

CONSOLIDATED SUSTAINABILITY REPORT

Transparent in products and in business practices



2022



Consolidated sustainability report 2022

Transparent in products and in business practices

www.hipac.com



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Methodological note

GRI 2-1 | GRI 2-2 | GRI 2-3

Scope and frequency

This document is the first Consolidated Sustainability Report of the GIPAC Group (hereinafter also referred to as 'the HIPAC Group', 'the Group', 'HIPAC'); starting with this report, the document will be prepared and published annually.

The information in this document has been collected and processed to ensure an understanding of the activities carried out by HIPAC, its performance, results and impact.

The reporting boundary used in this document includes information on activities carried out by:



GIPAC S.p.A.



HIPAC S.p.A.



IBERHIPAC S.A.



HIPAC ROMANIA S.r.l.

The standards used

This Consolidated Sustainability Report has been prepared on a voluntary basis and it does not represent a Consolidated Non-Financial Statement (CNFS); in fact, the Group does not currently fall within the scope of Legislative Decree No. 254 of 30 December 2016, which, in implementation of Directive 2014/95/EU, provides for the obligation to prepare a Non-financial Statement for public interest entities exceeding specific quantitative thresholds.

This Consolidated Sustainability Report was prepared by selecting the *GRI Sustainability Reporting Standards* published by the Global Reporting Initiative (GRI), according to the "Referenced" reporting option. The set of GRI Standards used in this document is indicated in the GRI content index.

The general principles applied in drawing up the Sustainability Report are those established by the GRI Standards, namely: *accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, verifiability*.

The Content

The identification of relevant (material) topics for the HIPAC Group, described in the section 'Materiality analysis: the issues, the process, the matrix', made it possible to identify and select performance indicators representative of the specific areas of sustain-

nability analysed and consistent with the activity carried out by the Group, and its impacts.

Within this document, on the one hand the performance and targets achieved in the reporting period are identified, on the other hand the principles underlying the actions of the HIPAC Group and the objectives set for the future are presented.

The contents of the Consolidated Sustainability Report refer to the period beginning on 1 January 2022 and ending on 31 December 2022, consistent with the financial year considered for economic-financial reporting (period ending: December 31). In order to ensure the comparability of the performance, data are shown with specific evidence, where possible, of the impacts generated in the two-year period 2021-2022, also with the aim of favouring the internal assessment and improvement over time of the environmental, social and governance (ESG) performance of the Group and of each operating company.

The Sustainability Report is published on the Group's official website
<https://www.hipac.com/it/download/>.

For further information on the contents of this document, please write to the following e-mail address: sustainability@hipac.it.

This Sustainability Report was prepared with the methodological support of



Stakeholder letter

GRI 2-22



Dear Stakeholders,

The drafting of the first Consolidated Sustainability Report, covering the year 2022, represents for the HIPAC Group the natural continuation of the path undertaken for several years towards a model of sustainable development, as well as the reaffirmation of values that are fundamental for us: tradition, excellence, transparency, innovation and, indeed, sustainability.

The sustainability path we have started has led us to consider all areas of impact as priorities, identifying different fields of action, such as responsible governance, economic and production sustainability, environmental sustainability and social sustainability.

In summary, the HIPAC Group is a pioneering business reality that embraces innovation, collaboration and transformation while conducting its activities. This commitment translates into advanced and proactive solutions that go beyond the traditional concept of business. It is a process that involves all the Group's companies, with the aim of improving the management of research invest-

ments, industrialisation capacity, the production system, and the identification of paths and policies aimed at enhancing and rewarding human resources, ensuring respect for diversity, inclusion and equal opportunities.

With this first Sustainability Report, we aim to report on our commitment to create a sustainable and responsible value chain. This is not only to meet the current and future needs of the world we live in and respond to social, environmental and economic changes, but also to share our ESG performance with our stakeholders in a transparent and clear way.

Simone Giorlando

Chairman of GIPAC SpA
HIPAC Group



Highlights



1991

Year of foundation



3

factories covering an area of
87.000 m²



51

countries served, with an export %
of volumes sold of **59%**



Certifications

UNI ISO 9001:2015
UNI EN ISO 14001:2015
UNI EN ISO 50001:2018
UNI ISO 45001:2018
ISO 14024 Plastic Second Life
ISCC International Sustainability & Carbon
Certification



137 ML/€

economic value generated



82 tCO₂e

avoided thanks to photovoltaic self-production



186

employees as at 31.12.2022



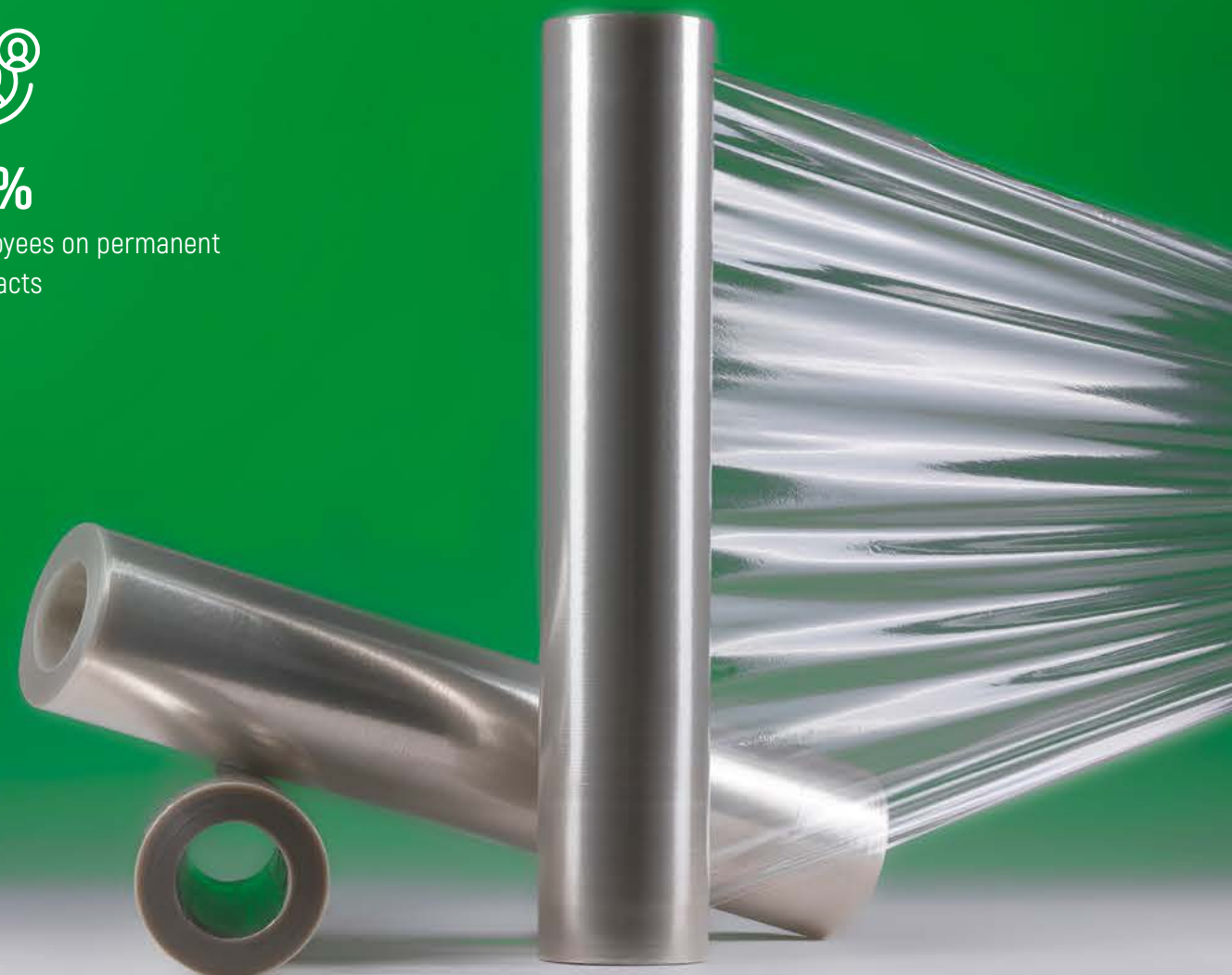
98%

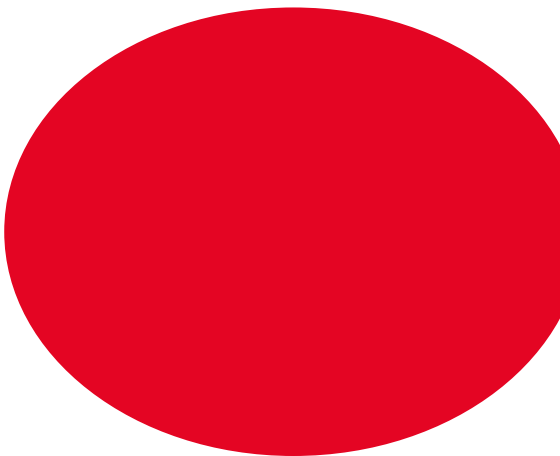
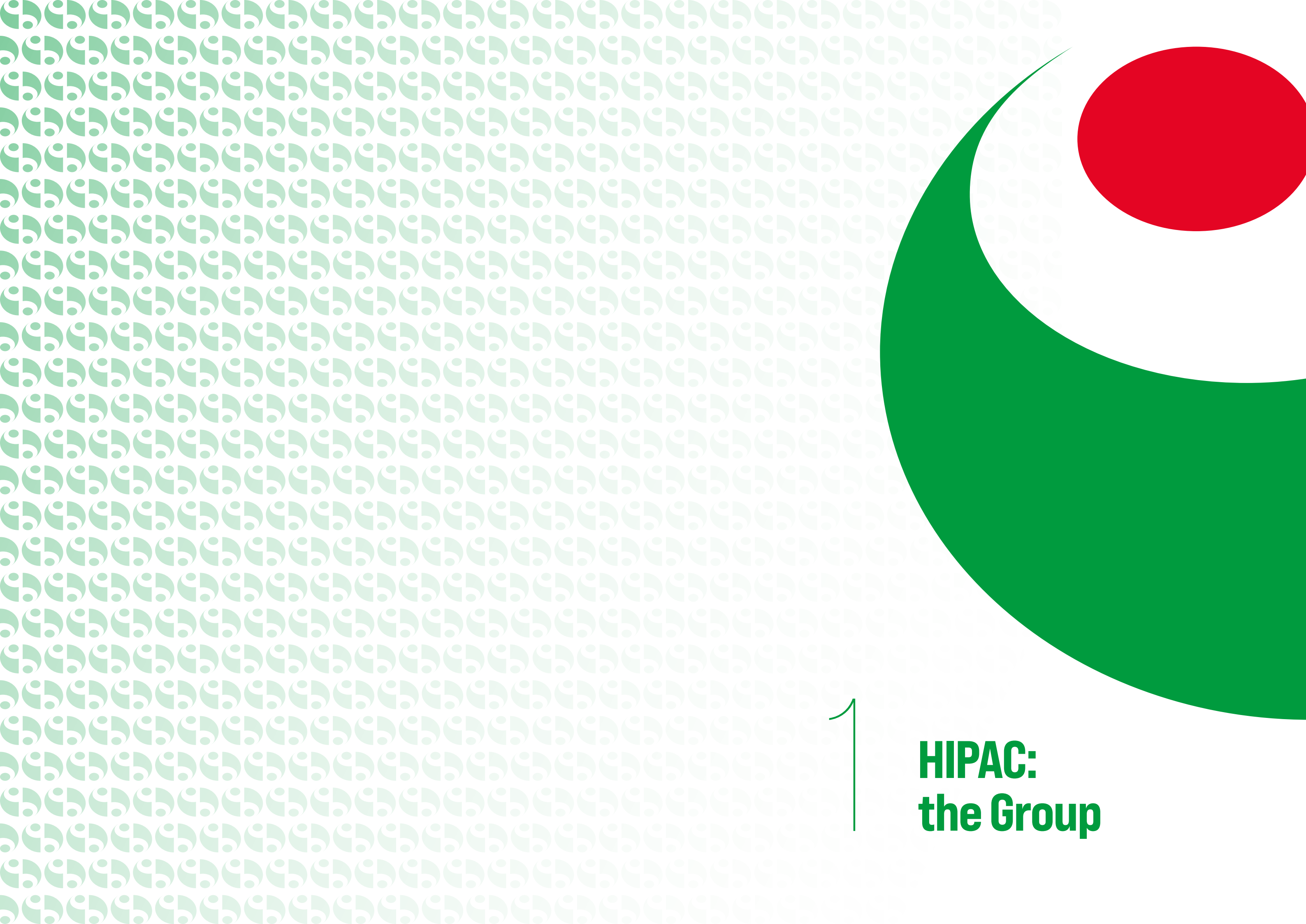
employees on permanent
contracts



46%

female employees compared to total employees
in clerical roles





HIPAC:
the Group

High Performance Packaging since 1991

Our group was founded in 1991 with the establishment of HIPAC S.p.A., created with the aim of working for the continuous research and development of innovative, high-performance and sustainable packaging solutions, capable of satisfying multiple market needs. HIPAC derives, in fact, from the contraction of High Performance Packaging, an expression that captures the essence of the way we do, the objective that has always defined our presence on the market.

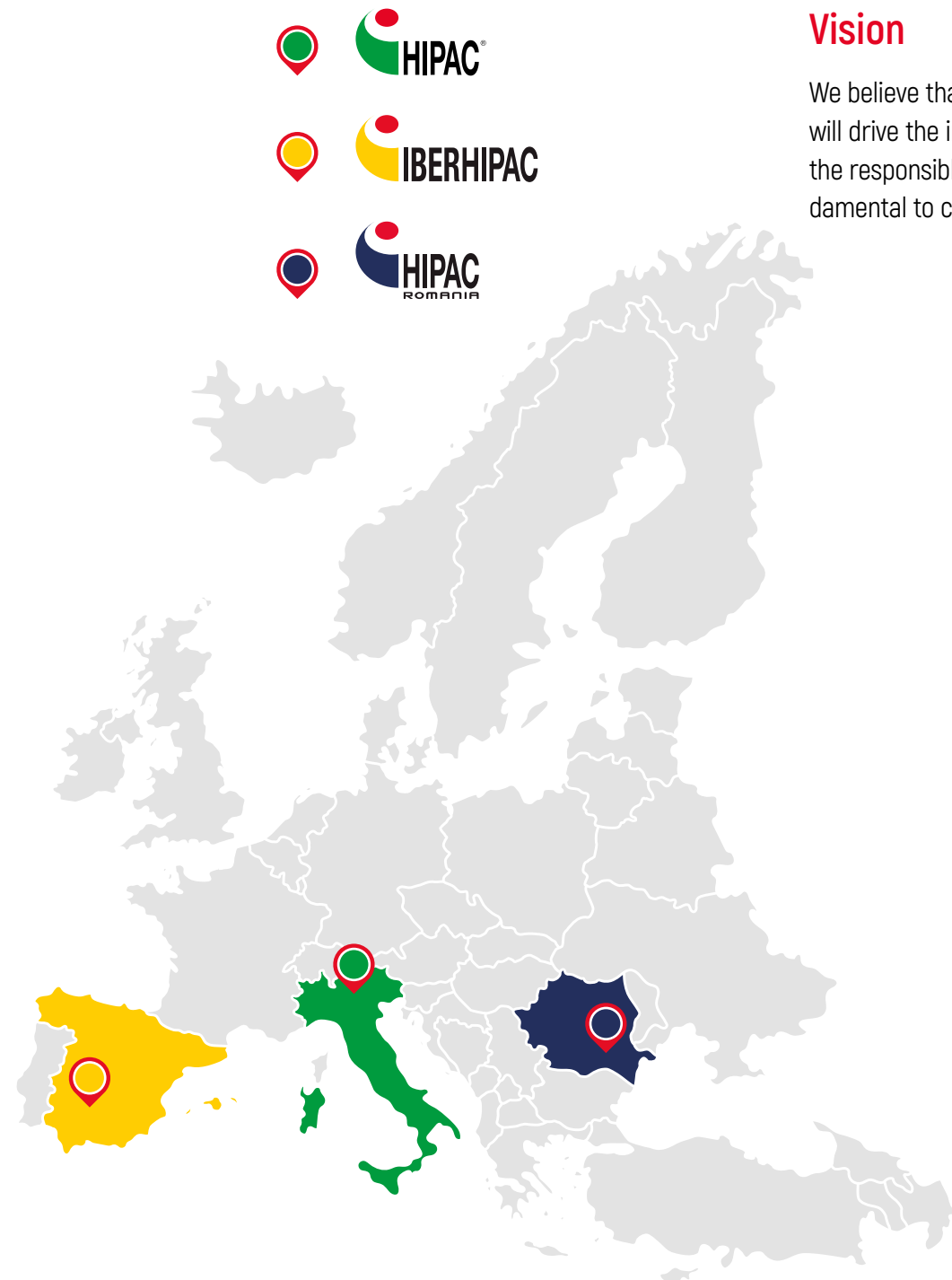
Since the beginning, we decided to focus on a single packaging sector to become 'the specialist' in stretch film. This clear strategic direction has enabled us to become one of the European leaders in stretch film for industrial packaging today, in terms of volume, product quality and economic performances.

Our group consists of three companies:

HIPAC S.p.A.: founded in 1991, is based in Caz-zago S. Martino in the province of Brescia and operates mainly in the Italian market and in central and northern European countries;

IBERHIPAC S.A.: founded in 1999, is based in Saucedilla (Cáceres) in Spain and operates in the Iberian Peninsula and Southern France;

HIPAC ROMANIA S.r.l.: founded in 2005, is based in Dragomiresti - Vale and has enabled our Group to expand its area of operations to Eastern Europe.



Vision

We believe that sustainability, safety and efficiency will drive the industry of the future. We believe that the responsible management of these aspects is fundamental to corporate and planetary development.

Mission

We want to continue to be a benchmark in the industrial packaging sector, through the use and development of innovative and sustainable technologies. A clear objective that we have decided to achieve by investing in different areas:

research and development: fostering the scientific method and creativity to continue to improve and develop new products;

product innovation: providing our customers with the most advanced, high performance solutions for the specific application required and differentiating ourselves through our focus on sustainability;

respect for the environment: developing technologies, processes and products with a low environmental impact;

market focus: bringing production closer to the people, through responsible management of the three production plants;

continuous training: ensuring skills development for all our human resources;

safety at work: promoting a culture of safety in the workplace on a daily basis.

Analysis of our business context

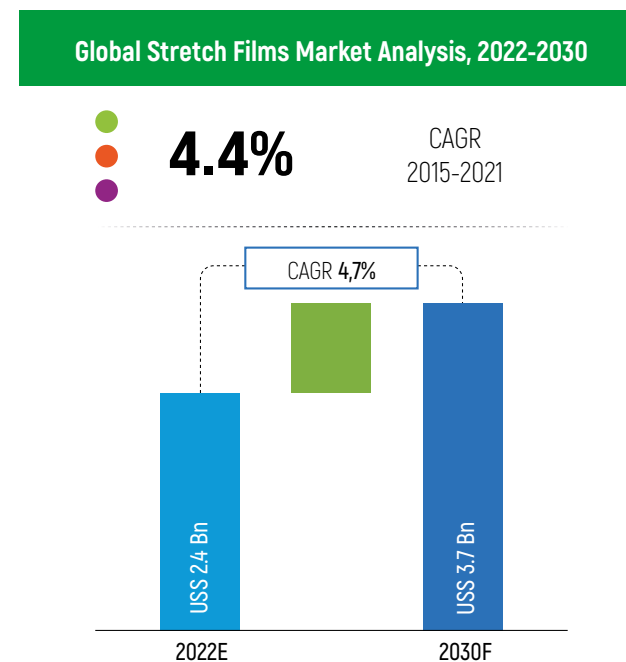
According to the analysis conducted by Future Market Insights¹, the worldwide stretch film market will experience linear growth between 2022 and 2030 with a CAGR (compound growth rate) of 4.7%.

The trend towards flexible packaging solutions, such as stretch film, over rigid packaging formats, is linked to their durability, lightness and cost, as well as the fact that they take up less space on the shelf; moreover, this type of packaging guarantees a high level of product customisation.

The growth of the stretch film sector is directly related to the development of the shipping and logistics market, where packaging guarantees the integrity of the product at all stages of handling and storage and helps to build a strong corporate image. Specifically, the demand for stretch film is expected to increase with reference to the food and beverage, pharmaceutical and construction industries; sectors in which we are already active.

Product innovation and convenience will remain at the heart of the global stretch film market, along with the demand - supported by the evolving regulatory framework - to investigate new solutions characterised by increasing percentages of recycled material and secondary raw materials, as well as the use of bioplastics and biodegradable and compostable material, while continuing to guarantee the same product quality.

The challenges that companies operating in the sector will have to face are different: on the one hand, there is the growing awareness of consumers towards more sustainable lifestyles, which will allow them to seize new market opportunities and represent an important input in the development of new technological solutions; on the other hand, there is the increase in costs that innovation entails and which will represent the main constraint on companies' growth.



¹ Stretch Films Market| Global Sales Analysis Report – 2030 (futuremarketinsights.com).

Stretch film: our knowledge at the service of industry

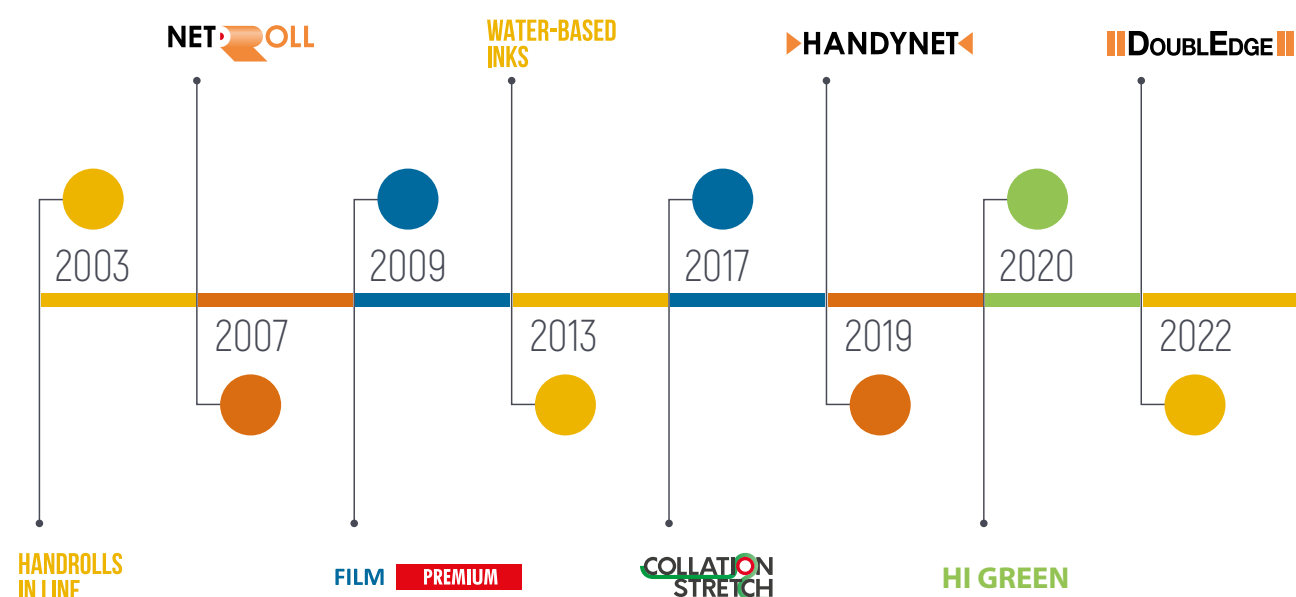
GRI 2-6

Technological innovation and environmental compatibility are the cornerstones of our production. Our in-depth knowledge of the characteristics and potential of stretch film enables us to meet the needs of all industries that produce goods that need to be packaged and transported safely.

Examples of the sectors served include:

- Tissue
- Beverage
- Food
- Logistics
- Construction
- Manufacturing industry
- Metal and steel industry
- Panels and profiles





Our products are the result of well-considered and responsible choices, oriented towards the rational use of energy resources, the reduction of paper and plastic consumption and the adoption of techniques and materials that allow us to offer high-performance packaging solutions with a low environmental impact.

Over the years, these choices have allowed us to complement the traditional stretch film proposal with even more **sustainable and innovative** solutions, such as the RELIVE, RENEW and RESOLVE products, respectively made from recycled raw materials, renewable non-fossil raw materials and non-compostable biodegradable raw materials.

Our commercial proposal is characterised by products that we divide into three large families:

Traditional film: standard, high resistance stretch film suitable for wrapping machines without pre-stretch, or with medium/high pre-stretch;

Premium film: technical stretch film, thinner than conventional film, for manual use and high-performance wrapping machines;

Collation Stretch: technical stretch film for cold shrink wrappers, the sustainable alternative to conventional shrink film for secondary packaging.

An integral part of our commercial proposal is represented by NetRoll reels and the DOUBLEDGE solution. NetRoll was launched in 2007 and is the green answer to traditional reels, because it does not have the classic cardboard tube. The absence of the mandrel makes it possible on the one hand to reduce waste, atmospheric emissions, and the use of natural resources attributable to the production and disposal of the cardboard tube, and on the other to optimise logistics by allowing the transport of larger quantities of product. DOUBLEDGE, the stretch film with reinforced edges enables a further reduction in film thickness, resulting in less product use in terms of weight.

We also provide our customers with **additional, customised services** such as colouring, film printing and additives with anti-UV, anti-corrosive, anti-static substances and low-temperature films, suitable for packaging products that must be stored in low-temperature environments.

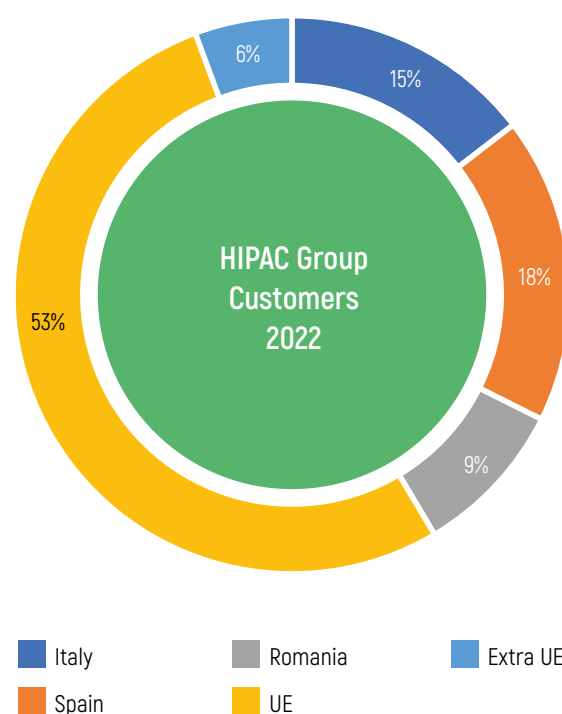


Customers: origin and relationship

GRI 2-6 | GRI 418-1 | GRI 2-25

The attention that our company pays to its customers is evident not only in the wide range of products offered, capable of responding to the different business needs, but also in the choices related to the location of our production sites. In fact, HIPAC ROMANIA and IBERHIPAC were created with the aim of bringing demand closer to supply, simplifying logistical processes, administrative relations and responding quickly and decisively to all customer requests.

Our customer base covers several geographic areas, with customers - large distributors, companies and small users - based in both EU and non-EU territories.



We build **relationships** with our customers **on trust and mutual respect**, ensuring that the principles of integrity and fairness, compliance with relevant regulations and codes of conduct are upheld throughout the contractual relationship.

We respect and treat the personal data and privacy of our customers with care, also also by continuously updating the knowledge of our employees. Thanks to this attitude, we did not encounter any cases of violation of our customers' privacy during the two-year reporting period.

Customer satisfaction is a key indicator for our Group. In fact, every year we work on the *Customer Satisfaction Report* - as required by ISO 90001 certification - to investigate our strengths and our room for improvement. For 2022, for example, the high quality of our products, the Group's reliability, customer care and extensive commercial proposition are among the factors most appreciated by customers.

Finally, we have developed the internal *complaints management* procedure to track and understand the potential level of customer dissatisfaction and its causes. The procedure allows us to distinguish complaints of a formal nature (e.g. error in invoice description) from complaints related to the quality of the product or service.

Again, the feedback for the years 2021 and 2022 is quite positive with a percentage of complaints against delivered products of 0.3% and 0.4% respectively.

Suppliers: selection and relationship

GRI 2-6 | GRI 204-1

We scrupulously choose our suppliers, selected according to criteria of quality, cost-effectiveness of services, technical and professional suitability, respect for the environment, social responsibility and compliance with occupational health and safety regulations.

With them, we establish relationships based on fairness and transparency, starting from the moment the contract is signed. This attitude allows us to develop lasting relationships, which sometimes generate technical collaborations for the development of new polymers.

In establishing and maintaining relationships with our suppliers, we ensure that they act in accordance with regulatory requirements, company policies and procedures.

Our suppliers are distinguished in:

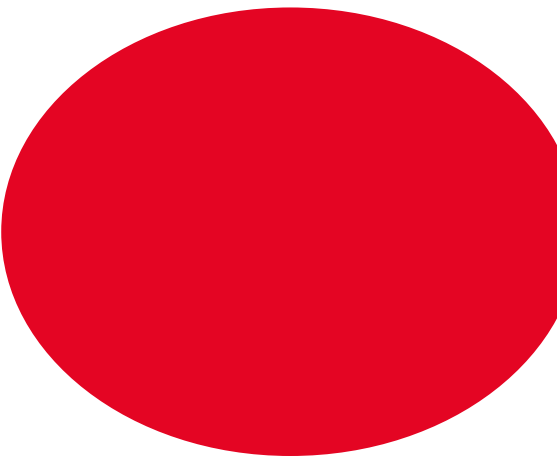
- suppliers of raw materials;
- retailers - brokers - distributors;
- suppliers of auxiliary materials;
- service providers.

Wherever possible, for auxiliary materials, we give preference to sourcing from local suppliers, i.e. from the countries where our plants are located (Italy, Spain and Romania).

In the following table we detail the budget spent on local suppliers for the procurement of auxiliary materials and packaging materials.

	2021		2022	
Total budget spent on local HIPAC SpA suppliers	2,451,346.9 €	99.8%	2,893,785.3 €	99.4%
Budget spent on HIPAC SpA suppliers	2,456,259.6 €		2,910,581.4 €	
Total budget spent on local suppliers IBERHIPAC	1,893,929.0 €	98.4%	2,388,570.0 €	98.4%
Budget spent on IBERHIPAC suppliers	1,923,790.0 €		2,428,533.0 €	
Total budget spent on local suppliers HIPAC ROMANIA	1,389,603.2 €	86.9%	2,209,771.0 €	95.7%
Budget spent on HIPAC suppliers ROMANIA	1,599,207.7 €		2,309,613.7 €	
Total budget spent on local suppliers	5,734,879.2 €	95.9%	7,492,126.3 €	98.0%
Total budget spent on suppliers	5,979,257.2 €	100.0%	7,648,728.1 €	100.0%

Portion of expenditure on local suppliers



2

Hi green!



HIPAC and corporate sustainability

As the HIPAC Group, we have chosen to formalise our engagement to corporate sustainability with *Hi Green*, the **ESG-oriented strategy** through which we are committed to acting responsibly, ethically and positively for the development and protection of people, the environment and the global economy. A strategy that will enable us to improve our social and environmental impact over time and increase our business success.

Hi green is based on the fundamental concepts of the Group's environmental action (reduction, recycling, reuse, renewables) and the values that guide us in all our business activities. Together, these factors characterise the DNA of HIPAC.

The path taken to improve the Group's ESG performance has already enabled us to achieve important milestones, including the **Sustainability Award**, sponsored by Credit Suisse and Kon Group. This is an award that we have obtained in 2021 and 2022, reserved for Italian entrepreneurs who have distinguished themselves in terms of sustainable development, environmental respect and social responsibility, by wisely innovating their processes, systems and products.

Environmental action and awards

R - REDUCTION

Aware of the exhaustibility of natural resources, we have chosen to preserve them by rationalising and halving their use. We have done this by adopting an Energy Management System certified according to ISO 50001, for all Group entities, and by reducing the thickness of our stretch films, without compromising their efficiency and ensuring economic savings for our customers.

R - RECYCLING

We believe that plastic is a valuable material, because it allows us to protect food, goods, tools, but at the same time we believe that it is essential to take action to ensure proper disposal at the end of its use. This is why our group has chosen to take part in material recovery and recycling chains; processes whose value has been rewarded and recognised over the years.

In fact, in 2022, and for the fifth consecutive year, we were among the winning companies of *Ecopack*, the Conai competition for eco-design of packaging that rewards the most innovative and environmentally sustainable packaging solutions. The winning HIPAC product is the 555 Relive REC60 Rigid in 9 micron thickness, part of the HIPAC Premium films.

Also in 2022, we obtained the renewal of the 'Plastic Second life' certification issued by IPPR - Institute for

the Promotion of Recycling Plastics - for the products:

- REC60 with 60% PCR;
- REC30 with 30% PCR;
- REX30 with a 30% PCR/PIR mix.



Furthermore, these solutions from the RELIVE product line have been endorsed by the Belgian organisation Valipac, which promotes recyclability and circularity by giving an economic incentive to customers who purchase packaging with a minimum of 30% PCR from qualified suppliers registered on the Valipac website².

R - REUSE

For our group, reuse is equivalent to valorising a resource; everything can be reused, materials - where possible - must be put to new uses. Over the years we have turned this belief into a solid principle that remains the basis of our production.

The 555 NetRoll® REC60 stretch film, together with the reusable Handynet dispenser, fully embodies this principle, and during 2022 its value was recognised on several occasions:

- It won the final of 'Best Packaging 2022', an award organised by the Italian Packaging Institute, in partnership with Conai and Ipack-Ima 2022. This

edition highlighted on the one hand the solutions that stand out for environmental preservation and circularity, according to the eco-design levers recommended by Conai, and on the other hand the innovation of technologies, according to the guidelines of Ipack-Ima;

- It was among the 'Silver Winner' category of the Packaging Innovation Award organised by Dow Chemical; the product was judged to be an example of technological progress and sustainability, appreciated for its composition as thinner than traditional films, containing PCR and without a cardboard core.

R - RENEWABLES



The adoption of alternative sources to traditional raw materials is one of our good practices for a responsible and sustainable transition. Through the film with polyethylene derived from renewable sources, we can guarantee the same technical quality of traditional films of fossil origin, but with a lower carbon footprint.

Products made with this approach include:



- the RE51 stretch film, containing 51% bio-based LLDPE obtained from sugar cane cultivation waste and certified I'm green;
- the ISCC-certified REN stretch film containing up to 100 per cent bio-based LDPE, in compliance with the international ISCC Plus standard.

Our values: from the Code of Ethics to Model 231

GRI 2-26

Our business actions are strongly permeated by the social, environmental and economic aspects that characterise the territories and markets in which we operate. The existing peculiarities and differences enrich our background, stimulating productive activity and sometimes becoming matter to be analysed in order to

promote solutions or initiatives aimed at enhancing or safeguarding the socio-environmental characteristics. These aspects have enabled the development of the values that guide our business choices, set out in the Group's Code of Ethics and shared with all those with whom we enter into relations.



LEGALITY AND PROFESSIONAL ETHICS

We ask our employees to comply with international, national and local regulations and rules of professional ethics in force relating to their activities, as well as the Group's ethics and compliance policies.



RESPECT FOR PEOPLE

We demand absolute respect for human rights, people's dignity and peculiarities, and existing different cultures. Our Group places the utmost importance to respect for others and tolerance.



LOYALTY

We undertake to fulfil our commitments and not to create expectations about actions or commitments that we cannot perform or honour.



HONESTY AND INTEGRITY

The interpersonal relationships, partnerships, collaborations we initiate - along with the professional practices we adopt on a daily basis - follow the principles of fairness and transparency.



LABOUR PROTECTION

We reject any kind of discrimination: regarding age, gender, race, nationality and health conditions, sexual, political and religious orientation. Furthermore, our recruitment and human resources management policies are free of any form of discrimination.



ENVIRONMENT

We monitor our emissions and the impact of our business activities on the environment, while encouraging - at the same time - the development of innovative techniques and processes for recovering, recycling materials and reducing the exploitation of natural resources.

HIPAC values.

² <https://www.myrecycledcontent.be/companies/hipac-spa/>.



Any violations of the Code of Ethics, whether actual or presumed, are reported by individual employees through their direct supervisor, or through the **whistleblowing system**.

In this regard, we have set up a dedicated e-mail address for receiving all reports (231.odv@hipac.it).

During the period covered by this report (2021-2022), we did not receive any reports of potential bribery incidents in any Group company, nor did we record any proven cases of corruption.

The HIPAC Model 231

Since 2021, we have decided to regulate and define the corporate structure and sensitive processes of the Group's Italian company through the implementation of a system of internal control procedures and activities contained in the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 ('MOG', 'the 231 Model'). The purpose of the model is to create an organisational structure with an internal control system that prevents the commission of the crimes and offences provided for in the Decree of the same name.

We consider Model 231 a valid tool to help ensure the conditions of **fairness and transparency** in the conduct of our business and economic activities. In this regard, we have included a specific clause on the adoption of Model 231 in our tender contracts and we have externally communicated the adoption of the Model through a page in the News section of our website.

Pursuant to Legislative Decree 231, in 2021 we appointed the Supervisory Board, whose role is to supervise the correct implementation of Model 231 by verifying its effective compliance and promoting awareness of it within the company.

In the two-year period covered by this Consolidated Sustainability Report, the composition of the SB remained unchanged. During 2021, the Supervisory Board met to analyse the suitability of the company's protocol with regard to the management of the Covid-19 pandemic; the meeting led to an update of the Risk Assessment Document (DVR) and the appointment of a crisis committee to monitor the development of the pandemic. In 2022, the SB met mainly to analyse any internal non-compliance situations and to assess the relevant improvement actions. Furthermore, during the two-year reporting period, the Supervisory Board verified the suitability of the Code of Ethics and the 231 Organisational Model as adequate tools for the purposes of Legislative Decree 231.



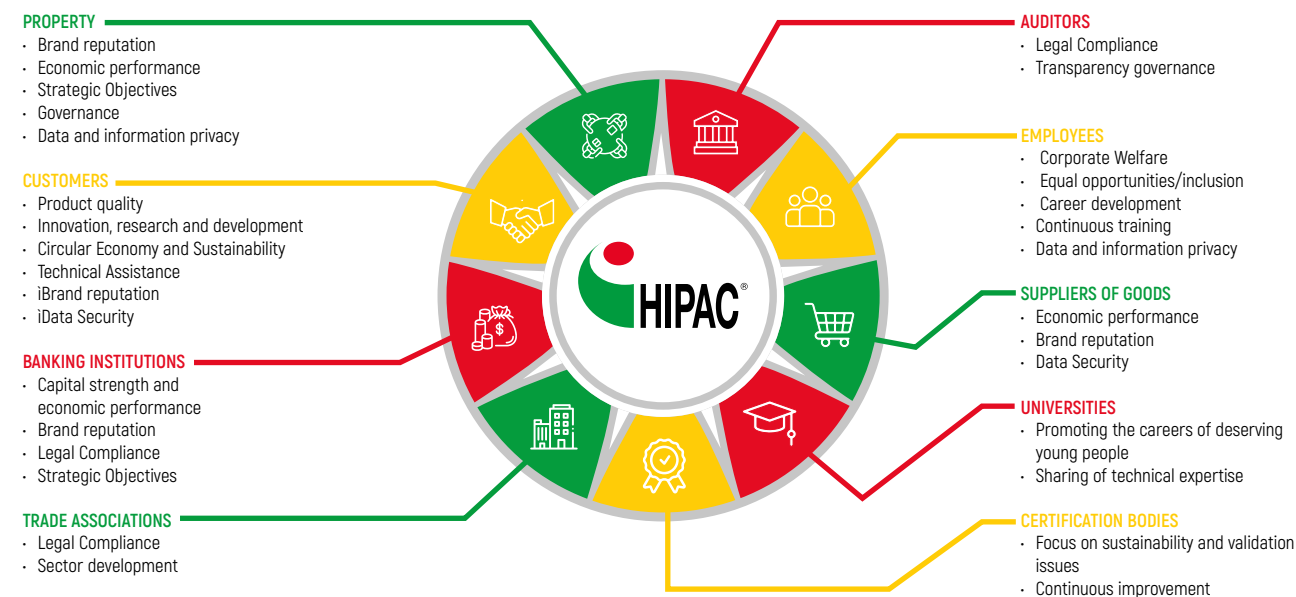
The HIPAC community: the stakeholders

GRI 2-29

Stakeholders represent those with whom we engage in creating, maintaining and developing relationships, in order to understand their needs and expectations and consequently guide our strategic choices.

The chart below shows the main **categories of**

stakeholders we interact with, the interests and expectations they have towards HIPAC Group and the ways in which they are involved. In addition, we highlight the stakeholder groups involved in the materiality assessment process, described in the section 'Materiality analysis: the issues, the process, the matrix'.



HIPAC: stakeholder categories and interests

Stakeholders	Engagement in materiality assessment 2022	Interest	Modalities of engagement	Frequency
Banking Institutions	Yes	<ul style="list-style-type: none"> • Capital strength and economic performance • Brand reputation • Legal Compliance • Strategic Objectives 	• Meetings	Per event

Stakeholders	Engagement in materiality assessment 2022	Interest	Modalities of engagement	Frequency
Employees	Yes	<ul style="list-style-type: none"> • Corporate Welfare • Equal opportunities/inclusion • Career development • Continuous training • Data and information privacy 	<ul style="list-style-type: none"> • Employer branding • Individual evaluation meetings • Expectations/Internal climate survey • Corporate events • Code of Ethics • Training and awareness-raising activities, professional development opportunities 	Constant
Auditors	Yes	<ul style="list-style-type: none"> • Legal Compliance • Transparency governance 	• Meetings, exchange of documentation, audits	Per event
Trade Associations	No	<ul style="list-style-type: none"> • Legal Compliance • Sector development 	• Meetings	Monthly
Suppliers of goods	Yes	<ul style="list-style-type: none"> • Economic performance • Brand reputation • Data Security 	<ul style="list-style-type: none"> • Periodic meetings • Sharing the Code of Ethics • Participation in events and trade fairs 	Constant
Customers	Yes	<ul style="list-style-type: none"> • Product quality • Innovation, research and development • Circular Economy and Sustainability • Technical Assistance • Brand reputation • Data Security 	<ul style="list-style-type: none"> • Customer Service • Social Network • App • Direct assistance channels • Press releases, website • Complaint handling, dispute management • Fairs • Periodic visits • Training 	Constant
Property	Yes	<ul style="list-style-type: none"> • Brand reputation • Economic performance • Strategic Objectives • Governance • Data and information privacy 	<ul style="list-style-type: none"> • Shareholders' Meeting • Periodic meetings • Communication of financial results 	Constant
Universities	No	<ul style="list-style-type: none"> • Promoting the careers of deserving young people • Sharing of technical expertise 	• Specific agreements and partnerships	Constant
Certification bodies	Yes	<ul style="list-style-type: none"> • Focus on sustainability and validation issues • Continuous improvement 	• Audits, meetings	Per event

HIPAC stakeholder analysis

Materiality analysis: the themes, the process, the matrix

GRI 3-1 | GRI 3-2

In order to identify the material issues for our Group, i.e. the factors that reflect the significant economic, environmental and social impacts generated by our business activities, we gathered the perceptions of our key stakeholders through a survey. This activity, combined with the analysis of their respective relevance to the Group, is called the materiality analysis process, which in our case required different steps, such as:

1. **the analysis of potentially relevant ESG issues for the sector we act in:** an activity that has concer-

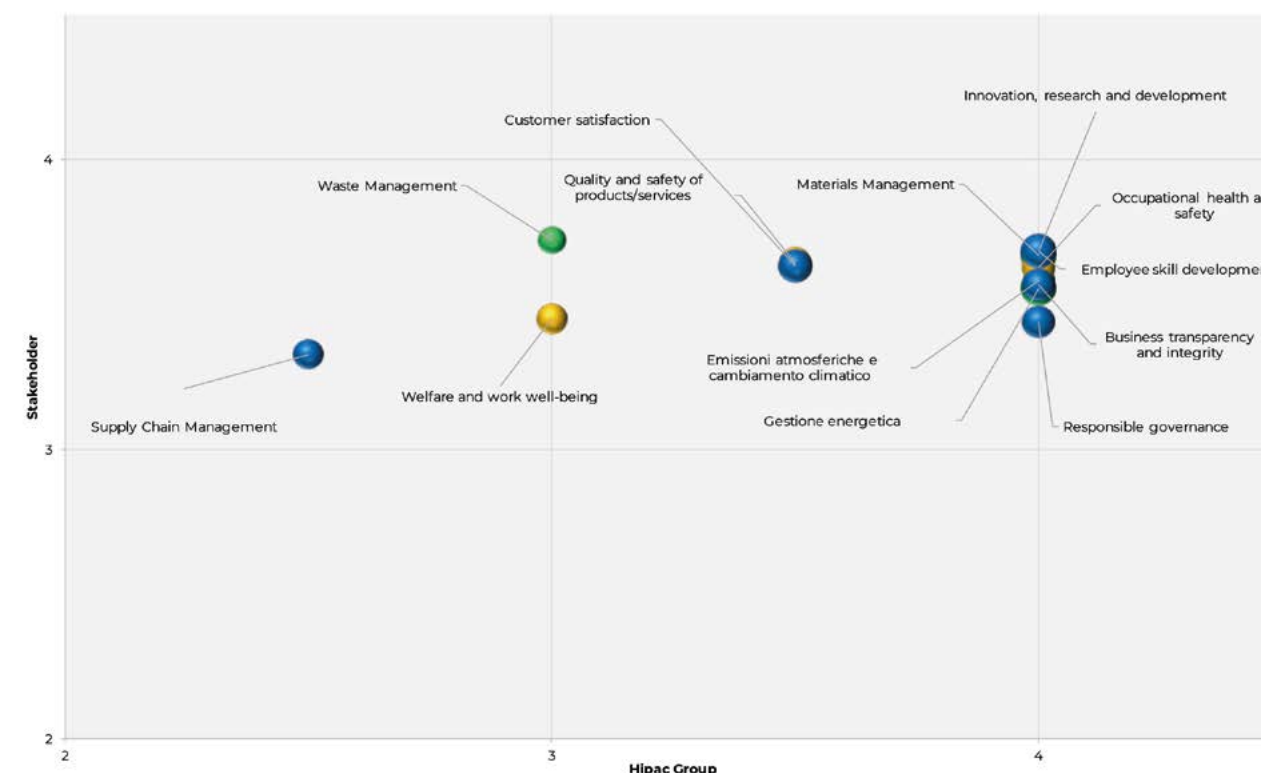
ned ESG issues and which has been conducted through the consultation of competitors' public documents;

2. **the involvement of key internal and external stakeholders:** an activity that prompted stakeholders to express their views - interests and expectations - on sustainability issues that were found to be potentially relevant.

The stakeholders involved in the survey valued the ESG issues on a numerical scale from 1 (topic not of interest) to 4 (priority topic).



The **materiality matrix**, presented below in graphical form, illustrates the relevance of each issue to the stakeholders and top management of the HIPAC Group.



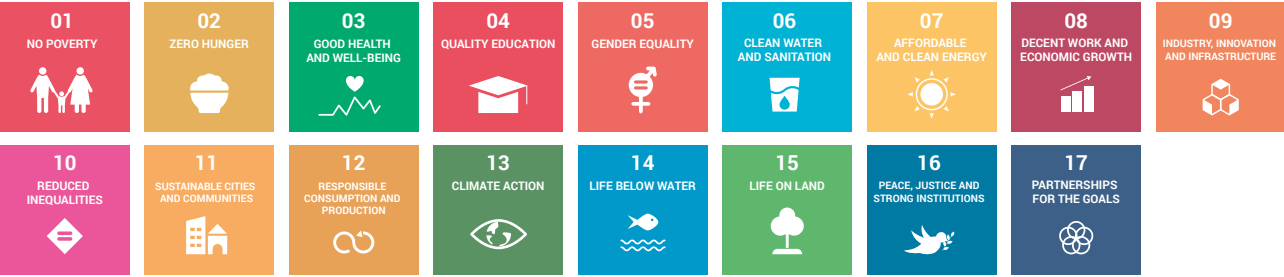
HIPAC Group materiality matrix

The matrix shows a good alignment between stakeholders' expectations and needs (y-axis) and the company's strategic direction (x-axis).

Among the most relevant topics are issues related to the three areas of sustainable development. Specifically, in the area of governance, innovation, customer satisfaction and business transparency are most relevant; in the area of the environment, energy management, atmospheric emissions, climate change and materials management are of greatest interest; finally, in the area of social issues, occupational safety and the development of employee skills are most relevant.

The relationship between HIPAC material issues and the SDGs

In identifying the ESG issues that were relevant for the Group, we also considered their connection to the Sustainable Development Goals (SDGs) defined in the UN 2030 Agenda. The purpose of this activity is to identify the SDGs that are most relevant for the Group (in relation to its activities) and to **engage in an effective and transparent way in** order to achieve the global sustainability challenges.

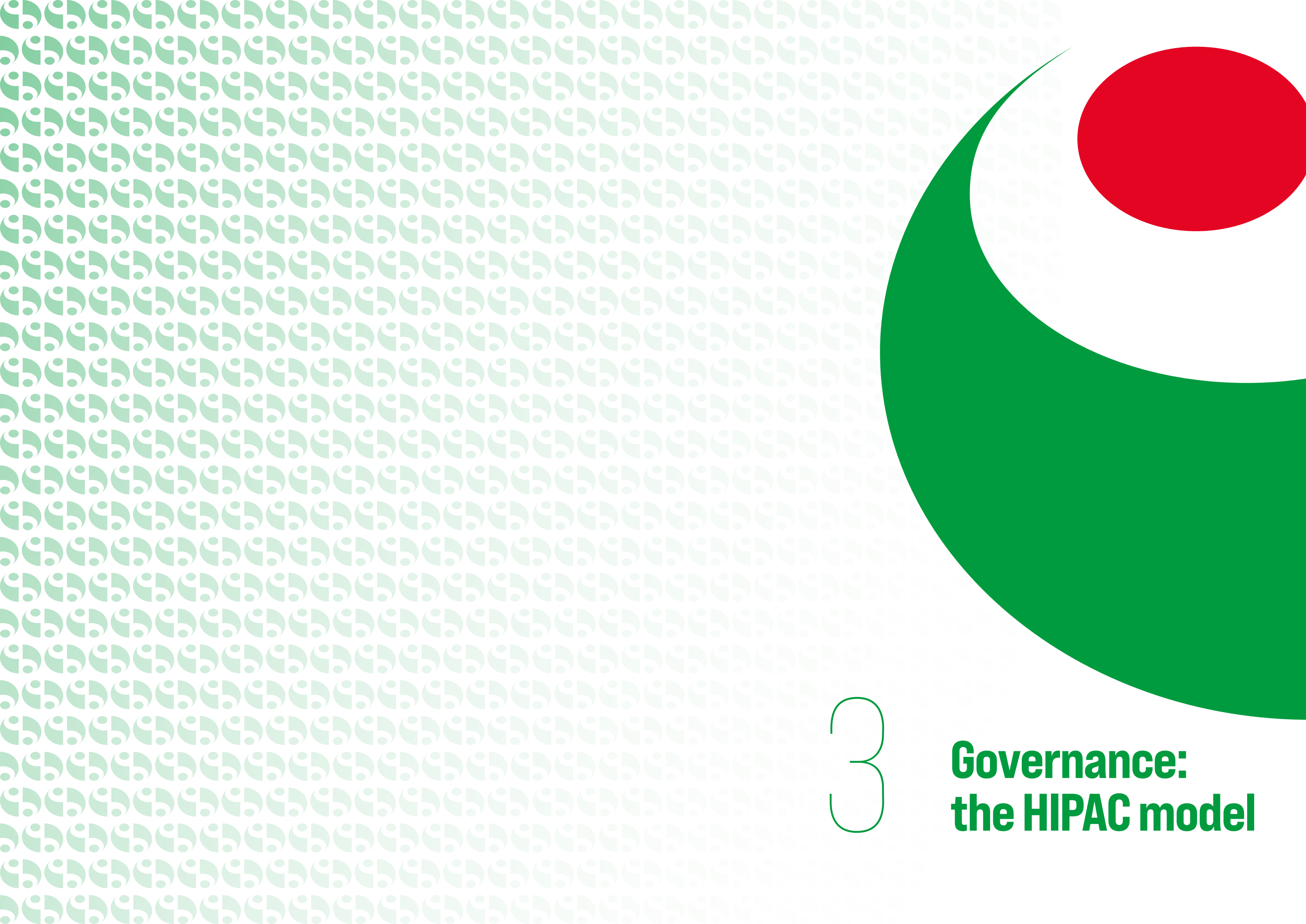


Legenda obiettivi di sviluppo sostenibile

Area	Theme	SDGs			
E	Energy Management	7	8	12	13
E	Waste Managementi	12	13		
E	Materials Management	8	12		
E	Air emissions and climate change	12	13	15	
S	Welfare and work well-being	3	5	8	
S	Occupational health and safety	3	8	16	
S	Employee skill development	4	5	8	10
S	Quality and safety of products/services	8	9	12	13
G	Customer satisfaction	12			
G	Innovation, research and development	9	12	13	
G	Business transparency and integrity	8	12	16	17
G	Supply Chain Management	8	12	13	16
G	Responsible governance	5	8	12	16

HIPAC Group ESG material issues and related SDGs





3

**Governance:
the HIPAC model**

The organisational structure

GRI 2-1 | GRI 2-9 | GRI 2-11 | GRI 405-1



The HIPAC Group consists of the following companies:



GIPAC S.p.A.
parent company based in
Cazzago San Martino.



HIPAC S.p.A.
a subsidiary with registered
office in Cazzago San Martino.



IBERHIPAC S.A.
a subsidiary with registered
office in Saucedilla, Spain.



HIPAC ROMANIA S.r.l.
a subsidiary with registered
office in Dragomiresti-Vale.

In each Group company, the governing body is represented by the Board of Directors, which has the broadest powers for ordinary and extraordinary administration, identifying corporate objectives, strategies and policies.

In HIPAC S.p.A. and GIPAC, the control function is entrusted to the Board of Auditors, which is responsible for monitoring compliance with the law and the articles of association, compliance with the principles of proper administration, the adequacy of the organisational, administrative and accounting structure adopted, and the internal control system. In addition, for the parent company GIPAC, IBERHIPAC and HIPAC ROMANIA, we have appointed a Statutory Auditor who provides an independent and professional check on the **reliability of the company's accounts**, thereby increasing the transparency and credibility of the financial and accounting information that is published.

Below is the composition of the highest governing bodies of the companies belonging to the Group.

GIPAC S.p.A.

The Board of Directors of the parent company GIPAC S.p.A., in office until the approval of the financial statements as at 31.12.2022, consists of five members and is led and chaired by Simone Giorlando. 40% of the members are women and 80% of the members are over 50 years of age.

BOARD OF DIRECTORS	ROLE
Giorlando Simone	Chairman Board of Directors
Giorlando Serafino Daniele	Councillor
Giorlando Aurora Maria	Councillor
Giorlando Alessandra	Councillor
Giorlando Giacomo	Councillor

GIPAC's controlling bodies are represented by the Board of Statutory Auditors, consisting of five members, two of whom are alternate auditors, and the statutory auditor, in office until the approval of the financial statements as at 31.12.2022.

BOARD OF AUDITORS	ROLE
Laying Glauco	Chairman of the Board of Auditors
Barzanò Antonella	Standing Auditor
Parma Ambrose	Standing Auditor
Boiocchi Marco	Alternate Auditor
Fortunato Davide Alberto	Alternate Auditor

STATUTORY AUDITOR	ROLE
Pizio Luca	Auditor



HIPAC S.p.A.

The Board of Directors of the Italian subsidiary HIPAC S.p.A., in office until the approval of the financial statements as at 31.12.2023, consists of three members and is led and chaired by Aurora Maria Elena Giorlando. 67% of the members of the Board of Directors of HIPAC S.p.A. are women; all members are over 50 years old.

BOARD OF DIRECTORS	ROLE
Giorlando Aurora Maria	Chairman Board of Directors
Giorlando Serafino Daniele	Managing Director
Giorlando Alessandra	Delegate Councillor

The Board of Statutory Auditors, in office until the approval of the financial statements as at 31.12.2023, consists of five members, including two alternate auditors.

BOARD OF AUDITORS	ROLE
Pizio Luca	Chairman of the Board of Auditors
Laying Glauco	Standing Auditor
Parma Ambrose	Standing Auditor
Boiocchi Marco	Alternate Auditor
Fortunato Davide Alberto	Alternate Auditor



IBERHIPAC S.A.

The Board of Directors of the Spanish subsidiary IBERHIPAC S.A. consists of four members and is led and chaired by Simone Giorlando. 50% of the members are women and all of them are over 50 years old. With the exception of the Chairman of the Board of Directors in office until 26/11/2026, the other members of the Board of Directors will be in office until 20/12/2023.

BOARD OF DIRECTORS	ROLE
Giorlando Simone	Chairman Board of Directors
Giorlando Serafino Daniele	Councillor
Giorlando Aurora Maria	Councillor
Giorlando Alessandra	Councillor



We have appointed the company Sociedad de Auditoría ABACO - Auditores e Consultores S.L. as the auditor responsible for the statutory audit of the accounts.

HIPAC Romania S.r.l.

The Board of Directors of the Romanian subsidiary HIPAC ROMANIA S.r.l., in office for an unlimited period of time, consists of four members and is led and chaired by Simone Giorlando. 50% of the members are women and all of them are over 50 years of age.

BOARD OF DIRECTORS	ROLE
Giorlando Simone	Chairman Board of Directors
Giorlando Serafino Daniele	Councillor
Giorlando Aurora Maria	Councillor
Giorlando Alessandra	Councillor



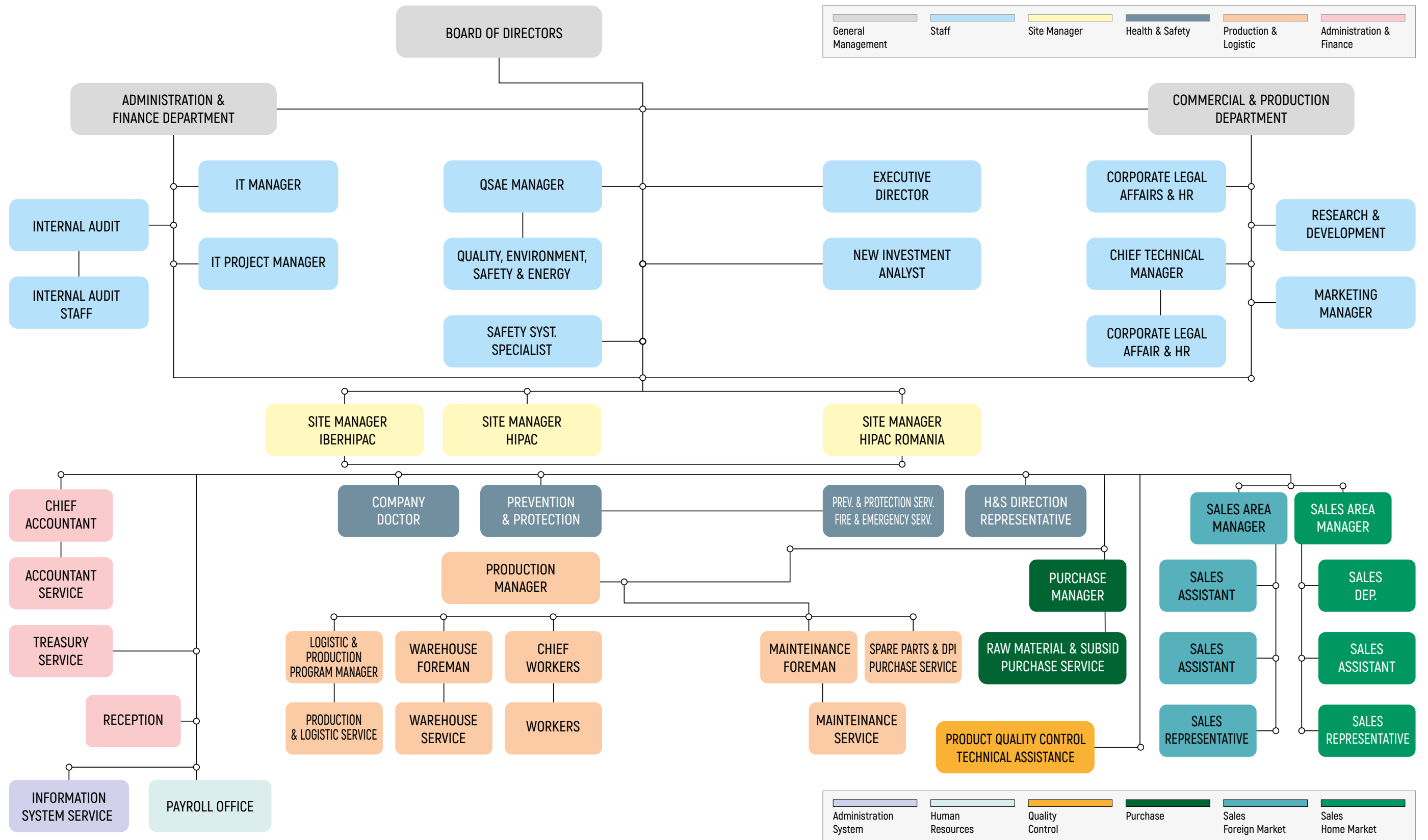
We have appointed S.L Auditing Company CROWE - Finexpert - Boscolo Audit & Advisory as the auditor of the accounts.

The organisational structure of the HIPAC Group - which is shown below - represents the three companies HIPAC, IBERHIPAC and HIPAC ROMANIA, which are independent in the performance of their business activities but **operate in a strongly synergetic manner**.

This approach is reflected above all in the areas of quality and innovation, administration-accounting, legal and human resources management.



General Management



Membership of industry associations

GRI 2-28



Since 2015, our Group has been a member of EUMOS³, a non-profit association whose aim is to improve security throughout the logistics chain. EUMOS, thanks to the contribution of its members, constantly develops and works on updating security standards for logistics in Europe. As part of EUMOS, we have been recognised as a **contributor to increased transport security** through our commitment to reducing road accidents in Europe.

³ <https://eumos.eu/supporting-members-by-activity/>

On a national level, HIPAC S.p.A. is part of Confindustria and the Plastic Rubber Federation, which was formed in 2005 by Assogomma and Unionplast; we are also associated with IPPR (Institute for the Promotion of Recycling Plastics) and we are members of CONAI Consortium.

IBERHIPAC has joined ANAIP, Asociacion Española de Industriales de Plásticos, while HIPAC Romania is part of Confindustria Romania.

The economic value generated and distributed

GRI 201-1



Globally, 2022 was undoubtedly a year of significant political, industrial and humanitarian turbulence. In this extremely volatile context, we managed to increase the economic value generated, in terms of revenues from sales and services, by 12% compared to the previous year.

This increase allowed us to partially offset the increase in energy costs.

COUNTRY	EURO
EU Sales	130,645,048
Extra-EU Sales	8,577,726
EU Services	891,553
Total	140,114,327

Revenues from sales and services before discounts and premiums granted to customers.

We believe that the generation of economic value must be considered together with how it is distributed.

For this reason, starting from the profit and loss state-

ments of the periods covered by this document (financial year as at 31.12.2021 and 31.12.2022), we have reclassified them by attributing to economic value generated and distributed.

For a better understanding of the diagram below, we point out that:

- the **economic value generated** refers to the value of production, which includes net revenues from the provision of services and other revenues
- value received refers to the value received from the public administration as contributions;
- the **distributed economic value** includes costs, reclassified by stakeholder category;
- the **economic value retained** relates to the difference between the economic value generated and the economic value distributed

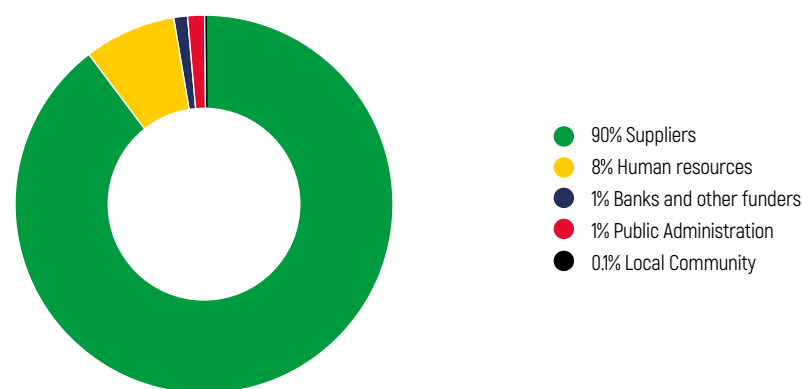
In 2022, we generated an economic value of EUR 137,274,544, which represents an increase of 14% over the 2021 values. We distributed an economic value of EUR 128,687,859 (92.6% of the value generated and received), distributing it among the stakeholders as shown in the table below.



	2021	% on tot.	2022	% on tot.
Economic value generated and received	122,354,458	100.0%	139,030,299	100.0%
Economic value generated	122,248,666	99.9%	137,274,544	98.7%
Economic value received	105,792	0.1%	1,755,755	1.3%
Distributed economic value	108,945,217	89.0%	128,687,859	92.6%
Suppliers	93,978,681	76.8%	115,311,096	82.9%
Human Resources	9,817,612	8.0%	10,180,752	7.3%
Banks and other lenders	1,087,894	0.9%	1,329,450	1.0%
Public Administration	3,918,966	3.2%	1,703,919	1.2%
Local Community	142,064	0.1%	162,642	0.1%
Economic value retained	13,409,241	11.0%	10,342,440	7.4%

The economic value directly generated and distributed by the HIPAC Group

DISTRIBUTED ECONOMIC VALUE 2022



For the sake of clarity of presentation, we provide below the reconciliation of retained value - obtained as the difference between the economic value

generated and the economic value distributed - and the net profit for the period in the balance sheet.

Economic value retained	13,409,241	10,342,440
Unallocated economic value	(252,606)	3,070,948
Changes in inventories of work in progress, semi-finished and finished products	(901,033)	(290,650)
Other income	(920,293)	(977,314)
Costs for services	102,974	214,111
Amortisation of intangible fixed assets	294,763	335,234
Depreciation of tangible fixed assets	3,919,070	3,851,361
Write-downs of receivables included in current assets and cash and cash equivalents	9,410	12,726
Changes in inventories of raw, ancillary and consumable materials and goods	(2,872,649)	(406,741)
Other operating expenses	137,496	204,806
Foreign Exchange Gains and Losses	(22,344)	(6,574)
Write-downs of equity investments	-	133,989
Net profit	13,661,847	7,271,492

HIPAC quality

GRI 2-27



Product quality has always been **essential** for our Group.

We took care of this by certifying our quality management system for the first time in 2000 according to the UNI EN ISO 9002 standard then in force.

Since then, we have identified the business processes that have the greatest impact on our ability to create value, and we have decided to ensure their effectiveness by obtaining the respective system certifications.

Today, the UNI EN ISO 9001, 14001, 45001 and 50001 standards, through which we have certified our quality, environmental, occupational health and safety and energy management systems, respectively, are

part of our **integrated management system**.

UNI EN ISO 9001 also includes in the scope of certification the weighing of containers for the determination of the 'Verified Gross Mass of Container' (VGM), in accordance with the provisions of the 2016 SOLAS 74 amendments⁴.

Our QSAE (Quality, Safety, Environment and Energy) Management System is based on clear and specific principles, such as:

- **the constant focus on customer satisfaction**, in terms of quality, safety and compliance with international norms and standards;
- **the continuous innovation of products** in order to improve their economic impact and reduce

their consumption and cost per unit of packaging;

- **the strengthening of R&D investments and activities**, for the creation of an in-house laboratory with advanced equipment and technical experts in research and development of new products and quality control;
- **the constant updating of personnel on the laws** and good practices related to safety, environmental protection and quality of the products and services offered;
- **environmental protection**, through the design of eco-friendly products, the promotion of recovery and recycling activities, the adoption of low environmental impact technologies and measures aimed at the efficient use of available resources, both natural and energy;
- **the promotion of health and safety in the workplace**, through technical organisational measures and constant working environment monitoring;
- **information and updating of stakeholders**, through transparent and continuous communication.

We have also included in our QSAE Management System factors that can contribute to and influence the achievement of our strategic goals, which we review periodically.

The effectiveness and adequacy of the implemented system was confirmed by the Audit Report, which

validated its compliance with reference standards. Furthermore, the latter highlighted the continuous and significant progress in structural, infrastructural and R&D investments that have characterised the Group's activities in recent years.

Non-conformity management and regulatory compliance

We manage non-conformity situations in a systematic manner, in order to prevent and detect deviations from company practice and restore any anomalies within a short period of time.

Specifically, the internal procedure concerning the handling of grievances focuses on cases that may be encountered:

- on the input material;
- during production or related to the finished product, which can generally be traced back to non-conformity of the material used, incorrect functioning of the equipment and errors made by the operator;
- concerning non-compliance with operational procedures or failure of a product/service (internal organisational non-compliances);
- in the transport of goods, entrusted to third-party suppliers;
- in health and safety, by analysing the results of internal audits, *near misses and accidents*.

⁴ The SOLAS (Safety Of Life At Sea) Convention is an international agreement drawn up by the IMO (International Maritime Organisation). The amendments that came into force on 1 July 2016 require certified procedures for carrying out weighing activities to determine the verified gross mass of the container (VGM) according to Method 2.

In 2021/2022, there were no instances of non-compliance with economic, environmental or social laws and/or regulations. No monetary sanctions or any restrictions imposed by governments, regulatory authorities or public bodies on the Organisation's operations or activities were received.

Product Certifications

HIPAC S.p.A. obtained 'Plastic Second Life' product certifications, the only Italian scheme among the six approved by the Circular Plastics Alliance (CPA)⁵, with reference to the following products:

- REC60 with 60% PCR;
- REC30 with 30% PCR;
- REX30 with a 30% PCR/PIR mix.

In 2021, the same products were certified ISCC Plus⁶, a voluntary certification that proves the traceability of bio-based and circular raw material content throughout the production chain.

As the HIPAC Group, in 2022 we decided to achieve AENOR certification for our Spanish subsidiary IBERHIPAC; a goal achieved in the first half of 2023 by obtaining certification for the following products:

- REC60 with 60 per cent PCR;
- REC30 with 30% PCR.



⁵ The Circular Plastics Alliance (CPA) represents the alliance of private companies, academia and public authorities formed with the aim of increasing the use of recycled plastics, bringing the EU market for recycled plastics to 10 million tonnes by 2025.

⁶ ISCC Plus certification is part of the International Sustainability & Carbon Certification scheme, and it is a reliable standard designed for the circular economy and bio-economy.

Hi service

We provide our customers with a range of customised services, aimed at illustrating the technical characteristics of our products and providing safe and efficient packaging to protect the wrapped goods.

With the help of our experienced professionals, HIPAC customers have the opportunity to receive **on-site technical advice**, to assess the proper functioning of the wrapping machines and the initial quality of the packaging. Subsequently, the optimisation study with our Premium films allows us to issue a **detailed report** quantifying the reduction of stretch film used and the stability of the loading unit.

To verify the actual performance of the film supplied according to the wrapping machine used, we provide **periodic check-ups** to guarantee the results and performance of HIPAC films over time. To certify the safety of goods during transport, we can perform **load acceleration tests** in accordance with the international standard EUMOS 40509-20 and load restraint force analysis tests at our customers' premises in accordance with ASTM-D8314_20.

We constantly collaborate with leading wrapping machine manufacturers to get the most out of the machine-film combination. In addition, we share our knowledge about stretch films with our customers and the industry to spread the culture of sustainability and packaging safety, including through theoretical and practical training courses.

Finally, we are able to realise tailor-made solutions, specifically defined according to our customers' needs.

Innovation, research and development



R&D activities have been at the top of our agenda since the early 2000s. They are aimed at reducing the amount of plastic used for packaging, without compromising, and in fact improving where possible, the stability of the load and the safety of the wrapped goods during storage and transport. This is our starting point, as well as the reference that guides us towards the environmental sustainability of the film, together with the elimination of everything that is not strictly necessary for the product, such as the cardboard tube.

In practice, our R&D activities involve both the experimentation of new polymers to improve technical films and the research of all production and plant sets to enhance their performance, as well as the identification and development of new application areas where stretch film represents a better performing and sustainable alternative to existing packaging.

The growing sensitivity to environmental issues has prompted us, starting in 2018, to create even better performing solutions and promote a true circular economy based on the use of recycled plastic. An ambitious project that aims to reuse plastic whi-

le retaining the company DNA, which has always focused on reducing thicknesses. Hence the RELIVE family: ultra-thin stretch film up to 9 µm thick, containing up to 60% post-industrial (PIR) or post-consumer (PCR) recycled plastic.

RENEW and RESOLVE films complement our *Hi Green* range and use bio-based and biodegradable (non-compostable) raw materials, respectively.

R&D activities are carried out by a team of specialised engineers working in the HI LAB, the Group's central laboratory, equipped with the latest instruments for the physical-mechanical analysis of stretch film.

In recent years, we have focused our R&D activities on digital technological innovation, in order to improve different aspects of our production, such as operational management, logistics flows, and consumption monitoring and traceability. Furthermore, in 2022 we decided to make a major investment in adopting an integrated management system, with the aim of incorporating and harmonising the industrial and accounting processes of all group companies.

HI LAB

Not just a laboratory, but a real **Experience Centre** where you can learn about the different properties and applications of stretch film: this is HI LAB.

In addition to traditional laboratory instruments for the physical-mechanical analysis of the film, we have at our disposal machinery capable of recreating the different wrapping conditions that stretch film can be subjected to, as well as equipment specifically developed to assess its practical performance after pre-stretching and wrapping.

HI LAB represents at the same time:

- a space where customers have the opportunity to learn, get to know the product and see their solution realised;
- a training centre, where you can learn how to correctly use stretch film in the different applications on the market;
- a place for sharing needs, projects and solutions.
-



Project DEA: a revolution in the world of manual packaging

In 2022, we started the DEA (Dispenser Eumos Application) project with the aim of studying all aspects of manual packaging and to develop a method to improve and rationalise this type of application, which is too often left to the subjectivity of the human operator.

The project involved not only the development of an ergonomic dispenser to help the operator wrap manually, but also the study of all the elements that contribute **to safe and stable manual wrapping**.

Specifically, it allowed us to define:

- the product, namely the ultra-thin 555 rigid film. The film reel is lighter (1 kg or less) and easier to use. The NetRoll and/or RELIVE versions reduce the environmental impact of the film, an impact that has been quantified through an LCA study conducted in collaboration with the University of Parma;
- the correct method of packaging, thanks to an optimisation study and the production of a practical video tutorial for practitioners;
- load safety, certified by sled acceleration tests in accordance with Eumos standard 40509-20;
- the dispenser, a light but strong, economical and ergonomic tool that helps the operator to pack consistently and effortlessly. An innovative product to be known and appreciated;
- the positive impact on the safety and health of manual packaging workers, including a reduction in musculoskeletal injuries and disorders, monitored through the LEA postural analysis system and the ergonomic standard RULA (Rapid Upper Lim Assessment).

OUR VISION

Sostenibilità, sicurezza ed efficienza guideranno l'industria del futuro.

Sustainability, safety and efficiency will lead the industry of the future.

OUR MISSION

Hipac continuerà ad essere un punto di riferimento nell'imballaggio industriale creando innovazione attraverso l'uso e lo sviluppo di nuove tecnologie.

Hipac will continue to be a key reference in the industrial packaging by creating innovation through the use and development of new technologies.





4

Nature and Resources:

HIPAC Environmental Responsibility

Controlling our environmental impact



Environmental responsibility is an integral part of the HIPAC Group, because we have always asked ourselves how our products and business decisions affect the environment.

Throughout our history, we have been pursuing **rational, conscious, efficient and responsible management** of the natural resources, such as water and energy, and of the materials and waste associated with our production.

We conducted studies and experimented with

solutions that would allow us to produce quality products with the least possible amount of raw materials. We have examined the impact that the company's products and activities have on the environment, including those related to atmospheric emissions, and we show its performance below.

Furthermore, in 2022, in cooperation with *3Bee for Business* - a climate tech company - we adopted our first **Oasis to protect biodiversity** and pollinators through 3Bee's regeneration projects.

Water management

Our **water consumption** is mainly related to sanitary facilities in the offices and to the cooling of the facility in the Italian and Spanish sites.

Over the years, we have diversified our water supply by drawing from aqueducts and wells, the latter being the main source of supply for the Italian office and one of the water sources for the Spanish office.

Below we detail the water withdrawals for 2021-2022.

	UoM	2021	2022
Water withdrawal from the aqueduct	mc	22,556	27,485
Water withdrawal from a well	mc	34,464	40,262
Total	mc	57,020	67,747

Water drawn from wells is used at the evaporative towers for cooling the plants.

The table below shows the quantity taken and disposed of during the two-year period.

	UoM	2021	2022
Water withdrawal from a well	mc	49,683	60,903
Water disposal	mc	16,959	17,894
Total water consumed	mc	32,724	43,009



Water is a precious commodity for human life and well-being, which must be protected and safeguarded. This is the principle that led us to support the realisation of the project *A Hole for Water* in Malawi in 2022, with the establishment of a well to meet the water needs of the village Changamire.

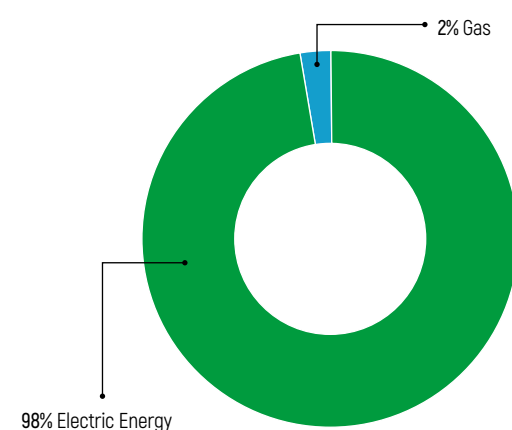
Energy management

GRI 302-1

In order to monitor, measure and analyse the energy consumption and performance of our plants, we have equipped ourselves with a real-time monitoring system, which allows us to constantly check all energy indicators.

As part of the ISO 50001 certification, we carry out regular internal audits to ensure the effectiveness of the energy management system in place and assess potential energy efficiency improvement activities and techno-economic feasibility.

Consumption composition of HIPAC 2022



We have also established an **internal energy management team** consisting of: Quality System Manager, Chief Technical Manager and Project Manager.

We use the following energy sources to carry out our activities:

- electric energy, used for production lines and office lighting;
- natural gas, used for heating the offices and halls at the HIPAC ROMANIA branch.

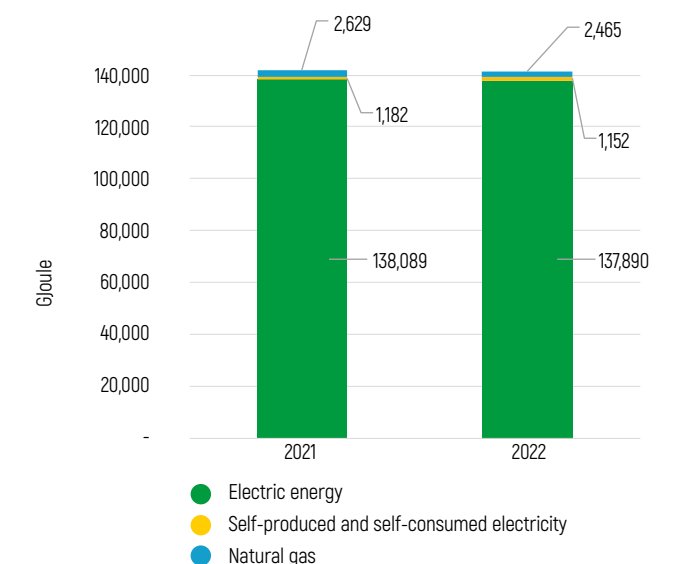
Part of our energy needs are met through self-generation, thanks to the 251 kWp **photovoltaic system** installed at our Italian headquarters.

In order to become more self-sufficient and consequently mitigate our exposure to fluctuations in energy prices, we have decided to increase the share of electric energy we generate ourselves by investing in the expansion of our existing Italian photovoltaic plant, and to set up new ones also in Spain and Romania, to meet the energy needs of the Group's respective locations.



For the two-year reporting period under review, our Group's energy consumption figures are fairly aligned; we show the extent of this in the table below.

Energy consumption HIPAC Group



Internal energy consumption within the organisation ⁷	UoM	2021	2022
Electric energy consumed	GJ	138,089	137,890
Of which electric energy purchased from the grid	GJ	136,907	136,738
Of which electric energy produced by photovoltaic plant - renewable source	GJ	1,203	1,180
Of which electric energy produced and sold to the grid	GJ	21	28
Natural gas	GJ	2,629	2,465
Total energy consumption within the organisation	GJ	140,719	140,355

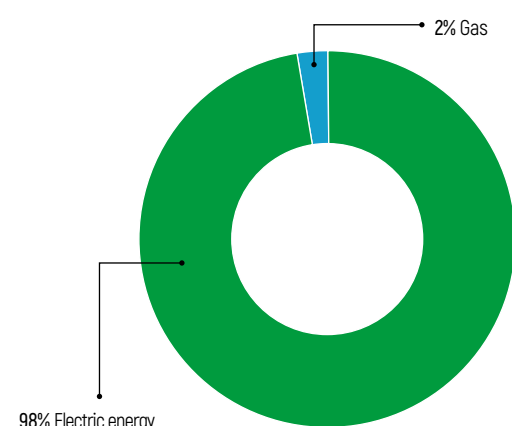
⁷ Source of conversion factors used:
 - Electric energy: IPCC 2021 GWP 100;
 - natural gas: Table 1 Resolution EEN 9/11.

The monitoring of emissions and product impacts

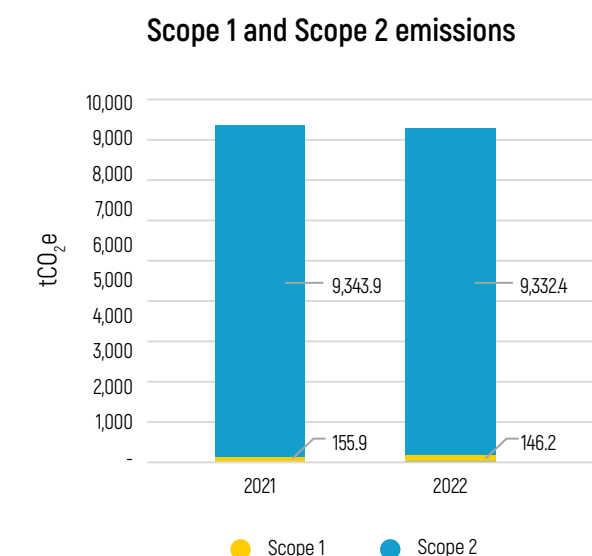
GRI 305-1 | GRI 305-2

To measure and monitor over time both the carbon emissions directly linked to the company's consumption and the environmental impact of its products, our Group chose to undertake various activities, including the quantification of emissions during the two-year period covered by this report. This activity concerned direct emissions (Scope 1) and indirect emissions from the purchase of energy carriers (Scope 2) directly related to the consumption shown in the table 'HIPAC energy consumption'.

Composition of Scope 1 and Scope 2 emissions 2022



The measurement of emissions showed that, thanks to meeting part of our Electric energy needs through self-generation from photovoltaics, **we avoided 82 tCO₂e** in 2022 (81 tCO₂e and in 2021).⁸



⁸ The avoided emissions were calculated as the difference between the emissions that would have been caused by purchasing electric energy from the grid and the zero impact that electric energy production from photovoltaics has as direct emissions.



With reference to the impacts generated by our products, on the other hand, we have decided to carry out a LCA (Life Cycle Assessment) study for different product types (Traditional, Premium, NetRoll and with recycled materials). Through this

activity, started in 2022 in collaboration with the University of Parma, we want to understand how the products analysed impact the environment during their life cycle and define the actions necessary to limit/avoid these impacts.

GHG emissions Scope 1 ⁹	UoM	2021	2022
Natural Gas	tCO ₂ e	155.9	146.2
Totale Scope 1	tCO₂e	155.9	146.2

Emission detail Scope 1 - Scope 2/energy consumption HIPAC Group.

GHG emissions Scope 2 ¹⁰	UoM	2021	2022
Purchased Electric energy	tCO ₂ e	9,343.9	9,332.4
Totale Scope 2	tCO₂e	9,343.9	9,332.4

In order to fulfil the Group's commitment to environmental responsibility, we are constantly identifying and updating actions to reduce our environmental burden. Since 2005, for example, for

the company HIPAC Romania, a shuttle service has been running between the company's factory and the metro station.

⁹ Source of emission factors used - natural gas: Ecoinvent 3.6;

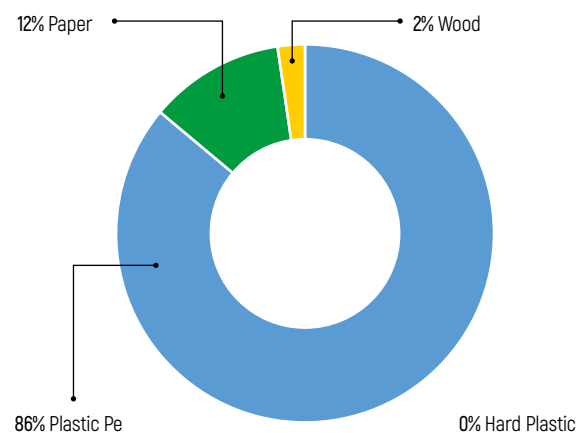
¹⁰ Source of emission factors used - Electric energy: ISPRA.

The management of materials and waste generated

GRI 306-2 | GRI 306-3 | GRI 306-4 | GRI 306-5

We carefully manage the materials we use in our productions, annually monitoring the entities used and studying solutions for their reduction, reuse and recycling. We also take into account the possible impacts on the environment and people's health of the materials we purchase; in this regard, since 2013, we have been using water-based paints instead of solvent-based paints.

The materials purchased by the Hipac Group



The main resources we purchase are:

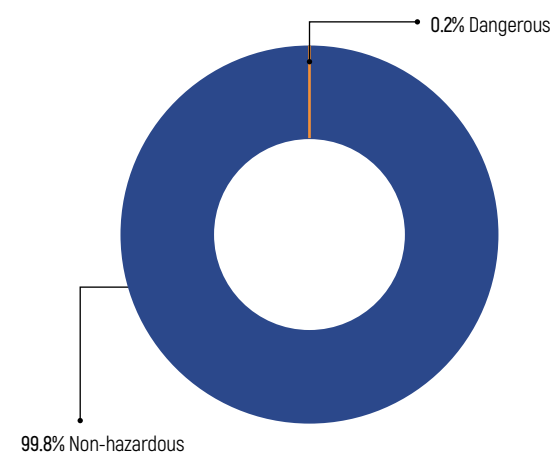
- raw materials consisting of virgin polyethylene plastic granules and recycled polyethylene granules;
- auxiliary material, referring to cores for stretch

film reels and packaging material (boxes, cardboard corners and interlayers, plastic dispensers and wooden pallets).

With the aim of optimising our purchases, we strive to acquire pallets from our suppliers with characteristics suitable for reuse at the sales stage. This attitude has been rewarded in Italy and Spain with the **PRS Green Label award**, given to all those who actively promote the controlled reuse and shared use of CP-type pallets for the European polymer sector.

Our concern for the environment also includes the **responsible management of waste generated** in the course of our business activities.

The Hipac waste typology





The waste we produce is stored and deposited in specific areas, and it is handled by authorised transporters and disposers.

By means of an **internal monitoring system**, we collect and store information about:

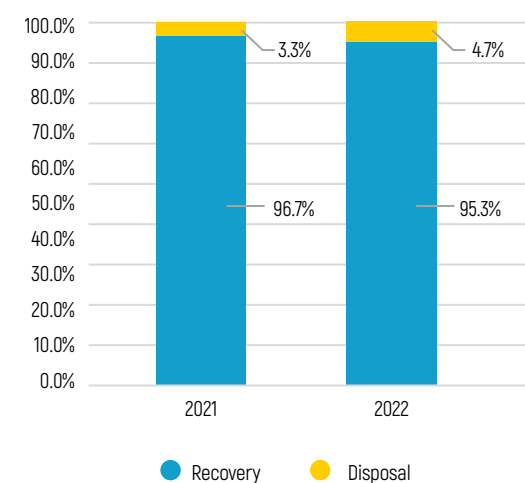
- the identification code of the waste (CER), with the relevant characterisations and the expected stock before collection by the authorised transporter;
- the actual unloading following collection by the transporter;
- the different disposals in chronological order, with the aim to have - at the end of the year - an overview of the total amount of waste disposed of or recovered.

During 2022, we produced 903 tonnes of waste, 99.8% of which was non-hazardous (as shown in

Tipologia rifiuto	UoM	2021	2022
Dangerous	ton	4	1
Non-hazardous	ton	958	902
Totale	ton	962	903

Waste generated and disposed of by the HIPAC Group in 2021/2022

HIPAC waste destination



the table below) and **recovered 95.3% of the waste produced**.

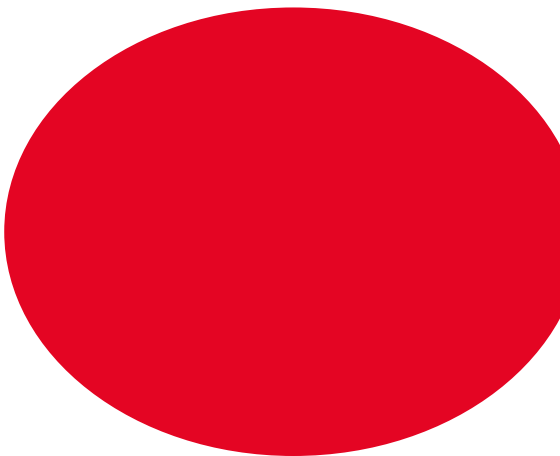
Waste destination	UoM	2021	2022
Recovery	ton	930	860
Disposal	ton	32	43
Total	ton	962	903

Waste for disposal

CER Code	Description	UoM	2021	2022
Non-hazardous waste				
20 03 01	Unsorted municipal waste	ton	32	43
Total waste for disposal		ton	32	43

Waste not intended for disposal

CER Code	Description	UoM	2021	2022
Hazardous waste				
08 03 12	Ink waste containing hazardous substances	ton	1.1	-
08 03 17	Spent printing toners containing hazardous substances	ton	0.1	0.0
13 02 05	Mineral oil waste for engines, gears and lubrication, non-chlorinated	ton	0.4	0.5
13 02 08	Other engine, gear and lubrication oils	ton	1.6	0.8
15 01 10	Packaging containing residues of or contaminated by hazardous substances	ton	0.8	-
16 02 13	Discarded equipment containing hazardous components other than those mentioned in 16 02 09 and 16 02 12	ton	0.1	-
16 06 01	Lead-acid batteries	ton	0.2	-
20 01 21	Fluorescent tubes and other mercury-containing waste	ton	0.0	0.0
20 01 35	Discarded electrical and electronic equipment, other than those mentioned in 20 01 21 and 20 01 23, containing hazardous components	ton	0.1	0.1
Total Hazardous Waste for Recovery		ton	4.2	1.5
Non-hazardous waste				
03 03 99	Waste not otherwise specified	ton	116.36	93.32
07 02 13	Plastic waste	ton	-	6.47
12 01 05	Filings and shavings of plastic materials	ton	16.75	11.75
15 01 01	Paper and cardboard packaging	ton	68.83	17.61
15 01 02	Plastic Packaging	ton	247.70	261.66
15 01 03	Wood Packaging	ton	240.94	257.76
16 02 14	Discarded equipment, other than those mentioned in 16 02 09 to 16 02 13	ton	0.12	-
17 02 01	Wood	ton	201.74	208.92
17 04 02	Aluminium	ton	0.08	-
17 04 05	Iron and steel	ton	32.10	1.40
20 01 36	Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	ton	0.12	-
20 01 40	Metal	ton	1.17	-
16 06 04	Alkaline batteries (except 16 06 03)	ton	-	0.01
Total non-hazardous waste for recovery		ton	925.9	858.9
Total waste for recovery		ton	925.9	858.9



5

**HIPAC's internal
and external social
commitment**

From valuing people to equal opportunities

GRI 2-7 | GRI 2-30 | GRI 405-1 | GRI 406-1

The people who work for our Group represent a **distinguishing and characterising asset of HIPAC**: it is to them their commitment, their tenacity and the passion they show every day in carrying out their tasks that we owe much of our success.

This awareness, combined with the importance of ensuring a peaceful and safe workplace, drives us towards actions aimed at enhancing skills, staff welfare, and creating and maintaining a meritocratic, fair and respectful working environment.

Our recruiting processes, together with those dedicated to the development of professional skills, follow clear and uniform evaluation criteria.

For newly recruited resources, we provide a shadowing period with colleagues who are experts in business practices, in order to instil the HIPAC values underpinning our business model.

We promote constant dialogue between managers and employees and we reject all forms of discrimination based on political and trade union opinions, religion, racial or ethnic origin, nationality, age, gender, sexual orientation, health, marital or disability status, physical appearance and economic-social status. In fact, there were no cases of discrimination in 2021/2022, confirming the trend of previous years.

In order to reward staff performance, in Italy in December 2021 we signed a second-level framework agreement with the trade unions regarding the payment of a production bonus based on the achievement of three-year targets at group level, and promoting corporate welfare.

El Plan de Igualdad

In order to promote equal opportunities and non-discrimination between women and men, IBERHIPAC, the Spanish company of the Group, sealed its first 'Plan de Igualdad', jointly signed by the organisation and the workers' representatives.

At the same time as plan was adopted, an Equality Committee was set up to meet quarterly in order to monitor its implementation and identify corrective actions where necessary.

Furthermore, through the adoption of a specific protocol concerning the prevention of and action against sexual harassment, IBERHIPAC expresses its zero tolerance towards the occurrence, within its organisation, of behaviour that constitutes sexual or gender-based harassment.

The company staff

As at 31 December 2022, our Group consisted of **195 people** (213 in 2021), of whom 186 were employees (194 in 2021) and 9 collaborators (19 in 2021).

All employees in Spain and Italy are covered by the national collective contract of the country of reference; specifically, in Italy we apply the Gomma-Plastica CCNL and in Spain the Quimicas contract.

As at 31.12.2022, HIPAC S.p.A. had 74 employees, IBERHIPAC 68 and the remaining 44 employees were employed by HIPAC ROMANIA.

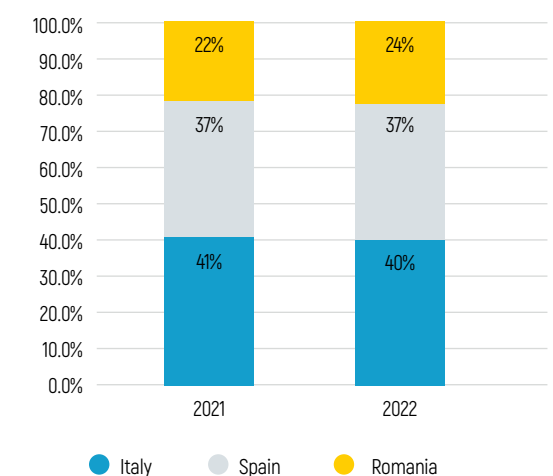
In 2022, 98 per cent of our employees are employed on a permanent contract and 98 per cent are employed on a full-time contract.

Women represent 46% of the white-collar workforce.

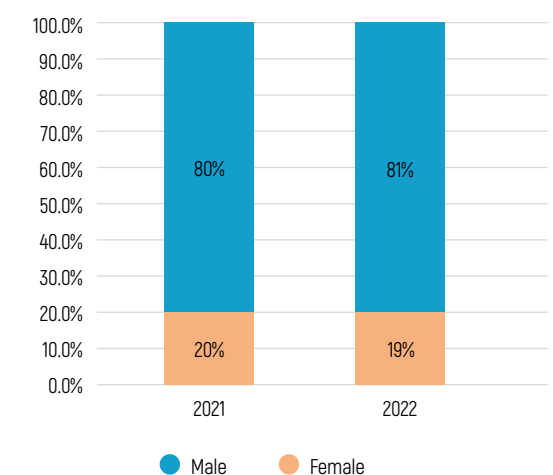
In the following tables we present the composition of our Group staff, detailing gender, type of contract, form of employment and professional qualification.

The data shown are expressed in head-count: each resource equals one unit, regardless of the time band of the employment contract (full time/part time).

Our employees by geographical area



Our Employees





Employees by gender		
HIPAC Group	2021	2022
Female	39	35
Male	155	151
Total	194	186

Employees by professional figure		
	2021	2022
Executives	2	2
Managers	8	6
Employees	76	72
Blue collars	108	104
Total	194	186

Employees by gender and type of contract		
Permanent	2021	2022
Female	5	3
Male	2	1
Temporary	2021	2022
Female	34	32
Male	153	150
Grand total	194	186

Employees by gender and form of employment		
Full-time	2021	2022
Female	37	33
Male	154	150
Part-time	2021	2022
Female	2	2
Male	1	1
Grand total	194	186

Employees by professional figure and gender							
	2021				2022		
	Female	Male	Total		Female	Male	Total
Executives		2	2			2	2
Managers	2	6	8		2	6	8
Employees	37	39	76		33	39	72
Blue collars		108	108			104	104
Total	39	155	194		35	151	186

Employees by age group and gender							
HIPAC Group	Female	Male	Total		Female	Male	Total
Up to 29 years	4	8	12		3	3	6
30-50 years	28	105	133		23	104	127
> 50 years	7	42	49		9	44	53
Grand total	39	155	194		35	151	186

Staff recruiting and retention

GRI 401-1

The personnel selection process is managed with full respect for equal opportunities and without any discrimination regarding the opinions of candidates. The choice is made by adopting specific criteria, which take into account the experience gained, the skills possessed and, at the same time, soft skills and passion for the job.

For recruitment purposes we use digital channels, such as LinkedIn, as well as the section of our website 'Work with us', which also collects spontaneous applications. On the other hand, we rely on the support of third-party headhunting companies for the search of highly qualified personnel.

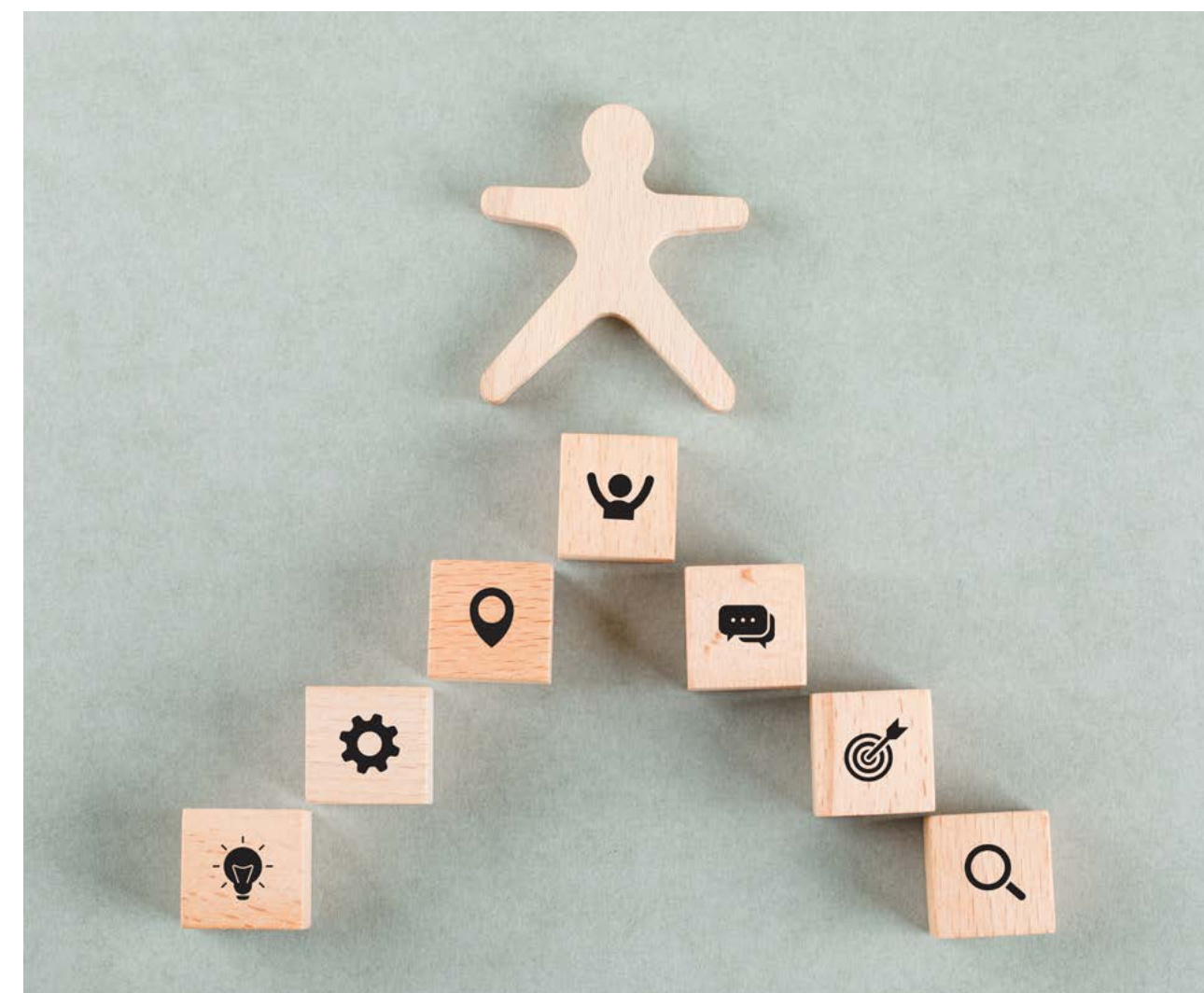
In addition, we activate curricular and extra-curricular internships with the University of Brescia, in Italy, and with specialised technical schools, in Spain.

In 2022 we recorded a total of 10 hires and 18 terminations. 61% of new hires concern personnel in the 30-50 age group, which is the most representative of the Group's employees; 72% of terminations are voluntary resignations or resignation due to seniority.

Therefore, as depicted in the graph below, with regard to staff turnover, in 2022 we had a positive turnover of 5% and a negative turnover of -9%, resulting in a decrease in staffing levels of -4% compared to 2021. The goal for 2023 is to bring the staffing level back up to the 2021 figures, in order to increase our human capital and foster employment.

By Gender	Overall turnover
Male	-3%
Female	-10%
Total	-4%

By age	Overall turnover
Up to 29 years	-17%
30-50 years	-3%
50 years	-4%
Totale	-4%



New recruitments 2022			
HIPAC Group	Female	Male	Total
Up to 29 years	-	1	1
30-50 years	1	6	7
> 50 years	1	1	2
Total	2	8	10

Terminations 2022			
Gruppo HIPAC	Female	Male	Total
Up to 29 years	1	2	3
30-50 years	5	6	11
> 50 years	-	4	4
Total	6	12	18

Turnover 2022			
HIPAC Group	Female	Male	Total
Positive turnover - recruitment	5%	5%	5%
Negative turnover - terminations	-15%	-8%	-9%
Turnover	-10%	-3%	-4%

The skill development of our resources

GRI 404-1

We believe that competence development plays a fundamental role in the Group's value creation process, because it can really contribute to the motivation of our employees.

We guarantee the resources that work with us equal opportunities for professional growth and **fair and meritocratic treatment**; we also provide them with specific professional development paths, chosen according to personal aptitudes, in order to motivate and gratify them. We develop an individual training scheme for each employee, which is divided into general training courses and specific technical courses on the basis of the task performed.

In the two-year period 2021-2022, in addition to the compulsory health and safety training, we involved our employees in training activities with the dual purpose of strengthening hard skills and soft skills; these activities included theoretical and practical courses for the proper application in the field of the notions learnt.

Specifically, we provided:

- **technical training** for production workers;
- **sales training** for sales staff on social selling index and other sales techniques;
- **technical-administrative training** for staff whose work is touched by specific regulatory

updates and related obligations (e.g. plastic tax);

- the dissemination of notions useful for the understanding of issues and tools necessary for the **digital and sustainable business transition**.

As the HIPAC Group, we aim to increase in-house skills, a goal that affects all employees and which we pursue through the development of a **training plan** that combines the needs of the company, work teams and individual resources.

Below we detail the total training hours provided by our group in the two-year period 2021-2022 (excluding the health and safety training hours reported in the dedicated chapter and the coaching hours provided to new resources).

Number of employees

	UoM	2021			2022		
		Female	Male	Total	Female	Male	Total
Executives	HC	-	2	2	-	2	2
Managers	HC	2	6	8	2	6	8
Employees	HC	37	39	76	33	39	72
Blue collars	HC	-	108	108	-	104	104
Total	HC	39	155	194	35	151	186

Training hours - Total

	UoM	2021			2022		
		Female	Male	Total	Female	Male	Total
Executives	h	-	52	52	-	25	25
Managers	h	-	-	-	-	-	-
Employees	h	138	310	448	83	196	279
Blue collars	h	-	374	374	30	414	444
Total	h	138	736	874	113	635	748

Average training hours

	UoM	2021			2022		
		Female	Male	Total	Female	Male	Total
Executives	h	-	26.0	26.0	-	12.5	12.5
Managers	h	-	-	-	-	-	-
Employees	h	3.7	7.9	5.9	2.5	5.0	3.9
Workers	h	-	3.5	3.5	-	4.0	4.3
Total	h	3.5	4.7	4.5	3.2	4.2	4.0

Health and safety at work: a priority

GRI 403-1 | GRI 403-2 | GRI 403-3 | GRI 403-4 | GRI 403-5 | GRI 403-9 | GRI 403-10

Ensuring healthy and safe workplaces for all employees is a priority for our Group.

All Group companies are certified according to UNI ISO 45001: 2018 - *Occupational Health and Safety Management Systems*; the standard aims to make systematic the control, knowledge and management of possible inherent risks in ordinary and extraordinary operations in the workplace.

The continuous improvement required by the standard allows us to pay special attention to the context in which we operate and meet the needs and expectations of workers.

We consider it essential to create and promote a culture of safety in the workplace; in this way, **we preserve the physical and mental integrity** of all those who work in HIPAC environments.

Health and safety risk assessment

The HIPAC Group's Health and Safety Management System covers all workers; the assessment of the risks to which they are exposed required a careful analysis of the specific situations they face during the performance of their duties.

The assessment of risks to workers' health and safety encompassed **all types of risks**: those

concerning groups of workers exposed to particular risks, those related to work-related stress, those affecting pregnant workers, those related to gender differences, age (underage workers and workers with long work experience), origin from other countries, and risks concerning the specific type of contract through which the work is performed.

The aim of the assessment is to identify the risks present in the company that could cause occupational accidents and illnesses, as well as to define the appropriate ways of eliminating or managing them, and to provide all those involved with the means, tools, information, education and training needed to protect their health during their work.

To ensure that the risk assessment is carried out correctly, we have:

- observed the working environment (room requirements, access routes, safety of equipment, microclimate, lighting, noise, physical and harmful agents);
- identified the tasks performed in the workplace (to identify hazards arising from individual tasks);
- observed how activities are carried out (in or-

der to check compliance with procedures and whether they involve additional hazards);

- Examined the existing environment for any external factor that may adversely affect the working environment (microclimate, ventilation);
- analysed the work organisation system;
- Identified the psychological, social and physical factors that can contribute to stress at work and studied the possible interaction between them and other factors specific to the organisation and work environment.

Focus HIPAC S.p.A.: risk assessment of work-related stress

The analysis carried out on the risk of work-related stress, which concerned the Group's Italian headquarters, showed that it was adequately controlled; for all the professional figures present in the Company, the risk was judged to be insignificant.

Worker participation and consultation

Communicating clearly with employees and

maintaining an active channel of consultation with them - on safety issues - is crucial for us in spreading a safety culture.

In our group, workers can report situations that in their opinion could be a source of risk, through their representatives and department managers. In Spain, we have appointed a Prevention Committee (made up of 4 representatives, 2 of whom are employees and 2 blue-collar) that analyses work activities and defines the appropriate measures to be implemented, every five years.

Health and safety training

Our resources are provided with adequate training in occupational health and safety, with an initial training session upon joining the company and subsequent refresher meetings.

Specifically, in 2022, 1,523 hours of occupational health and safety training were provided, broadly in line with the hours provided in the previous year.

The courses were both general and specific in nature, and covered training for safety management system figures (workers' representatives, supervisors, first aid officers, etc.), sessions regarding the use of personal protective equipment, and offshore activities.

The leitmotiv of our action is to spread a culture of safety through continuous training of our employees, in order to promote responsible behaviour and ensure a welcoming and safe workplace.

Below, we detail the hours of health and safety training provided by our group in 2021-2022.

Type of training				
	2021		2022	
	No. of training hours	No. of employees involved	No. of training hours	No. of employees involved
General	270	65	352	61
Specific	1,142	106	1,171	114
Total	1,412	171	1,523	175

The occupational health service

In compliance with the regulations in force, we have identified those responsible for the health surveillance of HIPAC personnel; they carry out periodic medical examinations, inspect workplaces and participate in the drafting and revision of the Risk Assessment Document.

Specifically, with regard to HIPAC S.p.A., we have appointed a Competent Doctor, while, for IBERHIPAC and HIPAC Romania, we rely on external companies to provide occupational medicine services. Finally, we provide employees in Romania with additional medical insurance.

Accidents at work and occupational diseases

As the HIPAC Group, we saw an increase in the number of accidents in 2022 compared to the previous year's figure, which can be attributed to an increase in strain-related injuries and commuting injuries (commuting to work); at the same time, there was a decrease in high-consequences work-related injuries in 2022 compared to the previous year.

In contrast, no occupational diseases were recorded in the two-year reference period 2021-2022.

Below, we show the number of injuries at work and the type of injuries recorded in the years 2021 and 2022 in our group.

Number of injuries				
	EMPLOYEES		NON-EMPLOYEES	
	2021	2022	2021	2022
Total no. of fatalities due to injuries at work	-	-	-	-
Total no. of injuries (under 60 days)	4	9	1	1
Total no. of high-consequences work-related injuries (i.e. over 60 days)	4	3	-	-
Totale complessivo di infortuni sul lavoro	8	12	1	1

Type of injury				
	EMPLOYEES		NON-EMPLOYEES	
	2021	2022	2021	2022
Falling and slipping	2	1	-	-
Commuting to work	-	2	-	-
Hit by - Hit by/against	5	6	-	1
Physical effort	1	3	1	-
No. of hours worked	342,988	339,108	29,362	30,768
Rate of high-consequence work-related injuries (excluding fatalities)*	11.66	8.84	-	-

$$\text{*Rate of high-consequence work-related injuries (excluding fatalities)} = \frac{\text{Number of high-consequence work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times 1,000,000$$

Focus on the local community

We know how crucial it can be to receive financial support for the realisation of projects of social interest or the realisation of activities aimed at the development of the territory, of the local community.

Over the years, this awareness has prompted us to support **projects of social relevance, concrete and functional to community development** (educational, environmental, sports, cultural, health, etc.) by contributing to the activities of non-profit associations and local entities through liberal donations.

6. Our next ESG targets

We want to pursue sustainable corporate growth while remaining faithful to the ethical and responsible principles that have always distinguished our business model, focusing on progressive and effective medium and long-term objectives.

In order to do this, we have defined an investment plan (2022-2024) aimed at optimising the company's production process, its environmental impacts and improving our ESG performance.



Production and environmental commitment

- Two new production plants, with specific energy-efficient characteristics, for the production of thin film (PREMIUM), RELIVE film (with recycled content) and DOUBLEDGE film;
- new granule distribution system;
- upgrading of the photovoltaic plant at HIPAC S.p.A. (0.5 MW capacity);
- installation of a new photovoltaic plant at IBERHIPAC (14 MW capacity);
- Feasibility study for a photovoltaic plant at HIPAC ROMANIA (1 MW capacity).

Benefits

1. Energy efficiency of production processes and business consumption;
2. zeroing the logistical handling of the packaging phase and the consequent elimination of derivable atmospheric emissions;
3. reduction of consumables;
4. increased use of PCR (Post Consumer Recycled) and PIR (Post Industrial Recycled) recycled materials;
5. monitoring of air emissions related to production processes.

Governance and social commitment

- Expansion of the Italian office;
- AENOR certification, which attests to the recycled plastic content of RELIVE films produced in Spain;
- new hires;
- continuous support to non-profit organisations and associations

Benefits

1. New spaces dedicated to quality control, R&D and production and logistics planning;
2. promotion and dissemination of eco-friendly and sustainable products;
3. employment, including for young people;
4. support for projects of a social nature.

7. GRI content index

Declaration of use	The Hipac Group has reported the information mentioned in this GRI content index for the period 01.01.2021-31.12.2022 with reference to the GRI Standards.
Used GRI 1	GRI 1: Fundamental Principles 2021

GRI STANDARDS	DISCLOSURE	NOTES	LOCATION (Pag)
GRI 2: General Disclosure 2021	2-1 Organisational Details		6; 38
	2-2 Entities included in the organisation's sustainability reporting		6
	2-3 Reporting period, frequency and contact point		6
	2-6 Activities, value chain and other business relationships		17; 20; 21
	2-7 Employees		70
	2-9 Governance structure and composition		38
	2-11 Chair of the highest governing body		38
	2-22 Statement on sustainable development strategy		8
	2-25 Processes to remediate negative impacts	2-25 b-d-e	20
	2-26 Mechanisms for seeking advice and raising concerns		27
	2-27 Compliance with laws and regulations		50
	2-28 Membership associations		46
	2-29 Approach to stakeholder engagement		30
	2-30 Collective bargaining agreements		70
GRI 3: Material topics 2021	3-1 Process for determining material themes		32
	3-2 List of material topics		32
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed		47
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		21
GRI 302: Energy 2016	302-1 Energy consumption within the organisation		60
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		62
	305-2 Energy indirect (Scope 2) GHG emissions		62

GRI STANDARDS	DISCLOSURE	NOTES	LOCATION (Pag)
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts		64
	306-3 Waste generated		64
	306-4 Waste diverted from disposal		64
	306-5 Waste directed to disposal		64
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		74
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		78
	403-2 Hazard identification, risk assessment and incident investigation		78
	403-3 Occupational health services		78
	403-4 Worker participation, consultation and communication on occupational health and safety		78
	403-5 Worker training on occupational health and safety		78
	403-9 Work-related injuries		78
	403-10 Work-related ill health		78
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee		76
GRI 405: Diversity and Equal Opportunities 2016	405-1 Diversity of governance bodies and employees		38; 70
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective measures taken		70
GRI 418: Customer privacy 2016	418-1 Proven complaints regarding breaches of customer privacy and loss of customer data		20



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