

# SUSTAINABILITY Report

2023





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## Management letter to stakeholders



The history of Ecopack has been characterized, since its founding in 1939, by two pillars: passion for innovation and respect for the environment. Thanks to the vision of those who led it before us, over the years the company has undergone strong development, expanding its boundaries to four continents, always having an eye on progress, but remaining faithful to the idea of maintaining the quality and craftsmanship of the past. This living spirit persists to this day, accompanied by an entrepreneurial attitude that cherishes the environment around us and the community within it. We therefore believe it is essential to share the results of the economic balance sheet and the achievements in the field of sustainability, as global events clearly demonstrate that the growth and development of a country, as well as a company, cannot be separated from a serious and constant dedication to environmental and social sustainability. Ecopack is dedicated to this precise commitment on a daily basis, adopting strategies and placing strong emphasis on these principles. Directing our every action toward sustainability, ensuring

integration between products and processes, will always be our main goal, thereby creating economic and environmental value. This approach aims to offer virtuous solutions for our customers and for society as a whole, embodying the ideal we hope for the future of all companies, regardless of their business sector.

It is with pride and excitement that we present to you our first Sustainability Report, prepared on a voluntary basis, which illustrates the journey we have been on together for many years. Sincere thanks go to all our stakeholders and employees, who with great dedication work alongside us and we are sure are in tune with our corporate vision. We wish everyone an enjoyable read.

**Annalisa e Francesco Ferri,**  
CEO Ecopack Group



# COMPANY MISSION AND VALUES

# 1

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# 1. Company mission and values

Ecopack is a company that specializes in the design and production of specific cooking molds and packaging for the global food industry. Established in 1939 and headquartered in Turin, Italy, it has expanded globally in recent years with new offices in Canada, Brazil, Tunisia, Russia and India. Working closely with leading international bakery companies, it has developed many years of experience in the design and development of paper molds. Ecopack's solutions are ideal for industrial production, for the production of ramekins for highly automated lines, for distributors and professionals. Ecopack's General Management has always considered it a definite responsibility to make decisions that are sustainable, not only from an economic point of view, but also in terms of impact on people and the environment. Ecopack is aware of the need to consolidate the organization's position in the sector in which it operates, setting as its goal a growth in sales for each type of product destined for its customers, ensuring constant product quality and food safety and optimal customer service.

In terms of environmental sustainability, Ecopack is committed on multiple fronts:

- > Reduction in the use of raw materials (paper), minimizing waste;
- > Promotion of sustainability and the circular economy through various initiatives;
- > Increased focus on compostable products and the use of recycled raw materials;
- > Optimization of processes to reduce energy consumption and the overall environmental impact at its production sites.

Ecopack promotes transparent and ethical behavior that contributes to sustainable development, the welfare of internal staff and the community in which it operates. Relying on local and national suppliers, with whom the Group's companies have for many years established a partnership of common growth of skills and values, and employing local workforce, have always been part of the strategic mission. Ecopack also adheres to the United Nations Global Compact



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 to its suppliers or customers in each of the relevant issues:

- > Working conditions and occupational health and safety
- > Reducing environmental impacts and resource consumption

> Ethics and sound management practices

See also the public report, available on the Global Compact website. Ecopack translates the above outlines into objectifiable numerical indicators and targets, resources and specific action plans, evaluating their progress in periodic reviews in which the Executive Board and the functions of the various production sites are involved, in order to ensure their full achievement.

## 1.1 Highlights 2023

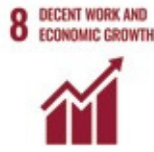
Italy, together with 192 other UN member countries, in 2015 signed the **2030 Agenda for Sustainable Development**, an action program declined in 17 Goals (Sustainable Development Goals - SDGs) and 169 Targets aimed at promoting prosperity and development and, at the same time, protecting the planet. Ecopack supports the initiative promoted by the United Nations and wants to contribute, through its commitment and activities, to the 2030 agenda and the achievement of the SDGs (Goals). In the table below we highlight the strengths of 2023 management of sustainability issues, correlating them with the United Nations Sustainable Development Goals - SDGs. Additional goals for the future are also highlighted, as Ecopack is continuously seeking improvement on these issues. In the chapters that follow, the Goals and material issues prioritized for Ecopack (see the section THE MATERIAL MATRIX par. 1.6) are further addressed, defining the actions it intends to pursue, the performance indicators monitored, and the resources that will be used.





OUR PEOPLE

GOALS 2030



STRENGTHS

- > 90 % of workers are employed on permanent contracts
- > 50 % of the workforce are women
- > 30 % of the Group's workforce is in the 19-32 age group
- > Various work-life balance and welfare measures available to staff
- > Easy exchange of information through wide availability of hardware and application systems for internal communication (including anonymous reporting)
- > Reduction in weight of more than 50 % of the platforms with the switch from wooden to recycled plastic platforms, reducing biomechanical overload on workers
- > No reports from staff on harassment or discrimination
- > No reports on anti-corruption/business ethics issues

TARGETS FOR THE FUTURE

- > In 2024-2025 training to all employees on code of ethics and issues such as harassment, bullying, and diversity in all its forms
- > By 2026 certification of the ISO 45001 occupational health and safety management system for the Italy site
- > In 2024-2025 development of workflows linked to the company ERP, for process automation and operator support
- > In 2024-2025 development of a software system for staff performance appraisal based on goals and competencies

RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN

GOALS 2030



STRENGTHS

- > 100 % of suppliers relevant to production involved on sustainability issues
- > 82 % of suppliers scoring at least 60 % from the Corporate Social Responsibility questionnaire.

TARGETS FOR THE FUTURE

- > Maintaining 100 % of production-relevant suppliers involved on sustainability issues in 2024
- > Exceeding in 2024 the level of 82 % of suppliers scoring at least 60 % from the Corporate Social Responsibility questionnaire

OUR COMMITMENT TO THE COMMUNITY

GOALS 2023	 3 GOOD HEALTH AND WELL-BEING	 4 QUALITY EDUCATION	 5 GENDER EQUALITY	 8 DECENT WORK AND ECONOMIC GROWTH	 10 REDUCED INEQUALITIES	 11 SUSTAINABLE CITIES AND COMMUNITIES
STRENGTHS	<ul style="list-style-type: none"> <li>&gt; Various organizations, public or private associations working in the educational, social, cultural or environmental advocacy fields receive ongoing support from the Ecopack Group</li> <li>&gt; Support in various forms to local staff at the sites of foreign subsidiaries in difficulty (for dealing with health or personal issues of employees, with financial support through salary advances).</li> <li>&gt; Ecopack is an Evovadis gold medalist (the world's largest provider of corporate sustainability ratings).</li> <li>&gt; Ecopack is a member of the United Nations Global Compact, a strategic corporate citizenship initiative.</li> <li>&gt; Supporting the Treadm initiative on agroforestry projects to build sustainable ecosystems and enable thousands of farmers to plant trees, ensuring food sovereignty and income opportunities</li> </ul>					
TARGETS FOR THE FUTURE	<ul style="list-style-type: none"> <li>&gt; Ongoing support to public or private associations, working in the educational, social, cultural or of the environment</li> <li>&gt; Continued initiatives conducted at foreign locations by Ecopack in order to protect the territories in which it operates and to contribute to the development of a more ethical and sustainable business model</li> <li>&gt; Maintenance of the Ecovadis gold medal</li> <li>&gt; Obtainment of SMETA certification</li> <li>&gt; Ongoing support for the United Nations Global Compact</li> <li>&gt; Support for the Treadm initiative on agroforestry projects to create sustainable ecosystems in various parts of the world</li> </ul>					

PRODUCTS SUSTAINABILITY

GOAL 2030	 3 GOOD HEALTH AND WELL-BEING	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	 14 LIFE BELOW WATER	 15 LIFE ON LAND
STRENGTHS	<ul style="list-style-type: none"> <li>&gt; Company system certifications for quality and food safety BRCGS Packaging (for Italy, Canada, India and Tunisia) and FSC 22000 (for Brazil)</li> <li>&gt; All our product ranges can be made of paper and other components declared PFAS-free</li> <li>&gt; Products are manufactured without the application and use of substances included in the list of SVHC (List of Substances of Very High Concern)</li> <li>&gt; In 2023, approximately 42% of finished products sold had a certificate of compostability or recyclability.</li> </ul>					
TARGET FOR THE FUTURE	<ul style="list-style-type: none"> <li>&gt; FSC 22000 certification for the Russia site by 2024 &gt; New grass fibre product line in 2024</li> <li>&gt; By 2025 reduction in the amount of glue used in products at the Italy site by at least 30% compared to today</li> <li>&gt; By 2025 we want to obtain a green claim for 65% of the finished products sold, extending the certification of recyclability and/or compostability to other products</li> </ul>					

RESPONSIBILITY TO THE PLANET

<p>GOALS 2023</p>	
<p>STRENGTHS</p>	<ul style="list-style-type: none"> <li>&gt; 100 % of paper entering the product composition (primary packaging) FSC® certified</li> <li>&gt; 800 kW of photovoltaic panels in operation by 2023</li> <li>&gt; 100 % certified electricity from renewable sources</li> <li>&gt; Weight reduction of more than 50 % of pallets by switching from wooden to recycled plastic pallets, with reduced handling, transport and disposal costs (due to increased reusability) and reduced food safety risks for the product.</li> <li>&gt; Reduction of 27 % by weight of plastic film used to tape the finished product pallets, for the Italy site in 2023</li> <li>&gt; For the Italy site in 2023, atmospheric emissions measured in Total Organic Carbon (TOC) down compared to the previous two years previous two-year period</li> <li>&gt; For the Italy site in 2023 a reduction in the number of waste transports of approximately 30% &gt; For the Italy site in 2023 a reduction in the amount of undifferentiated civil waste of 53% compared to 2022</li> </ul>
<p>TARGETS FOR THE FUTURE</p>	<ul style="list-style-type: none"> <li>&gt; In 2024 entry into production of photovoltaic panels in the Italy factory for an additional 780kW</li> <li>&gt; Covering, with self-generated electricity via photovoltaic panels, at least 30 % of annual requirements</li> <li>&gt; 100 % of purchased electricity certified from renewable sources</li> <li>&gt; For the Italy site in 2024, reduction in the amount of undifferentiated civil waste by 20 % compared to 2023</li> <li>&gt; Monitoring and reduction of water consumption for all sites by 2025</li> <li>&gt; One day per week available for employees for smart working, starting in 2024</li> <li>&gt; Certification of the environmental management system to ISO 14001 by 2025 &gt; Certification of the energy management system to ISO 50001 by 2025</li> <li>&gt; 5% reduction in total gross greenhouse gas emissions by 2030 (Scope 1)</li> <li>&gt; 20% reduction in total gross greenhouse gas emissions by 2030 (Scope 2)</li> </ul>

## 1.2 Certifications

All Ecopack products are made from raw materials (paper, glues, inks) that comply with international regulations concerning suitability for food contact. The raw materials used are carefully selected and of high quality. All baking moulds can be used in the oven and are certified to withstand temperatures of up to 220 °C. They are also suitable for microwaves. Ecopack believes in the importance of always improving the quality of its products. This is why it is proud of its certifications (different for the various sites, please refer to the individual certificates for the site to which it applies).

- > BRCGS PACKAGING
- > UNI EN ISO 9001:2015
- > FSC® Certification
- > Kosher certification
- > Kosher Passover(English)
- > Kosher Passover(Jewish)
- > Aticelca
- > CEPI
- > Ok Compost Industrial
- > OK Compost Home



## 1.3 Business model

Ecopack produces and markets its products with the objective of supporting its customers in safeguarding the well-being of consumers worldwide. Ecopack products are intended for direct and indirect contact with different types of foodstuffs and are intended for customers who require a strong product customisation, as they are also the means by which the customer proposes its brand. This entails continuous challenges for the satisfaction of each customer in the food industry and the end consumer, acting both directly, i.e. within its own organisation, and indirectly, through the active involvement of the actors in its supply chain, starting with the suppliers of raw materials (paper and other materials), up to the suppliers it uses for logistical and distribution aspects: all these actors are an integral part of the different areas in which the company produces and markets its products. The objective of a sustainable business policy is not only to reduce potential negative environmental impacts in the territories where Ecopack is present, but also to bring significant contributions in economic and social terms, as well as awareness that creates value, in an increasingly competitive context, to contribute to the protection of the environment and the rights of populations. In this regard, one of the key factors of Ecopack's success at global level is its ability to innovate, develop, produce and market products in step with new market requirements and able to continue to build a relationship of trust with its consumers. This is done with respect for the needs and peculiarities of the communities in which it operates, in which Ecopack aims for a respectful integration of local principles and customs, where these meet the criteria of legality and the principles of sustainability set out in this document.

To this end, Ecopack is constantly making investments aimed at both innovation and increasing production capacity to meet its customers' demand, as well as guaranteeing the quality of the raw materials used and the product sold. There are also continuous investments aimed at improving energy efficiency, environmental sustainability and safety in the working environment. In particular, the company designs and manufactures the main production machines for moulding the finished product and can therefore be very incisive in advancing technological innovation in the areas of product quality, food safety, energy saving, reduction of environmental impact and operator safety.

## 1.4 Sustainability at Ecopack

Ecopack's thinking and dedication have always been oriented towards giving shape to what becomes the protagonist on a table to celebrate both important occasions and everyday affection. The effort of the food industry, of the distributor, and of the individual professional in the search for natural and sustainable ingredients finds the right answers in the use of paper, which with its technical properties accompanies the product towards an end-of-life included in a model of circular economy. Choosing to offer your customers a product within paper packaging means having a vision oriented towards a sustainable future, with products that respect the environment. By using paper moulds, baking is faster, saves energy and allows the entire production process to be controlled with metal detectors at the end of the line. Conventional or microwave ovens are not a limitation for a paper mould. The research and development of papers with a low environmental impact, such as the latest one, made from grass and cellulose fibres, and the continuous improvement of the production processes are proof of how central this goal is for the entire company.

“

*Choosing to offer your customers a product within paper packaging means having a vision oriented toward a sustainable future.*

Ecopack considers sustainability to be a key factor in its activities, with a commitment that extends to all areas, starting from the sourcing of raw materials, throughout the entire production process, up to the supply and distribution of products to commercial partners or end consumers. This commitment is also applied in personnel management (with particular reference to its development and safety in the workplace), in environmental impact management and, more generally, in all the communities in which Ecopack operates or whose activities generate an impact. Ecopack has for many years been committed to monitoring numerous indicators relating to product quality and food safety, personnel management (skills and safety in the workplace) and environmental aspects. This is also by virtue of the certifications of the Quality Management System according to **UNI EN ISO 9001** and the Food Safety Management System according to **BRCGS Packaging** or **FSSC 22000** standards, for the sites where these apply. For these standards Ecopack is subject to annual audits by accredited and independent Third Party Bodies, as well as by



several major customers in the food production sector. The quality and food safety management systems, even at sites not yet certified, are structured according to common lines of action, dictated by Group headquarters, in order to guarantee maximum consumer safety. Also with a view to a future and imminent ISO 14001 'Environmental Management System' certification and the continuous improvement of energy performance, Ecopack has developed a very extensive set of CSR improvement indicators that can be consulted in the appendix. This monitoring, with a view to continuous improvement, was the starting point for the planning and implementation of important operational investments in recent years,

aimed at ensuring compliance with regulations, improving production efficiency, reducing risks (and environmental impacts) related to raw material consumption, discharges, potential spills, emissions and waste production, as well as reducing accidents and injuries in the company. A reference document is the **Ecopack Code of Ethics**, which provides a framework for the company's activities, starting with the Mission and values for employees. The ultimate aim of the company is to create value by adhering to 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 in which it operates by contributing to their economic and social progress.

## 1.5 Risk management

Ecopack has adopted an evolved model of risk and opportunity analysis in response to ISO 9001:2015 that takes into consideration all the risk factors linked to stakeholders (see section 1.6): the main risk factors (potentially negative impacts) linked to the needs of the various stakeholders are analysed, as well as the opportunities for growth that could derive from improving the processes of management and control of these risks, borne by the various company functions. This model, which has been extended to most of the foreign subsidiaries, makes it possible to identify, monitor and manage across the board the main risks connected to the performance of company activities, defining appropriate mitigation plans. This risk management model also supports management's strategic and decision-making choices and favours the creation of value for stakeholders in the long term.

Ecopack has also adopted a series of protocols and management systems to protect against specific risks in various areas, including workers' health and safety (Risk Assessment Document in accordance with articles 17 and 28 of Legislative Decree 81/2008 - Consolidated Work Safety Act), food safety of packaging and the fight against material fraud (according to the BRCGS Packaging or FSSC 22000 standards and the HACCP - Hazard Analysis and Critical Control Point method) product and service quality (according to the ISO 9001 standard), ethical and responsible management of the forests from which paper is derived through the FSC® mark (active for all sites except, at the moment, for the Russia site), fight against corruption (Code of Ethics, specific procedures and internal regulations). In each area, Ecopack carries out continuous improvement activities in order to effectively manage risks.

## 1.6 Dialogue with stakeholders

### 1.6.1 Stakeholders

The sustainability approach of Ecopack S.p.A. involves building a relationship of trust with the numerous stakeholders within its sphere of activity. The company has conducted a mapping of its stakeholders, identifying their level of influence and analyzing the relevance of sustainability issues within the industry as they pertain to these stakeholders. Stakeholders are the interest groups that revolve around the organization.

They represent the universe of individuals and entities significantly interested in the company's products, services, status, and well-being. Depending on the strategic importance of these stakeholders to its business, Ecopack aims to define goals and indicators that take into account their satisfaction and the contribution they can make to the organization's success. The company is also continuously engaged in raising their awareness about sustainability issues. Shareholders, on the other hand, are the company's owners who hold shares of its capital. Shareholders are obviously also stakeholders of the company, as they fall into the group of investors alongside other potential financiers.





## Examples of stakeholder dialogue and engagement

- > Local community through solidarity projects;
- > Final consumers through web and social communication;
- > Periodic meetings with our clients and our commercial and marketing teams;
- > Ownership and investors through periodic reporting and meetings;
- > Suppliers through periodic meetings with purchasing or audit with quality teams;
- > Employees through periodic communications, internal procedures, training, and engagement activities on the culture of quality and food safety, awareness on safety and the environment, ethics, or other ESG topics;
- > Financial institutions through periodic communication and reporting;
- > Consumer associations and category associations through web and social communication, and meetings;
- > Union trades through periodic meetings and direct communication;
- > Regulatory bodies/institutions through periodic audits, conferences, and communication on the web and social media;
- > Local universities/schools through research projects, conferences, seminars, internship opportunities, and communication on the web and social media.



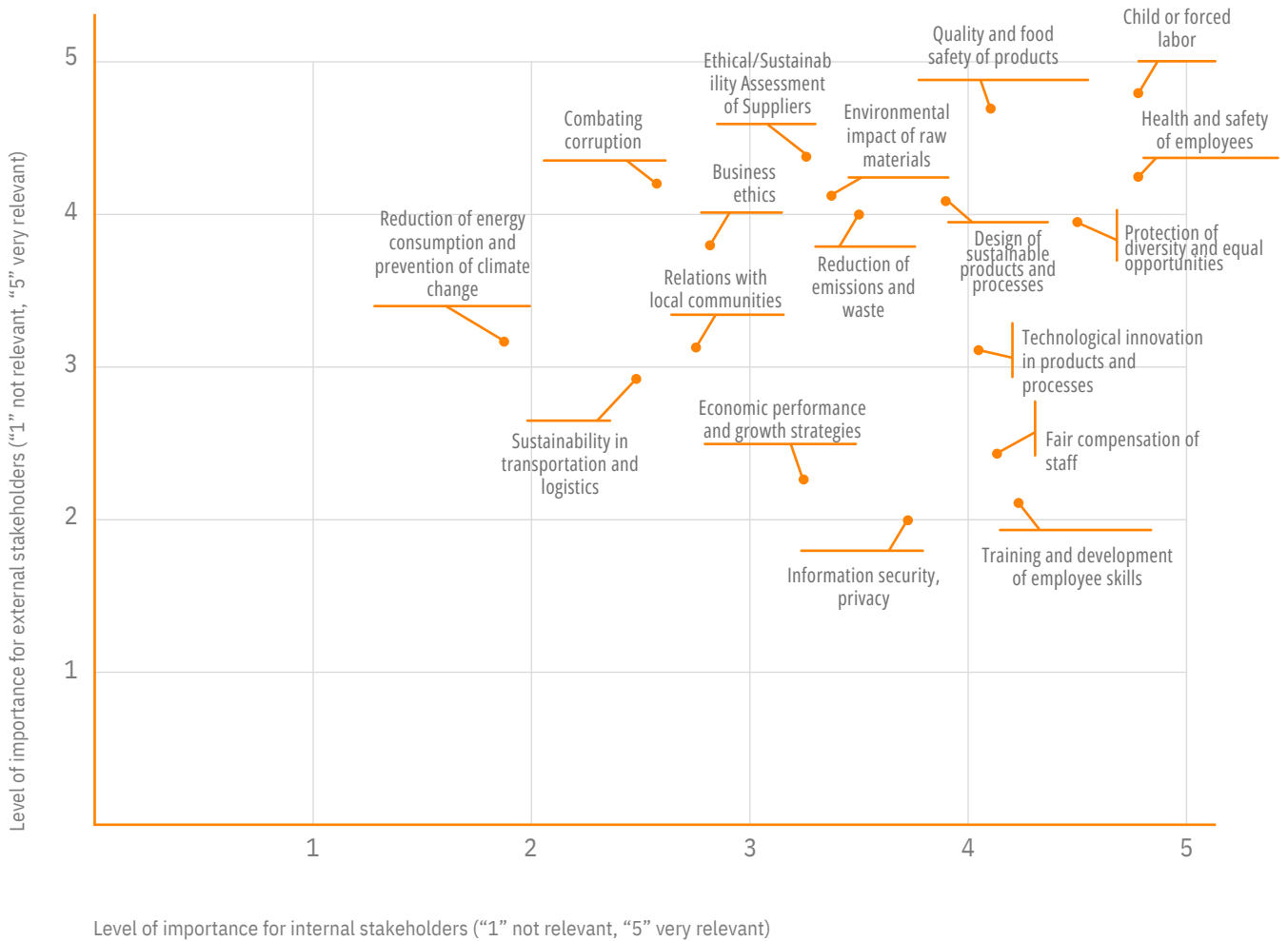
## 1.6.2 The Materiality Matrix

The analysis conducted by Ecopack focuses on the importance (**materiality**) of various aspects related to its activities. For this purpose, Ecopack has implemented a materiality analysis process, conducted according to the GRI (Global Reporting Initiative) sustainability reporting guidelines. The goal is to identify the issues that could significantly affect the company’s ability to create value in the short, medium, and long term, and which are most relevant to Ecopack and its stakeholders. These issues are identified as “Material Topics,” meaning sustainability aspects relevant to the organization that are considered capable of influencing stakeholder decisions and impacting the company’s economic, environmental, and social performance. Therefore, they are reported in this report.

The results of the materiality analysis are illustrated in the matrix below. It consists of a graphical representation of the importance assigned to each topic from the perspective of the company's Management (horizontal axis) and the identified stakeholders (vertical axis). These topics have been reorganized and aggregated to provide a more effective and easy-to-read representation. Each economic, environmental, and social aspect has been evaluated in relation to the interest of each stakeholder, using a rating scale from 1 to 5 (where "1" represents "not relevant" and "5" represents "very relevant"), thus constructing the materiality matrix, of which only the fourth quadrant is shown.



### MATERIALITY MATRIX



The aspects identified, based on stakeholder evaluation, have been placed in the fourth quadrant and are therefore deemed relevant for the development of performance indicators mentioned in various sections of this Report. The graph shows that topics such as the quality and safety of products, prevention of child or forced labor, ethical and sustainability assessment of the supply chain, environmental impact of raw materials, employee health and safety, and the design of sustainable products and processes are perceived as priorities for both external and internal stakeholders.

Similarly, both internal and external sources consider the reduction of environmental emissions, waste, and technological innovation in products and processes to be relevant. Significant attention is also given to relations with local communities, business ethics, combating corruption, and reducing energy consumption and preventing climate change. An essential goal for Ecopack is to achieve the best possible results while respecting all stakeholder needs, with a commitment to continuous improvement that aligns with the legitimate growth expectations of all interested parties.

# COMPANY AND PRODUCTS

# 2

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## 2.1 Governance Structure

Ecopack S.p.A. adopts a traditional governance model that includes the following corporate bodies:

**Board of Directors:** The collegial administrative body responsible for managing the company.

**Board of Statutory Auditors:** The supervisory body responsible for overseeing the company's activities.

Name	Title	Date of birth
Francesco Ferri	Chairman of the Board of Directors - Shareholder	1969
Annalisa Ferri	CEO - Shareholder	1964
Edoardo Fea	Chairman of the Board of Statutory Auditors	1970
Roberto Panero	Alternate Auditor	1961
Francesco Gerla	Auditor	1967
Andrea Ferrandi	Auditor	1976
Annamaria Esposito Abate	Alternate Auditor	1970

Auditing firm: Deloitte & Touche S.p.A.

Ecopack S.p.A. is not a public company or a listed entity. The Board of Directors, which also includes the company's two shareholders, possesses diverse and qualified professional expertise in strategic development, commercial activities, economic-financial matters, legal issues, and marketing/communication. The Board has embarked on a process of internal growth and engagement on sustainability issues, with the goal of enhancing the knowledge of the highest governing body on these topics.

Independent members are appointed to the Board after a selection process that includes:

- > **Verification of Independence Criteria:** Ensuring compliance with legal independence requirements, which include: Not having had any substantial relationship with the company or affiliated companies; Not being part of the company's management or executive team, nor having ever been an employee of the company or affiliated companies; Not having been involved in the day-to-day management of the company and thus having had no “significant relationship” with the company, either directly or indirectly as a partner, shareholder, or official of an organization that has ever had a relationship with the company.
- > **Assessment of the Candidate’s Suitability:** Evaluating the candidate’s background, skills, and professional experience to determine their potential to add significant value to the Board's activities in specific areas where independent director input is deemed beneficial.

The highest governing body, the Chairman of the Board of Directors, directly assumes responsibility for managing the organization's impacts on the economy, environment, and people. Senior managers or other employees must periodically report, according to defined schedules, to the highest governing body on the management of the organization's impacts on the economy, environment, and people. Board meetings and Boards of Statutory Auditors are held on a quarterly basis, as required by law.

In the Board of Directors (CDA), the topics typically discussed are:

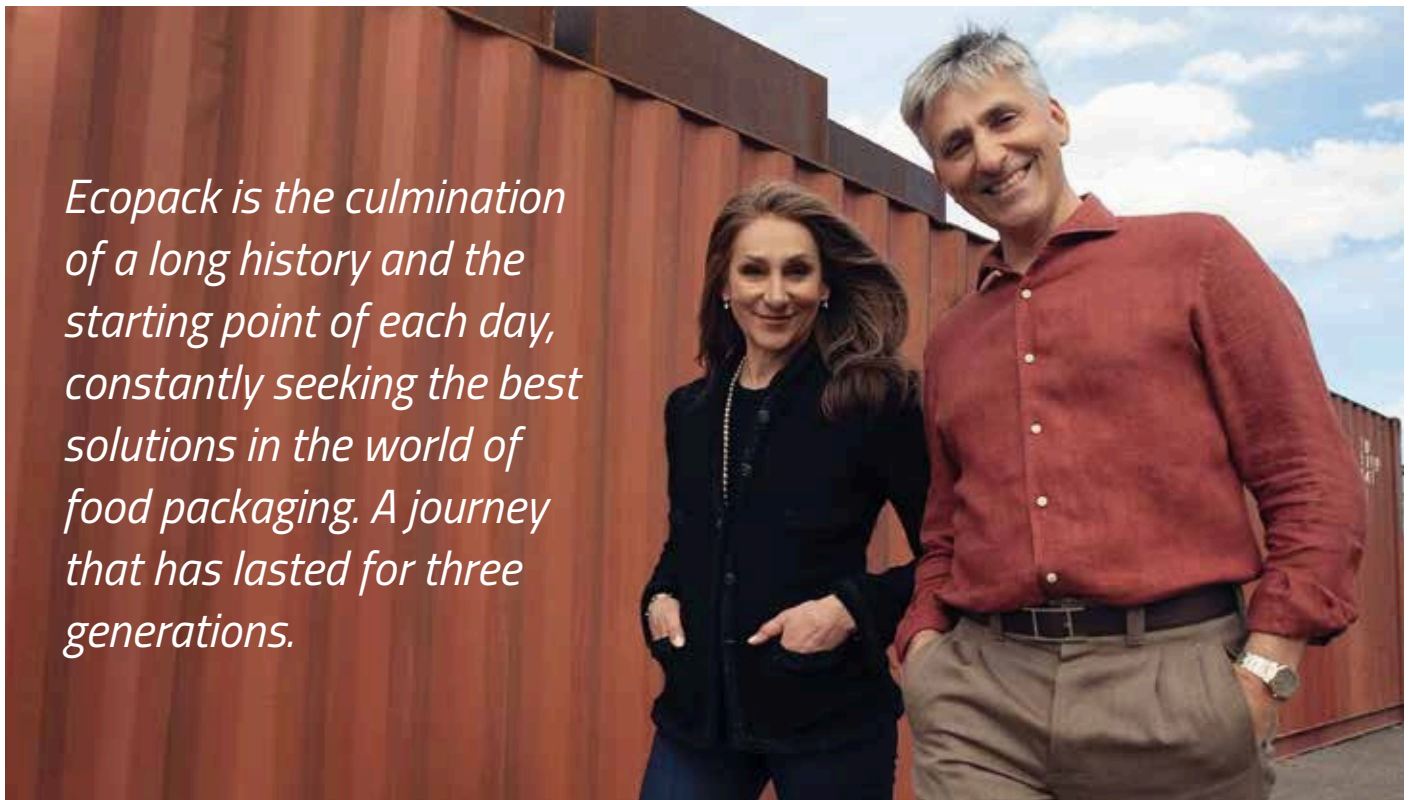
- > Update on the economic, financial, and asset situation of all group companies;
- > Update on the medium/long-term strategy adopted by the company;
- > Approval of documents such as: Annual Financial Statements and Consolidated Financial Statements.

In the Boards of Statutory Auditors, in addition to the above, the following topics are cyclically addressed:

- > ESG (Environmental, Social, and Governance) issues;
- > Workplace safety;
- > General overview of the insurance coverage adopted by the company for various business risks;
- > Update on any ongoing disputes of various types (customers/suppliers/employees).

## 2.2 Ecopack at a glance

### 2.2.1 History

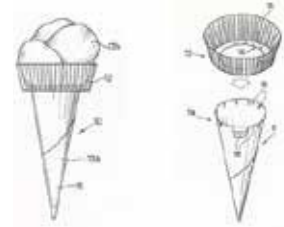




1939

Salvatore Ferri takes the first steps to build a family legacy that has lasted for **over 80 years** by founding the company S. Ferri & C. s.a.s.

The **inclination for invention** is evident from the very beginning: to address the shortage of wafer cones due to the war, a paper cup for ice cream cones is patented.



1947

The increase in consumption during the economic boom leads **major industrial clients** to turn to the company. The production of the first panettone molds begins.



1965

The company's entrepreneurial spirit and technical know-how lead to a groundbreaking development: the creation of a machine that enables the industrial production of the **world's most famous paper cup**.



1985

The children of Luigi, Annalisa and Francesco Ferri, join the company. The **company's name becomes Ecopack**, by which it is known today.



1987/88

The company introduces products with **more sustainable materials**: thus, the light pie is born, a paper tray that replaces aluminum molds.



2002

Ecopack expands its reach: in addition to the historic headquarters in Italy, production sites are established in **Brazil, Canada, India, Russia** and **Tunisia**.



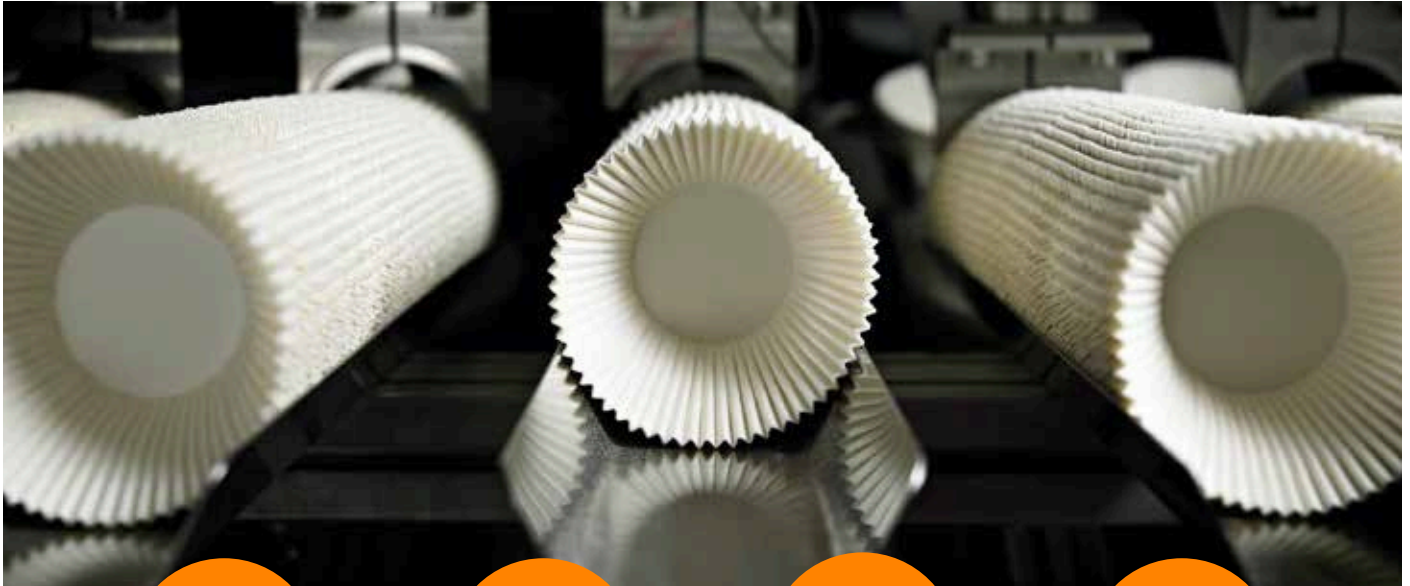
2006/2013

The search for solutions with a reduced environmental impact becomes increasingly necessary. The company launches its first **compostable products** and prepares to embrace new challenges.



2020/2024

## 2.2.2 Italian quality, global market



**85**



Years of history

**6**



Production sites

**71k**



m<sup>2</sup>plants

**500**



Employees

Ecopack was founded to create solutions for the food industry: it has consistently taken on the challenges posed by clients with packaging issues to deliver the best possible product to the end consumer. With 85 years of history and strong technical know-how, the company now employs over 500 people and operates 6 production facilities, established over a span of 10 years to serve industrial clients in their new markets.

Ecopack's global expansion has been driven by a growth strategy aimed at meeting the needs of our international clients. From our first facility in Italy, the heart of our know-how and operations, we have opened new plants in other strategic regions of the world: Canada, Russia, Brazil, India, and Tunisia. This has allowed us to be closer to our clients, reducing delivery times and increasing operational efficiency. The choice of locations was made considering proximity to our key clients and the presence of advanced logistical infrastructure. This enables us to ensure consistent product quality and performance across all our global operations.

Ecopack sets uniform corporate standards for quality and management across all its facilities. The Italian quality of Ecopack is consistently reflected at every location, ensuring a high and consistent level of performance and products across all our global operations.



## 2.3 The numbers that make us market leaders

**2000**



active clients

**+105%**

last 5 years

**84**



served countries

**+3,7%**

last 5 years

**63,8 M** 

turnover

**+49%**

last 5 years

**+10 B** 

items produced

**+20,4%**

last 5 years

## 2.4 Company plants



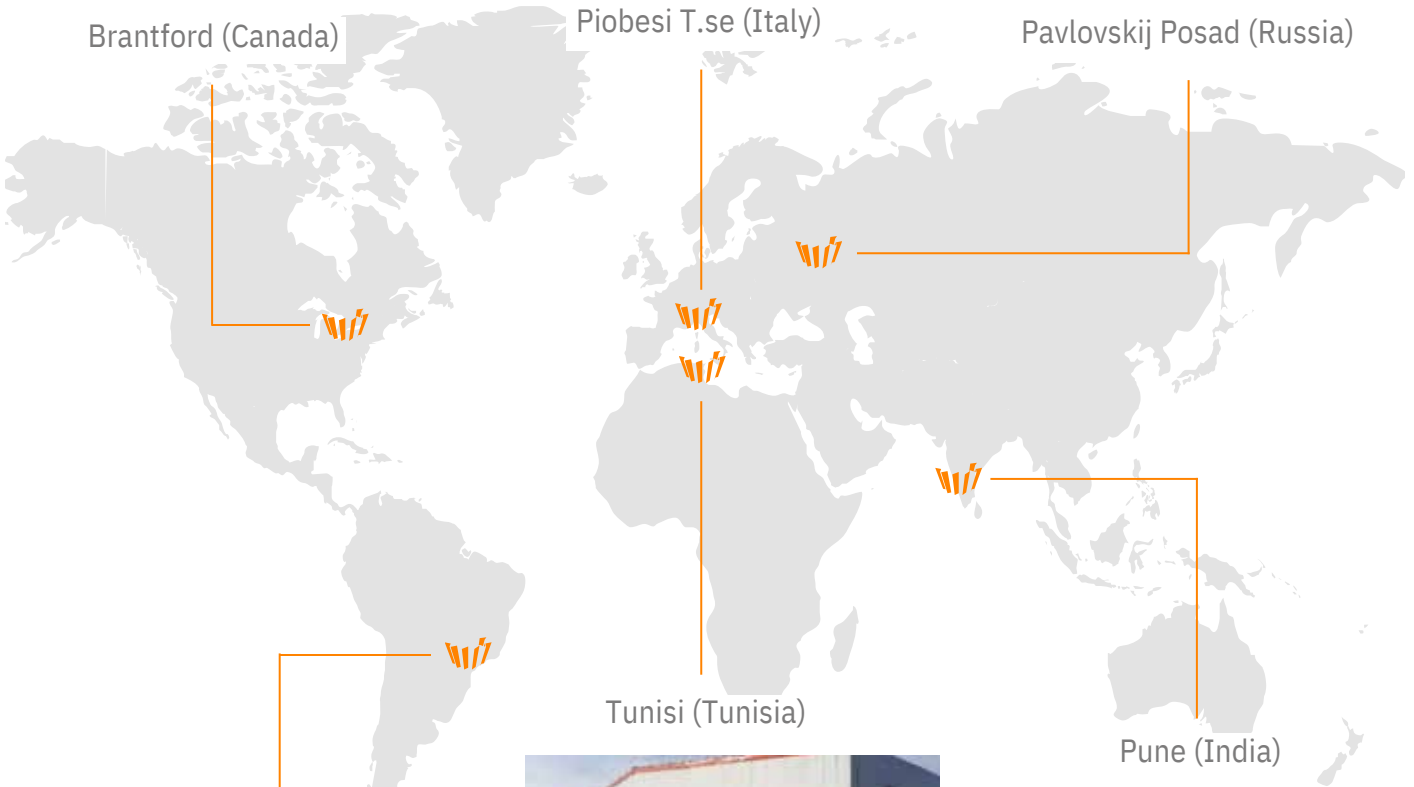
Brantford (Canada)



Piobesi T.se (Italy)



Pavlovskij Posad (Russia)



Indaiatuba (Brazil)



Tunisi (Tunisia)



Pune (India)

## 2.5 Product range

Ecopack's product range includes over 800 items, available in various sizes and types of paper. All molds and paper cups are suitable for baking and final presentation.



### SEASONAL BAKING MOULDS



PANETTONE ALTO AND BASSO

COLOMBA

### ROUND MOULDS



TART

PIE WITH ROLLED EDGES

## SQUARE AND RECTANGULAR MOULDS



PLUMCAKE



PIE WITH ROLLED EDGES



PLUMPY



## MUFFIN SOLUTIONS



MUFFIN AND TRAYS



PAPER CUPS



TULIP & LOTUS



PANETTONCINO

## PROFESSIONAL LINE



Line designed specifically for professionals (bakeries, delis, ovens, and the HORECA sector), requiring packaging with a reduced number of pieces.

## RETAIL PACKAGING



Custom retail packaging with fully personalized designs and desired quantities, ready to be branded with the logos of the most prestigious clients.

### OK COMPOST INDUSTRIAL PRODUCTS

Research and development of sustainable solutions have enabled Ecopack to launch its line of compostable products. Baking molds for panettone, colomba, and cake have been certified with the "OK COMPOST INDUSTRIAL" certification.



#### PANETTONE ALTO



#### PANETTONE BASSO



#### COLOMBA



#### TART



#### SPECIAL MOULDS



## OK COMPOST HOME PRODUCTS

Our paper cups and Tulip and Lotus molds have also recently received the prestigious "OK Compost Home" certification, making them an excellent choice for environmentally-conscious businesses.



### ROUND PAPER CUPS\*



### RECTANGULAR PAPER CUPS AND SPECIAL SHAPES\*



### TULIP AND LOTUS\*



All round paper cups, trays, Tulip, and Lotus molds in **white paper** also have the OK COMPOST INDUSTRIAL certification.



# TERRA MOULDS

## FROM THE EARTH AND BACK

### NEW COMPOSTABLE TERRA MOULDS LINE

Terra Moulds is the new line of compostable products made from grass paper. This Italian-made paper is composed of up to 40% grass fiber sourced from the mowing of golf courses, is free from PFAS, and is certified OK Compost Industrial. What makes the Terra Moulds line so eco-friendly? Unlike traditional paper production, where pulp is separated from lignin using significant amounts of energy, water, and chemicals, grass paper can be prepared using purely mechanical methods, resulting in substantial energy savings. This makes it an example of circular economy.



MUFFIN



TULIP



PLUMPY



PIE



## PRODUCTS PORTFOLIO BY PLANT



ITALY



Paper cups



Panettone alto



Plumpy



Pie



Colomba



Muffin



Panettone basso



Plumcake



Tulip



Tart



Paper Pan



Lids



BRAZIL



Paper cups



Panettone alto



Plumpy



Pie



Tulip



Muffin



Panettone basso



Plumcake



Panettoncino



Tart



Paper Pan



Lids



CANADA



Paper cups



Panettone alto



Plumpy



Pie



Tulip



Muffin



Panettone basso



Plumcake



Panettoncino



Paper Pan



**RUSSIA**



Paper cups



Panettone alto



Plumpy



Pie



Tulip



Muffin



Panettoncino



Panettone basso



Plumcake



Tarts



Lids



**INDIA**



Paper cups



Tarts



Plumcake



Paper bags



Paper sticks



**TUNISIA**



Paper cups

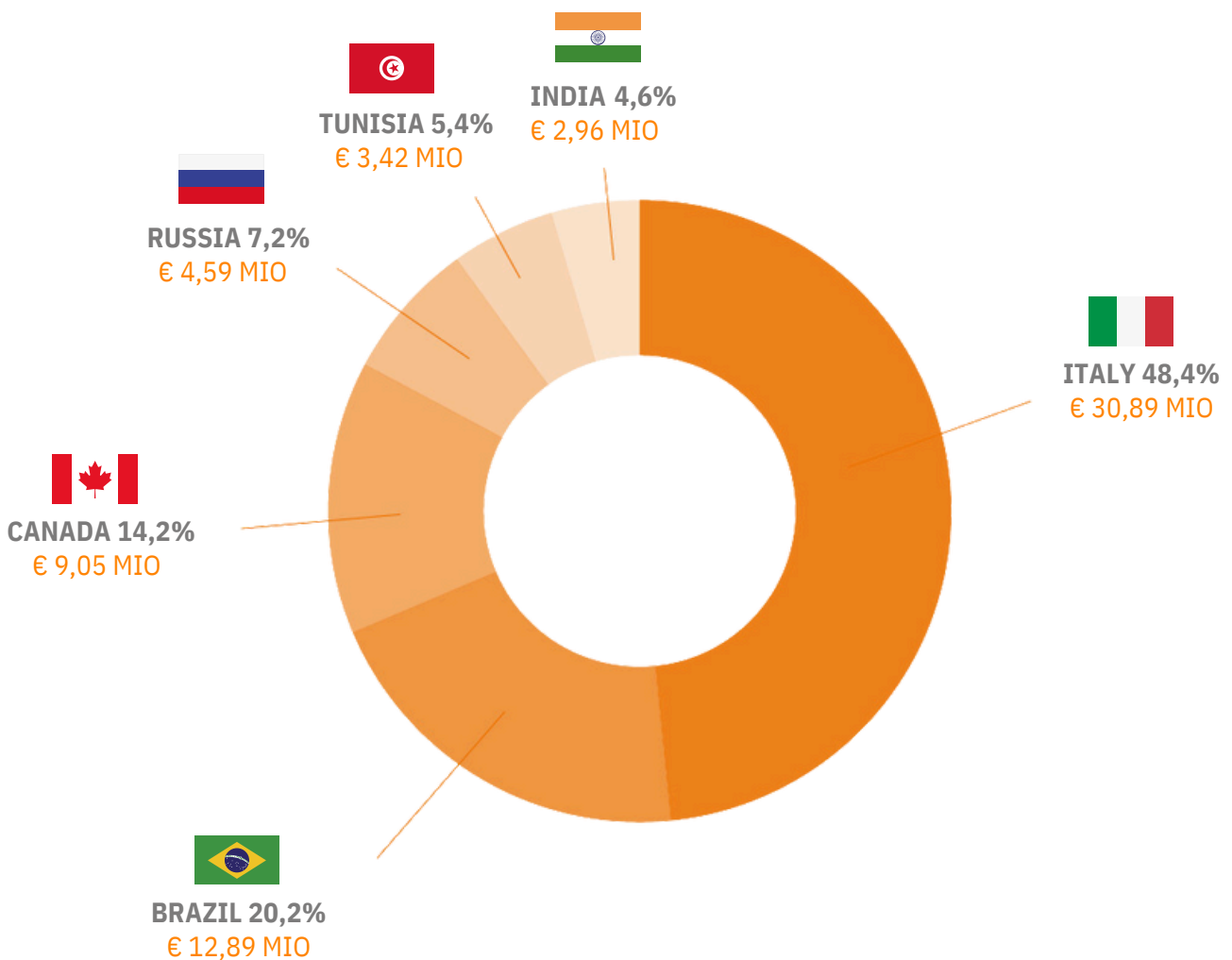
## 2.6 Economic performance

The turnover of Ecopack S.p.A. presented below refers to the Consolidated Financial Statements 2023, prepared in accordance with IAS/IFRS, and also includes the performance of foreign companies that are part of the Group, net of intercompany transactions.

The consolidated gross sales as of 12/31/2023 were € 63,795,658 of which:

- > € 30,891,190 realized in Italy
- > € 32,904,468 realized in the foreign offices

### TURNOVER BY COUNTRY YEAR 2023



In 2023, Ecopack had a positive performance in terms of revenue development, with **8.8 percent growth over 2022 and 33.3 percent growth over 2021**. In addition, the total economic value generated was:

> partly distributed to stakeholders (suppliers, employees, local community, public administration) and represents the Organization's impact on the community in which it operates and throughout the value chain

> partly retained in the company (depreciation, reserves)

## 2.7 Organization, management, and control

Ecopack has not yet adopted an Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001, but has laid the groundwork for its full adoption through the management systems described in Section 3 and through the drafting of the following internal documents and procedures:

- > Code of Ethics
- > Corporate Mission and Values (see para. 1)
- > Corporate Internal Regulations
- > PR12 - Human Resources Management Procedure
- > IS30 - Anti-Corruption Policy
- > IS31 - Reporting Malfeasance and Irregularities
- > IS32 - Gifts Donations and Gratuities
- > IS33 - Expense Reimbursement Management
- > IS34 - Use of prepaid corporate cards
- > IS35 - Management of passive cycle billing expenses general
- > IS36 - Management of billing cycle passive materials raw materials
- > IS37 - Cash flow management
- > IS38 - Personnel management
- > IS39 - Active cycle billing management.

The company has also already identified the activities within the scope of which potential risks may be identified in relation to the commission of the offenses indicated by Legislative Decree 231/2001. Ecopack promotes the dissemination and effective knowledge 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 collaborators are required to cooperate in the full and effective implementation of the same by immediately reporting any violation, through various tools, including anonymous ones, with which the company has equipped itself (see also Section 3.3.1 on Privacy Management). Ecopack also provides for the implementation of mandatory training programs for all personnel, with the aim of ensuring effective knowledge of the Code of Ethics and the company's policies and procedures. The same is done with foreign subsidiaries, which are called upon to comply with them, in line with the regulations applicable in the countries where they are based, as well as organizational peculiarities.

## 2.8 Policies in the social and environmental field

Ecopack has adopted, as described in the preceding paragraphs, Policies and Procedures to foster a responsible approach to the management of operational activities in the various business contexts. These documents, which are inspired by the principles of fairness, transparency, honesty and integrity, define the reference principles regarding the management of the main social and environmental issues. The aim is to spread awareness of these issues and at the same time share good practices within the company. The management of operational activities can be characterized by a local connotation that is reflected in the procedural scope that takes into account 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 policy instruments related to socio-environmental issues, which will be further developed in the chapters to follow.

## People, Health and Safety and Human Rights Supply Chain

*Documents: Company policy, Code of Ethics, management system procedures (workplace safety, environment and energy, ethics and social responsibility, environment)*

*Documents: Corporate policy, Code of Ethics, procedure for evaluating suppliers on ESG issues*

### **Commitment to**

Promote a work environment and behavior characterized by:

- > respect for the dignity of each individual;
- > the professional growth of employees and the promotion of equal opportunities.

Protect the occupational health and safety of its employees in all places where its personnel are called to work, promoting responsible behavior by all

### **Commitment to require suppliers**

- To sign the company's policy on quality, environment, safety, respect for human rights, ethics, social responsibility and legality as well as the values of the Code of Ethics;
- To respond to a questionnaire on the issues mentioned in the previous point, the answers to which will be subject to periodic evaluation;
- Certifications in the areas of quality, food safety, environment, energy, safety in the workplace, ethics and social responsibility;
- To promote collaborative relationships having attention to the best professional standards, best practices in ethics, health and safety protection and respect for the environment;
- Pay utmost attention to suppliers of materials and services' compliance with high quality and food safety standards of production processes.

## Product Quality and Food Safety

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

### Commitment to

- Pay the utmost attention to quality, product food safety and hygiene of its production processes, pursuing the path of continuous innovation;
- Provide accurate, complete and truthful information so that the customer and the end consumer can make a safe, rational and informed decision;
- Protect the occupational health and safety of its employees in all places where its personnel are called to work, promoting responsible behavior by all.

## Anti-corruption

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

### Commitment to

- Carry out all activities with loyalty, fairness, transparency and honesty and in compliance with legality;
- Have a fair 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 the company.

## Environment and local communities

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

### Commitment to

- Comply with current regulations related 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 investment and employee involvement in the process of risk prevention and environmental protection;
- Promote technological investment and employee involvement in the process of reducing energy consumption;
- Consider the needs of local communities and contribute to their economic and social development.

# OUR PEOPLE

# 3

Staff inclusion and empowerment	3.1
Diversity and equal opportunity	3.2
Code of ethics	3.3
Employee welfare: welfare policy	3.4
Training and talent development	3.5
Health and safety protection	3.6
Injury data and indicators	3.7
Human rights	3.8



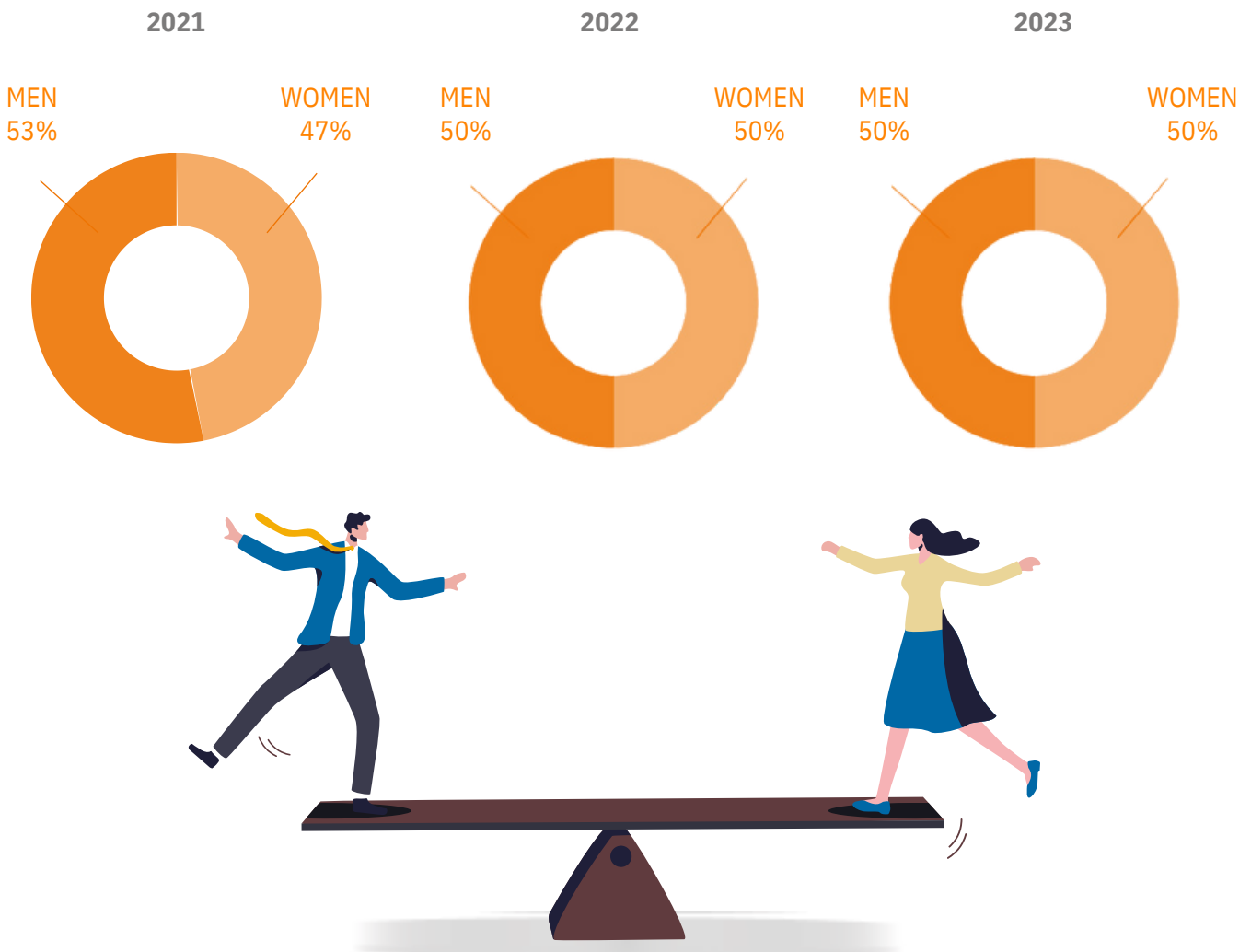


### 3.1 Staff inclusion and empowerment

Human resources constitute for Ecopack (and for each of the Group's sites) a fundamental component for the constant and sustainable development of the business, and their proper management makes it possible to contain potential risks related to the loss of attractiveness to talents, whether they are present in the company or intend to be part of it. For this reason, the company is committed to ensuring an inclusive, diverse and safe working environment aimed at the well-being of workers, where everyone feels a part of and responsible for the results achieved.

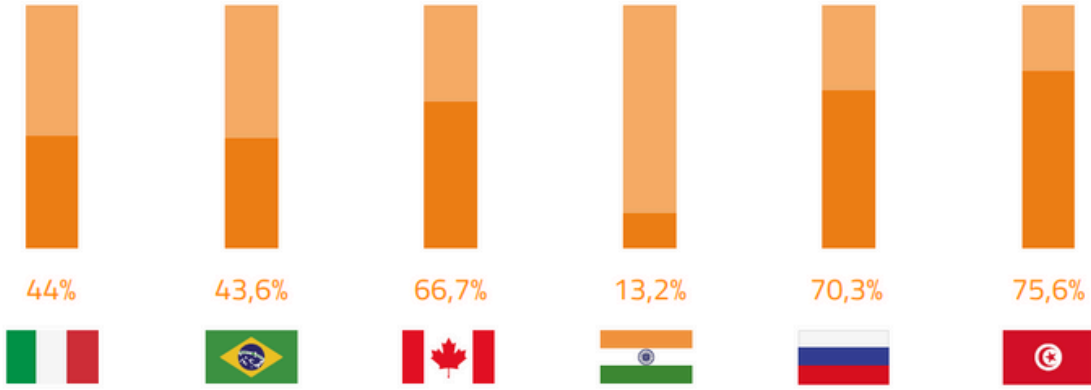
The average number of staff hired in 2023 was about 438, stable compared to 2022. The percentage of women on staff during the year 2023 was 50 percent of the total, maintaining the same gender ratio as in 2022, up from 2021 (47 percent). At all sites around the world, the percentage of women remains high, with the exception of India, again while maintaining substantially the 2022 values.

#### Staff by gender: group result 2021-2023

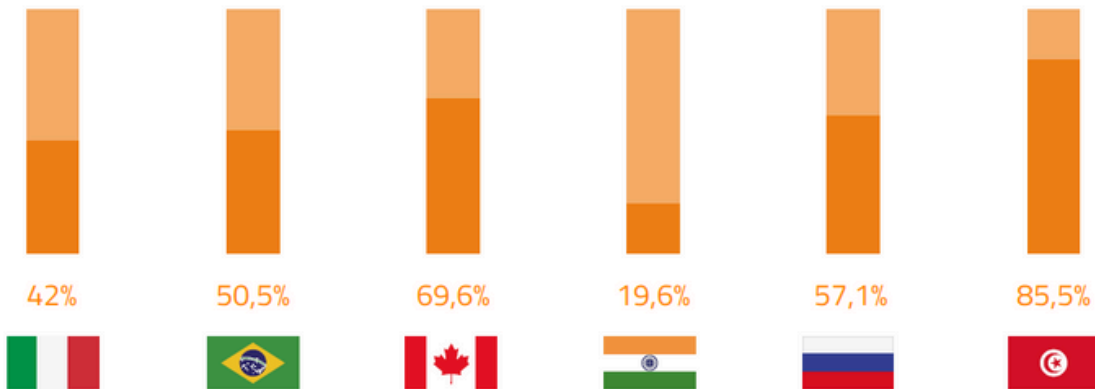


## Female staff per plant in the three-year period 2021-2023

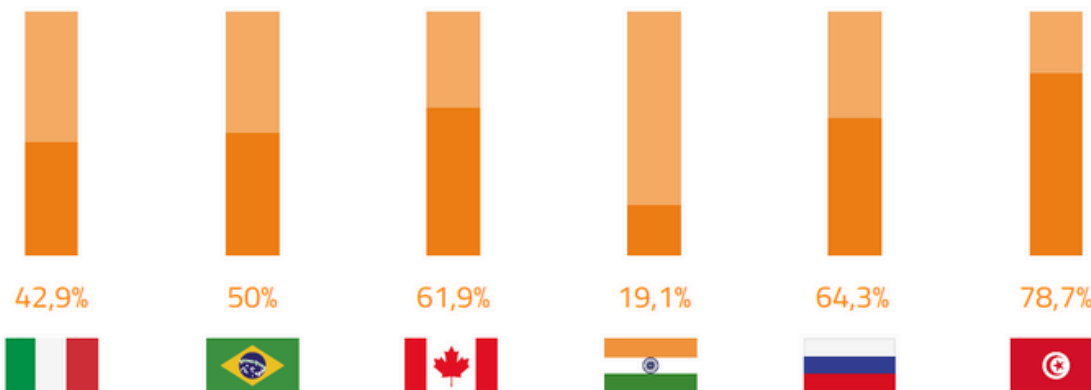
### 2021



### 2022

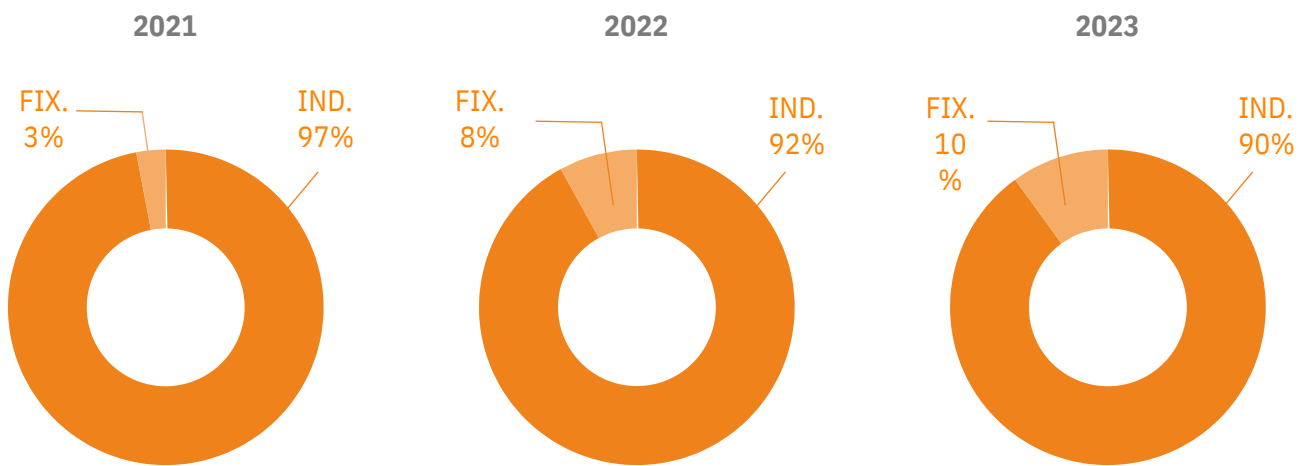


### 2023

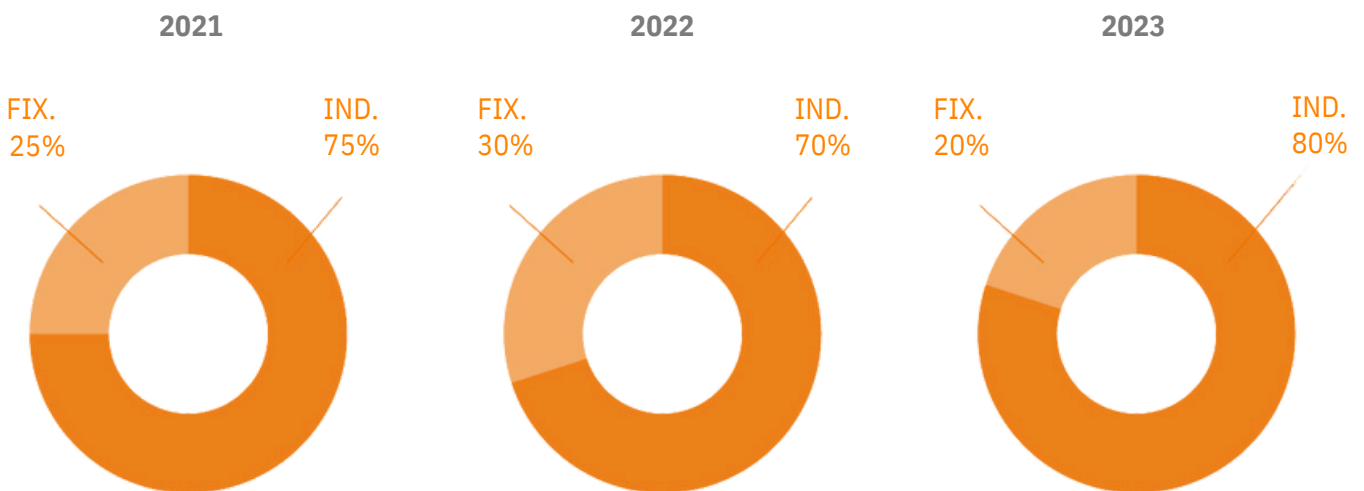


The company's commitment to long-term collaboration with its employees is evidenced by the high percentage of employees hired on permanent contracts, since the security of an ongoing employment relationship and the guarantees it entails for the worker are of great help in maintaining a serene climate of cooperation between the company and its staff. In addition to salaried workers, all Group companies also employed temporary workers, concentrated at specific times of the year and in relation to increased production volumes on a seasonal basis.

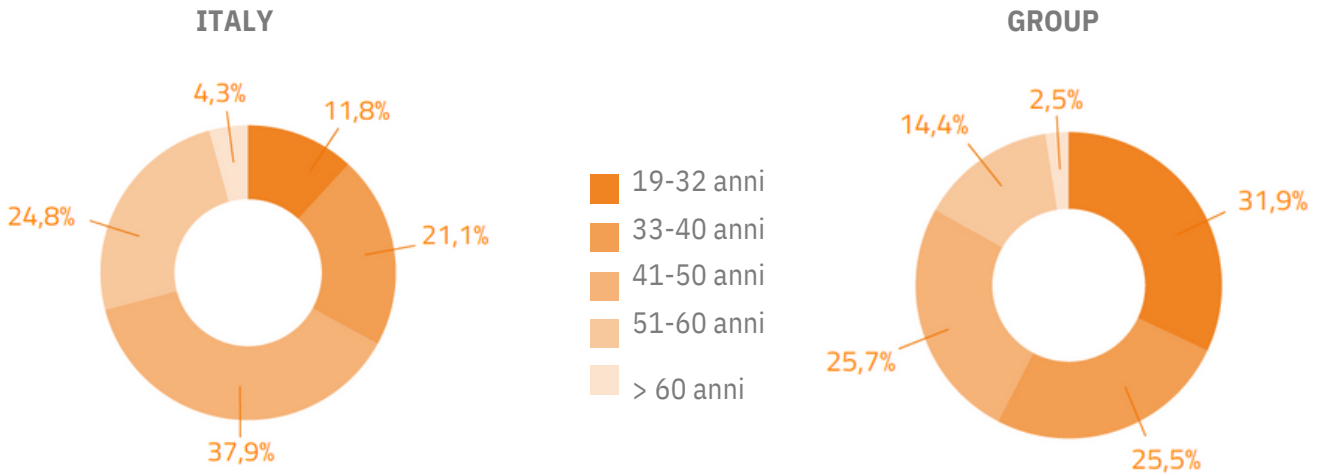
### Italy workers in the three-year period 2021-2023 - Fixed term/indefinite term



### Group workers in the three-year period 2021-2023 - Fixed term/indefinite term



## Average staff in 2023 by age group



Ecopack collects periodic KPIs on the performance of a number of indices related to personnel management, as well as all other aspects of Corporate Social Responsibility, for all production sites. Annex 1 shows some of the main monitoring indicators considered over the past three years.

### 3.2 Diversity and equal opportunity

As detectable from the KPIs reported in par. 3.1 Ecopack has not experienced any significant differences in the distribution of staff in the last three years (2021 to 2023): the average female presence is around 50 % of the staff or above. For foreign sites, the average age of employees is lower, also due to the recent increase in the number of employees in recent years as a result of increased market demands at these sites. Ecopack promotes the removal of all discriminatory behavior on the basis of sex and any other barriers that limit equality in access to employment, training, promotion and professional development, ensuring that selection criteria are linked exclusively to professional performance. Any differences in the ratio of average salary

between women and men can be traced to job differentiation with a direct impact on pay, or to a greater emphasis on part-time work and company seniority. Indicators and internal employee survey questionnaires show almost no instances related to discrimination or harassment reported by staff. With regard to the issue of equal opportunity, Ecopack ensures compliance with these criteria starting with the processes of personnel selection and recruitment and throughout the employee's entire working period, without making any distinction on the basis of gender, sexual orientation, age, marital status, physical appearance, nationality, disability, political or religious beliefs. All sites of the company are in close contact with headquarters functions to manage the necessary resources and activities concerning sustainability,

occupational safety, reduction of environmental impacts, and respect for human rights. To prevent the occurrence of incidents of discrimination in the workplace, a crucial role is played by periodic training for all employees that covers in a broader sense the issues of harassment, bullying and diversity in all its forms. Any employee can freely and anonymously report any incident,

through dedicated whistleblowing software solutions or other forms indicated in the *IS31 procedure - Reporting of wrongdoing and irregularities*.

The General Management and HR Department are directly in charge of the investigation and taking the measures deemed appropriate, according to precise steps indicated in the procedure.



### 3.3 Code of ethics

Ecopack also manifests its commitment to respect for human rights and fair management of human resources through the adoption of a Code of Ethics (shown in Appendix 2), which forms the basis of the company's culture. This Code represents the **set of principles that then find necessary application in the policies and procedures that govern the company's activities**. The policies and procedures that specifically ensure respect for human rights and proper management of human resources at all stages of company life (from the recruitment and selection stage, to day-to-day management and termination of employment) are, among others, the following:

- > Corporate Internal Regulations
- > PR12 - Human Resources management procedure
- > IS30 - Anti-corruption policy
- > IS31 - Reporting malfeasance and irregularities
- > IS32 - Gifts charitable disbursements and donations
- > IS33 - Expense reimbursement management
- > IS34 - Use of prepaid corporate cards
- > IS35 - Overhead billing cycle management
- > IS36 - Raw materials billing cycle management
- > IS37 - Cash flow management
- > IS38 - Personnel management
- > IS39 - Active cycle billing management

All of Ecopack's production sites fully comply with legal regulations and provisions on rights and diversity protection. Industrial relations and labor relations are based on compliance with the provisions of laws and contracts. Human resource management consists of career development initiatives 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 talent identification, training, and career development paths. Policies more closely pertaining to the area of human rights, on the other hand, are those covering equal opportunity, harassment, discrimination, and violence. The risks noted by each country pertain to potential non-compliance with regulations, loss of highly qualified personnel, and inefficient allocation of staff in critical functions. Then there are some more specific risks that depend on the condition of each 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 the aforementioned risks, Ecopack has taken certain actions, aimed at strengthening the workforce, improving the control system when selecting and maintaining employment with staff, ongoing training of existing resources, and implementing contingency plans in case of extraordinary events.

### 3.3.1 Privacy Management

The issue of privacy and personal data protection is of paramount importance for Ecopack and in the relationship between the company and its stakeholders. To this end, Ecopack has appointed an external **Data Protection Office (DPO) to ensure compliance and updates to privacy regulations** and in particular EC Regulation **2016/679 (GDPR)** and revised privacy-related documentation for all business processes, including the cyber security policy.

It also provides adequate training to employees on privacy regulations and the proper use of IT tools, defining roles and responsibilities on cyber security through a corporate code of conduct.

There are many IT tools that assist Ecopack staff at various levels, in their daily work, facilitating the passage of information and the efficiency of processes, always in compliance with information security regulations and the privacy of individuals. To name a few:

- > Various business chat applications (e.g., for product development, business opportunities, production, maintenance, etc.);
- > Internet page and specific software for anonymous personnel reporting, ensuring legislative requirements on whistleblowing (with reporting handled by a specialized outside firm or by the HR department, depending on the operator's choice);
- > Order portal on which the customer registers and enters orders, to speed up and reduce the time taken by the Commercial;
- > Fully computerized production advances and product checks during processing, through the use of smartphones and tablets, on which there is all the information useful to the operator, such as production schedules and specifications, work instructions, control sheets, chat in case of need, etc.



The aforementioned tools, in addition to ensuring an easy and immediate exchange of information between functions result in a significant reduction in the number of internal e-mails, with clear benefits on staff psychological well-being and environmental impact, since the ecological footprint of the many e-mails, often redundant and with heavy attachments, that are commonly exchanged in companies is well known.

There has also been a very substantial reduction in printing and the impact on paper and toner use. Plans for the future include further development of workflows linked to the company's ERP, in order to be able to manage and standardize the many process-related activities and assist the various operators in a guided, simple and efficient manner (e.g., in creating new product codes, purchasing materials, maintaining molds and machines, shipping goods and sending specific documents, etc.).

### 3.4 Employee welfare: welfare policy

Ecopack has built a constructive dialogue with trade union representatives in the various countries in which it operates in order to find the best solutions to reconcile employee demands with company needs. In fact, relations and negotiations with trade unions are managed in accordance with the highest principles of transparency and fairness and in strict compliance with the laws in force, promoting constructive confrontation, which aims at the involvement of workers' representatives and the maintenance of a good corporate climate. At all production sites the company has pursued, also during 2023, a policy of dialogue and open confrontation with the trade unions by negotiating and signing collective agreements in line with the company's strategy. Negotiations have been carried out in an atmosphere of general détente, and there have been no incidents of protest or accidents.





Finally, Ecopack promotes numerous initiatives aimed at ensuring the well-being of its workers and an appropriate balance between personal and professional life. In particular, depending on the countries (thus on the regulatory environment 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 for return from maternity leave or other conditions of necessity, forms of agile work and flexible hours, facilitated smartworking (the use of applications on a cloud platform, digitization of documents, stamping via APP, digital signature of documents, and other actions of dematerialization of information have also been carried out to enable remote work, while respecting maximum data security);
- > **Medical and accident insurance;**
- > **Subsidized pension plans** (for Italy and Canada sites);
- > **Health and wellness initiatives** (such as bi-weekly availability of an osteopath for the Italy office);
- > **Production bonuses**, based on production targets linked to the individual function and bonuses based on the OEE indicator (index that takes into account actual versus theoretical production, production hours, product nonconformity);
- > **Fringe benefits**, in non-monetary form, with the provision of goods and/or services of strong utility (e.g., meal vouchers, fuel vouchers), including for temporary staff in addition to hired staff;
- > **One-time bonuses** for profit sharing, support for high inflation, with a larger share for lower salaries;

The minimum wage to base salary ratio is the subject of a special KPI, calculated on the basis of an analysis by an employment consultant of all company payrolls. This analysis shows that no worker earns a wage below the minimum wage.

## 3.5 Training and talent development

Training is one of the fundamental tools with which Ecopack supports the growth and development of its resources. The company provides a consistent number of hours of training each year, with a clear increase in those sites where there have been new entries of employees, with a particular focus on health and safety in the workplace and food safety of packaging (as required by international legislation on food contact materials and the voluntary standards BRCGS Packaging or FSSC 22000 to which it adheres, depending on the production site). The indicators confirm the **company's effort to support the development of its resources** on a path of continuous professional growth by providing employees with both technical and managerial training courses. Common to all Ecopack sites is a constant commitment on technical training of the workforce, particularly on the more efficient and safer use of production machinery (mostly Ecopack design and construction), to best support the resources involved in the development of advanced technical skills.

From the time of hire, each worker is the protagonist of an individual development plan that includes training in both job-specific technical skills and soft skills (quality management system and food safety, workplace safety, management development paths, language training, technical training, etc.).

The needs analysis carried out by each manager makes it possible to detect within his or her function and for each of his or her employees the training needs, submitting a request to the Human Resources Department. Depending on the case, individual or group training delivered “on the job,” in the classroom or carried out at external entities is then prepared. Each training moment is then formalized through dedicated computer applications or on paper records, and the effectiveness of the training is monitored through follow-up tests or audits in the field.



To support the management and formative growth of human resources, Ecopack is in the process of developing a performance evaluation system common to the entire company, thanks to which employees can be periodically evaluated on objectives, technical skills, managerial and behavioral skills.

The performance appraisal is not only an evaluative moment, but also and above all an opportunity to define the development plans of the resources involved in the process, analyze any elements of risk, and finalize the relevant action plans. Ecopack regularly offers training internship opportunities, aimed at students and recent university graduates from various faculties. The internship represents an important channel of entry into the company for junior resources with no work experience behind them.

## 3.6 Health and safety protection

Ecopack, as formalized in its Corporate Policy, considers the physical integrity of its employees to be a primary value and guarantees safe and healthy work environments in compliance with current regulations. In each of the Group's companies, a safety culture is disseminated among workers that aims to increase people's awareness in this specific area.

The efforts of the entire organization are therefore aimed at:

- > **Observe and comply with current regulations**, in content and principles, applicable to individual production and service;
- > Activate **all necessary actions and interventions to avoid injuries or accidents** that may compromise the safety of people;
- > Promote the **reporting of near misses**, i.e., any event that could have potentially caused an injury or damage to health: for about 5 years, individual episodes have been recorded and analyzed in order to create procedures and interventions aimed at avoiding the occurrence of the accident nsibilizing all internal (employees, temporary staff) and external (contractors) actors on the need to comply with the safety and hygiene regulations applicable to the reality;
- > Pursue **continuous improvement of production site safety management** by means of hazard identification, relative removal and/or containment, promoting active worker involvement and participation;  
Observe and comply with current regulations, in content and principles, applicable to individual production and service realities;
- > Ensure the **proper application of technologies** and the proper use of hazardous chemical agents;

- > Pursue the use of more **advanced technologies from a health and safety perspective** and/or the reduction of the amount and degree of hazardousness of chemicals used.

The Corporate Policy is shared by the Italian headquarters with the foreign affiliated companies. All group offices comply with the regulations in force in the various countries. The parent company collects, on a quarterly basis, defined KPIs to enable benchmarking among the different group locations.

One of the goals to be pursued in the next two years is to have an Occupational Health and Safety Management System (HSMS) that complies with the ISO 45001 standard, and then seek certification from an accredited third party. The responsibility and organization of Occupational Health and Safety issues differs between the head office and the group's subsidiaries. In Italy, the Employer, identified by the Board of Directors, has powers for the functions and acts aimed at fulfilling regulatory obligations on health, hygiene and safety in the workplace as well as fire prevention, land and environmental protection; the Employer relies on the support of an in-house Prevention and Protection Service Manager (RSPP), a competent Doctor, as well as qualified consulting companies on the subject.

In subsidiaries located abroad, the role of Head of the above issues is held by the Plant Manager. Italian regulations provide for a documented risk assessment process to identify hazards by assessing risks for each work phase, task, work environment, equipment, plant and machinery, and chemical substances.

The severity of the expected event, the frequency of exposure, and the likelihood of its occurrence are taken into account in order to define prevention and protection measures to minimize the probability of occurrence of the risk or reduce its adverse effects.

The **most impactful risks** identified in the assessment process in the various Group companies are as follows:

- > Chemical risk
- > Mechanical risk
- > Noise and vibration exposure risk
- > Manual handling of loads
- > Fire and explosion risk
- > Work-related stress risk
- > Night work risk



The measures identified as a result of the risk assessment may require preventive measures, collective and/or individual protection for workers. In case of immediate and serious risk, the Emergency Plan and related procedures are activated, with active involvement of the Emergency Management Team present on each work shift. Emergency management procedures are established for various scenarios; these are periodically tested through drills and simulations of accidental and controlled events. Continuous improvement for health and safety protection is pursued through prevention and careful analysis of the causes of accidents and near misses, using the logic of the PDCA (Plan-Do-Check-Act) analysis process. An additional management and improvement aspect of the company is the feedback of daily self-checks by workers and departmental Team Leaders (e.g., machinery safety check at the beginning of the shift via App on company smartphones), that of periodic inspections carried out by the internal HSE Department, as well as the analysis of reports and suggestions on Occupational Health and Safety by individual workers (via dedicated whistleblowing software applications or other computer or physical communication systems provided to all personnel).

The lines of action being pursued in all Group companies are:

- > **Revision of layout** in various production departments to reduce material handling hazards and ensure compliance with anti-cumulative regulations;
- > **Reduction of chemical emissions** through proper relocation of machinery involving solvent use (e.g., parts washers and distillers) and chemical storage facilities;
- > **Progressive selection of printing machines** with reduced solvent and ink consumption, to reduce both environmental and employee health impacts as well as workplace safety;
- > Moving forklift charging areas to outdoor areas in order to **reduce emissions, and fire risk;**
- > Constant **upgrading of fire-fighting systems** at various sites;
- > Use of **experienced personnel in all work shifts**, including night shift where applied;
- > Introduction of automated production machines where **manual handling of loads can be reduced;**
- > Implementation of equipment to **reduce manual handling of loads;**
- > Installation on **machinery of guards and/or noise abatement systems.**

### 3.7 Injury data and indicators

The Ecopack Group has implemented a system of continuous monitoring and analysis of safety aspects in the workplace through the reporting and evaluation of specific KPIs updated quarterly.

Specific indicators are shown in the table below, referring to accidents occurring in the three-year period with reference to total employees, external companies providing services at the site and temporary staff (temporary employment agencies). The data make explicit a very good performance of the foreign sites but a slight worsening of the number of accidents for the Italy site in 2023 compared to the previous two-year period: the AFR and ASR indices of the Italy site report very low values which, based on the ILO guidelines nevertheless attest to good accident management by the Organization. These considerations confirm the effectiveness of the prevention work put in place by the company, with the commitment to improvement in the coming years as the main objective of the Management.

KPI Indicator	2021 Results	2022 Results	2023 Results
<b>Ecopack Italy</b>			
LTI -number of accidents	3	2	5
AFR-frequency index ASR-	10,38	6 , 3 8	17
index of severity	0,26	0 , 1 4	0,25
<b>Ecopack Brazil</b>			
LTI -number of accidents	1	10	8
AFR-frequency index ASR-	7,47	48,33	40,81
index of severity	2376,27	918	482,07
<b>Ecopack Canada</b>			
LTI -number of accidents	0	0	0
AFR-frequency index ASR-	0	0	0
index of severity	0	0	0
<b>Ecopack India</b>			
LTI -number of accidents	0	0	0
AFR-frequency index ASR-	0	0	0
index of severity	0	0	0
<b>Ecopack Russia</b>			
LTI -number of accidents	1	0	0
AFR-frequency index ASR-	15,4	0	0
index of severity	0,2	0	0

KPI Indicator	2021 Results	2022 Results	2023 Results
<b>Ecopack Tunisia</b>			
LTI -number of accidents	0	1	0
AFR-frequency index ASR-	0	0 , 0 1	0
index of severity	0	0 , 1 9	0

### 3.8 Human rights

The issue of human rights is declined by Ecopack in the management of relations with personnel in compliance with the principles and values referred to in the Code of Ethics, which establishes the protection of moral integrity and guarantees equal opportunities for each individual. Discriminatory behavior based on political opinion, union activities, religion, race, nationality, age, sex, sexual orientation, health or based on any other human characteristic is not permitted in any relationship internal or external to Ecopack. The company is also committed to ensuring that the standards set forth in the Universal Declaration of Human Rights are respected in the various countries in which it operates. Ecopack rejects all forms of forced or compulsory labor, child labor and irregular labor. In the case of reporting cases of violation, the General Management is called upon to take immediate action as outlined in the Code of Ethics, the IS31 procedure “Reporting of wrongdoing and irregularities” and the internal guidelines for whistleblowing.



*Ecopack's Code of Ethics guarantees equal opportunities for every individual, the company is also committed to ensuring that the standards established in the Declaration Universal Declaration of Human Rights.*



# PRODUCT SUSTAINABILITY

# 4

Consumer health and safety	4.1
Supply chain management	4.2
Engaging local communities	4.3
Combating active and passive corruption	4.4
	4.5





## 4.1 Consumer health and safety

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

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



- > Meet customer and end-consumer expectations in terms of **food safety of packaging** by limiting any global or specific migration not allowed in food or unintended organoleptic interaction;
- > Meet customer expectations in terms of **ease and safety of use under the intended conditions** (such as, for example, baking the product without damage to the form produced by Ecopack or migration of substances into the food product);
- > Ensure a system of business rules (quality and food safety management system) that can **minimize the risks of chemical, physical or microbiological contamination**, of products along all stages of production, from the acceptance of raw materials to the shipment of the finished product; with this purpose, the company has long put in place a GMP (Good Manufacturing Practices) system and a voluntary system that presents the highest level of food safety available on the market, in response to the requirements of BRCGS Packaging and ISO 9001, certified by an accredited third-party body;
- > Designing products and promoting the use of raw materials and components (papers, inks, glues and other consumables, packaging, etc.) that provide **increasingly high guarantees of food safety**;

- > To meet the demands of customers and consumers (professional or consumer), respecting the containment requirements of the different types of food for which our products are intended;
- > Responding to public health problems by participating in the activity to promote adequate and hygienically safe containers;
- > Focus on the main needs of emerging countries and develop products for consumers with low purchasing power.

All these aspects can be summarized in the awareness of the need to produce, for all, **hygienically safe and high quality products** in terms of meeting the needs of customers/consumers, promoting the introduction of innovative forms and packaging, with full respect for the environment and all aspects related to sustainability. Food safety is also a priority with a view to protecting brand reputation.

The Executive Board places the following milestones at the center of its work:

- > Documented management commitment about the implementation of the policy on food quality and safety in all countries and markets;
- > Constant application of the concepts expressed in the company policy, with a concrete improvement plan that can be measured by performance indicators monitored continuously;
- > Involvement of all company employees for a growing culture of quality and food safety so that goals are shared by all departments;
- > Verification and monitoring through quality and food safety validation processes to ensure continuous improvement.



Ecopack's policy on food quality and safety 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 Quality and Food Safety System is a set of procedures that describe the organization, responsibilities and activities to properly 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.

Regarding the voluntary system certifications to which Ecopack is subject, we give some details below

- > **BRCGS Packaging** (certified sites Italy, Canada, India, Tunisia) is a reference point for good packaging production practices for the purpose of food safety, respect legality and high quality levels;
- > **FSSC 22000**, for the Brazil site, is an international certification scheme for food safety of packaging, based on an ISO (International Organization for Standardization) standard and recognized by GFSI and EA;
- > **ISO 9001** is the international standard for Quality Management Systems, published by ISO (International Organization for Standardization).



Voluntary certifications, in addition to providing assurance to customers and end consumers, help to consolidate a common working method and provide tools to carefully and critically assess any nonconformity situation and ensure the effectiveness of the system.

In addition to annual audits by certification bodies, adherence of daily operations to the quality and food safety system is also systematically monitored through hygiene inspections and internal audits, conducted by Quality Office staff or qualified external consultants. The staff of the Quality Office also conducts audits on the most critical suppliers, according to a plan resulting from a risk assessment derived from the analysis of several factors (certifications held by the supplier, criticality of the raw material or service provided, documentation provided, outcome of quality control on supplies, laboratory analysis, etc.). The results of all these interventions are evaluated and managed in order to promote continuous improvement and the involvement of all company personnel.



## 4.1.2 Product quality and food safety

Thanks to the presence of an R&D center in Italy, Ecopack has the ability to develop innovative products by researching raw materials and materials that combine quality, food safety and low environmental impact. Ecopack is aware that product quality is the result of intensive research in both innovation and quality. It therefore believes in the value of collaboration between industry and the scientific world, in a continuous interchange that increases skills and knowledge.

Relative to initiatives related to the food safety of our products, the focus is on the following issues:

- > All Ecopack products are made from raw materials (paper, glues, inks) that meet **international regulations regarding suitability for food contact**. The raw materials used are carefully selected and of high quality;
- > All molds intended for baking can be used in the oven and are certified to withstand up to **220 °C**, and are also suitable for microwaving;
- > The **main raw material of our products is paper**. The fiber used in paper production is a certified renewable resource from well-managed forests controlled through chain of custody. Our paper suppliers are certified according to the requirements defined by FSC® (Forest Stewardship Council®) standards;
- > The papers we use in our productions do not contain fluorocarbons (**PFAS-free**), BPA , Mineral Oils (MOSH, MOAH), endocrine disruptors or other substances hazardous to health



- > The maximum content of heavy metals in paper is in accordance with EU Directive 94/62;
- > Ecopack products are manufactured without the application and use of substances currently included in the **List of Substances of Very High Concern (SVHC)** even in cases where the product is not intended for distribution in Europe.

According to the REACH regulation (EC 1907/2006), paper is not classified as a chemical substance or product, so it is exempt from registration.

### 4.1.3 Consumer Information

Ecopack provides accurate, complete and truthful information so that the customer and/or end consumer can make a rational and informed decision. Ecopack, aware of the importance of the proper use of advertising media, encourages the adoption of high standards of responsibility in the promotion of its products and imprints its advertising campaigns on transparency about the characteristics of the goods produced and marketed, respect for people's dignity and the protection of children. Ecopack adopts a communication style based on efficiency, cooperation and courtesy, including in its dialogue with customers and consumers.

### 4.1.4 Performance Indicators

Ecopack is aware of the risk that a non-standard (non-compliant) product may reach the market and may be the subject of dispute or complaint. Ecopack is committed to handling such issues by always assisting the customer/consumer in the best way possible, with the aim of ensuring their food safety and the quality of their products. The following methods apply:

- > The R&D and Quality Department, in cooperation with Supply Chain, for each product developed and launched on the market identify appropriate product specifications and process characteristics that can be measured and monitored, and set the limits of acceptability, so as to ensure the quality and food safety of the product at each stage of the production process;
- > Each plant is required to conduct product/process checks and periodic laboratory analysis to verify compliance with the parameters imposed by the R&D/Quality function to decide on the release of products to the market;

- > In all plants, through appropriate training, specific figures have been trained to carry out the required checks on the product before release to the customer, using the tools provided;
- > With a view to continuous improvement, each and every complaint received from the customer or consumer is analyzed to understand its root cause and decide on appropriate corrective actions, directed at preventing the event from happening again (acting on the root cause is the most effective way to pursue product and service quality improvement). Customer complaints, expressed as “rate” (number of complaints over the number of units of product sold), are a fundamental indicator of quality.

This management allows the company to understand whether the procedures put in place are effective in ensuring continuous improvement. They also serve to focus certain and specific interventions and improvement actions. Ecopack is also aware of the risk that a product with a potential impact on consumer health and safety may reach the market. For this reason, each site has a product recall and withdrawal procedure that, by defining responsibilities and actions to be taken, ensures effectiveness and speed of action. However, there have been no cases of product recalls/recalls in recent years.

## 4.2 Supply chain management

In order to guarantee the quality of its products at competitive costs in each country in which it operates, Ecopack has defined procedures and controls that involve the entire production sphere, from the procurement of raw materials to the distribution of the finished product. In fact, Ecopack's supply chain encompasses all the components necessary to manage an activity that connects all the main business functions: supplier relationship management, inbound and outbound logistics, production, procurement, sales, marketing, quality control, product development and planning, thus enabling it to provide quality, as well as safe, products and services to customers.



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

- > **Quality and food safety:** purchased goods and services must meet the quality standards required by the company; the risk level of the raw material and supplier in terms of quality, food safety, fraud risk is assessed;
- > Adherence to the principles of **corporate social responsibility and sustainability**;
- > **Price:** you need to make sure you reach the most competitive financial and economic terms available to the company;
- > **Logistics:** make sure products are delivered on time;
- > **Service level:** support from the provider must ensure minimum quality levels;
- > Ability to **innovate** (in the areas of quality, environmental friendliness and sustainability, recyclability/compostability).

These criteria are subject to periodic internal and external evaluation by independent certification bodies for the purpose of the certifications referred to in the preceding paragraphs.

## MAIN SUPPLY CHAIN RISKS

- > Market unpredictability: unforeseen increases in purchase volumes or sudden decreases in sales can lead to stock breaks or overstocking resulting in increased business costs;
- > Supply chain malfunction: Negative impacts on the company's production capacity due to delays or inefficiencies in procurement (malfunctioning 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);
- > Supply of materials and products of lower quality than Ecopack's required standards;
- > Excessive CO<sub>2</sub> emissions into the atmosphere caused by transportation means.

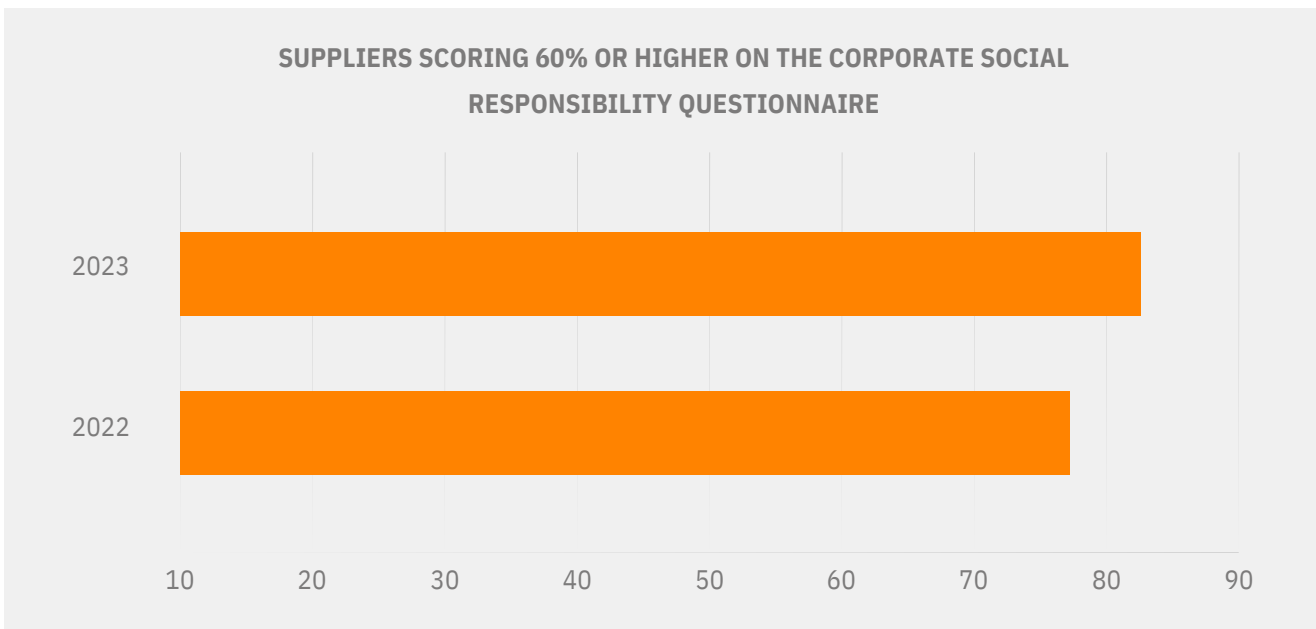
In order to ensure compliant and safe products in a timely and efficient manner, Ecopack is committed to constantly monitoring suppliers' performance indicators, with the aim of verifying product quality and compliance with all regulations. With reference to logistics management in particular, the suitability of the vehicles used, hygienic conditions, timeliness of deliveries as well as the monitoring of “security” aspects of the cargo are ascertained. Although Ecopack does not include specific human rights clauses in contracts with its suppliers, it nevertheless enters into contracts with them in line with the principles of fairness and good faith.

For all relevant raw materials and products Ecopack requires suppliers:

The countersignature for acceptance of the Policy of quality, food safety, ethics, social responsibility, environment and safety in the workplace. By countersigning, the supplier agrees to abide by 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 completion 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 weighted in relation to the answer given. Below a threshold defined in the internal evaluation procedure, the supplier is required to initiate appropriate corrective actions. For thresholds that are too low, the supplier is not qualified and cannot continue the supplier relationship.

During the years 2022 and 2023, suppliers' awareness of sustainability issues increased; this is evidenced by the increase in the percentage of suppliers with a score obtained from the Corporate Social Responsibility questionnaire at or above 60 percent, a threshold level considered to be the minimum.





## 4.3 Engaging local communities



Ecopack is committed to and contributes to economic development in accordance with the principles of Social, Cultural and Civil Responsibility of the realities in which it operates, promoting the values of closeness to the territory and commitment to local communities. Consistent with the Mission, Ecopack partners with its stakeholders, improving the quality of life of employees, their families and local communities close to production units with the intention of building long-term trusting relationships. It is committed to listening to the needs of communities, interacting with administrations and the community for the development of shared projects. For the local communities where Ecopack does business, the main risks are environmental and reputational.

### ENVIRONMENTAL IMPACTS

The most significant environmental impacts are related to the **plants' production activities**, for example, potential pollution from air emissions of harmful substances and noise pollution. The company is continuously committed to monitoring and reducing the above impacts in the manner described within Chapter 5.5, devoted to environmental emissions and air quality. Regarding noise impact, by way of example, reduction is achieved through improvements introduced in the design of machinery (insulation, soundproofing, centralization and relocation outside the production departments of the systems that are the source of most noise, such as the vacuum generation plant).

### REPUTATIONAL RISKS

Reputational risk, on the other hand, is related to relations with communities and territories and stems from **negative reputation towards third parties** (local communities, customers, partners, shareholders, authorities) that can negatively affect the company's image. Ecopack promotes in the main countries where it operates various initiatives such as economic contributions, sponsorships, product donations, communication campaigns and help to employees.

Below are some examples of activities carried out with local communities by the Italian office:

- > Financial and material contribution to the **I.F.S.E. Italian Food Style Education** cooking school, support in promoting fairs and sales channels to bakeries, for popular communication also on the proper use of Ecopack products;
- > Provision of scholarships for the **Teatro Regio** to be awarded to deserving musicians;
- > Economic support to **FAI (Fondo Ambiente Italiano)**, as a Corporate Golden Donor, for the preservation of Italian cultural heritage;
- > Support, from 2021, to the **Treedom** initiative - a company founded in Italy that offers a planting service. As a Christmas gift to its employees, Ecopack created a forest called “Ecopack's Green Thoughts,” where each worker has his or her own tree, which can be monitored through the Treedom platform:
- > Support in various forms to local staff at the sites of foreign subsidiaries in need (for dealing with health or personal issues of employees, with financial support through salary advances).



**Ecopack is gold medalist Ecovadis**, the world's largest and most trusted provider of corporate sustainability ratings. It provides performance-based ratings of companies on four themes: environment, human and labor rights, ethics, and sustainable sourcing.



**United Nations**  
Global Compact

Ecopack joins the **United Nations Global Compact**, the world's largest strategic corporate citizenship initiative. This initiative stems from a desire to promote a sustainable global economy that respects human and labor rights, environmental protection and the fight against corruption. The company has embraced principles that promote the values of long-term sustainability through actions, business practices, and social and civic behavior that are responsible and also take into account future generations.

## 4.4 Combating active and passive corruption

Ecopack demonstrates its commitment to maintaining ethical behavior towards its stakeholders through the dissemination of information regarding compliance with the Code of Ethics, as well as by actively taking part in initiatives aimed at respecting the principles of honesty, loyalty and integrity.

### THE COMPANY'S ACTIONS TO COMBAT CORRUPTION

- > Proper and transparent conduct of all its employees;
- > Acting in the best interest of the company, reporting any potential conflict of interest detected;
- > Not 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.

Employees of the company and parties that do business with it are given the opportunity to report, in absolute confidentiality and completely anonymously, any conduct that is not in line with the rules of conduct. In particular, specific reference procedures have been issued such as the anti-corruption policy (in which, for example, approval levels for expenses and contracts have been defined) and operating procedures for reporting wrongdoing and irregularities. Ecopack's centrally defined approach is extended to all of the company's foreign subsidiaries. Their implementation of these principles takes place in compliance with the regulations applicable in the countries where the subsidiaries are based, as well as with the organizational structure and internal policies already in place.

In addition, again in order to prevent the risk of corruption within the organization:

- > Regular staff trainings are held on these issues; Internal audits are conducted by independent external
- > professionals for the Italian office, which will be extended to foreign offices in the 2025-2026 biennium.

In recent years, there have been no reports on anti-corruption and business ethics issues (either of internal or external origin, including from supervisory bodies) both in Italy and at foreign sites.

# RESPONSIBILITY TO THE PLANET

# 5

Energy efficiency and sustainable consumption	5.1
Greenhouse gas emission reduction	5.2
Water management	5.3
Sustainable packaging	5.4
Emissions and air quality	5.5
Waste, effluent and soil pollution	5.6



## 5.1 Energy efficiency and sustainable consumption

Demonstrating its strong focus on reducing its environmental impact, Ecopack has made a series of investments in recent years to significantly improve its energy efficiency.



The Italian production site combines technological requirements, related to strict industry regulations, with functional needs and construction logic, all while respecting the environment.



- > Since **November 2020**, a Green power supply contract has been in place that allows the company to **purchase and consume electricity generated from 100% renewable sources**. Consistent with the principle of using clean energy sources, as of January 2023, a photovoltaic system with a nominal capacity of 800 kW began producing power from the roof of the Italian plant (covering about 17% of the demand on an annual basis).
- > In **December 2023**, Ecopack **expanded the existing photovoltaic system by an additional 780 kW** by covering a portion of company-owned land, currently unused, with panels. Once in operation, the coverage of the Italian office's needs will reach 30-35% on an annual basis.

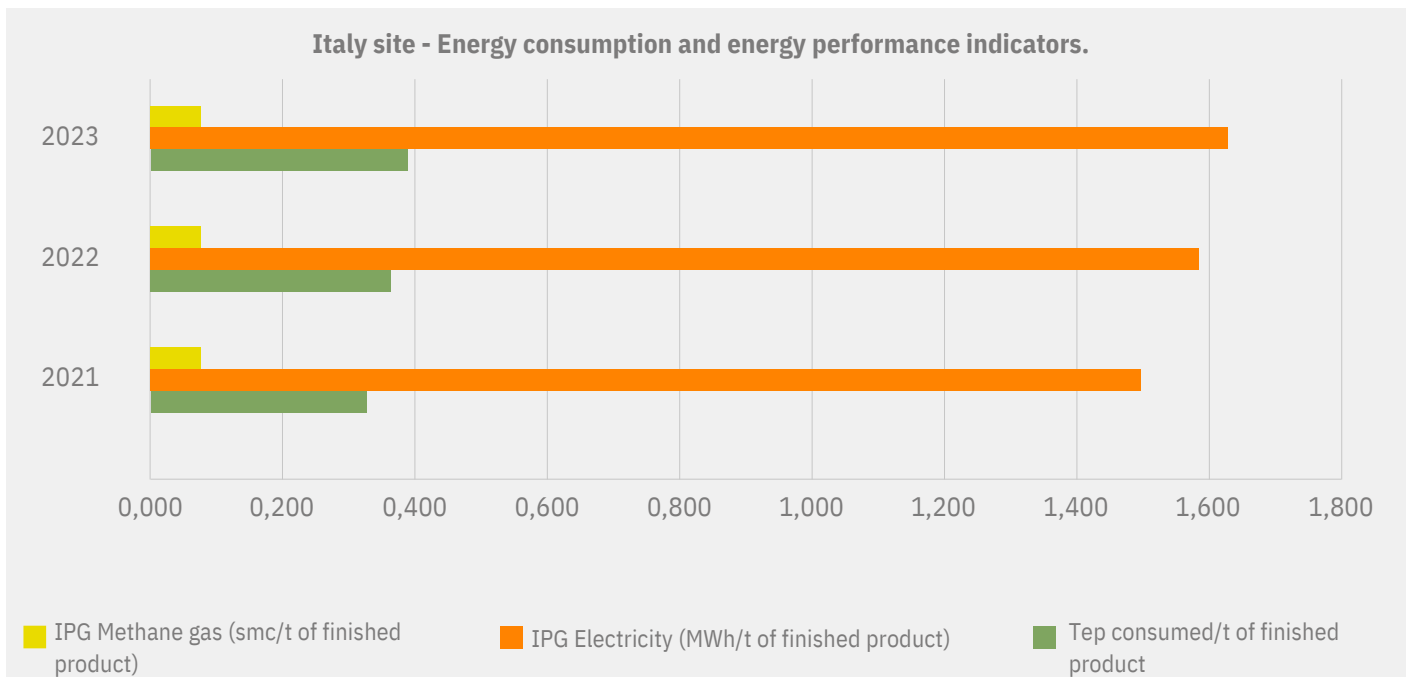
The main and most recent technological innovation introduced in November 2020 is the High Pressure Flame Reversing Steam Generation with efficiency from **90% to 96%** fed by methane gas, which produces the steam destined for the corrugating machines in the semi-finished department. Previously, steam was produced by the Thermal Power Plant using thermal oil through an evaporative condenser. The new mode of steam production allows for better energy performance due to the **higher efficiency** of the Steam Generator compared to the Thermal Oil Power Plant as well as greater operating flexibility. With a view to heating-related energy savings, the installation of a new high-efficiency condensing boiler dedicated to heating the new office building, locker rooms, and dining area is also in 2021.

Natural gas is used directly as fuel in the steam generator, thermal oil power plant, and the combustion plant for emission abatement in the printing department. Electricity is mainly used for the compressors. With the aim of saving electricity, two new-generation two-stage compressors went into operation at the Italian plant at the beginning of 2023; this is in conjunction with a new condensate separator to improve the process of filtering the air intended for machinery use and abate any oil residue in the discharged water.

Natural gas is used directly as fuel in the Steam Generator, Thermal Oil Power Plant, and the emission abatement combustor of the printing department. Thermal energy is used in the form of thermal oil for the printing department, and for heating-hot water, and as specified above, no longer for steam generation. Electricity consumption is preponderant compared to natural gas, both from a point of view of primary energy (75%), and in terms of share of CO2 equivalent emissions (66%).

### 5.1.1 Energy consumption data and energy performance indicators

KPI Indicator	Results 2021	Results 2022	Results 2023
KPI Indicator Quantity in t of finished product	3.171,33	3.150,67	2.776,71
MWh of electricity consumed	4.742,66	5.021,00	4.646,00
Smc of gas consumed	243,31	235,44	239,68
Tep consumed	1.105,00	1.153,00	1.090,00
Tep consumed/ton of finished product	<b>0,348</b>	<b>0,366</b>	<b>0,393</b>
IPG Electricity (MWh/ton of product)	<b>1,495</b>	<b>1,594</b>	<b>1,673</b>
IPG Methane gas (smc/ton of product)	<b>0,077</b>	<b>0,075</b>	<b>0,086</b>



Since 2019, a **monitoring system through multimeters of electricity consumption** for the main consumption centers has been installed, flanked by a software system for data analysis since 2021; as a result of this monitoring, energy efficiency measures have been carried out over the years such as the replacement of the oil-filled MV/LV transformer with a resin one of higher power and efficiency (from 93% of the previous transformer to 98% of the current one). Training, awareness and involvement at all levels of the corporate structure and in every area (operational, management, administrative, maintenance and logistics) continue for **improved energy and production performance** as well as plans to replace equipment with low-consumption alternatives are always active (see, for example, the gradual replacement of neon lamps with LED lamps). Further and more effective energy consumption monitoring systems will be implemented in the next two years to capture further potential improvements, where the source of consumption with lower efficiency is least noticeable today.

Overseas sites also have variable **displacement compressors with inverters** to optimize operation according to compressed air demand. In order to identify any **compressed air leaks** in the network and starting in 2021, a periodic search for compressed air leaks in the field is carried out. Ecopack designs its production equipment by pursuing sustainability and efficiency goals. All equipment where electric heating is provided, for the purpose of reducing consumption, is equipped with appropriate insulation to minimize heat loss and automatic scheduling system to be managed according to shifts, holidays, closures, etc., reducing non-productive running time. Energy consumption of the IT infrastructure has been reduced over time through the use of a preponderant part of the servers in the cloud, including for foreign sites, and thus with lower consumption for the same efficiency, given the scales involved.

Physical Servers are of the latest generation, and monitoring of electrical energy consumption is implemented for the server room as well. The company is considering adopting an **ISO 14001 and ISO 50001** certified environmental management system (for environmental and energy management systems, respectively) for the Piobesi Torinese plant by 2026.

## 5.2 Greenhouse gas emission reduction

Ecopack has stationary equipment for air conditioning of offices and production departments (refrigeration units) operating with the latest generation of **refrigerant gases**, subject to leakage control as greenhouse gases and energy efficiency checks with the periodicities established by current legislation. To reduce GHG emissions related to transportation, the company initiated an **awareness and data collection campaign** among external transporters. It sent out a questionnaire to obtain information on the fleet, upgrade policies, and improvement programs such as route optimization, waiting time reduction, fleet renewal with clean fuels, energy certifications, and GHG emission calculation.



During 2023, the layout of the **raw materials and packaging warehouses was revised to improve the internal flow of pallet transport**. A great deal of attention is paid to the palletizing stage, so much so that over the past three years we have considerably reduced the number of overflowing pallets in order to optimize transport and achieve maximum vehicle filling and the lowest number of trips. This is also to the benefit of improving personnel safety in handling and reducing product damage in transport.

Attention to every aspect that can reduce environmental impact can be seen in both small and large projects, such as the project to standardize the amount of plastic film used to tape finished product pallets, **with savings on an annual basis of 27 percent by weight for the same pallet holding capacity**. Regarding transportation and related greenhouse gas emissions, Ecopack Italia, for internal handling, utilizes only electrically powered vehicles, with electricity, as already specified, produced 100% from renewable sources.



Ecopack also applies significant smart working policies, for a significant number of employees can work from home one day a week, resulting in reduced mobility costs for its employees.

## Projects to reduce environmental impacts: the use of recycled plastic platforms

A new project was launched in February 2023, aimed at greening our logistics. The **goal is to replace, by 2024, 100 percent of the current wooden pallets** with recycled plastic pallets (excluding customers who will not contractually accept them) for finished products sent to customers and for semi-finished products handled internally or sent to Ecopack's subcontractors and overseas sites. The recycled plastic pallets used, in addition to being economically advantageous and themselves recyclable, have a number of advantages over wooden pallets in favor of the environment and safety of use, such as:

- > Reduction in weight by more than 50%, resulting in lower greenhouse gas emissions and biomechanical overload to workers;
- > Reduction in wood breakage and waste;
- > Reduction in the dangers of nails or wood fragments to the user of our product (which is intended for food contact);
- > Reduction in the variety of formats (from 5 to 1) and optimization of product storage and internal logistics, thanks in part to the reduced stacking space for empty pallets;
- > Reduction of insect infestation and elimination of the fumigation process in ship transportation; Reduction of customer costs by reusing our pallets in various deliveries.



“

*The use of plastic platforms guarantees an advantage not only economic, but also for the environment and safety*

## 5.2.1 Data and indicators GHG emissions of type 1 and type 2

KPI Indicator	Results 2021	Results 2022	Results 2023
Greenhouse refrigerant gas losses (kg)	0	0	0
Thermal energy produced (MWht)	2.364,9	2.059,8	2.096,9
CO2 emissions (tons) from thermal energy produced	480	469	480
CO2 emissions (tons) from fuel consumption company vehicles	51,2	55	54,5

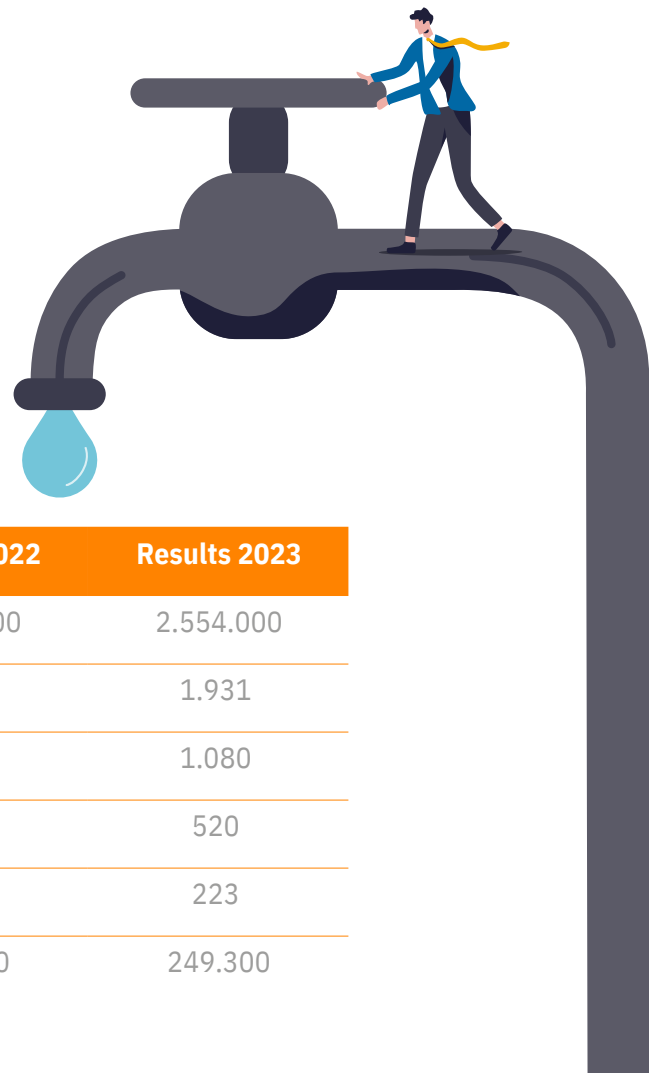
KPI Indicator	Results 2021	Results 2022	Results 2023
Greenhouse refrigerant gas losses (kg)	0	0	0
Total gross quantity CO2 GHG type 1	531,2	524	545,5
Total gross CO2 GHG quantity of type 2 (energy purchased electricity )	1.222	1.472	871

Type 1 CO2 GHG indicator covers the company's **direct emissions** from, for example, air conditioning and power generation fuels, company vehicle fuels, and production process fuels. Type 2, on the other hand, covers **indirect emissions**, as their physical production takes place by third parties outside the company and is not under its control.

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

Only potable water is used in Ecopack. The production cycle involves the consumption of water for cooling the corrugating machines in the rotary department (system converted to a closed circuit in 2021), for steam generation for heating the cylinders, and for washing operations of some parts of the machinery. Another source of water consumption is the washing of machinery parts that come into contact with vinyl glues, as well as use for toilets and humidification of rooms. Regular training sessions are held for workers to train and sensitize them on the conscious use of water and energy. Ecopack believes that water is a precious resource that must be constantly managed with absolute responsibility. A goal of the company is to reduce water consumption in the coming years, and therefore consumption measurement systems are in place, such as for water used for room humidification (treated with a disposable osmosis system).

The softener used in the thermal power plant as a steam generator for production processes was replaced in 2022, with a more energy-efficient one. With this new technology, not only has energy consumption been greatly reduced, but the life of the machinery has been extended due to reduced scale buildup and consequent reduction in breakdowns. Washing water from corrugating machines is recovered in tanks and disposed of as waste (to avoid discharge of water and glue residue into the sewer system). Absorbent products are available for use in case of chemical spills; however, these products are placed on containment tanks (to avoid soil and subsoil contamination in case of spills). Environmental aspects and risks are managed by means of environmental emergency plan, which is constantly updated by the company.



### 5.3.1 Water consumption data

**INDICATOR: QUANTITY OF WATER CONSUMED (lt)**

KPI Indicator	Results 2021	Results 2022	Results 2023
Italy	1.829.000	2.145.000	2.554.000
Brazil	1.096	1.710	1.931
Canada	883	962	1.080
Russia	482	423	520
Tunisia	210	230	223
India	NC*	189.920	249.300

\*Date not counted

## 5.4 Sustainable packaging (material consumption, environmental impact from production to product end of life)

Ecopack has been producing paper containers and firing molds worldwide since 1939 and has always been at the forefront of research, with a “mission” oriented toward improving the impact of its product on the environment, with eco-friendly solutions that are a viable alternative to plastic or aluminum. Improving our production processes in terms of sustainability has always been a priority. Especially when it comes to raw materials, we are always looking for solutions that have the ability to provide our products with the same finish and performance capability, using fewer raw materials and always choosing those with less environmental impact. The search for renewable and biodegradable raw materials is the main goal of the team



research and development of Ecopack, with the involvement of the entire supply chain.

Paper packaging has many advantages over other materials such as aluminum and plastic. Paper has a very high recyclability rate, reduces cooking time is not harmful to health, and allows the use of metal detectors at the end of the production line.

In addition, paper molds can be used in both conventional and microwave ovens. Ecopack is a leader in the design and production of paper food containers, committing its resources to improve the sustainability index of paper as a raw material and progressively reduce environmental impact throughout the supply chain.

## The strategy for packaging sustainability



### LESS RAW MATERIALS

Ecopack designs machines and molds to make **paper products lighter, without losing strength and functional capabilities**. This means less consumption of resources (energy, water), fewer chemicals, and optimization of volumes, thus of transport. A combination of minimum grammage and optimal composition is the basis of the products we offer to our customers; this is possible without losing the characteristics that can guarantee the expected performance and required functions (e.g., grease barrier, resistance to high temperatures, flaking, applicability in industrial lines, maintenance of stiffness), while minimizing the consumption of paper and other raw materials, surface treatments and all related environmental impacts (e.g., end-of-life of the product due 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, and centered printing to avoid waste.



### RAW MATERIALS SELECTION

The Ecopack team is always looking for **innovative and high-performance raw materials (papers, inks and glues) that can not only offer sustainable products, but also meet market demands and environmental standards**. All Ecopack products are made from raw materials that meet international regulations regarding suitability for food contact. The raw materials used are carefully selected and of the highest quality. The main raw material of our products is cellulose fiber. The fiber used in paper production is a certified renewable resource from well-managed forests controlled through chain of custody. Our paper suppliers are certified according to the requirements defined by FSC® (Forest Stewardship Council®) standards. ISO 14001, ISO 9001 and preferably BRCGS and/or IFS certified paper mills are preferred. All orders of the paper that goes into product composition (i.e., primary packaging), as of November 2020, are directed to FSC®-certified raw materials, so as to ensure the progressive disposal of all non-certified material in stock.

The Plumcake line can be produced either from paper certified as “Controlled Wood” (i.e., a material that can be mixed with certified paper when making products labeled as FSC® Mixed) or from FSC® paper. Ecopack is therefore able to offer customers the full range of FSC® certified paper products. Almost all of the papers we use in our productions are declared free of perfluorinated and polyfluorinated compounds (PFAS-free), and all of our product ranges can be made of PFAS-free paper and other components. Raw materials with PFAS are used to produce items for markets without specific regulations, where there is no different request from the customer.



## END OF LIFE OF PRODUCTS

In recent years, the attention of companies and the growing environmental awareness of consumers increasingly drives their preferences, leading consumers to seek sustainable, environmentally friendly, low-impact products and thus choose recyclable or biodegradable products. Environmental labeling encourages informed and safe research and purchasing choices. Ecopack has always been attentive to these aspects, and among the products supplied by paper mills, preference is given to materials with a certificate of compostability, such as OK Compost INDUSTRIAL or OK Compost HOME, or proven recyclability. Ecopack's commitment is to place as many eco-friendly products on the world market as possible, provide complete and accurate information to customers about the environmental enhancement of its products. To give value to our commitment and provide concrete and verifiable information to customers and consumers, we have activated collaborations with laboratories and certification bodies.

Starting in 2020, Ecopack has activated the **study and certification of its finished products to obtain end-of-life certification**. Depending on the characteristics of the finished product, the process of certifying compostability or recyclability has been initiated, conducting workability analysis on finished products following use: this provides industrial customers and the end consumer with the certainty of using truly sustainable packaging. Recyclable finished products are analyzed by means of CEPI method, Harmonized European Laboratory Test Method to generate parameters to evaluate the recyclability of paper and paperboard products in paper and paperboard recycling standards. Ver.2 (2022) and evaluated by means of Recyclability Evaluation Protocol 4evergreen - Beta Version (2022); they also possess Aticelca certification, proving compliance with UNI EN 13430. The CEPI and ATICELCA method enables the recyclability of the finished product used in paper, in full compatibility with the most common paper recycling processes in recycling plants.

Our finished products are certified compostable, obtaining the “OK Compost HOME” and “OK Compost INDUSTRIAL” marks, as they comply with the European standard UNI EN 13432, which defines the requirements for packaging recoverable by composting and biodegradation. TÜV AUSTRIA issues different certifications depending on the environment in which the biodegradability of the packaging was verified; the main labels are OK Compost HOME for household composters and OK Compost INDUSTRIAL for industrial facilities. In 2023, about 42 percent of finished products sold had a certificate of compostability or recyclability. By 2025, we want to exceed 65% by extending recyclability and compostability to most of our finished products. This commitment will take the form of sourcing certified raw materials and components such as glue and inks with a low environmental impact through collaboration and partnerships with suppliers who are themselves environmentally conscious.



## PROJECTS FOR THE ENVIRONMENT: USE OF PAPER MADE FROM GRASS FIBERS

Ecopack has developed a product line, Terra Moulds, using a new family of green papers based on ecologically sustainable grass fibers: the grass fiber, at a rate of c. approx. 40 percent, is obtained by a process of grinding and drying grass from permanent lawns, unused green areas free of fertilizer and pesticide treatments and irrigated: the use of grass fiber does not compete with the production of animal feed and being spontaneously growing on untreated green areas, it coexists with flowers and herbs.

Late mowing ensures biodiversity because it counteracts woody growth, as does a mowing frequency adjusted for the purpose. Compared to an equivalent pure pulp product, the production of this paper has many environmental benefits:

- > **Water** (impact of dissolved substances in water) **-33.6%\***
- > **Air** (emission of volatile substances) **-7.2%\***
- > **Energy of the production process -14.1%\***
- > **Ecological footprint -2%\***
- > **Less CO<sup>2</sup> emissions**

\* compared to traditional products

This paper meets high quality standards such as PFAS-free (thanks to an innovative water-based surface treatment) and OK compostability certification INDUSTRIAL compost) from TÜV Austria.



## NEW TECHNOLOGIES DEVELOPMENT



A pillar of improving the environmental footprint of Ecopack products and processes is research and innovation activities aimed at **developing new eco-friendly technologies**. Various efforts have been made with this in mind, starting with a focus on the raw materials that the company normally uses. For example, inks are an important part of our production, and reducing their consumption is a valuable goal. Several technological solutions have been implemented for this purpose. Where, for example, the product and its end use permit, printing equipment is designed to etch the paper instead of printing it in order to reduce ink use. A further improvement in this regard is associated with the use of a closed-chamber blade press, equipped with viscometers for automatic viscosity control and, thus, optimizing consumption. Inks, moreover, are elements that can affect the compostability of a product when present in a certain concentration. We are currently looking for suppliers to work with to test new compostable inks in our in-house machinery, with the goal of certifying some of the printed lines as compostable as well.

On the subject of printing, various water-based inks with compostability claims are being actively tested. The exchange of information and know-how between sites facilitates this development, since water-based inks have already been in use at some foreign sites for some time. Another key raw material is glue, used by laminating and corrugating machines. Ecopack is focusing on the use of compostable, environmentally friendly glues, working hard on two fronts:

- > Their formulation, with vegetable formulations
- > The development of machines capable of using them, such as new laminating machines capable of working with glues with a high water content, and thus with new drying technologies
- > The reduction of the amount of glue used, with the goal of at least a 30 percent reduction in the amount compared to the current amount.

All new developments will gradually be extended to all foreign sites as soon as there is full confirmation of their effectiveness in terms of sustainability.



## LESS WASTE

Raw material waste associated with the production flow is minimized through supply chain planning and production cycle engineering, which is optimized to reduce waste in production. In production planning and scheduling, implemented with advanced software tools, criteria are adopted for minimizing the number of mold changes to be made on the various production lines, thus minimizing waste during start-up. Paper scraps are, in addition, recovered as a secondary raw material. Material handling is also kept to a minimum, and we work mostly in taut flow, in a Lean Manufacturing perspective.

The secondary packaging of our products is designed based on the size of the final product in order to optimize its packaging. Ditto for palletizing, the optimization of which allows us to minimize storage space and transportation to the customer. The new machines to be introduced, such as the new corrugator with in-line bottom cutting, are designed to minimize the number of intermediate processes to be performed, and thus reduce overall start-up waste.

In addition, the implementation of in-line bottom cutting allows for optimized storage and handling of bottom paper.

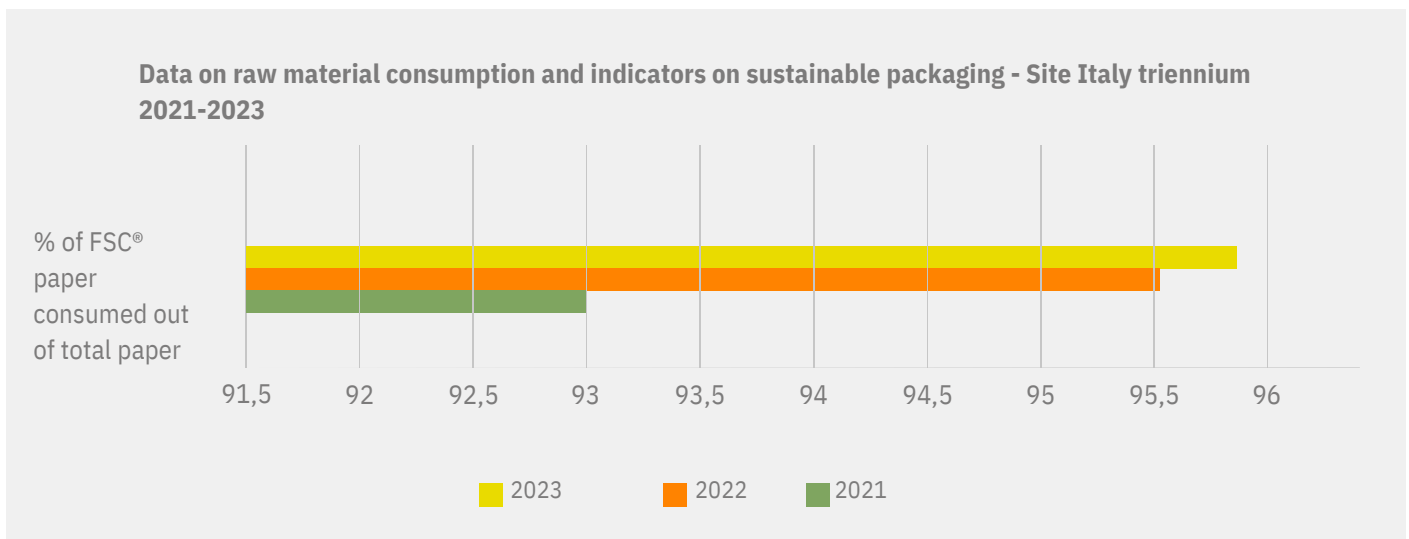
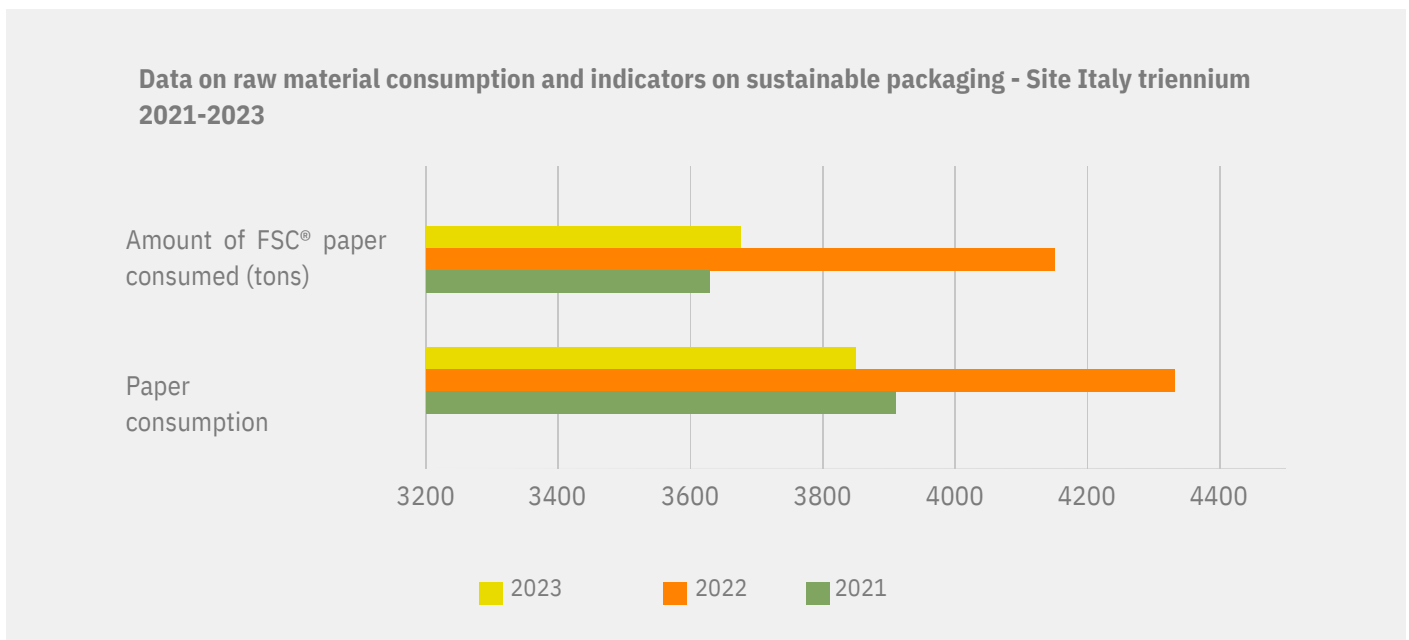
In order to **reduce chemical consumption and waste generation**, the following technological solutions are already implemented

- > Closed circuit for boiler thermal oil;
- > Recovery and recycling of printing solvent: Two distilling machines recover dirty solvent, which is partly reused for cleaning operations, separating it from sludge, which is instead disposed of. Partial solvent recovery reduces the amount of spent solvent to be sent for disposal as hazardous waste;
- > Use of a washing machine for washing printing press components with closed circuit.

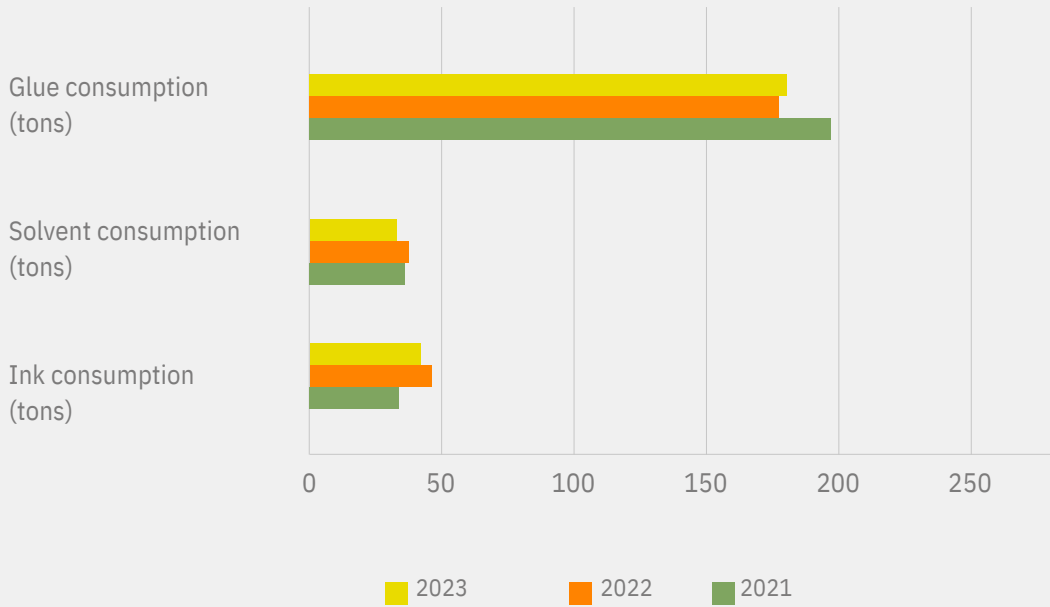


### 5.4.1 Data on raw material consumption and indicators on sustainable packaging

Raw material consumption and indicators on sustainable packaging - Italy site	Results 2021	Results 2022	Results 2023
Paper consumption (in tons)	3.906	4.323	3.829
Consumption of inks (in tons)	29,96	45,45	37,47
Solvent consumption (in tons)	33,66	33,91	28,54
Glue consumption (in tons)	197,705	176,12	178,51
Amount of FSC® paper consumed (in tons)	3.633	4.136	3.667
% of FSC® paper consumed out of total paper	93	95,52	95,78



Data on raw material consumption and indicators on sustainable packaging - Site Italy triennium 2021-2023



## 5.5 Emissions and air quality

The production of goods and services is responsible for releasing a very significant amount of atmospheric emissions into the environment. Ecopack, aware of this, intends to develop solutions increasingly capable of reducing these emissions so as to contribute directly to the achievement of **Goal 13 “Fighting Climate Change.”**

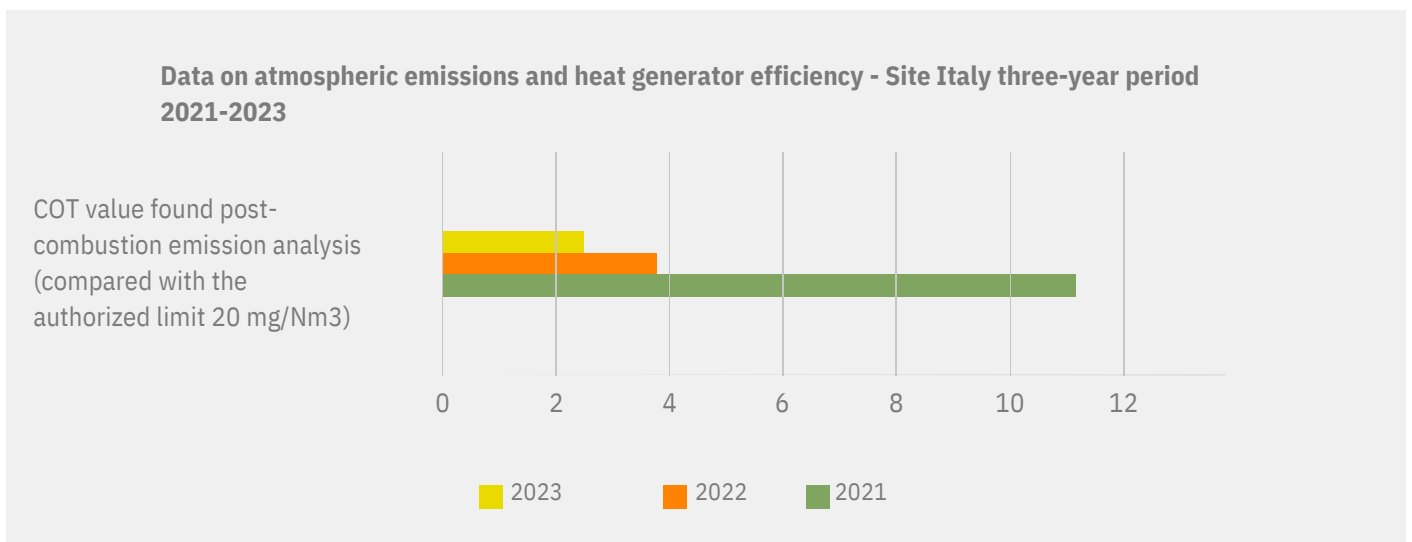
**13** CLIMATE ACTION

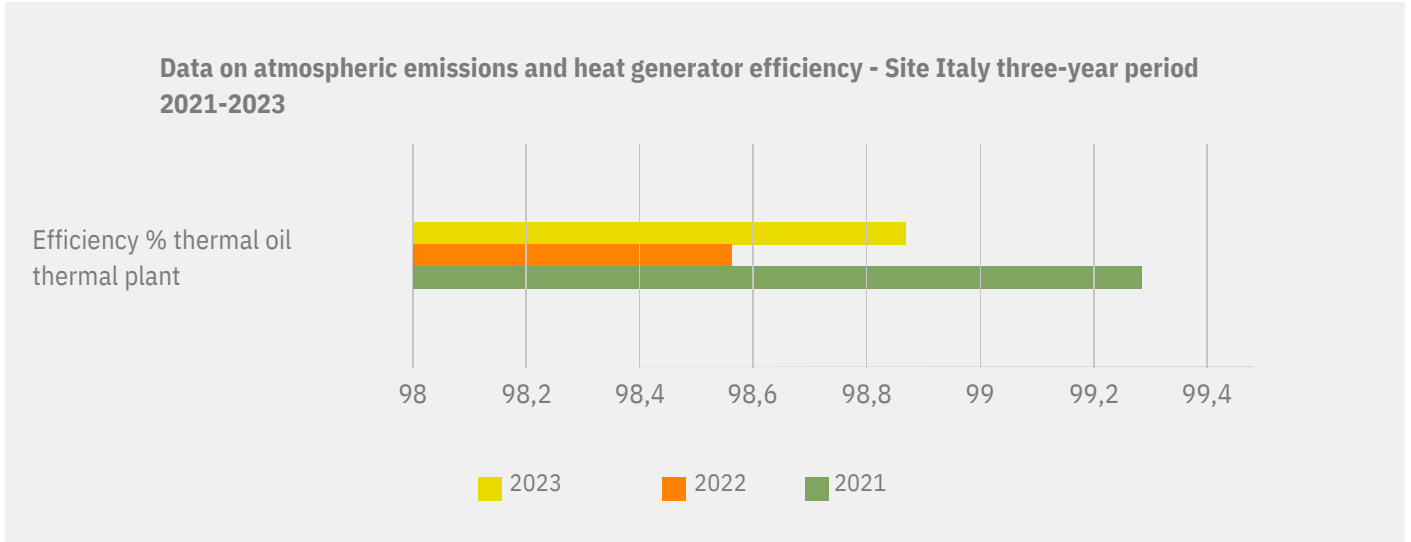


**Ecopack at all sites where it operates monitors atmospheric emissions** due to papermaking processes (lamination, corrugation), gravure and flexographic printing or other services, such as maintenance and carpentry. Containment and abatement systems are in place that provide for the conveyance of emissions after thermal post-combustion abatement of the organic substances present C.O.T., burning inside a combustion chamber the pollutants present in the effluent. The verification of the possible presence of contaminants in the gaseous effluents is subject to a self-monitoring plan according to the periodicity established by the legislation in force in the individual countries, by means of analysis carried out by a qualified third-party laboratory and include annual control of the parameter C.O.T. at the post-combustion unit inlet. Emissions generated by heat generators, plants subject to maintenance and control according to current legislation on thermal plants, are not subject to authorization. Technical measures are constantly made to improve thermal efficiency and emission safety, such as covering the afterburner combustion chamber with refractory materials to achieve greater insulation of the chamber. Any leaks and compliance with required regulatory compliance with regard to greenhouse, ozone-depleting refrigerant gases and with regard to the operation of thermal systems for air conditioning of buildings and water heating for sanitary and hygienic uses are also constantly monitored.

### 5.5.1 Data on air emissions and heat generator efficiency

Indicator - KPI (Italy)	Results 2021	Results 2022	Results 2023
COT value found analysis of post-combustion emissions. (compared with the authorized limit 20 mg/Nm3)	11,15	3,80	2,51
Efficiency % thermal oil thermal plant.	99,30	98,55	98,87





## 5.6 Waste, effluent and soil pollution

At all Ecopack's production sites, efforts are made to reduce the amount of waste produced and to increase the percentage of recoverable waste. 98.7 percent by weight of industrial waste is non-hazardous, mainly consisting of paper and cardboard production waste, metal scrap, plastic, wood and mixed-material packaging.

The types of hazardous waste produced by the company are, for example: washing water, toner, mineral oil, packaging contaminated with hazardous substances, and ink sludge.



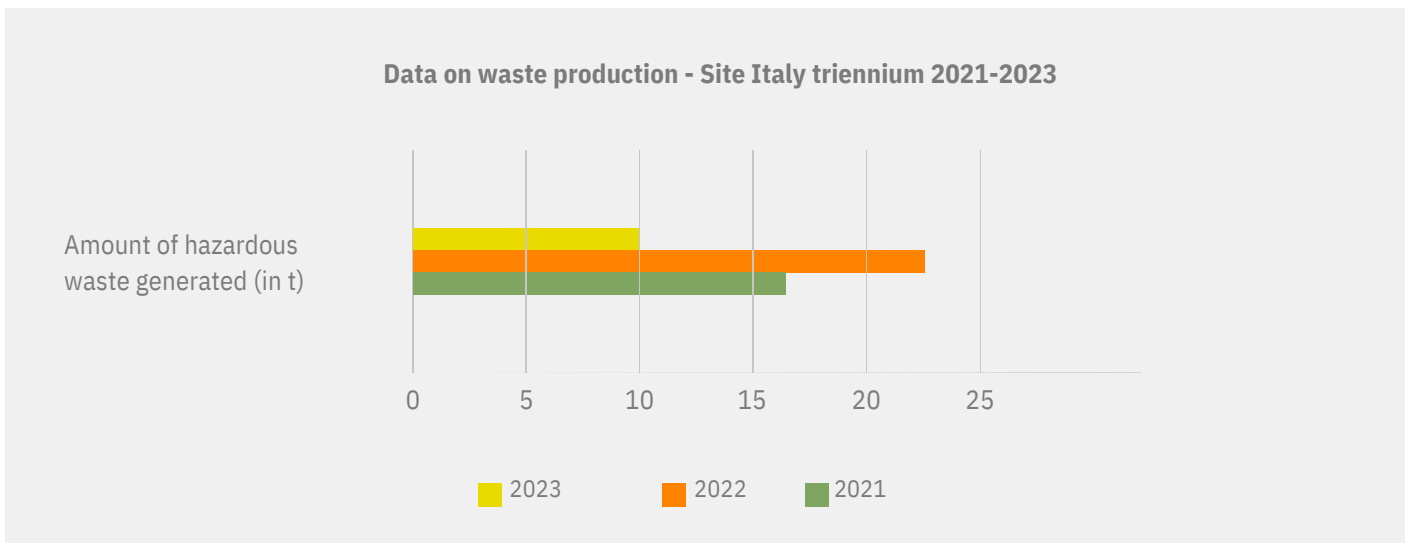
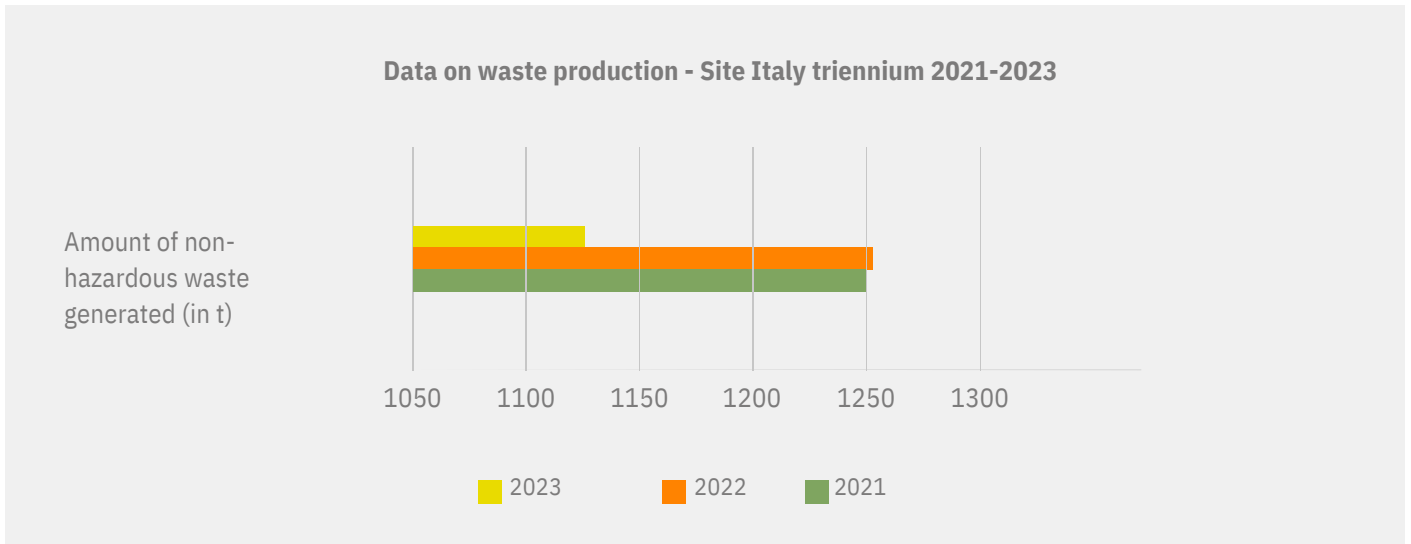
In order to reduce the production of packaging waste, preference is given to purchasing primary containers in larger sizes and making arrangements with suppliers to take back empty containers after use. An example of waste valorization and circular economy is the distillation plant for printing process waste, which allows the separation of the two components, enabling the recovery of ethyl acetate and the creation of ink sludge: valorization results in the reduction of about 75-85% of the weight of hazardous waste, while circular economy comes from the use of the recovered solvent for secondary purposes, such as cleaning and operation of the washer-drier serving the printing department.

Reducing the environmental impact from the production of paper and cardboard waste has always been a company goal and an ongoing project for improvement. Many business processes and production aspects contribute to the achievement of this goal: waste reduction starts from the design of machines, molds and articles, passing through graphic design, to the production phase marked by the optimal organization of scheduling, process and machine efficiency, but also the high specialization and training of production operators.

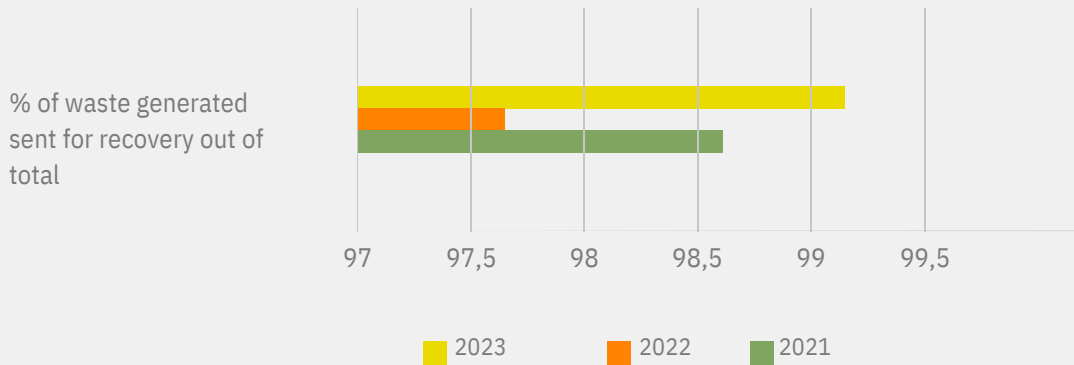
During 2023, **we achieved a 50 percent reduction in the amount of undifferentiated civilian waste** by creating centralized ecological waste islands, thus halving the number of containers in both production departments and offices, introducing electric dryers in restrooms to replace disposable paper, and above all by means of activities to raise awareness and train staff on the rules of waste sorting. In detail for the Italy site, undifferentiated civil waste, collected and disposed of by the Covar consortium, decreased from 118,000 liters in 2022 to 55,000 liters in 2023. The goal is a further reduction of about 20 percent during 2024.

### 5.6.1 Data and indicators on waste production

Waste production - Italy	Results 2021	Results 2022	Results 2023
Amount of non-hazardous waste generated (tons)	1.250,05	1.252,09	1.128,52
Amount of hazardous waste generated (tons) % of waste generated sent for recovery out of total	16,20	22,39	10,10



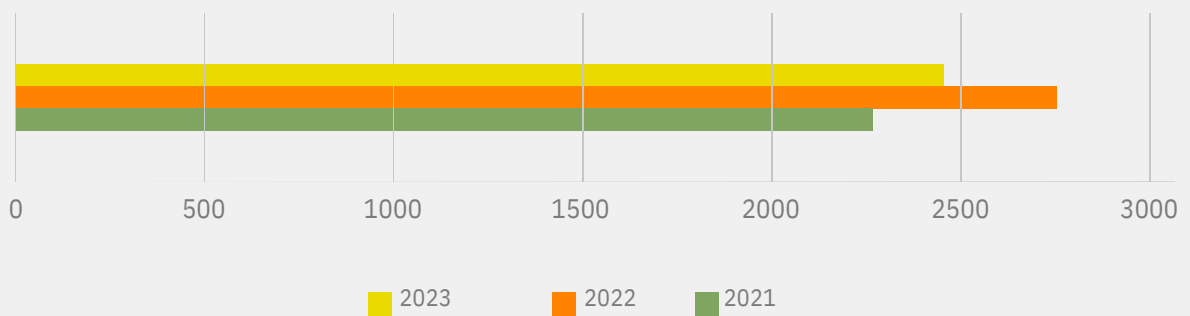
**Data on waste production - Site Italy triennium 2021-2023**



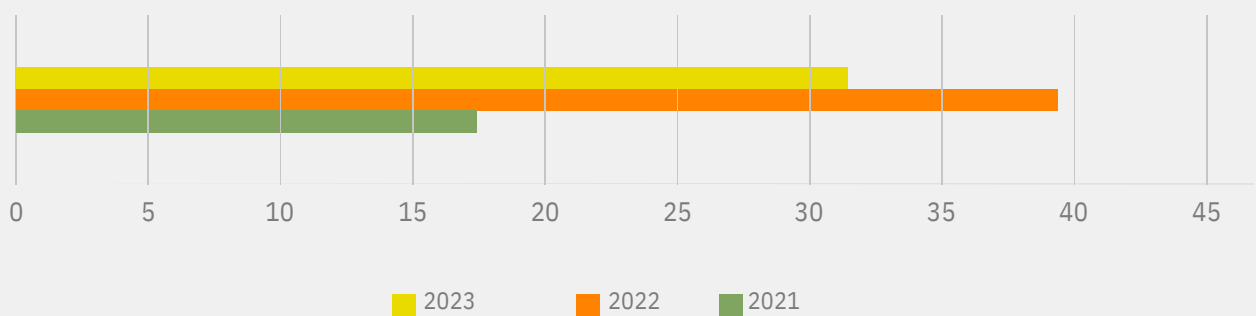
**Waste production - all sites**

	Results 2021	Results 2022	Results 2023
Amount of non-hazardous waste generated (tons)	2.324,41	2.820,37	2.420,52
Amount of hazardous waste generated (tons)	17,36	39,17	31,49

**Non-hazardous waste in tons - All sites triennium 2021-2023**



**Hazardous waste in tons - All sites triennium 2021-2023**



# 6. APPENDIX



## 6.1 Methodological note

This document represents the tool with which Ecopack presents to its stakeholders not only its sustainability initiatives and performance, reporting on the results achieved during the year, but also the main objectives for the future. The Sustainability Report 2023 refers to the period January 1 - December 31, 2023, and the reporting scope includes all Group locations: Italy, Canada, Brazil, Tunisia, Russia and India. It has been prepared in accordance with the Global Reporting Initiative Standards (GRI Standards), a document published by the GRI - Global Reporting Initiative. To prepare this document, the companies, under the coordination of the General Management, involved their respective organizational structures by requesting data and information on the results achieved during the year from the various functions. The information was collected through special forms and interviews with function contact persons, consistent with “best practices” in non-financial reporting, and verified through an internal control process. In order to allow for data comparability, where possible, data for the years 2021 and 2022 were included, in addition to 2023. To ensure the reliability of the data in the document, each business function has defined and codified its own performance indicators, and the use of estimates has been limited. Where some data have been estimated this is appropriately indicated.

Finally, for the realization of the Sustainability Report 2023, Ecopack has implemented specific activities of listening and involvement of its internal and external stakeholders, also in order to define its Materiality Matrix. The updating of the mapping and the involvement of its stakeholders will be appropriately followed up on the basis of the evolution of the concept of sustainability in the company and among the stakeholders themselves, with a view to increasing compliance with the United Nations Sustainable Development Goals.

For information and clarification on the contents of the Sustainability Report 2023, please use the following address: [info@ecopack.com](mailto:info@ecopack.com).



**ecopack** 