



# **Sustainability Report**

## **2022 and 2023**





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# LETTER FROM THE CEO



*Čačulović Jelena*  
CEO

For the past 40 years, we have been creating quality in every aspect of our business. Creating a high-quality product to me means being a responsible, transparent, reliable employer, and partner. Our commitment to sustainability permeates all aspects of our work, from how we source and manage resources to our relationships with stakeholders and the community in which we operate. Creating this report today was an easy task because our business has developed in a sustainable and transparent manner from the very beginning. We owe the sustainability showcased in this report not to us today, but to all those who have been part of Weltplast for the past 40 years.

This report not only represents the results of our efforts in 2022 and 2023 but also reflects our vision for the future. I believe that sustainability is inseparable from our business strategy and that responsibility towards the environment and society is an imperative that defines our daily practice. As a company proud of its quality, we have always strived for higher standards in our business. Of course, this has not always been easy to achieve, but we at Weltplast do not know and do not wish for it any other way, regardless of all other circumstances.

We aim to be an example of good governance and a catalyst for positive change in society for current and future generations. And through this report, I invite you to see how we have been doing this over the past two years.

We eagerly anticipate what the future will unfold.

Sincerely,

*Jelena Čačulović*

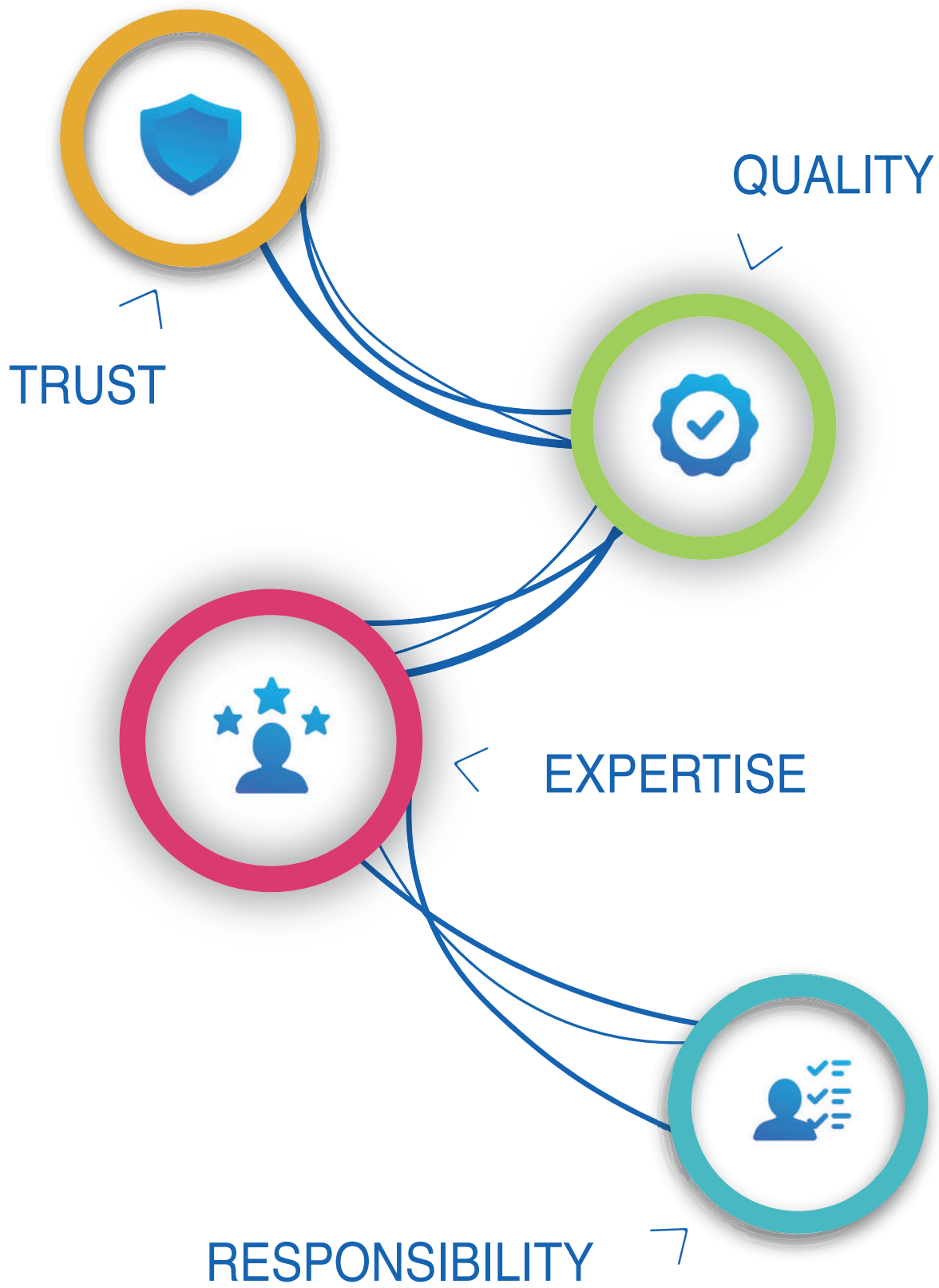
# OUR STORY

- 2023 - Expansion of working area by 150%, refurbishment of offices and company canteen
- 2021 - Increasing available facilities and production area by 100%
- 2016 - Opening of a new warehouse
- 2012 - Reaching more than 100 workers
- 2011 - Reaching annual production of 10.000 tons
- 2010 - Acquisition of Stylplast Zagreb, Croatia
- 2008 - Production of biodegradable bags
- 2007 - Commencement of exports to the EU market
- 2000 - Increasing available facilities and expanding the bag portfolio
- 1994 - Broadening the portfolio of pipes
- 1989 - Construction of a new facility and starting the recycling process
- 1986 - Building the first production plant on 500m<sup>2</sup>
- 1984 - Establishing Weltplast d.o.o. (Ltd.)





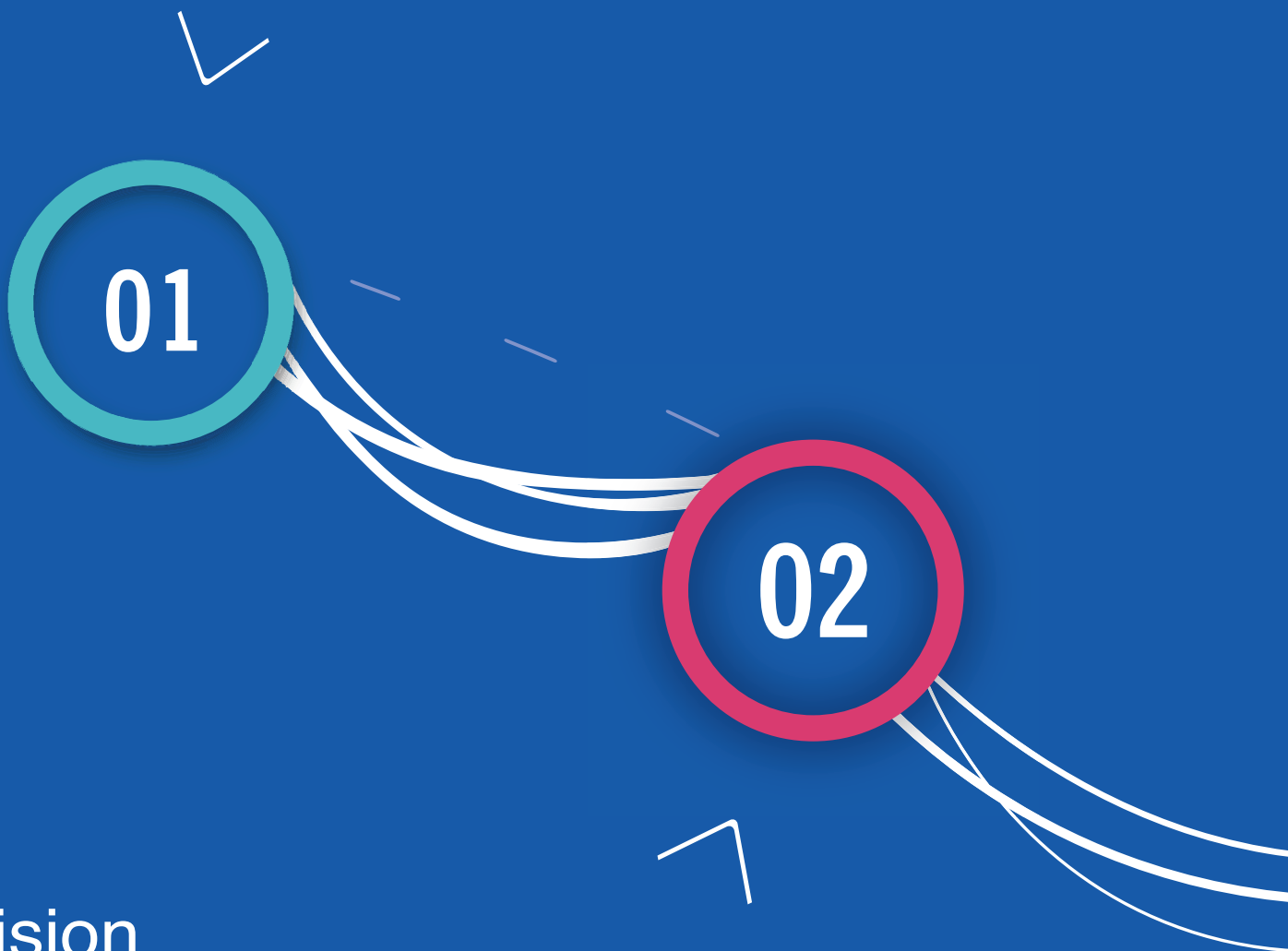
# Our values



# ABOUT WELTPLAST

## Mission

Towards a sustainable and climate-neutral society,  
to achieve customer trust and satisfaction,  
to achieve employee satisfaction,  
and to uphold quality and responsibility in  
all processes and products.

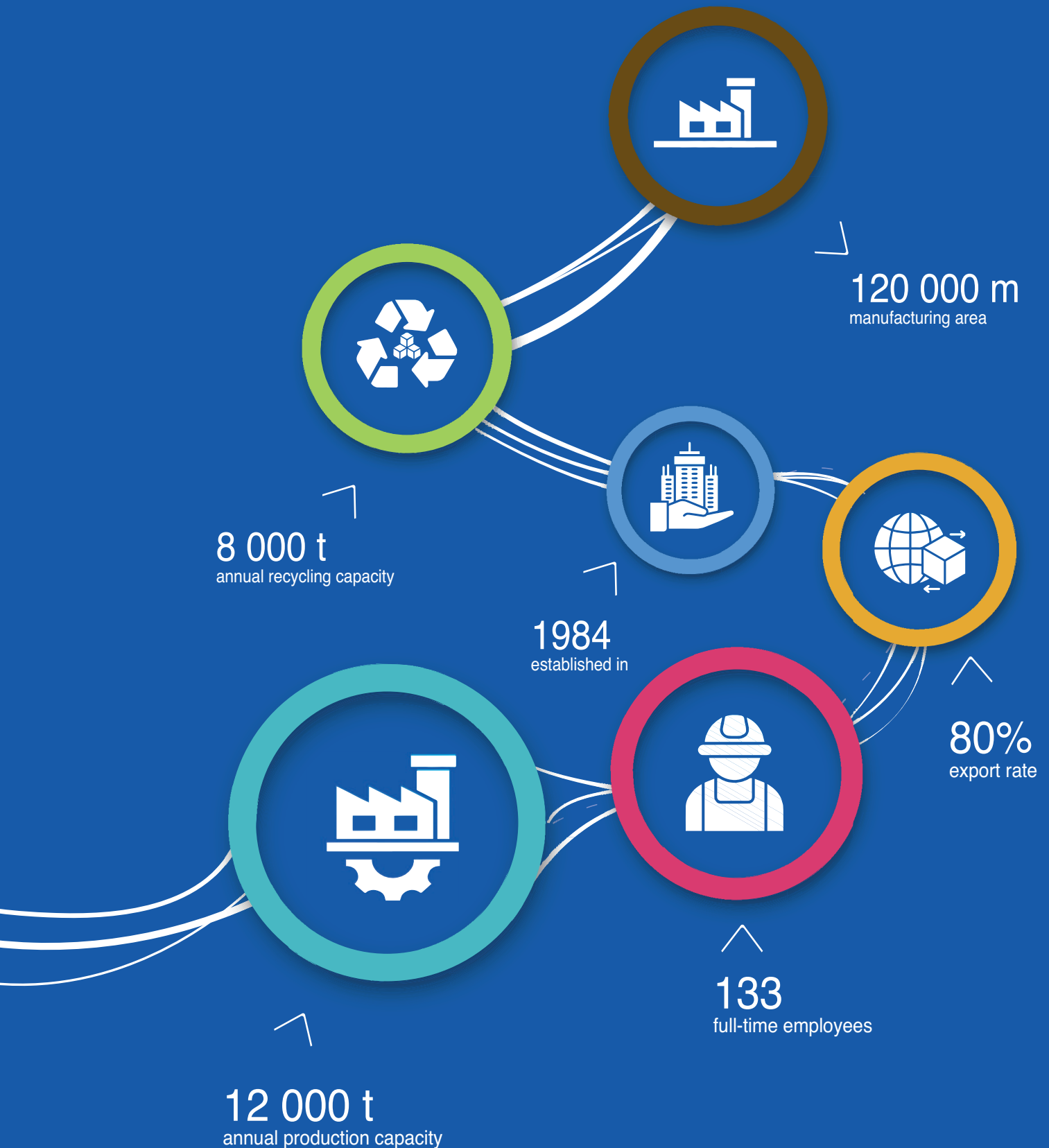


## Vision

We strive to lead the way in sustainable  
and responsible manufacturing,  
led by trust and synergy followed by  
expertise and high-end technology.



# WELTPLAST AT A GLANCE



# BUSINESS MODEL AND WELTPLAST'S VALUE CHAIN

With a production capacity of over 12.000 t/year, we are present in 18 regional and EU markets. A stable base of customers allows us to focus on what we know the best: manufacturing the best quality products.



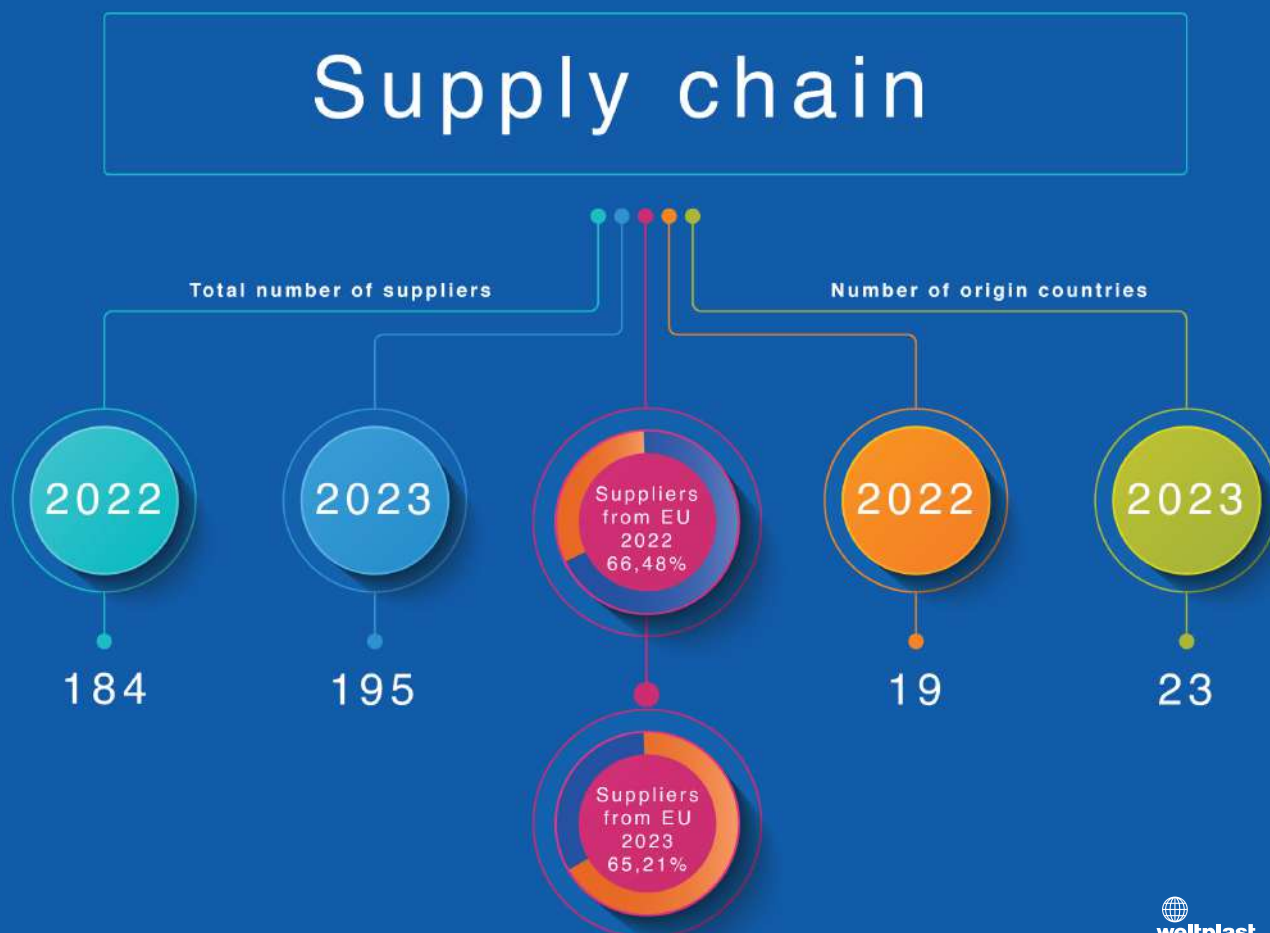
Map of Weltplast's presence in the market





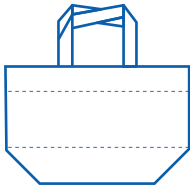
## Weltplast's supply chain

In 2023, we had 195 suppliers based in 23 countries, with 65.21% of them located in the EU.

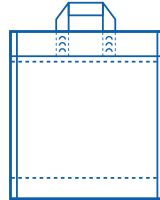


# OUR PRODUCTS

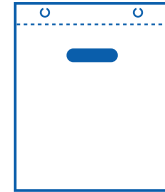
## Bags



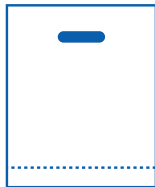
Flexi loop  
permanent handle bag



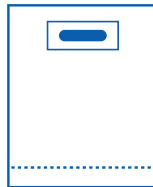
Flexi loop handle bag



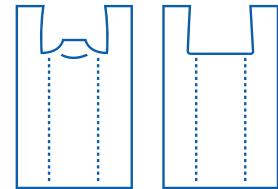
Blocked punch out  
handle bag



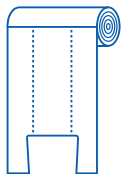
Punch out handle bag



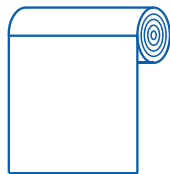
Patch handle bag



T-shirt bag



T-shirt bag on roll



Flat bags on roll

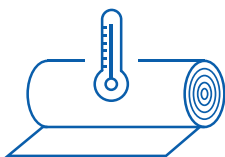


Garbage bags

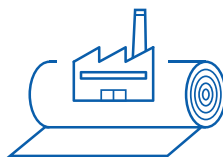


Freezer bags

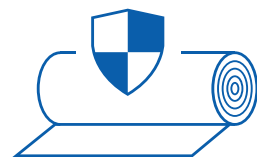
## Film



TSK film (Shrink film)



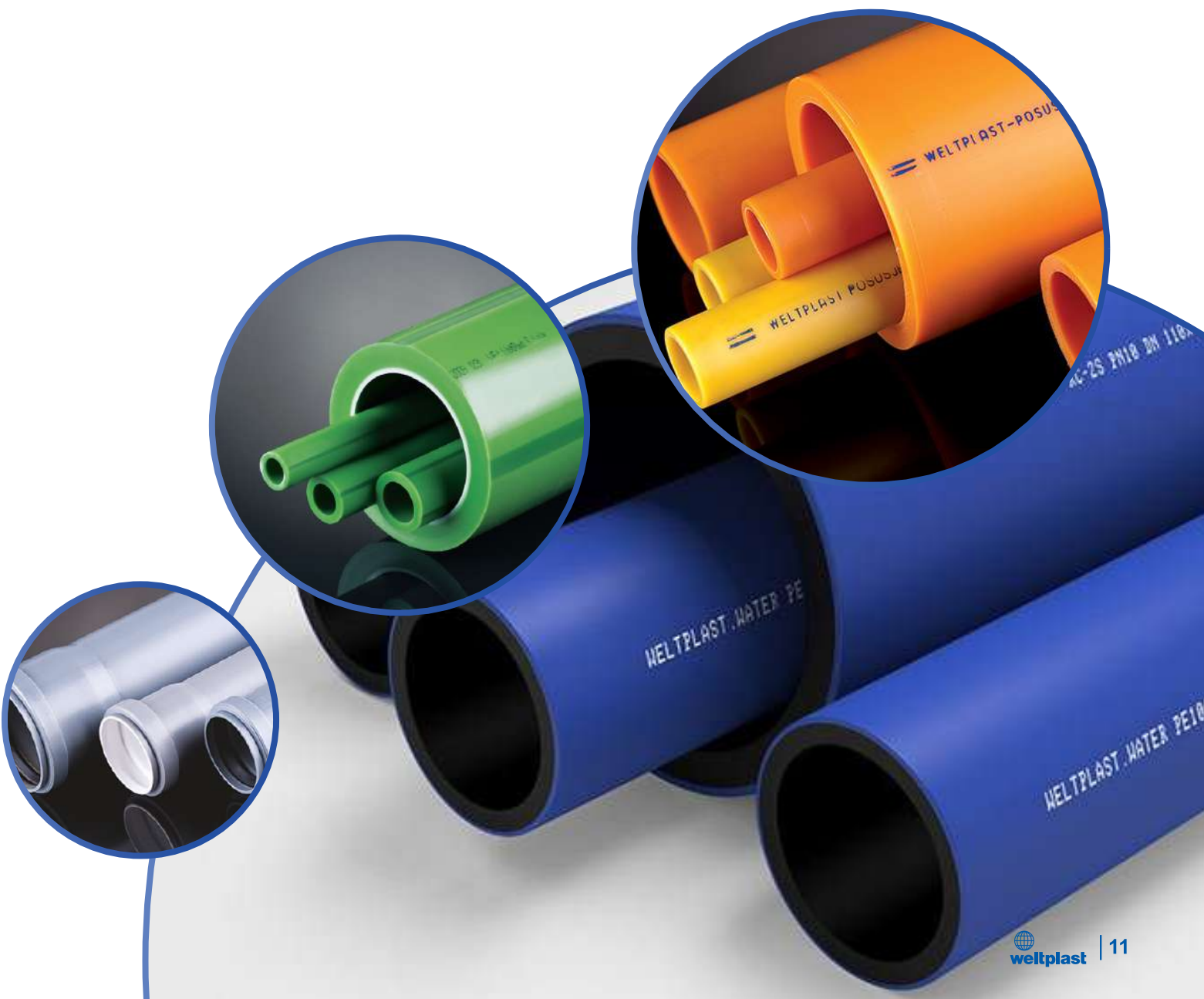
Industrial film



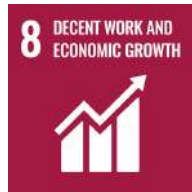
Construction, waterproofing and  
protective film



## Pipes



# MATERIALITY AND STAKEHOLDERS



To evaluate the importance of ESG topics that were shortlisted through the first phase, we conducted interviews with our stakeholders and asked them to complete a digital questionnaire where they assessed the importance of different issues and our performance. The same questionnaire was completed by the Weltplast's management. This resulted in the materiality matrix presented below, which ultimately determined the content of the first sustainability report.

## Materiality assessment





## What do stakeholders say about us?

As part of the sustainability reporting process, interviews were conducted with several customers, suppliers, and financial institutions with the aim to gather their feedback on our sustainability practices.



stable and reliable partner



swift and effective problem - solving



good organizational structure



good management - employee relations



openness and transparency in communication

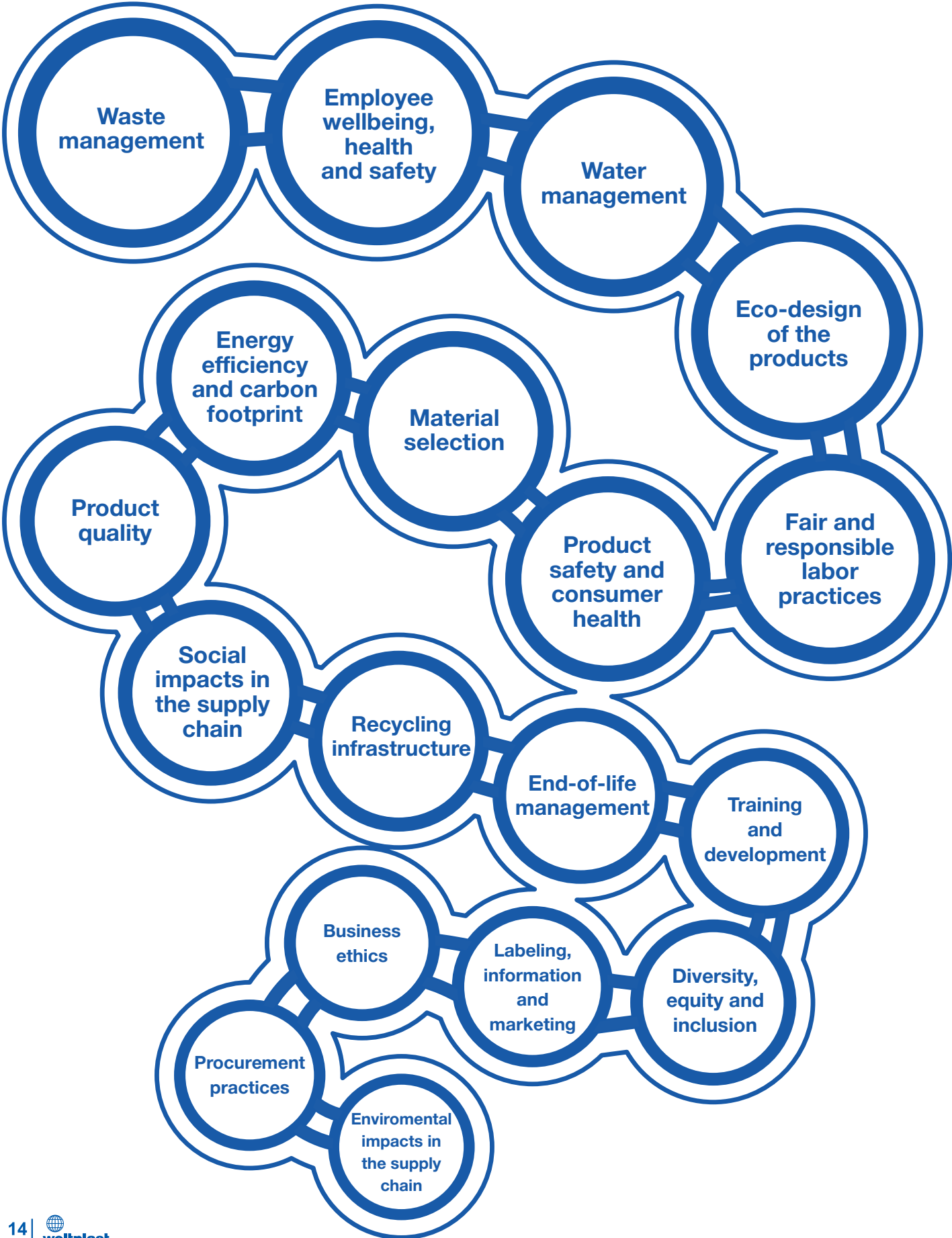


efforts in terms of product sustainability, sustainable materials, and waste management



showing strong support for our decarbonisation goals and commitments

# Materiality Matrix



# CIRCULAR DESIGN OF OUR PRODUCTS

Plastic, often vilified as a pollutant, is not inherently unsustainable; rather, it's irresponsible production and consumption patterns that lead to its negative environmental impact.

## Weltplast's circular business model



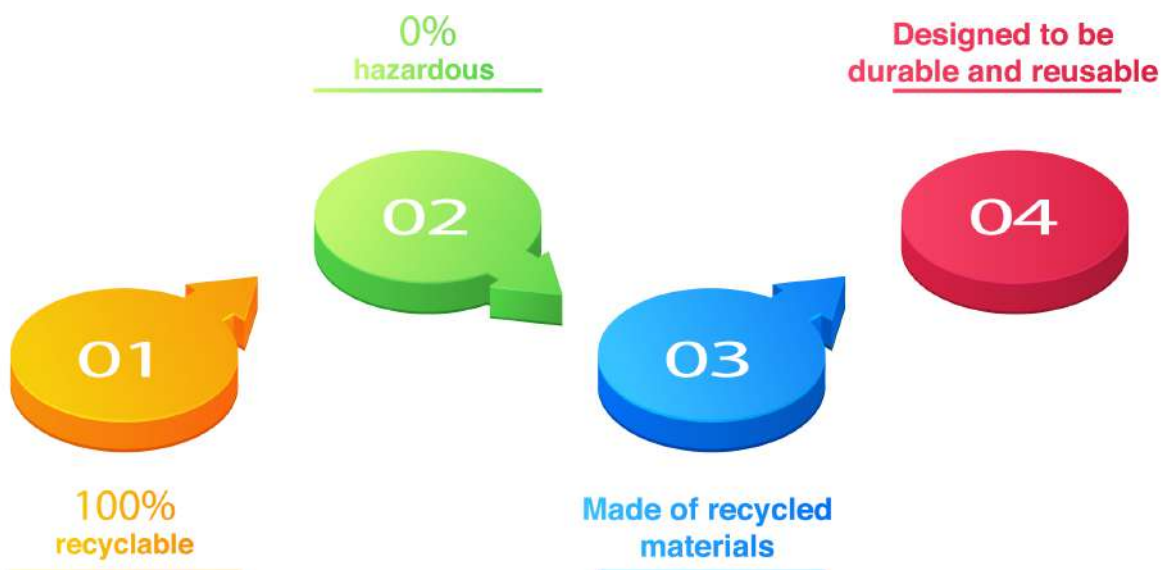
We remain at the forefront of driving the transition to a more circular economy as pioneers in implementing circular processes and developing sustainable products within the region.



## Design for sustainability



### Our principles



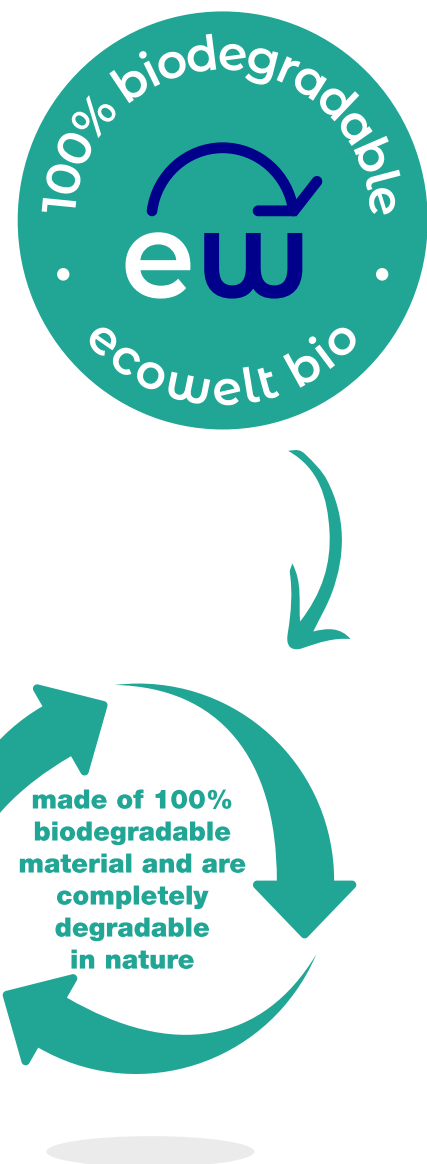
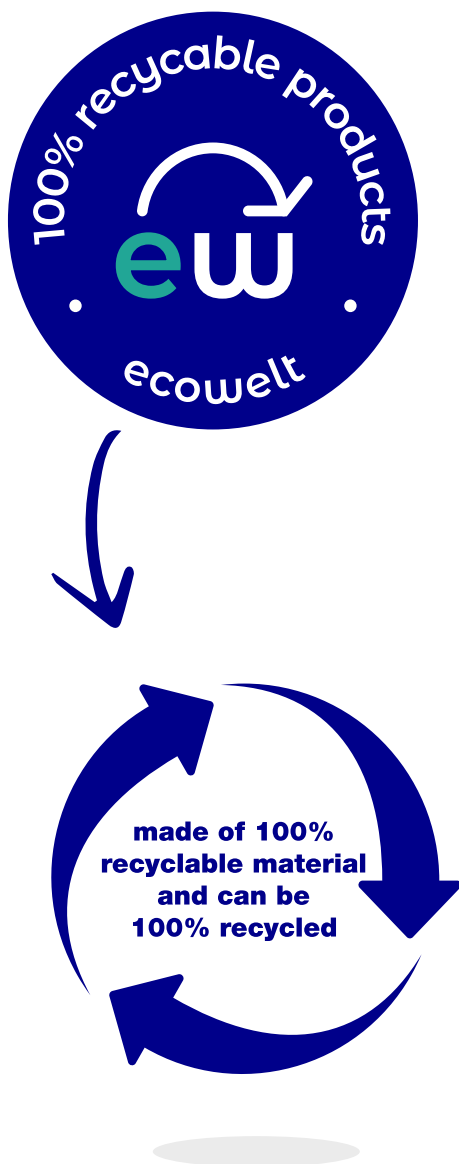
# Sustainability requires innovation

**EcoWelt** and **EcoWelt Bio** labels stand for our sustainable products. With these labels, we encourage circular production model and sustainability.

**EcoWelt** labels are our sustainability labels.

## Ecowelt Brand

[www.ecowelt.eu](http://www.ecowelt.eu)



# Certificates

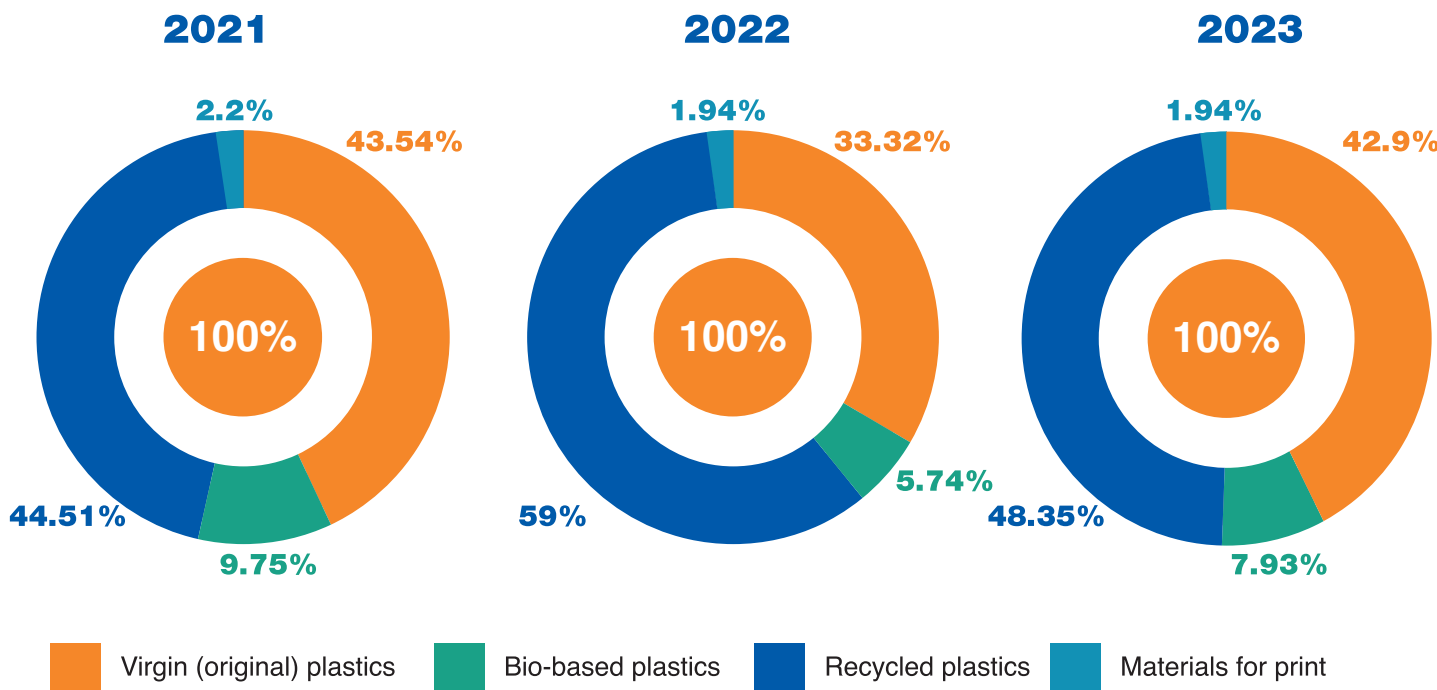
External certifications prove the quality and sustainability of our products.



# Material selection

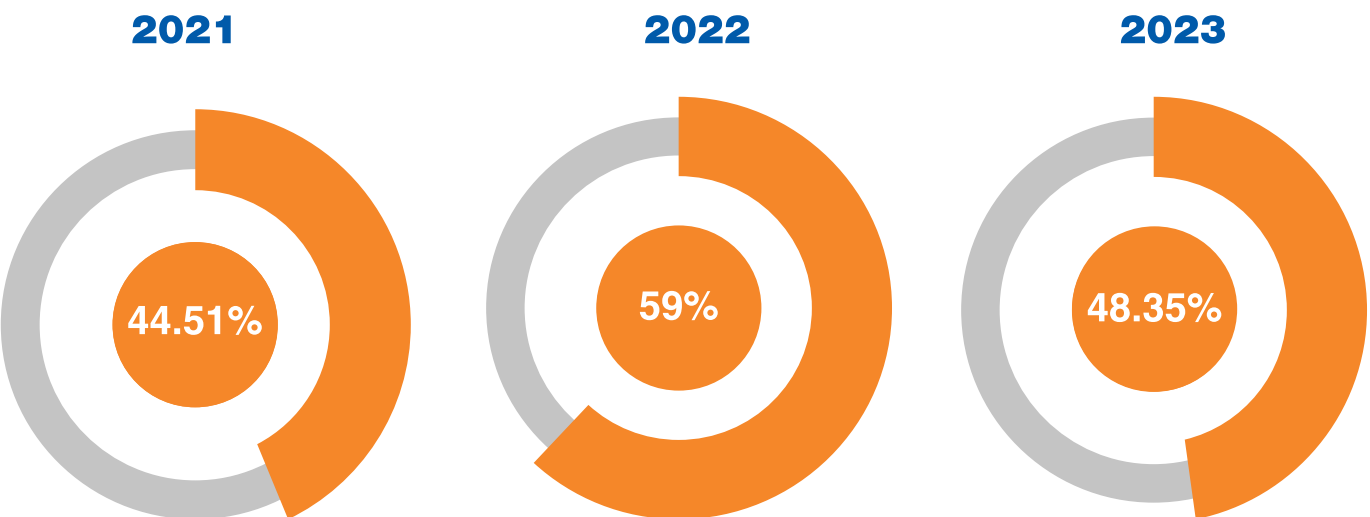
When it comes to selecting and sourcing materials, we have made considerable progress towards a circular economy.

## Materials used in production



## Recycled input materials used in products

Percentage of recycled input materials used to manufacture the primary products.





## In-house Recycling



**WELTPLAST IS RECYCLING  
PLASTICS SINCE 1989.**



By recycling our own waste, we are able to reach zero-waste production, as all plastic-based surplus materials are recycled and reused in the production of products designed to have recycled materials in composition.




By recycling plastics purchased from collectors of secondary materials, we give value to waste that would otherwise end up in a landfill, providing a solution to the pressing problem of waste disposal that communities are facing.

# TOWARDS SUSTAINABLE PRODUCTION

## Our carbon footprint

	2021	2022	2023
Scope 1	296.6 t CO <sub>2</sub> eq	365.2 t CO <sub>2</sub> eq	331.1 t CO <sub>2</sub> eq
Scope 2	6 546.1 t CO <sub>2</sub> eq	6 599.65 t CO <sub>2</sub> eq	6 146.9 t CO <sub>2</sub> eq
Scope 3	14 352.4 t CO <sub>2</sub> eq	15 090.36 t CO <sub>2</sub> eq	15 734.4 t CO <sub>2</sub> eq
Total emissions	21 195.1 t CO <sub>2</sub> eq	22 052.41 t CO <sub>2</sub> eq	22 212.4 t CO <sub>2</sub> eq

## Green electricity

To reduce our carbon footprint, we switched from gas to electricity as the main power source in our production. We made a strategic decision to enter into a purchasing contract to procure 100% of electricity from renewable sources. The contract is in force since January 1st 2024 and for that, we will receive a certificate of origin. 

## Energy efficiency

Over the years we managed to reduce energy consumption while increasing the output. From 2018, we managed to reduce energy intensity by 101.57 kWh/t. Due to rising energy costs, reducing energy intensity is not only an environmental but also an economic achievement.

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## **Renewable energy – compensating for the remaining scope 1 emissions**

Over 2021 and 2022 we installed two solar plants of 2 MWh and planned annual electricity generation is 1095.64 MWh. Based on the location-based emission factor for Bosnia and Hercegovina we estimate that in total 548.26 t of CO<sub>2</sub>e emissions will be avoided annually. This will fully cover the CO<sub>2</sub>e emissions in our scope 1.

## **Zero – waste manufacturing**

In 2022 and 2023, all waste generated in production processes has been converted into recycled granulate in our own recycling facility.

## **Closed water system**

In our production facilities, water is needed for washing the waste that enters the recycling process and for cooling purposes.

Since early beginnings, we have implemented a closed water system, wherein water supplied by third-party sources is reused multiple times within our company.

## Long – term commitment to quality

Quality control is based on:



Established quality control protocols



Strict standards



Trained employees



Dedicated and motivated team



Modern equipment and technology



Laboratory and “in line” control



**Raw  
materials**

**Production  
processes**

**Final  
products**

The quality management system guarantees to the customer that the product is controlled from the aspect of reliability of use in practice, health and environmental safety, and full compliance with industry regulations and norms.

## Smart manufacturing and digital transformation

To further improve quality, the Manufacturing Execution System (MES) was integrated into the Enterprise Resource Planning (ERP) system. This is part of the digital transformation that is in progress in Weltplast intending to optimize the production processes, reduce costs, and improve resource efficiency.

The realization of this project in the company will create a prerequisite for the complete digitization of the product quality control process.

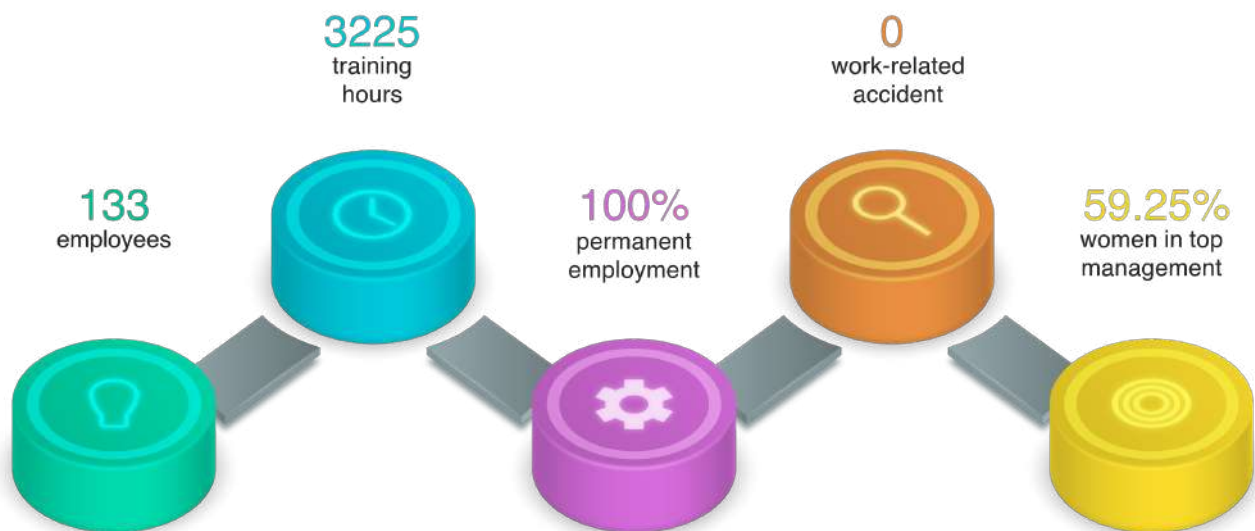


# RESPONSIBILITY TOWARDS OUR EMPLOYEES

We are proud owner of BSCI standard for second revision in a row.



We endorse the **Amfori BSCI Code** of Conduct and at the end of 2021 and 2023, we were audited by an external company and received a BSCI certificate.



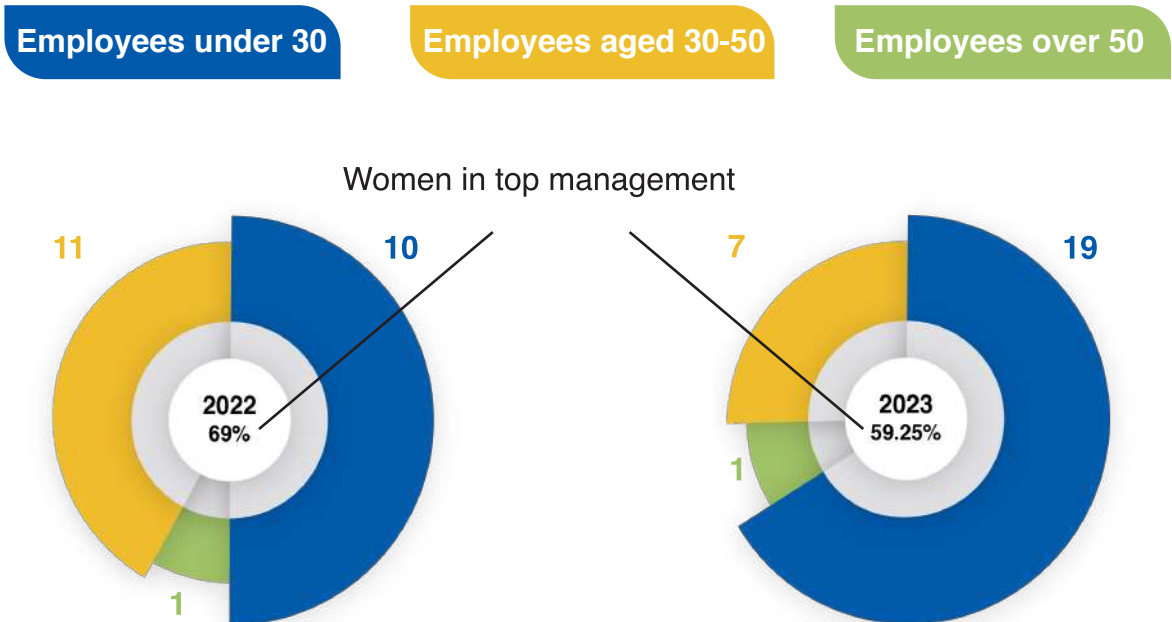
In 2023, we increased the number of employees by 4.72%

**We are proud to report that in 2023 we had 133 employees, all of whom were full-time employed and had permanent work contracts.**

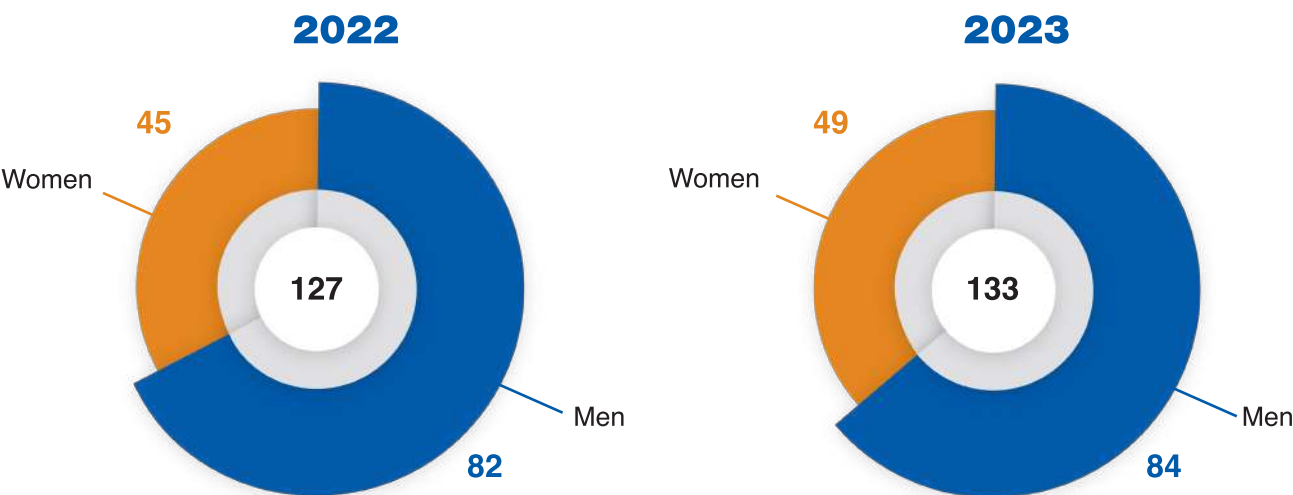
**Permanent employment ensures job security and provides stability to employees so they can plan other life aspects.**

# Diversity and Inclusion

## Diversity in top management

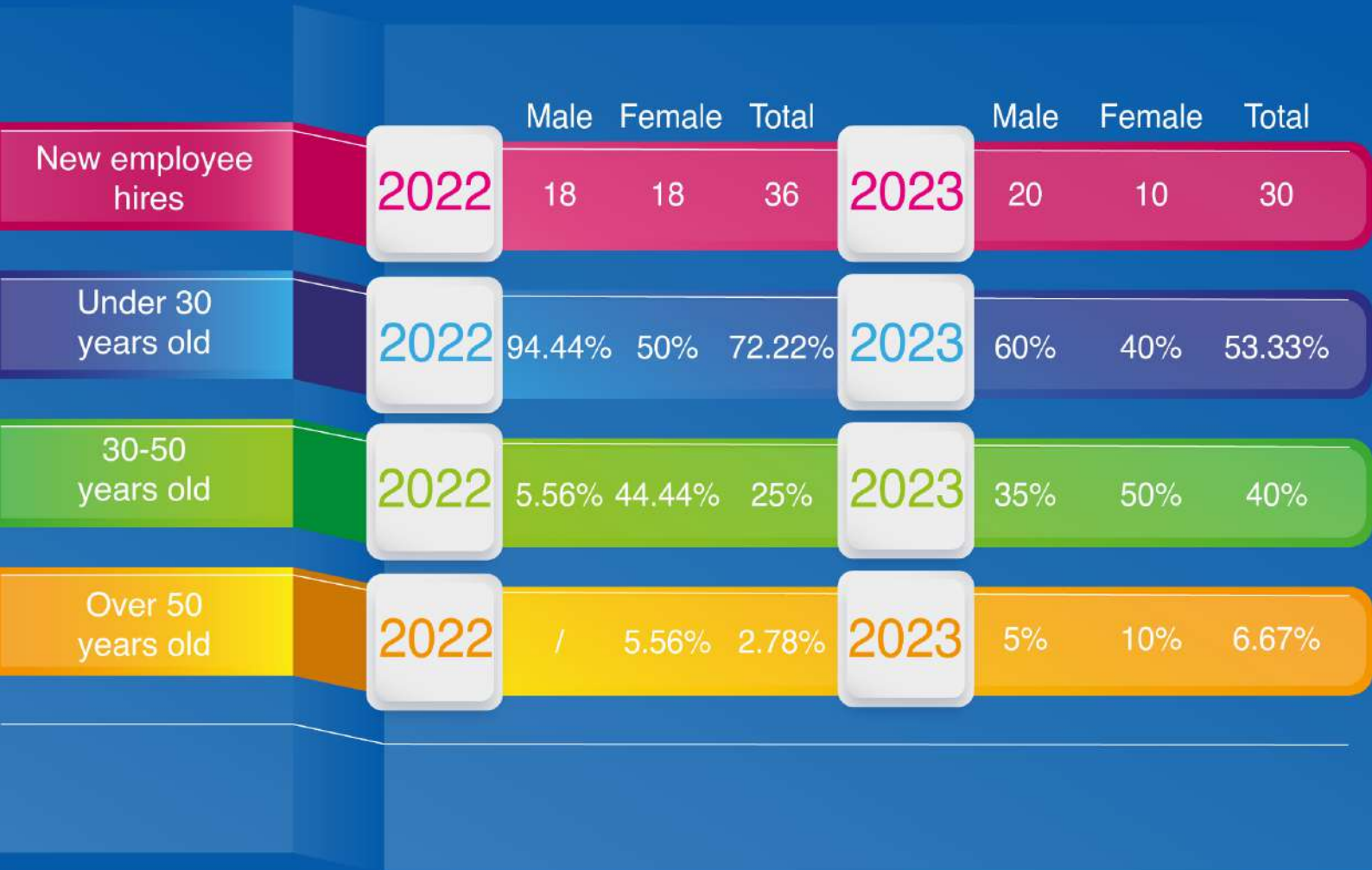


## Workforce diversity



	2022	2023
Under 30 years old	47	42
30-50 years old	64	74
Over 50 years old	16	17

# Employee hires



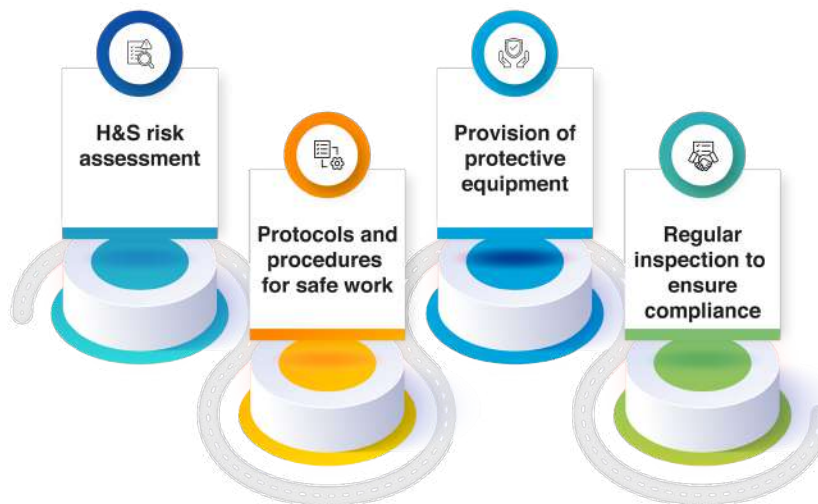
# Health and safety

## Our policy

We ensure a working environment that allows safe work and employee satisfaction. A suitable work environment means:

- fulfilled conditions for healthy and safe work (appropriate lighting, noise protection, fire protection, dust protection, etc.),
- suitable work methods,
- professional ethics.

## Health and safety system



## Training and development

**Investment in employee skills is an investment in their career and our business success.**

At the beginning of the year, we prepare an annual plan of education and training. This plan is based on our strategic needs and is adapted based on the interests and needs expressed by employees. It outlines areas of education and training, allocated budget, and estimation of hours, departments, and employees that will participate. The plan is executed by department managers and evaluated by the management board.

**3225** Total hours of education

**25.39** Average hours of education and training per employee



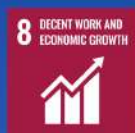
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# WELTPLAST IN THE LOCAL COMMUNITY

Living and working in a community also means being part of that community, helping it, and growing together with it. We recognize the importance of quality communication with local communities and diverse stakeholders, spanning from children and teachers in elementary and high schools to involvement in different events.

- **Supporting professional sport and development of young football players**
- **Partnership in projects**
- **We engage in the local community by financially supporting local schools, kindergartens, sports clubs, and associations**
- **Sponsorships and donations**

# WELTPLAST'S SUSTAINABLE DEVELOPMENT STRATEGY



## Sustainability objective

2022

2023

2025

**Increase the share of recycled content in the total material mix**

59%

48.35%

60%

**Increase the share of bio-based materials in the total material mix**

5.74%

7.93%

12.5%



# CLIMATE NEUTRALITY



Sustainability objective	2022	2023	2025
Reduce energy intensity of production	1172.69 kWh/t	1205.35 kWh/t	1200 KWh/t
Reduce GHG emissions in scope 1 and 2 by 95%	6964.85 tCO <sub>2</sub>	6478.00 tCO <sub>2</sub>	323.9 tCO <sub>2</sub>
Using electricity from renewable sources only	0%	0%	100%
Compensate for remaining emission in scope 1 with avoided CO <sub>2</sub> eq emissions from electricity generation in our own solar plants	0	0	548.26 tCO <sub>2</sub> eq





# RESPONSIBLE WORKPLACE



**Sustainability objective**

**2022**

**2023**

**2025**

**Maintain 0 workplace accidents rate**

**0**

**0**

**0**

**Increase total hours of training and education by 15%**

**NA**

**3225h**

**3700h**



# LEGAL COMPLIANCE AND ETHICAL BUSINESS CONDUCT

## Code of conduct



**Compliance with laws and regulations**



**No political contributions**



**Freedom of association**



**Anti-corruption**



**No child or forced labor**



**No anti-competitive behavior**



**Privacy protection**



**Transparency**



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# Human Rights

We respect and protect human rights in all of their forms in line with international instruments such as the UN Convention on Human Rights and ILO conventions on labor rights.

## **We are committed to respecting the right to:**

- fair and on-time payment for work,
- freedom of association and collective bargaining,
- physically and emotionally safe work environment,
- equal opportunities and equal pay for work of equal value,
- no discrimination of any kind,
- zero tolerance for forced and child labor and human trafficking,
- right to clean and healthy environment,
- right to safe and quality products,
- right to protection of privacy,
- right to access relevant, correct and timely information.











40

YEARS  
'since 1984

**weltplast®**

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**40** | YEARS  
since 1984

**weltplast®**



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