Sustainability Report **2023**

CARTONPACK GROUP

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Dear and esteemed Stakeholder, as we renew our commitment to developing a business project in harmony with the strongly evolving socio-economic context with regard sustainability, we are extremely pleased to present you with our Sustainability Report for the year 2023.

Our vision is underpinned by the strength of our shared values: a strong approach to innovation, exploration and in-depth knowledge of materials; consistency in human relations and service, as well as sharing best practices and professional responsibilities; responsible management of industrial and business processes drives us with a strong commitment to protecting the environment for our future. The Cartonpack Group is a leading converter and supplier of flexible and rigid food packaging, with the integrated ability to recycle waste materials in production. Our extensive expertise in the field of food packaging is built through the pursuit of technical knowledge, eco-design and compliance with current regulations, to reach the highest level of product quality and the most reliable supply service.

These statements serve as our compass and direct every action we take and decision we make. They urge us to energetically embrace the challenges of this historical era, to find creative solutions and to be responsible for our actions in an ever-changing world. In our unwavering quest for excellence in sustainability, we have set ambitious goals for 2023 and until 2027, in line with our mission and the Sustainable Development Goals (SDGs) defined by the United Nations.

Here are some drivers:

1. **Carbon neutrality**: we have made huge steps towards consistently reducing carbon emissions in our operations. Through energy efficiency practices, renewable energy sources and responsible sourcing, we are committed to reducing our carbon footprint.
2. **Circular economy**: we continue to adopt the circular economy model, striving to make our packaging materials more recyclable, reusable and compostable. Our goal is to ensure that our products have minimal impact on the environment, from production to disposal.
3. **Zero-waste production**: we are actively working to eliminate any waste in our production processes. By optimizing production methods and recycling materials, we are moving towards a zero-waste future.
4. **Sustainability of suppliers**: we have put in place projects and processes for auditing raw material supplies to promote sustainable sourcing of raw materials. Our commitment goes beyond our activities to the wider supply chain, pursuing responsible practices at every stage.
5. **Community involvement**: we believe in giving something back to the communities in which we operate. Our initiatives include supporting local employment, providing training programmes and eco-conscious community projects.
6. **Transparency and reporting**: we understand the significance of transparency in information and reporting. Our Sustainability Report demonstrates our commitment to accountability and our promise to keep our stakeholders informed about our progress.

In conclusion, we would like to express our heartfelt gratitude to all our stakeholders. Your support, feedback and cooperation have been invaluable so far in our journey towards a more sustainable future. Together we are taking steps forward in the right direction and are excited about the positive impact we can make for future generations.

As we proceed towards future challenges, we invite you to continue this journey with us, holding us accountable, and inspiring us to achieve even higher levels of sustainability.

Thank you for your trust and cooperation.

Gianni Leone
CEO Cartonpack Group

Highlights 2023

Recyclable materials: **98.1%**

Self-produced photovoltaic energy: **3,604,558 kWh**

CO_2 emissions: **109,078 tCO_2e**

Employee turnover rate: **14.12%**

Revenues: **141,675 M**

3,685 hours of professional training provided

No. of sustainable products made: **10**

Sustainability Manifesto 2023

The **Sustainability Manifesto** represents **Cartonpack Group**'s significant statement of commitment and responsibility towards safeguarding contemporary and future environmental and social values.

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Sustainability

Environmental

OPERATING WITH RESPECT FOR THE ENVIRONMENT

We undertake to consolidate sustainable practices and policies aimed at minimizing the environmental impact of our business activities and preserving natural resources for future generations.

- Emission monitoring and control
- Waste reduction and recycling
- Increase energy consumption efficiency

Social

VALUING PEOPLE AND OUR COMMUNITY

Our commitment becomes reality in enhancing the value of our staff and promoting a sense of well-being at work that enables employees to combine private and working life.

- Employee health, safety and well-being
- Engagement and stability of human resources
- Community involvement and support

Governance

DEVELOPING A SUSTAINABLE BUSINESS MODEL

We adopt business strategies and practices that include environmental, social and economic sustainability, ensuring responsible and consistent growth over time.

- Innovative, safe and quality products
- Eco-Design and innovation for sustainable products
- Integrity and managerial competence

vision

Global packaging expertise

Our vision is supported by the strength of shared values: a strong approach to innovation, exploration and in-depth knowledge of materials; consistency in human relations and service, sharing best practices and professional responsibility; strong commitment to environmental protection and responsible management of industrial and business processes.

Decisive actions and concrete commitments towards a sustainable future.

#wetakecare

mission

In the dynamic landscape of food packaging

Cartonpack Group stands as a leading reference for innovation and technology, embodying a unique blend of prowess in designing and integrated manufacturing expertise. Today, while the world is challenging a new sustainable development, Cartonpack Group stands at the forefront, committed to give its contribution to achieving the best solutions to the complexity of fresh produce packaging on an international scale.

Recognizing the urgent need to reduce environmental footprint, Cartonpack Group has seamlessly integrated sustainability into its core operations. Through the implementation of eco-friendly materials, energy-efficient processes, and waste reduction initiatives, the company strives to minimize its ecological impact while maximizing the performance of its packaging solutions

Cartonpack Group's dedication to innovation encompasses a holistic approach to driving positive change within the industry. Through partnerships with research institutions, collaboration with sustainability advisors and active participation in industry forums, Cartonpack Group remains at the forefront of pioneering initiatives that are shaping the future of food packaging.

#weknowhow

Methodological note

In 2023, the Cartonpack Group (hereinafter also "Cartonpack" or the "Group") embarked on **a structured and systematic sustainability journey** in step with developments in the regulatory framework. In order to provide a clear representation of the Group and its operations, development, results achieved and main objectives for the future, this sustainability path was **formalized by drafting the 2023 Sustainability Report** (hereinafter also the "document").

Cartonpack Group's 2023 Sustainability Report was **drawn up on a voluntary basis** with the aim of accurately and transparently communicating to all stakeholders the environmental, social and economic performance achieved in a single structured and comprehensive document, aware of the growing importance of sustainability issues in the global economy.

This document is a first step in a long and articulated journey of sustainable development undertaken by the Group, considering the growing demand from stakeholders for transparency and the innovations in the European regulatory framework, with particular reference to the **Corporate Sustainability Reporting Directive (CSRD)**, recently transposed to the Italian legal system in the form of Legislative Decree 125 of 6 September 2024.

The information and data shown in this Sustainability Report refer to the period between **1st January 2023 and 31st December 2023**.

The **reporting boundary** is the same as the perimeter of the consolidated financial statements and includes the parent company Carton Pack S.p.A. and five other directly controlled companies:

Cartotecnica S.r.l. · CP Deutschland GmbH · Decapulp S.l. · Ondapack Sud S.p.A. · Smilesys S.p.A.

Any changes to this reporting boundary are specifically mentioned in the following paragraphs, in order to provide further details and information to the Group's stakeholders.

The document has been prepared in accordance with the Global Reporting Initiative Standards[1] (hereinafter also "GRI Standards") published in 2016, considering subsequent updates published by the Global Reporting Initiative (GRI), according to the reporting option **"with reference"**. At the end of the document is the GRI Table of Contents, detailing the performance indicators which are the object of reporting.

In line with the principle of maximum transparency, and in order to ensure a clear understanding of the Company's operations, results and impacts, additional qualitative and quantitative information that is helpful for understanding sustainability performance and which is not directly attributable to any specific GRI indicator has also been reported.

[1] GRI Standards are a modular system of interconnected standards. Three sets of standards support the reporting process: GRI Universal Standards, which apply to all organisations; GRI Sector Standards, applicable to specific sectors, and GRI Specific Standards, which list disclosures relevant to a specific topic. Using these Standards to determine material (relevant) issues helps companies achieve sustainable development.

As required by GRI Standards, the contents of the Sustainability Report have been defined through the materiality assessment process, which has enabled the identification of the ESG ("Environmental, Social, Governance") matters that are the most relevant to the Cartonpack Group in light of the positive and negative impacts that the Group has or could have on the economy, the environment and the people, with particular reference to respect for fundamental rights and welfare aspects.

In particular, in accordance with the provisions of GRI 3 – Material topics 2021, the materiality assessment was conducted through a structured process that saw the involvement of the main corporate functions, according to the methods described in Chapter 1 "Our approach to sustainability", par. 1.1 "Materiality Assessment and Stakeholder engagement".

1

Our approach to Sustainability

1.1 Materiality Assessment and Stakeholder engagement

GRI 3-1 Process to determine material topics
GRI 3-2 List of material topics
GRI 2-29 Approach to stakeholder engagement

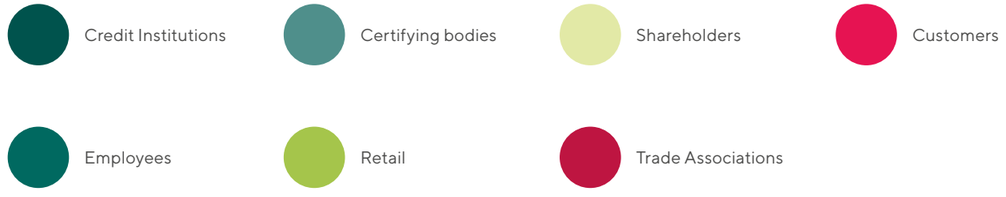
According to the GRI Sustainability Reporting Standards, materiality is the principle that determines which topics can reasonably be considered relevant as they reflect the economic, environmental and social impacts of the organization or influence stakeholder decisions. It should be noted that the term 'impact' means the effect that an organization has or could have on the economy, the environment and/or society.

The identification and assessment of these impacts are of primary importance for the sustainable development of the Cartonpack Group. The materiality analysis is a compass that gives direction to the Group, enabling it to identify strategic priorities in terms of sustainability and also to define the contents of the Sustainability Report.

Based on the company's priorities and the evolution of the internal and external context, the Cartonpack Group has conducted the materiality assessment process for the first time according to the guidelines and indications provided by the Global Reporting Initiative GRI 3: Material Topics 2021. By adopting this framework, the Company identified the impacts deemed to be the most significant according to its business, commercial relationships and relations with stakeholders.

Simultaneously with the definition of material topics, the **Cartonpack Group also started a structured mapping of its main stakeholders**, internal and external stakeholders, in order to identify all the counterparts who could, also in the future, help to define or update the materiality assessment.

Cartonpack Group's Stakeholders



1.1 Materiality Assessment and Stakeholder Engagement

In detail, the materiality assessment conducted internally to identify the material topics and main stakeholders has been structured as follows:

1. Assessment of the external context

- Search and assessment of internal and external sources (analysis of standards and trade press publications, benchmarking against the main competitors and peers).
- Assessment of the key business relationships by mapping the Organization's activities and value chain.
- Assessment of Cartonpack Group's sustainability context.
- Assessment and identification of key stakeholders.

2. Specification of the impacts

- Identification of inside-out impacts generated by the Group's operations.
- Classification of impacts by type, impact area and features.
- Association of each identified impact with a corporate function, according to its area of competence.

3. Assessment of impacts

- Involvement of Cartonpack Group's main business functions to assess the significance of impacts in terms of severity and likelihood.
- Prioritization of impacts in the light of the assessment.

4. Determination of the material topics

- Associating impacts with material topics.
- Review and confirmation of identified material topics and selection of related KPIs.

Cartonpack Group's material topics

Below are the 10 material topics identified by the Group in order of relevance and their association with the relevant Sustainable Development Goals (SDGs).

Area	Material	Description	SDGs
E	**Emissions monitoring and control**	Emissions monitoring and control for the improvement of environmental performance with respect to reducing greenhouse emissions and increasing energy efficiency.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION
S	**Occupational health and safety**	Prevention and protection from risks regarding the health and safety of employees in order to minimise the risk of accidents in the workplace. The safety of its employees and collaborators is in fact one of the indispensable elements in the daily operations of the Company.	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH
S	**Engagement and support to the local community**	Engagement and support of the local community through initiatives, sponsorships and donations to support the local community. In addition, the recruitment of people belonging to the community where the Group operates contributes to the growth of local employment.	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
S	**Engagement, stability, inclusion of human resources**	Safeguarding and enhancing human capital and improving the Organization's retention by keeping a healthy, inclusive and sustainable working environment, promoting projects for competence development paths and systematic dialogue and collaboration between governance and employees.	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH
E	**More efficient energy consumption**	Increasing the energy efficiency of production processes, sustainable procurement and production of energy from renewable sources in order to reduce the impact of the Company's operations on the environment.	13 CLIMATE ACTION; 7 AFFORDABLE AND CLEAN ENERGY
G	**Integrity and management skills**	Ethical behaviour based on compliance with regulations and internal policies/procedures to foster integrity and transparency in the management of relations.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
G	**Eco-design & R&D**	Design and development of sustainable and efficient packaging in terms of functionality of use, easy disposal, and maintaining food fresh and undamaged.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
G	**Product management**	Ensure the quality and safety of products intended for contact with food through appropriate supervision and control of production activities. Product safety and quality are also guaranteed to consumers through information on product labelling.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
E	**Virtuous waste management**	Responsible management of the waste generated and making use of waste plastics, promoting a virtuous cycle of circular economy.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
E	**Management of water resources**	Protection and utilisation of water resources by collecting rainwater to reduce the amount of water drawn from the environment.	6 CLEAN WATER AND SANITATION

2

Identity and Governance

2.1 History and Business Model

GRI 2-6 Activity, value chain and other business relationships

The Cartonpack Group, established at the same time as the recent entry of A&M Capital Europe investment fund – AMCE (a London-based middle-market private equity operator, with €650 million of assets under management), manifests what has long been in Carton Pack S.p.A. strategic vision: to position itself as a leading company in the international food packaging market and a competent reference point for all types of multi-material technical and technological decisions.

The heading company Carton Pack S.p.A. (established in 1970) has been rapidly joined by other long-standing and solid companies. The process that led to the Group's creation is outlined below:

- June 2020: acquisition of CP Deutschland GmbH, aimed at the Group's expansion into the German market.
- July 2020: acquisition of the Italian company Cartotecnica S.r.l., specialist in the production of cardboard packaging.
- December 2021: acquisition of Decapulp S.L., a leading Spanish company for the production of thermoformed, pulp fibre packaging.
- September 2022: acquisition of Ondapack Sud S.p.A., with a view to developing the Group's production capacity in the field of corrugated cardboard.
- April 2023: acquisition of Smilesys S.p.A., an innovative company specialized in the production of solutions for resealable packaging.

This combination of the companies that now make up the Group offers significant benefits, thanks to the blend of highly specialized production resources and technical and commercial skills in the food industry, with a specific focus on the packaging market for fruit and vegetables. The resulting synergy favours the production of increasingly innovative and competitive packaging solutions, successfully navigating the scenarios and changes required by the international market towards a more concrete responsibility in eco-sustainable design and production.

Specifically, the Group operates by means of **two main business units**:
· Production of specialised packaging for the fruit and vegetable industry
· Production of packaging for the food industry in general

Offering manufacturing excellence, Cartonpack provides an international service, exporting its products to approximately 50 countries and making the development of customized projects and innovative packaging solutions available to customers, in line with market trends. The company specializes in the production of packaging for the **fresh produce industry** (fruit and vegetables). The skills developed in packaging, and the processes and technologies available, enable the provision of an extensive and diverse product portfolio in the many trade sectors of the **food industry**: ready-to-eat produce, snacks, confectionery, dairy and bakery products. The Cartonpack Group is equipped with modern extrusion plants capable of processing virgin and/or recycled raw materials to meet the packaging requirements (rigid and flexible films) of the food industry in general. The great technical expertise in plastic film extrusion, flexographic, offset and digital printing, thermoforming and converting give the production a high level of reliability and completeness to serve the international food market.

The approach adopted in the development of new packaging solutions is characterized by customized design, consistent with the guidelines of the brands served, functional optimization of packaging and attention to the use of materials and processes for industrial production according to eco-sustainable principles. Such commitment is reflected in the **certifications achieved (ISO 14001, ISO 9001, TÜV for compostability and food safety and BRC)**, which testify to Cartonpack's dedication to environmental sustainability and the quality of the products offered.

The Cartonpack Group can boast exceptional performance in **reducing lead times** and **managing supply volumes** to customers, ensuring speed and a high level of service and logistics organization.

With a **production capacity of 85,000 tons/year**, the Cartonpack Group has established itself among the international market leaders counting on a **manufacturing structure spread over about 140,000 m²**.

2.2 Corporate Governance and Organizational Structure

GRI 2-1 Organizational details
GRI 2-9 Governance structure and composition
GRI 2-10 Nomination and selection of the highest governance body
GRI 2-11 Chair of the highest governance body
GRI 2-12 Role of the highest governance body in overseeing the management of impacts
GRI 2-14 Role of the highest governance body in sustainability reporting
GRI 405-1 Diversity in governing bodies and among employees

In addition to the parent company Cartonpack S.p.A., the Group consists of another five directly controlled companies:

- **CP Deutschland GmbH**, a German company specializing in the marketing of packaging solutions for fruit, vegetables, and food products across Central Europe. Operating in one of the most strategic markets for the Group, CP Deutschland plays a pivotal role in serving Germany's highly efficient and well-structured retail sector, recognized as one of the most advanced in Europe. The company's expertise and presence in this key region reinforce the Group's position as a trusted partner for innovative and tailored food packaging solutions.

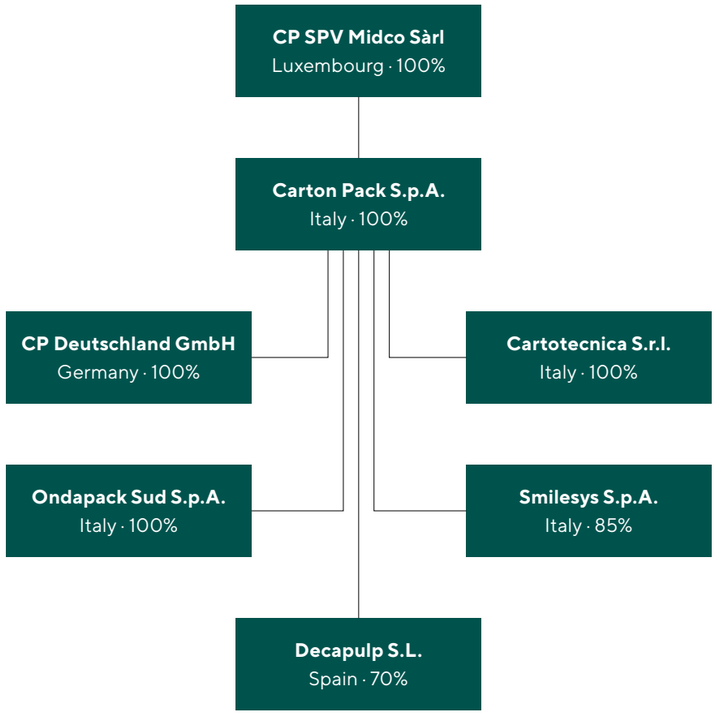
- **Cartotecnica S.r.l.**, founded in 1995 and based in Conversano (Bari), specializes in producing paper and cardboard packaging, with a primary focus on the food sector and a rapidly expanding presence in the fruit and vegetable market. Using advanced industrial machinery for converting and offset printing, Cartotecnica transforms raw paper into high-quality, tailored packaging solutions, meeting the evolving needs of its customers with precision and innovation.

- **Ondapack Sud S.p.A.**, founded in 1998 and is based in Acquaviva delle Fonti (Bari), specialised in the production and printing of corrugated cardboard and cardboard packaging. With over 50 years of expertise in the manufacturing, processing, and printing of corrugated cardboard - using flexographic, offset, and digital techniques - Ondapack excels in producing high-quality secondary packaging for the food industry and beyond. Its recent integration into the Cartonpack Group has driven further growth and fostered valuable synergies in cardboard production and converting. This collaboration has also enabled Ondapack to expand its focus on primary packaging solutions for the fruit and vegetable market, reinforcing its role as a key player in innovative and sustainable packaging.

- **Decapulp S.l.**, a Spanish company founded in 1974, with a production facility located north of Barcelona. With over 30 years of experience in designing and manufacturing cellulose-based packaging, Decapulp serves a wide range of industries, including chemical, food, and logistics sectors. The company specializes in sustainable, eco-friendly packaging solutions for both packaging and transportation. Since joining the Cartonpack Group, Decapulp has accelerated its technological advancements and capitalized on synergies, further enhancing its offering of innovative packaging solutions, particularly for the fruit and vegetable market.

- **Smilesys S.p.A.**, founded in 2013 and is based in Piazzola sul Brenta (Padua), specialized in producing reclosable, environmentally friendly packaging systems for the food industry. Smilesys is renowned for its innovative designs, particularly in the flexible films sector, offering cutting-edge solutions that address the latest technical requirements and regulatory standards for packaging sustainability. With a strong commitment to eco-friendly practices, Smilesys delivers packaging solutions that meet the evolving needs of the food market while prioritizing environmental responsibility.

Organization Chart



Carton Pack S.p.A. governance, according to the traditional organizational model, features the following corporate bodies:

- **Board of Directors**
- **Board of Statutory Auditors**
- **Supervisory Body**

The Company management is in the hands of the Board of Directors, which can have from 5 to 7 members according to the decisions of the Assembly. Directors hold office for the term established by the Assembly at the time of their appointment, in any case not exceeding three financial years, and may be re-elected.

The current Board of Directors of Carton Pack S.p.A was appointed at the Shareholders' Meeting on 21 April 2022 and consists of 5 members. The managing directors are the only executive directors and they report to the Board of Directors and the Board of Statutory Auditors on the general performance of operations and its foreseeable development, as well as on the most significant transactions carried out by the Company and its subsidiaries at each meeting of the Board of Directors.

Table 1
Makeup of the Board of Directors of Carton Pack S.p.A. (at 31.12.2023)

Members	Role	Executive Director	Independent Director
Gianni Leone	CEO	×	
Giuseppe Leone	CEO	×	
Alessandro Luongo	Chairman of the BoD		
Mark Kelly	Director		
Mara Vanzetta	Director		×

The Board of Directors is vested with the broadest powers for the management of the Company, with the authority to perform, without limitation, all acts of ordinary and extraordinary administration that it considers appropriate to achieve the company purpose, except for those reserved to the Shareholders' Meeting by law or pursuant to the Articles of Association. Furthermore, the Board of Directors establishes the Company's strategic guidelines also with reference to sustainability matters.

Since 2023, the Board of Directors approves, in addition to the Annual Report, the Sustainability Report, that informs about the Group's environmental and social performance.

A Supervisory Body has also been appointed, which consists of two members, to supervise the compliance with and monitor the principles contained in the Code of Ethics and to ensure that it is kept up to date with changes in the law and the evolution of its activities and organization.

The Board of Statutory Auditors, composed of three standing members and two alternate auditors, according to the traditional model in force, supervises compliance with the principles of proper administration and, in particular, the adequacy of the organizational and accounting structure adopted by the Company and its actual functioning.

Finally, the legal auditing of the consolidated Annual Report at 31 December 2023 was assigned to PwC S.p.A.

Table 2
Makeup of the Board of Directors of Carton Pack S.p.A. by age and gender (at 31.12.2023)

Making up of the Management Bodies

Age	Men	Women	Total
Board of Directors			
<30	-	-	-
30-50	1	-	1
>50	3	1	4
Total	**4**	**1**	**5**
%	**80%**	**20%**	**-**

Board of Statutory Auditors

Age	Men	Women	Total
<30	-	-	-
30-50	1	-	1
>50	2	-	2
Total	**3**	**-**	**3**
%	**100%**	**-**	**-**

Supervisory Body

Age	Men	Women	Total
<30	-	-	-
30-50	-	1	-
>50	1	-	-
Total	**1**	**1**	**2**
%	**50%**	**50%**	**-**

2.3 Ethics, Transparency and Integrity

GRI 205-2 Communication and training on anti-corruption policies and procedures
GRI 205-3 Confirmed incidents of corruption and actions taken
GRI 406-1 Incidents of discrimination and corrective actions taken
GRI 2-23 Policy commitments
GRI 2-24 Embedding policy commitments
GRI 2-27 Compliance with laws and regulations

The Organization, Management and Control Model

The parent company Carton Pack S.p.A., pursuant to Legislative Decree 231/01, is applying an Organization, Management and Control Model (hereinafter, "Model 231"), and has appointed a Supervisory Body (SB) whose task is to check compliance with the provisions of Model 231 and the Code of Ethics and to monitor the crime prevention system.

The Code of Ethics

The Code of Ethics, whose adoption is one of the prerequisites for the effective application of the Model 231, is the essential tool to guide a management model that is increasingly responsible, transparent and marked by the creation of shared value for all stakeholders. The companies Carton Pack S.p.A. and Ondapack Sud S.p.A. have adopted their own Code of Ethics. The document illustrates the set of values that each company recognizes, shares and promotes, in the awareness that actions inspired by the principles of diligence, fairness and loyalty form a significant impetus for the economic and social development of the organizations and communities in which they operate. It should also be noted that the Code of Ethics adopted by the parent company has also been adopted by the subsidiary company Cartotecnica S.r.l.

It is in each company's interest that the Code of Ethics be disseminated as widely as possible to all internal recipients and third parties, and that the principles and values included therein be approved and shared. For this purpose, appropriate training initiatives on the Code of Ethics and Model 231 are organized in classroom lessons or are delivered through "e-learning" tools and services (with solutions that guarantee feedback of the training carried out).

The Code of Ethics of Carton Pack S.p.A. is made available to all recipients on the Company's website, on its bulletin board and on the company intranet.

This way, all recipients have the opportunity to become acquainted with the provisions of the Code of Ethics, as well as with the internal company procedures and regulations concerned governing their specific function. All recipients have been made aware that they should request any information necessary for the correct interpretation and application of the rules contained in the Code of Ethics. For the purposes of proper dissemination of the Code of Ethics, the Company may also consider the possibility of delivering a copy of the same to third parties.

The companies formally recognize the value of their human capital and request that their employees and partners always act with honesty and integrity, building relations with stakeholders based on mutual respect and trust.

Table 3
Hours of training provided on Model 231 - Carton Pack S.p.A.

Hours of training to employees by professional category	Unit of measure	2020 [1]
Managing Directors	no.	4
Managers	no.	2
White Collars	no.	22
Total	**no.**	**28**

Carton Pack S.p.A. and Ondapack Sud S.p.A. encourage the reporting of illicit behaviour (whether by action or failure to act), that represent or may represent a violation of or an inducement to violate laws and/or rules, values and/or principles stated in their Codes of Ethics.

In particular, **Carton Pack S.p.A.**, in application of the provisions of Legislative Decree 231/01 and Legislative Decree 24/2023, has set up the following channels to receive reports, guaranteeing the confidentiality of the whistleblower:

• dedicated IT platform accessible via link
https://whistleblowing-cartonpack.hawk-aml.com/whistleblowing/home

• registered letter sent to the "Super operator of Reports", at the current head office of Carton Pack S.p.A. in Rutigliano, Bari, via Adelfia ZIP 70018, placing the report in two sealed envelopes and including, in the first, the identification data of the reporting party, in the second, the subject of the report. Both envelopes must then be inserted in a third envelope with the wording "reserved for the Super Operator of Reports" on the outside and sent to the latter.

Reports may also be sent to the specific electronic mailbox **odv.segnalazioni@pec.cartonpack.com** or in writing to the Supervisory Body at the office of the Company, together with a copy of an identity document.

An external professional, a "super operator", is in charge of collecting and managing, assigning and monitoring the situation of the reports, whereas the "management" of the report and the related investigation remain the responsibility of the SB, if they concern violations of the Code of Ethics or the Organizational Model or offences that fall under the crimes provided for by Legislative Decree 231/01.

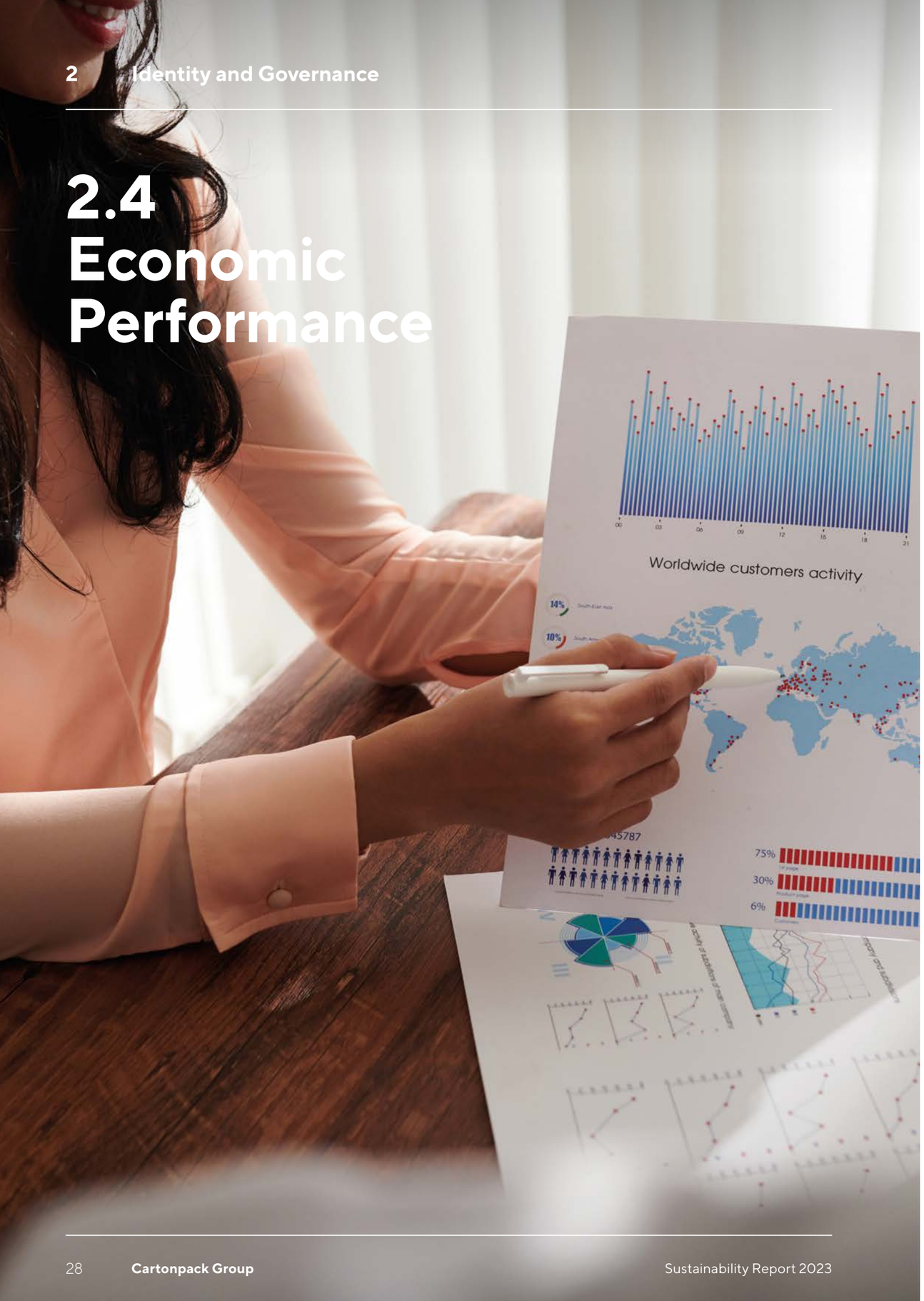
Ondapack Sud S.p.A., on the other hand, has prepared an IT reporting channel that can be accessed through the "Whistleblowing" section on the Company website https://www.ondapacksud.it/.

[1] The training course was provided at the end of 2020, following the adoption by Carton Pack S.p.A. of the Organization, Management and Control Model. No training on Model 231 was provided in 2023.

The values of Cartonpack

- INTEGRITY AND CONSISTENCY
- INCLUSIVENESS AND FAIRNESS
- SOCIAL HARMONY AND BELONGING
- WORK
- SHARING
- RESPONSIBILITY AND CAUSALITY
- MUTUAL HELP
- RESPECT
- CUSTOMER-CENTRIC VISION
- OPENNESS TO CHANGE
- COMPETITION

2.4 Economic Performance



2.4 Economic Performance

In 2023, in an economic scenario that presented some elements of complexity due to the general global macroeconomic and political context, the Cartonpack Group achieved positive operating results with a further increase in turnover compared to the previous year, despite the geopolitical international tensions, inflation, the raw materials crisis and the increase in energy costs.

Pro-forma revenues increased by €5,170 versus 2022 and reached €141,674.000. This increase mainly arose due to the acquisition of Smilesys in 2023.

Despite a macroeconomic context characterized by lower volumes and a decrease in sales prices, the Group managed to generate a good operating margin level (EBITDA), increasing in the pro-forma 12 months over the 2022 results by €365,000.

The negative result for the financial year 2023 was brought about by the effects of costs incurred for M&A deals and by the increase in financial charges.

Table 4
Economic results at 31.12.2023

Economic Data	Unit of measure	2023
Sales revenues	EUR thousand	141,674
EBITDA	EUR thousand	26,442
EBIT	EUR thousand	15,458

Table 5
Revenue breakdown by geographical area (2023)

Economic Data	Unit of measure	2023
Italy	EUR thousand	98,325
UE area	EUR thousand	27,644
Non-UE area	EUR thousand	15,706
Total	**EUR thousand**	**141,675**

3

Product Accountability

3.1 Our Products and Services

GRI 2-6 Activities, value chain and other business relationships
GRI 417-1 Requirements for product and service information and labelling

Cartonpack Group's packaging systems for the food industry represent the most comprehensive offer to meet the needs of developed markets. The competitive advantage lies in the speed of development, production and delivery of the packaging and the **excellent performance in terms of shelf-life of food products**. For the Cartonpack Group, food packaging is a decision of **style and functionality**. The goal is product enhancement starting with the choice of packaging raw material, selecting with care the most suitable material for each type of requirement. The great technical expertise gives the production a high level of reliability and completeness to serve the international food market.

Cartonpack Group's operations essentially consist of processing of raw materials, i.e. paper, cardboard, flexible films, in order to obtain, through converting, printing, laminating and cutting processes, finished packaging for food products

Cartonpack Group's product portfolio can be represented as follows:
- Thermoformed packaging (Buckets · Punnets · Trays · Clamshells · Bowls).
- Paper and cardboard packaging (corrugated and solid)
- Packaging in wood pulp
- Plastic and paper bags and pouches
- Insert trays (R-PET insert trays · Pulp insert trays)
- Flexible packaging (Printed film · CP Fresh® Technology · Flow pack · Heat sealable films).
- Accessory packaging.

Buckets · Punnets · Trays
Clamshells · Bowls

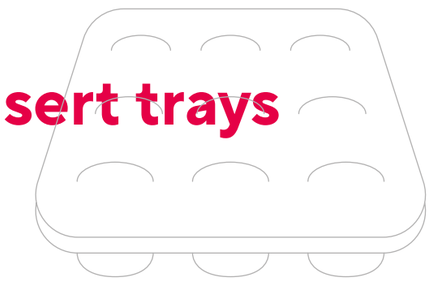
Thermoformed packaging

Bags and pouches
Corrugated paper and cardboard packaging
Solid paper and cardboard packaging

Paper and cardboard packaging

R-PET insert trays
Pulp insert trays

Insert trays



Flexible packaging
Accessory packaging

Printed film
CP Fresh® Technology
Flow pack · Heat sealable films

3.2 Product quality, safety and sustainability

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services
GRI 417-2 Incidents of non-compliance concerning product and service information and labelling

Within the production cycle, the demands of an increasingly diversified market that is attentive to compliance with certain standards result in a number of activities aimed at product quality control. For the Cartonpack Group, customer satisfaction, product safety and respect for the environment all depend on quality.

The Group has a team qualified in legislative compliance and product risk assessment. This function is constantly updated and promptly follows the domestic and international regulatory development for materials and objects for use in contact with food.

In addition, the Group features a modern laboratory, equipped with advanced technologies, including thermal, mechanical, chromatographic and spectroscopic analyses, which enables the careful monitoring of raw materials, semi-finished and finished products, guaranteeing compliance with established production standards.

The constant commitment of the Cartonpack Group towards product quality, safety and sustainability is also confirmed by the certifications it has achieved, as shown in the following table:

Certification	Description	Carton Pack S.p.A.	Cartotecnica S.r.l.	Decapulp S.l.	Ondapack Sud S.p.A.	Smilesys S.p.A.
ISO 9001:2015	Quality management system	×	×	×	×	
ISO 14001: 2015	Environmental management system	×			×	
BRC	Food safety standard	×				×
FSC	Forestry certification system	×	×	×	×	

In particular, the Group has structured its operations according to internationally recognized certification protocols, such as ISO 9001 and ISO 14001 (to ensure a correct and sustainable management of environmental impact), BRCGS standards, FSC® (C146699) (for the management of the chain of custody of raw materials of vegetable origin such as paper and cardboard), TÜV - DIN CERTCO (for the management of transformation processes of compostable materials), TÜV -OK COMPOST (for the production of bioplastics), SEDEX - ESG STANDARDS.

The BRC Global Standard – an international standard promoted by the Global Food Safety Initiative (GFSI) – is directly aimed at producers of materials in contact with food and imposes a series of requirements aimed at strengthening and promoting food safety along the entire supply chain, including:
- The implementation of a HACCP (Hazard Analysis and Critical Control Points) system to identify and control critical points in production.
- The adoption of a documented quality management system, to ensure the consistency of business processes.
- The control of standards regarding work environments, product, processes and employees, ensuring safe and compliant production.
- The definition of appropriate specifications for raw materials, finished products and intermediate/semi-finished products (when applicable), as well as supplier monitoring, site location, waste management, hygiene and organizational standards for employees and process control.

3 Product Accountability

BRC Global Standard certified Group Companies ensure full compliance with these requirements by means of a dedicated Control Plan, aimed at scrupulously checking materials and finished products, thus guaranteeing safety, quality and effectiveness of the different product categories developed and distributed.

Research and development are central to the Group's commitment, which constantly changes and adapts to new market trends, while maintaining a high regard for environmental sustainability, as is shown by its focus on improving food shelf-life. Quality is further guaranteed by a product tracking and tracing system, implemented in the manufacturing execution system (MES) and the warehouse management system (WMS).

3.2 Product Quality and Safety

This information is of fundamental importance for the complete management of the product lifecycle and is customised according to the product category and the specific or general regulations applicable.

The information on product labels also serves as an assurance to consumers regarding quality and safety. Depending on the product category and the specific or general regulations applicable to the product in question, the label can contain crucial information regarding the packaging (such as its composition4, disposal methods, traceability of raw materials, etc.) and/or details on the contents of the pack5 (such as the ingredients, nutritional tables, special warnings, etc.).

Table 6
Information and labelling requirements by product category

Information and labelling requirements of products and services *	Product Categories			
	Thermoformed	Flexible films	Paper and cardboard	Pulp
Indications regarding the safe use of the product	Food contact safe	Food contact safe	Food contact safe	Food contact safe
Indications regarding the end-of-life of the packaging	PET 1 / PP 5 disposal code	-	C-PAP 20/21 disposal code	-

* The obligation to provide information on the composition of the food is the direct responsibility of the food producer, that must integrate this information in the packaging graphics or apply a self-adhesive label. With regard to packaging made of mixed raw materials, the Company is obliged to indicate the individual materials of which the packaging is composed and the relevant disposal code.

Such information is essential for a correct management of the entire lifecycle of the product and, therefore, to offer to the end consumers accurate and adequate information on the safe use of a product, its correct disposal and the environmental and social impacts generated by the product itself. Detailed labelling can, therefore, increase the awareness of end consumers and enable them to make informed purchasing decisions, and to properly manage the end of life of the packaging.

3.3 Eco-Design and Innovation

GRI 301-1 Materials used by weight or volume

Packaging is currently conceived as the solution to the various issues of environmental sustainability, functionality of use, ease of disposal, and keeping the food product fresh and intact. Considering the growing specific needs of modernly organized manufacturing and distribution processes, we cannot ignore the need to focus attention on the most advanced solutions for creating adequate systems and methods for packaging and storing products. For the Cartonpack Group, efficiency starts precisely with the creation of the right packaging.

Committed for many years to the search for alternative methods and complying with international sustainability protocols and regulations, the Group has made an important journey in identifying effective solutions to concretely translate sustainability principles into the manufacture of its food packaging.

Eco-design finds its highest implementation within a circular economy that creates a sustainable way of life. This is therefore a systemic approach characterized by conscious design that uses resources responsibly and efficiently with a focus on reducing post-consumption waste.

Cartonpack's Research and Development Business Unit is structured in 3 areas

Analysis Laboratory

Equipped with the most advanced systems for analysing raw materials destined for food packaging, the Analysis Laboratory carries out its activity working together with major internationally accredited research centres. Migration tests, sampling, food respiration analysis, mechanical performance testing of materials, optimization of food product shelf-life are just some of the services that the Cartonpack Group makes available to its customers.

Product industrialization and design

The Research and Development Department deals with industrializing food packaging starting from the development of a prototype (CAD, CAM), defining the appropriate raw materials and coordinating the manufacturing process. Cartonpack Group's expertise in packaging prototype development is very much a hallmark of the service offered to the market. Using the most modern 2D/3D modelling software, the Research and Development Department is able to pick up a concept and process it in order to obtain a design that can be industrialized. Product design and industrialization is completed by a physical archive dedicated to the sampling of all types of packaging and materials; this enables a wide range of alternatives to be presented to the customer.

Graphic Development and Design

This is the creative development centre in Cartonpack. Equipped with the most advanced pre-printing processing software and equipment (Art PRO), the graphic development and design department is responsible for coordinating all stages of flexographic printing. The pre-printing service provides for the traceability of the creative project, which guarantees the unambiguous coding of the product.

It also provides consultancy services to customers to obtain the best results in the graphic development of the packaging: the ink kitchen formulates the necessary doses to ensure a colour rendering with maximum fidelity. The department works in synergy with a printing plate laboratory that produces the clichés using the most advanced engraving technologies; latest generation plates and polymers are used and the physical storage of the clichés guarantees rapidity in production and/or modification times.

In the Cartonpack Group, packaging is conceived and designed in order to minimize the environmental impact during the product's entire lifecycle: from the study phase to production and sale in the market. Innovative methods and sustainability protocols represent essential operational tools to transform each project into an opportunity to safeguard the territory and the environment.

Eco-sustainable materials are at the centre of the decision-making processes during the design phase because they must comply with certain standards, based on the principles of reuse and recycling. For packaging production, the Cartonpack Group uses different types of materials.

In particular, the Group mainly sources:
· Plastic granules (PET, PP)
· Plastic flakes (R-PET)
· Flexible plastic films (PP, PE, PET)
· Corrugated, solid paper and cellulose pulp

The materials used vary according to the properties required by the customer in the final packaging.
The combination of the properties of the various materials results in products with good quality performance. However, in order to enable greater recovery and recycling of packaging in the final phase of its life cycle, the Cartonpack Group develops and promotes new, more sustainable solutions using only one type of polymer: the so-called "mono-material" packaging.

Table 7
Renewable and non-renewable materials used (2023)

Renewable and non-renewable materials used *

Type of material	Unit of measure	2023
PET/R-PET	t	19,456.18
Paper and cardboard	t	29,661.12
PP/PE	t	5,116.18
Wood	t	1,763.35
Total renewable materials	**t**	**55,996.83**
% renewable materials	**%**	**98.1%**
Other polymers / coupled	t	397.79
Other	t	665.40
Total non-renewable materials	**t**	**1,063.18**
% non-renewable materials	**%**	**1.86%**

* The reported quantity (t) was calculated on the basis of the volume of packaging sold in the reporting period.

3.3 Eco-Design and Innovation

In particular, in 2023, the Cartonpack Group developed and produced more than 10 types of innovative products with a lower environmental impact.

These include the thermoformed packaging in cellulose fibre (known as "pulp") made in the Decapulp plants in Spain. Thanks to Decapulp's technical experience, the Cartonpack Group has implemented a high level of expertise in the industrial production of containers in pulp which is a highly eco-sustainable raw material, perfect for the production of completely recyclable packs in the food sector and for fresh products. In packaging, fibre-based materials have the highest recyclability rates in Europe. Our pulp product portfolio is broad: from spherical insert trays to those for specific fruits (kiwis, melons, etc.) up to the various shapes of containers and trays for specific "selling-unit" sizes for retail distribution.

A second example is the Papersys® system, an innovative application of cellulose based material (paper) which is used for vertical and horizontal packaging industrial processes. Papersys® has been patented and designed thanks to the technological expertise and research carried out in the plants of Smilesys S.p.A., a company located near Padua, recently merged in the Cartonpack Group. Papersys® paper films have multiple applications: flow-pack with window, heat sealed bags and envelopes, heat sealing of cardboard containers.

The outcome of using Papersys® is a packaging that can be completely disposed of with paper products, is totally recyclable and therefore fully meets the most stringent regulations on the eco-sustainability of packaging (see PPWR, AGEC, etc.). At the same time, this type of packaging ensures the opportunity to communicate with specific graphics dedicated to the reference market.

Eco-design and technical synergy: heat-sealable molded pulp

4

The importance of people

4.1 Our people

GRI 2-7 Employees
GRI 2-8 Workers who are not employees
GRI 401-1 New employee hires and employee turnover
GRI 405-1 Diversity of governance bodies and employees

The Cartonpack Group attaches fundamental importance to human capital, represented by its employees and collaborators, and for this reason promotes a working environment aimed at developing potential and talent, in compliance with the principles of equal opportunities and merit.

The Group operates in compliance with the principles of inclusiveness, from the first stages of personnel selection, avoiding any form of discrimination based on age, racial origin, nationality, political opinions, religious beliefs, gender, sexual orientation or state of health. The Cartonpack Group evaluates people exclusively based on their education and relevant experience. Everyone in the Group is treated with full human and social fairness, and all rights are guaranteed without any form of discrimination.

The basis of Cartonpack Group's success is the constant contribution of its people, operators in the creation of value. People who demonstrate a high level of loyalty to the Company, which records a low turnover rate.

Data on the employees of the Cartonpack Group are detailed in the following tables[1].

* Data reported in this Section show the composition of the Group's employees, calculated as an average value in 2023, in terms of FTE.

Table 8
Employees by gender (2023)

Total number of employees by gender	2023 Total	
	no.	%
Men	469	88%
Women	62	12%
Total	**531**	**100%**

Table 9
Employees by professional category, age class and gender (2023)

Employees by professional category and age class	2023 <30			30-50			>50			Total		
	Men	Woman	Total	Men	Woman	Total	Men	Woman	Total	Men	Woman	Total
Managers	-	-	-	2	0	2	2	-	2	4	-	4
Middle Managers	-	-	-	1	2	3	5	2	7	6	4	10
White collars	7	3	10	28	18	46	28	7	35	63	28	91
Blue collars	69	9	78	230	14	244	97	7	104	396	30	426
Total	**76**	**12**	**88**	**261**	**34**	**295**	**132**	**16**	**148**	**469**	**62**	**531**

Table 10
Employees by gender and contract type (2023)

Total number of employees by gender and contract type	2023		
	Men	Woman	Total
Permanent contract	408	60	**468**
Temporary contract	57	2	**59**
Apprenticeship	1	-	**1**
Internship	3	-	**3**
Total	**469**	**62**	**531**

Table 11
Employees hired full-time and part-time (2023)

Total number of employees divided into part-time and full-time	2023		
	Men	Woman	Total
Full-time	464	51	**515**
Part-time	5	11	**16**
Total	**469**	**62**	**531**

Table 12
Total new hires and turnover rate (2023)

Number of employees hired in 2023 by age and gender [1]	2023		
	Men	Woman	Total
Turnover rate %	12,5%	6,7%	**11,8%**
Total hires	51	4	**55**
<30	26	1	**27**
30-50 (inclusive)	25	2	**27**
>50	-	1	**1**

[1] Only employees with a permanent contract were taken into account for the calculation of the turnover rate.

Table 13
Total terminations and turnover rate (2023)

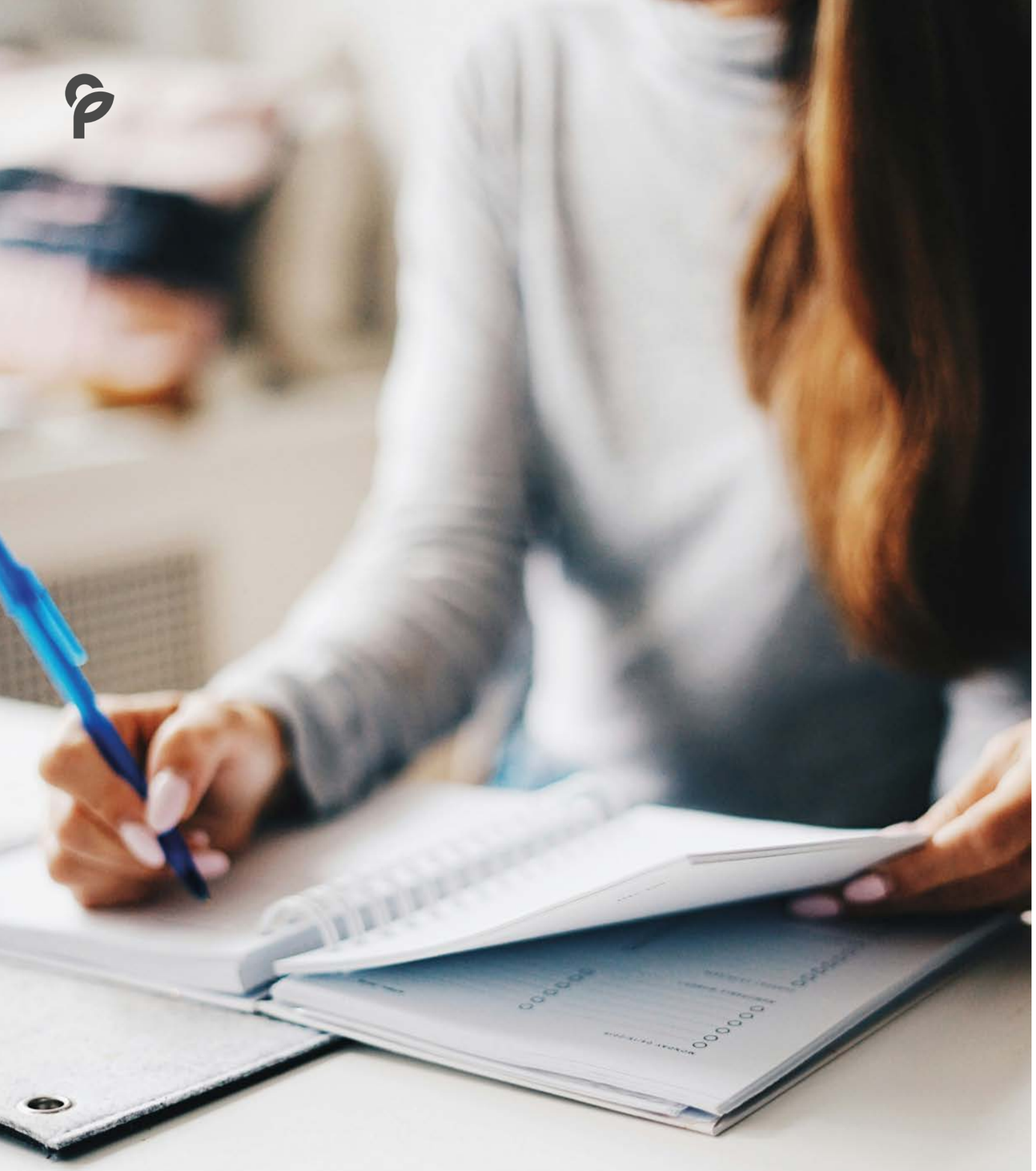
Number of terminated employees in 2023 by age and gender [1]	Men	Women	Total
Turnover rate %	3.4	10	**4.3**
Total terminated employees	14	6	**20**
<30	2	2	**4**
30-50	8	2	**10**
>50	4	2	**6**

[10] See previous note

The following table describes the breakdown of the workforce by province of residence and shows how the Organization, in terms of employment, has a strong local footprint and, at the same time, offers job opportunities in the areas where it operates.

Tabella 14
Employees by province of residence (2023)

Number of employees by province of residence	Women	Men	Total
Bari	27	429	**456**
BAT (Barletta - Andria - Trani)	-	1	**1**
Treviso	1	2	**3**
Ravenna	-	2	**2**
Forlì-Cesena	-	1	**1**
Padova	14	5	**19**
Vicenza	3	-	**3**
Torino	-	1	**1**
Roma	-	1	**1**
Abroad	17	27	**44**
Total	**62**	**469**	**531**



4.2 Training and Development

GRI 404-1 Average hours of training per year per employee

For the Cartonpack Group, people are one of the essential assets for the performance of business operations and enable the contribution of added value by means of their work.

The Group undertakes to protect the rights of its workers and to provide them with the necessary tools for personal and professional development, starting with training, and promoting careers in line with the job description and professional position of each individual. However, in 2023 employees were exclusively trained on occupational health and safety, in compliance with Legislative Decree 81/08.

In particular, in 2023 a total of **3,685 hours of training** were provided [6], with an average of approximately 7 hours per employee.

Table 15
Average training hours per employee per year (2023)

Training hours provided to employees per year by category and gender [1]	Men	Women	Total
Managers	18	-	**18**
Middle managers	31	34	**65**
White collars	212	120	**332**
Blue collars	3,224	48	**3,271**
Total training hours	**3,484**	**201**	**3,685**
Average training hours per employee	7	3	**7**

[6] It should be noted that the total training hours provided to employees in 2023 do not include the hours of training on Model 231, as they were not provided in the reporting year. For further details, see the table in section 1.3.

4.3
Our Support to the Local Community

The Cartonpack Group has always supported, favoured and actively taken part in numerous activities of involvement and support of local communities thanks to the collaboration with local institutions, in order to create shared value and generate a positive, long-term social impact.

The guiding principle behind Cartonpack Group's commitment is the recognition of the key role of culture, education and inclusiveness in promoting individual dignity and strengthening communities.

The Group has set as one of its core values the promotion of the economic and social development of the local community and the area where it operates, with particular attention to families, through sponsorships and donations aimed at promoting social, religious, sports, cultural and educational projects, including the following.

Associations

WELFARECARE ASSOCIATION
Smilesys has supported the initiative put forward by WelfareCare, dedicated to the prevention of breast cancer, sponsored by the Municipality of Piazzola sul Brenta, Padua.

Sports projects

"OLYMPIA CLUB" BASKETBALL TEAM
Cartonpack is a sponsor of the local "Olympia Club" basketball team of Rutigliano. A further sign of continuity for the community, in the name of a long-standing partnership, believing that sport means the social, cultural and economic growth of the area where it is practised.

Religious initiatives

FESTA DEL CROCIFISSO
Every year, Cartonpack supports the "Festa del Crocifisso", a religious festival that has become part of our town's folklore, with parades and events.

FESTA PAESANA
Smilesys supports the parish of Busiago, in the municipality of Campo San Martino, Padua, for the town fair "Busiago in Festa".

Cultural and social initiatives

MUSA FESTIVAL
Cartonpack offered its contribution for the first Musa Festival in Rutigliano, which promotes the artistic and social heritage of the area.

SAGRA DELL'UVA
Every year, Cartonpack supports the "Sagra dell'uva" ("Rutigliano Grape Fair") an event that promotes local food and wines, in particular table grapes, Rutigliano's excellent production and the driving force behind the economy of south-east Bari.

GREEN ROUNDABOUTS
Cartonpack demonstrates its closeness to the local community also by taking care of public green spaces. In particular, the company will take care of the roundabout near the Rutigliano plant by means of a contract for ordinary maintenance.

4.4 Occupational health and safety

GRI 403-1 Occupational health and safety management system
GRI 403-9 Work-related injuries
GRI 403-10 Work-related ill health
GRI 403-5 Worker training on occupational health and safety

The Cartonpack Group, building on the shared values that distinguish it, is committed to the continuous improvement of its health and safety performance to guarantee a safe working environment.

Our Health and Safety Policy promotes the adoption of virtuous conduct and the active involvement of the personnel, managing the issue with an approach based on the assessment of workplace-related risks, in order to eliminate or minimize them.

The entire company population receives information, adequate compulsory and voluntary training and, where necessary, training on occupational health and safety, taking into account the necessary updates provided for in the regulations.

To this end, the Executive Board is committed to complying with the currently applicable laws on Occupational Health and Safety and its continuous updates, and to providing all the necessary human, material, financial and instrumental resources.

In particular, training programmes have been held on this subject in order to create a corporate culture of awareness and prevention of risks in the workplace and to provide the necessary information for their correct identification and management.

Table 16
Work-related injuries of employees (2023)

Work-related injuries	2023	
	No.	Rate
Hours worked	950,900	-
Number of fatalities as a result of work-related injury	-	-
Number of high-consequence work-related injuries (excluding fatalities)	-	-
Number of recordable work-related injuries (except injuries not concluded)	9	9.5
Main types of work-related injuries (short description)	sharps injuries.	

The main causes of accidents are injuries. The total accident frequency index is 9.5. In 2023, there were no cases of occupational illnesses or serious work-related accidents resulting in serious or very serious injuries to staff on the company's payroll, for which company liability was definitively established.

5

Our Environmental Footprint

5.1 Circular Economy and Waste Management

Circular economy drives Cartonpack's goal of reducing the amount of waste generated. Cartonpack manages the waste generated in compliance with Legislative Decree no. 152/06, which regulates the waste management process, which is divided into the different stages of collection, transportation, recovery and disposal, in accordance with the obligations and responsibilities set out in the regulations. The waste generated by Cartonpack is managed by third parties at external sites.

Cartonpack's waste production is mainly related to the materials used in the production process (including plastic, cardboard, inks, rags, residual adhesives, etc.).

Table 17
Waste produced by category (2023)

Waste produced by category	Unit of measure	2023
Total **non-hazardous** waste	t	2,766.96
Total **hazardous** waste	t	314.08
Total waste	**t**	**3,081.04**

Table 18
Waste generated by method of disposal (2023)

Waste generated by method of disposal	Unit of measure	2023
Total waste	**t**	**3,081.04**
of which Recycle	t	2,277.12
of which Landfill	t	803.91
% Recovery	%	74%
% Disposal	%	26%

The Cartonpack Group attaches great importance to the recovery of plastic materials, making use of highly specialized machinery to recycle production scraps and other waste plastics. In terms of circular economy, this action is highly effective: it contributes significantly to the reduction of material purchases, but also has the positive effect of minimizing the overall volume of waste generated by the Group's companies.

Table 19
Recycled plastic by type (2023)

Circula Economy	Unit of measure	2023
Total recycled plastic	**t**	**15,607**
R-PET	t	14,235
PP	t	1,372

In particular, the Cartonpack Group focuses on the regeneration of recycled PET (R-PET), which is a significant part of its raw material supply. Furthermore, the Organization establishes partnerships with its customers to actively encourage the recovery and return of PET waste, promoting a virtuous cycle of circular economy.

This practice highlights the Cartonpack Group's commitment to sustainable solutions and maintaining a responsible supply chain. The company also owns a decontamination plant for recycled material that enables the decontamination of recycled PET, which is made suitable for food contact again.

In addition, the company has extended its "Social Plastic" supply agreement with the Canadian company Plastic Bank Recycling Corp. to 2023. Under this agreement, Plastic Bank will supply R-PET to the Group from the recycling of plastic bottles collected in developing countries by groups of people suffering financial hardship who find a source of livelihood in this activity.

Best Practice

Social Plastic® and Circularity

Let's build a regenerative society together

At the beginning of 2019, the Cartonpack Group started a valuable corporate project in the area of corporate social responsibility, with two challenging objectives: to give a completely new and unique value to recycled plastic (R-PET); to take more decisive actions towards sustainability and corporate social commitment.

" This is the beginning of a new business model that fits into the vision of a circular economy, utilising existing resources while creating a new welfare for emerging countries."

Currently, the Group stands out as the first and only European converter of Social Plastic® to bring a new social and environmental value to packaging for fresh produce market.

Buying fruit and vegetables in a Social Plastic® packaging means remunerating the work and improving the living conditions of people who live in less developed countries, helping to clean the oceans and their environment from the huge pollution in which they live.

Plastic Bank and the use of Social Plastic® represent a pioneering proposal in the fresh produce packaging market and a coherent response to the problems of environmental pollution and social solidarity in areas of the world where the situation is absolutely emergency.

Social Plastic®, supplied by Plastic Bank, is plastic recovered from the oceans in accordance with the ethics of sustainability and aims to improve the living conditions of people living in developing countries where pollution from plastic is the highest ever.

Social Plastic®
The Value Proposition

1
Increase the value of your CSR (corporate social responsibility) commitment

2
Contribute to improving living conditions in emerging countries

3
Help prevent ocean pollution

4
Guaranteed traceability (raw materials and processes)

5
Branded products, recognisable to the consumer

6
Anti-money laundering security system on economic transactions

7
Safe system against the child labour exploitation

8
Licence for the use of the brand to support marketing

9
Food contact suitability certification

10
Wide assortment of models and sizes

The packaging guarantees full food contact suitability and traceability of the Social Plastic® raw material, with an exclusive thermoformed mark on the bottom of the packaging. These products are recognisable even by the end consumer and enable an easy understanding of the intrinsic values of packaging, which becomes a true vehicle of a new circular economy.

5.2 Energy and Atmospheric Emissions

The Cartonpack Group quantifies its CO2 emissions by monitoring and assessing the carbon footprint of its operations and supply chain. The companies Carton Pack S.p.A. and Ondapack Sud S.p.A. are subject to energy diagnostics as they are classified as energy-intensive and large companies according to interministerial decree of 05/04/2013 and have ISO 9001:2015 Quality management systems and ISO 14001:2015 Environmental management systems certifications.

These international standards are of strategic importance in business management, emphasizing the organisation's focus on the quality of products and services, contributing not only to the reduction of operational risks but also to the reduction of waste to a minimum, and on environmental sustainability, highlighting the control and reduction of environmental impacts, responsible management of resources and compliance with environmental regulations.

To quantify the carbon footprint, the methodology outlined in the GHG Protocol, recognized as the main international standard for measuring of greenhouse gas emissions, has been adopted.

This approach enabled the accurate measurement, management and reporting of greenhouse gas emissions from Cartonpack Group's activities and supply chains[9]. Emissions were divided into three reporting categories, known as Scope 1, Scope 2 and Scope 3[10], in order to obtain a comprehensive view of emission sources and potential areas for improvement.

[9] The scope of the analysis included the plant of Carton Pack S.p.A., which covers an area of approximately 82,230 m^2, the plant of Cartotecnica S.r.l. of approximately 3,000 m^2, the plant of Ondapack Sud S.p.A. of approximately 15,000 m^2, the plant of Decapulp S.l. of approximately 6,000 m^2 and lastly the plant of Smilesys S.p.A. of approximately 2,500 m^2).

[10] Scope 1 emissions are all the direct emissions that occur from sources that are controlled or owned by an organization. It includes the combustion of fuel on site, such as gas boilers, emissions from fleet vehicles and gas leaks from equipment and air conditioning systems. Scope 2, on the other hand, considers indirect emissions associated with the purchase of electricity used by the organization. Emissions are generated during the production of energy that is then purchased and used by the organization. All other indirect emissions resulting from an organization's activities, which are generated by sources that are not owned or directly controlled by the organization, are reported under Scope 3, which often makes up the largest share of the carbon footprint, since it includes emissions associated with the procurement, transport and distribution, use and end-of-life of products.

Table 20
Energy consumption by source type

Energy consumption within the organization	Unit of measure	2023	GJ[1]
Electricity purchased from the national grid – Italy			
from non-renewable sources	kWh	30,316,929	109,140.94
from renewable sources	kWh	-	-
Electricity purchased from the national grid – Abroad			
from non-renewable sources	kWh	2,854,357	10,275.69
from renewable sources	kWh	-	-
Self-produced electricity			
from renewable sources	kWh	3,604,558	12,976.41
Natural gas			
for the manufacturing process	m^3	1,056,334	3,802.80
LPG			
for heating and for the manufacturing process	l	327,252	8,403.99
Diesel			
for vehicles	l	144,760	5,210.48
for heating and/or for the manufacturing process	l	5,854	210.71
Total energy consumption (GJ)			**150,021.02**
Total energy consumption from renewable sources (GJ)			**12,976.41**
Total energy consumption from non-renewable sources (GJ)			**137,044.61**

[11] Source of conversion factors: Defra 2022

Electricity is the main vector for covering the Organization's energy needs. Some of the energy is purchased from the electricity grid, while a significant portion of the energy requirement is fulfilled by means of the renewable energy self-produced by the photovoltaic systems of Carton Pack S.p.A., with nominal power of 3 MWp, and of Ondapack Sud S.p.A., with nominal power of 1 MWp. The nominal power has been increased throughout the year, showing the Group's commitment to minimizing the environmental impact of its operations.

In addition to electricity, the Group's energy consumption is attributable to the fuels used. In particular, the Group sources natural gas for manufacturing processes, LPG for powering the boilers of the thermal power plant, and diesel to fuel the fleet and, to a lesser extent, for heating and manufacturing processes.

Overall, in 2023 the energy consumption of the Cartonpack Group amounted to 150,021 GJ.

Table 21
Direct greenhouse gas (GHG) emissions - Scope 1

Scope 1 Emissions	Unit of measure	2023
Scope 1 Emissions (Stationary): energy consumption		
Natural Gas (LNG)	tCO_2e	**2,133.79**
LPG	tCO_2e	**510.51**
Diesel	tCO_2e	**18.50**
Scope 1 Emissions (Mobile): consumption for vehicles		
Diesel	tCO_2e	**370.58**
Scope 1 Emissions (Fugitive): Leaks of ozone-depleting gases[1]		
R404A	tCO_2e	**0.016**
R407C	tCO_2e	**0.123**
Other R134A	tCO_2e	**0.073**
Total Scope 1 emissions	**tCO^2e**	**3,033.59**

[1] In 2023, the fleet of 41 company vehicles covered a total of 1,096,066 km, demonstrating the important role played by transport in the Organization's operations.

Table 22
Indirect greenhouse gas (GHG) emissions - Scope 2

Scope 2 Emissions	Unit of measure	2023
Market based[1] Scope 2 Emissions	tCO_2e	**13,885**
Location based[2] Scope 2 Emissions	tCO_2e	**15,502**

[1] Source of emission factors for the Market based calculation method: AIB European Residual Mixes 2023.

[2] Source of emission factors for the Location based calculation method: ISPRA 2022.

Cartonpack Group's emissions attributable to the Scope 1 and Scope 2 reporting areas account for more than 12% of the Group's total emissions, according to the Market Based methodology. This category of emissions encompasses all emission sources generated internally by the same Organization. Scope 2 is of significant importance as the production processes and consumption connected to the company's facilities are largely dependent on the supply of electricity.

Table 23
Indirect greenhouse gas (GHG) emissions - Scope 3

	Category of Scope 3 emissions[15]	Unità di Misura	2023	%
1	Purchased goods and services	tCO_2e	**68,299**	**74.11**
2	Capital goods	tCO_2e	**6,597**	**7.16**
3	Fuel- and energy- related activities	tCO_2e	**3,428**	**3.72**
4	Upstream transportation and distribution	tCO_2e	**4,192**	**4.55**
5	Waste generated in operations	tCO_2e	**126**	**0.14**
6	Business travel	tCO_2e	**310**	**0.34**
7	Employee commuting	tCO_2e	**507**	**0.55**
8	Upstream leased assets	tCO_2e	**117**	**0.13**
9	Downstream transportation and distribution	tCO_2e	**7,282**	**7.90**
12	End-of-life treatment of sold products	tCO_2e	**1,300**	**1.41**
Total Scope 3 emissions		**tCO_2e**	**92,159**	**100**

[15] The GHG Protocol classifies Scope 3 indirect emissions in 15 Categories. It should be noted that Categories 10, 11, 13, 14, 15 have been excluded as they are not considered relevant and/or applicable to Cartonpack. For more details on the calculation methodology and the reasons for exclusion, see the Appendix at the end of the document.

Scope 3 emissions are the result of activities linked to assets that are not directly controlled by the Organization, but which indirectly affect the Group's value chain.

To calculate the Scope 3 emissions in the specific categories, the GHG Protocol guidelines were used as a reference, taking into account primary data from the Cartonpack Group's activities and scientifically based emission factors.

For some specific categories, the calculation of Scope 3 emissions was based on the cost evaluation as a benchmark. This approach follows the generally accepted assumption of the GHG Protocol, which considers costs as a reasonable indicator to estimate indirect emissions related to business activities.

In the Appendix section, at the end of this document, are details of the methods used for each category which has been considered relevant for the calculation of Cartonpack Group's Carbon Footprint. Also explained are the specific assumptions adopted and the reasons for excluding certain categories that were not found to be relevant for the assessment of Cartonpack Group's carbon footprint.

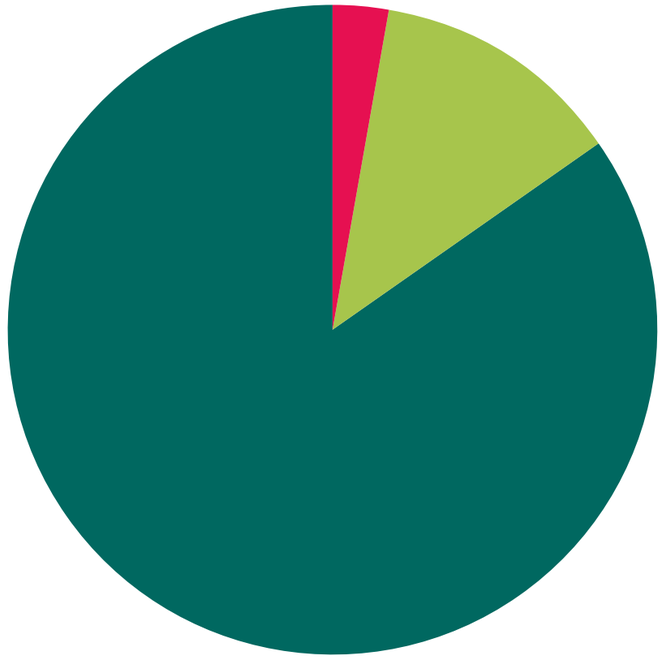
The main category responsible for **74% of total Scope 3 emissions is Category 1: Purchased goods and services**.

Within this category, emissions are mainly due to the purchase of products of plastic (66%), followed by paper products (24%), chemicals (8%) and wood (2%).

Emissions results

Scope 3 emissions make up more than 84% of the total recorded emissions and include all emissions generated outside the organizational boundaries, but which are essential for the proper functioning of the company's operations.

Chart no. 1
Cartonpack's Carbon footprint (2023)



Emission profile (2022)

Scope 1	3,034 tCO_2e
Scope 2	13,855 tCO_2e
Scope 3	92,159 tCO_2e
Total	**109,078 tCO_2e**

5.3 Managing Water Resources

The Group's commitment towards reducing the environmental impacts of its business operations is reflected in the rational and conscious use of water resources in all its processes, in terms of withdrawals and consumption and of releases and discharges.

Water withdrawals
Water at the Group sites is supplied via withdrawal from groundwater (by pumping wells) and from the aqueduct.

The Group's water requirement is mainly attributable to the withdrawal of water for civil and sanitary use16, which accounts for approximately 85% of total withdrawals. Actually, hardly any of the Group's manufacturing activities require the use of water in production processes. Only Decapulp, specialised in the production of pulp for packaging, uses water in its production processes.

Table 24
Water withdrawal by use and source (2023)

Withdrawal for industrial processes	Unit of measure	2023
	ML	2.62
of which underground waters	ML	2.62
of which aqueduct	ML	-
for civil-sanitary use	ML	14.86
of which underground waters	ML	10.55
of which aqueduct	ML	3.98
Total withdrawn water	**ML**	**17.48**

Supply sources are located in areas at potential risk of water stress[17], as defined by the map of the Aqueduct Water Risk Atlas, drawn up by the World Resources Institute (WRI), which illustrates the water availability of countries, taking into account risks caused by climate change, including extreme weather events such as droughts or floods.

[16] Water withdrawn for civil and sanitary use is discharged into the public sewerage system after use and returned to the environment. All discharges are of fresh water (≤1.000 mg/l of total dissolved solids). In the production plants of the Group's companies there is no discharge of process wastewater.

[17] For the identification of water stress areas, as indicated by GRI Standard 303, the Aqueduct Water Risk Atlas was used, available at the World Resource Institute website: https://www.wri.org/aqueduct. All withdrawal sources are of fresh water (≤1.000 mg/l of total dissolved solids).

5.3 Managing Water Resources

Water recovery and reuse
With a view to circularity and mitigating the impact of its operations on water resources, in a context where climate risks such as drought and water stress are constantly increasing, the Group promotes, where possible, initiatives to recover and reuse water.

One example is represented by the plants of **Carton Pack S.p.A.**, **Cartotecnica S.r.l**. and **Ondapack Sud S.p.A.** which are equipped with **rainwater recovery systems**. The collected water is stored in underground tanks and used for irrigation (of green areas) and for industrial purposes (production, fire-fighting, washing the yards, etc.).

Ondapack Sud S.p.A. represents a virtuous example of **water recovery and reuse**: collected rainwaters are used in production processes, following appropriate purification processes, limiting the consumption of natural water resources. Additionally, wastewaters from the production process are in turn recovered and subjected to a purification treatment through a specific "clarifying" machine so that they can be reused once again within the framework of the production process.

Also **Decapulp S.I.** is an example of **circular economy**: excess water resulting from the first production process is recovered, filtered and reused again for production.
Reusing water helps combat water shortages and ease the strain on natural water resources, promoting the transition towards production models based on the circular economy concept.

GRI Table of Contents

Declaration of use	Carton Pack S.p.A. has drawn up its Sustainability report with reference to the GRI Standards for the period 01/01/2023 – 31/12/2023.
GRI 1 used	GRI 1: Foundation 2021
GRI Sector Standard applicability	N/A

GRI Standard	Disclosure	Location	Exclusions of perimeter and notes
GRI 2: General Disclosures 2021	2-1 Organizational details		Carton Pack S.p.A. Via Adelfia ZI, 70018 – Rutigliano, Bari The Company is a Limited Company 100% owned by a holding company incorporated under Luxembourg law.
	2-2 Entities included in the organization's sustainability reporting		
	2-3 Reporting period, frequency and contact point		
	2-6 Activities, value chain and other business relationships		
	2-7 Employees		The number of employees is expressed in FTE (Full Time Equivalent).
	2-8 Workers who are not employees		No non-employees were involved in 2023.
	2-9 Governance structure and composition		
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-14 Role of the highest governance body in sustainability reporting		
	2-22 Statement on sustainable development strategy		
	2-23 Policy commitments		
	2-24 Embedding policy commitments		
	2-27 Compliance with laws and regulations		During the reporting period, there were no cases of non-compliance with laws and regulations.
	2-28 Membership associations		The Company has ordinary memberships in Confindustria and Federazione Gomma Plastica.
	2-29 Approach to stakeholder engagement		
	2-30 Collective bargaining agreements		Working conditions and terms of employment are determined by the application of the relevant National Collective Labour Agreements (CCNL) for all employees.

Integrity and managerial skills

GRI 3: Material Topics 2021	3-1 Process to determine material topics	
	3-2 List of material topics	
GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 205: Anti-corruption (2016)	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	No cases of corruption were recorded during 2023.

Eco-Design & R&D

GRI 3: Material Topics 2021	3-3 Management of material topics	
	301-1 Materials used by weight or volume	

Product management

GRI 301: Materials (2016)	3-3 Gestione dei temi materiali	
GRI 417 Marketing & Labeling (2016)	417-1 Requirements for product and service information and labeling	
	417-2 Incidents of non-compliance concerning product and service	During the reporting period, there were no incidents of non-compliance concerning labeling and information on products and services.
GRI 416 Customer health and safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	During the reporting period, there were no incidents of non-compliance concerning health and safety impacts of products and services.

Efficiency increase of energy consumption

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 302: Energy (2016)	302-1 Energy consumption within the organization	

Monitoring and control of atmospheric emissions

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 305: Emissions (2016)	305-1 Direct (Scope 1) GHG emissions	
	305-2 Energy indirect (Scope 2) GHG emissions	
	305-3 Other indirect (Scope 3) GHG emissions	

Virtuous waste management

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 306: Waste (2020)	306-3 Waste generated	

Management of water resources

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 303: Water and effluents (2018)	303-1 Interactions with water as a shared resource	
	303-3 Water withdrawal	
	303-4 Water discharge	
	303-5 Water consumption	Carton Pack's production cycle does not involve the use of water. Therefore, water consumption is 0.

Involvement, stability and inclusion of human resources

GRI 3: Material topics 2021	3-3 Management of material topics	
GRI 401: Employment (2016)	401-1 New employee hires and employee turnover	
GRI 404: Training and education (2016)	404-1 Average hours of training per year per employee	
GRI 405: Diversity and equal opportunity (2016)	405-1 Diversity of governance bodies and employees	
GRI 406: Non-discrimination (2016)	406-1 Incidents of discrimination and corrective actions taken	

Occupational health and safety

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 403: Occupational health and safety (2018)	403-1 Occupational health and safety management system	
	403-5 Worker training on occupational health and safety	
	403-9 Work-related injuries	
	403-10 Work-related ill health	No cases of occupational diseases were recorded during the reporting period.

Inclusion and support to the local community

GRI 3: Material Topics 2021	3-3 Management of material topics	
GRI 201: Economic performance (2016)	201-1 Direct economic value generated and distributed	

Appendix

Categories of Scope 3 emissions: reasons for exclusion and calculation methods

Categories of Scope 3 emissions		Description of the method and assumptions applied
1	Purchased goods and services	This category was calculated using consolidated financial data as a baseline, and purchased goods were grouped into clusters according to an internally defined methodology and in line with the GHG Protocol, using the average exchange rate of the Bank of Italy.
2	Capital goods	This category was calculated using consolidated financial data as a baseline, and purchased goods were grouped into clusters according to an internally defined methodology and in line with the GHG Protocol, into Machinery (e.g. Extrusion Lines, Thermoforming), Real Estate Activities (e.g. Photovoltaic and Building Interventions) and Other (e.g. Services and Intangible Capex), using the average exchange rate of the Bank of Italy.
3	Fuel- and energy-related activities	The calculation methodology applied is based on the 'average data method', whereby emissions are estimated using secondary emission factors (e.g. sector averages) for upstream emissions per unit of consumption (e.g. kg CO2 e/kWh), in line with the indications and requirements of the GHG Protocol.
4	Upstream transportation and distribution	This category was calculated using mileage values for upstream transportation provided by internal files and making estimates according to the means of transport used, with DEFRA 2022 emission factors. The data was processed using estimation techniques on the quantity of goods transported by ship equivalent to 8 tonnes.
5	Waste generated in operations	This category was calculated using the values of waste disposed of by EWC code and making estimates according to the disposal destination described, with DEFRA 2022 emission factors. The figures for municipal waste, on the other hand, were estimated by reproportioning them over the reporting year.
6	Business travel	The calculation methodology applied is based on the 'average expenditure method', in line with the indications and requirements of the GHG Protocol. Only trips made by Cartonpack Group. employees were considered, as defined by internal materials and provided by travel agencies.
7	Employee commuting	The distribution of emissions was calculated considering the number of Carton Pack employees, assuming that journeys were made to and from Cartonpack Group only by private means of transport. The DEFRA 2022 conversion factors for the means of transport used were applied to the kilometres travelled, assuming they were diesel-powered cars in an over-estimation perspective as described in the GHG Protocol guidelines, and considering an estimate of the number of working days in the 2023 reporting year.
8	Upstream leased assets	This category was calculated considering the economic value according to the methodology defined by the GHG Protocol.
9	Downstream transportation and distribution	This category was calculated using mileage values for downstream transportation provided by internal files and making estimates according to the means of transport used, with DEFRA 2022 emission factors. Assumptions were made, where the value for road mileage attributable to the arrival destination from the port was not available from the customer.
10	Processing of sold products	In the reporting year 2023, this category is not relevant for Carton Pack as it is an exception and no semi-finished products were sold.
11	Use of sold products	Given the specific business of Cartonpack Group, this category was considered irrelevant as emissions related to the use phase of the type of packaging produced do not have a significant impact.
12	End-of-life treatment of sold products	This category was calculated by estimating the amount of waste generated by Cartonpack Group products, analysing their composition and applying DEFRA 2022 emission factors and ISPRA industry estimates.
13	Downstream leased assets	In the reporting year under consideration, this category was considered irrelevant for Cartonpack Group because no downstream leased assets were acquired.
14	Franchises	In the context of its operations as a subcontractor in the market, Cartonpack Group considered this category irrelevant as it does not have any franchises.
15	Investments	This category is not relevant for Cartonpack Group for the purposes of the Sustainability Report 2022 for internal use, as it does not take into account the company's subsidiaries.

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