



**ecoverde**  
SERVICE SPECIALISTS

# **SUSTAINABILITY REPORT**

## 2022



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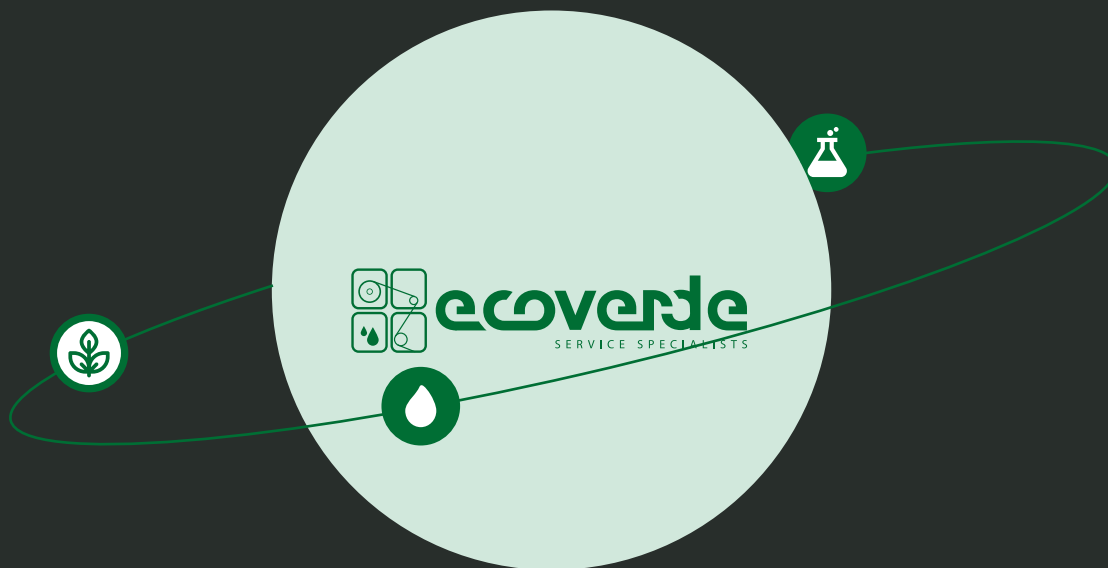
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# WHO WE ARE AND WHAT WE DO





ECOVERDE is a major player in the **paper industry**. Its main business is the formulation, processing, packaging and marketing of chemicals that are indispensable in the production processes for paper and its derivatives.

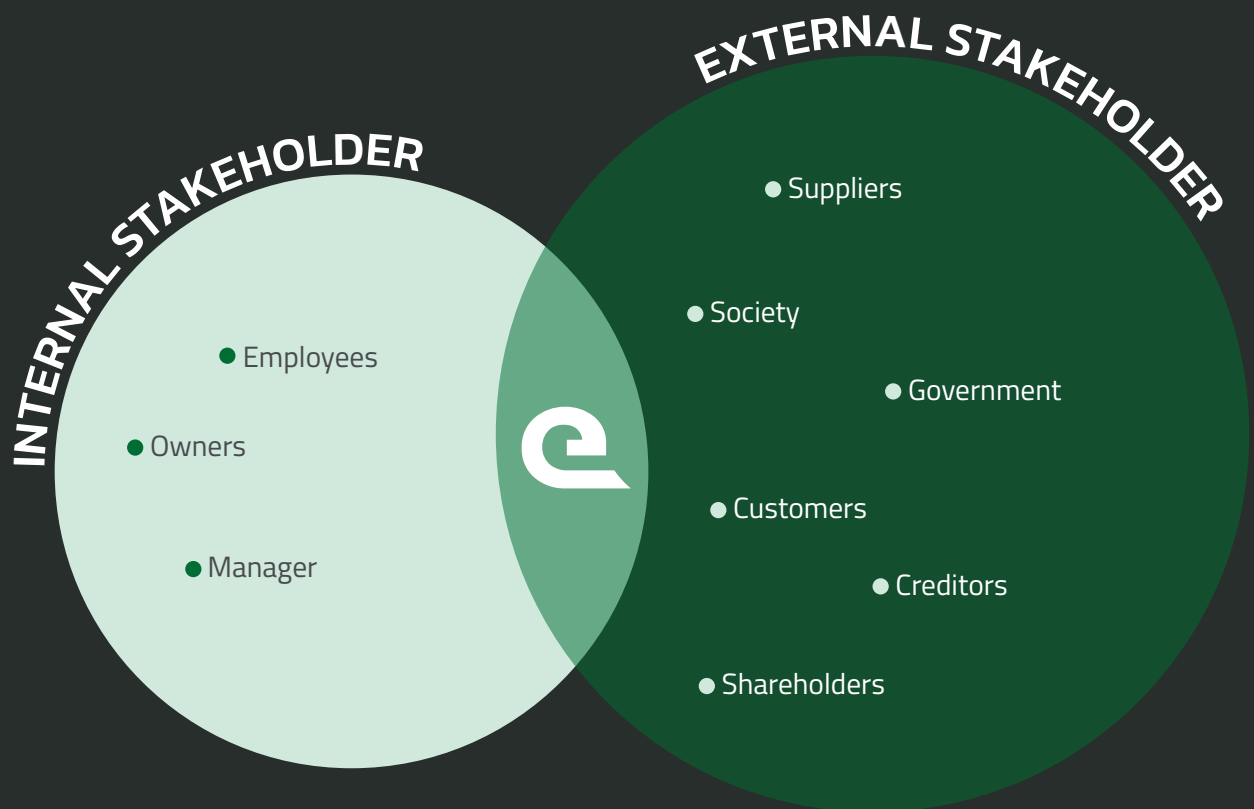
ECOVERDE operates throughout the **country supplying** chemical products and technical assistance to paper mills and paper converting companies.

Its main activity is commercial and consists of the **purchase and subsequent distribution** of chemical auxiliaries for the entire paper production process, including **water purification** processes. The products are, for the most part, sold under the brand name of the suppliers with which ECOVERDE has a marketing contract, while some are **re-branded**.

ECOVERDE promotes balanced development models that **respect people** and the environment.

These models are used to generate more **economic value** than they absorb in costs to provide lasting value shared with all stakeholders.

# LETTER TO STAKEHOLDERS



We are pleased to present the second edition of the **Sustainability Report** for the year 2022. It summarises the organisation's objectives, activities, impacts and results for its stakeholders and forms part of an increasingly more detailed and strategic **sustainability policy**, designed to progressively integrate ESG issues in all aspects of ECOVERDE's business, as follows:

*TOWARDS NEW GOALS:  
SUSTAINABILITY IN 2023 TO  
REDUCE ENERGY CONSUMPTION,  
GREENHOUSE GASES AND  
ENVIRONMENTAL IMPACTS*

- people-oriented policies
- expansion of environmental sustainability-related activities
- formulation of an **Environmental Sustainability Plan** that will guide future strategic decisions.

Today, we are aware that the **sustainability path**, embarked on in 2022, is the right way to pursue new goals to reduce energy consumption, greenhouse gas (GHG) **emissions and environmental impacts**. Furthermore, we continue to maintain our constant commitment to ensuring the **health and safety** of our employees and collaborators at the workplace and safeguarding the ethical, **social equality** and anti-corruption principles which our company has always observed since it was founded.

On the other hand, it is impossible not to notice the **growing attention** paid, on a global level, to sustainability issues, an attention that also emerges from our dialogue with you, our stakeholders, whose interests are obviously close to our hearts.

Our new 22-24 Business Plan has therefore been prepared by giving strong consideration to your **requests and suggestions**, obviously in compliance with the applicable legislation, in order to make our business increasingly more sustainable, both from a social and environmental standpoint.

In 2022, we made a few **structural changes**, designed to reduce environmental impacts, and we started to plan other important actions, aimed at reducing energy consumption and CO2 emissions.

These included the following:

- the installation of **storage batteries** to optimise the use of solar energy generated by the existing photovoltaic system;
- the installation of **performance monitoring systems**;
- the replacement of the existing heat generator with a **hybrid system**, consisting of a latest-generation condensing boiler and a heat pump, to provide air-conditioning in offices and hot water for industrial activities in order to optimise **energy consumption**, while reducing greenhouse gas emissions.

As a result of the actions described above, we expect to record a reduction in energy consumption in 2023. We will then evaluate our performance in the current year and, in line with **international best practices**, identify specific reduction targets using "a science-based logic, i.e. oriented towards limiting the increase in global temperatures to 1.5°, as indicated in the 2015 **Paris Climate Agreement**. We will therefore work towards achieving the validation of the targets set by Management to **reduce the greenhouse gas emissions** responsible for the greenhouse effect (GHG - Green House Gases), in terms of t CO2 equivalents. (carbon dioxide).

*DECISIVE AND PIONEERING: IN 2023, WE WILL REDUCE ENERGY CONSUMPTION AND EVALUATE PERFORMANCE BY SETTING SCIENCE-BASED GOALS*

On 14.7.21, the European Commission adopted a package named "Fit for 55", which contains 13 energy and climate-related legislative proposals to achieve the goals of the **Green Deal** by 2030. More specifically, the main aim of this deal is to achieve **climate neutrality by 2050**.

CARBON NEUTRALITY or NET ZERO is the achievement of an overall balance between greenhouse gas emissions - the CARBON FOOTPRINT - and those reabsorbed by ecosystems, through offsetting mechanisms. ECOVERDE considers it one of its most important goals. Our sustainability strategy is of course not only focused on **environ-**



**mental issues**, but also, as previously stated, on the well being of people, both inside and outside our organisation. This is why we maintain a high level of commitment to enhancing the value of human capital and to offering support to **local communities** and to sporting and cultural bodies. More specifically, we work with schools giving them the opportunity both to do PCTO (core skills and orientation pathways) activities and take guided tours of our laboratory.

Thanks to this commitment, ECOVERDE was awarded a GOLD MEDAL on the **Ecovadis platform** in 2022 and received an award, also for sustainability, from **LUBICA**, a biennial exhibition of art, architecture and design in paper and cardboard, of which it was a sponsor.

In this report we also refer to the issues of employment stability and quality that we guaranteed during the year. In this regard, we underline how the key **nature of training**, especially in today's rapidly changing context, is strategic for the near future. This is why we have decided to invest more in training, focusing on **soft skills** and professional and safety skills.

We firmly believe that "being sustainable" leads to a new way of doing business, where respect and balance are in **harmony** with our **daily operations** and, at the same time, to the **awareness** that our activities generate an impact on the natural environment that surrounds us. This is why our activities must be given positive support with actions that make their value greater than the impacts they generate.

It is on the basis of the above that we are therefore proud to present our 2022 report to you.

Paolo Lazzari  
*Chairman*

Marco Frateschi  
*Chief Executive Officer*

# 2022 HIGHLIGHTS

3P: PROFIT, PEOPLE, PLANET





PRODUCTS SOLD IN 2022  
**12.012,115 TONS**



CONTINUOUS TRAINING  
INTERNAL PERSONNEL  
**289 HOURS DELIVERED**



**97% OF SUPPLIERS** ARE  
ECO-SUSTAINABLE AND CERTIFIED



**100% of electricity purchased**  
comes from renewable sources



Sponsorship of **cultural events**  
that promote sustainability and  
innovation objectives



Collaboration with **schools**

# THE HISTORY OF ECOVERDE

ECOVERDE was established in **1985** as a result of the enthusiasm and inventiveness of Marco Frateschi and Paolo Lazzari: **two young business partners** with educational and training backgrounds in the chemical and paper industries.

From the very beginning, the focus on ecology, environmental protection, and **sustainable development** were embodied in the company's name: ECOVERDE.

Initially operating out of a single office, which served as an intermediary between the **customers' telephone orders** and direct deliveries made by a few **top-quality suppliers**, the company grew considerably in just a few years time, adding a storage warehouse for the **chemical products** that it markets.

Thanks to a number of important insights and **strategic choices**, such as the formulation of new products under its own brand name, ECOVERDE expanded by adding an **application laboratory** at its customers' service, and ultimately moved to its current headquarters, which is home to its offices and laboratory, and boasts **1,200 square metres** of covered warehouse space, as well as a **5,000 square metre** outdoor yard.

As a major player at the local and, later, national levels, the company has continuously expanded in the paper industry, facing all the challenges posed by **technological development trends**, and has even been a driver of innovation in some cases.

In 2003, the company embarked on the **process of obtaining** ISO 9001:2015 **certification** for its Quali-

ty Management System by demonstrating compliance with the rules and requirements needed to ensure efficient and effective business processes in relation to its customers.

In 2014, the company obtained **ISO 14001:2015** and **UNI ISO 45001:2018** certification for its Environment and Safety Management System. The company also later adopted a **Code of Ethics**, which it shared with its main stakeholders, suppliers, customers, employees and collaborators.

This demonstrates ECOVERDE's awareness of **environmental and safety issues**, which are increasingly playing a decisive role in the sector, and in partnership relations between companies in general.

In addition to the two founding partners, the organisation currently also employs **24 workers** in its technical service department, sales network, logistics department, warehouse, administration department, and laboratory. The family of entrepreneurs has since welcomed its **second generation** to the company, who have brought with them a **sense of management continuity** and a keen focus on the future.





# AWARDS



## ECOVADIS GOLD-MEDAL 2022

In August 2022, ECOVERDE was awarded a "Gold" rating by **Ecovadis**, a leading international agency which rates the **eco-sustainability** and social responsibility of companies.

It is an award that the company is proud of and which spurs it on to pursue further sustainability goals.



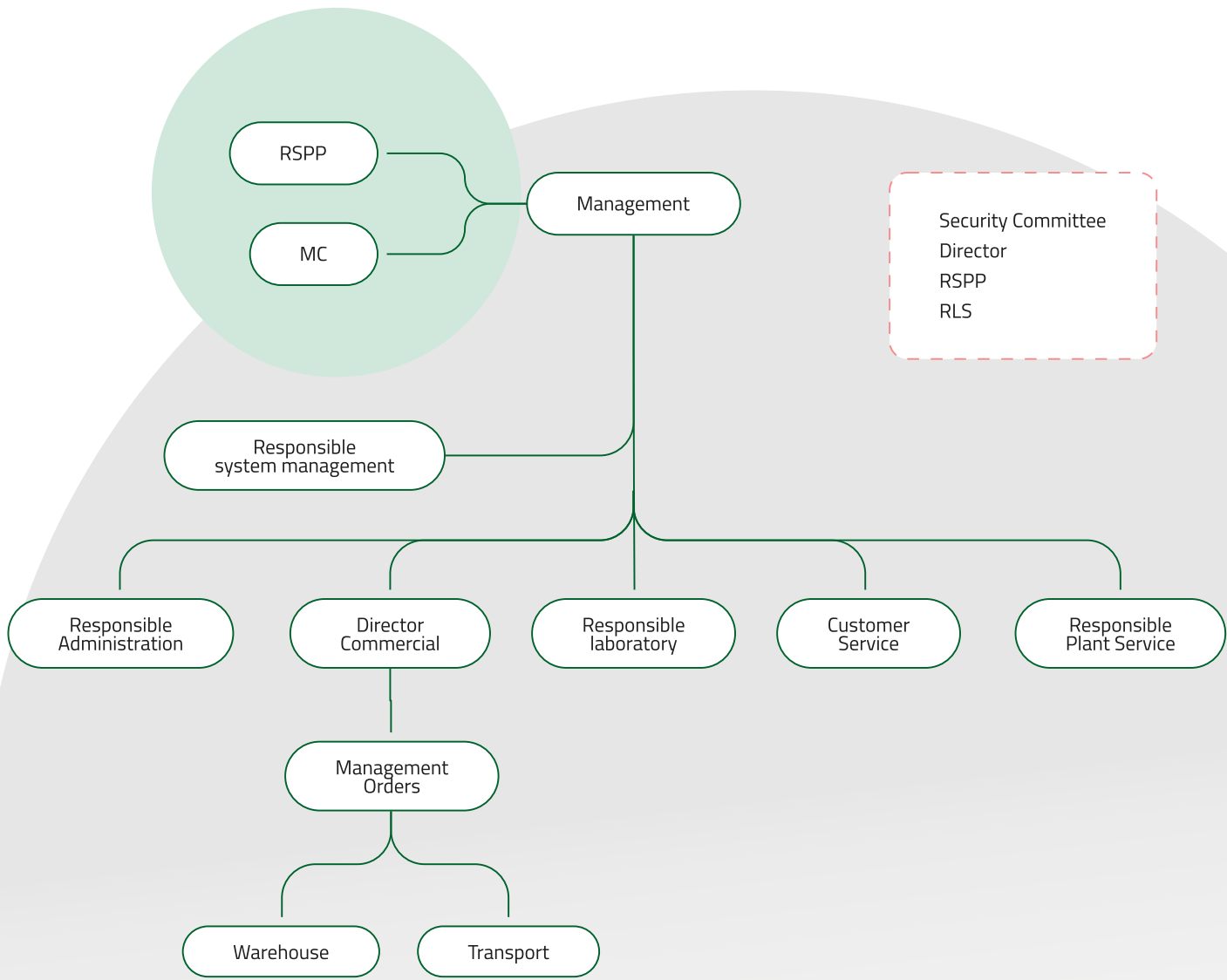
## LUBICA 2022 SUSTAINABILITY PRIZE

In 2022, ECOVERDE received an award **"for sustainability"** from **LUBICA**, a biennial event that brings together the art of paper with local history at LUCCA, home to the most important **centre of the paper industry** in Europe.

The values on which Lubica is founded - sustainability, tradition and innovation - are fully shared by ECOVERDE. This award was therefore an acknowledgement of the company's ongoing commitment to **achieving sustainable goals**.



# THE PEOPLE OF ECOVERDE



## THE IMPORTANCE OF PEOPLE

The centrality of people, supporting, **valuing** and developing them, are fundamental indicators of the company's worth, as they represent **key factors** for the creation of sustainable values over time. In fact, the company is fully aware of the important role that its **human capital** plays as a competitive factor in tackling and overcoming the challenges increasingly posed by the market.

The company's relations with its workers have always been based on loyalty, fairness, transparency, **mutual respect**, and a **strong spirit of collaboration**, which are essential for the proper development of the company's activities.

ECOVERDE has always endeavoured to ensure respect for and the health of its **employees**, in order to foster their growth in a calm and stimulating environment. It also protects them by providing them with all the necessary **personal protective equipment (PPE)** and other equipment and facilities to guarantee the expected business results in maximum safety.

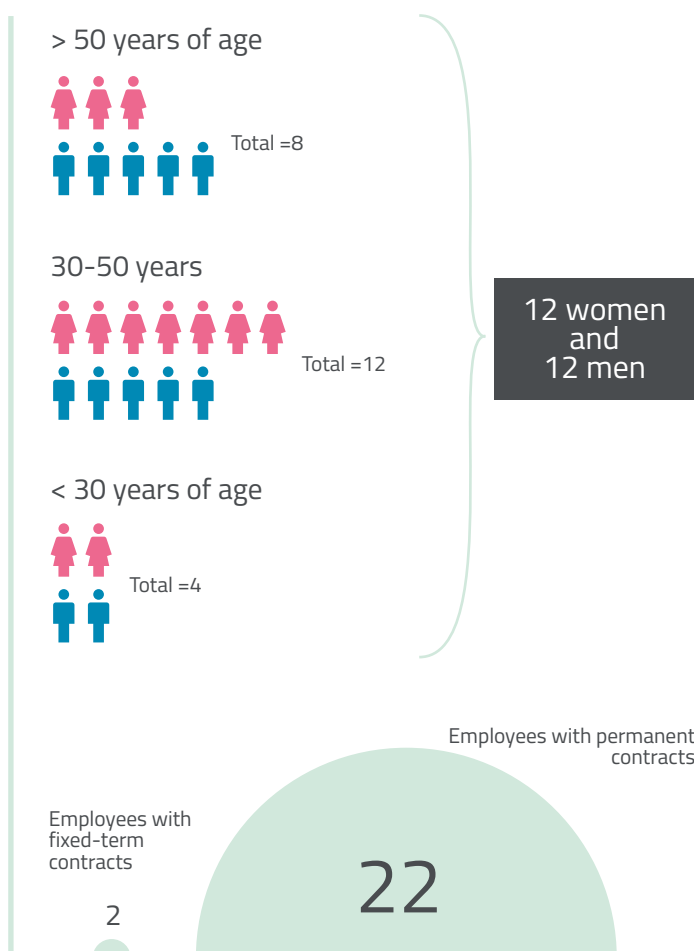
Consistent with its vision for the future, the company is strongly committed to continuous training and refresher courses for personnel, through **compulsory courses** (in **compliance** with Legislative Decree No. 81-08 and following) and optional courses and also by listening to ideas or requests from employees themselves.

As concerns interpersonal relations, Management is careful to ensure that no problems, friction or conflicts of any kind occur **between personnel**, and it takes the ut-

most care to ensure that no episodes of harassment or interference with the work of others occur.

### *Information on ECOVERDE employees*

As at 31/12/2022 ECOVERDE personnel consisted of 24 employees, **12 women and 12 men**, almost all of whom are employed on permanent contracts. The remainder are employed on fixed-term contracts. They are all also employed on a full-time basis.



## GEOGRAPHICAL AREA OF ORIGIN

Seventy five percent (18 out of 24) of ECOVERDE's employees reside in the province of Lucca, while the remaining 35% live in the provinces of Pisa (2), Verona (2) and Frosinone (2).

ECOVERDE's workers therefore live in areas close to their place of work, which limits **their consumption** of fuel for individual transport.

Those living in the **provinces of Verona** and **Frosinone** work in the provision of customer services in paper mills located in Northern and Central-Southern Italy respectively.

The number, age, and gender of personnel may be an incentive for **inclusion within the working group**, attracting potential **new qualified employees** who operate throughout the country.

This tendency is representative of the particular attention paid to the **recruitment process**, which is based on the ideals of inclusion that characterise a company with a broad vision of the future.

This enables ECOVERDE to make rational use of available talent and **manpower resources** in different areas.

The long length of service found for employees over 30 may be seen as an indication of **internal stability** at ECOVERDE and a high degree of **employee sati-**

**sfaction**, while the expansion of the under-30 workforce represents the possibilities offered by the company to new recruits, bringing fresh energy and innovative ideas.

## WELFARE AND PERSONAL DEVELOPMENT





Company welfare is a valuable tool for improving the working climate and the **well-being of employees**. It is able to retain talent and attract new talent, leveraging on significant benefits, not just financial, but also those which maintain a good work-life balance.

ECOVERDE has paid attention to the well-being of employees to ensure they are satisfied. A high **turnover rate** may be an indicator of uncertainty and dissatisfaction among employees and can lead to poor performance and reduced efficiency.

*Parental leave*

As required by the applicable legislation, ECOVERDE provides its employees with **parental leave**.

However, no requests were made for this in 2022 and therefore no employees needed to take parental leave.

*Smart working*

**Smart working** was introduced at ECOVERDE during the pandemic, to cope with the health emergency and limit the possibility of Covid 19 infection among workers. It proved to be an **excellent tool** for maintaining a good work-life balance.

The company therefore decided, once the state of emergency was over, to offer smart working as an option to all employees able to work remotely. This initiative not only makes it easier for employees to find a **good work-life balance**, but it also has an appreciable effect on reducing environmental impacts, because it reduces

motor vehicle pollution resulting from travel to and from work.

In 2022, seven employees took advantage of smart working.

*Vocational training and refresher courses for employees*

ECOVERDE aims to continually improve its **corporate culture** so that its personnel are kept constantly up to date on mandatory and voluntary **work-related regulations** through internal and external training activities, which are planned and reported on in a **three-year training plan**.

**Mentoring is provided** for new recruits and those changing job, to enable a worker to carry out their work completely **independently**, thereby fully meeting the requirements of their duties.

*Total hours on training courses by gender*

	Male	Female
Hours of training	157	132
Total hours	289	
Average hours of training	13,08	11,00

## Average hours of training per year per employee

Description of refresher course	Total hours
OHSM refresher course	17
Occupational Safety Representative refresher course	4
Workers' refresher course	36
Supervisor training course	24
Supervisor refresher course	30
First aid refresher course	16
Senior management refresher course	6
Forklift training course	12
General training for new recruits	8
Specialist training for new recruits	20
PPE training (not compulsory)	14
Cyber security refresher course	6
BLSD course (not compulsory)	70
Emergency course (Ministerial Decree of DM 2.9.21)	16
Colour quality course	10
<b>TOTAL</b>	<b>289</b>

## DIVERSITY AND EQUAL OPPORTUNITY

While there is no **category of diversity** within ECOVER-DE S.p.A. governing bodies, because the company has exceeded the threshold of 15 employees set by law, we have recruited a **protected category** individual in the 30-50 age group.

No episodes of discrimination were reported during the period in question, or rather during 2022.

### Presence of employees belonging to protected categories by age group

Age of group	Number of employees	Percentage in the age group
Under 30	0	0
30 - 50	1	8,33%
Over 50	0	0

### Equal opportunities

At ECOVERDE, **the number of men** is almost **equal** to the number of women, so there are no inequalities, with the exception of transport and warehouse workers, where it is difficult to find women interested in these roles.

### Anti-Discrimination Policy

ECOVERDE had already drawn up and adopted a CODE OF ETHICS in 2016 in accordance with the principles it has always applied.

No discriminatory episodes of any kind occurred at ECO-VERDE during the course of 2022.

The protection of workers against retaliation includes the implementation of policies and processes designed to provide this **protection against intimidation**, threats or actions that could negatively impact on their employment or position. These include dismissal, demotion, loss of pay, disciplinary action or any other unfavourable treatment.

Workers could be exposed to retaliation because they decided to distance themselves from work situations that they believe could cause work-related **injuries** or illnesses, or for reporting dangers or **dangerous situations** to workers' representatives, the employer or regulatory bodies.

## INTEGRATED MANAGEMENT SYSTEM (IMS)

The company has implemented and continues to operate an Integrated Management System (IMS), certified according to **ISO 9001**, **ISO 14001** and **ISO 45001** standards. It covers all personnel job descriptions, in the pursuit of continuous improvement, and Management is committed to involving workers and their **representatives in company decisions** through consultation and participation.

The improvement objectives relating to all three areas (Environment, Quality and Safety) are indicated in the relative plan, which is updated **annually** and **reported** on every six months, and they are shared with all company

the departments.

## OCCUPATIONAL HEALTH AND SAFETY

*Occupational health and safety management system, OHSM*

ECOVERDE has always been attentive and effective in preventing accidents and occupational diseases in compliance with regulations.

The persons responsible for **Health and Safety**, whether employees of the organisation or employed as consultants, are the Occupational **Health and Safety Manager** (OHSM), the internal Workers' Safety Representative (WSR) and the corporate physician.

The implementation of the management system obviously includes the annual drafting of an improvement plan. As ours is an **integrated system** (environment, quality and safety) this plan takes all three aspects into consideration. The plan is kept updated and reported on every six months

*Hazard identification, risk assessment and incident investigation*

**The Risk Assessment Document** (RAD) is drafted in accordance with Legislative Decree No. 81/08, and is updated whenever new risks or critical issues are identified.

Assessment documents for specific risks such as **stress**, **lightning**, **vibration** and **noise** are updated periodically,

as required by law, unless there are changes in activities that may lead to new risks, which must then be analysed. Our management system, which is voluntary, involves **recording accidents**, incidents and **near misses**, analysing their causes, drawing up corrective measures and analysing their effectiveness. This is all carried out by following a carefully regulated and **time-tested procedure**.

All business processes were examined for hazard identification and risk assessment.

### *Occupational health services*

The health surveillance needs were determined by the corporate physician based on the risk analysis conducted by job description. The specific **checkup requirements** are as follows:

- **annually**, for customer service, transport, warehouse, and laboratory personnel;
- **every five years** for office staff under the age of 50, at risk of DVT;
- **every two years** for office staff over the age of 50, at risk of DVT;
- **at the time of hiring** (pre-employment visits);
- **upon termination** of employment.

The periodic health surveillance visits are performed at the ECOVERDE headquarters, while visits performed

away from the headquarters (specifically the pre-employment visits, termination visits, or visits for readmission after a period of absence due to illness exceeding 60 days) take place at the **corporate physician's office**. **Screenings** (blood and urine analyses required for certain duties, such as transport workers, personnel engaged in work at heights, etc.) are performed at an external laboratory.

Finally, **alcohol screening** for transport workers is also performed every two years. Annual inspections are carried out within the work environments.

### *Worker training and information on workplace health and safety*

**Training** on workplace health and safety is regularly provided to all the workers based on the duties they perform, as required by Italian Legislative Decree No. 81/08 and by the State Regions agreements of 2011, 2012 and 2016.

### *REACH and CLP compliant safety data sheets*

**The technical documentation** of all products marketed by ECOVERDE, whether internally manufactured or marketed on an exclusive basis, complies with the **REACH** and **CLP** regulations.

The **Safety Data Sheets**, which kept constantly up to date, are available on ECOVERDE's Infinity management system portal, which customers can access using their credentials; This ensures that all downstream users are guaranteed the ability to access up-to-date information

regarding the hazards associated with the products sold.

Since they are present on the infinity **management software**, the safety data sheets for both **products sold** and **raw materials** can be accessed and consulted by all ECOVERDE staff.

**Additional information** on the presence of substances of very high concern (SVHC), volatile organic compounds and heavy metals in products, is also regularly requested from **our suppliers**, and is sent to our customers.

### *Workplace accidents*

No workplace accidents were reported in 2022.

### *Management of the Covid-19 pandemic*

The Covid 19 pandemic came to an end in 2022.

In any event, ECOVERDE continued to keep the **health protocol** in place to safeguard its personnel and vulnerable workers especially.

## **LOCAL COMMUNITIES**

### *Community involvement Environmental impact Assessments*

### *Activities with negative impacts*

No complaints were received from the local community and consequently it is considered that there were no **negative or significant impacts**.





# OUR PRODUCTS AND SERVICES

ECOVERDE operates throughout the **country supplying chemical products** and **technical assistance** to paper mills and paper converting companies.

Its main activity is commercial and consists of the purchase and subsequent distribution of chemical auxiliaries for the entire paper **production process**, including **water purification processes**. The products are, for the most part, sold under the brand name of the suppliers with which ECOVERDE has a marketing contract, while some are re-branded.

This core business is flanked by in-house **R&D** and the internal manufacture of products, again of course for the **paper industry**. Thanks to the constant work of its laboratory staff, ECOVERDE is able to supply products tailored to the needs of its customers. Flexibility and innovation are in fact two of the Company's distinguishing features.

In detail, internally manufactured products fall into two distinct categories:

- **fabric softeners** for tissue paper, supplied to paper mills
- **coagulants** for the treatment of paper mill process water and water purification.

The production process consists of processing raw materials through a **mixing system** at atmospheric pressure, actually conceived of and designed at ECOVERDE to reduce chemical spills to zero.

For some products, one **raw material is demineralised water**, which is currently pre-heated by a natural gas-fired boiler. A hybrid system, consisting of a condensing boiler and heat pump, is being studied to optimise energy and gas consumption.

ECOVERDE uses **appliances** and **equipment** that comply with current safety regulations (Legislative Decree No.81/08 and the Machinery Directive).

**Raw materials** and **finished products** are subjected to rigorous quality controls in the laboratory, in accordance with **ISO 9001:2015**.

Finished products are therefore only defined as ready for delivery, which is performed by road vehicles, once they have passed quality control.

ECOVERDE makes use of a **tanker vehicle**, on which the bulk products are loaded, and trucks, on which packaged products are transported. For deliveries to facilities located outside the region, ECOVERDE uses "pass-through" orders.



# PRODUCT LINES SOLD

## PRODUCTS FOR PAPER MILLS



### RETENTION AND DRAINAGE

A comprehensive range of products for **retention** and **drainage**. It includes macroparticle treatments to improve paper formation and drying. ECOVERDE guides customers in their choice of the most suitable treatment by using **dynamic laboratory tests**.



### WATER TREATMENT

Our product portfolio includes **coagulants, flocculants, sludge dewatering polymers, antifoam products and nutrients**. ECOVERDE also uses laboratory analyses and tests to provide technical assistance at every stage of water, sludge and biological plant management, to help customers comply with current environmental regulations.



### BIOCIDES

A series of organic biocides and **oxidising** and **weakly oxidising treatments** to prevent the formation of deposits and dirt of biological origin.



### CONTAMINATION CONTROL

A range of products designed to control and treat **contaminants in paper making cycles**. Furthermore, specific tests are used to identify the origins of a contaminant (organic, inorganic, hydrophilic, lipophilic etc.) and then intervene with the appropriate product.



### DYES

A range of **high quality dyes**, suitable for all types of production, both **basic** and **direct** (anionic and cationic), **liquid and powder**. With ECOVERDE, the best dye can be identified on the basis of your production needs.



### ANTI-FOAM

A comprehensive portfolio of chemical products to solve **foam problems** in paper mills.



### MACHINERY AND CLOTHING

ECOVERDE also has plant and machinery such as **screw and double canvas presses**, thickeners and rollers for sheet improvement. It also supplies high-quality **belts** and **transferbelts** for use in shoe presses for forming and transporting paper sheets.



### *YANKEE COATING*

A range of protectors, modifiers and release agents for monolucid treatment to provide proper chemical and mechanical protection of **Yankee cylinders**.



### *RESISTENZA A SECCO E UMIDO*

A full range of **additives** for wet and dry strength, such as starches, CMCs, **cationic** and **anionic resins**, polyvinylamides and enzymes.





# PRODUCT LINES SOLD

## CONVERTING PRODUCTS



### FLEXO INKS

A wide range of **inks** that conform to the **EN 646 standard** which include four basic colours and all the other shades of the **Pantone scale**, to meet customer requirements.



### GLUE INKS

A line of concentrated inks to add to lamination glues for **embossing-glue printing** and a specific type of ink to be added to water, used in combination with an additive, for "water-bond" printing. These all consist of organic pigments only, the use of which is permitted on paper used to **package food**.



### GLUES

A range of glues for the various **production stages** of tissue products: pick-up glues, tissue lamination glues (white and coloured) and tail tie adhesives. Indirect contact with food is permitted for all the ingredients and they are fully soluble in water. This allows paper **converting waste** to be reused in paper mills.



### LUBRICANTS

A range of water-based products, **100% biodegradable**, designed for the lubrication and cleaning of embossing and marring rolls. These products are **approved for contact with food** and are an effective, eco-friendly formulation when compared to traditional mineral oil.



### SOFTENERS AND LOTIONS

A range of softening products, suitable for roller, spray and Weko application, to give the end product softness and increased bulk. They can be **customised on request** by customers by adding lotions and/or fragrances, which make their formulation unique.

# PRODUCTS SOLD

Types of product	kg	€
Chemicals necessary for the paper production process	1.405.130	1.721.475,47
Auxiliary chemicals for the paper production process	4.340.754,0	12.014.411,23
Paper converting products	717.888,5	1.919.114,81
Water treatment products	5.557.142	2.596.276,25

Types of Ecoverde-branded products	kg
Softener products for paper converting	156.205
Coagulant products for paper mills	628.100
ECOVERDE branded-products (including products not processed)	4.848.205



# THE LABORATORY



ECOVERDE carries out the following activities in its laboratory:

- **quality control tests** on raw materials and finished products, based on the agreed technical specifications and in accordance with internal methods and procedures
- **simulation tests**, using special equipment to recreate the operating conditions of the paper mill in order to identify the optimum product and dosage
- **routine analysis** of water and mixture samples taken from production plants
- **by customer service personnel** to provide customers with useful after-sales assistance to check that the treatment provided is still the best, both in terms of dosage and product type
- **research and development** of new products to meet customer requirements.

Marketed products (not manufactured in-house and not re-branded) are not subject to **quality control** by ECOVERDE. However, any disputes with the customer are handled in accordance with **ISO 9001:2015**.



# RAW MATERIALS

## *Materials used by weight or volume*

ECOVERDE purchases most of its raw materials from suppliers who have been assessed according to the provisions of **ISO 9001:2015**, who are therefore **considered consolidated and reliable partners**. Raw materials are mainly purchased from Italian suppliers

Types of product	Purchased (kg)	Started in production (kg)
Coagulants	4.648.360	572.572
Softeners	46.250	53.588
Totale	4.694.600	626.160

## *Logistics*

One key factor for a company is the **speed** with which it **delivers** its products to its end customers.

This is why ECOVERDE has a tried and **tested chain of shipping** and delivery processes. It starts with highly efficient handling of orders right through to product delivery, whether it uses its own fleet of vehicles, with the means of **transport selected appropriately** according to the nature of the product to be delivered to the end customer or whether it uses reputable freight companies or "pass-through" orders for shipments outside the region.

ECOVERDE's shipping capacity is therefore a **guarantee**, both domestically and **abroad**.

## *Packaging materials purchased in 2022*

Type of product	Number of items
120 kg wide-mouth drums	36
200 kg wide-mouth open-top drums	8
IBC 1,000 kg approved steel pallet without decking	166
New approved 30 lt wide-mouth drums	60
IBC 1,000 kg approved wooden pallet	104
Small fully remanufactured 640 lt tank	4
Plugs for IBC bottom valves	400

## *Sales network and technical support*

ECOVERDE has always invested in technical support, implementing laboratory analysis services and technical skills in the field. The continuous **technical updating** of the company's staff and its flexibility of intervention, in terms of both analysis and plant engineering, go well beyond the mere sale of the **specific chemical products** themselves.

Targeted skills in the various fields of **paper application**, combined with the thorough **study of waste water** treatment, have made the company a reference point for solving the daily problems that arise for those who work in the **paper industry**.

# OUR SUPPLIERS

Our purchases consist mainly of raw materials, finished products that we market, **equipment** and **spare parts**, **packaging** and, in **second place**, **consulting services** and **plant maintenance**.

We select suppliers with an initial qualification and subsequently their performance is **monitored continuously** by the member of staff responsible in the company.

At present supplier qualification involves acquiring information which includes **environmental**, **safety** (e.g. possession of certifications) and **sustainability criteria** (e.g. possession of a sustainability report). We share our corporate policy and **Code of Ethics** with all our suppliers and make an explicit request that they share our values.

ECOVERDE's Code of Ethics, which can be read in full at [www.ecoverde.com](http://www.ecoverde.com), requires the company to ensure compliance with certain regulations that govern the management of relations with suppliers and **contractors**. More precisely:

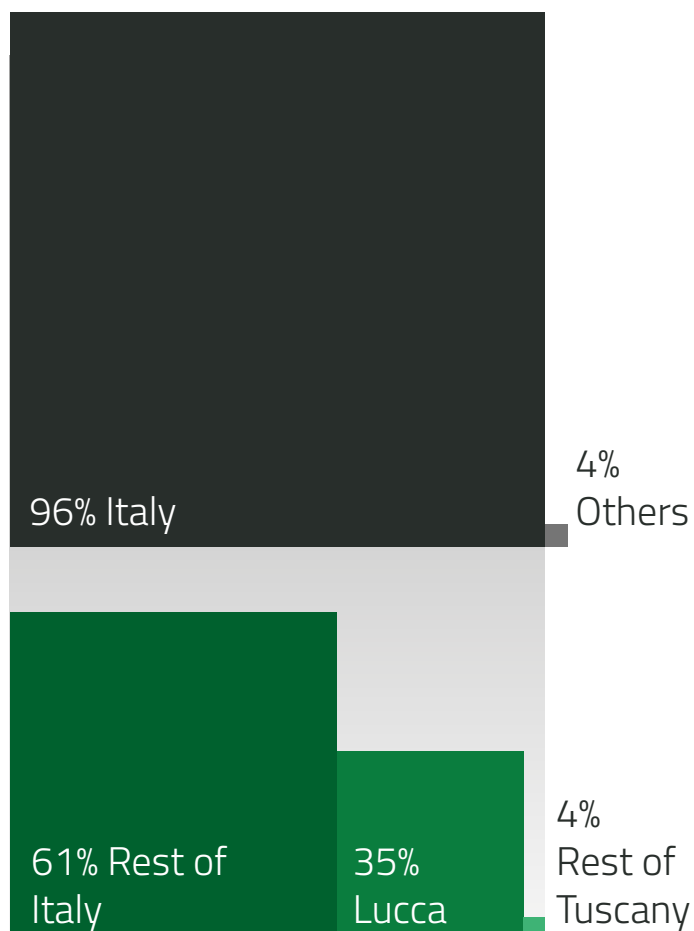
- no company, which meets the requirements, must be precluded from competing for a part of the works or supplies;
- **suppliers and contractors** must be selected by assessing their bids on the basis of quality and cost-effectiveness criteria, assessment of their technical and professional suitability, their respect for the environment and their social commitment to safety regulations;

- **business transactions** must be conducted in a transparent and proper manner.

## WHERE OUR SUPPLIERS ARE LOCATED

ECOVERDE used a total of **368 suppliers in 2022**, most of them Italian, while only 15 were based abroad in Germany and the Netherlands.

Approximately 33% of our Italian suppliers are located in



the **province of Lucca**.

Where the market allows, ECOVERDE gives priority to local suppliers thereby **reducing transport** and favouring companies in the local community of which it forms part.

## TYPES OF SUPPLIERS

ECOVERDE has a variety of different types of suppliers, even though decidedly the most prevalent, due to the nature of the **company's work**, which accounts for the lion share of supplier invoices, is that relating to the purchase of goods and machinery (chemical products in particular), which accounts for more than nine-tenths (93.4%) of the company's expenditure.

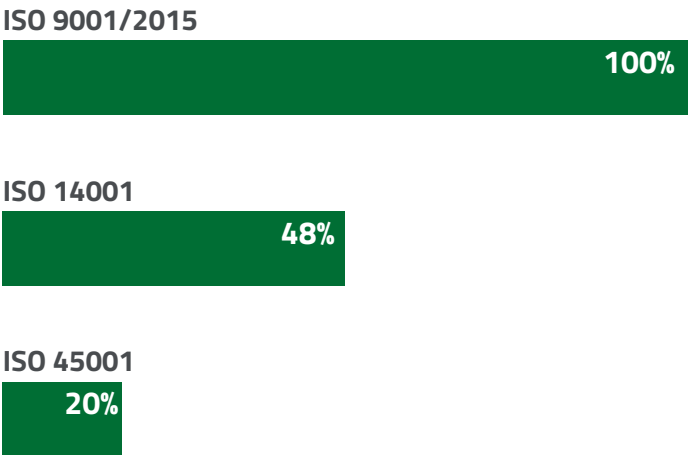
Type	Percentage of expenditure
Goods and machinery	93,43%
Plant and equipment maintenance	1,74%
Transport	0,67%
Technical and software support	0,22%
Vehicle leasing and fuel	0,68%
Other services	3,26%

## ISO CERTIFIED SUPPLIERS

Preference has been given to **suppliers** that have demonstrated full awareness of the importance of quality and the environment by acquiring **ISO certification**.

## CHEMICAL PRODUCTS

Percentage of suppliers with certification



*Plant and part of plant*

**Percentage of suppliers with certification**

**ISO 9001/2015**



**ISO 14001**



**ISO 45001**



*Laboratory material*

**Percentage of suppliers with certification**

**ISO 9001/2015**



**ISO 14001**



**ISO 45001**







# OUR AWARENESS OF THE ENVIRONMENT



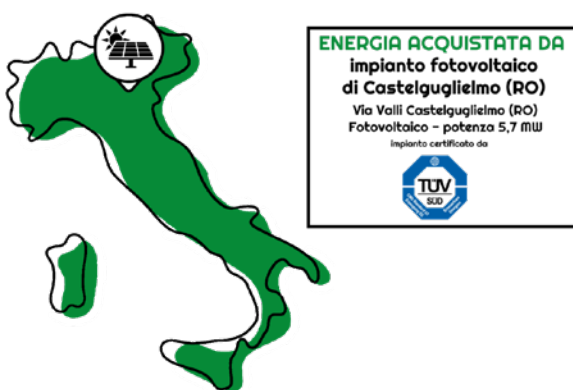
ECOVERDE pays and has always paid the utmost attention to the **protection of the environment**, which is everyone's heritage and, as such, must be respected and protected. In particular, it has always endeavoured to minimise the **risk of pollution** from the chemicals it markets by carefully monitoring them both during **storage and handling**.

The company has its own **ISO 14001:2015** certified Environmental Management System.

# ENERGY

For companies, the ability to reduce electrical power consumption has both **environmental** and **economic** value. ECOVERDE is strongly committed to this cause, and is highly focused on **gradually improving** its energy **efficiency levels**. The company also generates a large portion of the energy needed for its own processes through its in-house renewable energy systems. In fact, the company has a **solar power system** installed on a portion of its roof, consisting of 178 modules of 285 Wp. The plant has a peak power of 50.73 KWp, and a nominal power rating of 45 KW.

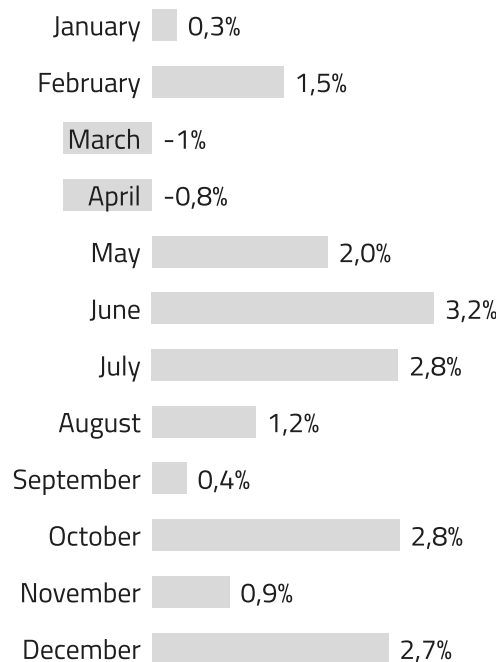
We also underlined that ECOVERDE purchases its energy from **Repower Vendita Italia** which is green energy generated by a 5.7 MW **photovoltaic plant and Castलगuglielmo** (Rovigo) as shown by its TUV Certificate No. 3681663.



The great efforts made by the company to **reduce its energy consumption** enabled it to cope with the greater use of air conditioning during the hot summer of 2022, as it contained its rise in energy consumption to 2.19 MWh.

In fact according to the **processing by the LaMMA Consortium**, the **National Research Council** and the Region of Tuscany of data from the Regional Hydrological Service and the Air Force, the **record temperatures reached** in 2021 were surpassed by those reached in 2022.

## Monthly average temperature anomalies for the Tuscany region in 2022 (°C)



Average 2021

**+0,2%**

compared to the period  
1991/1992

Average 2022

**+1,3%** !

compared to the period  
1991/1992





Placed in the context of the climate scenario described by records over recent decades these meteorological data show the urgent need to succeed in **decarbonising consumption** in all sectors.

As seen from the chart, in the case of **Tuscany** in particular, the weather conditions recorded led to greater use of air-conditioning in summer to **ensure adequate comfort for workers** and resulted in a slight increase in electricity consumption.

The modernisation of the warehouse lighting system by replacing the existing system with **LED lighting** and replacing the air-conditioning system used in offices with a higher-performance model equipped with an **inverter**, made it possible to contain the increase in energy consumption, which would otherwise have been much greater.

In 2021:

- **Total production:** 63.03 MWh
- **Own consumption:** 37.91 MWh

- **Energy fed into the grid:** 25.12 MWh

In 2022:

- **Total production:** 61.70 MWh
- **Own consumption:** 38.94 MWh
- **Energy fed into the grid:** 22.77 MWh

Electricity consumption provided by the photovoltaic system covered about 48% of the total in both years.

The comparison of methane gas consumption shows a clear reduction in 2022 compared with 2021, as follows:

- **Gas consumption in 2021:** 8,985 Sm<sup>3</sup>
- **Gas consumption in 2022:** 8,572 Sm<sup>3</sup>

This reduction prevented the emission of almost 1 ton of CO<sub>2</sub> into the atmosphere.

This situation shows that even though electricity consumption may increase, the presence of a large photovol-





taic system results in a smaller increase in the input of electricity from the grid.

The increase in electricity consumption was also reduced as a result of **targeted energy efficiency measures** on electrical and thermal plants.

ECOVERDE did in fact modernise the lighting system in its warehouse, by replacing the existing system with **LED lighting** to achieve substantial savings in power consumption.

Finally mention should be made of the replacement of the **air-conditioning system** used in offices. The existing chiller was replaced with a **higher-performance** model fitted with an inverter, which reduced power consumption as a result of more intelligent management of the equipment of which the **refrigeration system** is composed.

**48%** of electricity  
consumption is own  
consumption of power  
generated by the  
photovoltaic system

**100%**  
of energy purchased  
comes from renewable  
sources

**– 413 Sm<sup>3</sup>**  
consumption of natural gas  
in the last year

# WATER

ECOVERDE draws its water from two sources of supply:

- a well used for the **fire-fighting system**, demineralisation plant and the plant and equipment washing systems
- the aqueduct for **water for domestic and laboratory use**.

Each year ECOVERDE informs the Municipality, the Region, Acque S.P.A. and the operator Aquapur of the readings for **consumption** withdrawn, showing the water withdrawn and discharged in the previous year, and a few indicative values of parameters **considered significant for water quality**.

The data regarding the water withdrawn and discharged are shown below.

## WATER WITHDRAWN IN 2022

Source of supply	Quantity (cm)
Well (File no. 4943)	1.187
Aqueduct	554

## WATER DISCHARGED 2022

Receptor water body	Quantity (cm)
Into the sewer	1.275

The qualitative and **quantitative chemical characteristics** of the effluent were compliant with the limit values set by the current legislation.

The difference between the **water withdrawn** and discharged is the result of the water being used for the production of chemical products.

## ECOVERDE WATER DISCHARGES

### *Industrial discharges*

The main plant's industrial water discharges come from the following:

- **the water demineralisation** plant's discharges,
- **discharges from the packaging** washing grid inside the warehouse,
- **discharges from the washing** grid inside the laboratory.

These discharges are conveyed via **public sewer** to the **"Aquapur"** consortium treatment plant.

ECOVERDE has obtained **Unified Environmental Authorisation ((AUA) Prot. no. 18604 of 7/10/16)**, which contains the requirements for the authorisation permit relating to the water discharges.

ECOVERDE ensures compliance with the limits, since Aquapur itself **conducts periodic** analyses at the ECOVERDE plant's internal discharge sampling point.

The implementation of its **Integrated Management System (IMS)** led ECOVERDE to conduct monthly moni-

toring, by means of analyses carried out in its in-house laboratory, of parameters considered important with regard to its activity, to ensure monitoring and **compliance with legal limits**.

The analyses are carried out on the following parameters: **pH, T, salinity, COD, and MST**, and no anomalies have ever been encountered to date. In addition ECO-VERDE appoints an external accredited laboratory each year to check these parameters and others to complete the tests, namely **BOD5, total phosphorus, and anionic and non-ionic surfactants**.

The annual check is carried out by Bluechemicals Laboratory on anionic surfactants, non-ionic surfactants, total phosphorus and BOD5.

### *Civil discharges*

The civil discharges, which come from the wash basins and toilets in the main plant and the external warehouse, are conveyed to the public **sewer system** separately from the industrial discharges.

ECOVERDE intends to reduce the use of drinking water in washrooms to the indispensable with the adoption, where not already present, of **dual flush cisterns**, to generate considerable water savings.

Large flush of **16 litres**

Small flush of **3-4 litres**

In future a **system for recovering** and utilising rainwater for washroom drains may be studied.



# WASTE

A summary table is given below of **hazardous and non-hazardous waste** produced by ECOVERDE in 2022. No waste is imported, exported, or treated.

Waste generated in 2022	Total (kg)
Hazardous Waste	3.068
Non-Hazardous Waste	13.907
Total waste H+NH	16.975

ECOVERDE has established an **operational procedure** for waste management, which specifically determines the ways in which the company **identifies, collects** and **disposes** of the waste generated by its activities.

With regard to the transport and disposal of waste nearing the temporary storage term limit of **3 months**, the **System Manager (SM)** contacts the appropriate specialised company for the transport and disposal of the waste, choosing from among those indicated in **MOD A 4.4.6-1**. These companies have been previously qualified by the SM by checking the validity of the **relevant transport and disposal/recovery authorisations**, with reference to the specific CER codes in question.

When the transporter enters the plant to load the waste material, the SM or SD verifies that the vehicle plate is listed on the **transporter's permit**. The transporter is only authorised to load the waste onto the vehicle after this check has been performed. All transporter vehicle

loading operations are assisted by the WM, whose operators and vehicles take care of the waste handling activities.

ECOVERDE transfers the waste materials to the waste disposal companies, and does not transport waste itself.

ECOVERDE's main **waste disposal** and transport company is Hasi S.R.L. (Herambiente Servizi Industriali S.R.L.)

The table below shows the **waste** that has been sent for disposal.

The transport was always carried out using authorised companies

Waste disposal in 2022	Total (kg)
Hazardous Waste	3.329
Non-Hazardous Waste	22.652
Total waste disposed of H+HN	25.981

In detail, ECOVERDE types of waste, identified by their respective **EC codes**, are:

1. **150110** and **150106**: Packaging that has contained chemicals, both hazardous and non-hazardous, to be disposed of because no longer compliant (IBC



expiry date according to ADR regulations, damaged)

2. **161002**: water from washing the warehouse floors and the exteriors of IBCs
3. **160509, 160508** samples of internally manufactured products, kept for further quality control in case of disputes with the customer and non-conforming products
4. **080313** ink samples stored at the laboratory, in case of disputes with customers. A larger quantity was disposed of this year than in previous years due to an accidental spillage of an IBC caught incorrectly by the forks of a forklift truck
5. **160606\*** HACH Lange used cuvettes for the determination of water characterisation parameters
6. **081111**: one-off disposal of several cans of paint for painting offices
7. **160214, 170405**: parts of dosing systems to be disposed of
8. **170203**: plastics

9. **150103**: pallets

10. **180103**: culture media for the determination of bacterial counts on water and product samples

ECOVERDE is careful to ensure that no discrepancies occur between the material delivered and the material disposed of.

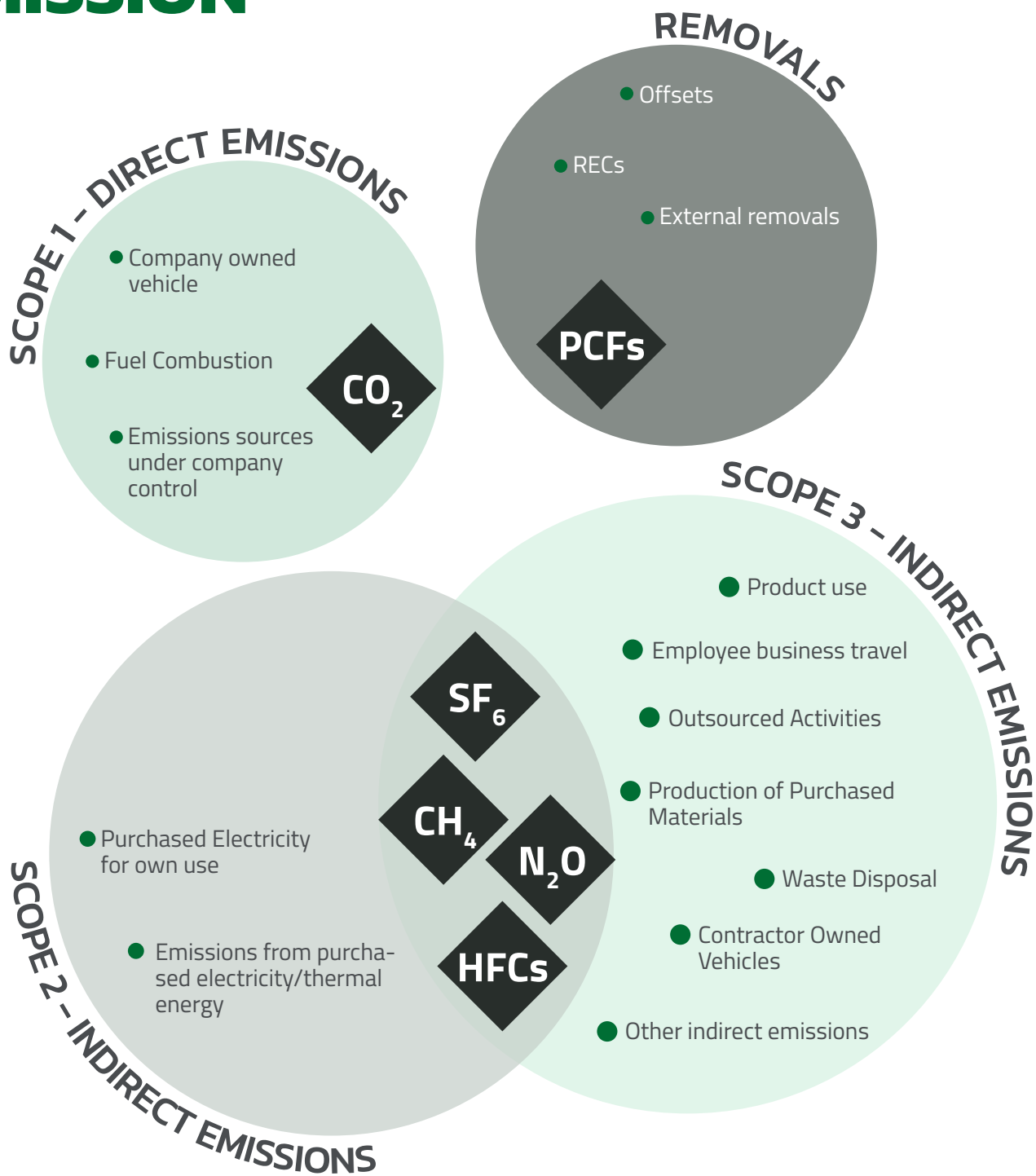
Waste costs in 2022	Total (€)
Special waste costs	13.199,00
Municipal waste costs	16.394,74
Total waste costs	19.593,74
Ratio of total waste costs to turnover = 0.1%	

Waste classified as **municipal waste** is already sorted in the company in the appropriate containers according to type (paper, plastic, glass, unsorted).

ECOVERDE constantly strives to ensure that **good practices** are followed by all personnel.



# EMISSION



ECOVERDE has **insignificant emissions** from its boiler and laboratory activities (fume hoods, muffle and acid/base cabinet).

ECOVERDE also has **vehicles** (delivery trucks and company cars for employees).The fuel for both trucks and cars is diesel.

Only some employees have a **company car**: those with customer service functions, the management secretariat, the administrative manager and the management system manager/ WSR.

ECOVERDE’s ongoing commitment to its environmental and **sustainability objectives** has led the company to draw up its second **greenhouse gas emissions (GHG)**



**inventory report**, in accordance with the **UNI EN ISO 14064-1:2019** standard. The analysis was conducted based on the 2022 data, and the areas of study, deemed useful for delineating the boundaries of the carbon footprint, were the offices, the customer service department, the production department, the warehouses, and the laboratory. The categories examined are listed below:

1. **Direct GHG emissions** (Scope 1): these consist of all the emissions generated by a source owned by the organisation;
2. **Indirect GHG emissions from withdrawn energy** (Scope 2): all GHG emissions from the generation of electricity, steam, heat or cooling that the organisation purchases and uses. The user is therefore indirectly responsible for the emissions generated by the supplier for the production of the energy required;
3. **Significant indirect emissions** (Scope 3): all indirect emissions not included under Scope 2 that occur within the organisation's value chain, including both upstream and downstream emissions.

In particular, the Greenhouse Gases (GHG) identified by the **UNI EN ISO 14064-1** standard are the same as those contained in the **Kyoto protocol**: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), and hexafluoride (SF<sub>6</sub>).

From the moment an organisation **voluntarily decides** to report its emissions, it is obliged to quantify those at-

tributable to Scope 1 and Scope 2, while those attributable to Scope 3 remain optional. These three scopes represent the operational boundaries of the organisation.

When **compiling a greenhouse gas inventory**, it is essential to set a base year as an initial benchmark, which can then be used, over time, to compare emission inventories that will be carried out in subsequent years.

A calculation approach must also be chosen. The most common involves the application of appropriate emission factors, even though these may also be calculated on a stoichiometric basis or on the **basis of a mass balance**.

In order to quantify the **significant emission sources**, the study examined the main reference quantities, represented by natural gas, electricity, and the vehicle fleet owned by the company.

To date, ECOVERDE already partially offsets its carbon footprint by using a photovoltaic system installed on its roof which recorded the following in 2022:

- **Total production:** 61.70 MWh
- **Own consumption:** 38.94 MWh
- **Energy fed into the grid:** 22.77 MWh

In addition to having chosen to **adopt renewable energy sources**, the organisation's constant commitment to environmental protection is also evidenced by its Scope 2 indirect emissions, which were zero, as the company

declared that it had purchased 41,678 kWh of clean electricity, named **"Green Inside"**.

In summary::

The company's vehicle fleet was also examined for the purpose of determining direct emissions from transport. These vehicles, which are owned by the company (cars, vans, trucks for transporting goods, etc.), travelled a total of 661,877 km in 2022.

The table on the following page shows quantities of Scope 1 direct emission categories and Scope 3 indirect emissions, by type of greenhouse gas. *(see Tab.01 on the following page).*

The quantifications of the remaining indirect categories similar to Scope 3, on the other hand, are shown in the following page *(see Tab.02).*

The chart on the following page shows all the emission categories as a percentage.



**103,37 tCO2e**  
Direct emissions  
(Scope 1)

**0,0 tCO2e**  
Indirect emissions  
(Scope 2)

**6,05 tCO2e**  
Indirect emissions from  
purchased energy (Scope 2)

**31.293 tCO2e**  
Other indirect emissions  
(Scope 3)

Tab.01

Emissive or removal categories	Scope	tCO2 (excluding biogenic CO2)	CH4 [tCO2]	N2O [tCO2]	HFC [tCO2]	Total emissions [tCO2]	Uncertainty [%]
Fixed combustion	1	16,05	0,01	0	0	16,60	6
Mobile combustion	1	86,68	0,09	0	0	86,77	26
Total direct emissions	1	103,27	0,10	0	0	103,37	
Related energy	2	0	0	0	0	6,05	
Partial indirect emissions	2					6,05	

Tab.02

Emissive or removal categories	Scope	tCO2 (excluding biogenic CO2)	CH4 [tCO2]	N2O [tCO2]	HFC [tCO2]	Total emissions [tCO2]
Products purchased	3	<p><b>Note:</b></p> <p>Given the nature of the emission categories, or rather where the emission sources are mixed, it is not possible to indicate the specific emissions for each type of greenhouse gas covered by the study</p>				14.263
Capital goods	3					35,6
Waste generated	3					12,79
Upstream transport	3					59,52
Business travel	3					0
Leased assets	3					17,6
Investments	3					0
Customer transport	3					0
Downstream transport	3					22,63
Product phase of use	3					15.495
Product end of life	3					1.294
Permits granted	3					0
Leased assets	3					79,3
Employee transport	3					13,86
Other indirect emissions	3					0

### 2022 share by category

#### Purchased products

46%

#### Product use phase

49%

#### End of product life

4%

#### Other categories

1%

The results show that the products purchased, product phase of use, and product end of life categories had the most considerable impact. Lastly, the 1% refers to the remaining categories.

As can be appreciated from the **GHG Protocol categorisation**, the company is witnessing the results of its careful electricity management policy, which has enabled it to eliminate its Scope 2 emissions.

The **indirect emission categories** of greatest impact are already being carefully analysed by ECOVERDE, which is determining how they can be counteracted by in-depth analysis of its **Carbon Management Plan**, which will provide insights into emissions for the implementation of strategic actions to raise awareness among all the **organisation's stakeholders**, in keeping with ECOVERDE's constant and admirable commitment.

In addition, the laboratory has an extraction and capture system for its **chemical hoods** that prevent vapours and possible fumes from being released into the outside environment, thereby reducing possible **hazardous emissions**





# SOCIETY, EDUCATION AND SPORTS



## COMMUNITY AWARENESS

ECOVERDE's community awareness is primarily expressed through its support for local high schools. The company's two owners, **Marco Frateschi** and **Paolo Lazzari**, have always had the training and education of the younger generations at heart.

In fact, ECOVERDE collaborates with several schools in its area. In particular, the company has supported: the Liceo Scientifico Antonio Vallisneri, of Lucca, with school-work alternation, now known as **PCTO** courses; the unit formed by the **Liceo Scientifico Ettore Majorana** and the **Istituto Tecnico e Tecnologico (ITET)** Arrigo Benedetti of Porcari with PCTO; specific training activities for the use of the electron microscope; an educational visit, guided by Paolo Lazzari, to the **Mosaico Tolmezzo** and **Sofidel Monfalcone** paper mills. This educational activity was facilitated by the relationship that ECOVERDE has with the two papermaking groups, both of which are its customers.

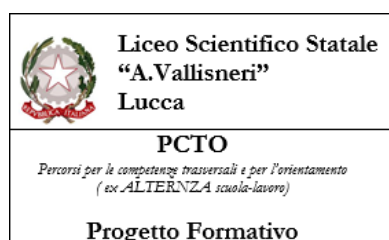
A particularly interesting partnership has been forged with the **Arrigo Benedetti** Institute as Paolo Lazzari works as a laboratory technical teacher in a number of classes for students on **"Chemistry, materials and biotechnology for the paper industry" courses**. This important link between the world of education and the world of work brings benefits both to the students, who have the opportunity to follow a **course of study relevant** to what they will be asked to do once they graduate, and to the companies in the area, which will be able to draw from a pool of skilled young people who meet their requirements.

ECOVERDE also makes a contribution on the social front through **donations** in support of charitable carrying out activities for amateur **sports associations**.

In particular, donations have been made to the Gruppo **Alpi Apuane running club**, to **Basketball Lucca** (which participates in the C Gold championship), and to various **local football clubs**.

Beneficiaries of other donations included the civil protection and more specifically **forest firefighting units**, the Green Cross of Ponte a Moriano, a local group of **amateur radio operators** and Lucca Bimbi, a local event dedicated to children and families. Various donations have also been made to Unicef over the years, as well as to **Dynamo Camp** in 2021. Finally, the company also promotes cancer research, and has supported the **AIRC** for several years.

### High schools involved



### Donations and Sponsorships 2022

Other initiatives to which donations were made included the **Airc**, **Dynamo Camp**, the **Forest firefighting** monitoring unit, the **Radio Club Valpac**, to ensure that radio communications are available in emergencies and the Association Pro-loco Boveglio, a non-profit organisation that organises sports events.

ECOVERDE also **sponsored** the following:

- G.P. Alpi Apuane
- BASKETBALL LUCCA
- LUBICA
- Tecniche nuove (paper industry)
- CIVAS (road signs and signage)
- ASD Folgor Marlia
- Amici della Pallacanestro (LU)
- A.C. Diecimo



# ECONOMIC VALUE GENERATED AND DISTRIBUTED



One of ECOVERDE's priority objective is to transparently inform all its stakeholders how it manages the **economic resources** received and invested and their impact on the Company.

Its management of financial capital, liquidity and margins on services and **Management's ability** to manage business well generates the shared value distributed to stakeholders, value that they have either directly or indirectly helped to produce.

In a nutshell, it therefore represents the fruit of the **company's management**, which taken together constitutes its **economic sustainability**.

Through its analysis of the distributed economic value, the organisation highlights the flow of resources directed to its employees, its providers of goods, services and capital, the Public Administration, and the community.

The wealth generated and distributed not only consists of the company's operating profit, but also includes items allocated among the costs in the **financial statements**, while here they represent the value that the company has generated with its economic activity.

	2022	2022
Economic value generated	19.223.675	100%
Economic value distributed	(19.079.342)	-99,2%
Operating costs	(17.277.592)	-89,9%

	2022	2022
Salaries and employee benefits	(1.368.873)	-7,1%
Payments to capital providers	(243.746)	-1,3%
Payments to the Public Administration	(185.931)	-1,0%
Investments in the community	(3.200)	0,0%
Economic value retained	144.333	0,8%

### Management performance

In 2022, the Company recorded an **increase in sales** of €2,827,659 (17.29%), which consolidated the numerous commercial initiatives taken in previous years.

This enabled it to increase added value by €227,032, **EBITDA** by € 126,498, and **EBIT** by €243,689. Profit before tax was up by €226,731 from €330,538 to €557,269.

On the other hand, its net **financial position** increased against a new loan acquired for the purpose of financing **ongoing development**.

### Corporate risks and hedging policies

The main risk or **uncertainty factors** that could significantly affect the company's activities and the policies implemented by ECOVERDE in the various areas in which the company operates to contain them are indicated below. (see Tab.03 on the following page).

### Financial instruments

At the end of 2022, the company did not hold any forward or **derivative financial instruments**, and has never carried out transactions involving the same.

### Research & Development

In 2022, the company continued its normal **R&D activities**, the costs of which were recognised through profit and loss, as the **requirements to capitalise** them were not met.

Tab.03

Risk factor		Hedging policies
Country Risk		The company's performance levels are primarily affected by the various factors influencing the macroeconomic trends. Diversification across multiple sectors reduces this risk. In this regard, the uncertainty associated with the consequences of the effects of the war, still ongoing in Ukraine, leads us to consider the risk in question as still medium-to-high, although lower than at the beginning of 2022.
Sector risk		The risk is reduced because the company operates in different sectors (tissue paper, writing/special papers, and packaging), with a further breakdown of the types of customers therein.
Operational Risks	Associated with dependency on suppliers	With regard to the goods sold, the company is highly dependent on its suppliers of chemical products; however, thanks to the excellent long-term relationships established, which are geared toward the development of a partnership for common growth on the Italian market, this risk can be considered contained. With regard to the services received from third parties, there are no risks whatsoever.
	Associated with dependency on customers	The company's turnover is, in part, concentrated among major paper groups; however, this turnover attributable to different sectors of the paper industry and, regardless, the remaining portion of the turnover is sufficiently fragmented.
	Associated with sales	These include the risks of reduced marketability of the products sold; by operating on different markets, the company reduces the risk of dependence on a specific market's performance.
	Associated with product procurement	This risk is currently considered low, although it is generally increasing in relation to the macroeconomic trends. Despite this, the company has not encountered any procurement difficulties, and this is also thanks to the excellent relationships instilled with its suppliers.
	Associated with employees	These include, for example, risks of workplace accidents or claims concerning wages; the company constantly works to minimise these risks, as evidenced by the absence of any similar events during the course of the year. The implemented certification system also helps further reduce the risk of accidents.
Financial risks	Relating to credit	The company takes precautions through an initial assessment and assignment procedure, as well as through the continuous monitoring of its exposures.
	Relating to foreign exchange	This risk is essentially non-existent for the company, as it does not conduct transactions in foreign currency, with only a few isolated exceptions.
	Interest rate risk	This risk is considered medium/low, taking into account the company's debt to equity ratio, and the composition of the debt between fixed and variable.
	Relating to liquidity	This risk is generally low; the company further reduces this risk through annual financial planning and by continuously monitoring the economic and financial trends.
Other operating risks	Relating to reporting	Implementation of administrative, accounting and management procedures that help minimise their occurrence.
	Related to the use of IT tools	Daily back-up systems and sophisticated anti-virus and firewall programs, all regularly updated. Precise and well-defined separation of roles with preventive control measures, such as passwords (periodically changed) and permissions, as well as traceability of logins, also minimises the risk of internal fraud.
	Concerning violations in data processing activities carried out for privacy purposes	The company has appointed an external company that handles the organisational, procedural, and documentation aspects of the new standard.
	Legal and/or compliance	The company has adopted a thorough environmental protection policy (the ISO 14001:2015 certified environmental management system) and workplace safety policy (the company itself is ISO 45001:2018 certified). With regard to fiscal, contractual and legal matters in general, considerable effort is dedicated to ensuring compliance with the rules and regulations in force, making use of the collaboration of trusted outside professionals.



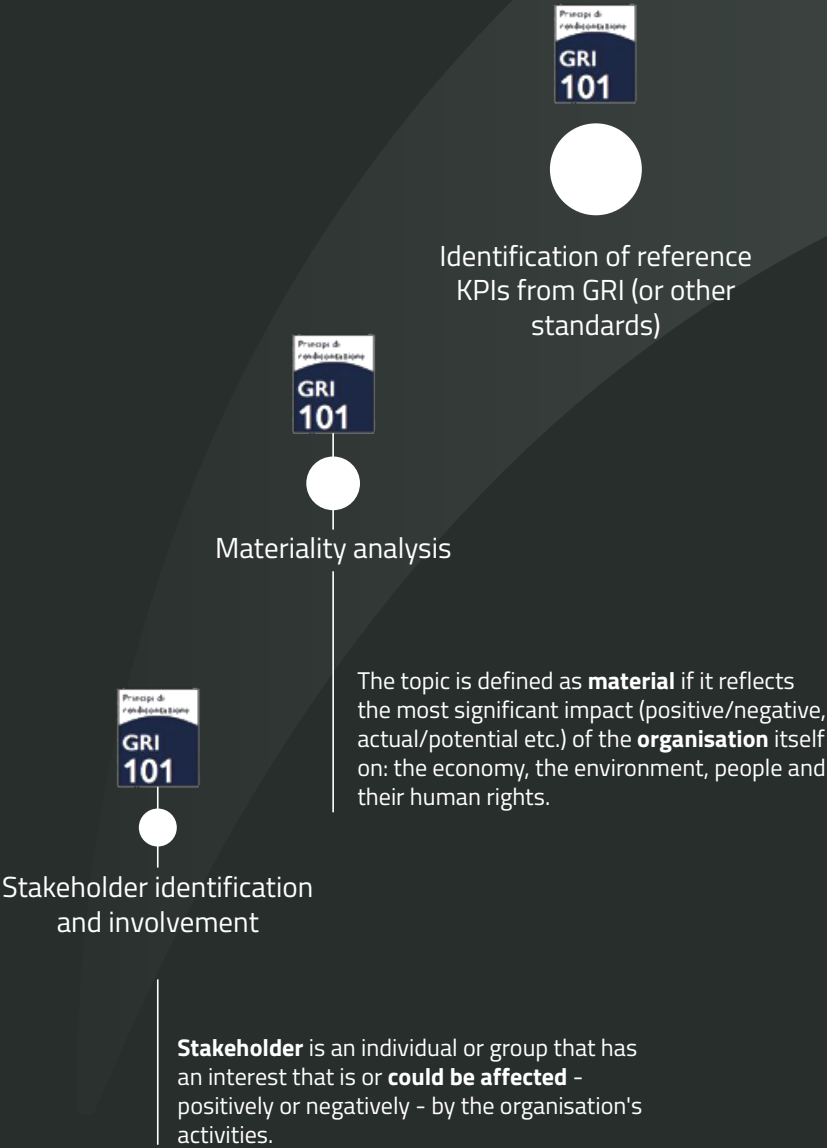
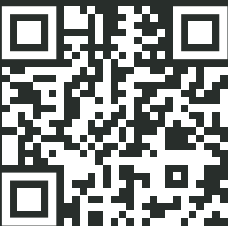
# METHODOLOGICAL NOTE

## METHODOLOGY UTILISED

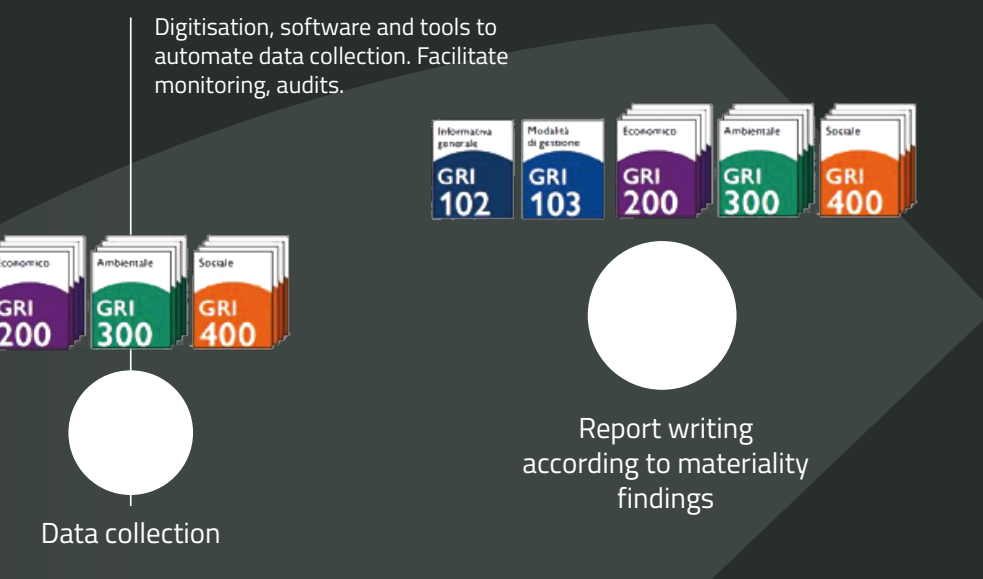
ECOVERDE’s second Sustainability Report has been prepared using the most **widespread worldwide methodology** for sustainability reporting, the **GRI** (Global Reporting Initiative) sustainability reporting standards.

This Sustainability Report bears witness to the path taken by ECOVERDE in its **continuous improvement** on the road to integrated sustainable management in compliance with ESG guidelines.

The reporting process for the year 2022 started in **January 2023** and ended in May this year with the **publication of this report**, which is also available on the ECOVERDE website (<http://www.ecoverde.com/en/>).







## THE STRUCTURE OF THE GRI STANDARDS

### *The basic steps for reporting*

The **new standards published** last October come into effect for reporting from 1st January 2023 onwards and are valid for 2024 reporting on the year 2023.

The data were meticulously calculated based on the results of the **general accounting** and the other information systems utilised; wherever estimates have been employed to determine the indicators, the relative quantification methods have been specified.

Unless otherwise specified, the financial statements refer to the situation regarding the 2022

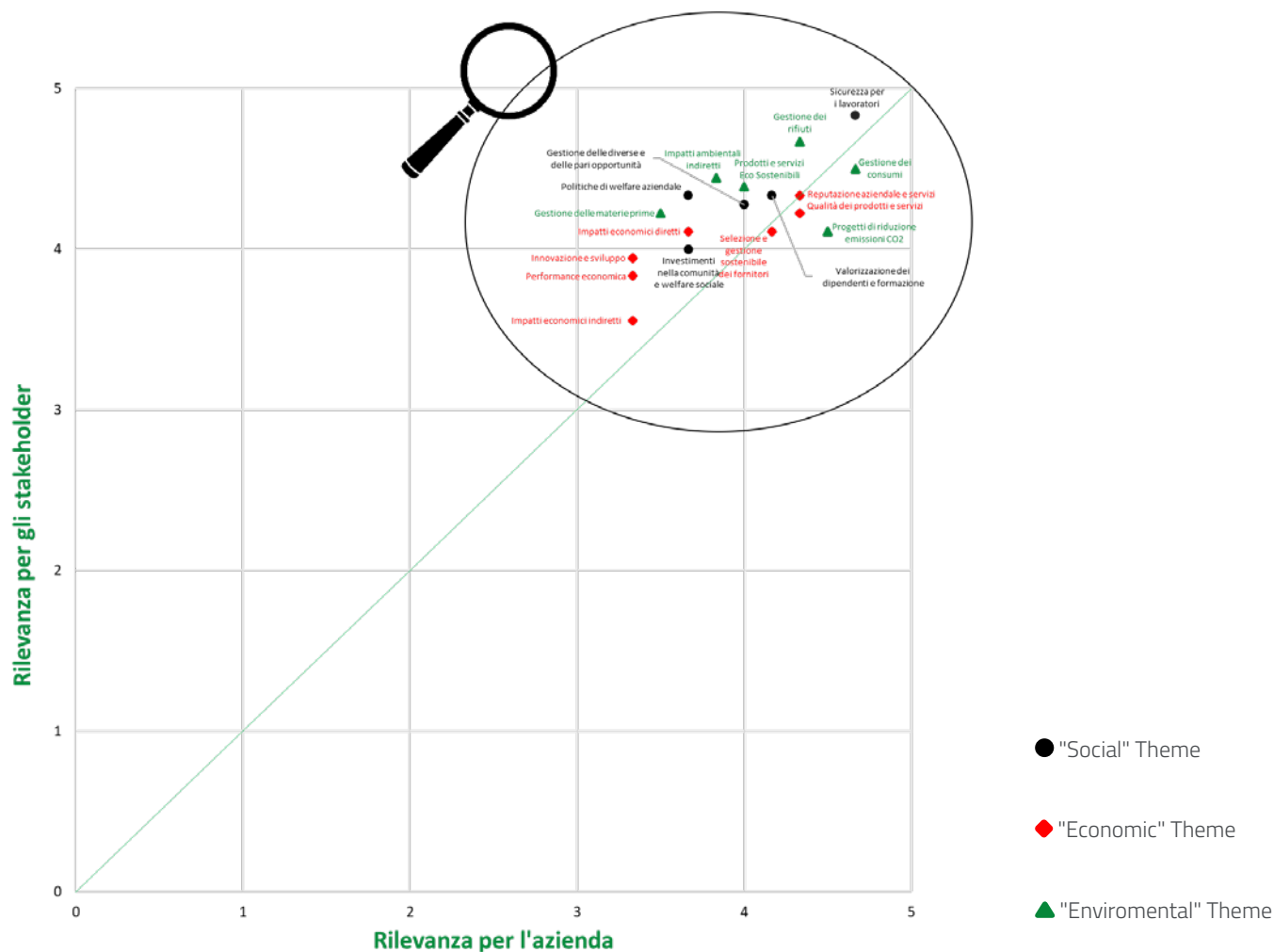
calendar year.

GRI 101 to GRI 1 (as from January 2023)

- With regard to GRI 1: Foundation 2021, one of the **main novelties** is the definition of a single procedure for **GRI reporting**, which requires compliance with 9 requirements set out in the disclosure and the elimination of the previous distinction between **core and comprehensive reporting**.
- Introduction of the key concepts underlying the definition of the **sustainability reporting process**, which are impact, material topics, due diligence and stakeholders.
- The reporting principles

have also been updated with the aim of underlining the importance of the care taken in generating the **information disclosed** in **sustainability reports**.

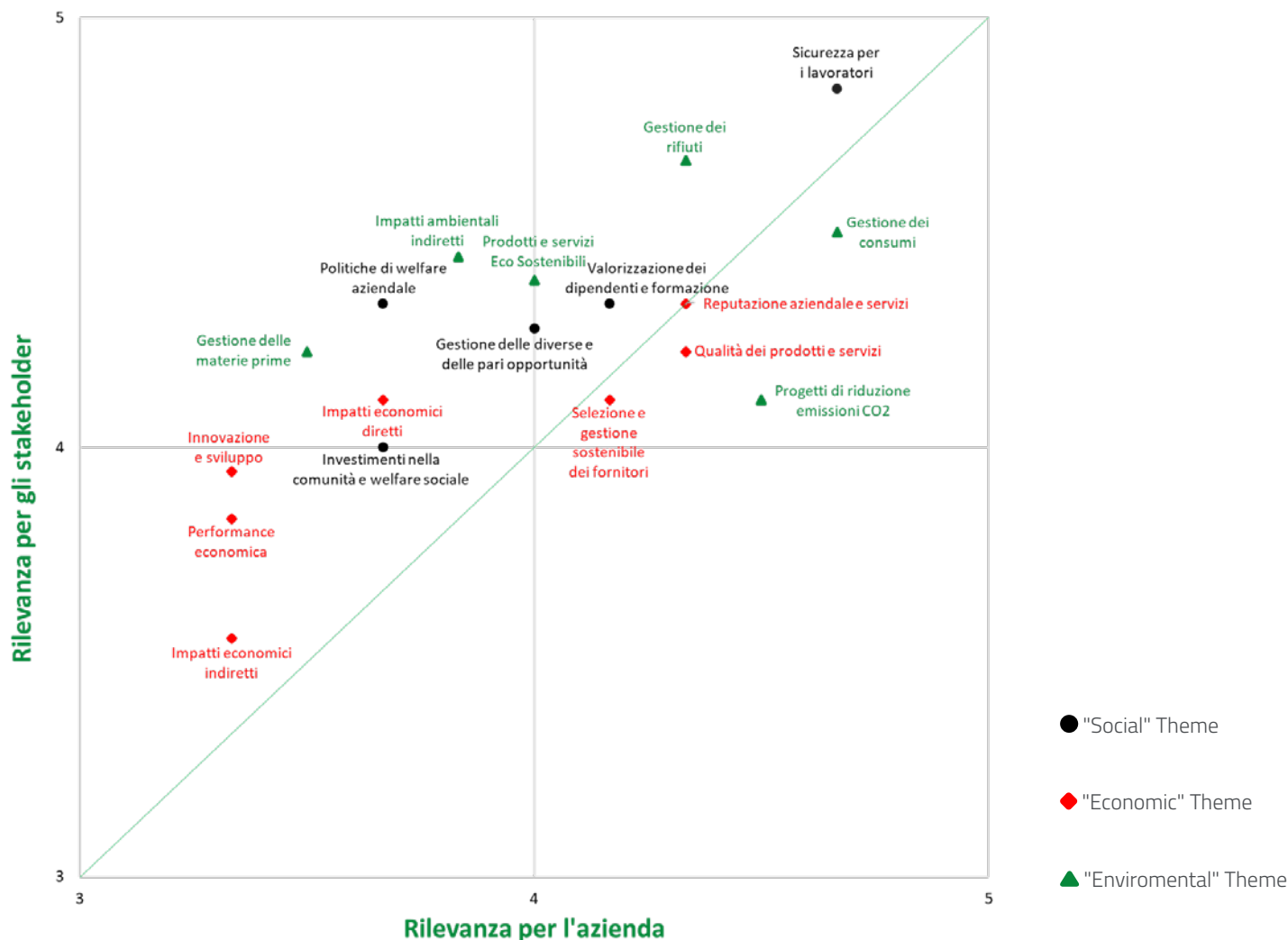
		Requirement
Principle	1	Apply the reporting principles
	2	Report the disclosures required by GRI 2: General Disclosures 2021
	3	Determine the material topics
	4	Report the disclosures required by GRI 3: Material Topics 2021
	5	Report the disclosures required by the Sector Standards
	6	Provide reasons for omissions (no longer Core or Comprehensive)
	7	Publish a GRI content index
	8	Publish a statement of use (in accordance with GRI Standards)
	9	Notify GRI



## THE MATERIALITY MATRIX

To create the **materiality matrix**, a survey was carried out on the topics that the company had identified as relevant and a comparison was made between the **data collected** by the board and those collected from **employees**. In this manner, ECOVERDE has identified the priorities on which to invest its resources and concentrate its efforts. ECOVERDE's materiality matrix was therefore built by determining the coordinates for each point, as shown below:

1. **The value on the horizontal axis** was obtained from the average of the two shareholders' assessments.
2. **The value of the ordinates (y)** was derived from the average of the ratings of ECOVERDE's Stakeholders (Employees).



### The main points

The first aspect to highlight is that the topics considered as relevant are concentrated along or near the bisector, meaning that the **perceptions** of the **organisation's Stakeholders** (Employees) and Management are practically the same and in some cases when compared with **Management, Employees** show an even higher interest in certain social, environmental and economic topics.

Great emphasis was also placed on social topics, related to **employee development and**

**training**, worker safety, waste management and consumption that combine the concept of innovation and development with the improvement of product quality resulting in economic growth. And in addition to that, **improvement in safety**, environmental awareness and waste management, which has improved over the previous edition, is confirmation that we are heading in the right direction.

Furthermore, for both parties, our carbon footprint is an issue felt by all, and work has been done during 2022 to contain **our CO2 footprint**. The topic of corporate

**welfare policies** also has a similar priority for employees and the board. On the other hand, less enthusiastic ratings were recorded for economic performance and indirect economic impacts.

The **Materiality Matrix** shows that there is strong harmony between **Management and Stakeholders**, which is probably the result of good communication and sharing issues over the years.

# SUSTAINABLE DEVELOPMENT GOALS

## THE GOALS REACHED IN 2022

The 2030 Agenda, as already indicated by the UN in 2015, proposes 17 **Sustainable Development Goals (SDGs)** to promote human well-being and protect the environment by reducing CO2 to build **peaceful and sustainable societies**.

ECOVERDE has set up its own way of operating with an increased focus on **sustainability** with the aim of pursuing some of the **SDGs** which we report below.

Starting in 2022, ECOVERDE has in fact commenced sustainability projects in order to involve all employees, by organising **dedicated events** held in person and online.

The results of the surveys carried out show an awareness of the importance ECOVERDE attaches to these issues and how it could improve by further limiting its



environmental impact.

Company policy was **updated in synergy** with energy efficiency measures, by explicitly stating a desire to pursue ethical and sustainable goals and conduct built on shared views between Management and employees.

As forecast in the previous Sustainability Report, ECOVERDE met its **sustainability targets** as follows:

1. **Energy efficiency** for the warehouse lighting system;
2. **Efficiency**: replacement of the summer air-conditioning system generator with an inverter model;
3. **Installation of an electric vehicle charging point** for employees and external users at ECOVERDE.

In addition to energy-efficient plant intervention, ECOVERDE has reported on greenhouse gas emissions to assess its **environmental impact**.

In detail, ECOVERDE has:

- Measured its **carbon footprint**
- Prepared and published its first **sustainability report**
- Obtained **sustainability certification** on the ECOVA-DIS Platform, achieving a gold medal.

In addition to projects aimed at reducing its environmen-

tal impact, a company's sustainability is also shaped by improvements in corporate welfare policies.

In this regard, ECOVERDE has committed itself to and completed several projects, including:

- installed a **refectory**, to provide a dedicated space for the consumption of meals;
- improvement of protection for **employees' health** by providing individual hearing protection devices;
- **purchase of an AED** (semi-automatic external defibrillator), with the provision of first aid training for personnel;
- the possibility to opt for **smart working**, thereby facilitating activities that do not require in-house personnel, while also reducing emissions caused by private transport;
- **sponsorship** of culturally important events.

The year 2022 was therefore one full of projects for ECOVERDE carried out with the awareness of striving towards a **sustainable** and **socially stimulating future**, while at the same time fostering the ethical and stimulating growth of all personnel.



# SUSTAINABLE DEVELOPMENT GOALS

## ECOVERDE'S GOALS FOR 2023

The goals achieved in the previous year therefore allow ECOVERDE to look to the future with **greater strength and awareness**.

This is why ECOVERDE has **updated its goals** in line with its environmental and **social visions**.

In terms of energy efficiency, with its **annual improvement plan** for 2023, ECOVERDE has decided to take much more incisive action on its mechanical and electrical systems.

Some of the action planned relates to the way in which **thermal energy** is produced to heat workplaces and is used in production with the introduction of a condensing boiler and a heat pump.



These two systems will greatly reduce dependence on fossil fuels, while still **guaranteeing continuity** of service, in favour of renewable energy carriers, such as the electricity produced by the **photovoltaic plant** which ECOVERDE already possesses.

The electrification of its consumption will enable ECOVERDE to greatly reduce its greenhouse gas emissions and pollution from the use of natural gas.

In this sense, ECOVERDE plans to install an electrical **storage system** to serve the existing photovoltaic system. In this way, ECOVERDE will be able to use the excess electricity produced by the photovoltaic system even during periods of low production.

With regard to choosing consumption, ECOVERDE also plans to continue to make its lighting system **more efficient** by installing LED lamps in the last remaining areas of its premises.

Finally, looking decisively towards future, ECOVERDE already intends to equip itself with a **digital infrastructure** to manage and monitor its main energy flows, such as electricity and natural gas, and utilities, such as its water supply.

This important step will enable ECOVERDE to equip itself with the most **up-to-date technologies** in the field of rational **energy management**.



## ENERGY EFFICIENCY MEASURES PLANNED FOR 2023



HEAT PUMP

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CONDENSING BOILER

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STORAGE FOR PHOTOVOLTAIC SYSTEM

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LED LIGHTING

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CONSUMPTION MANAGEMENT WITH  
ENERGY ANALYSERS

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Share capital €1,300,000.00 fully  
paid up

Company Register of Lucca REA  
(business register) No. **135405**  
VAT No. / Tax identification number  
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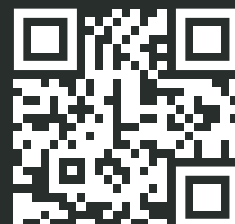
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