
ECOPOL SUSTAINABILITY REPORT

Annual Report 2022



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Dear Stakeholder

2022 was a year to remember for Ecopol. During this year we opened a new plant in Italy and started the construction of our American plant.

Our company is growing more and more and we have decided to direct this growth so that it takes place in a sustainable way. At Ecopol we have always focused our business on increasing attention to sustainability issues; these are strategic drivers of development and translate, starting this year, into the decision to draw up our annual Sustainability Report.

Despite the complexities generated by the market due to the increase in the cost of energy and raw materials, as Ecopol S.p.A. we have taken the opportunity to imagine an increasingly sustainable future, pursuing our strategy aimed at reducing the impact of products and activities for the benefit of our customers, the environment and the community.

Pursuing this idea, we published our first corporate GHG inventory in June 2022, and we expanded the company's photovoltaic park. In addition, we have constantly committed ourselves to helping the community where we are located and to make our contribution where catastrophic events have occurred (see the collection organized for the outbreak of the war in Ukraine). In addition to all this, we have always been at the forefront of reducing the environmental impact of our products and being proactive partners for our customers, as we firmly believe that only by working together can we achieve ambitious goals for the protection of our planet.

Achieving these results, and the others you will discover in the following pages, was an important milestone. Having done so during 2022 represented an added value to the commitment with which we carried out our work. The year that we were all waiting for, as the year of the great recovery after the Covid-19 pandemic, has failed to live up to expectations since its first months. The outbreak of the war between Russia and Ukraine, and the subsequent increase in energy prices, has complicated the restart of industries and increased the level of uncertainty in the global economy, already marked by phenomena such as the raw materials crisis, generalized inflation and climate change.

Difficulties that we at Ecopol have taken up as new challenges. We have never just passively watched the transformations of society. Rather, we have chosen to challenge them, interpret them and try to direct them on the path of ecological transition and the protection of resources for the next generations. We have invested time and ideas in this direction, such as the purchase of machines that have allowed us to reprocess production scraps, projecting ourselves more and more into a circular economy perspective. We have decided to participate in national events such as the Planet Earth festival, and other venues, such as "The Day of the Good Citizen", to spread a culture of sustainability and raise awareness among citizens – especially the younger ones – on virtuous practices for the protection of the environment and the development of the circular economy, such as the correct disposal and recycling of waste.

A deep understanding of the economic context in which we found ourselves operating in 2022 allowed us to make strategic choices that led to satisfactory results for all stakeholders. During the year, we have increased our production capacity, while working to increase our energy autonomy and equipped our second production plant with a water purification system to have as little impact on the environment as possible.

These are results we are proud of and which we have achieved thanks to the realization of a winning and shared strategic vision, which has led us to become a leading player in Europe and an important reality on the world scene.

*Mauro Carbone
CEO Ecopol*



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About us

The Company: Ecopol S.p.A.

Ecopol SpA is a market leading producer of water-soluble biodegradable polyvinyl alcohol-based films. Our products can be found in single dose laundry and dishwashing capsules, as release agents for coatings of various hard surfaces such as countertops, and as an additive in concrete. Ecopol is home to unsurpassed expertise in film design, and the company has instilled a strong commitment to sustainability throughout its organization. Today Ecopol is the number one producer water soluble, biodegradable films in the European Union and the number two producer globally.

At Ecopol we believe protecting the environment is an essential part of our business model. Our commitment to sustainable operations is visible in the products we create the factories we operate and the relationships we cultivate with our employees and other stakeholders.

Ecopol is uniquely positioned to enable a more circular economy and a reduction in greenhouse gasses emissions while creating a product that meets the standards of quality and convenience our customers expect.



Vision e Mission

Vision

To become a global leader in developing new ways to replace traditional materials with biodegradable and water-soluble solutions, while keeping responsible operations and environmental stewardship at the center of all we do

Mission

To create innovative biodegradable materials and delivery systems that meet our customers' highest expectations while delivering superior environmental performance.

Ecopol in Italy and around the world

Chiesina Uzzanese - Head Office

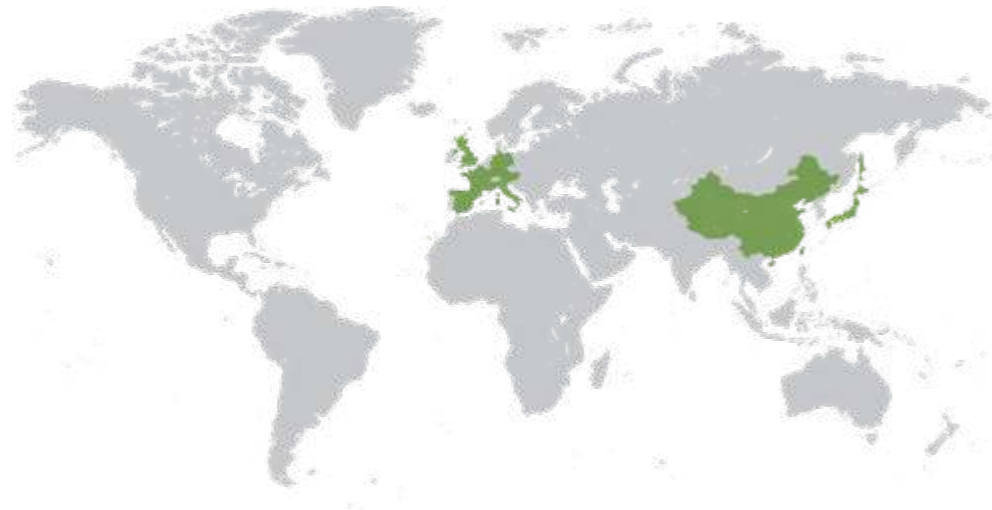
The Chiesina Uzzanese site employs 130 individuals and includes two production units. The first unit produces film primarily for use in dishwasher detergent, hard surface treatments and cement additives. The second unit produces films for new technologies including laundry detergents and cosmetic products.

Griffin, Georgia (USA)

In October 2023 Ecopol opened its first expansion site in Griffin, Georgia. The new Griffin facility will allow Ecopol to increase its capacity, serve new customers and deliver materials to customers with lower shipping costs and reduce greenhouse gas emissions.

Ecopol Suppliers

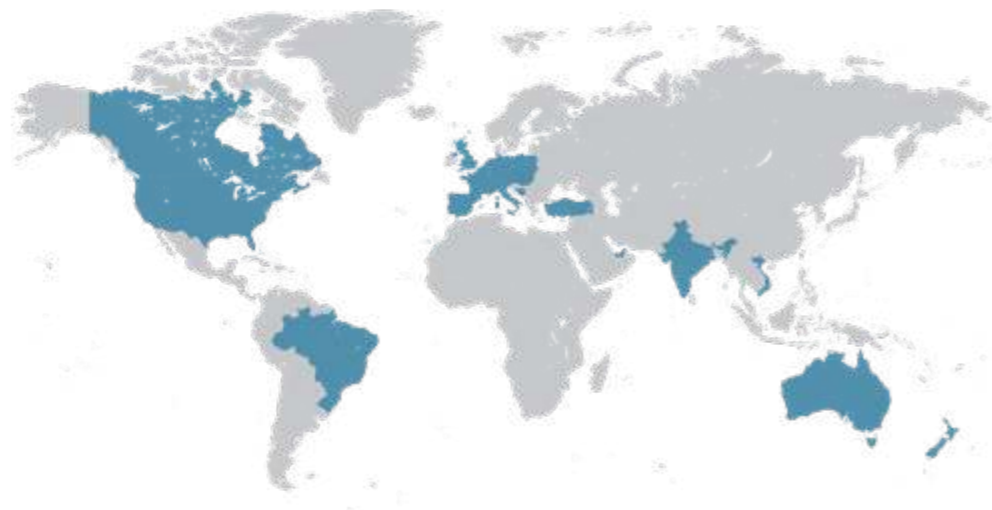
► Ecopol Suppliers are:
Italy, Spain, Germany, France,
England, China, Taiwan, Japan.



Ecopol's Customers

Ecopol's customers, on the other hand, are located all over the world, as can be seen in the image

► Ecopol's Customers are:
Kwait, Austria, Australia,
Belgium, Switzerland, Czech
Republic, Germany, Spain,
Portugal, France, Hungary, Italy,
Malta, England, Emirates, India,
Netherlands, New Zealand,
Poland, Serbia, Slovenia, Turkey
USA, Vietnam, South Africa,
Brasil, Canada.



Our History

In 2009 Professor Emo Chiellini of the University of Pisa recognized the promise of biodegradable films but knew a company with an experienced management team must be formed if the technology was to reach its potential. That year the Madonna de Pisa investment group took a controlling interest in the young company and set about transforming Professor Chiellini's dream into a reality.

► Foundation of Ecopol S.p.A.

- Carraia (LU)
- 1200 mq
- 1 production line
- 10 employees

► Change of ownership (CEO)

- Mauro Carbone (current CEO) becomes the company's largest shareholder
- 1 production line
- 12 employees

After six years the Madonna di Pisa group had built a small organization with over 1.5 million euros in net revenue and 12 full-time employees.

In 2015 the company was sold to the World Green Fund of Singapore. The new owners transferred manufacturing to Asia, while keeping research and development in Italy.

► Enlargement

- 2 production lines
- 40 employees

Mauro Carbone was named CEO of Ecopol in 2016. His first move was to bring manufacturing back to the company's home Tuscany. Carbone developed a new business strategy, improved product quality and focused on attracting medium-sized clients.

► New plant construction

- Chiesina Uzzanese (PT)
- 3400 mq
- 2 production lines
- 40 employees

In 2017, Ecopol recorded its first profit.

► Enlargement

- 2000 mq
- 4 production lines
- 98 employees

In 2018 Carbone worked with a group of investors to purchase a majority stake in the company. In that same year, new employee benefits were introduced.

► Inauguration of second production site

- Chiesina Uzzanese (PT)
- 3800 mq
- 1 new production line with alternative technology
- 126 employees

In 2020 the company moved to new headquarters in Chiesina Uzzanese.

In 2021 Ecopol expanded its manufacturing capabilities and reorganized to support the company's future growth. The French fund, Tikehau Capital, purchased 33 percent of the company's shares.

► Inauguration of third production site

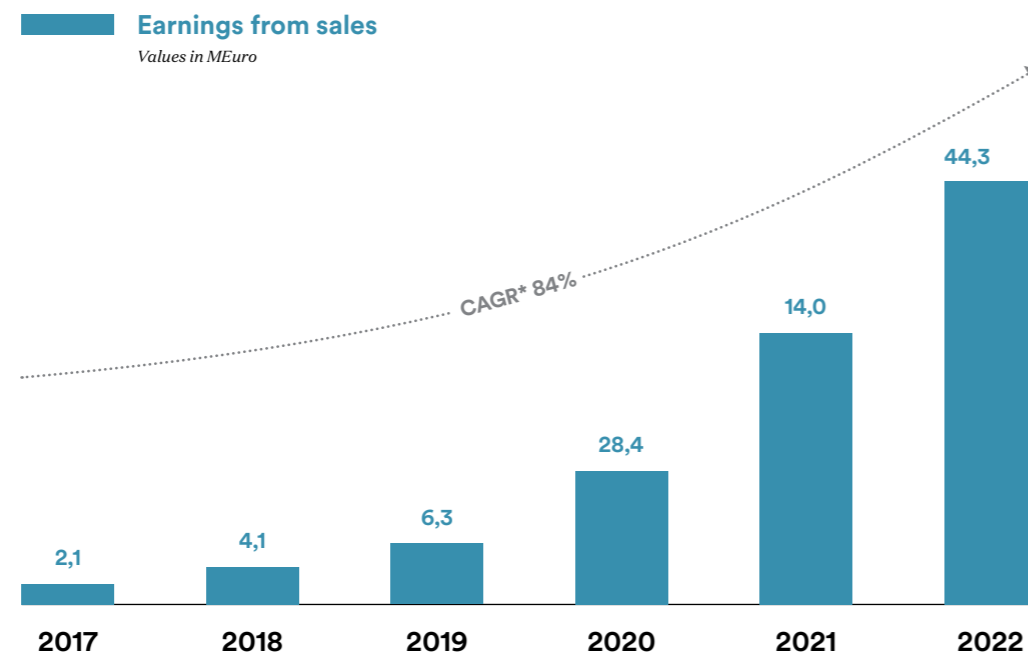
- Griffin, Georgia (USA)
- 7500 mq
- 1 production line
- 29 employees (167 total)

In 2022 a second production unit utilizing different technology is built at the Chiesina Uzzanese site, and Ecopol breaks ground for its expansion site in Griffin, Georgia in the United States.

Our business model and results

Ecopol adheres to the highest standards of ethics, responsibility, and sustainability throughout our operations. Each business function plays a role in meeting stakeholder expectations, supporting the company's continuous improvement, and complying with legal requirements, including the European Union's Corporate Sustainability Reporting Directive.

The market-leading position that Ecopol enjoys today can be attributed to strategic investment, external engagement, and the spirit of partnership we have developed with our business, financial and community stakeholders. We have embraced opportunities to work with industry colleagues, government representatives and civil society to address common challenges. Our reputation for collaboration, transparency and quality has reinforced the stability of our supply chains and customer relationships, even during uncertain times.



(*) CAGR - Compounded Average Growth Rate, indicates the average growth rate of the indicators considered over a defined period of time

The fruits of our efforts can be seen in our financial results: Ecopol's 2022 sales revenue increased 56 percent compared to 2021. Our headcount grew from 96 employees at the close of 2021, to 129 employees at the end of 2022. In that same year we dedicated a new production unit in Italy and broke ground on a new manufacturing site in Griffin, Georgia in the United States to meet growing demand.

Our approach to sustainability

At Ecopol we have always believed that with growth comes responsibility. Advancing circularity, fighting climate change, protecting natural resources and biodiversity, respecting human rights, and preventing corruption are ingrained in our principles and our business model. To operate sustainably, we must understand the impacts we have on the economy, the environment, and people.

In 2021 Ecopol engaged Ecovadis to assess our progress and evaluate our programs. Ecovadis is one of the largest and most recognized independent raters of sustainability practices having assessed over 100,000 companies worldwide.

Ecopol received the Ecovadis silver medal, scoring higher than 85 percent of rated companies in our sector. We were particularly proud that Ecovadis recognized our labor and human rights practices as being advanced. While we are proud of our silver medal, we are working to secure gold medal status.

Ecopol is continuing to develop our sustainability programs and is considering key performance indicators and new auditing processes.

Stakeholders, material issues and impacts

Ecopol reached an important milestone by completing the company's first sustainability materiality assessment, which was prepared in accordance with Global Reporting Initiative standards. The results of this assessment will help us identify our most important impacts on people, the economy and sustainable development and allocate our resources accordingly. The learnings from the assessment are being integrated into our corporate values, social and environmental action plans and overarching business strategy.

To inform the assessment, Ecopol sought the input of internal, external, primary, and secondary stakeholders including employees, customers, suppliers, shareholders, financial intermediaries, government authorities, knowledgeable academics and community members. Each stakeholder was asked to consider a range of economic, environmental and social outcomes and assess the probability and extent to which Ecopol's activities would contribute to them either positively or negatively.

Below is a list of the material issues identified by participating stakeholders:

1. *Staff: Diversity, Inclusion & Development*
2. *Supporting the local community*
3. *Energy efficiency*
4. *Development and growth in new markets*
5. *Occupational health, safety and well-being*
6. *Waste management*
7. *Ethical and responsible business*
8. *Product: innovation, quality and safety*
9. *Responsible Supply chain*
10. *Data Privacy & Cybersecurity*

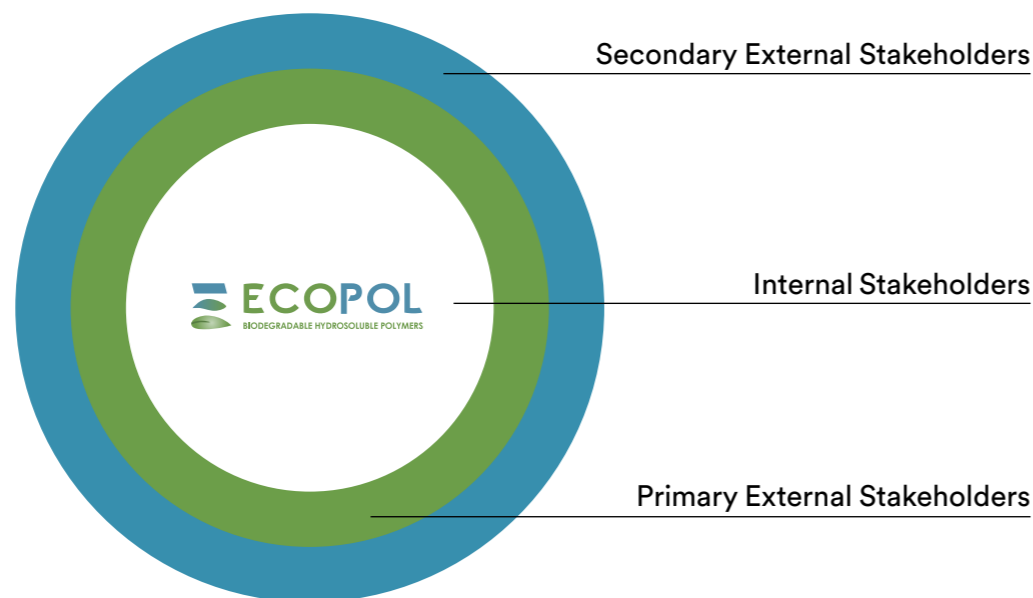
Ecopol has identified 23 significant impacts associated with the 10 material issues indicated above:

Impacts	Positive/Negative	Actual/Potential
Production of GHG emissions in production activities	Negative	Actual
Production of GHG emissions along the value chain related to both raw material production and logistics	Negative	Actual
Production of hazardous waste in the production process	Negative	Actual
Promotion of the culture of recycling/recovery/reuse of (non-hazardous) waste with a view to circular economy	Positive	Actual
Occurrence of accidents due to employees' lack of attention to health and safety within the company	Negative	Actual
Improvement of employee well-being through increased welfare policies	Positive	Actual
Promotion of stable and dignified forms of work for our people	Positive	Actual
Developing staff skills through appropriate training programmes	Positive	Actual
Inequalities related to Diversity & Inclusion within staff, collaborators and governing bodies	Negative	Potential
Not total transparency in communication and application of subjective evaluation drivers in employees' career paths	Negative	Potential
Job creation and recruitment in the area	Positive	Actual
Organization and promotion of events in support of solidarity issues and for the dissemination of sustainable behaviors and practices	Positive	Actual
Contribution to the local community through donations, sponsorships and charitable disbursements	Positive	Actual
Situations of non-compliance with the regulatory system in which the company operates	Negative	Potential
Incidents of sensitive data loss related to GDPR regulations	Negative	Potential
Business Continuity issues and cyber attacks that could impact business operations	Negative	Potential
Occurrence of environmental damage from spills or waste generation during production activities in the value chain	Negative	Potential

Possible human rights violations by companies operating in different geographies along the value chain	Negative	Potential
Use of new technologies that require a high consumption of water resources and the use of substances labeled as "hazardous"	Negative	Potential
Use of non-biodegradable packaging to maintain the quality of the finished product	Negative	Actual
Potential damage to consumers' health related to products distributed on the market that are defective and/or do not comply with EU regulations	Negative	Potential
Construction of a new production plant in Italy, a new headquarters in the USA at the forefront of technology	Positive	Actual
Investments in research and development	Positive	Actual

The following is a summary of the Company's stakeholders who interface with the Company at all levels during the company's operations:

- Internal Stakeholders:
 - Employees
 - Shareholder
- Primary External Stakeholders:
 - Our customers
 - Our suppliers of goods and services
 - Banks and other financial intermediaries
- Secondary External Stakeholders:
 - The Authorities
 - Universities
 - The local community



Our contribution to the United Nations Sustainable Development Goals

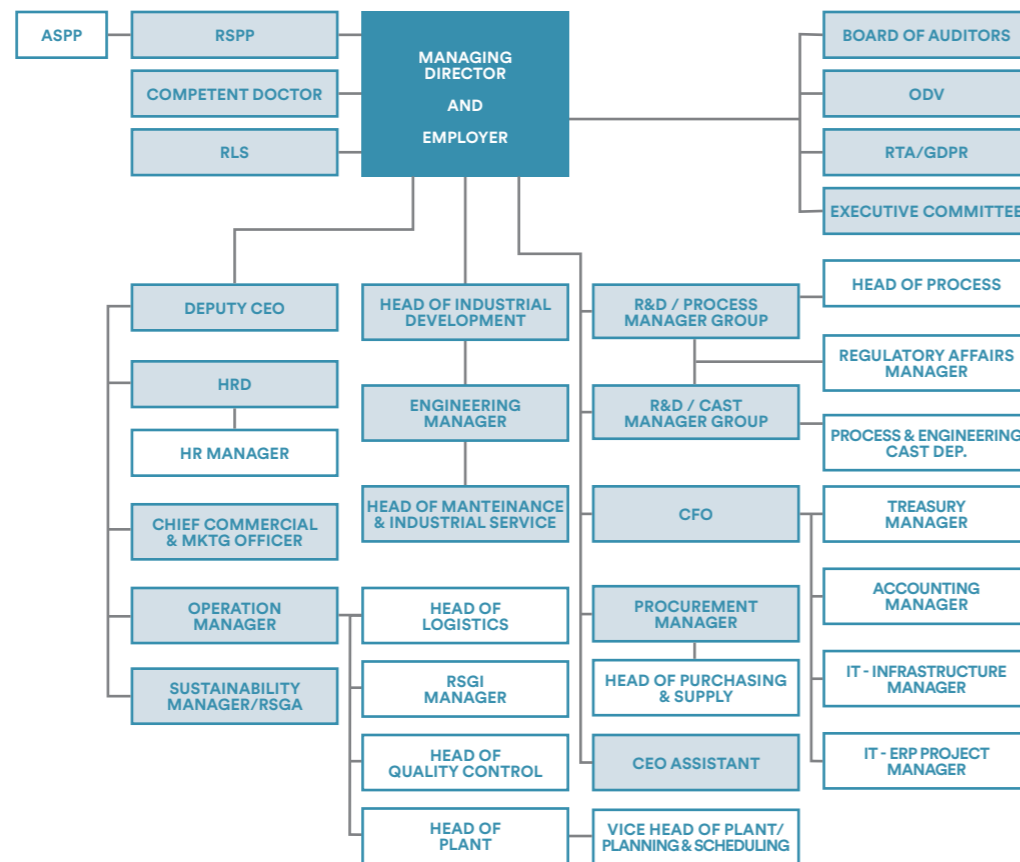
At Ecopol we have kept the UN SDGs as a guide for our way of doing business and we have identified some of the 17 goals as closest to our way of thinking and acting; therefore, we have developed them within the three ESG macro-areas as listed below:

3	 Good health and well-being	<ul style="list-style-type: none"> • Health insurance for all employees fully paid for by the company • Provision of fresh fruit for all employees
7	 Affordable and clean energy	<ul style="list-style-type: none"> • 100% Energy from renewable sources (part self-produced by photovoltaic panels, the rest purchased certified with GO certificates)
8	 Decent work and economic growth	<ul style="list-style-type: none"> • Bonus for the birth/adoption of a child by an employee • Solidarity holidays • Participation and organization of volunteer events aimed at the local community and beyond ("prevention day"; "Good Citizen's Day"; "I play and learn"; collection of basic necessities for the war in Ukraine and collection of goods for the earthquake in Turkey) letter from UNHCR • Sponsorship of local youth sports teams (Montecarlo Calcio, Chiesina Basket) • Second-level contract with better conditions for employees than those of the national contract • Two-year corporate training plan • Smart working regulations • Rules of conduct and disciplinary regulations • Recruiting policy
9	 Industrial innovation and infrastructure	<ul style="list-style-type: none"> • All newly built production plants with a fleet of machines less than 2 years old
12	 Responsible consumption and production	<ul style="list-style-type: none"> • Circular Economy project (also linked to the purchase of machinery and training plans for the reuse of processing waste, project "The 3 Rs in Ecopol S.p.A.: Reduce – Reuse – Recycle")
13	 Climate action	<ul style="list-style-type: none"> • Organization GHG Inventory • ISO 14001 Company Certification, and RSPO Mass Balance Certification • Silver Medal Ecovadis • Certified water-biodegradable and compostable films (TUV's OK biodegradable WATER certification, and TUV's OK compost INDUSTRIAL certification)
16	 Peace, justice and strong institutions	<ul style="list-style-type: none"> • Organizational Model DLgs.231 • GDPR • Regulation for the protection of know-how • IT Regulations • Code of Ethics

Our Governance

Governing bodies

The Governance structure is composed as follows:
 Board of Direction - Chief Executive Officer - Board of Statutory Auditors
 ODV (supervisory body - RTA(data protection officer)/GDPR (General Data Protection Regulation) - IMS (integrated management system - EXECUTIVE COMMITTEE.



Company's highest governing body. The Board includes two internal directors, three directors representing investors, and an unspecified number of independent directors. The Board assigns specific responsibilities to individual directors.

The Executive Committee is responsible for implementing the Board's direction and executing the day-to-day operations of the company.

The Executive Committee consists of the CEO - Group Deputy CEO - Operations Manager - Group R&D Manager - Group Chief Financial Officer - HRD (human resources director) – PMO (project manager officer) - Engineering Manager and the R&D Manager.

The CEO and Executive Committee are responsible for developing, approving, and updating the organization's sustainability-related mission, policies, goals and strategies. The Executive Committee reviews all due diligence and sustainability related performance data before it is shared with shareholders.

Ecopol has appointed an internal sustainability officer to manage the company's impact on the economy, environment and people. The position reports directly to the Deputy CEO.

When sustainability-linked opportunities or challenges arise, the entire Executive Committee is involved in developing a plan to address them.

Composition of governance bodies.

Composition of governing bodies by gender	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Members of the BoD	8	0	8	7	0	7
Board Members	3	2	5	3	2	5
Total	11	2	13	10	2	12

Composizione organi di governo suddivisi per genere in %	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Members of the BoD	100	0	100	100	0	100
Boards Members	60	40	100	60	40	100

Composition of governing bodies divided by age group	2022			2021		
	Man	Donne	Total	Man	Donne	Total
Members of the BoD	8	0	8	7	0	7
Boards Members	3	2	5	3	2	5
Total	11	2	13	10	2	12

Composition of governing bodies divided by age group in %	2022			2021		
	Man	Donne	Total	Man	Donne	Total
Members of the BoD	100	0	100	100	0	100
Boards Members	60	40	100	60	40	100

There are no minorities or protected categories within the governing bodies.

The “Total Compensation Ratio” is shown below:

Total annual compensation for the highest-paid individual in the organization	= 14,25
Median annual total compensation for all employees in the organization excluding the highest-paid individual	

Ratio between the highest paid employee’s total annual compensation increase by percentage and the median annual compensation increase for all employees (excluding the highest-paid individual) by percentage:

Percentage increase in total annual pay for the highest-paid in the individual organization	= 4,34
Median percentage increase in total annual compensation for all dependent organizations excluding the highest-paid person	

Safeguards for the management of an ethical and responsible business

At Ecopol we are committed to 100 percent compliance with all current regulations. We have a dedicated team whose job is to understand and verify that our products and operations meet relevant requirements.

To support ethical and responsible operations, Ecopol adopted Italy’s Organizational Model 231 in November 2022. Legislative Decree 231/2001 is a set of codes of conduct, organizational best practices and management measures that help prevent crime and corrupt business practices.

Ecopol has developed several new policies and processes as a result of the company’s adoption of the 231 Model. For example, Ecopol employees can now anonymously express concerns knowing that whistleblower protections are in place if they raise their voice. Ecopol has also developed a new Code of Conduct that has been provided to all employees and business partners. The Code communicates clear expectation for legal compliance, personnel management, protection of health and safety at work, staff enhancement and training, conflicts of interest and the prohibition of discrimination based on sex, religion, nationality and personal and political opinions.

An external supervisory body, appointed by Ecopol’s Board of Directors, monitors our implementation of Model 231. If applied correctly, Model 231 can reduce the company’s administrative liability if, despite company’s efforts, certain crimes occur.

There were no confirmed incidents of corruption and public lawsuits against the company during 2022 and 2021.

Ecopol has also met the highest international standards related to continuous improvement in quality, environmental protection and health and safety, issued by the International Standards Organization (ISO).

Ecopol’s Chiesina Uzzanese holds the following ISO certificates:

ISO 9001: Supports optimization of business processes and continuous improvement in customer satisfaction. Ecopol has been certified since 2012. Ecopol’s ISO 9001 certification was renewed in November 2021 and will be valid until November 2024.

ISO14001: Validates that Ecopol has established a system to manage the impacts of its activities on the environment and continuously improve its environmental performance. Ecopol has been certified since 2012. The certification was renewed in November 2021 and is valid until November 2024.

ISO 45001: Confirms that Ecopol’s occupational health and safety program is consistent with international standards and fosters continuous improvement. Ecopol has been certified since 2012 (at the time the certification was OSHAS 18001). This certification was renewed in November 2021 and is valid until November 2024.

Ecopol was independently audited to assess its implementation of each of the ISO standards in 2022. Zero non-conformities were identified, and all recommendations have been implemented.

Organization, Management and Control Model

Ecopol has developed a reputation for customer service, quick turnaround and personalized product development thanks, in part, to the company's streamlined chain of command and business continuity measures.

Ecopol has established detailed procedures to prevent data breaches, build redundancies in feedstock and equipment supplies, and developed risk mitigation and contingency plans to ensure production can continue. For example, we have more than one supplier for each essential raw material and we maintain adequate back stock. We evaluate the veracity suppliers' health and safety protocols and other practices that could affect a supplier's reliability.

Clear procedures are available for all Ecopol machinery, so if questions arise, we aren't reliant on a single individual to keep the production train moving. We have established on-call technical assistance for Ecopol's primary equipment.

The company has obtained fire prevention certification from the local Fire Brigade, and individual Ecopol employees have been appointed to manage fire prevention. We maintain regular engagement with workforce representatives to quickly identify and address any concerns that could escalate and possibly disrupt operation.

If a warning or adverse event develops despite our risk reduction efforts, clear roles and responsibilities are in place for management, technical, operational, and commercial functions, and lines of communication are in place with relevant external entities. Back up plans have been developed to facilitate a swift resumption of normal operations including relationships with alternative suppliers and third party manufacturing support.

Data Privacy and Cybersecurity

Cyber-attacks and data security challenges have become an unfortunate consequence of our technology-dependent world. A data breach could compromise sensitive information about our employees, customers, or suppliers, and in extreme cases undermine Ecopol's ability to continue production, causing significant financial ramifications.

Ecopol has implemented a comprehensive information technology security plan. Employees are trained in how to use personal computers and cell phones without creating system vulnerabilities. We rely on physical hardware and back-up systems to monitor incoming Internet traffic, detect malware and recover data if an attack compromises our safeguards. Security systems are tested daily, and anomalies are automatically reported to Ecopol's system administrator.

Ecopol provides an overview of the company's data security infrastructure to all interested stakeholders, and to date, all have found our systems to be thorough and sufficient.

In addition to the protocols and systems outlined above and in compliance with the European Union's General Data Protection Regulation (GDPR), all employees who may come into contact with sensitive data are trained on proper handling and protection of information.

In 2022 Ecopol engaged an independent law firm to evaluate the company's cybersecurity programs. The assessment determined that our information technology security infrastructure is in a "good state of health," and that all expected corporate data security measures are in place. The assessors recommended that we further formalize policies and routinize procedures, raise awareness of data risks and threats across all levels of the company and intensify efforts to validate compliance with all security protocols, especially by those with access to company intellectual property.

During 2021 and 2022 we did not receive any complaints or violations of privacy.

The environment

Environmental protection has always been the foundation of Ecopol's business. Environmental stewardship is so central to our principles that it is included in both our company's mission and our vision for our company's future.

We demonstrate this commitment through the products we make, the processes we undertake, and the transparent reporting of the impacts we create.

Ecopol's entire product line consists of water-soluble, biodegradable films. These products enable our customers to eliminate waste and reduce emissions associated with the transport and distribution of finished goods. Our production sites rely on the most energy efficient machinery, allowing us to reduce our own greenhouse gas emissions.

We are investing in our research and development to explore ways to incorporate sustainable feedstocks into our production lines and to further enhance the circularity of our materials.

Recycle To support greater circularity in our manufacturing process, Ecopol collects trimmings and other unused product to be reprocessed and reintroduced into the raw material chain. The company also manages all waste at its facilities to allow for recycling of all eligible materials.

Reduce Ecopol's films are used primarily as the exterior of individual concentrated detergent packets. These single dose detergents and cleaners provide safety and environmental benefits over traditional liquid or powder versions. First, the single dose format enabled by our water soluble, biodegradable films allows for the use of highly concentrated cleaning agents, reducing the volume of water and other ingredients needed to deliver the performance customers demand. Second, by encapsulating the detergents, our films eliminate contact between powerful cleaning agents and the skin during handling. And third, the single dose format reduces overall product volume and packaging needs. In fact, thanks to the single dose format the amount of product that requires shipping and transportation is reduced by 60 percent, creating substantial energy and emissions savings.

Energy efficiency and emission containment

Reducing greenhouse gas emissions has become a global priority. Therefore it is no surprise that Ecopol's stakeholders prioritized reduction of greenhouse gas emissions and improved energy efficiency in the company's sustainability materiality assessment.

Two types of activities contribute to Ecopol's energy use and carbon emissions:

1. Our manufacturing processes ;
2. The creation of the raw materials we rely on and the logistics associated with the production and delivery of our products.

These activities create Scope 1 (direct emissions that are owned or controlled by the company), Scope 2 (indirect emissions associated with purchased energy) and Scope 3 (emissions that occur along the company's upstream and downstream value chain such as from freight transportation).

As a first step toward an emissions reduction strategy, Ecopol has conducted a carbon footprint assessment of our products and processes. In 2021 the company measured Scope 1 and Scope 2 emissions for the first time and gathered as much information as possible related to Scope 3 emissions. The lesson learned is that our raw materials are our biggest source of emissions.

In 2022 Ecopol reported an increased volume of greenhouse gas emissions due to operation of a new production line and additional employees we hired to support our expansion

2022, we saw that our greenhouse gas production has increased, but it is in line with what we expected, as we have opened a new production plant and hired more people.

Direct GHG emissions (scope 1)	Direct GHG emissions	u.m.	2022	2021
CO ₂ emissions (offices and locations)			1.080	642
CO ₂ emissions (Diesel fuel)	T CO ₂ e		25	16
Total			1.105	658
Indirect GHG emissions (scope 2)	Indirect location-based GHG emissions	u.m.	2022	2021
Indirect CO ₂ emissions	T CO ₂ e		2.410	1.618
Indirect market-based GHG emissions	u.m.	2022	2021	
Indirect CO ₂ emissions	T CO ₂ e		463	146

One of the most exciting initiatives Ecopol has deployed to reduce emissions is the installation of solar energy on site at our production facility in Italy. Over the last two years, the company has covered 12,450 m2 with photovoltaic panels to generate a portion of the energy we consume. Today the solar installation produces 1158KW of energy, which provides approximately 12-15 percent of the energy the site requires.

Our facilities operate on a 24/7 schedule, and unfortunately solar energy is limited by the strength of the sun. To meet our site's power demands overnight and during periods of reduced sunlight, Ecopol contracts with third party energy producers that source renewable energy supplies that guaranteed with an electronic Guarantee of Origin Certificate.

In September 2022 Ecopol took a significant step forward in reducing emissions by transitioning away from diesel power generators to natural gas as its source of heat for company properties.

Direct energy consumption (offices and locations)	u.m.	2022	2021
Not renewable			
Methane (space heating)	GJ	12.995	-
Other (heating oil)		6.262	9.775
Total	Tot. GJ	19.257	9.775

Finally, transportation is a major source of the company's energy use and emissions. Transport falls into three areas:

- *Transport for our finished products*
- *Transport of our raw materials from our suppliers to our production sites.*
- *Transport by Ecopol staff*

Our ability to reduce transport-related emissions has been limited. Because Ecopol does not have ready access to a rail line, we must ship our products to our customers primarily by truck. We have searched for a carrier with a hybrid or electric fleet but have been unable to identify a viable option thus far. Some of current our providers utilize newer vehicles with improved environmental performance and/or combine trucking and rail service. Like Ecopol itself, most of our transportation vendor are ISO 9001, ISO 14001 and ISO 45001 certified, meaning they have prioritized quality, environmental protection and safety throughout their operations.

When it comes to delivery of raw materials, Ecopol cannot control the carriers chosen by our suppliers. As our sustainability and supply chain engagement efforts develop, we hope to encourage our suppliers to make more sustainable transportation a priority.

To date, Ecopol has not imposed travel restrictions on employees to reduce emissions. There are no policies in place to require hybrid or electric company cars, but these requirements will be put in place when our current company car rental contracts expire.

Fuel consumption of company cars divided into renewable/non-renewable.

Direct energy consumption (company cars)	u.m.	2022	2021
Not renewable			
Diesel oil	GJ	377	213
Total direct energy consumption	GJ	19.634	9.988

Indirect energy consumption	u.m.	2022	2021
Total indirect energy consumption	Kwh	9.069.816	5.700.000
	GJ	32.650	20.519

Total energy consumption within the organization, in joules or multiples

Total Power consumption	u.m.	2022	2021
Total direct energy consumption		19.364	9.988
Total indirect energy consumption		32.650	20.159
Total energy sold	GJ	-	-
Total Power consumption		52.285	30.508

All company initiatives to reduce emissions and improve energy efficiency were initiated by Ecopol's management. Our efforts have been shared with various company stakeholders, and their reaction has been universally positive.

Water consumption and Air pollution

While protection of water and air is an important aspect of sustainability, Ecopol's impact on these resources is insubstantial.

In 2021 and 2022, Ecopol's did not use water as part of our production process. Water used at the company's site was confined to incidental consumption associated with kitchen and bathroom facilities. The new production line initiated in 2023 will require water, but advanced systems have been installed to recycle, purify and reuse approximately 80 percent of the water the new site will require. Once production is fully operational, we will develop a KPI to monitor how much well water is being pumped and determine the breakdown of recycled versus virgin water used per kilogram of product.

Ecopol conducts frequent monitoring of air emissions as required by law. The company collaborates with several specialized, certified laboratories to analyze company emissions and support air quality efforts.

Waste management

Waste reduction is not just part of how Ecopol operates, it is at the heart of the value proposition we provide to our customers. When used as part of single dose detergents, Ecopol's products create zero waste. By design our films dissolve during the wash cycle and then biodegrade as a result of the normal public water treatment process. Less than 10 percent of Ecopol's materials are used in ways that do not allow for biodegradation. Through questionnaires and direct engagement with our customers, we know responsible waste management in our operations is important to them, as well. Our waste management initiatives have been focused in two areas:

1. Management of hazardous waste related to maintenance of our manufacturing machinery
2. Fostering a culture where non-hazardous waste is recycled, recovered, or reused whenever possible.

To be clear, no hazardous materials are used or generated in production of our Ecopol's products. However, as part of the upkeep of our production equipment various oils must be replaced. Used oil and associated packaging are designated as hazardous materials that must be managed. They are collected in special containers and delivered to authorized disposal services.

In a significant innovation to support circularity and raw material optimization, Ecopol has created a system to sort and reuse production waste. In 2022 Ecopol invested in new machinery that enables film processing scraps to be reprocessed and reintroduced into the production cycle. Before the purchase of this specialized equipment, scraps were disposed of as waste.

Ecopol works with trusted waste management vendors to increase volumes of materials that are recycled, reused or repurposed as another company's raw material. For example, all packaging used to deliver our raw material is reused, as are all iron or wooden pallets.

Ecopol manages and reports all waste in accordance with local laws and requirements. We monitor all waste we generate and have established a goal to limit the amount we spend on disposal costs to 0.4 percent of annual net revenue.

N.B. In the reporting shown in the table below, there are cases of waste recovered in greater quantities than those produced, or waste produced in greater quantities than those recovered. This occurs if a waste is produced at the end of a calendar year, but its recovery is carried out in the new year. As reporting is done by calendar year, such discrepancies may occur.

Composition of waste		2022			2021		
EWC Code	Description	Waste produced	Recovered waste	Waste disposed of	Waste produced	Recovered waste	Waste disposed of
061302	Activated charcoal depleted (except 060702)	3,383	3,383	-	-	-	-
080318	Used printing toners, other than those referred to in 080317	0,019	0,021	-	0,013	0,011	-
120105	Filings and shavings of plastic materials	381,760	372,680	-	304,700	304,700	-
130208*	Other motor, gear and lubrication oils	0,500	0,500	-	-	-	-
150102	Plastic packaging	31,020	31,020	-	-	-	-
150103	Wooden packaging	7,580	7,580	-	-	-	-
150106	Mixed- material packaging	166,690	165,200	-	315,680	315,680	-
150202*	Absorbents, filter media (including oil filters not otherwise specified), rags and protective clothing, contaminated with hazardous substances	1,660	1,660	-	-	-	-
161001*	Aqueous waste solutions, containing hazardous substances	-	-	2,080	-	-	-
161002	Aqueous waste solutions, other than those referred to in 161001	255,440	-	255,440	146,292	-	147,290
170405	Iron & Steel	59,690	59,690	-	9,710	9,710	-
170603*	Other insulating materials containing or consisting of hazardous substances	-	-	-	0,215	0,215	-
Total Waste		908,012	641,734	257,520	776,610	630,316	147,290

► Report on the total weight of waste generated in tonnes and breakdown of the total by waste composition.

► Unit of measure: tons

The people of Ecopol

Ecopol's employees are critical to our success. We take great care during the personnel selection and management processes to create a work environment that enables our employees to showcase their talents, cultivate skills, and develop competencies.

We dedicate considerable effort to creating a path to advancement for our workforce, providing high-level training courses and working to address their needs. For example, based on employee input we have established a two-year corporate training program.

The company's robust growth has led to an increase in the workforce from 96 in 2019 to 124 employees in 2022. This further reinforces our identity as a young and dynamic company, as 51% of our staff is under the age of 35.

► All the data shown in the table above refer to the staff present at 31/12/2022.

[Reference period] - 2022	Woman	Man	Total
Number of employees (number of employees /FTE)	19	105	124
Number of permanent employees (number of employees/FTEs)	17	78	95
Number of fixed-term employees (number of employees/FTEs)	2	27	29
Number of employees on non-guaranteed hours (number of employees/FTEs)	0	0	0
Number of full-time employees (number of employees/FTEs)	16	78	94
Number of part-time employees (number of employees/FTEs)	1	0	1

Employment relationships are governed by collective bargaining, in accordance with the requirements of national legislation. In addition, there is a second-level supplementary contract with better conditions than those of the CCNL. 100% of our employees are covered by national collective bargaining agreements. The people, all hired with a regular employment contract, are required to sign the Company Regulations that commit the worker to comply with the Code of Ethics.

At Ecopol we deal directly - through our HR department - with the search and selection of personnel. Only in specific and targeted cases, it can happen that the help of specialized companies is used in these processes. The personnel selection process is regulated in an internal procedure prepared specifically for the subject and aimed at ensuring effectiveness, transparency and meritocracy in the processes (recruiting policy). The path that a potential candidate has to follow involves multiple interviews.

All Ecopol employees are covered by collective bargaining agreements in accordance with the requirements of Italian law. In addition, Ecopol has established a second-level supplementary contract that provides better conditions than those of the current national labor contract. All employees hired with a regular employment contract are required to sign the Company Regulations that commit the worker to comply with the Code of Ethics.

Ecopol manages the search for and selection of personnel directly through our Human Resources department. In specific cases, we may enlist the assistance of specialized companies for targeted recruitment. Our internal procedure ensures effectiveness, transparency, and meritocracy in hiring.

Candidates undergo a multi-step interview process. The initial interview focuses on understanding the individual, their professional demeanor, character traits, and identifying relevant soft skills. The second interview, a technical assessment, involves direct interaction with the head of the relevant function, evaluating knowledge and skills pertinent to the open position. A third interview, exclusive to strategic roles, may directly involve Ecopol's CEO.

Each new employee receives comprehensive information about job functions, employment contract details, company regulations and procedures, the code of ethics and conduct, incentive systems, and key aspects of the relevant national labor contract category. Remuneration is linked to individual professionalism, aiming to maintain a competitive salary structure aligned with the market. Transparent and fair methodologies, in compliance with regulations and company policies, govern remuneration updates.

Individual and collective rewards, based on objective parameters tied to performance, are provided for achieving objectives. The remuneration policy, applied uniformly without gender distinction, is approved by the CEO. On average, the minimum salary at Ecopol is approximately 15 percent higher than that stipulated by the national labor contract.

Total number of employees broken down by contract and gender.

Employees broken down by contract	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Permanent contract	78	17	95	67	15	82
Fixed-term contract	27	2	29	12	2	14
Total	105	19	124	79	17	96
Contracts changed from fixed-term to open-ended contracts	11	1	12	16	1	17

Total number of permanent employees broken down by type and gender.

Employees by type	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Full-time	78	16	94	70	14	84
Part-time	0	1	1	0	1	1
Total	78	17	95	70	15	85

Total number of the workforce broken down by employees/temps and by gender.

Workforce (employees and contractors)	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Employees	105	19	124	79	17	96
Administered	0	0	0	0	0	0
Other types of contracts	0	0	0	0	0	0
Total	105	19	124	79	17	96

Average age of employees.

Average age	2022	2021
Average age	38,53	38,72

Number of young people in internships in the company

Interns	2022	2021
Number of interns	2	0

Total number of employees broken down by educational qualification.

Employees by educational qualification	2022			2021		
	Uomini	Woman	Totale	Uomini	Woman	Totale
Bachelor's /Master's Degree	15	11	26	10	8	18
High School/Qualification	56	8	64	40	9	49
Medium License	34	0	34	29	0	29
Total	105	19	124	79	17	96

Occupational health, safety and well-being

As with all manufacturing companies, ensuring the safety and well-being of our employees is Ecopol's top priority. We make sure that safe operations remains top of mind for our workforce by prominently posting our safety policies in our facilities.

- We place our greatest asset, our people, at the center of our daily actions. We commit to involving and developing their skills, values, differences, and rights through information and training activities across all organizational levels.
- The health and safety of workers and environmental protection are of equal importance as our primary business objectives.
- We provide products that comply with all legislative requirements to guarantee user safety, while upholding environmental protection throughout the product's life cycle.
- We continuously improve our performance related to the direct and indirect environmental impacts of our operations including waste, water, resource management, noise reduction, and energy efficiency. This involves continuous renewal of process technologies and the promotion of renewable energy and materials.

To ensure a safe workplace, Ecopol annually analyzes various risks and implements control and mitigation measures. These include the provision of suitable Personal Protective Equipment (PPE), establishment of procedures for site access, and proper use of machinery and equipment.

Safety remains a priority, and beyond mandatory training, Ecopol offers additional courses tailored to specific equipment and tasks:

- State-Regions Consultation (16 hours)
- Forklift qualification (12 hours)
- First Aid and BLS course (cat. A)
- Fire Prevention Course (companies level 3)
- Supervisors' course (8 hours)
- MEWP (Multiple Entry Work Permit) course (8 hours)
- Overhead crane qualification (4 hours)
- PES-PAV-PEI (qualifications for Electrical hazard) course (16 hours)
- RLS (elected workers' representatives) Course

At the end of each course, a certificate is issued to students who pass the final test.

In compliance with Legislative Decree 81/08, Ecopol has trained and certified elected workers' representatives (RLS), a head of the prevention and protection services (RSPP), and an assistant head of prevention and protection services.

As mentioned earlier in this report, Ecopol's Italy site holds an ISO 45001

certification, validating that our health and safety processes are consistent with international standards. Risk assessments, based on the ISO standard, are regularly updated with any organizational or process changes. The Risk Assessment Document (DVR) identifies potential hazard situations and risks. The prevention and protection service, including the employer, RSPP, ASPP, competent doctor, and workers' representatives, regularly assess risks, propose improvement actions, and ensure a safe working environment.

Notable risks identified include noise and dust, addressed through sound-absorbing barriers and dust filters, along with mandatory use of filtering masks in relevant production areas.

External laboratories handle risk assessments for Manual Handling of Loads (MMC), vibrations, noise, and chemical risks, with the Company monitoring data through Key Performance Indicators (KPIs).

Empowering employees, and the provision of reporting forms to document safety alerts and near misses facilitate communication of risks. Reports are analyzed weekly, and corrective actions are checked monthly.

An elected worker representative (RLS) serves as a liaison for workers' requests in the Occupational Safety and Health (OSH) field. Monthly meetings are held between the RLS and the head of prevention and protection services to monitor developments and discuss new requests/interventions.

Continuous improvement is achieved through monitoring safety alerts, near misses, and accidents using specialized KPIs.

In 2022, there were five low-severity accidents at the Chiesina Uzzanese plant.

Injuries	2022			2021		
	Man	Woman	Total	Man	Woman	Total
The number of accidents* at work (please insert types of accidents in the notes)	5	0	5	5	0	5
Number of days of absence due to accidents	27	0	27	74	0	74
Deaths	0	0	0	0	0	0

Although the number of accidents was the same during 2021 and 2022, injuries incurred in 2022 were much less severe, resulting in a substantial reduction in workdays missed due to injury.

All employees undergo annual or biennial health screenings with a medical doctor specializing in occupational health. The results of the analyses are shared only with the worker, the physician will alert the site RSPP if the results suggest that limitations to an employee's duties are required due to health concerns. Employees may request a medical examination through the RSPP at any time.

Well-being and Welfare

At Ecopol we know that our success and rapid growth is thanks to our dedicated workforce. Fostering the well-being of our employees is an essential component of our business strategy.

In 2022, we conducted an online survey of Ecopol's workforce to gauge the strength of the relationship between Ecopol and its employees. The survey garnered 50 percent participation and revealed that over 75 percent of respondents are satisfied or highly satisfied with their work and workplace relationships. The survey also helped identify the benefits and programs most valued by our workforce. We learned there is a desire to expand our existing health insurance coverage and offer specialized courses, including language training and technical skill development.

Current welfare initiatives include:

- *Provision of daily restaurant tickets for each employee working more than 6 hours.*
- *Fully funded health policies covering medical expenses, analyses, surgical interventions, and COVID-19-related hospitalization or testing for permanent employees and apprentices.*
- *Baby bonuses disbursed in paychecks following the birth or adoption of a child.*
- *Agreements with commercial establishments for discounted services for Ecopol employees.*
- *Distribution of fresh seasonal fruit from a local producer in the company canteen.*
- *Distribution of water bottles and cup kits to employees to use on company premises.*
- *Amenities and vending machines at subsidized costs.*
- *Distribution of Christmas packages and gifts for employees and their children under 14.*
- *Distribution of complimentary tickets and gasoline vouchers amounting to €400 per employee*

We are in the advanced stages of designing an ambitious Well-Being project that will address some of the interests expressed through the employee survey. We plan to launch this new initiative in 2024.

Ecopol is also increasing support to help employees establish a healthy work-life balance through new corporate welfare plans being offered in the next two years. These "Take Care" plans include:

- *Eco-Care: Designed for employees who provide assistance to non-self-sufficient family members, this program seeks to make this socially significant and demanding role sustainable for the caregiving Ecopol worker.*
- *Eco-Educational: Facilitates parents in selecting and booking online programs for their children during school closures, promoting recreational, sports, and language activities.*
- *Eco-Mother: A program tailored for working women to support their seamlessly return to their professional lives while managing motherhood, providing resources to navigate this unique period in our employees' lives.*

Diversity, inclusion and development

At Ecopol, our diversity is part of our strength. The presence of various ethnic groups and religions among our staff has been a longstanding asset and underscores the value we place on inclusion.

Our 2022 employee survey revealed that 89 percent of participants have never witnessed discriminatory behavior at work. The remaining respondents indicated occasional encounters. While this is a positive reflection of our inclusive culture, our company's ongoing goal is to continually enhance these figures. Notably, there have been no staff reports of discrimination over the past two years.

Ecopol's sustainability materiality assessment identified our most significant impacts in the area of diversity, inclusion, and development:

- Promoting stable and dignified forms of work for our people
- Developing staff skills through appropriate training programs
- Addressing inequalities related to Diversity & Inclusion across staff, collaborators and governing bodies
- Ensuring transparency in communication and application of subjective evaluation drivers in employees' career paths

Promotion of stable and dignified forms of work for our people

We adhere to the collective labor agreement (CCNL) of the Rubber & Plastic Industry sector, ensuring its correct application. We have proactively implemented second-level supplementary bargaining to enhance economic conditions for our employees, and as discussed we offer robust corporate welfare programs.

Our workforce is made up of individuals employed under fixed-term, permanent, or apprenticeship contracts. We meticulously monitor the number of such contracts, categorizing them by age group and gender. It's noteworthy that there were zero ongoing litigation in the years 2021 and 2022, reflecting our commitment to legal compliance and fair employment practices.

Total number and percentage of employees hired during the year, broken down by age group and gender.

Employees hired (by age group)	2022			2021		
	< 30	30-50	> 50	< 30	30-50	> 50
Employees hired	16	26	7	22	20	3

Employees hired (by gender)	2022			2021		
	Uomini	Donne	Totale	Uomini	Donne	Totale
Employees hired	44	5	49	38	6	44

The high rate of hires in 2021 and 2022 is due to strong company growth including the initiation of a second production site in Italy.

Employees by job category and gender	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Executives	0	0	0	0	0	0
Managers	8	2	10	7	2	9
Office workers	15	17	32	7	13	20
Workers	82	0	82	65	2	67
Total	105	19	124	79	17	96

Total number and percentage of employees terminated during the year, broken down by age group and gender.

Terminated employees (by age group)	2022			2021		
	< 30	30-50	> 50	< 30	30-50	> 50
Terminated employees	8	11	2	4	6	0

Terminated employees (by gender)	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Terminated employees	18	3	21	12	0	12

Turnover Rate (by age group)	2022			2021		
	< 30	30-50	> 50	< 30	30-50	> 50
Turnover by age group	21,6%	15,3%	13,3%	12,9%	10,9%	0,0%

Turnover Rate (by gender)	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Turnover by gender	17,1%	15,8%	16,9%	15,2%	0,0%	12,5%

High turnover rates in 2021 and 2022 can also be attributed to the high numbers who have been hired and those who have terminated their contract with the company.

In 2022, we initiated a comprehensive skills-mapping initiative, including the development of job descriptions and the creation of Performance Evaluation Forms (SV's). At the same time, Ecopol established strategic partnerships with local Employment Centers to foster entrepreneurial activities in the region.

To optimize our recruitment processes, we integrated software tools that have enhanced candidate selection and reduced search times. Employees who conclude their employment relationship, whether due to probationary period outcomes or contract non-renewal, receive support to make a smooth transition away from Ecopol and into the broader workforce.

Recognizing the importance of work-life balance, we support the right of our employees to take time off to welcome a new family member through birth or adoption, as mandated by Italian law. Below are the pertinent data on Ecopol workers who have availed parental leave over the last two years:

Workforce (employees and contractors)	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Total number of employees who were entitled to parental leave	3	2	5	0	1	1
Total number of employees who took parental leave	3	2	5	0	1	1
Total number of employees who returned to work during the reported period after taking parental leave	3	2	5	0	1	1
Total number of employees who returned to work after taking parental leave and who are still employed by the company in the 12 months following their return	2	2	4	0	1	1
<i>Return to work rate</i>	100	100	100	0	100	100
<i>Retention rate of employees who took parental leave</i>	0,7	1	0,8	0	1	1

Developing staff skills through appropriate training programs

The work we do at Ecopol requires a workforce with cutting-edge knowledge and evolving skills. To keep our employees abreast of new technological developments and create pathways to new opportunities, Ecopol has invested significant resources to develop a comprehensive training program.

This meticulously crafted plan takes into account market dynamics, customer demands, and input from employees. The program includes various training initiatives and financial support.

The Corporate Training Plain's objectives include:

1. Prepare staff for assigned positions.
2. Cultivate awareness of employees' roles in a dynamic and change-sensitive company.
3. Update operational and management skills aligned with company policy objectives.
4. Promote organizational development and prepare for strategic projects.
5. Optimize technology potential for process rationalization.
6. Enhance top management skills in achieving company objectives.

Total annual number of training hours per employee and number of trained employees broken down by job category and gender.

Hours of training provided by professional category and gender	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Executives	0	0	0	0	0	0
Managers	1394,4	348,6	1743	1164,8	332,8	1497,6
Office workers	2614,6	2963,2	5577,8	1164,8	2163,1	3327,9
Workers	14293,1	0	14293,1	10815,7	332,8	11148,5
Total	18302,1	3311,8	21613,9	13145,3	2828,7	15974

Expenditure and investment on training	2022	2021
Expenditure and investment on training	€ 89.132	€ 64.396

How the training is delivered	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Hours of e-learning training	-	-	0	-	-	0
Hours of classroom training	18302,1	3311,8	21614	13145,3	2828,7	15974

For the two-year period covering 2022 and 2023, Ecopol training activities have focused on specific technical skills, professional skills, life skills and legal obligations including:

1. Administrative and legal-regulatory training.
2. Corporate identity development (Envisioning).
3. Green economy and sustainability training.
4. Re-engineering administrative procedures.
5. IT and telematics training.
6. E-Government and communication training.
7. Innovation in plastics production.
8. Management of company know-how.
9. Safety training – OSH and related topics.
10. ISO certification processes.
11. GDPR compliance.
12. Implementation of transversal skills – Scuderia Ecopol Project.
13. Digital and administrative HR processes.
14. Language skills.
15. Good management policies in green procurement, green economy, sustainable budgeting.
16. Support for internationalization.
17. Digitalization of IT processes.
18. Managerial skills in Lean and Operation management.

Training will be planned and scheduled to ensure widespread participation across all employee categories and profiles.

Diversity & Inclusion within staff, collaborators and governing bodies

Ecopol is currently considering initiatives to enhance diversity and inclusion across the organization. Through collaborations with international institutions and internal management, we are formulating a plan to develop comprehensive diversity and inclusion policies that will apply to our internal operations and external efforts.

We are exploring potential projects with the United Nations High Commission on Refugees to create employment opportunities for refugees and displaced persons. Simultaneously, efforts are underway to create a more inclusive work environment for employees, emphasizing internal career paths and recognizing outstanding performance.

A preliminary analysis of employee demographics based on gender, age, protected category membership, and other diversity indicators reveals that this is an area where Ecopol can improve.

Workforce by Qualification by gender	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Executives	0	0	0	0	0	0
Managers	8	2	10	7	2	9
Office Workers	15	17	32	7	2	9
Workers	82	0	82	65	2	67
Total	105	19	124	79	17	96

Workforce by qualification broken down by gender in %	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Executives	0	0	0	0	0	0
Managers	80	20	100	78	22	100
Office Workers	47	53	100	35	65	100
Workers	100	0	100	97	3	100

Labour force by qualification by age group	2022			2021		
	< 30	30-50	> 50	< 30	30-50	> 50
Executives	0	0	0	0	0	0
Managers	0	9	1	0	8	1
Office Workers	12	18	2	6	13	1
Workers	25	45	12	25	34	8
Total	37	72	15	31	55	10

Labour force by qualification by age group in %	2022			2021		
	< 30	30-50	> 50	< 30	30-50	> 50
Executives	0	0	0	0	0	0,1
Managers	0	90	10	0	89	11
Office Workers	38	56	6	30	65	5
Workers	24	55	21	37	51	12

Minorities (e.g. protected categories) If applicable	2022			2021		
	Man	Woman	Total	Man	Woman	Total
Executives	0	0	0	0	0	0
Managers	0	0	0	0	0	0
Office Workers	0	1	1	0	1	1
Workers	2	0	2	1	0	1
Total	2	1	3	1	1	2

In 2021 2% of employees belonging to protected categories divided equally among women and men. In 2022, this figure grew to 2.4%, comprised of 1.6% men and 0.8% women.

Similar to challenges faced by many manufacturing companies, Ecopol grapples with internal inequalities, primarily stemming from the nature of certain roles. This is particularly relevant in positions that involve manual load hauling and shift work, where there were no women employed as line operators during the reporting period. However, there is a higher representation of women in laboratory and office roles.

	2022			2021		
	Man	Woman	Total	Man	Woman	Total
N° of Production Employees	94	0	94	64	0	64
N° of Laboratory Employees	4	4	8	12	4	16
N° of office employees	7	15	22	3	13	16
Total number of employees	105	19	124	79	17	96

While there has been progress in reducing the salary gap at Ecopol, a noticeable difference in salaries between men and women persists. This discrepancy is largely attributable to variations in tasks despite similar job classifications. Given the current predominance of male staff, it is likely that a higher percentage of men hold roles with greater responsibility and therefore higher salaries.

We are actively examining the ratio between women's basic salary and men's for each professional category at the Chiesina Uzzanese site to gain deeper insights into this issue.

Ratio between women's basic salary compared to men's for each professional category, for the Chiesina Uzzanese site

Average salary of men and women	2022 Woman/Man Ratio	2021 Woman/Man Ratio
Executives	0%	0
Managers	56%	66%
Office Workers	70%	73%
Workers	100%	94%

Ratio between total remuneration (basic salary plus bonuses, benefits, shares, etc.) of women compared to that of men for each professional category, for the Chiesina Uzzanese office.

Average salary of men and women	2022 Woman/Man Ratio	2021 Woman/Man Ratio
Executives	0%	0
Managers	56%	66%
Office Workers	72%	74%
Workers	100%	94%

Transparency in communication and application of subjective drivers of employees' career paths

With the significant growth experienced in recent years and the subsequent expansion of our workforce, there is a growing need to monitor and assess our employees to document their career paths.

We have introduced new Evaluation Forms as a tool to support these efforts. These forms incorporate multiple levels of evaluation, emphasizing transparency and ensuring an objective assessment of performance. The inclusion of feedback practices and continuous communication between managers and their teams enhances the effectiveness of this tool, which was implemented starting in 2022.

N° of employees evaluated on achievement and career development in the year 2022	Woman	Man	Total
Executives	-	-	-
Managers	2	2	4
Office Workers	2	8	10
Workers	36	0	36
<i>Total</i>	40	10	50

Performance Evaluation Forms have proven instrumental in not only identifying strengths and areas for improvement but also pinpointing specific aspects of each job related to technical capabilities and competencies.

To minimize bias, multiple stakeholders from various levels complete evaluations for each employee including the direct manager, area manager, and Human Resources staff.

Interviews are conducted with each employee to help them understand the identified strengths and areas for improvement.

Products, market development

Accomplishment of our company's environmental sustainability objectives relies heavily on engaging and collaborating with other stakeholders within our value chain. As a company, we assume a central and strategic role in bridging their needs and orchestrating their initiatives. We understand the evolving demands on our customers, and the growing desire to reduce the environmental footprint of their products. Through collaboration and innovation of sustainable solutions, we assist them in realizing their sustainability goals. This collaborative process is facilitated by our products, organizational structure, and close relationships with both suppliers and customers. Together, we operate synergistically to swiftly address market demands.

Products: innovation, quality and safety

Ecopol's remarkable development is rooted in our talented workforce and our unique products. Ecopol's biodegradable films and delivery systems enable the world's leading consumer goods companies to significantly reduce carbon emissions and the usage of water and plastic packaging in their supply chains.

Ecopol's water-soluble and biodegradable films are subjected to numerous eco-compatibility tests using international standards, including those published by the Organization for Economic Cooperation (OECD) and Development, ISO and ASTM International. Globally accredited laboratories have conducted tests on our films to assess their biodegradability. The results indicate not only biodegradability but also a classification as "rapidly biodegradable" according to the OECD 301B test method. We have further tested the biodegradability of our films in marine environments according to ASTM protocol D6691, passing the test successfully.

Moreover, one of our films, Hydrolene LTF/LJ 39 micron, has received TÜV's OK industrial COMPOST certification, attesting not only to its water solubility and biodegradability but also its compostability. These certifications serve as evidence that our products, even if introduced into nature, have minimal impact, reinforcing our commitment to environmental responsibility throughout our value chain.

Packaging Considerations for Product Protection

Our unique water-soluble and biodegradable polymer-based films require special care during storage, handling and transport due to sensitivity to external factors, such as humidity. Non-biodegradable packaging is required to safeguard product quality, but we acknowledge the need for more environmentally sustainable alternatives. However, until sustainable packaging materials are developed that provide equal protection from the elements, we will continue to help promote recycling of external packaging. Communication of packaging codes to facilitate recycling will be required by EU law starting January 2023.

Consumer Health and Product Compliance Assurance

The potential impact on consumers' health due to defective or non-compliant products is unlikely at Ecopol, given our ISO 9001, 14001, and 45001 certifications. Stringent procedures and analyses, conducted in certified laboratories, ensure product safety and compliance with regulations. Regular quality controls on shipped batches and incoming raw materials further mitigate risks. Third-party laboratories verify safety and compliance, with customer feedback acting as a crucial measure. To date, no complaints have been received, and Ecopol remains committed to upholding health and safety standards in product impacts

Development and growth in new markets

Ecopol's remarkable growth stems from market receptivity to our sustainable and innovative delivery systems. Escalating demand has necessitated the growth of our production capacity. New production lines were added, prompting the construction of additional facilities. These new sites not only increased production but facilitated diversification through different machinery. The move also aimed at reducing transportation costs and lead times by establishing a production site in North America to better serve our global customer base.

Strategic Investments in Production Facilities

To meet rising customer demands, significant investments were made in constructing new production plants in Italy and the USA. The Italian plant, adjacent to the existing site in Chiesina Uzzanese, enhances production capacity and diversification. The USA plant, strategically located for North American customers, ensures faster deliveries with lower environmental impact. The €42 million investments, covering machinery and infrastructure, were made possible through reinvested profits and support from credit institutions. The construction aligns with energy efficiency standards, fostering positive impacts on local economies and the environment.

Investments in Research and Development

Research and development (R&D) forms the core of Ecopol, enabling the customization of technological solutions to meet customer needs. Significant investments in R&D empower our researchers to tackle new challenges. Expenses related to R&D encompassed equipment purchases, machinery, and analyses essential for developing or deepening aspects crucial to new projects:

Investments	2022	2021
Investments in laboratory equipment	€ 298.358	€ 54.000
R&D Testing and Analysis	€ 3.764	€ 18.000

Responsible Supply Chain

At Ecopol, we source raw materials from a diverse base of global suppliers. We maintain relationships with 25 suppliers through contractual agreements, emphasizing transparency and collaboration.

We prioritize long-term relationships with our suppliers, conducting annual evaluations based on quality, safety, environmental considerations, economic sustainability, and delivery conditions. This approach, complemented by our business continuity plan, ensures a high standard of quality, safety, and supply continuity. The solutions we develop align directly with customer needs, facilitated by a flexible internal structure that translates customer requirements into innovative solutions across the production chain.

We actively address potential environmental impacts, such as spills or waste generation, through careful waste disposal selection, ensuring compliance with legal certifications.

We recognize the possibility of human rights violations in our supply chain, especially in developing countries. To mitigate this, we employ a supplier evaluation system, utilizing a self-assessment questionnaire and conducting research and checks for new suppliers. Our indicators and targets, derived from the questionnaire, guide reevaluation. Exploring local suppliers is considered to ensure compliance with legal obligations related to human rights.

In summary, Ecopol is dedicated to sustainable practices, continuously evaluating and addressing challenges within our supply chain to uphold high standards of quality, safety, and ethical sourcing.

Percentage of procurement budget spent by supplier target region.

Total value of supplies of goods, services and work by geographical area	2022 €	2021 €
Italy	13%	23,2%
Europe (excluding Italy)	66%	76,8%
Asia	21%	0%
America	0	0%
Total	100%	100%

At Ecopol, we implement a robust supplier evaluation and qualification process for each raw material or service essential to our operations. This ensures that we have multiple qualified suppliers for each requirement, providing coverage and flexibility. In the event of a supply-related complaint, we take prompt action by engaging with the supplier to replace the material or issue a credit note. All such incidents are documented in the customer card.

To guarantee production continuity, we regularly qualify new suppliers, assessing their compliance through a self-assessment questionnaire. This questionnaire covers environmental criteria and human rights considerations for workers. Fortunately, no risk situations have been identified in our evaluations. This outcome can be attributed, in part, to the fact that a majority of our suppliers are based in Italy and Europe, where stringent regulations pertaining to environmental protection and human rights are in place.

New suppliers evaluated.

Type of assessment	Region	2022		2021	
		n.	% of total suppliers	n.	% of total suppliers
New suppliers are subject to assessment activities in order to identify their impacts on society.	Italy	8	40	4	40
	EU (no ITA)	1	5	1	10
	Asia	1	5	0	0
	America	0	0	0	0
New suppliers subject to assessment activities according to environmental criteria.	Italy	8	40	4	40
	EU (no ITA)	1	5	1	10
	Asia	1	5	0	0
	America	0	0	0	0
Total		100	100	5	100

Of the new suppliers we evaluated, 60% have achieved the highest ISO certifications in the areas of quality (ISO 9001), environment (ISO 14001) and safety (ISO 45001).

During 2021 and 2022 there were no disputes with suppliers.

Reporting requirements for environmental impacts.

Suppliers Evaluation	Region	2022		2021	
		n.	% of total suppliers	n.	% of total suppliers
Suppliers assessed with regard to environmental impacts	Italy	67	90,5	59	92,2
	EU (no ITA)	4	5,4	3	4,7
	Asia	3	4,1	2	3,1
	America	0	0	0	0
Total		74	100	64	100

Reporting requirements for social impacts.

Suppliers Evaluation	Region	2022		2021	
		n.	% of total suppliers	n.	% of total suppliers
Suppliers assessed with regard to social impacts	Italy	67	90,5	59	92,2
	EU (no ITA)	4	5,4	3	4,7
	Asia	3	4,1	2	3,1
	America	0	0	0	0
Total		74	100	64	100

► For 2023/2024, various types of systems are being studied (questionnaires, online surveys, ESG assessment systems on existing online platforms) to increase supplier engagement in the environmental and social spheres, so as to have an even more precise assessment, and encourage them to act more and more proactively on these issues.

Support for local communities and the territory

At Ecopol, we recognize the significance of our local community and actively strive to contribute to its well-being. Our choice of plant locations has not only benefited the region economically but has also created employment opportunities, fostering greater prosperity.

Acknowledging the impact of our 24/7 operations, we have collaborated with local institutions and various bodies to address any inconveniences. Our commitment extends beyond business, as we actively participate in solidarity and social activities, aiming to educate and promote sustainable behaviors for the community's well-being.

As one of the largest employers in the area, our growth, particularly with the addition of a second production plant in Chiesina Uzzanese, has led us to hire local residents. The HR department handles the selection process, ensuring the best fit for open positions.

In line with our commitment to bring added value to the community, Ecopol collaborates with voluntary organizations and associations to organize activities that benefit the local population.

The Day of the Good Citizen

Together with the Red Cross Section of Pescia and ANVVF National Association of Firefighters Ecopol organized a day to promote civic and environmental education of children. Ecopol employees volunteered on site to help ensure the event ran smoothly.



The day of prevention

We have made Ecopol's premises available to allow citizens to access specialist visits and analyses totally free of charge thanks to the help of the CRI section of Pescia. Also in this case, some Ecopol employees made themselves available on a voluntary basis, to be present and allow the day to run smoothly.



Festival Pianeta Terra

Participation with an event dedicated to children to promote inclusion, teach respect for the environment through a comic strip.



At Ecopol, we take pride in actively participating in community initiatives. As one of the early sponsors of the sustainability-focused festival, we have played a vital role in promoting environmental awareness. Our commitment extends beyond sponsorship. Ecopol employees actively engage in charitable efforts. In response to global crises, such as the war in Ukraine and the earthquake in Turkey, we organized collections of clothes and goods, delivering aid through reputable channels like UNHCR, the Turkish Embassy, and the Order of Malta.

In line with our dedication to the local community, Ecopol has contributed to Meyer Children's Hospital and supported families in need through donations to Caritas of Pistoia. Furthermore, we proudly sponsor the Montecarlo Calcio youth team, fostering integration and teamwork.

Methodological Note

This document represents the first Sustainability Report of Ecopol S.p.A. (hereinafter also “Ecopol” or the “Company”) and demonstrates the commitment and attention that the Company pays to the integration of sustainability within our business practices.

We would like to point out that in this Sustainability Report, unlike what is reported in the Consolidated Financial Statements as at 31 December 2022, the company Ecopol America Inc. has been excluded from the reporting scope. The reason stems from the fact that the American subsidiary is not yet operational as construction work began in 2022 on the new production site in the USA, located in Griffin in the state of Georgia, which will be completed in 2023.

The reference time frame is the 2022 financial year, i.e. the calendar year from 1 January 2022 to 31 December 2022. In order to facilitate the comparability of quantitative data for the various thematic areas analyzed, the numerical values relating to the 2021 financial years have also been reported.

The Sustainability Report is prepared in accordance with the GRI Standards, updated by the Global Reporting Initiative (GRI) in 2021, which are now the most internationally recognized and widely used non-financial reporting standard.

While the company is exempt from the obligation to report the Non-Financial Statement under Legislative Decree 254/2016, this document explores material issues for Ecopol, emphasizing its impacts on the economy, environment, and people, including human rights. The “Stakeholders, material issues and impacts” section details how the company engaged with stakeholders to identify material issues and their impacts, aligning with the 2021 GRI update.

For transparency, the “GRI Content Index” correlation table at the document’s end provides page references for each material topic.

Ecopol will make this Sustainability Report available to stakeholders through its publication on its website: www.ecopol.com.

To request further information about this Document or to share comments and observations, please write to the e-mail address: info@ecopol.com.

GRI Content Index

GRI Content Index- Ecopol S.p.A.

Declaration of use: Ecopol S.p.A. submitted a report in accordance with GRI standards for the period 01/01/2022 – 31/12/2022

Relevant GRI Industry Standards: N/A

GRI	Indicator	Pag.
1	Fundamental Principles - version 2021	n/a
GENERAL INFORMATION 2021		
2-1	Organizational details	
2-2	Entities included in the organization’s sustainability reporting	
2-3	Reporting period, frequency and point of contact	
2-4	Reviewing Information	
2-5	External Assurance	
2-6	Activities, value chain and other business relationships	
2-7	Employees	
2-8	Non-employee workers	
2-9	Structure and composition of governance	
2-10	Appointment and selection of the highest governing body	
2-11	Chairman of the highest governing body	
2-12	Role of the highest governing body in the control of impact management	
2-13	Delegation of responsibility for impact management	
2-14	Role of the top governance body in sustainability reporting	
2-15	Conflicts of interest	
2-16	Communication of critical issues	
2-17	Collective knowledge of the highest governing body	
2-18	Evaluation of the performance of the highest governing body	
2-19	Remuneration rules	
2-20	Remuneration Determination Procedure	
2-21	Annual Total Compensation Report	
2-22	Declaration on the Sustainable Development Strategy	
2-23	Policy Commitment	
2-24	Integration of policy commitments	
2-25	Processes aimed at remediating negative impacts	

► There were no cases of non-compliance with laws and regulations during the reporting period.

2-26	Mechanisms to request clarification and raise concerns
2-27	Compliance with laws and regulations
2-28	Membership of associations
2-29	Stakeholder Engagement Approach
2-30	Collective agreements

MATERIAL THEMES 2021

3-1	Material Theme Determination Process
3-2	List of material themes

ETHICAL AND RESPONSIBLE BUSINESS

3-3	Material Theme Management
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► There were no confirmed incidents of corruption during the reporting period.

205-3	Confirmed incidents of corruption and measures taken
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DATA PRIVACY E CYBERSECURITY

3-3	Material Theme Management
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► During the reporting period, there were no incidents of violation of customer privacy and loss of customer data.

418-1	Reasonable complaints about violations of customer privacy and loss of customer data
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PRODUCT: INNOVATION, QUALITY AND SAFETY

3-3	Material Theme Management
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416-2	Incidents of non-compliance with the health and safety impacts of products and services
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RESPONSIBLE SUPPLY CHAIN

3-3	Material Theme Management
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204-1	Proportion of expenditure made to local suppliers
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308-1	New suppliers who have been selected using environmental criteria
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414-1	New suppliers who have been selected using social criteria
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DEVELOPMENT AND GROWTH IN NEW MARKETS

3-3	Gestione dei temi materiali
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203-1	Investments in infrastructure and supported services
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HEALTH, SAFETY AND WELL-BEING IN THE WORKPLACE

3-3	Material Theme Management
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403-1	Occupational Health and Safety Management System
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403-2	Hazard Identification, Risk Assessment and Accident Investigation
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403-3	Occupational Health Services
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403-4	Participation and consultation of workers on and communication of occupational health and safety programmes
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403-5	Worker training on occupational health and safety
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403-6	Promotion of workers' health
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships
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PEOPLE: DIVERSITY, INCLUSION AND DEVELOPMENT

3-3	Material Theme Management
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401-1	Hiring new employees and employee turnover
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401-2	Benefits for full-time employees that are not available to temporary or part-time employees
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401-3	Parental leave
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404-2	Employee upskilling and transition assistance programs
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404-3	Percentage of employees who receive periodic evaluations of their performance and professional development
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405-1	Diversity in governance bodies and among employees
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405-2	Ratio of basic salary to women's pay compared to men's
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SUPPORT TO THE LOCAL COMMUNITY

3-3	Material Theme Management
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413-1	Local community operations, impact assessments and development programs
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WASTE MANAGEMENT

3-3	Material Theme Management
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306-1	Waste generation and significant waste-related impacts
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306-2	Management of significant waste-related impacts
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306-3	Waste generated
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ENERGY EFFICIENCY

3-3	Material Theme Management
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302-1	Energy consumption within the organization
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305-1	Direct greenhouse gas (GHG) emissions (Scope 1)
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305-2	Indirect greenhouse gas (GHG) emissions from energy consumption (Scope 2)
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Notes

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