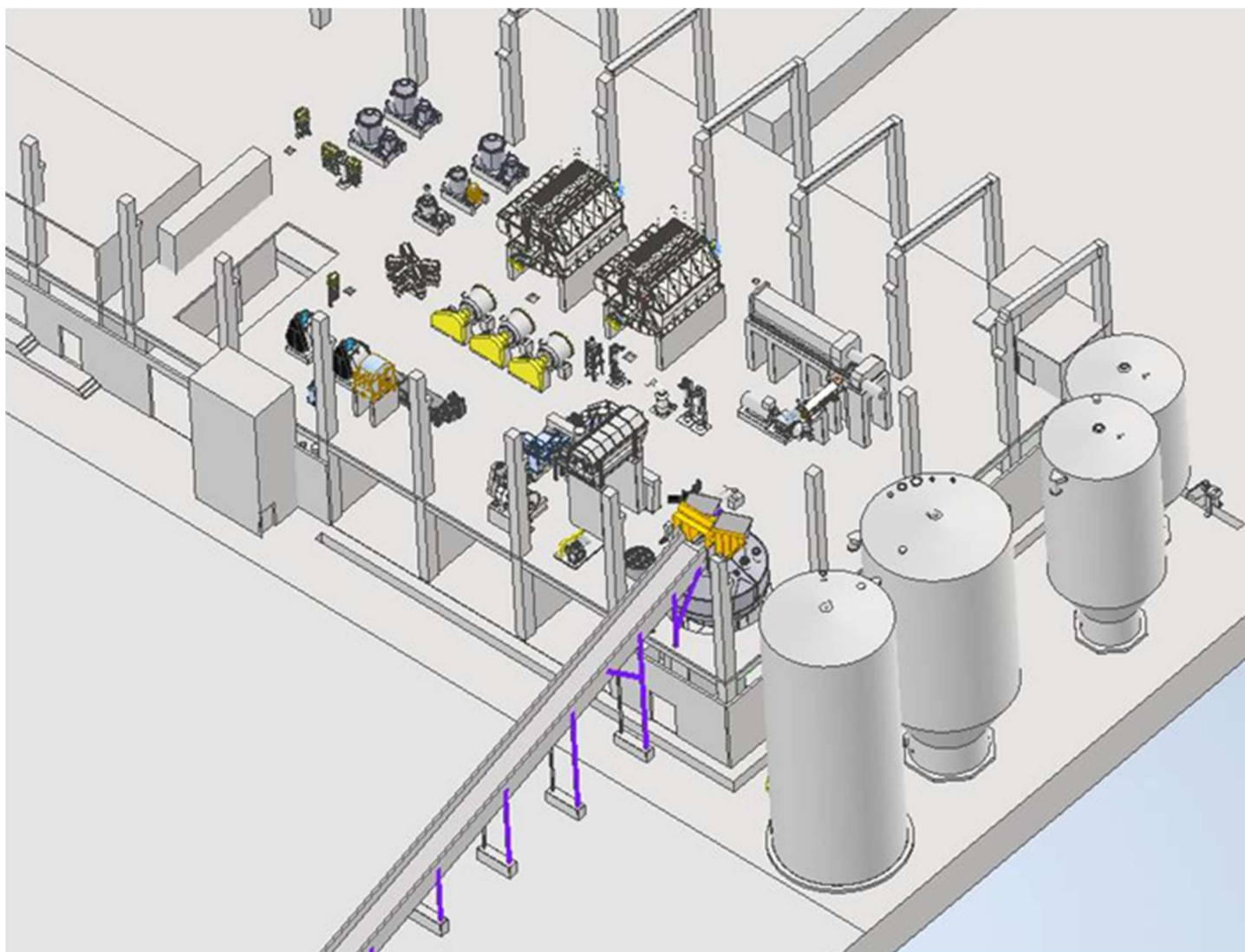


# Newsletter



## Further investments and modernization of the production capacities

As we previously announced, our Mill continues with investments and modernization of the production capacities and all related units. Current demand and market standards, as well as our desire to be at the very top of technology when it comes to cardboard, are pulling us to continue investing in the latest technologies.



In the current year, our main plans are focused on the new mass preparation line. New OCC (Old Corrugated Containers) line which will be provided from finish company Valmet, is a precondition for further growth of production capacities and further improvement of end-product quality. With the installation of a new OCC line we will also be able to better utilize newly installed fourdrinier forming section and its capacity. The total value of the investment is around 20 million euros.

## International Women's day, March 8

Recently we celebrated International Women's Day, March 8th. Our 54 colleagues received a special gifts to show how much we care about them. This time, our colleagues received a set of preventive health-examinations at a leading health clinic in Belgrade.



Long-term care for our employees has always been a part of our socially-responsible policy. Additionally, women empowerment and its promotion, is not only a right thing to do, but also a smart thing to do. Today, approximately 34 % positions in management of our company are held by women, despite the fact that we operate in manufacturing male-dominated industry. By employing women in leadership positions, we want to attract and encourage other women to work and build their careers at our Mill.

Every day, with our work and dedication, we strive to remove all possible obstacles so that women employed at Umka can advance in their careers, develop their key skills, and reach leadership positions.

## NEWS AND TRENDS

### Cardboard can be recycled at least 25 times

According to the latest research conducted in Graz, Austria, at the Faculty of Technology, cardboard and fibers contained in cardboard packaging can be recycled at least 25 times without losing mechanical properties or structural composition. Research has shown the exceptional environmental sustainability of cardboard packaging, and thanks to its characteristics, paper as a material is ideal for recycling.

Study which examined the strength of cellulose fibers, resistance to bending and swelling capacity of fibers, or durability of cellulose-based packaging shows that cellulose and waste paper can be recycled up to 25 times without loss of mechanical or structural properties.

Rene Eckhart, a senior scientist at the University of Technology in Graz, says: "When it comes to mechanical properties, we have hardly noticed any change."

All this indicates that packaging made of cellulose fibers (including packaging made of already recycled cellulose - or waste paper) is an extremely sustainable solution, in theory it could be recycled countless times. However, in practice number of recycling cycles is limited primarily by the collection rate of waste paper and losses that occur during cleaning of fibrous material. Nevertheless, even after so much recycling, cardboard is still usable.

Energy savings is another very important part of this story, since recycling process requires 40 percent less energy than the production of cellulose paper



Furthermore, the emission of pollutants in the air is about 75 percent lower than the production of paper from primary fibers, ie cellulose.

Paper recycling is one of the most important ways to preserve natural resources, reduce landfill waste and land degradation as well as water and air pollution. Therefore it is a textbook example of how circular economy should look like.

## The Ukrainian crisis and its consequences

With much regret and compassion we received sad news of the conflict in Ukraine. We sincerely hope and believe that all sides will come to a quick agreement, so peace could be restored fast. Unfortunately, such situation has also large effect on rest of Europe, its economy and various supply chains. Start of the conflict created an immediate disruption of already overpriced international rail, road, air and maritime transport. Due to severe destruction of infrastructure it is questionable when international transport could be restored even after permanent peace is reached. Ukraine is also one of the main transit countries for natural gas, which is together with crude oil a key energy source for a number of European economies.

When it comes to the paper industry itself, many raw materials have already become difficult to supply, and if the conflict does not end as soon as possible, then we can expect even greater difficulties. Disturbances in the market of raw materials for the wood and paper industry are more noticeable day by day. Chemicals, wood and pulp are the main raw materials, in addition to gas and oil, which are increasingly difficult to obtain on the market.

Despite all the difficulties and rising costs, our Mill maintains a stable supply chain, operates at a normal pace and delivers products to our customers regularly.



In Q1 2022 we managed to deliver our products to 26 countries and 193 customers across Europe and Asia. Our products were shipped to Netherlands, Italy, Greece, Germany and Denmark among others.

Depending on the transportation possibilities, pandemic issues and all other relevant factors, we will continue to adapt and follow latest market trends and limitations caused by the pandemic and war in Ukraine.

Thank you for your trust and cooperation!

## If you have questions or inquires please contact us

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