## 2023/2024 ESG Report



One of our key initiatives was the expansion of our photovoltaic plant to a capacity of **700kWp**. By investing in solar power, we are actively contributing to the fight against climate change and supporting global efforts to **transition to sustainable energy sources**.

In addition to our renewable energy initiatives, we have undergone evaluations by some of our key clients, increasing our **transparency and accountability**. These assessments are crucial as they provide an external perspective on our ESG performance, helping us identify areas for improvement and ensure that we meet the **highest standards of sustainability**.

Furthermore, ICSS is proud to participate in three European sustainability projects:

# Message from the Sustainability Manager

In today's business landscape, ESG criteria is not just a trend but a necessity. Its principles guide companies to operate in a manner that is socially responsible, environmentally sustainable, and ethically governed. At ICSS, we recognize the critical importance of ESG and have taken significant actions to align our operations with these principles.

Operation Clean Sweep, Recotrace, and EcoeFISHent. Operation Clean Sweep aims to prevent the loss of plastic granules into the environment, Recotrace focuses on enhancing traceability in the recycling process, and EcoeFISHent promotes eco-innovation in the fishing industry in Genova's region (Italy).

Our involvement in these projects highlights our proactive approach to collaborative efforts for a sustainable future. Our dedication to ESG principles has not gone unnoticed. For the third consecutive year, ICSS has been recognized as one of the 100 most sustainable companies in Italy. The picture above shows the award receival.

Motheus Pereira Novella

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### About Us

Packaging ensures product integrity and serves as the business card for your goods.

why ICSS That's Group is dedicated to delivering highprotective performance that isolates, packaging safeguards, and preserves your everyday items. Our mission is to guarantee that your products reach consumers in perfect condition through our reliable. sustainable. and high-quality packaging solutions.

Innovation is our heritage. The ICSS Group was **established in 1969** by Carlo and Adriano Garbagna as a producer of corrugated cardboard packaging. The 1970s saw the rise of Expanded Polystyrene (EPS) in the packaging industry, which ICSS quickly adopted and excelled in.

Over the decades, ICSS has expanded its operations and now has five facilities in Europe (Espansi One, Galbox, ICSS, Poliforce, and Poliforce Delta) and one in Turkey (Dorabox). These are strategically placed to enhance geographic reach, boost customer satisfaction, and lower CO2 emissions by optimizing transportation.



Now the market is shifting once again towards **paper-based solutions**, bringing us back to our roots. At the same time, we continue to **research alternative plastic solutions**, including EPS with recycled content and PLA.

Our greatest achievement lies in balancing our rich tradition with our dedication to transitioning towards sustainable practices, guaranteeing the future of the company.

The 2023/2024 report honors ICSS's founder, **Adriano Garbagna**, who passed away during this period. The new generation is eager to continue his legacy and push ICSS to the future.

#### Adriano Garbagna: A Life of Sacrifice and Success (1927 - 2023)

Born in the heart of the Pavia countryside in 1927, Adriano Garbagna came into the world during a time of changes and innovations. He was the second son of Giovanni Garbagna and Giuseppina Cignoli, humble farmers who worked hard to make a living.

While Adriano was taking his first breaths in the rural air, the first transatlantic telephone service between the USA and the UK was being established in the United States. marking the beginning of a new era of global communication. In Italy, the National Fascist Party (PNF) was establishing the Fascist University deeply influencing Groups. country's social and political life. At the same time, Charles Lindbergh (1902 -1974) completed the first nonstop transatlantic flight, becoming a symbol of progress and adventure for an entire generation. Legendary years!

Adriano, small and thin but incredibly strong, survived severe bronchopneumonia at just six months old, an extraordinary feat without the aid of antibiotics. This episode marked his childhood, strengthening and toughening him for future challenges. Growing up in a lower-middle-class family, Adriano quickly became acquainted with the hardships of life.

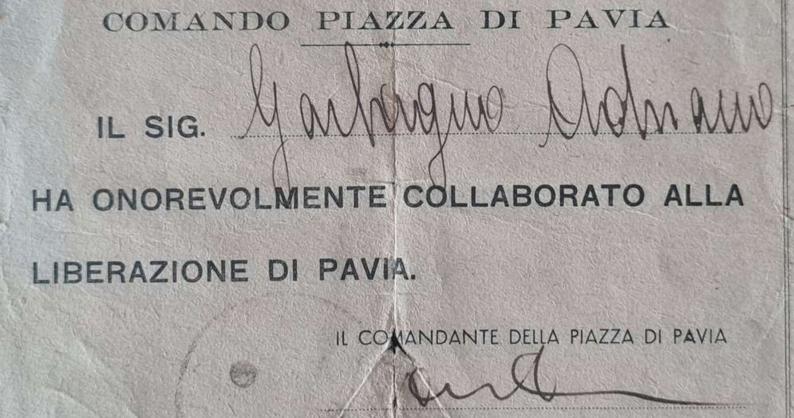


Adriano as a teenager at school

His father, Giovanni, had to work as a guard at a salt warehouse, an occupation that led to his premature death from silicosis.

At just fourteen, with the outbreak of the second world war, Adriano began working at the Military District of Pavia after completing Commercial School. Although very young, the war saw him risking deportation and pushing him to help the Resistance, a dark but formative period that forged his indomitable character.

World War II ended four days before his eighteenth birthday, saving him from being sent to the front. Determined to build a future for himself, Adriano enrolled at the Bordoni Technical Institute in Pavia, where he studied to become a surveyor.



**Certificate of contribution from the National Liberation Committee** 

In just three years, studying independently each summer to make up for a year, he graduated as a surveyor and began working.

In the 1950s, Adriano found work as a sales representative for De Rica, selling canned peeled tomatoes. He later worked at International Paper, selling cardboard boxes, until in the 1960s, his brother Carlo called him to Scatolificio Parvis, where he took on the role of technical director.

In 1969, symbolically on July 20th, the day man first walked on the moon, Adriano founded ICSS together with his brother Carlo on a plot of land in the Santo Spirito area of Gropello Cairoli, a place they had discovered during their fishing trips, a natural oasis in the Ticino park that still belongs to the family today.

The enterprise was a success: the production internal components of boxes for appliances flourished,

supplying companies such as Ignis, Candy, and Zanussi.

Adriano's life took a hard hit in 1982 when his beloved brother Carlo died prematurely at the age of just 58. Adriano continued on his own, facing countless difficulties, but he did not give up. In 1993, he was joined by his son Paolo, a Bocconi graduate, a professional journalist, with five years of experience at other companies.

In a few years, Adriano passed the reins and ownership of the company to his son, ensuring the continuity of his entrepreneurial dream. Adriano Garbagna peacefully passed away in 2023, at nearly 97 years old.

His life, marked by sacrifices and successes, remains an example of determination and resilience, an extraordinary journey from the heart of the Pavia countryside to entrepreneurial success.



Carlo (on the left) and Adriano with their mother Giuseppina Cignoli in 1959



Adriano and Paolo in 2019

## Group's 2023 numbers



Trucks delivered daily



**Employees** 



**Production lines** 



Tons of produced products



54

Years in the market



6

Operating sites

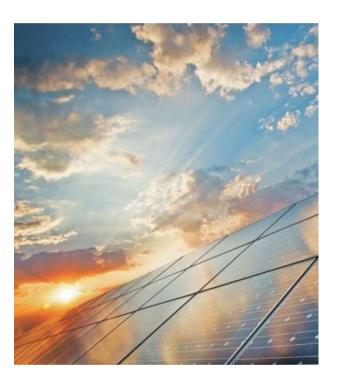
## Results & Investments

The period from 2023 to 2024 presented significant challenges for the ICSS Group, marked by market uncertainty due to increased inflation in the post-pandemic world and recent geopolitical conflicts that disrupted the flow of goods, impacting the economy and consumer purchasing power. Despite these difficulties, ICSS remained committed to strategic investments aimed at preparing the Group for the future and enhancing operational efficiency.

One of our key initiatives includes the construction of a new factory in the Manisa industrial zone in southwest Turkey. This facility will bring us closer to our primary clients in the region, reducing transportation costs and emissions while increasing efficiency with modern structures designed to handle higher volumes. The new factory is slated for completion in the second half of 2025.

In Italy, we have more than doubled our solar energy production, increasing from 300kWp to **700kWp** with the construction of **Poliforce's solar power** plant. Now, two of our three standalone factories — ICSS and Poliforce, both located in Italy— are powered by solar energy.

Once the new Dorabox facility is operational, 100% of our independent plants will rely on sustainable energy sources, reinforcing our commitment to environmental responsibility and sustainable growth.



Also in the environmental sphere, to reduce paper usage, ICSS is migrating its files to digital formats by **storing** accounting records digitally through a new application developed by Top Consult Srl. Other than that, the Group is gradually updating its internal procedures and controls to reduce paper usage for daily activities in the production line.

## Results & Investments

ICSS Spa (Italy) and Galbox (United Kingdom) recently underwent an ESG audit conducted by one of our key clients, resulting in **both factories receiving a B rating**. This achievement, as depicted in the image below, reflects our ongoing commitment to environmental, social, and governance (ESG) principles.

External audits like these are invaluable as they help us pinpoint areas for improvement and enhance our performance for future assessments. Such assessments are not just benchmarks but vital tools in our continuous journey towards sustainable practices and responsible business operations.

Certificato di Synesgy

Presentato a GALBOX LTD

Yate, Regno Unito

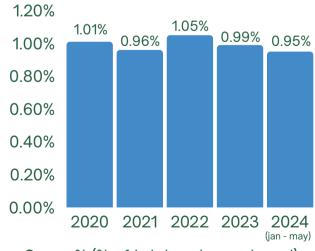
Riaccioto il Valido fino di 15 officiole 2024

Packaging Regno Unito

Cureto certificato viene risaccion o GALBOX LTD podice fiscole: catalogni dell'accione d

On the production side, our current scrap ratio is operating close to optimal results, showcasing our dedication to efficient manufacturing processes. This achievement reflects our rigorous quality control measures and optimized production practices.

It is highly unlikely for our scrap ratio to dip below this level, a testament to our consistent performance standards. We take immense pride in this accomplishment and remain focused in our efforts to sustain and even improve upon this performance in the Maintaining high standards future. underscores our commitment quality, efficiency, and environmental responsibility, which are core values at ICSS, as high standards protect you from low quality experiences.



Scrap % (% of total parts produced)

#### Governance

Our standards

We recognize governance as a cornerstone of our commitment to responsible, transparent, and sustainable management.

At ICSS, we understand that strong governance is crucial for creating long-term value for all stakeholders, includina customers. employees, suppliers, and communities. We build principles on transparency, sustainability, accountability, integrity, and effective risk management.

Environmental, Social, and Corporate Governance is a fundamental pillar for the success and reputation of ICSS as a sustainable leader in the packaging and construction goods industries. We continue strive for will to the integration and improvement of our ESG approaches, guided by the understanding that effective governance is crucial to achieve higher levels of performance. This is being done by the development of periodical plans that comprehend investments and improving goals on environmental, financial, and social aspects. As an example, decreasing periodically our dependence on nonsustainable sources of energy.



Examining the company's internal procedures, leadership structure, objectives, and potential conflicts of interest is vital.

Good governance policies can help keep us ahead of potential violations or sanctions, ensuring ICSS remains at the forefront of regulatory and ethical compliance. This commitment reflects our dedication to operating responsibly, promoting practices that not only respect the environment and society but also ensure transparency and integrity in all our operations.

### Mission

Create confidence and earn market trust daily.

We want to be an added value to our customer's business, not "the packaging supplier".

### **Vision**

To be the best environmental friendly protective packaging specialist.

"To create change, we must start with ourselves."



### **Values**

#### **Passion**

We trust that there is value in all products we put out to the world, and we do all products with a lot of passion.

#### Commitment to the customer

We only promise what we can keep, we keep everything we promised at any cost.

#### Sustainability

We direct our choices in order to ensure the containment or reduction of the environmental impact in compliance with current legislation.

#### Integrity

Transparency and working ethics are our drivers, without it all the other aspects are lost.

#### **Constant Improvement**

Trying to be better than yesterday motivates us to push our limits daily. We believe that our best version is the one of tomorrow.

### Social

People & relationships

Investing in social factors helps companies build trust and loyalty, which can lead to increased employee satisfaction, customer retention, and stronger community ties.

By fostering a positive workplace culture, **promoting diversity and inclusion**, and ensuring fair labor practices, companies can enhance their reputation and attract top talent. This, in turn, drives **innovation**, **productivity**, and long-term success.

Every organization is fundamentally composed of people and exists to serve the people and their requests.

Everyone directly indirectly or us—customers, connected with suppliers, and communities—plays a crucial role in our decision-making However. processes. it employees who are the lifeblood of the company. Their dedication, ideas, and expertise have been instrumental in bringing us to where we are today.

By proactively addressing social concerns, companies not only fulfill their ethical obligations but also create a competitive advantage and ensure sustainable growth.



ICSS deeply values its collaboration with the University of Pavia, as it helps us uncover fresh talents and innovative ideas. enhancing our community impact. This year, for the second consecutive time, students from the **MIBE** (Master's International in **Entrepreneurship**) Business & program visited our headquarters.

Their visit aimed to provide hands-on experience for their **Circular Economy course**, using our operations as a practical example. ICSS is very proud to support its academic community.

The photo above shows the students at the conclusion of their visit.

### **Our Team**

At ICSS Group, we firmly believe that a diverse team enhances creativity, which is essential for developing new solutions and effectively addressing problem-solving situations that require dynamic responses. Diversity is not just a value for us; it is an advantage that drives our success and innovation.

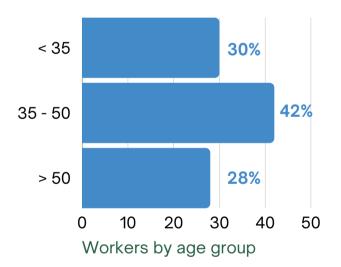
For this reason, ICSS is proud on having a workforce comprising various nationalities, bringing different cultural perspectives and experiences. Our team members span different age groups, blending the experience of older employees with the innovative perspectives of younger ones.

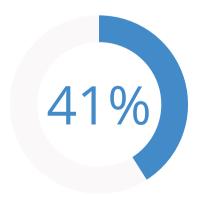
We value our team members based on their contributions and what they can deliver to the organization, not on their gender, origins, or beliefs. Our commitment to diversity and inclusion is a cornerstone of our success. By embracing a wide range of viewpoints and experiences, we create a dynamic and inclusive workplace that collaboration encourages and continuous improvement.

At ICSS, we recognize that our strength lies in our people. We are dedicated to creating an environment where everyone feels valued, respected, and empowered to reach their full potential.



Different nationalities of workers (Brazilian, British, Ecuadorian, Hungarian, Italian, Moroccan, Nigerian, Polish, Tunisian, Turkish)





Of women in the workforce

#### **Environment**

Conservation of the natural world

Climate change is a reality that can no longer be ignored, and environmental responsibilities should be shouldered not only by states but also by companies.

With this in mind, ICSS is committed to reducing its carbon footprint through investments in various sectors.

ICSS is also participating in three different European programs aimed at achieving a greener economy and adding value to its goods and services.

The past year was significant for ICSS as it continued its active participation in two European projects initiated in 2021: **Recotrace** and EcoeFISHent. The first focuses on tracking the usage of recycled content in products. On the other hand, **EcoeFISHent** is dedicated to developing a circular economy in the Genova port region. In addition to these projects, ICSS has expanded its engagement with a third European initiative called **Operation Clean Sweep**, dedicated to mitigating and reducing the dispersion of plastic granules into the environment.

These initiatives not only demonstrate ICSS's commitment, but also highlight its role as a **responsible corporate**.



Also, for the third consecutive year, ICSS has been honored as one of the top 100 Italian companies demonstrating significant improvements sustainability in practices. This recognition serves as a strong motivator for us to continue investing in sustainable initiatives and to further our efforts in shaping a greener future.

ICSS remains strongly in its pursuit of innovative solutions and collaborations that contribute positively to sustainability and well-being, not only within our organization but also across our industry and community.

## Sustainability Award Top 100

Just as in the previous editions, the Sustainability Award, promoted by Kon Group, aims to highlight the efforts of companies that have successfully integrated environmental, social, and economic sustainability within their strategies, through the standardization of innovation principles and performance monitoring.

The selection criteria for companies are based on the three pillars of the ESG system: **environmental**, **social**, **and corporate governance**, to sustain a better integration between these aspects, and to assure sustainable growth in all senses.

The research is conducted by ALTIS, who developed an evaluation system that considers **objective**, **measurable**, **and easily comparable parameters**.

It has been a great honor to be recognized in all **three editions**, which confirms that we are on the right track in reducing our environmental impact through the use of alternative energy sources, **eco-design** of packaging, and promoting our values among all of our stakeholders.

Promoting a greater culture of sustainability within the entrepreneurial system, alongside increasing awareness and visibility of our group of companies, that have invested significant resources to improve the world we live in, motivates us to keep pushing ourselfs into a greener future.

Full report in the link below: https://sustainabilityaward.it/sustainability-award-2023-cerimonia-dipremiazione/



## Solar Power Plant

Solar energy plays a crucial role in addressing the global challenges of climate change and energy sustainability. By harnessing power of sunlight, solar energy offers clean. renewable source electricity that reduces greenhouse emissions and mitigates environmental impact.

Additionally, solar energy systems provide flexibility and accessibility in meeting energy needs. Embracing solar energy not only contributes to a greener planet but also fosters energy independence, resilience, and economic growth through job creation and technological innovation in the renewable energy sector, reason why ICSS Group is pushing towards investments in this field.

After the successful partnership between ICSS Group and Inveco Spa Group in 2023, both companies decided to extend their commercial ties by installing a second solar power plant facility.

This time, the construction took place at Poliforce's factory in Sermide, Italy. This investment reinforces our commitment to clean energy, cost reduction, and mitigating our environmental impact during daily production operations.

The panels are capable of producing between **70% to 80% of Poliforce's energy needs**, making it nearly self-sufficient and enabling significant energy savings. The energy production started on May/2024.



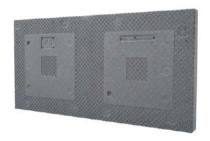
## Plastica Seconda Vita (PSV)

The Second Life Plastic (Plastica Seconda Vita, PSV, in italian) is an ecological label for materials and products made from recycled plastic, valid throughout Europe. The PSV certification has the important mission of promoting and communicating the recycled content to highlight the great potential of plastics in achieving a circular economy.

summary, PSV relies the guarantees provided by the technical standards UNI UNIPLAST 10667 and EN 15343. well third-party as as verifications carried out by accredited certification bodies. applying concept of "traceability" of recycled materials and calculating their content according to the provisions of the UNI EN ISO 14021 standard.

It makes recycled plastic goods more visible easily identifiable. and intended for Public Administrations and/or companies with a predominant public shareholding, as well as for Retailers (GDO) Large-Scale private citizens. For this reason, IPPR keeps publishes and constantly updated the Catalogue of materials and products bearing the "Second Life Plastic" certification.

ICSS has updated its certification for seven of its civil construction products, which are guaranteed to have at least 15% of recycled content within their composition. Below an image of one of our certified goods.



#### Source:

www.ippr.it/plastica-seconda-vita/

#### ICSS' certification:

www.icssgroup.com/edilizia/







#### Certificato nº 2049/2021

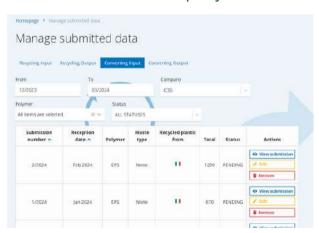
	C	ertificato nº	2049/20	21	
Scope Scope	Pannelli in EPS per l'edilizia ottenuti mediante (sinterizzazione) l'implego di miscele di materiali da riciclo da raccolta differenziata eio da scarto industrial EPS panels for the building industry obtained (by sintering) using blends of recycled materials by sorting and/or industrial waste				
Gamma di prodotti Range of products	vedere allegato / see annex				
Nome commerciale Trade name	vedere alleg	ato I see annex			
Produttore Manufacturer	ICSS SPA				
Sede legale Head office	VIA LARGA, 8 — 20122 MILANO (MI)				
Sito produttivo Production site	LOCALITA' SANTO SPIRITO — 27027 GROPELLO CAIROLI (PV)				
prescrizioni del Regola Il presente certificato d IIP Sri certifies that she al the "Ruled for the PSV or The Manufacturer, which "Plastica Seconda Vita" f of PSV mark" ed. 2 rev. 5	imento per Tuso i li conformità è va tove listed produci ittication" ed. 2 rei i si subjected lo "SV/MixEco mark" issued 10/2022.	Vita" PSV/MixEco con- del marchio PSV Ed. 2 I lido, salvo modifica, so- ts obtained from the use of v. 1 acoust 10/202, that in continuous sometiance to with the distinctive number modification, suspension of	rev. 5 del 10/2022. pensione o revoca f recycled materials : cluded the compilant v AP Sit, is so entit 5568 and to use it i	o, fine at 16/03/20 comply with the re- ce with EN 15343; feed to put on the in compliance with	purements specified in 007 requirements. certified products the
Prima emissione 17 First issue	/03/2021	Emissione contente Current issue	15/03/2024	Scadenza Exply	16/03/2027
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#### Recotrace™

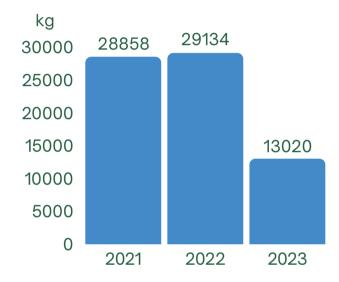
RecoTrace™ is the first comprehensive data system to monitor both plastic recycling volumes and the use of recycled plastic for all major polymers. It provides a free online platform to track progress against individual commitments to produce or use recycled content.

Through RecoTrace™, PolyREC® (the Circular Plastics Alliance data collector), indicates the progress of Europe's plastics value chain towards the CPA's goal of using 10 million tons of recycled plastic by 2025.

As an EPS converter, ICSS is registering since 2021 its own recycled plastic declaration. Below a screenshot of the company's data.



The next graphic shows the recycled content transformed into new materials in the last three years in ICSS's headquarters, in Gropello Cairoli (Italy), as declared in the portal.



The total amount of recycled material add to our products is deeply correlated with the products that contain the **PSV certificate** (see previous page), for civil construction purposes. It is important to note that the **internal reusage of raw material does not count as recycled content**, it is necessary for the material to come from an **external source**. In other words, our internal recycling is not considered for Recotrace™.



**RECORDING & TRACING POLYMER CIRCULARITY** 

## Operation Clean Sweep (OCS)®

Operation Clean Sweep® (OCS) is an international program designed to prevent the loss of plastic granules (pellets, flakes and powders) during handling by the various entities in the plastics value chain and their release into the environment.

First adopted in North America, the OCS programme is in practice in **Europe since 2015**. The methodology included in this programme has already helped to implement effective corrective actions in many companies in the plastics industry worldwide.

In summary, it is an industry-led guideline that supports companies in their efforts towards eliminating or mitigating plastic resin loss in operations to: preserve water quality, protect the environment, and strengthen worker safety.

ICSS proudly stands among **over 3100 companies** as a signatory of the initiative outlined on <u>www.opcleansweep.eu/</u>.

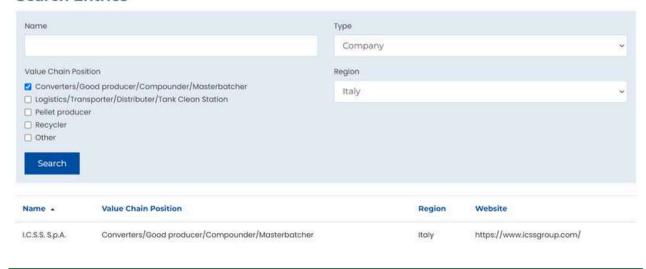
Our commitment extends to tracking and eliminating resin losses throughout the entire production cycle, from the arrival of raw materials to the final delivery of finished goods.

Participating in this voluntary program not only proves ICSS' dedication to environmental responsibility but also enhances our credibility as a partner within any supply chain.

Embracing initiatives like this not only aligns with our **corporate values** but also underscores our ongoing **commitment to sustainable practices**.

Below ICSS' signature on the program.

#### Search Entries



#### **EcoeFISHent**



climate-neutral circular economy in the fishing sector of Genova (Italy), enabling sustainable and efficient processing to obtain added value bioactive elements for the creation of dietary supplements and skincare products, as well as biodegradable and compostable food packaging.

ICSS's role within the EcoeFISHent project is to produce and distribute the sustainable insulated packaging dedicated to the fish market, known as the "eco-fish box."

In line with our vision to always provide the industry's best sustainable protective packaging, we are committed in **ensuring the satisfaction of sustainability and quality criteria** expected for a project of this magnitude.





The project has a **total budget of €18.5 million**, of which €15.1 million is funded by the **European Union**. The project duration is expected to run from October 1, 2021, to September 30, 2026.

Furthermore, the consortium involved in the project consists of 34 entities from 7 countries.

Official communication channel (Twitter): @ecoefishent
Official website:
https://ecoefishent.eu/
European Commission project link:
https://cordis.europa.eu/project/id/10
1036428

#### **EcoeFISHent**

ICSS is diligently working to meet the project's deadlines and milestones by producing samples of the eco-fish boxes. These boxes feature an optimized design that saves up to 30% of space during transportation from our facilities to the harbors. Made from PLA (Polylactic acid), they are also industrially compostable once mixed with organic content, a certain temperature and humidity conditions.



Over the past months, ICSS has finalized the design of these ecoboxes in collaboration with project partners representing fishermen.

The first official delivery of molded parts is scheduled for the **end of 2024**. ICSS is committed to **delivering 10,000 eco-fish boxes** by the project's completion in September 2026. For that, the upscale of our production line is undergoing together with Dutch partners who are experts in the PLA moulding technology.

Below is an image capturing the latest General Assembly Meeting held in Tromso, Norway.



## **Contact Us**



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