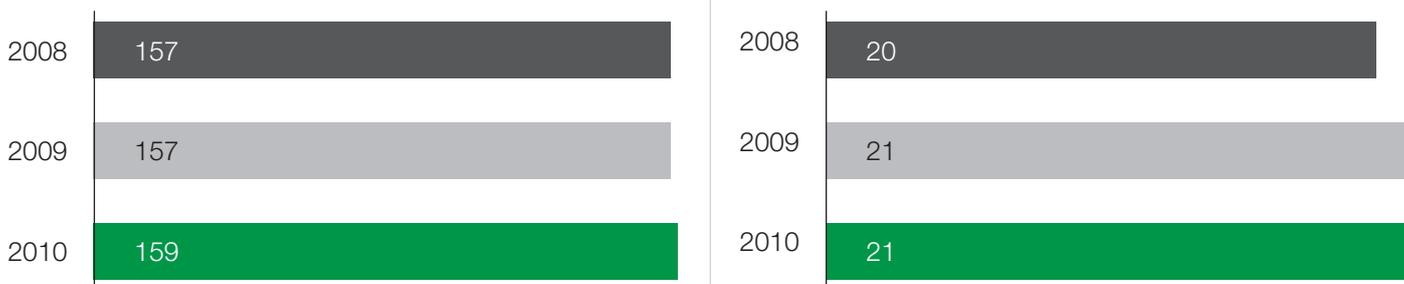
 The company was established in Lithuania on 14 February 1994

 The branch office in Latvia was established on 19 October 1995

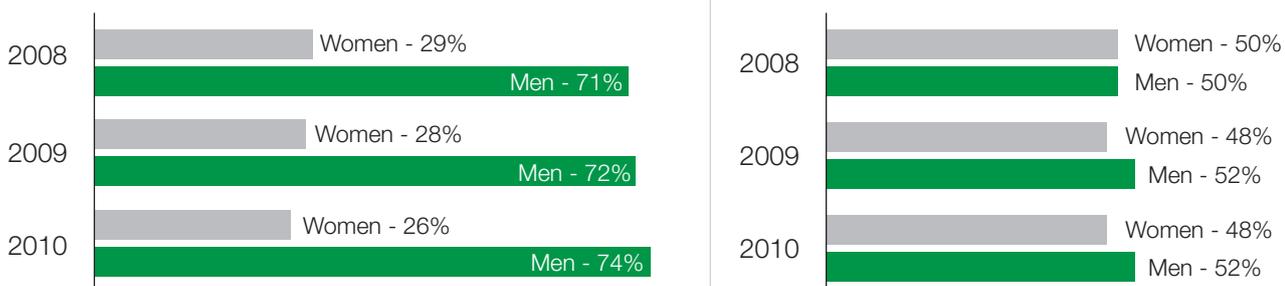
Sales income (without VAT, in thousand Litas)



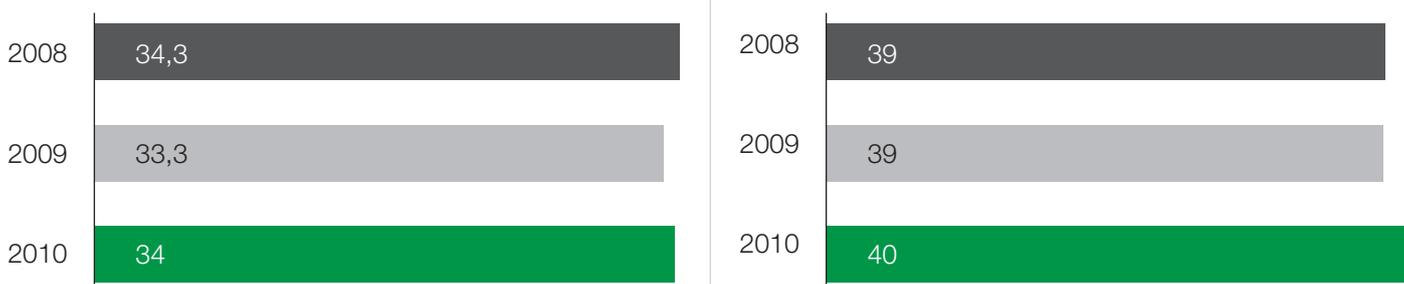
Number of employees



Percentage of men and women in the company



Average age of employees





Certificates

- Quality management system ISO 9001 – since 2002
- Environment protection management system ISO 14001 – since 2003
- Good manufacturing practice (GMP) – since 2009

Export

Sales income (without VAT, in thousands LTL)



Awards

Most successfully operating company 2008

The Company was awarded for implementation of modern technologies, investment into production and increasing efficiency.

Top employer of the year 2009

In the category of small and medium enterprises *PakMarkas* was recognized as “Top Employer 2009” (the Company was awarded for good working conditions and informal attitude towards people).

Socially responsible press 2009

Lithuanian Printers Association awarded *PakMarkas* for being able to maintain the same number of employees during the crisis, for social projects and responsible business practice.

Company – the environment protector 2010

In the category of small and medium enterprises *PakMarkas* was awarded for initiative to look for innovative recycling solutions and for the mature attitude towards the impact business has on the environment.

Membership in organisations

- Lithuanian Packagers' association (LPA) as of 1995
- Vilnius Industry and Business association (VJBA) as of 2000
- Initiative of the United Nations: Global Compact as of 2005
- Corporate Social Responsibility network of Lithuania (NAV|T) as of 2005
- Lithuanian printers' association (LISPA) as of 2006



SPAUDOS
PAVYZDZIAI

Workplace

Safe and healthy workplace, respected employee rights, creative climate, employees who demonstrate their abilities, who are motivated and continuously improving their skills, informal communication – those are the things we aim at while creating a workplace.

Employees rights protection

By supporting the United Nations Global Compact Labour principles and protection of human rights we declare that *PakMarkas*

- does not benefit from employing minors under 16 years of age,
- does not use forced or compulsory labour,
- is against any type of discrimination,
- does not tolerate any physical or sexual harassment and psychological violence,
- respect employees right to have a free time,
- supports honest and transparent salary policy,
- observes laws regulating working hours and overtime work.

Improvement of occupational health and safety

In 2010 we installed automatic irrigation system inside the company's factory so that our employees to breathe healthy and clean air. This system ensures average humidity in workplaces. Healthy and comfortable environment protects from dry skin effect, prevents dry eye syndrome, reduces the opportunity to get professional diseases.

Inside the area where we keep and mix paint we improved the performance of ventilation system. Next step – we plan to install ventilation inside the workplace of our paint technologist.

Considering employees suggestions we built a summerhouse near the entrance to the factory. That way the entrance to the factory is not directly from the outside and that prevents dust and draughts getting into the factory.

While collaborating with the company *Tuvlita* we strengthened health and safety guarantees for our employees, executives and employees attended additional occupational safety trainings factory workers attended ergonomics seminar. During the seminar employees had the opportunity to perform audit of their workplace themselves. Considering conclusions and suggestion made after the audit together with their executives they prepared workplace improvement plan and set the dates for the works.

Like every year the company funded flu vaccination for its employees and preventive health checkup.



MAINTENANCE OF TRADITIONS

During the years of its existence *PakMarkas* has created traditions that are highly cherished. Traditions we ourselves have created forms the culture of our company, unifies the people inside it and encourages creativity.

Workplace

It is important for us that each employee of our company could feel valued and needed.

So in 2010 we created a tool for executives – adaptation methods which help new employees to adapt more easily to the company's environment and conditions.

Employee motivation

After a few years of break new version of employee activity assessment system was introduced. This work tool ensures better communication between executives and employees lets to find out and set goals and reach them single-mindedly, organise training and plan career paths.

Company employees visited various specialised exhibitions, took part in training and seminars. During 2010 50% (totally 78) of company's employees attended training.

Improvement of employee efficiency

In the beginning of 2010 we participated in a survey for Lithuanian companies organised by the company *Kitokie projektai* which aimed to look more closely at what kind of troubles, according to employees, can be connected to the efficiency of work. After summarizing the results of the research employees were given recommendations about how to act when they see a colleague "all worked up" and their executives were suggested precautionary measures they can take to prevent that from happening.

Maintenance of traditions

In 2010 we followed our tradition and organised summer and Christmas feast to our employees and their family members. During these parties we awarded our employees for activities in the public interest and in other areas.

It is not a secret that our little one's are those who are waiting for Christmas the most. To make them happy we organised children works exhibition for children of our employees and after that a meeting with Santa Claus.

In spring it was the second time we organised a cleaning initiative *PakDarom 2010*. Employees that came to participate in it were all in great mood and planted trees, collected rocks and raked leaves. After we finished our work we were delighted to gather around the fire, have a snack and talk with colleagues.

After Easter holidays employees were gathered in an annual egg rolling contest they began to like. The most exciting part of the contest were the awards for the biggest egg and for the winner of the contest.

The company has many sporty employees and those who like to follow the healthy way of living. When they are not working they have the opportunity to play table tennis. The biggest table tennis fans can participate in an annual *PakMarkas* table tennis competition. We are happy that the number of participants is increasing.



ENVIRONMENT SURVEILLANCE

While following environment monitoring programme we continuously measure the impact our company has on the environment by observing the amount of pollutants emitted to the air and water. Four times a year we measure the amount of paper, photopolymers, electricity, gas, reactive electrical energy used and residual water emitted. Once a year we perform air pollution test.

Environment protection

Rapid consumption growth inevitably leads to the growth of usage of natural resources and larger amount of waste left during various production stages. We are not able to stop this growth however we can contribute to the saving of natural resources and rational sorting of production waste. The main responsibility *PakMarkas* takes is to protect the health of the environment.

Waste sorting

We pay much attention to the processing of production waste.

Waste left after printing are sorted and sent to processors. In 2010 our company gave 5 tons of corrugated carton and 2 tons of polythene for recycling.

Energy savings

On May 2010 seeking to ensure the more efficient use of electrical energy we introduced reactive energy compensation system – we installed automatic compensation equipment. According to the data of January-May 2011 the consumption of electricity has reduced 12% in comparison to the same period last year.

We started using energy-efficient light bulbs instead of luminescent light bulbs in the company factory. New light bulbs work according to the principle of LED technology, are a few times more efficient and do not have any components harmful to the environment such as mercury.

Assessment

Our effort to care for the environment was awarded the title “Company – environment protector 2010” in the category of small and medium size companies. While taking daily business decisions, introducing new technologies, choosing raw materials we consider the impact it all may have on the environment and the health of people. We care about what kind of environment we are living in now and are going to live in in the future.

National Responsible Business Awards are organised each year by the United Nations development programme in Lithuania together with the Ministry of social security.

PakMarkas environment protection policy:

- Perform the company's economic activity observing environmental protection laws and provisions of other legal acts concerned with the issue;
- Use the least environment polluting technologies while performing our activities, seek pollution prevention and continuous improvement of environmental status;
- Organise effective system for usage of raw materials, energy and non-renewable sources, work leaving as less waste as possible and organise recycling;
- Seek to have responsible employees who understand that environment protection and protection of natural resources is not an issue concerning only the entire company but it is also his/her personal duty.



VOLUNTEERSHIP

We support the volunteership idea and believe that business can meaningfully contribute to the promotion of voluntary activities. In summer 2010 *PakMarkas* employees participated in blood donation initiative the second time. Even 12 employees of the company voluntarily donated 6 litres of blood.

Society

One Chinese proverb says: “If you want to create a life for a month – grow wheat. If you want to create a life for a year - plant trees. If you want to create a life for a century – educate a person.” While constantly keeping in touch with society we help young people to gain knowledge, encourage vocational training and while learning them we learn much ourselves.

Youth training projects

We are happy to see that *PakMarkas* is well-liked among active and curious youth. In 2010 the company was visited by primary school students on repeated occasions. We showed them the factory, told them how the package is made and how the labels are printed.

It is the third time we are participating in the joint school and company partnership project *Jaunasis Kolega*. Eight students from *Vievis* gymnasium became *PakMarkas* engineers, product managers, staff specialists and administrators. We believe that after we share our experience with students it will be easier for them to decide on what profession to choose.

In 2010 we continued the Polygraph Specialist Training organised by the Lithuanian Printers Association – we started educating the third generation of qualified printers who later plan to receive printing machine operator’s qualification. 19 students from Lithuanian chambers of commerce, industry and crafts acquired comprehensive printing knowledge and developed their skills during the practice in our company. For academic youth it is a great opportunity to learn more about printer’s and printing machine operator’s professions, visit printing houses and see how their future workplace looks like.

NGO joint initiative

We have joined the joint business and NGO initiative which is practicable through the project *Vartai*: social and environment protection innovation of companies funded by European social funds – together with *Kitokie projektai* we started implementing joint initiative Burn-out syndrome prevention: clear communication and effective way of solving conflicts. The aim of the project is to encourage partnership between business and non governmental organisations by consolidating corporate social responsibility principles.



CLIENTS' OPINION

Seeking to find out whether our clients are satisfied with the service we provide we carried out a survey. The results of it showed that according to our clients the employees of our company feel big responsibility towards not only their own work but they also take corporate social responsibility. We informed executives and employees in our subdivision about the results of the survey and clients' opinions.

Business environment

Our relationships with our clients are based on responsibility, mutual trust and honesty.

We are responsible for making products and offering services which would allow our clients to reach the biggest success. So we are introducing modern technologies, improving production processes and offering additional training.

Good manufacturing practice

In 2010 we finished adopting Good Manufacturing practice (GMP). The observance of its demands guarantees strict control of production and quality and ensures high quality of our products.

Production process development

Seeking to maintain high quality of our products we pay special attention to the additional training of our employees. In 2010 we started implementing factory workers' qualifications assessment and training programme. Annual staff assessment and qualification overview help to find out about the strong and weak parts of our production process and increase throughput.

Transparent relationship

We have concrete and transparent relationships with our clients and partners – our company's main financial information can be found in various sources and a few times a year we prepare financial reports to the press/the media. The most important company news can be found on our company's website and in our company's special publication for clients and partners called *PakŽinios*.

PakMarkas quality policy:

- The main principle of the quality policy is to meet the needs of the client by offering qualitative and modern packing and labelling solutions;
- The main factor while reaching quality policy goals is the continuous additional training of employees and personal improvement;
- Main principles for intercommunication are respect for others and businesslike communication.

One of the main aims of the company is to seek total quality management.

Contact us!

We are always pleased to have your feedback. Contact us and share your opinion about our social responsibility activity, offer your suggestions and possible new joint initiatives. Together we can accomplish much more!



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