



## A word from the Manager

The year 2019 ended by presenting Covid-19 to the world. Whatever nice plans for the future and development projects companies may have had, most of them had to be stopped or postponed until better times. The current period of change has forced us to look back at the rapidly changing reality, to make urgent decisions, and to adapt to new conditions.

The changes taking place in the world have affected all companies and almost everyone individually. Unrest always forces us to look back at the values that guide us in our daily lives. When we are surrounded by lots of confusion and change, it is our values that help us to withstand the current challenges.

Now, in the middle of 2020, as I write the introduction to the Sustainable Development Report, it's pleasant to observe how, with the start of easing of quarantine restrictions, some of the first companies in the market to begin to show signs of recovery are those that have invested in the green economy and sustainable enterprise. For most companies the current time is a real test of sustainability in the market.

Let's nurture the environment, take care of those close to us, and develop joint projects with local communities, as this will make it easier to live in turbulent times. Let's not abandon the values that sustain us.



Virginijus Gumbaragis  
CEO

A stylized, handwritten signature in black ink, consisting of a large, flowing loop followed by a smaller, more defined signature.

### Three directions for business

- Printing of labels and packaging
- Engineering solutions for packaging
- Sale of gears and automation elements

More than

# 26 YEARS

together with the leading brands of Lithuania and Europe

### Principal export markets

- Poland
- Germany
- Scandinavian countries
- Ukraine
- Belarus

Income of

# 22.6 MILLION

euros in 2019

More than

# 236

qualified specialists in their field in three countries of Europe

# 35 %

of production is exported to other Baltic and European countries

Head Office

Vilnius, Lithuania

# 2 BRANCHES

- Riga, Latvia
- Pinneberg, Germany

# Basic facts

## MANAGEMENT

UAB Pakmarkas is a company formed with Lithuanian capital in 1994. The company's Articles of Incorporation specify that the company's organs of management are the General Meeting of Shareholders, the Board and the CEO. The General Manager is the CEO of the company, who organizes the ongoing economic operations of the company in accordance with his mandate.

Pakmarkas operations fall into three spheres: printing of labels and packaging; engineering solutions for packaging; trading in gears and automation elements.

Production of labels, packaging and engineering solutions is conducted at the factory in Lithuania. From here the products produced in the factory are distributed to clients in the branch markets in Latvia, Germany and other export market countries.



## ASSOCIATIONS THAT WE BELONG TO

United Nations Global Compact, Lithuanian Association of Responsible Business (LAVA), Association of Lithuanian Printing Industries (LISPA), Lithuanian Packaging Association (LPA), Vilnius Industry and Business Association (VPVA), Lithuanian Engineering Industry Association (LINPRA), German-Baltic Chamber of Commerce in Estonia, Latvia, Lithuania (AHK).

# Sustainable development

The 10 principles of the United Nations Global Compact, the Universal Declaration of Human Rights and the Ethical Employment Policy are the basic provisions we rely on when making strategic and daily decisions.

→ Ethical Employment Policy



Sustainable operation of the company, transparency and clarity of processes are ensured by the international standards and certificates applied in the company concerning management of quality and environment, packaging and packaging materials, and the supply chain:

→ ISO 9001

→ ISO 14001

→ BRC

→ FSC

→ DPG

We believe that by following the principles of sustainability on a daily basis, we create more value for all stakeholders: customers and suppliers, employees and shareholders, public authorities and associations, the local community.

## What do we expect from our business partners

It is important to us what business, social and environmental principles and values our suppliers follow. When selecting suppliers, we take into account their dealings with employees, the safety of their products for consumers, their approach to environmental requirements and related actions, as well as their fairness and transparency in the business world.

Our suppliers are time-tested and reliable. For most, sustainability and coherence are an important part of a business strategy, well visible in corporate culture and day-to-day operations.

We ask all our suppliers for a written commitment stating that in their activities they adhere to the principles of socially responsible business, and that they respect, protect and ensure human rights.



## Sustainable manufacturing

By following the principles of the 'Lean' method, we are constantly improving our production processes. We pay close attention to identifying and eliminating excess production and errors in the supply chain. Thus, we systematically reduce the use of electrical energy and the amount of waste from the raw material.



## Sustainable products

In 2019 we expanded the range of environmentally friendly packaging. In collaboration with global suppliers of packaging raw materials, our specialists have created a more environmentally friendly monomeric food packaging material – containing less plastic – for direct contact with food. The packaging is printed using unique EB (electron beam) technology, without the use of diluents and photoinitiators; therefore, the product is safe for the consumer.

More than half of the raw materials used to produce Pakmarkas label products are certified by FSC® (Forest Stewardship Council®).

In 2019 we became one of the European Union's few DPG (Deutsche Pfandsystem GmbH) certified companies, having the right to print labels with DPG deposit symbols for Germany's beverage market. By becoming DPG certified we joined in the environment protection effort, doing our part for the drink container deposit and return system.

# People

We strive to make Pakmarkas employees feel safe and stable. We create a work environment that encourages people to continuously improve in their professional field and to reveal their talents.



	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of employees	191	202	206
Overall change of employees, %	31	28	30
Working full time	179	191	195
Working part time	12	11	11
Working under an open-ended contract	188	199	203
Working under a fixed-term contract	3	3	3
Employees with disability, %	1,57	1,98	1,5

## DIVERSITY ACCORDING TO AGE GROUPS, %

	<b>2017</b>	<b>2018</b>	<b>2019</b>
16–29	25	23	22
30–49	59	59	56
>50	16	18	22
Average age of employees	38	38	39

## EMPLOYEES ACCORDING TO POSITION OCCUPIED

	2017	2018	2019
Managerial employees	27	29	27
Non-managerial employees	164	173	179
Female % of the workforce	34	34	33,5
Male % of the workforce	66	66	66,5
Women in management positions, %	26	17	22
Men in management positions, %	74	83	78

	2017	2018	2019
Motherhood / childcare leave used by	7 women, 1 man	7 women	4 women
Fatherhood leave used by	7	2	2



## WORK SAFETY

The health and safety of the employees is a priority of the company. We organize compulsory and preventive work safety training and regular health checks. We strive to raise the consciousness of employees in looking not only after themselves, but others too.

In 2019, one not too serious accident at work was recorded.



## ENCOURAGING THE EMPLOYEES

The company's work payment system is based on individual results. We rely on the data of the Lithuanian market salary survey conducted by 'Hay Group'. We strive to ensure that the salaries of Pakmarkas employees correspond to or exceed the market average.

As well as base rate salaries, we reward employees with additional benefits:

- additional health insurance;
- a lump sum for employees who reached pension age and are leaving work;
- a lump sum after a birth of a child;
- an allowance for loss of a near one.

## PROFESSIONAL IMPROVEMENT

We understand that continuous learning, and application and sharing of knowledge by employees is essential when endeavoring to remain a successfully operating company.

	<b>2017</b>	<b>2018</b>	<b>2019</b>
Funds per employee (in euros) allocated for training	361	258	181

# Awards

## 'UŽ NAUJŲ PRODUKTŲ KŪRIMĄ 2019' (FOR CREATING NEW PRODUCTS 2019)

Lithuania's printing industry professionals have recognised the merit of innovative environment-friendly packaging created by the experts at Pakmarkas, which is designed for direct contact with food. Our company received the award 'Už naujų produktų kūrimą 2019' (For creating new products 2019).



## 'SĖKMINGAI DIRBANTI ĮMONĖ 2019' (SUCCESSFULLY OPERATING COMPANY 2019)

Pakmarkas received this awarded for the successful development of a business in Lithuania. The nomination was initiated by the Lithuanian Confederation of Industrialists (LPK), which assessed the volume of the company's products and services and its exports, labor productivity indicators and other criteria.

# Environmental protection

The labels and packaging we produce, which have passed through the industrial processes of various companies, eventually reach the consumers.

It is not just the price that matters to today's buyers. They are also interested in the integrity of the product's sustainability - they are looking for packaging made without plastic or from already recycled plastic, and they are increasingly choosing eco-friendly packaging. Since its establishment, the Pakmarkas company has been committed to providing solutions that make a positive contribution to environmental and social challenges.

Therefore, in our daily activities, we invest in environmentally friendly modern technologies, and we responsibly take care that the amount of waste in the production process of labels and packaging is reduced, and that the raw materials used for production are safe for consumers.

In order to make progress in the field of the environment, we carry out systematic monitoring of environmental impact.



## ENVIRONMENTAL PROTECTION PROJECTS

In 2019 we replaced the LED lamps in the workshop with safer and more economical ones. We regularly measure the lighting in the work place, to make sure it is healthy and high quality.

In cooperation with the non-governmental environmental organization 'Baltic Environmental Forum', we continue to participate in the project 'Implementation of Substitution of Hazardous Chemicals in Small / Medium-Sized Industrial Enterprises in Lithuania, Latvia and Estonia'. During the project, specialists help to identify hazardous substances used in the company and change them to safer ones. Although the usage of chemicals in our operations is minimal, we strive to eliminate it completely.

## ENVIRONMENTAL PROTECTION INDICATORS

			<b>2017</b>	<b>2018</b>	<b>2019</b>
Electricity	Electrical energy usage	KW/h	2 536 744	2 600 241	2 705 533
		KWh/m <sup>2</sup>	0,17	0,15	0,15
Sources of pollution	Amount of wastewater discharged	kg	43,9	48,9	32,6
		kg (per employee)	0,22	0,24	0,16
	Number of mobile pollution sources	l	75 920	78 285	76 226
	Penalties for environmental pollution	Eur	0	0	0
Raw materials and waste	Quantity of packing material used	m <sup>2</sup>	15 212 535	17 053 841	17 780 933
	Label waste	t	122 895 m <sup>2</sup>	661,28 t	937,59 t
	Other waste sent for processing	cardboard and paper, t	9,00	19,53	24,84
		BOPP, t	0	5,207	5,43
Water	Quantity of water used	m <sup>3</sup>	1 616	2 887	3 166
		m <sup>3</sup> (per employee)	8	14	15

## SUSTAINABLE DEVELOPMENT REPORTS

We published the first Sustainability Report for 2005. We consistently improve it every year.

This sustainability report covers the most important social and environmental actions of the company that took place during 2019. Since we joined the United Nations Global Compact, sustainability reports have become necessary as a basis for annual progress in a global context.

## UNITED NATIONS GLOBAL COMPACT

Pakmarkas has been a member of the United Nations Global Compact since 2005. This compact helps companies conduct their business responsibly by aligning the company's strategy with the 10 principles of human rights, labor, the environment and anti-corruption.



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## Contacts

### Corporate communication

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### Head Office

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LT-13264

## More publications

You can download all the Pakmarkas sustainability reports since 2006 when you visit

[unglobalcompact.org](http://unglobalcompact.org)

and the Pakmarkas website

<https://www.pakmarkas.com/about-us/sustainability/>

The reports have been prepared using the guidelines of the Global Accountability Initiative GRI G4.

## Pakmarkas in the social media:



<https://www.facebook.com/PakMarkas/>



<https://www.linkedin.com/company/pakmarkas>



<https://www.youtube.com/channel/UC4ggrC3bITcfSLT2VyYUueQ>

