



# Corporate Social Responsibility CSR REPORT

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# 1 Company overview

## 1.1 Ecopack in short

Established in **1939** in **Turin**, Ecopack is a company specialized in the production of **baking molds** and **specific packaging** for the global food industry.

In close collaboration with the main international confectionery and food companies, Ecopack has developed its expertise in the design and manufacturing of paper molds and ramekins for highly automated lines, and for baking molds suited for industrial production such as panettone and colomba.

## 1.2 Italian quality, global market

Today, Ecopack supplies a large customer base in Europe, the Middle East, Asia, Australia, the United States and South America. With a range of more than 800 catalogue products offered in different sizes, colors and finishes, we are one of the market leaders in the paper packaging industry.

A distinctive feature of Ecopack has always been the internal design of the equipment, which guarantees the eventual **customization of the products** and an accurate and precise production.

Counting its Italian headquarter and other five subsidiaries around the world, Ecopack is nowadays a full-fledged multisite company - but it still preserves a strong company culture and a forward looking mentality, features that have marked it since its foundation.

## 1.3 Headquarters

Born in 1939 in Torino, Ecopack evolves from a small family-run business to what nowadays is a leading company in the global paper packaging industry.

Still owned and managed by the founding family, Ecopack counts nowadays other five productive sites around the world. From 2006 to 2016 the company has in fact undergone an epochal turn: the opening of the plants in Brazil, India, Canada, Tunisia, and Russia.

Characterized by a forward-looking mentality and a strong passion for technological innovation, Ecopack is the starting point of a story of great success.

## 1.4 Products

Ecopack offers a range of more than 800 catalogue products in different sizes, colors and shapes.

Our technical knowhow and the in-house design and production of highly engineered machinery permits the tailor-made development of baking molds for high-end automation lines. Quality, product standardization and minimal waste are at the basis of our production, which strives at being the most sustainable possible since the company establishment.

## 1.5 Mission and corporate values - policy

The **ECOPACK S.p.A.** general management, has always considered making sustainable decisions a responsibility and a priority, not only from an economic point of view, but also in terms of impact on people and the environment, both within and outside the company.

The General Management:

- ❑ Defines the most appropriate organization chart for Ecopack headquarters and participates in the selection of contacts for the five foreign subsidiaries.
- ❑ Is aware of the need to consolidate the organization's position in the sector in which it operates, setting sales growth objectives for each type of product for all the customers in the confectionery and bakery industries, ensuring a consistent quality level of the products and services provided.
- ❑ Decides the investments concerning matters of environmental sustainability, especially by committing to the use of ecofriendly raw materials (such as glue, coating, etc.) and paper made from scraps and secondary raw materials, but still suitable for food handling.
- ❑ Assesses the need to commit to activities with an increasingly advanced and safe technological and hygienic content.

The General Management supports the maintenance and improvement of a Quality Management System in accordance with **UNI EN ISO 9001** and a Food Safety Management System to produce hygienically safe food containers and packaging, pursuant to the current edition of the current **BRCGS Packaging** standard involving:

- ❑ The organizational structure
- ❑ Responsibilities
- ❑ Procedures
- ❑ Buildings, systems, and work environments
- ❑ Processes and services
- ❑ Workers' health and hygiene
- ❑ Resources and personnel

The General Management considers the needs of all stakeholders and the complex context in which Ecopack S.p.A. operates.

The purpose and objective of the above decision is to provide an instrument that ensures:

- ❑ A structured risk and opportunity analysis that is periodically audited during the Management Review term or when major changes are applied to business processes, in accordance with the philosophy of the "Risk-based thinking".
- ❑ Customer satisfaction and the effective processing of related complaints and communications.
- ❑ The definition of "performance" indicators of processes and related objectives.
- ❑ The conformity of products and processes.
- ❑ The supervision and improvement of the production process.
- ❑ The production of products that are hygienically safe and compliant with the law.
- ❑ Responsibility towards the customers for the supply of products that are hygienically suitable and free from contamination of any kind.
- ❑ The definition and management of a system of self-control HACCP with appropriate risk analysis.
- ❑ The definition and management of a high monitoring system by all personnel on possible contamination resulting from intentional acts.
- ❑ The definition and management of a system for the prevention of contamination.

- ❑ The definition and management of a system for allergens, through staff awareness and information campaigns.
- ❑ The implementation of the Food Safety and the Food Defense Plan.

To show its commitment to protecting and safeguarding forests and the environment, the General Management undertakes the responsibility of buying **FSC® certified paper**, and to only market products that maintain the chain of custody, for certifying the traceability of forest products (chain of custody - COC) by means of:

- ❑ The use of paper from FSC®-certified forests, where strict compliance with environmental, social, and economic standards is guaranteed.
- ❑ Careful identification of incoming FSC® certified raw materials.
- ❑ Process traceability from raw materials to processing, up to when the finished product is sold.

### Social Responsibility

The General Management is fully aware of the responsibility of Ecopack S.p.A. for the consequences of its decisions and activities on **the society and the environment**, promoting transparent and ethical behavior that:

- Contributes to Sustainable Development, including the health and well-being of society
- Considers the expectations of stakeholders
- Operates in accordance with the applicable law, consistent with international standards of behavior
- Is integrated throughout the organization and applied in its internal and external relationships.

**ECOPACK S.p.A** complies with the EcoVadis monitoring system to effectively manage CSR (Corporate Social Responsibility). In particular, the General Management intends to:

- UNDERSTAND and receive company-wide feedback on CSR business practices regarding the 4 sustainability domains (environmental, social, ethical and supply chain) in order to capture strengths and especially the opportunities for improvement, comparing them to industry practices.
- COMMUNICATE the results achieved to customers and other stakeholders, using advanced communication tools to highlight the company's best practices.
- IMPROVE achievements by setting priorities based on an objective measure of improvement opportunities, sharing them with internal staff, customers, suppliers, and all stakeholders.
- Continuously UPDATE the company's practices to ensure that the improvement results achieved are stable and effective.

The General Management complies with the United Nations Global Compact (UNGC) initiative, which aims to promote a culture of corporate social responsibility through the sharing, implementation and dissemination of common principles and values. It promotes corporate rules and practices internally and with its suppliers or customers in each of the relevant issues:

- **Human Rights**
  - ❑ Promotion of and respect for universally recognized human rights
  - ❑ Eradication of all forms of discrimination based on race, nationality or social origin, class, birth, religion, disability, sex, sexual orientation, family responsibilities, marital status, trade union membership, political affiliation and opinion, age, or any other condition that could give rise to discrimination

- Eradication of all forms of complicity, even indirect, in human right abuses
  - Support for sustainable purchasing policies regarding labor practices and human rights (code of conduct towards suppliers, CSR risk analysis, evaluation of suppliers on CSR issues, staff training, etc.)
- **Working conditions and Occupational health and safety**
  - Operates in compliance with the legislation on health and safety at work with the adoption of all necessary measures for the reduction of the risks of accidents, occupational diseases, and continuous improvement of the related indices (training and information, equipment, maintenance programs, protective devices, management of potential risk situations, management and monitoring procedures, involvement and participation of workers and their representatives, etc.).
  - Ensures the proper application of technologies and the proper use of the hazardous chemicals and, when possible, pursues the improvement of such technologies or the adoption of more advanced technologies from a health and safety standpoint or the reduction of the use and degree of hazardousness of the chemicals used.
  - Support for the freedom of association of workers and recognition of all trade union rights.
  - Support the elimination of all forms of forced and compulsory labor.
  - Support the effective elimination of child labor.
  - Support for the elimination of all forms of discrimination in employment and occupation, securing equal opportunities and training that enables staff to acknowledge their professionalism and competence.
- **The Environment and Energy**
  - Support for a preventive approach to environmental challenges (reduction of the environmental impact of products and services, in use and during all phases of the life cycle, such as proposing to customers the use of recyclable or compostable raw materials, product design aimed at reducing environmental impact, industrialization of departments capable of producing products that are totally or partially substitutable for similar products made of aluminum or weldable plastic, improvement of the material quality monitoring system entering and leaving the production cycle, in order to optimize their management).
  - Support for initiatives that promote greater environmental responsibility (improvement of waste sorting; monitoring of the quantity of waste produced in order to reduce it and reduce the number of shipments to external disposers by means of more efficient compacting containers; mapping and monitoring of waste water, emissions into the environment and other environmental impacts; promotion of sustainable consumption among customers; training and awareness-raising among employees; implementation of a system of continuous monitoring and supervision of electrical power consumption and water consumption; compressed air leakage monitoring system; internal design of production equipment; paying attention to improving thermal insulation in hot spots and thus reducing power consumption; predictive maintenance to eliminate heat loss from plants and equipment; continuous improvement in machinery design with a commitment to reduce noise emissions and energy consumption and optimize the use of raw materials).
  - Support for the development and dissemination of environmentally friendly technologies (reduction of energy consumption in all areas and in all company processes through energy efficiency measures, such as switching to variable-cycle compressors using inverter modulation and compressor management optimized to the needs of the plant; the reduction of water and environmental resources in general; the purchase of energy produced 100% from renewable sources; the reduction of greenhouse gas emissions; the

recycling and recovery of water; the reduction of atmospheric emissions through the optimization of air conditioning systems; the revision of the layout of raw material and packaging warehouses, in order to reduce the distance travelled by external and internal means of transport).

- Support for initiatives that promote biodiversity (including the FSC® and Chain of Custody (COC) standards already referred to in this policy) and reduce impacts on animals, endangered species, protected land areas, and ecosystems.
  - Support the development and dissemination of neighborhood-friendly technologies (reducing noise emissions by centralizing the production of vacuum eliminating various sources of existing noise; reducing road congestion through less frequent trips of waste transport and improving outdoor areas dedicated to employee car parking through the purchase of adjacent land; procedures and systems to prevent accidental environmental pollution, such as spills in the soil and subsoil, and uncontrolled emissions into the atmosphere).
  - Support for sustainable procurement policies with regard to environmental aspects (participation in an energy procurement group and obtaining a certification for the purchase of electricity produced 100% from renewable sources; procedures for selecting and evaluating transporters according to environmental criteria; selection of packaging in use in order to eliminate non-standard compositions of finished product pallets to optimize transport; purchase of equipment according to updated environmental standards designed in-house; reduction of packaging waste from purchased products through better planning of purchasing requirements and agreements on specific packaging of goods purchased; use of local suppliers for the construction and maintenance of machinery).
- **Ethics and proper management practices**
  - Eradication of all forms of corruption and bribery
  - Eradication of all forms of conflict of interest, fraud, and illegal behavior
  - Fight against anti-competitive practices
  - Guarantee of a safe and confidential management of data and information of third parties, without improper use for commercial purposes
  - Promotion of consumer rights (quality, food safety, environmental impact, etc.)
  - Involvement and development of the community (communication, promotion of social and cultural initiatives, reduction of social inequalities, etc.)

**ECOPACK S.p.A** translates the above general lines into objective indicators and sizeable objectives, resources, and specific action plans, evaluating their progress in periodic management reviews to ensure their full achievement.

The documents detailing the company's rules and practices consist of the Code of Ethics, the company regulations and the procedures and documents of the integrated management system for quality, food safety, safety in the workplace and the environment, intended for both internal staff and all those who have relations with the company.

On this basis, the company also undertakes to develop a system in compliance with the requirements of ISO 9001, BRCGS packaging and FSC certification (already obtained), ISO 14001 and ISO 50001 and ISO 45001 (forecast) standards.



## 1.6 Certifications and recognitions

All Ecopack products are made using raw materials (paper, glue, ink) which comply with international regulations concerning the suitability for food contact. The raw materials used are carefully selected and of the highest quality.

All the molds intended for baking can be used in the oven and are certified to resist up to 220°C; they are also suitable for microwaves.

Ecopack is **UNI EN ISO 9001** certified in terms of Quality System management and according to the **BRCGS Packaging** global standard for the quality and food safety of packaging intended for contact with food. Ecopack also adopts the **Aticelca®** evaluation system for recyclability and relies on the third-party institution TUV for compostability certifications. Some of our products are - also CEPI certified; CEPI is the European association representing the paper industry; it is a non-profit-making organization which certifies paper products for recyclability, and it is recognized in all the European territory.

In 2022, Ecopack was awarded with an important prize: the **Best Managed Companies Award**, promoted by Deloitte Private. The prize aimed at recognizing entrepreneurial excellence, and Ecopack was among the 79 companies awarded. Seven success factors were evaluated in awarding the prize: “Strategy”, “Skills and innovation”, “Commitment and corporate culture”, “Governance and performance measurement”, “Sustainability”, “Supply chain” and “Internationalization.”

Since 2021 we are part of the UN Global Compact, the biggest strategic initiative of corporate citizenship in the world. In 2022 we submitted our first Communication On progress, an instrument through which Ecopack demonstrates its support to the Global Compact and at the same time reports its performance and progresses concerning four themes: Human Rights, Anti-Corruption, the Environment and Labour Rights.



The mark of responsible forestry  
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## 1.7 Business model

Ecopack produces and markets its products with the aim of supporting its customers in safeguarding the well-being of their consumers worldwide.

Ecopack products are intended for different types of food and customers who need a major product customization, since the specific cooking molds and packaging produced are also the vehicle with which the customer proposes its own brand.

This entails continuous challenges to meet the needs of each and every customer in the food industry and the end consumer, acting both directly, i.e. within its own organization, and indirectly, through the active involvement of its supply chain stakeholders, including the suppliers of raw materials (paper and other materials), logistics and distribution: all these players are an integral part of the different areas in which the company produces and markets its products.

The company has always undertaken actions with a view to developing a sustainable business in relation to the environment and the society in which it operates.

The objective is not only to reduce potential impacts on the territories where Ecopack operates, but also to make a significant contribution in economic and social terms, raising awareness on the fact that creating value in an increasingly competitive context can and must go hand in hand with safeguarding the environment and people's rights. In this regard, one of the key factors in Ecopack's success on a global level is its ability to innovate, develop, produce, and market products that keep pace with new market needs and continue to build a trusting relationship with its consumers.

In this regard, Ecopack is constantly investing in the improvement and increase of production capacity, in order to meet the demand of its customers, and also in guaranteeing the quality of the raw materials used and of the products sold. There are also continuous investments aimed at improving energy efficiency, environmental sustainability, and the safety of the work environment. In particular, the company designs and manufactures on its own the main production equipment and can, therefore, be very effective in the progress of technological innovation in the field of product quality, food safety, energy saving, reduction of environmental impacts and operator safety.

## 1.8 Ecopack's sustainability

Ecopack considers sustainability a key factor in its activities, and it commits in all sectors, including the supply of raw materials, the entire production process, and the supply and distribution of products to commercial partners or end consumers. This commitment is also applied to the management of personnel (with reference to their development and safety in the workplace), in the management of environmental impact and, more generally, in all the communities where Ecopack operates or whose activities generate an impact.

For many years, Ecopack has been committed to monitoring various indicators relating to product quality and food safety, personnel management (skills and safety in the workplace) and environmental aspects. This is also thanks to its Quality Management System certified in accordance with **UNI EN ISO 9001**, and its Food Safety Management System in accordance with the **BRCGS Packaging** standard. For these standards, Ecopack is subject to annual audits by independent accredited third parties (certification bodies), as well as by several important customers in the food production sector.

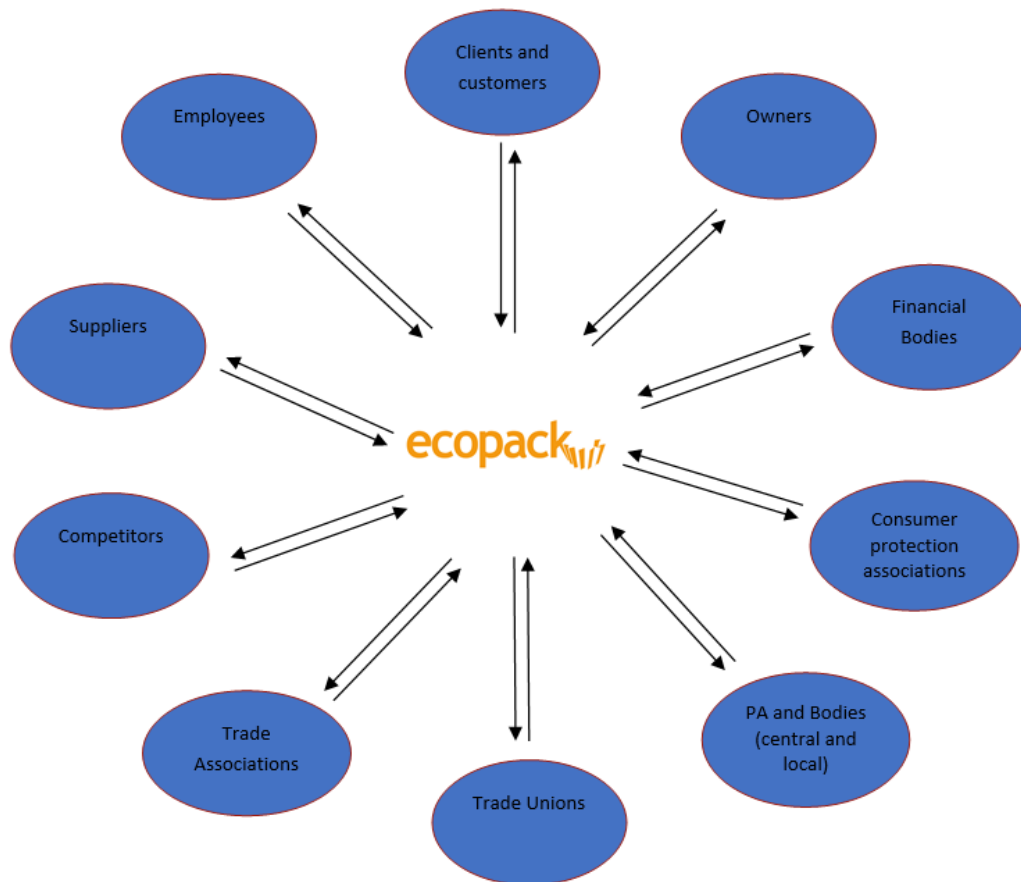
Also, with a view to a future and forthcoming ISO 14001 "Environmental Management System" and ISO 50001 "Energy Management System" certifications and to the continuous improvement of energy performance, Ecopack has developed a very wide set of improvement indicators on CSR that can be consulted in attachment 1 "Ecopack Corporate Social Responsibility Indicator Set".

This monitoring, with a view to continuous improvement, has been the starting point for the planning and implementation of major operational investments in recent years, aimed at ensuring compliance with regulations, improving production efficiency, reducing risks (and impacts) related to the consumption of raw materials, waste, potential spills, emissions, and waste production, as well as reducing accidents and injuries in the company.

A reference document is Ecopack's **Code of Ethics**, which provides a framework for corporate activities, starting with its Mission and values for employees. The ultimate goal of the company is to create value by complying with the ethical principles of business conduct, to perform a useful social function by promoting the professional development of its employees and to serve the communities where it operates by contributing to their economic and social progress.

### 1.8.1 The stakeholders

This approach involves a relationship of trust with the many stakeholders which gravitate around it. Ecopack has mapped its stakeholders identifying their degree of influence and analyzing the relevance of sustainability-related issues for the sector. Below is the stakeholder map:



Stakeholders are the persons who revolve around the organization. They are the universe of people and entities interested in the organization's products, services, status, and well-being. They include the company's customers, investors, suppliers, and employees, but also regulators, the community, competitors, potential employees, potential investors, partners, etc. Depending on the strategic importance of these stakeholders to the company's business, management aims to define objectives and indicators that consider their satisfaction and the contribution they can make to the company's success.

In the case of a firm, the shareholder is the owner of the share capital. Shareholders are also stakeholders of the company, since they are part of the group of investors together with other possible backers.

## 1.8.2 The materiality matrix

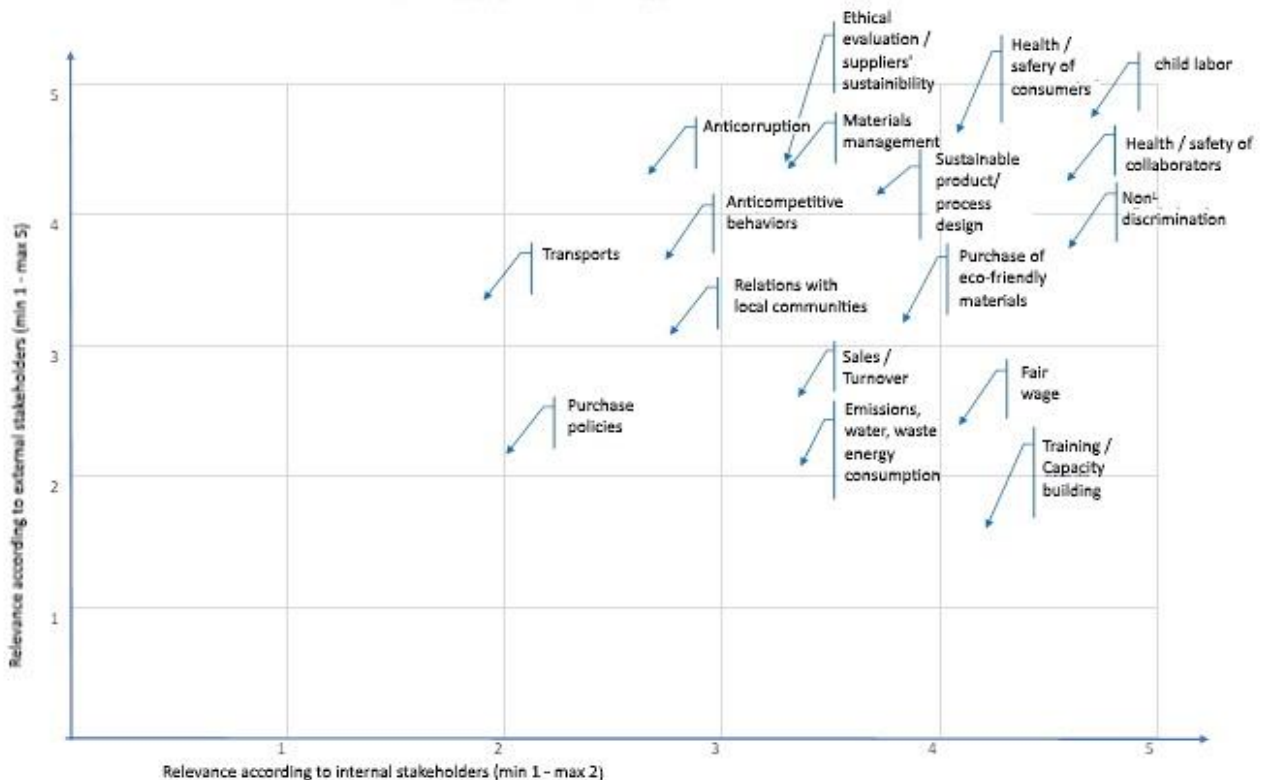
The analysis carried out by Ecopack focuses on the importance (materiality) of the various aspects relating to its activities. To this end, Ecopack has implemented a materiality analysis process, carried out in accordance with the GRI (Global Reporting Initiative) guidelines for sustainability reporting, aimed at identifying the issues that could considerably affect the company's ability to create value in the short, medium, and long term, and that are most relevant for Ecopack and its stakeholders. These issues, considered capable of influencing stakeholders' decisions and affecting the company's economic, environmental, and social dimension, are therefore included in this report.

The results of the materiality analysis are illustrated in the matrix below; it consists of a graphical representation of the importance attributed to each issue from the point of view of the company's management and the stakeholders identified by it. These issues have been reorganized and aggregated to obtain a more effective representation.

Each economic, environmental, and social aspect has been evaluated in relation to the interest of each stakeholder, through a rating scale from 1 to 5 (where "1" is equal to "not relevant" and "5" is equal to "very relevant"), thus building the materiality matrix, only the fourth quadrant of which is shown.

The aspects which, following the stakeholders' assessment, have been placed in the fourth quadrant have thus been identified and are therefore relevant for the construction of the performance indicators referred to in various paragraphs of this Report, starting from par. 1.5.

**MATERIALITY MATRIX**



## 2 The Governance

**Ecopack S.p.A.**

**Shareholders:** Annalisa Ferri, Francesco Ferri

**Board of Directors:**

- Francesco Ferri                      President and CEO
- Annalisa Ferri                        CEO

**Board of Auditors:**

- Edoardo Fea                            President
- Andrea Giammello                    Standing Auditor
- Carlo Motta                            Standing Auditor
- Alberto Marengo                      Alternate Auditor
- Roberto Panero                        Alternate Auditor

**Auditing Company:** DELOITTE & TOUCHE S.p.A.

### 3 Risk management

Ecopack has adopted a risk and opportunity analysis model in compliance with the ISO 9001:2015 standard that considers all risk factors related to stakeholders (see par. 1.8.1): the main risk factors linked to the needs of the various stakeholders, the risk factors and the opportunities for improvement borne by the various corporate functions are analyzed.

This model, which has been extended to all overseas subsidiaries, makes it possible to identify, assess and manage the main risks associated with the performance of corporate activities in an across-the-board manner and it also makes it possible to monitor them by defining mitigation plans. This risk management model also supports management's strategic and decision-making choices and promotes the creation of long-term value for stakeholders.

Risk events are identified considering the company's strategic objectives and, following the assessment activities, if necessary, risk mitigation measures are introduced and action plans are defined, the progress of which is monitored by the Quality Department and the General Management.

Ecopack has also adopted a series of protocols/management systems to protect against specific risks in relation to various areas, including: health and safety of workers (Risk Assessment Document in accordance with articles 17 and 28 of Legislative Decree 81/2008 - Consolidated Work Safety Act), food packaging safety (according to the BRCGS Packaging standard and the HACCP method - Hazard Analysis and Critical Control Point), product quality (ISO 9001 standard), and the fight against corruption (Code of Ethics, specific procedures and internal regulations). In each area, Ecopack carries out continuous improvement activities that allow an effective management of risks.

The main risks identified in the activities carried out by Ecopack concern the following issues:

- Risks associated with personnel management and human rights (e.g., risks associated with loss of talent appeal, risk of non-compliance with regulations, risk of discrimination of various kinds)
- Risks connected to health and safety at work
- Risks related to the health and safety of end consumers (e.g. the risk arising from product non-compliance that may involve abnormal migration into food, microbiological, chemical, or physical contamination)
- Risks related to the environment
- Risks related to the involvement of local communities (e.g., reputational risk)
- Risks associated with supply chain management (e.g., the risk of excessive emissions caused by transportation, market unpredictability, reduced availability of raw materials)
- Risks related to active and passive corruption (e.g., the risk of fraud and corruption related to the purchasing process and the risk of fraud and corruption related to the sales and marketing process)
- Risks of fraud linked to the purchase of counterfeit raw materials (for example, for economic reasons) that could affect the quality or food safety of the product (risks that are also regulated by the BRCGS Packaging standard with which the company complies)

The following paragraphs highlight the risks listed above and the mitigation actions and management policies for the corresponding issues.

## 4 Organization, Management and Control

Ecopack has not yet drawn up an Organization, Management and Control Model pursuant to Legislative Decree no. 231/2001, but it has laid the foundations for its full adoption by means of the management systems described in paragraph 3 and by drafting the following internal documents and procedures:

- Code of Ethics
- Company policy (see par. 1.5)
- Internal Company Regulations
- PR12 – Human Resources Management Procedure
- IS30 – Anti-Corruption Policy
- IS31 – Reporting of offences and irregularities
- IS32 – Free gifts and donations
- IS33 – Management of expense reimbursements
- IS34 – Use of prepaid company cards
- IS35 – Invoice processing for the passive cycle of general expenses
- IS36 – Invoice processing for the passive cycle of raw materials
- IS37 – Cash flow management
- IS38 – Personnel management
- IS39 – Active cycle invoicing management

The company has also already identified the activities within the scope of which potential risks may be identified in relation to the offences described by Legislative Decree 231/2001.

Ecopack promotes the dissemination and full understanding of internal procedures and regulations and condemns any behavior that does not comply with the law, the Code of Ethics, and the procedures of the internal management system. All the recipients of the above documents are required to collaborate for its full and effective implementation by immediately reporting any violations. Furthermore, Ecopack provides for the implementation of compulsory training programs for all personnel, with the aim of guaranteeing their effective knowledge of the Code of Ethics and the company's policies and procedures. The same applies to foreign subsidiaries, which are required to comply with the regulations applicable in the countries in which they are based, as well as with the existing organizational structure and internal policies.



## 5 Policies adopted in the social and environmental fields

As described in the previous paragraphs, Ecopack has adopted Policies and Procedures to encourage a responsible approach to the management of operating activities in the various corporate contexts. These documents, which are inspired by the principles of loyalty, transparency, honesty, and integrity, define the reference principles regarding the management of the main social and environmental issues. The aim is to raise awareness on these issues and, at the same time, share good practices within the company. The management of operational activities may be characterized by a local dimension that is reflected in the procedural framework that considers local specificities, in full compliance with the reference legislation of the countries in which it operates. The following is a summary of the company's main guiding instruments relating to social and environmental issues.

People, Health and Safety and Human Rights	Supply Chain
<p><i>Documents: Company policy, Code of Ethics, management system procedures (workplace safety, environment and energy, ethics, and social responsibility), Communication On Progress</i></p>	<p><i>Documents: Company policy, Code of Ethics, supplier evaluation procedure.</i></p>
<p><b>Commitment to:</b></p> <ul style="list-style-type: none"> <li>○ Promote a work environment and behaviors that are based on:               <ul style="list-style-type: none"> <li>- Respect for the dignity of each individual</li> <li>- The professional growth of employees and the promotion of equal opportunities</li> </ul> </li>   <li>○ Protect the health and safety at work of its employees in all venues where its personnel carry out their work activities, promoting responsible behavior by everyone.</li> </ul>	<p><b>Commitment to ask suppliers:</b></p> <ul style="list-style-type: none"> <li>○ To subscribe to the company policy on quality, environment, safety, respect for human rights, ethics, social responsibility, and lawfulness as well as to the values of the Code of Ethics.</li> <li>○ To reply to a questionnaire on the topics mentioned in the previous point, the answers to which will be subject to periodic evaluation.               <ul style="list-style-type: none"> <li>○ Certifications in the areas of quality, food safety, environment, energy, safety in the workplace, ethics, and social responsibility</li> <li>○ Promote collaborative relations by paying attention to the best professional standards, best practices in ethics, health and safety protection and respect for the environment.</li> <li>○ Pay the utmost attention to the compliance of suppliers of goods and/or foodstuffs with high quality and food safety standards of the production processes.</li> </ul> </li> </ul>

## Product quality and food safety

*Documents: Company policy, Code of Ethics, management system procedures (quality, food safety, ethics, and social responsibility)*

### Commitment to:

- Pay the utmost attention to quality, product food safety and hygiene of their production processes, pursuing the path of continuous innovation.
- Provide accurate, complete, and truthful information, so as to allow the customer and the final consumer to make a safe, rational, and informed decision.
- Encourage the adoption of high standards of responsibility in the promotion of its products and base its advertising campaigns on transparency regarding the characteristics of the goods produced and marketed, respect for the dignity of persons and workers' rights, and the protection of children.

## Anti-corruption and anti-bribery

*Documents: Company policy, Code of Ethics, management system procedures (ethics and social responsibility), Communication On Progress.*

### Commitment to:

- Carry out all activities with loyalty, fairness, transparency, and honesty and in compliance with the law.
- Have proper and transparent conduct.
  - Prohibit giving or promising, (or receiving / accepting) directly or indirectly money, gifts, or benefits of any kind in a personal capacity, to (from) third parties (Public Administration, associations, other organizations of similar nature, customers, suppliers, and private third parties) for the purpose of gaining undue advantage for themselves and for the company.

## The Environment and local communities

*Documents: Company policy, Code of Ethics, management system procedures (quality, food safety, ethics, and social responsibility), Communication On Progress*

### Commitment to:

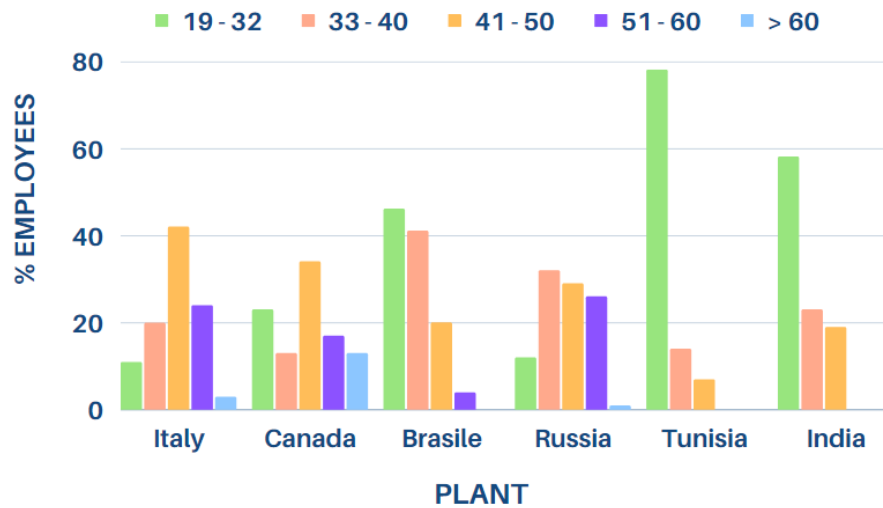
- Comply with current legislation relating to environmental protection and take the most appropriate measures to preserve the environment.
- Respect the environment as a resource to be protected, for the benefit of local communities and future generations.
- Promote technological investments and the involvement of employees in the process of risk prevention and environmental protection.
- Promote technological investments and employee involvement in the process of reducing energy consumption.
- Consider the needs of local communities and contribute to their economic and social development.

## 6 Our people

The average number of staff in 2022 was approximately 435, significantly increased compared to the last three years. The total percentage of women in staff in 2022 was of 42%. Respectively 70% of the total in the Canadian plant, the 50% in Brasil, 58% in Russia, 85% in Tunisia and the 19% in India.

The company's commitment to long-term collaboration with its employees is evidenced by the high percentage of employees hired on permanent contracts.

Several other monitoring indicators of our staff are included in Appendix 1.



### 6.1.1 Performance Indicators

Ecopack collects periodic KPIs on the performance of a series of indices linked to personnel management, as well as all other aspects of Corporate Social Responsibility. Some of these indicators are highlighted below, subdivided by survey site.

#### 6.1.1.1 Central headquarter - Italy

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	5%	3,7%	5,4%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	19%	16%	15,7%

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Average no. of employees during the year	N.	152	150	162
Number of terminations / average number of employees during the year (all reasons)	%	12%	7%	3,9%
Number of people fired by the company / average number of employees during the year	%	3%	1%	0,8%
Number of resignations / average number of employees during the year	%	3%	5%	2%
No. of staff training hours/average no. of employees during the year	N.	4	7	11
Number of underage employed / average number of employees during the year	%	0.00	0.00	0.00
No. of cases of discrimination or harassment / average no. of employees during the year	%	0.00	0.00	0.00
No. of female employees / average no. of employees during the year	%	43%	44%	42%

### 6.1.1.2 Canada

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	2%	1,26%	1,96%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	8%	4,30%	5,4%
Average no. of employees during the year	N.	19	21	23,25
Number of terminations / average number of employees during the year (all reasons)	%	20%	11%	0,04%
Number of people fired by the company / average number of employees during the year	%	15%	8%	0,04%
Number of resignations / average number of employees during the year	%	4%	8%	0%
No. of staff training hours/average no. of employees during the year	N.	9	9	18
Number of underage employed / average number of employees during the year	%	0.00	0.00	0.00
No. of cases of discrimination or harassment / average no. of employees during the year	%	0.00	0.00	0.00

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of female employees / average no. of employees during the year	%	74%	67%	70%

### 6.1.1.3 Russia

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	6,06%	3,6%	5,62%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	8,13	7,9%	14,22%
Average no. of employees during the year	N.	37	37	42
Number of terminations / average number of employees during the year (all reasons)	%	0.00	18,9%	5,38%
Number of people fired by the company / average number of employees during the year	%	0.00	2,7%	0.00
Number of resignations / average number of employees during the year	%	29,73%	16.20%	5,38%
No. of staff training hours/average no. of employees during the year	N.	63.	60	140
Number of underage employed / average number of employees during the year	%	0.00	0.00	0.00
No. of cases of discrimination or harassment / average no. of employees during the year	%	0.00	0.00	0.00
No. of female employees / average no. of employees during the year	%	62%	70%	58%

### 6.1.1.4 Brazil

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	4,34%	8,67%	9%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	13.44%	17.280%	28.28%
Average no. of employees during the year	N.	56	72	107.50
Number of terminations / average number of employees during the year (all reasons)	%	20%	53%	15%
Number of people fired by the company / average number of employees during the year	%	14%	14%	0,06%

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Number of resignations / average number of employees during the year	%	4%	39%	9%
No. of staff training hours/average no. of employees during the year	N.	20,36	60	30,37
Number of underage employed / average number of employees during the year	%	0	0	0
No. of cases of discrimination or harassment / average no. of employees during the year	%	0	0	0
No. of female employees / average no. of employees during the year	%	48%	44%	50%

#### 6.1.1.5 Tunisia

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	0,91 %	2,21 %	2,65%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	13%	13,88%	9,58%
Average no. of employees during the year	N.	31	45	54,50
Number of terminations / average number of employees during the year (all reasons)	%	35%	60,95%	14,38%
Number of people fired by the company / average number of employees during the year	%	10%	14,28%	3,26%
Number of resignations / average number of employees during the year	%	13%	46,67%	11,11%
No. of staff training hours/average no. of employees during the year	N.	8,9	13	16,4
Number of underage employed / average number of employees during the year	%	0	0	0
No. of cases of discrimination or harassment / average no. of employees during the year	%	0	0	0
No. of female employees / average no. of employees during the year	%	71%	76%	85,19%

**6.1.1.6 India**

INDICATOR - KPI	U.M.	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
No. of hours of absenteeism (sickness) / no. of hours worked	%	2,3%	5,34%	0,1%
No. of hours of absenteeism (vacations + permits) / no. of hours worked	%	6%	9,73%	3,3%
Average no. of employees during the year	N.	49	50	45,50
Number of terminations / average number of employees during the year (all reasons)	%	2	1	0.00
Number of people fired by the company / average number of employees during the year	%	0.00	0.00	0.00
Number of resignations / average number of employees during the year	%	14%	42%	9%
No. of staff training hours/average no. of employees during the year	N.	7	19	27
Number of underage employed / average number of employees during the year	%	0.00	0.00	0.00
No. of cases of discrimination or harassment / average no. of employees during the year	%	0.00	0.00	0.00
No. of female employees / average no. of employees during the year	%	22%	14%	19%

## 7 Personnel and Human Rights Management

Ecopack manifests its commitment to the **respect of human rights** and a **fair management of human resources** also through the adoption of a

- **Code of Ethics** (attached in Annex 2)

that forms the basis of the corporate culture. This Code represents a set of principles that are then applied in the policies and procedures that govern corporate activities.

The policies and procedures that specifically guarantee respect for human rights and proper management of human resources at all stages of the company's life (from the recruitment and selection phase to day-to-day management and termination of employment) are, among others, as follows:

- Internal Company Regulations
- PR12 – Human Resources Management Procedure
- IS30 – Anti-Corruption Policy
- IS31 – Reporting of offences and irregularities
- IS32 – Free gifts and donations
- IS33 – Management of expense reimbursements
- IS34 – Use of prepaid company cards
- IS35 – Invoice processing for the passive cycle of general expenses
- IS36 – Invoice processing for the passive cycle of raw materials
- IS37 – Cash flow management
- IS38 – Personnel management
- IS39 – Active cycle invoicing management

All Ecopack's production sites fully comply with the law and the provisions regarding rights and the protection of diversity. Industrial and trade union relations are based on compliance with the provisions of laws and contracts.

Human resources are for Ecopack one of the essential features for a constant and sustainable development of the business, and their correct management allows to manage potential risks related to the loss of attractiveness towards talents, whether they are present in the company or willing to be part of it. The management of human resources is broken down into initiatives for career development and company benefits, with constant and continuous respect for people's rights. The policies in place, specific to each country, cover the following topics: from the initial stage of personnel recruitment and selection to the identification of talent, training, and career development paths. Policies more closely related to the area of human rights, on the other hand, are those concerning equal opportunities, harassment, discrimination, and abuse.



Regarding the equal opportunities, Ecopack ensures that they are respected from the processes of selection and recruitment of personnel and throughout the employee's work life, regardless of gender, sexual orientation, age, marital status, physical appearance, nationality, disability, political or religious belief. All sites of the company are in close contact with the functions of the head office to manage the necessary resources and activities concerning sustainability, safety at work, reduction of environmental impacts and respect for human rights. To avoid the occurrence of discrimination in the workplace, the periodic training of all employees is very important, offering a broader understanding of harassment, bullying and diversity in all its forms. In addition, any worker may freely and confidentially contact the General Management through a dedicated channel or directly the Human Resources Department (see the addresses communicated to personnel through the *IS31 procedure - Reporting of offences and irregularities*), should such events occur. These persons have also been referred to as recipients of communications relating to suspected violations of the Code of Ethics. The General Management is directly responsible for taking the measures deemed appropriate, according to the steps described in the procedure.

Training is one of the fundamental tools with which Ecopack supports the growth and development of its resources. Depending on requirements, Ecopack organizes training courses aimed at the various levels and functions of the organization, to increase the skills of its resources and support them in their professional growth. Ecopack's training offer can be divided into the following categories:

- Management capacity building
- Technical training
- Language training
- Training in ethics and corporate social responsibility
- Training in packaging quality and food safety
- Training in occupational safety
- Environmental and energy training

In order to support the management capacity building and the training of human resources, Ecopack is developing a single performance evaluation system across the whole company, thanks to which employees can be periodically evaluated on objectives, technical skills, managerial skills and behaviors; the performance evaluation is not only an evaluation stop, but also and above all an opportunity to define the development plans of the resources involved in the process, to analyze possible risks and to develop the relevant action plans.

Ecopack regularly offers internship opportunities for students and recent university graduates from various faculties. The internship is an important entry channel into the company for junior resources without previous work experience.

The risks identified by each country relate to potential non-compliance with regulations, loss of highly qualified personnel and inefficient allocation of personnel to critical functions. There are also some more specific risks that depend on the situation in each individual country. For example, for subsidiaries in India, Brazil, and Tunisia there is a constant risk of economic instability that can lead to a lack of basic services

and critical financial situations. To mitigate these risks, Ecopack has taken several actions, aimed at strengthening the workforce, improving the control system during the selection and maintenance of employment relationships with staff, continuous training of existing resources and the implementation of contingency plans in case of extraordinary events.

Finally, Ecopack promotes numerous initiatives aimed at guaranteeing the well-being of its workers and an adequate balance between personal and professional life. Depending on the country (therefore on the regulatory context and social status, levels, and collective agreements), some forms of facilitation are provided, such as:

- Work-life balance measures: these include, for example, the possibility of part-time jobs for maternity leave or other needs, forms of smart-work and flexible working hours.
- Medical and accident insurance
- Pension plans
- Health and wellbeing initiatives

## 7.1 Diversity and Equal Opportunities

As shown above in the KPI paragraph, Ecopack has not experienced significant differences in staff distribution over the past three years (2020-2022). In particular, the presence of female workers is on average around 50 % of staff or more. For sites outside Italy (foreign subsidiaries), the average age of employees is lower, also due to the recent growth in the number of employees at these sites in recent years, as a result of increased market demands.

Ecopack promotes the exclusion of any conduct that is discriminatory on the grounds of gender and any other obstacle that limits equality in access to employment, training, promotion, and professional development, ensuring that the selection criteria are linked exclusively to professional performance. Any differences in the ratio of average salary between women and men can be traced to a differentiation of tasks with a direct impact on pay, or to a greater weight of part-time work and seniority in the company. Indicators and internal employee survey questionnaires show almost no case of discrimination or harassment reported by staff.

Ecopack provides several training hours in line with previous years with an increase in those sites where new staff was hired. The company pays particular attention to the periodic training of personnel, especially on occupational health and safety, and food safety of packaging (as required by international legislation on materials in contact with food and the voluntary BRCGS Packaging standard). The indicators confirm the company's effort to support the development of its resources in a path of continuous professional growth, providing employees with both technical and managerial training courses.

Common to all Ecopack was the attention dedicated to technical training; in particular, we focused on training in the best and safest use of production equipment (mostly Ecopack design and construction), to better support the resources involved in the development of technical skills important for the result in terms of quality and food safety of the final product.

## 7.2 Managing Working Relationships

Ecopack has built up a constructive dialogue with trade union representatives in the various countries where it operates in order to find the best solutions to reconcile employees' requests with company needs. Relations and negotiations with trade unions are managed in compliance with the highest principles of transparency and fairness and in strict compliance with the laws in force, promoting constructive dialogue, which aims at involving workers' representatives and maintaining a good company climate. At all production sites the company has pursued a dialogue and open discussion with the Trade Unions, negotiating and signing collective agreements in line with the company's strategy. Negotiations were carried out in an atmosphere of general cooperation and no episodes of protest or incidents were recorded.

## 7.3 Human rights

The issue of human rights is addressed by Ecopack in the management of relations with personnel in compliance with the principles and values set out in the Code of Ethics, which establishes the protection of moral integrity and guarantees equal opportunities for everyone.

Ecopack's code of ethics is periodically adjourned, approved from general management, and distributed to the employees, so that it can be appropriately spread and adequately followed. The current version of the code of ethics was revised and emitted in 2022 from the company's attorney. It expressly specifies that discriminatory behavior based on political opinion, trade union activities, religion, race, nationality, age, sex, sexual orientation, health or based on any other human characteristics are not permitted in any relationship within and outside Ecopack. The company also undertakes to ensure that the standards laid down in the Universal Declaration of Human Rights are respected in the countries where it operates. Ecopack rejects all forms of forced or compulsory labor, child labor and irregular work. In the event of violation reports, the General Management is called upon to take immediate action as described in the Code of Ethics and in the IS31 procedure "Reporting of offences and irregularities".

## 7.4 Employees' welfare

Ecopack is extremely committed to the wellbeing of its employees. Their welfare is in fact always on the agenda, and this is demonstrated through a broad range of benefits and services offered to the workers.

Speaking of physical wellbeing, from September 2022 Ecopack Italia offers to its employees an osteopathy service (free of charge), which is available two times a week, and is performed in the Piobesi Torinese plant. This service has been of high appreciation, and it had a great impact on the general working environment.

Ecopack has always been committed to the territory in which it was born; it has in fact decided to support FAI (Fondo Ambiente Italiano), by becoming a corporate Golden Donor. Thanks to that, Ecopack Italia was able to distribute up to two tickets for visiting one of FAI's protected places to every worker. This gesture

aimed at making known places of noticeable cultural importance, which despite being extremely close, are often unknown to the public.

Always concerning the mental and physical wellbeing of the workers, in 2023 the Italian plant is considering the start of weekly yoga classes to be performed inside the company, completely free of charge, available for anyone who decides to participate. This initiative intends to show the importance of sport and physical wellbeing in personal life, trying to bring people closer to it.

Due to the higher cost of living and the rising inflation which occurred in the past year, Ecopack Italia decided to help its whole workforce delivering an “energy bonus”. Falling in the “fringe benefit” category, this bonus is issued every month either as a meal voucher or petrol coupons; it is delivered to every worker of the company, also counting the interim ones.

Thanks to the registered growth of the company’s turnover from 2021, Ecopack decided to dispense a second bonus to the workers, which was assigned according to salary, in inversely proportional relation to it. Who earns more received a lower bonus, and vice versa. The amount of the bonus was calculated based on how much inflation affected every paycheck. Each employee had the freedom to choose the withdrawal modality of the bonus, either deposited on the paycheck or on the specific platform, where it is automatically converted in shopping vouchers. The company decided to assign these bonuses not only to its employees, but to staff-leasing companies’ workers who are currently working at Ecopack as well.

Ecopack also distributes a tier two bonus called “productivity bonus” which is attendance-related, for all the second level employees and maintainers, linked to union agreement.

## 8 Consumers' health and safety

### 8.1 The corporate management system for quality and food safety

The health of final consumers and the food safety of its products are the objectives to which Ecopack devotes all its attention and efforts. Ensuring the health and well-being of the consumer means:

- Meeting customer and end-consumer expectations in terms of food safety of the packaging, limiting any unacceptable global or specific migration into food or unintended organoleptic interaction.
- Meeting customer expectations in terms of ease and safety of use under the conditions foreseen (such as, for example, baking the product without damage to the mold produced by Ecopack or migration of substances into the food product).
- Guaranteeing a system of corporate rules (quality and food safety management system) capable of minimizing the risks of chemical, physical or microbiological contamination of products throughout all the production phases, from the acceptance of raw materials to the shipment of the finished product; with this aim, the company has for some time now been implementing a GMP (Good Manufacturing Practices) system and a voluntary system that presents the highest level of food safety available on the market, in compliance with the requirements of BRCGS Packaging and ISO 9001 standards, certified by an accredited third party body.
- Designing products and promoting the use of raw materials and components (ink, glue and other consumables, packaging, etc.) that provide increasingly high guarantees of food safety.
- Being aware of the need to meet the requirements of certain categories of customers and consumers (professionals or end users), complying with the requirements of containment for the different types of foodstuffs.
- Responding to public health issues by participating in activities to promote appropriate and hygienically safe containers.
- Focusing on the main needs of emerging countries and developing products for consumers with low purchasing capacity.

All these aspects can be summarized in the awareness of the need to produce safe products of high quality for everyone, meeting the needs of customers/consumers and which are not harmful in relation to the food contained in our molds. All this by promoting the introduction of innovative and sustainable molds and packaging, in full respect of the environment.

Food safety is also a priority with a view to protecting the reputation of the brand.

The Executive Board places the following commitments at the heart of its work:

- Documented commitment of the management to implement the food quality and safety policy in all countries and markets.
- Annual commitment to review the policy with proposals for improvement using specific and measurable performance indicators.

- Involvement of all company staff in food quality and safety issues so that the objectives are shared by all departments.
- verification and monitoring through quality and food safety validation processes to ensure continuous improvement.

Ecopack's food quality and safety policy is implemented in each country through an Integrated Management System, applied throughout the supply chain and respecting local traditions, characteristics, and socio-economic conditions.

The food quality and safety system is a set of procedures describing the organization, responsibilities, and activities to correctly manage the quality and food safety of products and promote their continuous improvement. This system works on prevention and is based on concepts such as knowledge, training, competence, collaboration, involvement, responsibility, and traceability.

The following are some details of the voluntary system certifications that Ecopack is subject to:

The BRC Packaging standard developed by British Retailers shows the necessary requirements to guarantee the **quality and safety** of materials intended to be in contact with foodstuffs.

The BR Packaging Certification is intended to any packaging material producer, regardless of its intended use, including foodstuffs and consumables, and it is applicable at all levels, e.g. primary, secondary and tertiary packaging.



ISO 9001 is the international standard for the Quality Management Systems, published by ISO (International Organization for Standardization).

- Ecopack QMS and its processes
- New product development
- Marketing
- Sales
- Procurement process
- Supplier qualification
- Internal Logistics
- Claim Management
- Budget input, forecast management and customer loyalty program
- Design, manufacturing, and maintenance of production equipment

UNIScore - 2015 - 385595

NORMA EUROPEA

Sistemi di gestione per la qualità Requisiti

UNI EN ISO 9001

SETTEMBRE 2015

Quality management systems

Versione italiana del settembre 2015

Voluntary certifications, as well as giving guarantees to customers and end consumers, help consolidate a common working method and provide tools to assess any non-compliance situation carefully and critically and ensure the effectiveness of the system.

In addition to annual audits by certification bodies, the observance of daily routines based on the quality and food safety system is also systematically monitored through hygiene inspections and internal audits carried out by the staff of the Quality Department or by qualified external consultants.

The staff of the Quality Department also conducts audits on the most critical suppliers, according to a plan resulting from a risk assessment based on the analysis of various factors (supplier certifications, criticality of the raw material or service provided, documentation supplied, results of quality control on supplies, laboratory analyses, etc.).

A special procedure is dedicated to the management of outsourced suppliers (suppliers of product processing) since their production process is not under the direct control of Ecopack. This procedure requires an on-site audit before the first order and a periodic monitoring audit. It also provides for technical visits that are not necessarily scheduled due to, for example, non-conforming products or customer complaints.

The results of all these interventions are evaluated and managed in order to promote continuous improvement and the involvement of all company personnel.

## 8.2 Product quality and food safety

In its R&D center in Italy, Ecopack can develop innovative products, selecting raw materials and materials which combine quality, food safety and low environmental impact.

Ecopack is aware that the quality of its products is the result of an intense research activity both in the field of innovation and quality. Therefore, it believes in the value of collaboration between industry and science, in a continuous exchange that improves skills and knowledge.

Regarding the initiatives linked to the food safety of our products, the focus is on the following issues:

- All Ecopack products are made of raw materials (paper, glues, inks) which comply with international regulations regarding the suitability for contact with food; the raw materials used are carefully selected and of high quality.
- All the molds intended for cooking can be used in the oven and are certified to resist up to 220°C, they are also suitable for microwave use.
- The main raw material of our products is paper. The fiber used in the production of paper is a certified renewable resource, coming from well-managed forests and controlled by chain of custody. Our paper suppliers are certified according to the requirements defined by FSC® (Forest Stewardship Council®) standards.
- The paper we use in our production does not contain fluorocarbons (PFOA-free), BPA, Mineral Oils (MOSH, MOAH), endocrine disruptors, or other harmful substances.
- The maximum content of heavy metals in paper complies with EU Directive 94/62.

- Ecopack products are manufactured without the application and use of substances currently included in the list of SVHC (**List of Substances of Very High Concern**) even when the product is not intended for distribution in Europe.

According to the REACH regulation (EC 1907/2006), paper is a product and is not classified as a chemical or chemical composition, therefore it is exempt from the obligation of registration.

### 8.3 Information to consumers

Ecopack provides accurate, complete, and truthful information to allow the customer and/or end consumer to make a rational and informed decision.

Ecopack is aware of the importance of a correct use of advertising media and encourages the adoption of standards of high responsibility in the promotion of its products and its advertising campaigns are based on transparency regarding the characteristics of the goods produced and marketed, respect for the dignity of people and the protection of children.

Ecopack adopts a communication style based on efficiency, collaboration, and courtesy, also in the dialogue with customers/consumers.

### 8.4 Performance indicators

Ecopack is aware of the risk that a non-standard (non-compliant) product may be put on the market and may be the subject of complaints. Ecopack is committed to managing these issues by always assisting the customer/consumer in the best possible way, with the aim of ensuring their food safety and the quality of its products in the following ways:

- The R&D and Quality Departments, in collaboration with the Production Manager, the Procurement Department and other company departments, for each product developed and launched on the market, identify the appropriate product specifications and process characteristics that can be measured and monitored, setting the limits of acceptability, to ensure the quality and food safety of the product at every stage of the production process.
- Each factory is required to carry out product/process controls and periodic laboratory analyses to verify compliance with the parameters set by the R&D/Quality Department to decide on the release of products on the market.
- In all plants, through appropriate training, specific staff has been trained to carry out the required checks on the product before being released to the customer, using the tools provided.
- With a view to continuous improvement, every single complaint/complaint received from the customer/consumer is analyzed to understand the cause and decide on the appropriate corrective action to prevent the event from happening again (acting on the root cause is the most effective way to pursue the improvement of product and service quality). Customer complaints, expressed as a rate (number of complaints on the number of units of product sold), represent a fundamental indicator of quality. The downward trend in the rate of consumer complaints is constantly improving, although it shows different trends depending on the data considered.



This type of analysis allows the company to understand whether the procedures put in place are effective in ensuring continuous improvement. They also serve to focus on specific interventions and improvement actions.

Ecopack is also aware of the risk that a product with a potential impact on the health and safety of consumers may reach the market. For this reason, each site has a product recall and withdrawal procedure which, by defining responsibilities and actions to be taken, guarantees effectiveness and rapidity of intervention. However, there have been no cases of product recalls in recent years.

## 9 Involvement of local communities and the importance of our territory

ECOPACK is committed to the principles of Social Responsibility and contributes to the economic, cultural, and civil development of the areas where it operates, by promoting the values of closeness to the territory and commitment to local communities.

Being consistent with its Mission, ECOPACK is a partner of its stakeholders, improving the quality of life of employees, their families, and local communities close to its facilities, seeking to build long-term relationships of trust. It is committed to listening to the needs of the community, interacting with the administration for the development of shared projects.

### 9.1 Local risks

For the local communities in which ECOPACK does business, the main risks are **environmental and reputational**.

The most significant **environmental impacts** are linked to the production activities of the plants: potential pollution from atmospheric emissions of harmful substances and noise pollution. The company is constantly committed to monitoring and trying to reduce these impacts according to the methods previously described in the chapter dedicated to emissions and air quality, while, regarding the acoustic impact, the reduction is achieved through improvements to the design of equipment, such as insulation, soundproofing and mechanical choices to reduce the impact of pneumatic systems. We are working on a project to optimize the vacuum creation after a mapping of the flow rates required for the various pieces of machinery; the goal is to reduce noise sources such as impellers and pumps by centralizing the vacuum system.

The environmental acoustic impact is monitored every time there is a significant change in the noise sources at the plant, in order to verify compliance with the local regulatory limits on acoustic emissions; the last acoustic assessment regarding the Italian production site was carried out in November 2020 following the introduction of the steam generator and showed compliance with the municipal limits.

**Reputational risk**, on the other hand, is linked to relations with communities and territories and derives from a negative reputation with third parties (local communities, clients, partners, shareholders, authorities) that can negatively affect the company's image.

### 9.2 Local initiatives and projects

ECOPACK promotes various initiatives in the main countries where it operates, such as **economic contributions, sponsorships, product donations, communication campaigns and help to employees of foreign subsidiaries**.

These are some of the activities carried out in the Italian plant with local communities, and some of the projects created with the scope of helping our territory and the environment that surrounds us.

- Sponsorship of FiSio Pro team, a non-profit company that supports sports talents to meet the costs involved in building a sports career.
- Provision of scholarships for the *Teatro Regio* to be awarded to deserving musicians
- Leasing of land to a local farms in exchange for snow shoveling services.
- Various forms of support for local staff at the sites of foreign subsidiaries in difficulty (e.g. management of individual problems, economic support through advances on salaries, purchase of a car for an employee at ECOPACK Tunisia).
- In the spring of 2023, we will install three beehives in our Piobesi Torinese plant, in collaboration with a small company that encourages bee farming for safeguarding the environment and the bees -species at risk- fundamental for our ecosystem. At the end of the season, we will be able to harvest the honey coming from our beehives, and it will be distributed to the employees. The company with which we are collaborating will also organize some workshops in the space where the beehives will be placed, to involve the interested employees in cultural and scientific activities related to this field.
- Since January 2023 we are supporting the municipality of Piobesi Torinese (city where our Italian plant is based) through the financing of the restoration of a wooden altarpiece from 1400 depicting a nativity scene, original from this territory. This is a way for supporting our local community and its cultural heritage.
- Ecopack supports FAI (Fondo Ambiente Italiano), as a Corporate Golden Donor.
- Since 2021 we support Treadom – an Italian company which offers a planting service. As a Christmas gift to its employees, Ecopack created a forest called “Ecopack’s green thoughts”, where every worker has its tree, which can be monitored through treadom’s platform. This is an innovative gift, aimed at helping the planet and its environment.
- We are sponsoring IFSE, an international culinary school situated in Piobesi Torinese, where the Italian plant is located. IFSE is an important training ground for many important international chefs, and Ecopack has been collaborating with them for almost two decades.

## 10 Supply chain management

To guarantee the quality of its products at competitive prices in each of the countries where it operates, Ecopack has defined procedures and controls that involve the entire production process, from the supply of raw materials to the distribution of the finished product. Ecopack's supply chain includes all the components necessary to manage an activity that connects all the main company functions: the management of the relationship with suppliers, incoming and outgoing logistics, production, procurement, sales, marketing, quality control, product development and planning, thus allowing to provide customers with quality and safe products and services.

At Ecopack, the following criteria are essentially used in the supplier selection process:

1. **Quality and food safety:** the goods and services purchased must meet the quality standards required by the company; the risk level of the raw material and the supplier is assessed in terms of quality, food safety, fraud risk.
2. Compliance with the **corporate social responsibility principles**
3. **Price:** make sure that the most competitive financial and economic conditions available to the company are achieved.
4. **Logistics:** make sure that products are delivered on time.
5. **Level of service:** the supplier's support must guarantee minimum quality levels.
6. **Innovation** capacity (in the fields of quality, environmental friendliness, and sustainability, recyclability/compostability).

These criteria are periodically evaluated internally and externally (by independent certification bodies) for the purpose of BRCGS Packaging, ISO 9001, FSC® certifications mentioned in the previous paragraphs.

Regarding supply chain risks, the main ones are as follows:

- Market unpredictability: unforeseen increases in purchase volumes or sudden decreases in sales can lead to stock shortages or overstocking with consequent increases in business costs.
- Supply chain malfunctions: negative impacts on the company's production capacity due to delays or inefficiencies in procurement (malfunctions that may be due to improper planning, purchase orders not issued in a timely manner, equipment subject to frequent breakdowns, supplier production problems and, more generally, supplier unreliability).
- The supply of materials and products of lower quality than the standards required by Ecopack.
- Excessive CO<sub>2</sub> emissions into the atmosphere caused by the means of transport.

In order to guarantee compliant and safe products in a timely and efficient manner, Ecopack is committed to constantly monitoring the suppliers' performance indicators, with the aim of verifying product quality and compliance with all regulations. With reference to logistics management in particular, the quality of the vehicles used, hygiene conditions, timeliness of deliveries and monitoring of the "security" aspects of the load are checked.

Although Ecopack does not include specific clauses on human rights in contracts with its suppliers, it nevertheless enters into contracts with them in line with the principles of fairness and good faith. For all raw materials and relevant products Ecopack requires suppliers to:

- The signature for acceptance of the **Policy** for quality, food safety, ethics, social responsibility, environment, and safety in the workplace (see par. 1.6 of this CSR report); by signing, the supplier undertakes to comply with the principles of the document and the **Code of Ethics** referred to therein in addition to the principles of the Universal Declaration of Human Rights, national and international laws.
- The drafting of a CSR questionnaire, on the basis of which the supplier will be evaluated; the supplier is required to answer a series of questions that are weighed in relation to the answer given; below a threshold defined in the internal evaluation procedure, the supplier is required to take appropriate corrective measures; suppliers being awarded negligible scores will not be qualified and trade relations with them will be discontinued; see the questionnaire in detail below:

SCR SUPPLIER EVALUATION SURVEY	Supplier		
	A) Relative weight (1 to 10)	B) Yes = 1 No = 0	Score (A x B)
1. Does your company have an environmental certification (ISO 14001 or EMAS)? If so, please attach. Attachment no. _____			
2. Does your company have a certification on social responsibility (e.g. SA 8000)? If so, please attach. Attachment no. _____			
3. Does your company participate in other CSR initiatives? If yes, please attach evidence. Attachment no. _____			
4. Do you have an environmental policy in your company? If so, please attach. Attachment no. _____			
5. Do you have a policy on Corporate Social Responsibility in your company? If so, please attach. Attachment no. _____			
6. Do you have a Form 231 in your company?			
7. Do you have a code of ethics in your company?			
8. Do you have procedures in place in your company to control and contain the risk of corruption?			
9. Is there a structured system in place in your company to safeguard the privacy and integrity of information received from workers, suppliers, customers, consumers, and other stakeholders, in accordance with applicable laws?			
10. Do you feel that workers' rights, rights of association and collective bargaining are respected in your company?			
11. Do you check for discrimination based on country of origin, ethnicity, gender, religion, political orientation, disability, trade union membership, health, or other forms of discrimination?			
12. Do workers' representatives have full access to dialogue with staff in the workplace?			

<b>SCR SUPPLIER EVALUATION SURVEY</b>	<b>Supplier</b>		
	A) Relative weight (1 to 10)	B) Yes = 1 No = 0	Score (A x B)
13. Are workers' rights and protection guaranteed at your production sites, according to the legislation in force in the countries of production?			
14. In all production sites, have you introduced policies to improve the rights of workers working under your responsibility?			
15. Do you have a payroll policy at all production sites to ensure that workers and their families are fairly paid according to the hours they actually work, as well as adequate payment times?			
16. Has the company launched work/life balance tools?			
17. Has the company implemented corporate welfare initiatives?			
18. Has the company implemented employee engagement initiatives for the innovation of its processes?			
19. Do vulnerable individuals such as young workers, pregnant women, new mothers, or people with disabilities receive special protection at all production sites?			
20. Are workplace safety requirements guaranteed at all production sites in accordance with current regulations and are systems in place to detect, assess, prevent, and act on potential risks to workers' health and safety?			
21. At all production sites, are there forms of insurance to ensure the protection of workers in the event of an accident?			
22. Is adequate occupational health care guaranteed at all production sites?			
23. Are all workers provided with appropriate personal protective equipment (PPE) at all production sites?			
24. At all production sites, is access to clean water, hygienically safe food and adequate food storage and eating areas guaranteed?			
25. Are there systems in place at all production sites to check the minimum age of workers?			
26. At all production sites, does the company ensure that employment relationships do not lead to economic and social insecurity or vulnerability (precarious employment)?			
27. At all production sites, are workers informed about their rights, responsibilities and working conditions, including working hours, remuneration and payment terms, before they start work?			
28. At all production sites, are adequate working conditions guaranteed also for disadvantaged workers such as migrants or seasonal workers?			
29. At all production sites, is control guaranteed to avoid any form of involuntary work (forced labor)?			
30. Does the company use tools to communicate externally its commitment to sustainable development?			
31. Does the company adopt procurement criteria that consider the social and environmental performance of suppliers?			

<b>SCR SUPPLIER EVALUATION SURVEY</b>	<b>Supplier</b>		
	<b>A) Relative weight (1 to 10)</b>	<b>B) Yes = 1 No = 0</b>	<b>Score (A x B)</b>
32. Has the company implemented initiatives to involve its stakeholders (customers, consumers, suppliers, employees, associations, etc.) in order to improve its performance on sustainability and sustainable consumption issues?			
33. Has the company activated structured channels for dialogue and involvement of its customers/consumers for the improvement of its products/services?			
34. In your company, do you have an assessment of the environmental impacts of your production related to the products you process?			
35. Has the company launched circular economy practices (e.g. recycling)?			
36. Has the company acted in favor of the sustainable mobility of its employees?			
37. Has the company taken steps to rationalize the shipment of its goods and products, thereby reducing its impact on the environment?			
38. Has the company taken steps to improve the energy efficiency of its sites?			
39. Has the company taken steps to improve the energy efficiency of its products and services?			
40. has the company launched traineeships, apprenticeships, and training activities for young people in the area?			
41. Does the company offer technical or financial support to cultural projects and the promotion of the territory?			
42. Does the company offer technical or financial support to projects for well-being, health, integration, and prevention of discomfort in the area?			
43. Has the company prompted dialogue with the local community on adverse, controversial, and sensitive issues involving the company or the area?			
44. Does the company offer technical or financial support to projects for the environmental upgrading of the territory?			
		Final score (%)	

## 11 Fighting active and passive corruption

Ecopack shows its commitment to ethical behavior towards its stakeholders by disseminating information on compliance with the Code of Ethics and by actively taking part in initiatives aimed at ensuring compliance with the principles contained therein.

The Code of Ethics includes the Mission, the ethical principles, and the rules of conduct:

- Proper and transparent conduct
- Acting in the interest of the company and bringing to its attention any potential conflict of interest that may be detected
- Refrain from giving, promising, receiving or accepting money, gifts, or benefits of any kind in a personal capacity from a third party
- Transparency and traceability in all transactions and activities

In this respect, the main risks recognized by the company in relation to anti-corruption issues are:

- Risk of fraud and corruption relating to the purchasing process
- Risk of fraud and corruption relating to the sales and marketing process
- Risk of fraud in invoicing operations

The actions implemented to mitigate these risks involve the adoption by all employees of moral behavior, i.e. activities aimed at complying with the laws and regulations in force, Ecopack's Code of Ethics and corporate policies and practices based on honesty, loyalty, and integrity.

The principles and reference values are communicated to all employees and are accessible through the company's portal. Company employees and the parties that have business relations with it are also given the opportunity to report, in absolute confidentiality and in a completely anonymous manner, actual or hypothetical non-compliance, or those behaviors and activities that could be detrimental to the rules of conduct. In particular, the specific reference procedures are as follows:

- IS30 - Anti-corruption policy (e.g. where approval levels for expenditure and contracts have been defined)
- IS31 - Reporting improprieties and irregularities

The approach defined centrally by Ecopack is set out in the policies distributed by Ecopack to all the company's foreign subsidiaries. These principles are implemented by the latter in compliance with the regulations applicable in the countries where the foreign subsidiaries are based, as well as with the organizational structure and internal policies in place.

Furthermore, to prevent the risk of corruption within the organization:

- The Ecopack Code of Ethics is promptly sent to employees following any updates.
- Staff training courses are held on all the above issues.



- Execution of yearly internal audits.

In September 2022 the Italian headquarter received an internal audit conducted from a lawyer concerning active and passive corruption, active and passive concussion, the workers' national collective agreement, the sales and purchasing processes and the ethicality of business processes. The audit was concluded with 0 non-compliances, one hint of improvement and one observation.

Overall, all the procedures were judged as correctly applied from the management and all the employees. Ecopack is committed to the verification of anti-corruption processes on an annual basis, or whenever a substantial modification of the systems occurs.

## 11.1 Performance indicators

No case of corruption or other violations/signaling of internal/external violations of the Code of Ethics have been reported in last five years.

## 12 Health and safety at work

ECOPACK, as formalized in its Corporate Policy, considers the physical integrity of its collaborators as a primary value, and guarantees safe and healthy working environments in compliance with the regulations in force.

The commitment of the whole organization is therefore aimed at:

- 1) Respecting and complying with the regulations in force, in terms of content and principles, applicable to the individual productions and services.
- 2) Taking all necessary actions to avoid accidents or incidents that may compromise people's safety.
- 3) Reinforcing a culture of prevention by raising awareness among all internal (employees, temporary staff) and external (contractors) players on the need to comply with the safety and hygiene rules applicable to production and services, and to report dangerous behaviors and risks.
- 4) Pursuing the continuous improvement of site safety management by working on both training and the identification of risks related to the activities carried out, their removal or containment by promoting the involvement and participation of workers.
- 5) Ensuring the correct application of technologies and the correct use of hazardous chemical agents.
- 6) Pursuing the use of more advanced technologies from the point of view of health and safety or reducing the quantity and degree of hazardousness of the chemicals used.

The Company Policy is shared with foreign affiliates and the parent company, which is responsible for designing most of the equipment used in the production departments of the affiliates' sites, as well as the Italian headquarters.

The Italian headquarters has started to collect KPIs to allow benchmarking between the different group offices. One of the objectives that the Italian headquarters intends to pursue in the next two years is to adopt an Occupational Health and Safety Management System (OHSMS) that complies with the ISO 45001 standard and then, request the certification from an accredited third party.

All Group companies comply with the regulations in force in the various countries. The organization of Health and Safety in the workplace within each company of the group is as follows: in Italy the employer appointed by the Board of Directors has the power to carry out the functions and the activities aimed at fulfilling the obligations deriving from the regulations on safety and hygiene in the workplace, protection of the territory and the environment, fire prevention, and is supported by an internal Prevention and Protection Service Manager (RSPP), an occupational doctor and consultancies qualified in the subject. At the subsidiaries in foreign countries, the Plant Manager is the Safety Manager.

The Italian legislation provides for a documented risk assessment process that makes it possible to identify and assess the risks of each work phase, task, work environment, equipment, plant and machinery, and

substances used in consideration of the seriousness of the expected event, the frequency of exposure and the probability of its occurrence, and to define prevention measures to minimize the probability of risk or reduce its effects.

The most important **risks** identified in the assessment process within each company of the Group are the following:

- Risk arising from handling chemicals
- Risk arising from the use of machinery
- Risk arising from excessive noise and vibration
- Risk of manual handling of loads
- Risk of emergencies not being managed promptly and appropriately
- Risk of fire and explosion
- Risk of work-related stress
- Risk from night work

The measures identified on the basis of the risk assessment may require prevention measures, collective protection and/or the provision of personal protective equipment for workers for which the Employer/Plant Manager and the Supervisors (shift leaders) are responsible. In the event of immediate and serious risk, an Emergency Management Team is present on each work shift; emergency management procedures are established for the various scenarios, which are periodically tested during drills involving simulations of accidental events.

Continuous improvement in health and safety protection is pursued through a thorough analysis of accidents and near misses that occur despite the most careful precautions. If an accident or near miss occurs, action is taken promptly to identify the source of the accident and all possible steps are taken to prevent the event from happening again. Continuous improvement involves monitoring production activities through 'Plan Do Check Act' analysis. A further aspect of improvement in the company is the feedback from monitoring, both through self-checks (e.g. machine safety checks at the start of the shift using an app on smartphones supplied to team leaders in the various departments) and through periodic inspections by the internal RSPP, as well as analysis of reports and suggestions from workers (digital reporting via PCs available at each department, addressed to the RSPP and anonymous report box in the shift manager's office).

Since 2019, several interventions aimed at improving the safety and health of workers at the head office were completed:

- Inspection of machinery layouts at the production departments
- Optimization of material handling
- Creation of a warehouse for storing chemical products in a tensile structure
- Purchase of a new Flexo printing machine that will reduce solvent and ink consumption, replacing the previous system and covering 70% of printed production
- Continuation of works to adapt the premises for the completion of fire prevention procedures
- Creation of an external area to recharge forklifts

- Implementation of smoke detection systems with fire-fighting control panels
- Use of skilled personnel when necessary for the third night shift
- Purchase of a new equipment for the production of ramekins equipped with a rolling machine and an automatic roller conveyor to reduce the manual handling of loads
- Implementation of load handling equipment (equipment with electric pallet jacks and platform lifts, passenger lifts to facilitate handling of boxes in storage at the quality warehouse)
- Installation of enclosures with guards on some machinery to reduce environmental noise

The objectives and improvement programs for the Health and Safety of workers for the year 2021 have all been correctly carried out:

- Completion of the new entrance area, changing rooms and refreshments for employees
- Inspection of the layout of various production departments with optimized identification of pedestrian and safety passages
- Improved procedures to control and coordinating contractors working on site
- Improved procedures for equipment safety checks by the shift manager and maintenance department
- Launch of a new project to obtain Integrated Quality-Environmental and Workplace Safety Management System certification.

Our 2022:

- During February 2022 we carried out a removal of the asbestos coverage, improvement of the insulation in the Italian plant and reclamation of the overall environment of the working spaces, with a consequent upgrade in energy efficiency, heat conservation and health and safety of the workers.
- Installation of a vending machine distributing personal protection devices for the production department
- Substitution of the previous lighting system with a led lighting system in the panettoni department for improving the quality of the working environment and the upgrading of the air conditioning system.
- New roller conveyor system for towing paper for further reducing the physical effort of the workers.
- Installation of Auxiliary lifting systems for the paper reels for the machine loading phase

Concerning the near future, there are a few projects aimed at improving the health and safety of Ecopack's workers:

- Substitution of the pallets currently implied in our logistics with lighter ones: we will transition from 20 kilograms heavy pallets to more innovative ones, weighing just 6 kilograms. In this way the physical effort of the workers will be noticeably reduced. These new pallets will be made of plastics, and this feature will be a positive trait in the health and safety perspective as well, since

they will be much easier to handle, eliminating the risk for the workers of being injured by splinters.

- Substitution of the previous lighting system with a led lighting system in the panettoni department for improving the quality of the working environment and the upgrading of the air conditioning system.

Health and safety training programs are periodically carried out for all the employees. The last one for the office employees of Ecopack Italia was held in November 2022.

Ecopack's efforts in terms of health and safety have been recognized in 2020 by the Tunisian **national Ministry of Health**, Ecopack **Tunisia** was in fact acknowledged by the **national Ministry of Health** as an example of effective Covid emergency management in its country.

The Group continuously monitors and evaluates accidents through the adoption of KPIs: in particular, reference is made to the number of accidents, frequency and severity indices of accidents divided between employees, temporary workers and contractors working at the production site.

## 12.1 ACCIDENT DATA AND INDICATORS

The following data refer to accidents to the total number of employees, of external service providers services at the site, of temporary staff (temporary work agencies).

INDICATOR - KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
<b>ECOPACK ITALY</b>			
LTI -n° accidents	1	3	2
AFR-frequency index	3,73	10,38	6,38
ASR-severity index	0,04	0,26	0,14
<b>ECOPACK BRAZIL</b>			
LTI -n° accidents	5	1	10
AFR-frequency index	40,55	7,47	194,14
ASR-severity index	3,46	2,38	3,95

INDICATOR - KPI	RESULT	RESULT	RESULT
<b>ECOPACK CANADA</b>			
LTI -n° accidents	0	5	0
AFR-frequency index	0	0	0
ASR-severity index	0	0	0
<b>ECOPACK INDIA</b>			
LTI -n° accidents	0	0	0
AFR-frequency index	0	0	0
ASR-severity index	0	0	0
<b>ECOPACK RUSSIA</b>			
LTI -n° accidents	0	1	0
AFR-frequency index	0	15,4	0
ASR-severity index	0	0,2	0,1
<b>ECOPACK TUNISIA</b>			
LTI -n° accidents	1	0	0
AFR-frequency index	14,60	0	0
ASR-severity index	72,98	0	0

## 13 RESPONSIBILITY TOWARDS THE ENVIRONMENT

### 13.1 Energy efficiency and sustainable energy consumption

As a demonstration of its great attention to reducing its environmental impact, in recent years ECOPACK has made a series of investments aimed at significantly improving its energy efficiency.

The Italian production site combines technological requirements, linked to strict sector regulations, with functional needs and constructive logic, all with respect for the environment.

Since 2020 we are renovating our contract for the supply of green electricity, which allows the company to purchase and consume **electricity produced 100% from renewable sources**.

Coherent with the clean energy supply principle, starting from 2023 a photovoltaic system with a nominal power of 800 kw will start producing energy from the roof of the Italian plant. During 2023, corporate management is projecting to increase the dimension of the photovoltaic system by covering with solar panels a portion of land of company's property, currently unused.

An important technological innovation introduced in November 2020 is the **High-Pressure Flame Reversing Steam Generator with an efficiency of 90% to 96%** fueled by methane gas, which produces the steam for the corrugating machines in the semi-finished product department. Previously the steam was generated by the thermal oil-fired thermal power plant through an evaporative condenser. The new method of steam production allows a **better energy performance** due to the higher efficiency of the steam generator compared to the thermal oil power plant, as well as greater flexibility in operation.

Natural gas is used directly as fuel in the steam generator, in the thermal oil power plant, in the Combustion plant for abatement of emissions from the printing department.

Electricity is mostly used for compressors. With the aim of saving electricity, in January 2023 two new generation double stage compressors will start working in the Italian plant; also, a beko-split separator was installed in Ecopack Italia, to improve the air-filtering process destined to machinery use.

Thermal energy is used in the form of diathermic oil for the printing department, and for heating (hot water) and, as specified above, no longer for steam generation.

**Electricity consumption outweighs natural gas, both in terms of primary energy consumption (75%) and in terms of CO<sub>2</sub> equivalent emissions (66%).**

### 13.1.1 Energy consumption data and energy performance indicators

INDICATOR - KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity in tons of finished product	2,541	2859,81	3147,56
MWh of electrical energy consumed	4,565	4742,66	5022
SCM of consumed gas	270,734	243,305	235,436
Tep consumed	1,096	1105,00	1154,00
Tep consumed/t of finished product	0,43	0,39	0,37
IPG Power (MWh/t product)	1.8	1,658	1,596
IPG Methane gas (CMS/kg of product)	0.1065	0,0851	0,075

In 2019, a **multi-meter power monitoring system** was installed in the main consumption centers, and since 2021 we are analyzing the related data through a software tool. The energy efficiency measures proposed downstream of Energy Diagnosis were implemented, i.e. **the oil-filled MV/LV transformer was replaced** with a higher-power resin transformer with more suitable technology, increasing transformation efficiency from 93% to 98%; **training, awareness and involvement were carried out at all levels** of the corporate structure and in all areas (operational, management, administrative, maintenance and logistics) to improve energy and production performance; The power factor correction unit was replaced with a more efficient one in order to reduce electricity loss (reactive energy).

The foreign subsidiaries also have **variable speed compressors equipped with inverters** to optimize operation according to compressed air demand. In order to identify any compressed air leaks in the network, a regular **compressed air leak detection** campaign will be carried out in the field from 2021 onwards.

With a view to saving the energy used for heating, a **new high-performance condensing boiler** has been installed in 2021 to heat the new office building, the changing rooms and the canteen area.

ECOPACK **designs** its production equipment with sustainability and efficiency in mind. To reduce consumption, all equipment with electric heating is fitted with **insulating materials** to minimize heat loss. All production equipment is equipped with a timer to manage shifts, holidays, closures, etc., reducing downtime.

IT infrastructure energy consumption is reduced by using **cloud-based servers**, which means lower consumption with the same efficiency. Out of the 6 servers, 3 are physical and 3 in cloud-based, the latter



managing the ERPs of some subsidiaries. Physical servers are of the latest generation and the server room is also monitoring and accounting for electricity consumption.

The company is considering adopting an **ISO 14001:2015** certified environmental management system for the Piobesi Torinese plant by 2021 and an **ISO 50001:2018** certified energy management system by the following year.

## 13.2 Reducing greenhouse gas emissions

ECOPACK has fixed equipment for air-conditioning offices and production departments (refrigeration units) running on the **latest generation of refrigerant gases**, which are subject to leakage control as greenhouse gases and energy efficiency checks at the intervals laid down by current legislation.

In order to reduce greenhouse gas emissions generated by transport activities, the company, which mainly uses external couriers, has launched a campaign to **collect data and raise awareness among transporters** by sending an informative questionnaire to obtain information on the fleet of vehicles used, policies and programs for updating and improving them; the aim is creating an evaluative scorecard for our couriers, as we do with our paper suppliers. We want to know for example if they have projects concerning routes optimization, shorter waiting times, fleet renewal with cleaner fuels, energy certifications, and if they are calculating their ghg emissions. The final aim is making our supply chain the cleanest and greener possible.

Also in 2023, the layout of the raw materials and the packaging warehouses will be revised to improve the internal flux of the pallet transportation. Attention is paid to the palletization phase, limiting overflowing pallets to optimize transports and obtain the maximum filling of the means of transport and the number of trips.

In February 2023 a new project has been launched, aimed at greening our logistics. We substituted our pallets with new plastic ones, destined to the transportation of our finished product; these plastic pallets are extremely light: they have a weight of less than 1/3 of the current pallets utilized, and they are made from recycled plastic, and are recyclable as well. The combination of these two aspects is extremely interesting, since thanks to their light weight, they can support the same number of boxes but with a lower impact on the trucks used for the transportation. A lighter transportation means a diminished emission of greenhouse gases, and their recyclability means lower impact on the environment.

The plastic material is an intelligent choice also for what concerns health, safety and quality, because the wooden pallets are more easily damageable, and splinters are often created, threatening the operators; also, wooden pallets are more subject to contamination from insects and external agents because of the porous material, and could in fact compromise our products.

In the past we already worked in this direction, the 10% of our pallets were in fact managed through a triangulation process between the pallet supplier, us and the client to which we were selling. In this way our clients were able to give back these pallets to the supplier, so that no new pallets were ever purchased.

Concerning transportation and the related ghg emissions, Ecopack Italia for its internal logistics transportations exclusively uses electrically fueled vehicles; moreover, the company which supplies us the

electricity, Acea, only sources it from renewable sources: this makes our internal transportation sustainable under every point of view.

Since the COVID-19 epidemic, ECOPACK also applied smart working with a resulting reduction in the mobility of its employees, which is currently still in use up to two days a week.

### 13.2.1 Type 1 and Type 2 GHG emissions data and indicators

INDICATOR - KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Refrigerant greenhouse gas leakage (kg)	0	0	0
Thermal energy produced (Mwht)	2,632 000	2,364920	2059,765
CO <sub>2</sub> emissions (tons) from thermal energy produced	535	480	467,38
CO <sub>2</sub> emissions (tons) from fuel consumption of company vehicles	51	51,20	54,59
CO <sub>2</sub> emissions (tons) from greenhouse gas leakage	0	0	0
Total gross amount of Type 1 GHG	586	531,20	522,02
Total gross amount of HG type 2 CO <sub>2</sub> (purchased electricity)	1,179	1222	1233,55

Type 1 relates to the company's direct emissions from, e.g. fuels for air conditioning and energy production, fuels for company vehicles, fuels for the production process; while Type 2 relates to indirect emissions, as their physical production takes place by third parties outside the company and is not under its control.

### 13.3 Water management (consumption, discharges, spills)

At Ecopack, only municipal drinking water is used. The production cycle only consumes water for cooling the corrugating machines in the rotary press department, which we converted to a closed circuit in 2021, and for washing certain parts of the equipment. Another source of water consumption is the washing of equipment parts that come into contact with glue, as well as the use for toilets and the humidification of rooms.

Regular training sessions are held for workers to train them and make them aware of the sensible use of water and energy. ECOPACK believes that water is a precious resource that must be constantly managed with utter responsibility.

The water softener implied in the thermal power plant as a steam generator for the production processes was substituted in 2022, with a more energetically efficient one. Thanks to this new technology, not only

energetic consumption was noticeably reduced, but the machineries' life was extended, because of the reduced limestone accumulation, which has consequently reduced the breakdowns due to this issue.

There are no industrial water discharges, only civil waste or similar from the use of the toilets. Washing water from the corrugating machines is recovered in tanks and disposed of as waste (to avoid discharging water and starch glue into the sewer system).

Absorbent products are available for use in the event of a chemical spill; however, these products are placed on containment tanks (to avoid soil and subsoil contamination in the event of a spill).

### 13.3.1 DATA ON WATER CONSUMPTION

#### Ecopack Italy

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (Lt)	1.184.000	1.829.000	2.145.000

#### Ecopack Brasile

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (Lt)	1057,49	1096	1710,26

#### Ecopack Canada

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (liters)	1013,00	883	962

#### Ecopack India

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (Lt)	6,000	6,000	189,920

#### Ecopack Russia

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (liters)	484	482	423

**Ecopack Tunisia**

INDICATOR – KPI	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Quantity of consumed water (liters)	175	210	230

## 13.4 Our future oriented production

Since always, Ecopack believes in innovation as a leading force and as a distinctive element for its production. Every year the machinery park of the plants is revised and integrated with new technologies, aimed at improving our qualitative standards and environmental impact. These measures support us in guaranteeing the highest standards of food safety, the most attentive workers' health and safety and the most efficient production capacity.

### 13.4.1 PROCESSES AND INNOVATIONS

Concerning production, in the last years we have undergone several innovations. In 2022 we integrated our machine park with more efficient technologies, aimed at increasing productivity and at the same time diminishing their environmental impact. Our machineries can now produce a greater number of pieces thanks to a higher speed, consume less energy, and therefore allocate a lower environmental impact to every piece of our production.

These technological improvements have been fundamental for the innovation of our production processes: the aim has always been the one of managing in a more efficient way quality assessments and efficiency checks; this has been possible thanks to the installation of sensors and cameras for the verification of conformity of every piece of the production, with the consequent eventual automatic machinery breakdown whenever a case of non-compliance occurs.

In other productive lines, the installment of cameras improved both the ergonomic aspect and the reduction of manual work, thanks to the remote control of production. This is very important especially for what concerns the working conditions of operators, who can at the same time optimize the productive times and improve their working conditions, reducing to the minimum the time implied in the movements between the different machineries.

Ecopack adopts in its production processes the lean production philosophy, with the scope of reducing every kind of waste to the minimum, not only in a productivity optic but also in a sustainability one. Methods such as the Gemba Walk, Kanban, and the organization of daily meetings for the workers

operating in the production departments are by now fundamental and on the daily agenda for the conduction of the business.

The usage of project management instruments and software such as Salesforce and Airtable are of utmost importance for the general management system of the company, especially since they connect all the subsidiaries in real time.

Processes concerning the operating personnel's information are every year more digitalized: the entire production staff executes its work smartly and in an easily accessible manner, thanks to tablets, personal smartphones, and digital department totems. The operators have easy access to information related to production processes in real time: production scraps, non-compliances, improvements, working procedures, troubleshooting, general working instructions, instructions on different themes such as quality, maintenance, environment, and safety.

## 13.5 Product improvements

These are the projects that are being currently carried out and that will be the focus of 2023:

- **Improvement of the products' weight**

Improving the weight of our products affects sustainability under different perspectives: lightening the weight of the products we are able to produce the same amount of pieces, while reducing raw material consumption; other that, this results in a consistent reduction of emissions when it comes to transportation: less trips and lighter trips.

- **Optimization of the cutting process**

We are aiming at optimizing the management of the cutting processes during the semi-finished product processing, aiming at reducing the production waste. We are calculating our current scrap production with the aim of understanding the optimal height of the paper reels implied in our production for reducing waste.

- **Technical improvements for reducing waste**

We are at the same time working directly on our machineries for maximizing waste reduction.

- **Revision of ink consumption**

We are revising ink formulations, trying to adapt them to the actual ink consumption, with the aim of finding the exact amount necessary for our production. at the same time we are revising the latter formulations trying to find the best one in terms of recyclability, compostability and adaptation to the current machinery in use.

## 13.6 Sustainable packaging (material consumption, environmental impact from product use and end-of-life)

Ecopack has been producing paper containers and baking molds worldwide since 1939, and it has always been at the forefront of research, with a constant mission for improving the impact it has on the environment, to transform its production in an ever more **environmentally friendly one, continuously looking for new alternatives to plastic.**

The improvement of our **production processes** in terms of sustainability has always been a priority. Especially concerning raw materials, we are always striving for finding solutions that have the capacity to provide our products with the same finish and performance capacity while using less raw materials, always choosing the ones that have a lower environmental impact. Research for renewable and biodegradable raw materials is the main focus of Ecopack’s R&D team.

Our aim is in fact the reduction of the environmental impact of our production throughout the whole supply chain.

**Paper packaging** has many advantages over other materials such as aluminum and plastic. Paper is biodegradable, it allows faster cooking (saving energy), it is not harmful to health, and it allows the use of metal detectors at the end of the production line.

Moreover, paper molds can be used in both traditional and microwave ovens.

Ecopack is a leader in the design and production of **paper containers for food**, committing its resources to enhancing the sustainability index of paper as a raw material and progressively reducing the environmental impact throughout the supply chain.



The strategy for packaging sustainability is based on:

**LESS RAW MATERIALS:** Ecopack designs machines and molds to make **paper products lighter, without losing strength.** This means less consumption of resources (energy, water), fewer chemicals and fewer emissions during transport. A combination of the minimum grammage and an optimum composition is at the basis of the products we offer to our customers; this is possible without the loss of the characteristics that can guarantee the expected performance and the required functions (e.g. grease barrier or resistance to high temperatures), minimizing the consumption of paper and other raw materials, surface treatments and all environmental impacts (e.g. end-of-life of the product thanks to recyclability or compostability of

materials), as well as energy consumption in production. In order to reduce paper and ink consumption in the case of printed products, the customer is offered multiple printing, lightweight paper, centered printing to avoid off-cuts.

**SELECTION OF RAW MATERIALS:** The Ecopack team is always looking for innovative and high-performance raw materials (paper, ink, and glues) which may not only offer sustainable products, but also meet market demands and environmental standards. All Ecopack products are made from raw materials that comply with international regulations concerning **food contact suitability**. The raw materials used are **carefully selected** and of the **highest quality**. The main raw material for our products is **paper**.

The fiber used in the production of our paper is a **certified renewable resource** from **well-managed forests** controlled by a chain of custody. Our paper suppliers are certified according to the requirements defined by **FSC®** (Forest Stewardship Council®) **standards**. ISO14001, ISO9001 and preferably BRC and/or IFS certified paper mills are preferred. All paper orders from November 2020 are for FSC certified raw materials, so as to ensure the gradual disposal of all non-certified material in stock, with the exception of a single product (plum cake) which will be certified as 'Controlled Wood' (i.e. a material that can be mixed with certified material during the manufacture of products labelled as FSC Mixed). Currently, we are buying 100% FSC paper, as we planned for 2021.

Most of the paper we use in our productions do not contain fluorocarbons (**PFOA-free**).

Among the products supplied by the paper mills, preference is given to material with a certificate of compostability such as **OK Compost Industrial**. The glues used for the range of compostable for plum cakes, *colomba* and *panettone* are starch-based vegetable glues.

All the glues implied in our production processes are suited and certified for food contact.

Many ranges of Ecopack's products containing glue in their composition are certified for recyclability but not for compostability. To increase the ecological value of these products, our research and development team has found a compostable glue suited for this specific kind of gluing, that will make the certification of these products possible in the near future. The realization of these new processes is possible thanks to Ecopack's R&D department, which constantly tests new materials and their possible applications, new recipes, and thousands of samplings.

In 2020, Ecopack participated in a **CONAI CONTEST FOR ECODESIGN on product sustainability** and the company **won the contest** with its Lotus product with **Cocoa Paper**, which was awarded for saving raw materials and use secondary raw materials.



**DEVELOPMENT OF NEW TECHNOLOGIES:** The first pillar of its activities is research and innovation, with the aim of producing **lighter products** and reducing resource consumption. Where the product and its intended use allow so, the **equipment is designed to engrave paper instead of printing it**, to reduce ink consumption. To reduce the consumption of raw materials, a **printing machine** with a closed-chamber blade has been installed, able to reduce the natural consumption of acetate and the ink consumption thanks to the presence of viscometers for automatic viscosity control and optimization of the use of chemical products. Inks are another important part of our production and are elements that can influence the compostability of a product when present in a certain concentration. We are currently scouting suppliers with which we can collaborate for testing new compostable inks in our in-house machineries, with the aim of certifying as compostable also some of the printed lines.

**END-OF-LIFE SUSTAINABLE PRODUCT:** Ecopack manufactures products with a minimized environmental impact (**recyclable or compostable**). Customers are provided with information on the recyclability of the materials through the provision of Certificates of Origin and Recyclability.

Concerning the end of life of our products, our intention is to extend recyclability and compostability to most of our lines. most of our panettone alto e panettone basso, colombe, torte and special molds, in their natural, brown and printed paper obtained the Ok Compost Industrial certification issued by TUV Austria; the products comply with EN 13432, which establishes the characteristics that a packaging must have in order to be biodegradable and compostable, retaining their technical properties.

We are working for extending recyclability to the pie range, utilizing a releasing agent instead of siliconized paper, to increase the recyclability of the line. The research and development of environmentally friendly materials able to provide the products with optimal anti-sticking properties without using silicone is only one of the numerous projects carried out by the R&D.



All the baking molds can be used in the oven and are certified to withstand up to **220°C**. They are also suitable for use in the **microwave**.

**LESS WASTE:** Waste of raw materials is minimized through supply chain planning and production cycle engineering. The stages and steps in the product industrialization phase are optimized to reduce waste in production. In production planning and scheduling, criteria are adopted to reduce the number of mold changes and, hence, waste in the start-up phase. Paper waste is recovered as a secondary raw material. The secondary packaging of our products is designed based on the size of the final product in order to optimize the number of boxes and the number of pieces to be packaged. Palletization is also designed to optimize space during transport to the customer and thus reduce the number of trips.

To **reduce the consumption of chemicals and the production of waste**, the following technological solutions are already implemented:

- Closed circuit for diathermic oil from the boiler.
- Recovery and recycling of solvent from ink distillation by means of 2 distillers that recover the dirty solvent by cleaning and reusing part of the solvent and dispose of only the remaining sludge, with a consequent reduction of the exhausted solvent to be sent for disposal as hazardous waste.
- Use of 1 washer to wash printer components equipped with a closed circuit.

Ecopack is **UNI EN ISO 9001:2015** certified for **Quality System management** and according to the **BRC global standard version 5** for **packaging and packaging materials**.

Ecopack also adopts the **Aticelca®** rating system for recyclability.

## 13.7 Where we are and where we are going

In 2022 almost the 50% of our finished product had an environmental certification.

We went from 0% to the 26,1% of compostable finished product sold, while a 18,4% of finished product was certified as recyclable.

Our goal for 2023 is maintaining this trend, certifying as compostable a whole range of paper cups, and a whole range of tulip and lotus cups. The process of certification is not immediate, since many LCA must be carried out, but we are constantly working on it.

In 2022 we carried out many tests for sampling some of our product lines with a new sustainable paper partially coming from agricultural waste. The circularity of the raw materials implied would confer to the products a relevantly lower environmental impact. Ecopack would at the same time support the agricultural community, buying the byproduct coming from their production.

### 13.7.1 RAW MATERIAL CONSUMPTION DATA AND SUSTAINABLE PACKAGING INDICATORS (\*)

INDICATOR – KPI *	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Paper consumption (in tons)	3333	3976	4323,30
Ink consumption (in tons)	25.6	42,74	45,45
Solvent consumption (in tons)	32.5	34,78	33,91
Glue consumption (in tons)	146.7	178,38	176,12
Quantity of FSC paper consumed (in tons)	891.00	3597,71	4136,04
% of FSC paper consumed compared to total paper	26.71	90	95,52
Quantity of cocoa paper consumed (in tons)	30.26	39,62	19,91
% of cocoa paper consumed compared to total paper	0.91	1	0,46

\* Data refer to ECOPACK Italy only.

## 13.8 Emissions and air quality

ECOPACK has a Single Environmental Authorization for the Italian plant pursuant to art. 3 of Presidential Decree no. 59 of 13/03/2013 issued by Executive Determination no. 245-39908/2015 of 04/12/2015, which authorizes atmospheric emissions originating from converting processes (lamination, corrugation), gravure and flexographic printing (effluents are conveyed into the emission after abatement in a thermal afterburner that abates the organic substances present in the C.O.T. by burning the pollutants present in the effluents inside a combustion chamber), welding in the carpentry department. Gaseous effluents are self-controlled according to the cyclicity established in the Authorization by means of analyses carried out by a qualified laboratory. Analyses were carried out in the year 2019 (for emissions subject to three-yearly controls) and in the year 2020 (annual control of the parameter C.O.T. on entry to the afterburner). Emissions from heat generators, which are maintained and controlled in accordance with current legislation on thermal plants, are not subject to authorization.

Emissions into the air from the plants of foreign subsidiaries are also authorized in accordance with current local regulations. A recent improvement implemented is the covering of the combustion chamber of the afterburner with refractory materials to obtain greater insulation in the chamber.

### 13.8.1 DATA ON AIR EMISSIONS AND HEAT GENERATOR EFFICIENCY

INDICATOR – KPI *	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
COT value found in post-combustion emissions analysis (compared to authorized limit) 20 mg/Nm <sup>3</sup> )	5.82	11,15	3,80
Dust emission value (three years) (compared to authorized limit 10 mg/Nm <sup>3</sup> )	Not applicable	Not applicable	0,86
Efficiency % of diathermic oil thermal plant	94.7	99,30	98,55

\* The performance of the new steam generator installed in November 2020 is not available yet.

### 13.9 Waste, effluents, and soil pollution

ECOPACK works to reduce the amount of waste produced and to increase the percentage of recoverable waste and is committed to transferring these materials only to companies authorized in the recovery process.

The types of hazardous waste produced by the company are: compressor condensate, washing water, toners, mineral oil, packaging contaminated with hazardous substances, sludge and ink sludge, waste solvent.

In order to reduce the amount of packaging waste, it has been agreed that the supplier will take back empty glue cans; it will be assessed in 2021 whether it is feasible to have the supplier also take back paint cans.

It is not easy to achieve a reduction in the production of paper and cardboard waste as paper waste is a natural part of the production process. Efforts to reduce the production of plastic packaging waste include asking paper reel suppliers to reduce plastic protective packaging where not necessary and buying products (e.g. salt, glue) in larger containers to reduce their paper or plastic primary packaging.

The solvent from ink distillation is recovered and recycled using two distillation machines, with a consequent reduction in the amount of spent solvent to be disposed of as hazardous waste.

The installation of an internal weighing system is planned for 2021 in order to have more detailed data on waste production to be used to study areas of intervention.

Over the last few years, sorted waste collection in the departments has been improved and clean and dirty rag containers have been provided to each department.

The production cycle does not discharge industrial waste, but only civil waste. There are no underground tanks. Chemical products are stored in containment tanks to prevent spillage onto the ground.

#### DATA AND INDICATORS ON WASTE PRODUCTION

INDICATOR – KPI *	RESULT YEAR 2020	RESULT YEAR 2021	RESULT YEAR 2022
Amount of non-hazardous waste produced (in tons)	1,569	1257,30	1245,01
Amount of hazardous waste produced (in tons)	4.46	16,20	22,39
% of produced waste dispatched for recovery compared to total	99	98,72	97,7

## 14 Annexes

- Annex 1      Ecopack Corporate Social Responsibility indicator set  
Annex 2      Code of Ethics