Gualapack

SUSTAINABILITY REPORT 2022

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OUR PRESIDENT'S VISION

Report 2022

Europe and the whole world experienced another intense year in 2022. As soon as the health emergency that stemmed from the Covid pandemic subsided, a humanitarian crisis began due to the Russian-Ukrainian conflict. The latter has had a strong emotional impact on our company, due to the deep sense of solidarity we feel for colleagues at the production site in Sumy. We are proud of our Ukrainian team. Despite numerous challenges, our people stood by clients to provide them with exceptional service, maintaining the highest levels of quality. It was our duty to support their work and their families in every possible way, also by collecting contributions from colleagues in other countries, who were eager to give tangible help.

In many areas of the world and in all economic sectors, the war has also caused prolonged, strong pressure on the prices of energy and raw materials. In addition, the packaging sector was subject to specific challenges.

Indeed, 2022 saw the continuous proliferation of new regulatory proposals at national and international level. Discussions have begun for a treaty promoted by the United Nations, and the European Commission has presented the proposal for a new Regulation on Packaging and Packaging Waste, which is meant to establish uniform rules for the industry in all EU countries. At the time of publication of this Report, the proposal has not yet been finalised and approval is following the usual institutional process. In this context of regulatory uncertainty, it is essential for us to continue to monitor possible evolutions, with their impact on our products, and to understand the requests made by citizens, consumers and clients who are increasingly aware of the issue of sustainability. This allows us to drive innovation proactively and to transform our product portfolio in a consistent and effective way. The efforts we have put into developing increasingly sustainable packaging solutions and launching new products in recent years go in the right direction, as proven by the remarkable results achieved in 2022. Approximately 14% of the year's sales came from sustainable products: the figure raised by 58% compared to 2021, driven mostly by our Pouch5® pouches.

As for production processes, also to respond to needs determined by the context, we paid great attention to correct energy management, reducing our factories' consumption and consequent CO_2 emissions by 20% per metric ton of production volume.

At the same time, this Report's performance analysis integrates three new plants, which we acquired during 2021. We therefore continue to expand our operations and to rigorously apply skills, standards and best practices following recent years' strong international development, which has allowed us to grow to approximately 2,600 employees worldwide.

Entire sections of this Report are dedicated to presenting our approach and the results achieved in the management and development of human capital, and to describing the social initiatives carried out both through the SociAL Foundation and through the projects promoted by our various plants around the world, aimed at having a positive impact on the communities in which the Group's companies are integrated, in line with a now consolidated tradition.

We are aware of the daily challenges that await us on the way towards a sustainable future for our planet and for the people who inhabit it. At the same time, we remain confident that what we have done so far is leading us in the right direction, starting with our products and extending to all our behaviours. Gualapack has already embraced the challenges and the opportunities deriving from this great change. We will continue to work in partnership with our clients and suppliers to help create a world where packaging has a lower environmental impact, supporting the need to preserve and use many of the products that are part of our everyday lives.

Michele Guala
President and CEO

2. 2022 ACHIEVEMENTS

+58%
of **sales from sustainable** products **vs 2021**

55,500
hours of training provided during the year

2,593
employees globally

Approx.
14%
of **sales from sustainable** product

107
social initiatives supported worldwide

3
ISO 50001 certified production plants

90%
of employees **covered by ISO 45001** certifications

-4%
electricity consumption per ton of output **vs 2021**

8
ISO 14001 certified production plants

12
ISO 9001 certified production plants

-20%
in **CO_2 emissions** per ton of output **vs 2021**

4
suppliers audited on sustainability matters

only
5%
of **waste sent to landfill**

-32%
of **methane consumption** per ton of output **vs 2021**

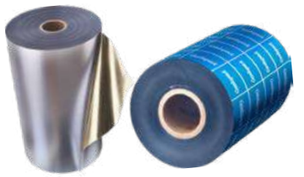
OUR COMPANY

3.1 TECHNOLOGY CROSSOVER

Gualapack has built its market leadership through a unique set of technologies with different packaging solutions, from flexible packaging and injection moulding to design and manufacturing of filling lines, developed by combining the best breed of technologies with deep know-how. World leader in pre-made spouted stand-up pouches for food and non-food applications, we offer our partners four product ranges of packaging solutions, such as our preformed, stand-up pouches, as well as different stand-alone components (laminates, caps etc.), together with outstanding innovation abilities to shape the crossover packaging of tomorrow. The key to the Company's success is to provide both an integrated system and individual products and technologies. Gualapack is a "solution provider" whose priorities are quality, service and innovation for clients, with sustainability as a daily commitment.

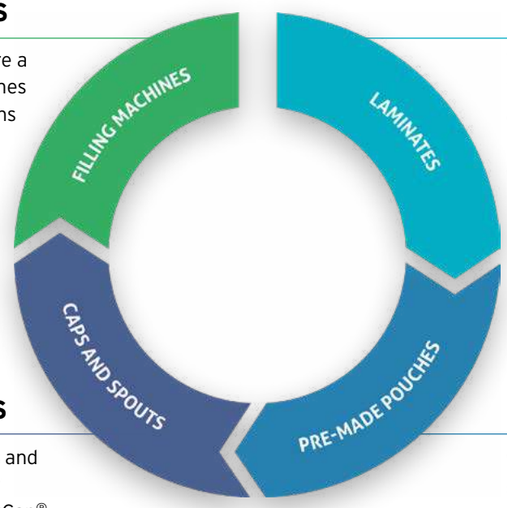
FILLING MACHINES

We design and manufacture a complete range of filling lines and pasteurization solutions with different production capabilities.



LAMINATES

We are a historical leader in flexible packaging, with advanced lamination, rotogravure and flexo printing and extrusion capabilities.



CAPS AND SPOUTS

We offer a range of spouts and caps for Spouted Pouches' production, including BabyCap®, a worldwide standard for anti-choking caps.

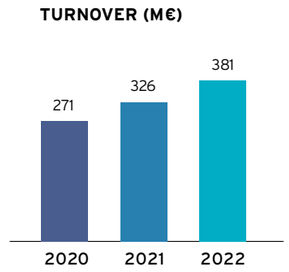
PRE-MADE POUCHES

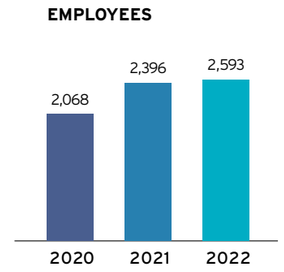
With more than 30 years of experience, we are a world leader in pre-made spouted pouches – including standard or custom pre-made stand-up pouches with or without extra features like zip closure, laser, scoring, etc.

3.2 GUALAPACK AT A GLANCE

COUNTRIES:
9 + 2*

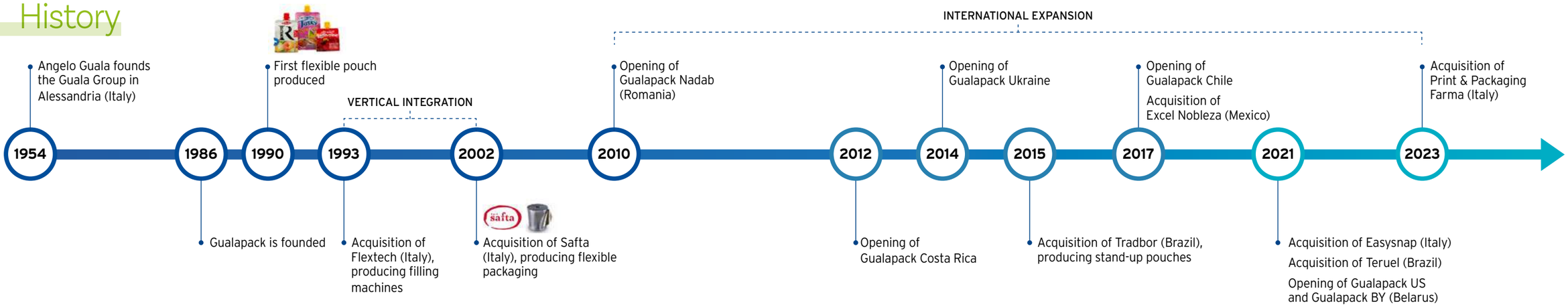
PRODUCTION PLANTS:
15 + 2*





* Joint Ventures / Strategic Partners

History



3.3 VISION, MISSION AND VALUES

Sustainability is our everyday committment

embedded in Gualapack Mission

OUR VISION

Growing sustainably, competing with the best.

OUR MISSION

High performance flexible packaging is our expertise. Quality, service and innovation for our customers are our priorities. Technology crossover and integrated technology solutions are our strength. Sustainability is our everyday commitment. We invest in motivated and talented people.

OUR VALUES

- **PARTICIPATION**
  Motivate and involve people through effective communication and shared responsibility to pursue challenging goals.
- **COMPETENCE**
  Do things well and quickly whilst being open to change and diversity.
- **POSITIVENESS**
  Be positive and always believe in our future successes and in the strength of our abilities.

3.4 TOWARDS A SUSTAINABLE ORGANISATION

A clear structure for sustainability governance aligns the Group's sustainability approach to key trends and embeds it into our long-term strategy.

The Corporate Sustainability Department, directly reporting to the President and CEO, interacts with business functions to provide strategic guidance on various sustainability topics. In particular, it is responsible for:

- Monitoring the evolution of key sustainability, legislative and consumer trends and transforming them into inputs for the organisation;
- Managing relationships with trade and industry associations as well as with other stakeholders;
- Supporting the definition of the Group's sustainability strategy, integrating it into the Group's long-term business plan;
- Supporting business functions in reviewing existing or defining new improvement plans related to sustainability;
- Developing and maintaining a robust internal reporting system to monitor sustainability performances with a main focus on key social and environmental aspects.

Within the Company the Sustainability Committee is the body specifically focusing on sustainability, with an aim to identify issues and solutions to manage the complexity of the current scenario while striving to instil the same sense of responsibility in all colleagues throughout the organisation.

The Committee is chaired by the President and CEO and is composed of various company representatives, bringing to the table skills and commitment from different key departments. For this reason, the Committee includes the EMEA Director for a business perspective, as well as representatives from Operations, HSE (Health, Safety & Environment), Human Resources, Marketing and Communications in addition to Sustainability. The Committee is involved in taking key decisions on sustainability and is responsible for ensuring strategy implementation, guaranteeing coordinated efforts and alignment between the functions involved as well as with the whole organisation. Based on the agenda of the Sustainability Committee, additional company representatives such as the CFO, CIO or R&D Director can be invited to join the discussion.

Updates on the analyses and decisions of the Sustainability Committee are then shared with all global operations through several dedicated meetings, including our regular Corporate Management Meeting, periodic meetings with the people in charge of international activities, and our Global HR Meeting.

MICHELE GUALA
President & CEO

CARLO ALBERTO ZAGGIA
EMEA Director

ELISABETTA PITTALUGA
Organization & Talent Development

OLIVIA ERFURTH
Global Marketing

MICHELE MARCHINI
Health & Safety, Environment

LORENZO SACCHI
Global Sustainability

3.4.1 2022 Priorities

After five years of activity, the Committee's identity has evolved naturally in line with the constant changes in the general context and the definition of new goals.

Europe and the entire world had another intense year in 2022: no sooner had we overcome the health emergency that a humanitarian crisis began, with the Russian-Ukrainian conflict. For our Company, this had a deep emotional effect due to strong solidarity we feel for the colleagues at the manufacturing site we have in Sumy, Ukraine. We are proud of our Gualapack Ukraine team. Despite all difficulties, our people in Ukraine remain at their clients' side and provide them with outstanding support, striving every day to maintain our service at the highest level, whatever their needs may be. Despite the prolonged conflict, activities have not stopped – not even for a single day – and we have continued to manufacture and supply top-quality packaging to the Ukrainian and European markets. The war also led to strong pressure on energy and raw material prices for many months. In addition, as regards the packaging sector in particular, 2022 saw the continued proliferation of national and supranational regulatory proposals. Discussions have begun for an international Treaty promoted by the United Nations, and the European Commission has presented a proposal for a new Regulation on Packaging and Packaging Waste – which, in the intentions of the legislator, should clearly regulate the sector in all EU countries. At the time of publication of the present Report, the proposal has not yet been finalised and the approval process is following the usual institutional channels (for more information, please refer to the section "Regulatory Evolution" in Chapter 4).

For all of these reasons, the main topics discussed by the Committee during the year included:

- Operational activities immediately implemented to support our site in Ukraine, in terms of both humanitarian aid and business;
- Efforts made by our Energy Team to rationalise consumption in our plants, in Europe especially;
- Regulatory evolutions relating to the packaging sector and possible developments on issues that are strategic for us in a framework of circular economy (recyclability, compostability, reuse, etc.);
- Relations with trade associations and other initiatives of which we are active members;
- Sustainability assessments by third parties and relationships with external stakeholders (e.g. clients, partners, NGOs, universities, etc.);
- Strengthening of our monitoring and reporting system for the social and environmental performances of our sites around the world;
- External communication and training activities tied to sustainability issues, and employee engagement through dedicated communication – which also included an update of our corporate intranet with particular focus and attention for the page regarding Sustainability and Innovation/R&D.

As mentioned, we continue to systematically monitor the current legal framework and its impact on our products in the markets we are interested in: this allows us to promote innovation proactively and to develop a coherent and effective transformation in our product portfolio. We follow a roadmap that ties in with the market's evolutions and our collaborations with technological partners, with the goal of creating value for our clients even in a scenario of uncertainty and change. Concrete examples of our innovation pipeline are provided in Chapter 4 "Product Innovation & Sustainability".

Regardless of their differences, all of these activities also fit into the framework we defined with the four pillars of our Sustainability Mission: the map our Committee follows, towards an ever increasing responsibility for positive impact.

3.5 SUSTAINABILITY IN ACTION

Sustainability means healthy growth and continuous improvement, holistically impacting our environment, community and surroundings so that future generations can benefit from the efforts we make today. To put this vision into practice, in 2020 the Gualapack Sustainability Committee decided to define its commitment by creating a circular path with four milestones, in a sustainable journey where customer satisfaction is the final goal.

1 Share and believe

Company Growing Sustainably

Enforce common values in our people, creating the path forward for sustainable improvement across sites.

KPIs, reporting, involvement in social issues, safety, employee engagement, growth and evolution. "Share and Believe" sets the stage for all other milestones along the corporate sustainability journey. It is the ground upon which we build consensus and share knowledge with everyone at Gualapack, so that people in different sites, roles and responsibilities can be aware of the world changing around us. This in turn will motivate our corporate community and help understand and drive the strategic decisions that impact on everyday processes and product development.

2 Embrace change and recognise opportunities

Sustainability Value Chain

Take action and engage with sustainability decision-makers and stakeholders along the value chain, improving the future of planet and people.

Learning, debate, power to change, risk management.
This second milestone takes us outside Gualapack, where it is fundamental to be on the constant lookout for legislative updates regarding flexible packaging, plastic, and plastic waste and to be sensitive to the "winds of change". The European and global landscape in terms of recyclability and sustainable packaging are in fact ever evolving, and this uncertainty can be frustrating to consumers and even more to our clients.

In this scenario Gualapack makes an effort to gather up-to-date information for clients, and to actively be part of the change: our participation in FPE, Ceflex, RecyClass and Recoup reflects this commitment. This enables us to develop and provide solutions to our clients.

3 Improve and grow

Technology and Product Portfolio

Build expertise, know-how and technology offering our customers a newly positioned product portfolio within the sustainability framework.

Sustainable solutions, commitment to growth, competing with the best, focus on innovation. Gualapack's Sustainability and R&D teams will elaborate the experience and knowledge gained during phase 2, to make the right decisions in terms of new project and product development, to meet the needs of local markets and abide by legislation requirements too. This is the way Gualapack can best express its full potential: tailor-made solutions, implementation of best-in-class technologies, research and development of new products for the creation of a portfolio that is both sustainable and competitive according to the needs of each client, anywhere in the world.

4 Listen and enable

Customers and Markets

Provide solutions to clients to grow sustainably in their local context, according to their company strategy.

Local market awareness, being up-to-date with legislation, coherence, upholding reputation.

The success of our clients in their own markets is a victory for Gualapack and the final objective of our Sustainable vision, mission and action. Identifying solutions for our customers is the result of a solid and constructive dialogue between them and us. They are at the centre of our efforts, and the focus of our last milestone. From the shared consensus and engagement at a corporate and community level, to the exposure and activity on industry and legislative platforms and the creation of new products in a coherent portfolio of improved sustainability and functionality, the first three steps are key to reaching our final destination: keeping Gualapack at the forefront of an ever-challenging world and making our clients competitive and sustainable.

3.6 MATERIALITY ANALYSIS

In 2021, we started a materiality analysis to encourage the development of a shared, strategic vision on sustainability within the Company. We were motivated in this effort by Gualapack's mission and values, which see employees' direct engagement, their competence and positivity as key factors to achieve our goals.

Building the materiality matrix allowed us to identify the most relevant sustainability matters. We decided to conduct the first materiality analysis by addressing internal stakeholders exclusively, in order to achieve a double goal: to identify material issues and to engage them, stressing once again their role as protagonists in our sustainable growth with ideas, proposals and initiatives.

The materiality analysis process was structured into the following main steps:

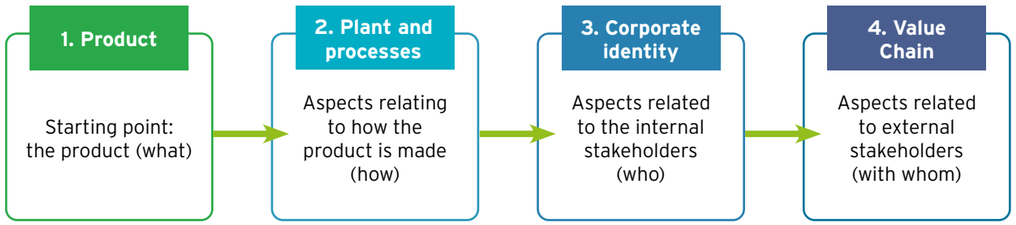
1. Definition of the structure of the matrix;
2. Mapping of the material issues for the industry, through the analysis of existing literature, reporting standards and benchmarking;
3. Identification of material elements and sorting into categories;
4. Internal stakeholder input to assess the relevance and importance of the various material elements;
5. Analysis of the results and consequent definition of strategic implications;
6. Validation of the results by the Sustainability Committee.

Structure of the matrix

The materiality analysis was structured around the following definitions:

- The x-axis is meant to evaluate how much a certain material element influences the organisation's capability to create value for the future: the availability of tangible assets (financial and productive capital) and intangible ones (know-how, knowledge and skills), as well as the presence of active management and the level of engagement within the organisation;
- The y-axis represents how much a certain material element influences the creation of value for our stakeholders.

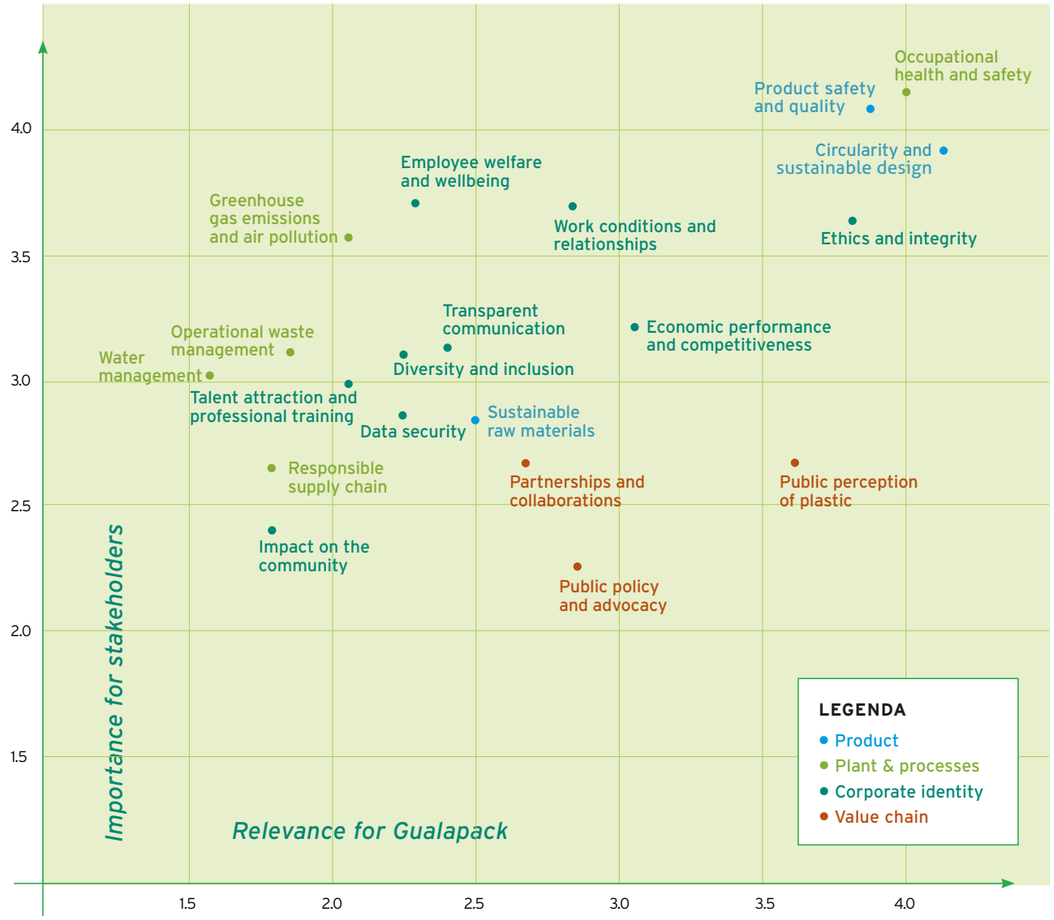
Both elements were assessed according to a future-oriented vision.



Material elements

Material elements were selected via benchmarking, carried out in comparison to organisations in the same field and industry, analysing insights and information provided not only by the Sustainability Committee but also by the Sales Department, which represents the meeting point with the external market perspective.

In order to reflect Gualapack's actual reality, we defined four different categories for the elements: product, plant and processes, corporate identity and value chain.



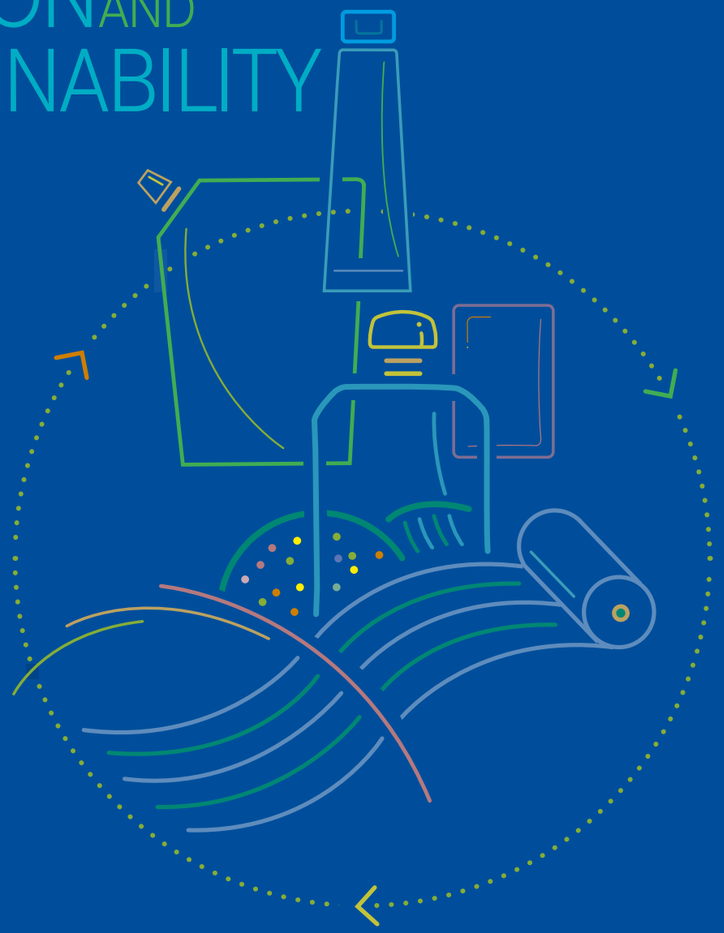
We originally pinpointed 23 material elements, divided into the 4 categories, and put them through an assessment. The matrix presented in our 2021 Report reflected the opinions gathered via a questionnaire filled out by over 130 Italian employees from various departments, as well as a sample representing top management.

The 2022 edition of the matrix considers a wider scope of inputs to reflect 120 additional answers from employees worldwide, thus enriching the results considering more than 250 answers expressing different standpoints. We also decided to differentiate answers in order to emphasise the view from the top management.

The final assessment of each element and the relative positioning within the matrix thus represent an aggregate of employees' different points of view collected through the questionnaire. Finally, some of the material elements were combined (taking the total from 23 to 20) due to partial overlaps and similar final positioning, thus simplifying the presentation and making the matrix itself easier to read.

The updated results were once again reviewed by the Sustainability Committee, which proposed adjustments to selected elements to reflect the relevance for the industry based on detailed analysis of competitors and customers. The updated matrix is represented in the chart above.

PRODUCT INNOVATION AND SUSTAINABILITY



Packaging is primarily meant to protect what it contains – which can be crucially important for products such as food and pharmaceuticals. However, there is a clear trend towards adding to this functional aspect also deep reflection on any environmental impact or contribution to global warming: waste should be minimised and any resources recovered and recycled, avoiding litter and pollution as much as possible.

Within this framework, flexible packaging solutions can play a key role because they are appropriate for a vast range of goods – even those requiring specific barrier properties – and require limited amounts of material; they also take up less space and usually weigh less, leading to improved environmental performances in logistics as well, from transport to stocking.

Finally, considering the impact of packaging over products' entire life cycle, collection and recycling can also be easier.

The constant changes in the general context and in our sector in particular, currently spurred by sustainability issues that deeply affect both new legislation and consumer needs and habits, are leading to an evolution of our product portfolio which, while being completely natural, requires us to make continuous investments in resources and know-how to renew and adapt technical specifications that have a direct impact on the market and on our clients.
Please see section "Regulatory Evolution" for an overview on evolutions in the legislative framework in some of our key markets.

In line with our corporate Vision, "Growing sustainably, competing with the best", for years the Gualapack Group has invested extensive human and financial resources in the development of increasingly circular packaging solutions, aiming to enhance the sustainability of its products by considering the technical features and specific challenges of fields of applications such as food, pharmaceuticals, and personal care. Our R&D area plays a crucial role in this process, by carrying out innovation activities for the search of new solutions and product development projects in close contact with the sales force and in support of clients. Dedicated teams manage the approval of raw materials, in compliance with stringent legal requirements set forth for consumer protection in the various geographical areas where our packaging is marketed.

The technical know-how we have developed over time is a strong asset setting us apart on the market, and finds various applications, including:

- Looking for new formulations and materials;
- Standardising and simplifying existing structures, applying the logics of production process improvement;
- Designing moulded components;
- Obtaining patents to protect intellectual property.

With technical resources across the various countries where we are active, and all the necessary connections with the local context and customer needs, our R&D activities see the central team in the EMEA region act as Global Lead for Product Development, thus representing an international reference on these issues and supporting the transfer of know-how to other regions.

4.1 A SUSTAINABLE PORTFOLIO

We regularly monitor how much value is created by the evolution of our product portfolio and how much this value is appreciated by the market.

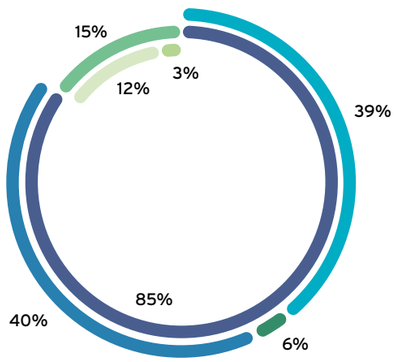
With a particular reference to the EMEA region, we have analysed our portfolio in order to properly classify our products into the following sustainability categories:

- Products designed to be recycled (and already certified to be effectively recycled in several countries by private accreditation institutions);
- Bio-degradable and compostable products;
- Products with plastic components not deriving from fossil sources ("bio-based").

For example, as regards the details of our EMEA portfolio of pouches – whether equipped with spout or not – today no less than 15% is already represented by sustainable solutions, mainly designed to be recyclable. Another 39% is represented by applications that can be replaced by those already developed with an eye to sustainability; a further 6% will potentially be replaceable in the short term on the basis of developments already in progress.

European Pouch Portfolio analysis

- Sustainable solutions
  - Designed for recyclability
  - Bio-based
- Standard solutions
  - Sustainable solutions available for replacement
  - Development of sustainable solution ongoing
  - Sustainable solutions not currently available



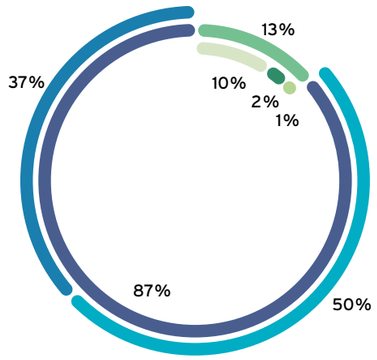
As regards our range of laminates, again with reference to the EMEA region, sustainable solutions represent 13% of the portfolio, with a strong prevalence of options designed to be recycled compared to compostable or bio-based solutions; 50% is represented by products that could be replaced by more sustainable solutions already developed; while the remaining part – approximately 37% – could be replaced in the future as a result of further structure developments.

This is the analysis regarding the availability of solutions designed to be sustainable that we offer our clients, and the result of the development undertaken in recent years and intended to offer an ever-increasing number of circular solutions.

Looking at our clients' reception of our solutions, we can complete the picture with a different and valuable point of view. Indeed, if we analyse global sales, considering the contribution of caps and spouts in addition to pouches and laminates, the percentage generated by products designed to be sustainable is 14.2%.

European Laminates Portfolio Analysis

- Sustainable solutions
  - Designed for recyclability
  - Compostable
  - Bio-based
- Standard solutions
  - Sustainable solutions available for replacement
  - Alternative sustainable solution to be developed



approx 14%

of sales from **sustainable products**

This KPI measures the share of turnover deriving from new-generation products with more sustainable features, over the total sales of laminates, pouches, caps and spouts. In our definition, products with improved environmental impact include all laminates, pouches, caps and spouts designed to satisfy, without compromising performance, at least one of the following sustainability objectives: recyclability, compostability, significantly reduced weight compared with alternatives, and reduced carbon footprint.

In the years since we started tracking this information, the indicator has recorded clear growth, according to a trend that reflects the market's appreciation of solutions with improved environmental impact. Indeed, the year-on-year growth rate is 58% when compared with 2021.

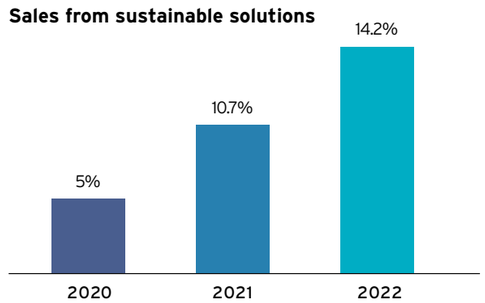
+58%

of sales from **sustainable products**

This is a remarkable result that speaks to the transformation of our product portfolio and to the trust our clients have in our innovative and sustainable solutions. As regards 2022, the strongest contribution to the KPI's increase was determined by the sales of our Pouch5®, our monomaterial spouted pouch designed to be recyclable. Following a successful worldwide launch in 2020, an increasing number of clients are now adopting this solution anywhere recyclability is identified as an added value.

The indicator's positive trend is also supported by our compostable peelable lids for trays and coffee capsules, as well as by monomaterial laminates, both part of our LamiNEXT™ portfolio.

Sales from sustainable solutions



We expect this KPI to continue improving in the coming years, probably even at a faster pace, in connection to the growing awareness about sustainability issues that the market and clients are developing, always with Gualapack's innovation and support at their side.

In an evolving regulatory and market context (see section "Regulatory Evolution" for further information), companies have a decisive role in developing and introducing potential solutions for product circularity and can lead to a concrete improvement in the management of packaging's end of life, by adopting a critical view of their processes and products. It is essential they correctly identify the areas of action on which to focus for a targeted and effective contribution, aimed at significantly reducing environmental impact in the long term.

Gualapack promotes the circularity of its products and adopts improvement and development plans based on various guidelines to meet a wide range of needs. Our strategy is based on the following key themes:

- Recyclability
- Compostability
- Reduced weight to reduce the use of resources
- Support for reuse and refill systems
- Recycled material content where possible
- Paper-based solutions
  - Bio-based solutions

4.1.1 Recyclability

At Gualapack we are committed to eco-designing flexible packaging so that it achieves the essential functions of packaging while at the same time delivering low environmental impact for packed products throughout their lifecycle.

Flexible packaging adds value in a circular economy framework, through extremely efficient use of materials and energy resources. Unfortunately, this type of packaging is not yet widely recycled across the globe: this is due to a variety of reasons, mainly connected with the very small amount of material contained in flexible packaging, which is generally more challenging to recycle economically than rigid monomaterials. Full circularity will be achieved through higher recycling rates by combining optimised packaging design and improved infrastructure for collection, sorting and recycling.

Among the recycling technologies already in use, mechanical recycling is available for mono and mixed plastics and pyrolysis is for laminates with aluminium foil. With this in mind, we are shifting our product portfolio towards monomaterial multi-layered structures (available both as laminates and as pouches). See the previous chart for more information about our sustainable solutions and the current trends in customer acceptance.

The best example of our portfolio's evolution towards more recyclable applications is Pouch5®. Launched in 2020 with selected partners, after several tests and certifications on its recyclability, Pouch5® is our first flexible, high-performance stand-up pouch made in monomaterial and therefore recyclable within the existing streams. It is based on our LamiNEXT™ laminate entirely made of PP (polypropylene), where different, properly designed PP layers replace those typically present in non-recyclable solutions such as printable polyester, high-barrier aluminium, polyamide, etc.

Therefore, Pouch5® replaces traditional raw materials with alternatives that are more sustainable for collection, sorting and convenient recycling, reducing the carbon footprint compared to similar solutions made with a traditional laminate structure. We estimate that Pouch5® contributes up to a 39% reduction in greenhouse gas emissions (measured as CO_2 equivalent released throughout the pouch's life cycle), thanks to the use of materials that have a lighter impact than PET and aluminium (see section "The Life Cycle Assessment" for more information).

Indeed, over the years Pouch5® was successfully tested by several accreditation bodies for its recyclability performance, including Interseroh, Recyclass and HTP Cyclos. On top of this, in 2021 Pouch5® won in two out of ten award categories – for Balanced and Safe packaging – at the Best Packaging contest promoted by Istituto Italiano Imballaggio, Italy's key event to highlight the year's best packaging solutions. These two prestigious accolades recognise and confirm our company's strong commitment to the environment.

Pouch5® was originally designed for infant nutrition, fruit purees and other shelf-stable, pasteurised foods, to offer parents – who are increasingly aware of environmental issues and of the importance of "going green" even in packaging – the convenience of on-the-go snacks paired with the advantages of recyclable pouches. Currently it is available in a variety of shapes and sizes for cold filling, hot filling + pasteurization as well as for home and personal care applications.

To complement the success of Pouch5® we also redesigned our caps, which are a crucial element in spouted options. Anticipating legislative requirements that are planned to enter into force in Europe in the next few years, based on the Single Use Plastic Directive, we developed tethered caps to help consumers avoid unintentional littering. Designed to remain firmly attached to the spout, these caps support the common objective of reducing the number of plastic objects that are lost in the environment, while at the same time increasing the amount of material that is collected, sorted and recycled. A tethered version has already been developed and placed on the market for several of our caps.

Recyclability criteria are also met by other structures of ours: for example, mixed polyolefin options where a combination of PE and PP is adopted. Despite showing lower recyclability scores when compared to the full/mono PP option, this solution is optimal for packaging formats where high capacities (approximately 1 litre) or barrier properties are required.

Another recent innovation in our portfolio is our InnowebMONO™, a monomaterial PP laminate specifically developed for tubes for personal care and cosmetic products. It was tested and approved by Recyclass after independent laboratory testing proved it is compatible with the rigid PP recycling stream.

Finally, we actively work on optimising recyclability at a larger scale by engaging in value chain collaborations such as CEFLEX, the industry project to enhance the performance of flexible packaging in the circular economy.

4.1.2 Compostability

Thanks to compostability, packaging can increasingly often be considered an effective element for circularity, depending on the local context and on the content it protects. That's why, at Gualapack, we have worked hard to develop our compostable LamiNEXT™, offering a more sustainable option to our clients.

As regards compostable films, we have started producing laminates for dry applications (powders, cereals, etc.) and lid films for single-use coffee capsules certified compostable according to norm EN13432.

Subsequently, leveraging the know-how that had led to the development of a compostable top lid with high oxygen and moisture barrier performance, Gualapack expanded its offer with a new industrially compostable and transparent material, suitable for the top lid applied to fresh pasta trays. The design of this solution had to face and overcome some particular difficulties:

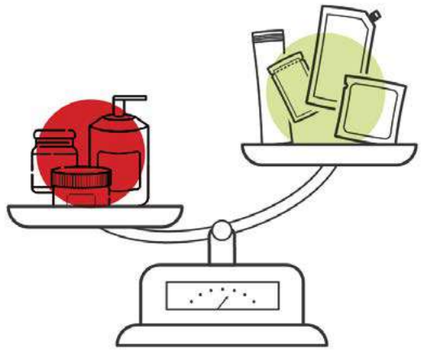
- Procuring raw materials suitable for composting;
- Procuring barrier raw materials suitable for composting;
- Using additives as pure as possible and with ecotoxicity suitable for composting;
- Achieving excellent weldability on the tray;
- Ensuring the sealing bars' resistance to pressure without delamination;
- Accomplishing excellent transparency.

Gualapack managed to create a highly transparent, laminate with suitable barrier properties, without the use of adhesives that would have lowered the quality of the compost obtained after recovery. This success is due to the particular coupling technology implemented, which involves the use of an extruded biopolymer, instead of conventional adhesives, to join the various layers of compostable films. The material has brilliantly passed all compostability tests and obtained the TÜV certification.

4.1.3 Reduced weight

Flexible packaging provides an opportunity to maintain functionality and quality while reducing the consumption of materials and energy resources. The benefits are compounded along the product's entire life cycle: because less consumption uphill also results in less waste to collect, sort and recycle downhill.

It comes to little surprise, therefore, that flexible packaging is playing an increasingly vital role in the distribution and consumption of consumer products around the world: currently, approximately half of primary food packaging on the EU market is flexible, in terms of product units. The fact that this represents only about 17% of all food packaging material in terms of weight is proof of the remarkable difference the efficient use of materials can make for the environment, as well as for business.



Developing increasingly lightweight solutions is so integrated in our approach today, that we have extended this approach to the design of our caps as well. To mention one example related to the injection-moulding sector, Gualapack's Wavy Cap is a lightweight option that preserves the same functionality and features of BabyCap®, our standard cap for baby food, yet is 15% lighter.

-15%

in weight: **Wavy cap vs standard BabyCap**

4.1.4 Reuse and Refill Systems

By fitting in well with refill systems, flexible packaging supports sustainable production and consumption. Formats where refill pouches are used to support a reusable system have been around for some time: at home, for example, consumers may often choose detergents for which they buy a rigid packaging the first time at the supermarket and then are able to purchase refills in flexible pouches. The rigid container can be refilled at home, saving money and avoiding excess packaging waste.

Gualapack's portfolio includes a variety of solutions meant for favour the practice of reusing and refilling by consumers – for shampoos, body creams and home and personal care products in general – or by personnel in the hospitality sector, with capacities typically over 300-350 ml.

4.1.5 Recycled content

The use of recycled plastic in packaging is a current topic of discussion and the subject of much research. A crucial element to always keep in mind is the need to safeguard consumers' health, especially for any sensitive application where particular care is required to ensure that no potentially dangerous substances can migrate between container and content.

Many geographical areas, including European countries, lack mechanical recycling plants and technologies for the recovery and use of recycled polyolefins in food-safe packaging approved by the relevant bodies. This is largely due to the chemical characteristics of polyolefins (PE and PP), which differentiates them from other polymers (for example PET), and to the characteristics of the mechanical recycling process – which requires the crushing of waste. Indeed, there are no PE or PP materials from post-consumer mechanical recycling authorised for use in food packaging to date. Even at the regulatory level, the issue is still in progress. For example, according to the provisions contained in Regulation (EU) 2022/1616 relating to recycled plastic materials and objects intended to come into contact with food, the industrial recycling processes that yield polymers suitable for the production of food-safe packaging must undergo a lengthy authorisation process at the moment.

Pending authorisation developments related to mechanical recycling, a theoretically viable path would be to use resins deriving from chemical recycling for use in packaging meant to come into contact with food or for other sensitive applications. However, the chemical recycling chain is also currently evolving and unfortunately the quantities of material it makes available today are very limited and far from an industrial scale. One of its peculiar features is the need to implement processes that measure and track materials through the mass balance applied along the entire supply chain, which can be certified through third-party verifications, among other things. The supply chain for chemically recycled materials – from purchase to storage, use and sale – requires special management procedures capable of ensuring that every step in the flow is followed correctly. In our case, this required two Gualapack sites (Alessandria and Piacenza, Italy) to earn a certification under ISCC PLUS, the standard that regulates the management process of these materials.

In the challenging area of recyclability, in 2022 Gualapack was able to complete an ambitious project by collaborating with two of its major stakeholders – a supplier of raw materials and a brand owner – to create a spouted pouch that includes over 30% of post-consumer ISCC+ certified recycled plastic.

over 30%

ISCC PLUS + certified recycled plastic

In a nutshell, the raw material producer treats plastic waste with a chemical-physical disintegration process that brings it back to its basic molecules. These are then mixed with other molecules deriving from petroleum refining, to start the polymerisation process and obtain virgin plastic*. The mass of this new polymer is therefore composed of partly virgin and partly recycled material, mixed at the molecular level. The outcome was a sustainable version of the iconic BabyCap®, with a share of post-consumer polyethylene that does not alter the mechanical and airtight properties of the packaging and complies with all the requirements for contact with food.

* obtained by means of mass-balance approach

4.1.6 Paper-based solutions

One of the potentially critical phenomena regarding flexible packaging in some geographical areas and in some market segments is linked to the growing use of paper-based structures. With variable results depending on the application and on the performance that must be achieved in terms of content protection, this type of solution allows to significantly reduce the amount of plastic used in packaging.

Gualapack offers its clients both films and pouches, with or without spout, with paper-based structures. One recent example, on which the R&D teams at both Gualapack and Easysnap® worked, is Papersnap®: the paper-based evolution of Easysnap®, our innovative system for single-dose packets that can easily be opened with one hand.

Easysnap® and Papersnap®'s packaging design is more compact than any other solution with equal content capacity. Furthermore, being able to portion products in single doses reduces food waste, and the opening mechanism is so accessible that it is suitable even for children, the elderly and people with disabilities.

Papersnap® essentially replicates Easysnap® but with an even higher level of sustainability, because it is designed to be recyclable in the paper stream without compromising on the original technology's excellent barrier performance. Indeed, Papersnap® packets can be manufactured with an oxygen and moisture barrier, and are suitable for both food and cosmetics: typical applications are honey, creamy foods with different densities, makeup or face creams and sanitising gels.

Like Easysnap®, Papersnap® consists of a top and a bottom welded together to form a packet that opens when folded, even using just one hand, without tear-off parts. In this case, however, the use of plastic is limited thanks to the paper-based components, which required the definition of additional design solutions both to manufacture the laminates and to adapt the filling machines.

Our efforts were rewarded by achieving a packet that is easy to use, dispose and sort for recycling. Papersnap® obtained the C-grade recyclability certification from Aticelca (the Italian technical association for cellulose and paper), ranking very close to grade B. Since then, through further redesigns we have improved the result even more, reaching up to 80-85% paper content on the overall weight.

80-85%

paper content

4.1.7 Bio-based solutions

Gualapack's portfolio of products for improved sustainability also includes laminates, pouches, caps and spouts in which fossil-origin PE has been entirely replaced by bio-based LDPE and HDPE. These solutions are produced from renewable raw materials, where PE is a drop-in polymer that is totally analogous to its predecessor. This is beneficial in saving fossil fuels, which are a finite resource. Furthermore, Gualapack's bio-based range also includes compostable solutions.

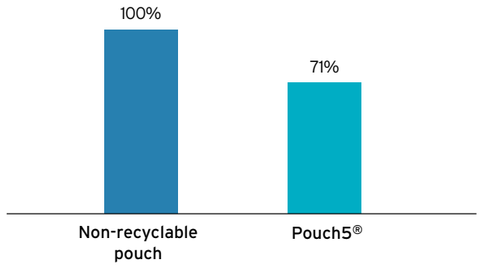
4.2 THE LIFE CYCLE ASSESSMENT

The Life Cycle Assessment, often referred to by the acronym LCA, evaluates the environmental impact of a product or service by analysing its different phases: raw materials used, transport, production processes, packaging, distribution, down to every step in its use and end of life. The LCA is a leading eco-design tool because it allows companies to analyse all the processes in the life cycle being studied, highlighting strengths and weaknesses from an environmental point of view, and therefore identifying possible opportunities for improvement.

Gualapack performs LCAs following ISO14040 and 14044 standards for eco-design and according to specific client requests. The company has built and customised a calculation system based on the specific production process for laminates, pre-made bags and injection-moulded parts. We directly collect the main data on process yields, energy consumption and emissions into the environment, while for the data relating to raw materials we rely on suppliers, when they are properly equipped, or we refer to official data made available by trade associations, when available, or by certified commercial databases in the absence of other sources. The studies are carried out by setting system boundaries that may or may not include the product's end of life, depending on the purposes pursued and on client requests.

Gualapack's LCA database was developed using the SimaPro LCA software and contains data relating to all the packaging analysed so far: raw materials purchased, company processes, yields of the various processes and so on. This primary data collection represents the heart of the Group's LCA calculation system. The specific knowledge gained was also used to develop a basic LCA model that is replicated for the calculation of all products' environmental impacts. Within the project, numerous parameters are defined to control all aspects of the life cycle, which are specific to each product, such as the weight and number of layers in the case of laminates. Each time a new LCA study is conducted, a copy of the basic project is made and the parameters are completed with data relating to the analysed product. The choice to structure the LCA modelling of Gualapack products in this way derives from the need to carry out studies in a timely manner, and is made possible by the type of production process, which requires minimal variations for the different packaging solutions.

Life Cycle Carbon Footprint



Pouch5®'s Life Cycle Assessment

In addition to being mechanically recyclable and ready for the recycling processes, monomaterial solutions like Pouch5® also offer an improved LCA, especially thanks to the elimination of raw materials with a heavier impact on the environment such as aluminium and polyester.

In terms of climate-altering emissions measured in terms of CO_2 equivalent, should Pouch5® packaging not be recycled at all it would still offer a 25% benefit compared to standard solutions. Assuming a 50% recycling rate, the reduction of CO_2 emissions rises to 29% – reaching 39% in the hypothesis of 100% recycling.

up to -39%

of **CO_2 emissions**

4.3 REGULATORY EVOLUTION

In a market context where the use of packaging is growing in various sectors and applications, packaging is perceived to be increasingly connected to the content it carries, protects and allows to be used. At the same time, consumers' demand is increasing for solutions that are more sustainable and therefore more circular throughout products' entire life span. Proper management of products' and packaging's end of life has become one of the main drivers in design choices, at the heart of the technical challenges that processing companies have to face. This trend is evident not only in the requests from customers and consumers, but perhaps even more in the legislative evolutions underway in various geographical areas.

In the past year alone, new regulations have been introduced or proposed all around the world, including:

- The so-called **Plastic Tax**, introduced in the UK and Spain (early 2023), which provides for the payment of a fee for plastic or plastic-containing packaging and some reliefs for the use of recycled content;
- The **packaging labelling** systems adopted in France and Italy (at the beginning of 2023), to provide consumers with better information on how to sort household waste and thus contribute to a higher collection and recycling rate according to the requirements of the national systems in place;
- Regulation (EU) 2022/1616, relating to recycled plastic materials and objects intended to come into contact with food products, which aims to support the development and operation of recycling technologies, processes and plants;
- The proposal, put forward by the European Commission in November 2022, of a new **Packaging and Packaging Waste Regulation**, which aims to profoundly change the production, logistics and large-scale distribution sector and the waste management chain in order to achieve ambitious European objectives. The proposal is now following the usual institutional approval process, which will take a few months: while the final content cannot be predicted with certainty, we can guess some of the challenges it will bring – such as stringent recyclability objectives and thresholds for the use of recycled content to be implemented by 2030 and 2040;
- The issue of waste management with a particular focus on packaging is not topical only in Europe, but also in the **United States**: some States have enacted or are studying local provisions such as the introduction of **producer responsibility schemes (PRSs)** to promote private engagement in collection systems;
- In 2022, even the **United Nations** launched activities that should lead by 2024 to the drafting and approval of an international treaty to combat plastic pollution, as they have already done in the past with regard to the fight against climate change.

In such a fast-changing context, it is essential to monitor these drivers for change to identify risks and opportunities for business and turn them into ideas for action, to improve the environmental performance of our products. The following sections provide an overview of the main development areas that the company has already explored, achieving important results. In the years to come, every effort in this direction will become even more essential to meet increasingly stringent sustainability requirements.

FOCUSING ON OUR PEOPLE

5.1 MANAGING OUR HUMAN CAPITAL

Our ethical principles align with the Universal Declaration of Human Rights of the United Nations and with the Conventions adopted by the ILO (International Labour Organisation) on the protection of male and female workers, refusing any discrimination based on gender, age, origin, religion and sexual orientation.

As presented in the previous sections, the founding values of our corporate culture – intrinsically connected with our Vision and Mission – are:

- **Participation:**
  defined as the ability to motivate and engage people through effective communication and to share responsibilities in the pursuit of challenging objectives;
- **Competence:**
  recognising the value of doing things well, quickly, with a mind open to change and diversity;
- **Positiveness:**
  the ability to show a positive approach by always believing in the success of our future and in the strength of our capabilities.

Managing personnel is the responsibility of the HR Managers at the companies or individual sites, in collaboration with the Managers of the various company departments who, in addition to achieving corporate business and customer service objectives, must also guarantee the correct management of their collaborators. In some geographical areas, where we have multiple sites, the organisation identifies an HR Manager for the whole area who also coordinates responsibilities at the local level (this is the case, for example, for the EMEA region and for Brazil). Human resource management is therefore a decentralised function that makes use of dedicated people in the countries where we operate, in order to always be well connected with the national needs and context, not only at a regulatory level but also taking into account local diversity and specificities. Local managers are supported at a central level with regards to some globally relevant aspects and processes – such as talent management, skills and performance assessment, hiring, employer branding and organisation development, as well as for specific topics such as sustainability, change management.

Supporting our people in Ukraine during the war

At the time of writing this report, the people of Ukraine are still suffering the consequences of war on many levels. As a company, Gualapack is built on strong core values of care, participation and teamwork. This has motivated us, since the beginning of the humanitarian crisis, to support our employees, their families and local communities in every possible way. We know that we can contribute to help Ukrainian people by strengthening our business and by directly providing tangible support – for example supplying first aid kits and other humanitarian aid, communication and electronic equipment, as well as financial donations, collected in part by the Group's employees in the various countries where we operate.

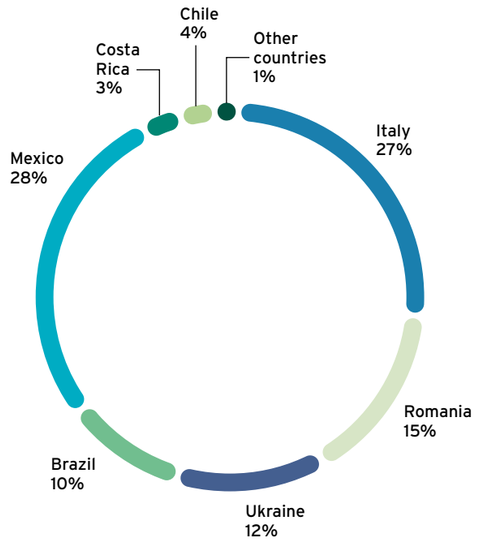
5.1.1 Workforce characteristics

At the end of 2022, the Group employed 2,593 workers, with an increase of around 8% compared to the previous year. We inaugurated our fist plant outside Italy in 2011, and now can count on a workforce distributed across 9 countries – confirming the global expansion of our organisation over the last decade. In addition, the Group's workforce includes 167 collaborators who are not direct employees of the company.

These resources are generally deployed to support the management of demand peaks in certain plants, where we hire external agencies' workers while in the process of enlarging our organisation.

2,593
employees globally

Employees by country

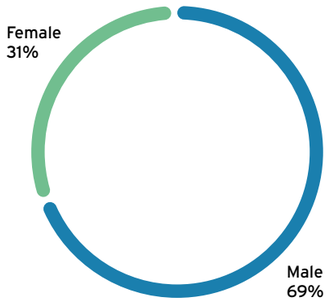


We are committed to building a diverse and inclusive culture where employees feel welcomed, valued and treated equally. Our diversity in terms of geographical areas, backgrounds, skills and talents makes our work environment multicultural and open to innovation and new challenges.

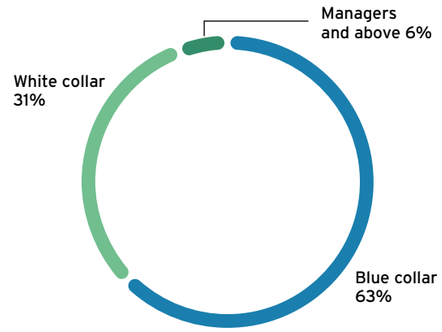
This diversity is also an essential element in understanding the wide variety of consumer needs around the world, and therefore to provide our customers with proposals to satisfy them.

Worldwide, the majority of our employees are male: this is historically linked to the nature of the activities carried out at our sites, which is clearly reflected in the distribution of our workforce by category.

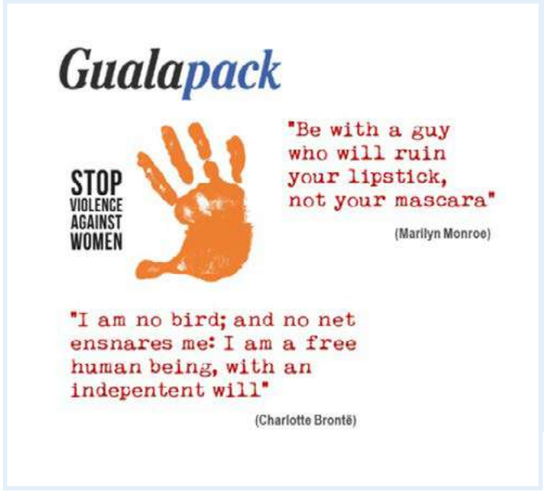
Employee gender distribution



Employees by category



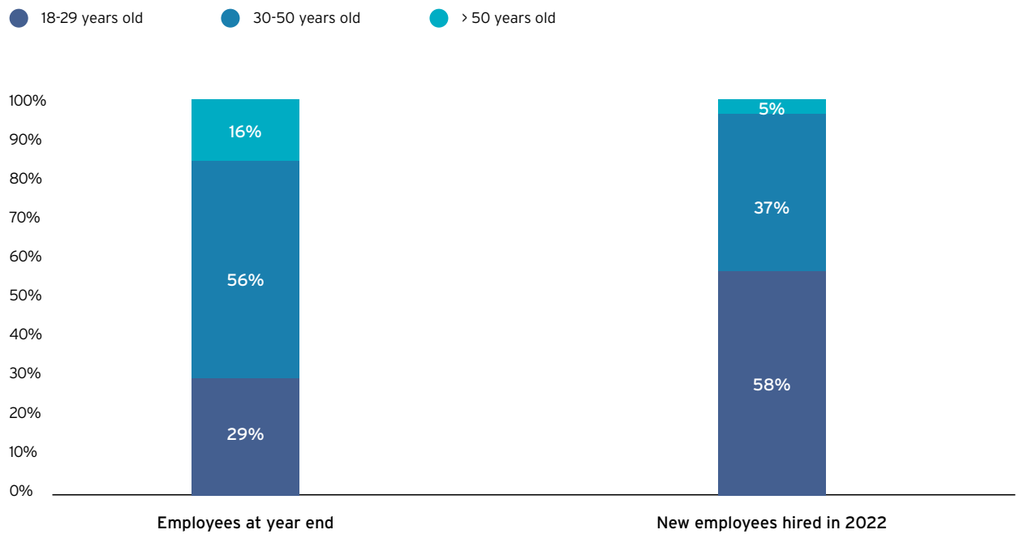
International Day for the Elimination of Violence against Women



November 25th is the International Day for the Elimination of Violence Against Women. The purpose of the day is to raise awareness around the world about the various – and not always visible – forms of violence that women are still subjected to. We invited everyone to remember this day by sharing famous quotes in the Italian and Romanian plants, as an opportunity to reflect and increase awareness, and as a way to spread attention and strongly support respect for women, their dignity, their irreplaceable value in society and in all organisations. The same matter was addressed in our Brazilian plants as well, as described in section 6.1 "Supporting communities".

The Group also supports diversity by promoting job opportunities for people with disabilities, who currently represent 2% of employees across our global operations. Going further into detail in some employee demographics, we can report that the majority – around 56% – are between 30 and 50 years old, while around one third are under 30 and no employees are under 18. The scenario is quite different, however, if we look at new employees hired during 2022: over half (58%) of these are under 30 years old.

Employees and new hires by age group



We aim to be an employer of choice for our current employees and potential candidates. When it comes to the current members of our workforce, we strive to provide long-term employability and stability to support them in their professional and personal development. We favour the establishment of a stable and lasting working relationship:

98%
of Group employees have a **permanent contract**

90%
of Group employees are covered by **collective labour agreements***

99%
have a **full-time contract**

No strikes
were registered during the year

* based on local requirements and common practices.

We aim to attract, develop and retain the right people for each role and make them feel in the right place to express their skills. Employees with strong potential for future development are selected through the talent and key person identification processes, expanded globally during 2022 after a pilot phase in the EMEA region. For more information on the age breakdown, turnover and many more details about our employees, please refer to the "People Indicators" section in chapter 8.

5.1.2 Continuous development

We aim to preserve and protect the know-how, experience and skills of our employees while developing new skills through various learning opportunities. In 2022, we invested many hours on matters that are relevant across all our global operations, such as digital culture and transformation, health & safety and technical skills (also related to the implementation of our new ERP system in the EMEA region). Moreover, local training needs are assessed and considered to deploy specific courses on areas for improvement. As an example:

- In **Italy** training focused in particular on continuous process improvement (Six Sigma method) and on lean production. We have also consistently worked on digital transformation, especially in developing digital skills and tools, and in data protection.
- In **Romania** we have made significant efforts on topics related to health and safety – including practical training on first aid, fire protection and

Training hours by topic

	2022	2021	2020
HSE	13,432	9,408	14,549
Product quality and hygiene	7,291	6,689	4,448
Professional development, including technical training	26,757	12,505	15,540
Other	7,520	15,938	13,877
Total	**55,000**	**44,540**	**48,414**

International training and teambuilding activities

Once the pandemic was under control, the Gualapack plants in Castellazzo and Piacenza (Italy) were finally able to host a few weeks of training. The Italian team, proud to be able to spread their know-how all over the world, welcomed colleagues from Mexico and Costa Rica with an intense training schedule – which also included opportunities to get to know each other and have fun! Participation, competence and positiveness are always a top priority at Gualapack!

Mental health initiative in Brazil

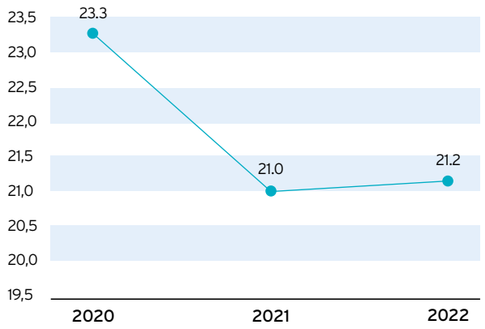
In Brazil, the "White January" campaign draws attention to mental health and spreads information so people can better understand topics such as depression, anxiety and phobias.

In Gualapack's three Brazilian plants, we addressed the issue with our employees. The HR team visited different departments to discuss the matter, giving everyone a cactus plant to symbolise resistance, strength and adaptation. The idea is to gradually strengthen a culture that is supportive of mental health, with the demystification of many popular beliefs on the subject. Taking care of one's health means also taking care of one's mind, and by taking care of our mind we take care of our life.

our HSE Manual – as well as inclusive leadership and technical skills for automation projects.

- In **Costa Rica** we focused in particular on training internal quality auditors and on providing leadership classes to support teamwork and collaboration, as well as on technical know-how.
- In **Mexico** we invested in health and safety with an intensive training campaign on these issues, launched to raise awareness among all personnel. We also held specific technical training for all new employees, focusing on the new products that we have started to manufacture in the plant.
- In **Brazil** the focus of our training was mostly related to quality assurance and safety processes for our products, as well as to health and safety at work. Following the acquisition of two new plants, our aim was to support the three local sites in moving forward consistently with rigorous certification processes in 2022. In addition, we carried out technical training for our professionals to guarantee uniform processes as well as to establish shared methods for the different areas in the three plants. Training topics included: continuous improvement, environmental responsibility, safe behaviour at work, managing emotions with a focus on productivity and happiness at work, and digital skills.

Training hours per employee



Food safety training

Given the field of application of many of our products, the issue of food safety for the protection of end consumers is crucial to us in carrying out daily operations, and often the topic of our training activities. In 2022, for example, we carried out a few workshops applying a different, more interactive and playful method. 140 employees from the Castellazzo Bormida site, divided into 16 teams, took part in 8 sessions during which they participated in training activities and were asked to make suggestions for continuous improvement. In the following months, their suggestions were assessed by specific teams and 4 ideas were chosen for immediate implementation.

5.2 HEALTH & SAFETY CULTURE

We can achieve our vision – "Growing sustainably, competing with the best" – only if our organisation is made up of people who are fulfilled at work as well as in their personal life. To achieve this, we must meet a fundamental need for all individuals: the need for safety. That's why our goal has always been to develop a shared culture that directs each worker's activities towards the continuous evolution of their knowledge, skills and personal awareness.

Thus, the ambition to reach zero injuries is the outcome of a conscious – and, as a result, possible – choice. Indeed, every person, at the end of the working day, has the right and also the duty to return home in the same state of health and safety they enjoyed when they arrived at work.

Gualapack believes that the management and improvement of health and safety conditions, as well as the protection of the environment, should not only be considered an important and high-priority aspect but a way of thinking and operating that is completely integrated into every daily activity, at every stage of design and execution. We believe that we can all become witnesses and actors of a model of safe behaviour, at work as well as at home and in the communities to which we belong.

Our efforts to spread a culture that promotes safety and health in the workplace continued during 2022, in line with the guidelines set out in the Health, Safety and Environment Manual published and circulated in 2021. The actions undertaken again this year were developed on various fronts, which we can summarise as follows.

Top management engagement: Leading the entire corporate organisation towards continuous improvement objectives requires clear and manifest commitment from the top management, with a complete vision. To this end, a system for reporting injuries, hazards and near misses has been established globally involving various levels of the organisation, up to the CEO. The aim is to share and spread information about events and related actions undertaken to avoid their recurrence in other plants of the Group.

Prevention orientation in all Gualapack sites: Just as quality assurance aims to prevent product/service defects, the most important target for a safety management system is to achieve zero injuries and accidents. As of the end of 2022, 9 of our sites have implemented an ISO 45001 certified safety management system, covering approximately 90% of our employees worldwide.

90%

of employees covered by
ISO 45001 certifications

Continuous improvement: Our continuous and innovative commitment has evident effects in both technological and procedural or organisational terms. Therefore, various corporate functions must closely interact to achieve the objectives set forth by top management in dedicated planning documents.

Worker consultation and participation: Worker engagement is an essential step, especially when cultural changes are taken into account. Education and training processes, integrated with worker consultation, represent an important effort for any organisation, but are without doubt crucial actions for cultural change and the concrete implementation of management tools. Throughout the year, approximately 13,400 hours of training on Health, Safety and Environment issues were provided across our offices, representing approximately 25% of the training provided worldwide.

approx 13,400 h

of training on **HSE**

Analysis and verification of behavioural aspects: Aware that accidents in the industrial sector originate mostly (and up to 80%, according to some estimates) from people's inappropriate actions, particular attention is paid to behaviours and to the role that everyone can play in spreading the "culture of caring" for others as well as for the environment.

Company documentation: In 2022, we continued our efforts to standardise documents and records connected to the health, safety and environment management system across all sites, detailing

with increasing precision tasks, responsibilities, roles, duties and programs, and establishing, in particular, internal procedures and regulations that are applicable and consistent with "who, how, what" descriptions.

Management review - internal/external auditing: The re-verification and planned revision of the management system, and therefore the auditing process and subsequent management reviews, allow us to evaluate functionality and to highlight the most important critical issues, identifying possible solutions and improvements. Therefore, a cross-audit activity was also launched between the various production sites, in order to intercept any deviations from the desired standards and to disseminate the best practices identified and available for the many activities and processes at Gualapack.

The performance of the health and safety management system is monitored by collecting data and consolidating certain KPIs, among which two of the most significant are certainly the injury frequency and severity indexes.

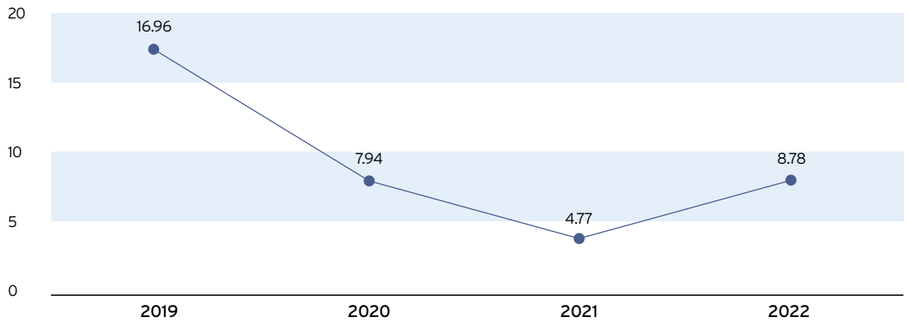
Injury frequency index

The protection of the health and safety of people, whether they are employees of the Group, contractors or visitors, is a central value and a priority for Gualapack.

We monitor the injury frequency rate at all our sites. Considering our attention for the health and safety of anyone who interacts with our company, the index is calculated by taking into consideration also the injuries and hours worked by employees of external companies who collaborate with Gualapack on a regular basis, providing services such as maintenance, cleaning, logistics and transport.

After a few years in which we recorded a continuous improvement in the injury frequency index, during 2022 some accidents led the trend to reverse with a worsening of the indicator. The analysis of the accidents revealed their causes were mainly behavioural, prompting the organisation to launch additional actions for the awareness and engagement of operators, and at the same time highlighting the need for more commitment from the supervisors and managers of the various areas in supervising collaborators' behaviour, requiring ever greater attention and focus on health and safety issues.

Injury Frequency Index
(Number of injuries per million hours worked)

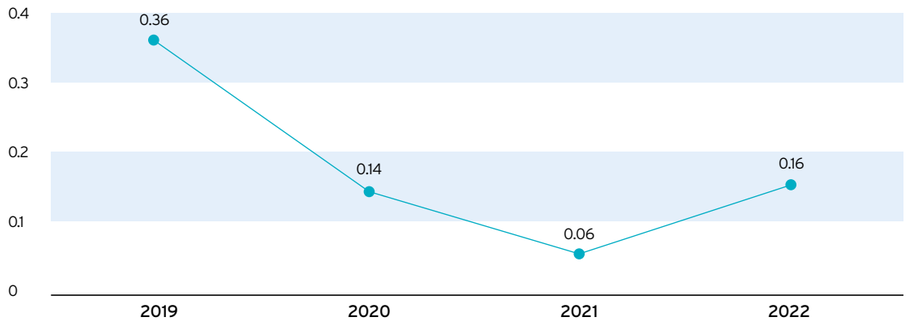


Injury severity index

The injury severity index represents the intensity of the accidents that occur. It is generally related to technical aspects, the complexity of machines and equipment, the safety devices present, the level of dangerousness of substances and preparations used. The severity index, like the previous frequency index, also recorded a significant deterioration in 2022 due to a few accidents that occurred and led to particularly long prognoses.

In general, to favour the improvement of indexes linked to accidents, it is advisable to continue harmonising safety procedures across the various sites, disseminating best practices and the best available technologies as detailed in the Health, Safety and Environment Manual published in 2021. Our main actions are aimed at the continuous improvement of machine safety, the safe management of dangerous substances with particular regard to flammable liquids and the related risks for fire and explosion, and the reduction of interference with mechanised load handling. In addition, we give crucial importance to the gradual introduction across all sites of procedures to monitor near misses systematically and to execute audits aimed at pinpointing unsafe practices and behaviours.

Injury Severity Index
(Number of days of absence due to injury per 1,000 hours worked)



RESPONSIBLE RELATIONSHIP WITH EXTERNAL STAKEHOLDERS

6.1 SUPPORTING COMMUNITIES

As a group with a multinational workforce across multiple locations in various countries and continents, we feel we should not only be tied to the society we live in, but also play a relevant role in it. For this reason, we acknowledge our responsibility extends beyond our core business. We implement social activities at our international locations to make a contribution towards achieving better living conditions for all, providing educational opportunities and supporting cultural promotion and social services for those in need.

Through a broad range of activities customised to the local context, we aspire to address concrete needs and achieve a lasting positive impact on communities by leveraging part of the proceeds the company generates.

While social projects in Italy are mainly addressed through a dedicated foundation (Fondazione SociAL) with its own budget and staff, initiatives in other countries are overseen by local subsidiaries' boards of directors and managed by the local management team. This approach allows us to maintain a global vision while tailoring concrete actions to specific contexts.

The number of social initiatives we carried out during 2022 was significantly higher compared with previous years. This is the result of two major drivers:

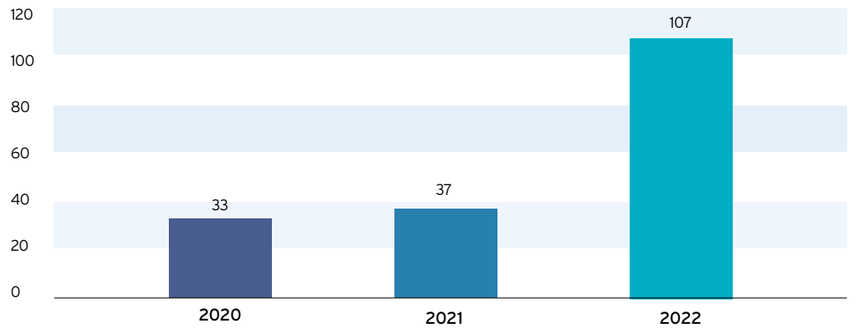
- As the conflict in Ukraine directly involved the area where one of our plants is located, special efforts were put in place to support the local population during the emergency;
- In Brazil, social activities expanded and were carried out also at two additional plants that were acquired during 2021.

Once again, we are proud to have strengthened our bonds with local associations, partners and institutions in the areas where we operate, spurred by the desire to work together and to be united towards common goals.

Supporting Ukraine

For a description of support activities during war crisis to employees and families, please refer to chapter 5 "Focusing on our people".

Number of initiatives



6.1.1 Gualapack's support for Fondazione SociAL

In 2021-2022, Fondazione SociAL supported cultural and social development projects by accepting proposals from non-profit organisations and informal youth groups in the provinces of Asti and Alessandria, Italy.

In addition to continuing to foster projects of cultural and social interest through the 2021 Call for Beneficiaries, the foundation strengthened its lines of action with the following opportunities at a local level:

- The SMART 2022 annual tender, dedicated to smaller projects, focused particular attention to organisational strengthening, as well as education, cultural promotion, and actions to prevent and contrast social hardship;
- The Swipe it up 2022 annual tender, instead, favoured initiatives by youths or for youths that aim to trigger virtuous processes of civic activism and development in the territories of Alessandria and Asti. The new edition of the call for the current year opened on 13 February 2023.

In addition, thanks to the support of an external partner, a new experimentation with the 2023 Organisational Reinforcement biennial line was launched to enhance the organisational strength of local non-profit organisations, prompting rationalisation and growth capable of favouring impact interventions, organisational reinforcement, strategic development and sustainability.

6.1.2 Italy

"Out of silence": a theatre workshop in prison

A theatre workshop for emotional communication inside the San Michele Detention Centre in Alessandria offered inmates an opportunity to express their experiences and build a bridge of communication with their children. At the end of the project, a performance was staged to convey the contents that emerged during the workshop.

Support to three associations that help people with autism

During 2022, we supported three projects dedicated to people with autism: the Missione autismo Association, ANGSA based in Casale Monferrato, and the Il sole dentro Association.

In general, these initiatives aim to get youths and young adults with autism spectrum disorders out of a condition of welfare and fragility, and to increase instead their ability to make decisions in view of their own life project.

The ANGSA pilot project, for example, favours experiences outside the family environment to create opportunities for sharing and autonomy, remodelling domestic routines to adapt to a new context and to the constant presence of other people.

The project by the Il sole dentro Association, instead, aims to stimulate inclusive teaching and training to support job placement. The programme focuses in particular on IT skills, as optimal tools for people with forms of autism because computers leverage their visual skills, have no emotional nuances, do not judge and are based on repetitive and neutral actions.

6.1.3 Romania

The Neuron English method in Arad

Neuron English is an educational programme based on a unique, accelerated English language learning methodology, which helps students by improving their cognitive skills through patented neuroscience-backed teaching.

In 2022, the "Neuron English Arad" educational project supported by Gualapack Nadab celebrated its 6th anniversary. Over the years, the programme has proved to be very successful – leading to excellent results achieved by the students in Cambridge tests. Furthermore, participants have expressed great appreciation for the initiative, giving extremely positive feedback.

Renovation of the paediatric radiology department at Arad's Emergency Clinical Hospital

Children can see staying at the hospitals or going to the doctor's office as a stressful and frightening experience – so this initiative was meant to bring some comfort and fun to the youngest patients of the Emergency Clinical Hospital in Arad.

On 1 July 2022, a newly renovated radiology department was inaugurated with a waiting room inspired by sci-fi and space exploration, transporting children from the hospital to a spaceship for a moment. This started a new chapter for young patients and staff as well, who can be proud to work in what currently is one of the most beautiful radiology departments in Romania. The inauguration itself was attended by the renovation's sponsors – companies and individuals who contributed to the modernisation of the department – as well as by medical staff and representatives of the local administration.

6.1.4 Mexico

Renovation of the City Park in Tepanco de Lopéz, Puebla

The Tepanco Central Park was redeveloped thanks to the strong collaboration with the local municipality and local businesses. New lawns, trees and ornamental plants were put in place, so citizens of Tepanco now have a more pleasant area for recreation, in a refreshed and refurbished green space.

Internships supporting a social cause

We started a collaboration with two local schools, the Karol School and the Discovery School, so that 30 high-school students in their final year could be selected to spend a 2-week internship period at the company, focusing on a small project related to their subjects of interest – engineering, design, environment, accounting, or human resources. The opportunity was a chance for participants to better understand the business world and also helped them choose the most suitable university or professional training course after graduation. At the same time, the two schools supported us by collecting the 5,000 kg of rice that we send every year to the Puebla Food Bank.

6.1.5 Costa Rica

Teletón Costa Rica

Teletón Costa Rica is a television charity event that has been held annually in the country since 1984.

In 2022, Gualapack was present once again: this time, we supported the purchase of an extracorporeal pump required for cardiac surgeries to be performed on minors at the National Children's Hospital. By also inviting our collaborators to participate and donate to the cause, we were able to show that together we are stronger.

Hogar Baik

The main objective of Hogar Baik is to provide integral care to children – from newborn babies to 10-year-olds – who are at social risk and need urgent support and security to lead a dignified life. In 2022, Gualapack donated beds to the initiative because the ones available did not meet current needs, providing the necessary resources to ensure that the new furniture is suitable for the service Hogar Baik offers to the child population.

6.1.5 Brazil

Collection and donation of toys and sweets in Iperò

In October 2022, on Children's Day, Gualapack employees collected and donated toys and sweets to be delivered to children participating in the "Bem me Quer" Programme – a local project that assists families who are in a condition of social vulnerability.

Supporting the International Day for the Elimination of Violence Against Women in Jaguariúna

On 25 November 2022, we carried out an initiative to raise awareness on violence against women with the participation of all Gualapack Brasil employees. Informative material on the subject was distributed, including contacts to a network providing support in case any of our collaborators or their families are in a situation of vulnerability regarding violence.

We took photos with all participants dressed in orange, the iconic colour of the campaign, and we promoted a live show in partnership with "Casa da Mulher Brasileira", which supports victims of domestic violence across Brazil. Through this event, we were able to hear different reports from our teams, and to support the women in our company so that they always feel welcomed and supported.

6.2 SUSTAINABLE PROCUREMENT

Lasting sustainable development implies a transformation of company operations that encompasses the entire value chain. Addressing the challenges within the upstream supply chain, a responsible procurement approach has an important role in shaping ESG impact, as environmental and social matters extend beyond company borders.

At Gualapack, supplier evaluation criteria include corporate image, service level, quality level and cost effectiveness; starting from 2020, these aspects are also complemented by a sustainability assessment for global suppliers and for direct suppliers to plants in the EMEA region.

This process supports supplier selection and a better understanding of the impact of the overall supply chain, determining how natural and human resources are employed at every step. Environmental, social and economic aspects require specific attention in the context of procurement.

6.2.2 Environmental aspects

Today, environmental challenges are more relevant than ever. At Gualapack, we have identified certain supplies as critical for their potential environmental impact, due either to their characteristics or to the production process they entail. This applies to materials like aluminium and plastics, goods such as cylinders for printing, and activities like those requiring inks and solvents, which imply significant waste management efforts. We periodically carry out mapping observations to identify potential risks in related suppliers, and require specific certifications and periodically check their validity. Based on the analysis of potential risks, we draw up our multi-year audit plan.

The procurement team works closely with other areas in the company to foster environmental sustainability through the promotion of internal initiatives. Collaborating with the R&D and technology development departments, we constantly monitor and research new technologies and solutions that can provide a turning point towards a lower footprint – for example in manufacturing or in waste recovery. Furthermore, external partners are selected according to their capability to offer solutions in the framework of medium- to long-term collaborations, looking for stable value creation in areas like energy generation and saving, which can actively contribute to internal projects for the improvement of our environmental sustainability.

6.2.3 Social aspects

Working closely with suppliers, Gualapack pays attention not only to its environmental footprint but also to its social impact. All our suppliers are required to comply with our Code of Ethics and subjected to validations through audits, with priorities set depending on our risk mapping. Moreover, we also check suppliers' own codes of ethics, when available, to ensure that they align with Gualapack's values.

We associate increasing importance to standards such as Ecovadis or Sedex, which provide cross-industry specifications and allow us to assess partners speaking a common language. To achieve ambitious sustainability goals, it is essential to set high standards for suppliers' performance. Therefore, we monitor specific safety KPIs during the procurement phase – just as we do with our own plants. Safety procedures and accident indicators are checked, performing safety audits that ensure their validity.

During 2022, of all the audits carried out with our suppliers, 4 focused on sustainability issues, relating to health and safety, environmental management and ethical issues. These field activities can be carried out in a dedicated form, making use of the technical support of our specialists on these issues, or can be combined with activities in which our experts carry out assessments related to other crucially important issues to guarantee food safety and quality of the production process.

The geographical location of suppliers' production plants can also be identified as a potential risk factor: when necessary, the fact that an organisation is located in a potentially risky area is taken into consideration in the definition of its audit plan. As regards social sustainability, Gualapack takes into account suppliers' commitment towards the development of social initiatives that positively impact the local community, measuring the results of their efforts in redistributing the value they create.

6.2.4 Economic aspects

We require suppliers' financial management to be sufficiently balanced to allow the company's investments and development. We examine their financial statements periodically, as they become available. Looking at financial indicators over time – alongside our analysis of the information emerging from the market, which offers real-time indications on business trends – we carefully evaluate suppliers' financial management and strive to ensure supply continuity.

4

suppliers audited on sustainabilituy matters

6.3 ASSOCIATIONS, MEMBERSHIPS and EXTERNAL ASSESSMENTS

Collaboration and shared commitment with partners and associations in our sector help us identify and manage common risks and foresee opportunities and changes taking place. Playing an active role in various initiatives offers us opportunities to keep up with the most current developments in the production of plastic packaging according to sustainability requirements. In addition, it allows us to monitor developments in the guidelines for ecodesign, with a view to recyclability or compostability. Thus, representatives of ours support the debate and activities arising from the following initiatives.

Ceflex

https://ceflex.eu

The Circular Economy for Flexible Packaging (CEFLEX) initiative is a collaboration of over 180 European companies, associations and organisations representing the entire value chain of flexible packaging.

Project stakeholders include raw material producers (plastics, paper and aluminium foil), ink, coating and adhesive suppliers, film producers and flexible packaging converters, brand owners, waste management companies, recyclers, extended producer responsibility organisations and technology suppliers.

CEFLEX's goal is to work together to make all flexible packaging in Europe circular, targeting an established collection, sorting and reprocessing infrastructure and economy for post-consumer flexible packaging.

FPE

https://www.flexpack-europe.org/

Flexible Packaging Europe (FPE) is the European industry association representing the interests of more than 85 SMEs and multinational manufacturers. Members account for almost 90% of European sales of flexible packaging – including plastics, aluminium, and paper.

The main objective of FPE is to promote the flexible packaging industry and to represent the interests of the sector at the highest levels in Europe. The association is proactively involved in providing clear, relevant information to the authorities about the European flexible packaging industry, to help facilitate legislation that is both realistic and manageable. FPE also helps to provide clear and factual information about the industry to help address concerns and issues around flexible packaging.

RecyClass

https://recyclass.eu/

RecyClass is a non-profit cross-sector initiative, promoted by the association of European recyclers, which fosters the circularity of plastics mainly at a European level.

One way it pursues its goals is by developing scientific test methodologies designed to evaluate the recyclability of plastic materials. The results are subsequently incorporated into recyclability guidelines and into a recyclability self-assessment tool available online.

Gualapack is a Platinum Member of RecyClass and supports its working groups by contributing to the definition of guidelines and by analysing its product portfolio, taking into account ecodesign principles and guidelines.

Giflex

https://giflex.it/e/

Established in 1985, Giflex is the Italian national association of manufacturers of flexible packaging for food, pharmaceutical and chemical products and other industrial applications.

It currently represents 96 Italian and multinational companies with factories in Italy: 40 that produce printed flexible packaging (and which overall represent around 80% of the sector in Italy) and 56 that supply raw materials, converting machines, accessories and services for the flexible packaging industry.

Giflex's goal is to champion the values of the flexible packaging industry, which over the years has proved its will to constantly listen to the needs of clients and consumers, for example by developing numerous innovations in line with the circular economy and ecological transition.

Ucima

https://www.ucima.it

The Unione Costruttori Italiani Macchine Automatiche per il Confezionamento e l'Imballaggio (UCIMA) is the Italian trade association that brings together, represents and assists national manufacturers of packaging machines – currently representing some 200 companies among the most important in the sector.

The association establishes relations with various institutions, as a privileged interlocutor for the national and international promotion of the quality and value of Italian technology, and provides services and consultancy to companies in support of the ecosystem's continuous progress.

Recoup

https://www.recoup.org

RECOUP is a non-profit and leading authority providing expertise and guidance across the plastics recycling value chain. Built on a network of valued members, it has collaboration as a central value in all its activities. The organisation is committed to securing sustainable, circular and practical solutions for plastic resources both in the United Kingdom and worldwide.

FPA

https://www.flexpack.org

The Flexible Packaging Association (FPA) is the American association of flexible packaging manufacturers and material or equipment suppliers to the industry. Established in 1951, its members include small, medium and large converters and suppliers representing 70% of the flexible packaging industry in the United States – making FPA the leading advocate and voice for the country's flexible packaging industry.

Rede pela circularidade do plastic

https://www.redeplastico.com.br/

Created in April 2018, the Rede pela circularidade do plastic (Network for the Circularity of Plastic) is the first – and largest – Brazilian initiative for the application of the circular economy to plastics, engaging the whole value chain of plastic packaging and bringing with it connections, discussions, constant search for innovation, partnership and widespread participation in favour of a common objective: circularity.

ABRE

https://www.abre.org.br

Founded in 1967 and currently encompassing over 200 companies, ABRE is the Brazilian packaging association. Its goal is to be a reference in the country's packaging ecosystem and to favour connections between the different stakeholders that belong to it. The association focuses on sustainable development and is driven by knowledge sharing and appreciation of national packaging and industry professionals.

Aciplast

https://aciplast.org

The Asociación Cámara Costarricense de la Industria del Plástico (ACIPLAST) was established in 1983 as a non-profit private organisation that represents the industrial sector of plastics of Costa Rica, with the crucial goal of supporting, promoting and defending the rights of its companies. The organisation is oriented towards the search for continuous improvement and strengthening of the competitive position of businesses in the plastics industry. Furthermore, it represents them with governmental bodies to coordinate major national issues related to the sector.

AED

https://www.aedcr.com

The Business Alliance for Development (AED) is a non-profit organisation that supports the sustainability and competitiveness of Costa Rican companies, through the promotion of responsible and sustainable business models. AED guides the productive sector to consider sustainability principles as part of management, reducing negative impacts and maximising positive ones on society, the environment and the economy. It is made up of over 110 companies that work with civil society and the State through public-private alliances under a comprehensive impact approach, to acquire greater competitive edge and contribute to the development of the country.

Cenem

https://cenem.cl

The Centro de Envases y Embalajes de Chile (CENEM) is a technical, private, non-profit organisation founded in 1991. In Chile, it is the only technical initiative that brings together players of the packaging industry and of its value chain: over 115 companies that work collaboratively with institutions, academia and government bodies. CENEM's mission is to foster strategic partnerships to face challenges and opportunities connected with the circular economy.

Furthermore, we actively participate in various independent assessments to ensure we meet stringent requirements on environmental, social and governance issues, recognising our strengths and also identifying areas for improvement on which we can focus additional analyses and actions. The initiatives in which we take part also serve to prove our commitment to these issues to our clients.

EcoVadis

https://ecovadis.com

Founded in 2007, EcoVadis today is one of the largest platforms for assessing corporate sustainability. Tens of thousands of companies partner with EcoVadis to collaborate on sustainability with a common platform, universal scorecard, benchmarksv and performance improvement tools. Its method is based on the analysis of four main areas: ethics, labour and human rights, environment, and sustainable procurement.
In 2022, we confirmed our EcoVadis bronze medal, which places us among the best companies recognised for their commitment to environmental and social sustainability.

SMETA

https://www.sedex.com/

One of the most popular social audits in the world (with over 74,000 companies assessed), SMETA (Sedex Members Ethical Trade Audit) supports businesses in assessing working conditions along their supply chain. The careful analysis of the production site focuses in particular on health, safety and human rights. In addition to completing dedicated questionnaires, the assessment also entails third-party audit activities at our sites. We use this evaluation tool to transparently and impartially prove to interested clients what our position is on social issues and respect for workers' conditions.

OUR PLANTS' ENVIRONMENTAL PERFORMANCE

Within its corporate policy and vision, Gualapack has given top priority to actions for environmental protection, recognising that today it is more vital than ever to take care of the planet we live in, safeguarding and preserving resources that we know are not infinite. Over the last few years, there have been increasingly frequent episodes of extreme climate, unusual increases in average temperatures, prolonged periods of drought alternating with sudden and violent storms. The scientific community and international institutions widely agree in identifying the use of fossil fuels that generate greenhouse gases as a cause of these natural events, which expose the fragility of the ecosystem and of humankind itself and, in many cases, have already led to serious consequences.

For Gualapack, therefore, it has become essential not only to comply with mandatory environmental rules, but also to adopt appropriate management systems in the Group's production sites – many of which are already certified according to the ISO 14001 and ISO 50001 international standards. These systems are also useful tools to increase the awareness and engagement of all personnel, to determine everyone's roles and responsibilities, and to promote and spread the culture of environmental protection. This latter aspect has required careful information, training and awareness-raising initiatives aimed at all Gualapack collaborators, from internal resources to suppliers and employees of other companies that operate, continuously or occasionally, in our production sites.

We have chosen clear and concrete indicators to monitor the progress of the actions we implemented, and to trace the effectiveness and efficiency of our processes in various phases and conditions. Last but not least, it is important to underline how we subject plants, infrastructures and equipment to continuous updates, while also constantly studying new technologies to minimise environmental impacts.

All in all, for us, environmental protection, as a pillar of sustainability, takes the form of actions aimed at reducing the impact of our products and of our production processes. The main indicators that we monitor for this purpose are presented below, and reflect the performances of our various plants around the world, summarised and normalised over total production volumes. Where indicators have worsened or in any case have not reached the objectives we had set forth, appropriate and effective corrective actions have been implemented.

In 2022, we also began collecting data in a capillary way for further indicators, which are presented in detail in the appendix to this Report, under the "Environmental Indicators" section.

7.1 CO_2 EMISSIONS

Climate change represents one of the most urgent challenges of our times, and is closely linked to the emission of greenhouse gases. Gualapack has set for itself the goal of significantly reducing the emissions associated with its manufacturing activities through an increasingly better and more rational use of the energy coming in to the various sites.

The index monitored in this case essentially considers "scope 1" emissions (connected to the consumption of methane and LPG, diesel and petrol for motor vehicles) and "scope 2" emissions (generated by electricity purchased from the grid). The calculation of the CO_2 equivalent emitted is determined by specific emission factors for the various regions where the production sites are located. The KPI compares the metric tons of CO_2 emitted to total production volumes.

During 2022, total emissions amounted to 35,344 metric tons of CO_2, with a 12% decrease compared to 2021, while the normalised indicator decreased by around 20%.

These significant improvements occurred despite the inclusion of recently acquired plants in the measurement perimeter. Considering only the production sites present in the perimeter applied in 2021, the figure would further improve, as presented in the chart below. These results were achieved mainly thanks to energy-saving activities, driven by the growing number of plants implementing energy management systems, some of which are certified according to UNI ISO 50001.

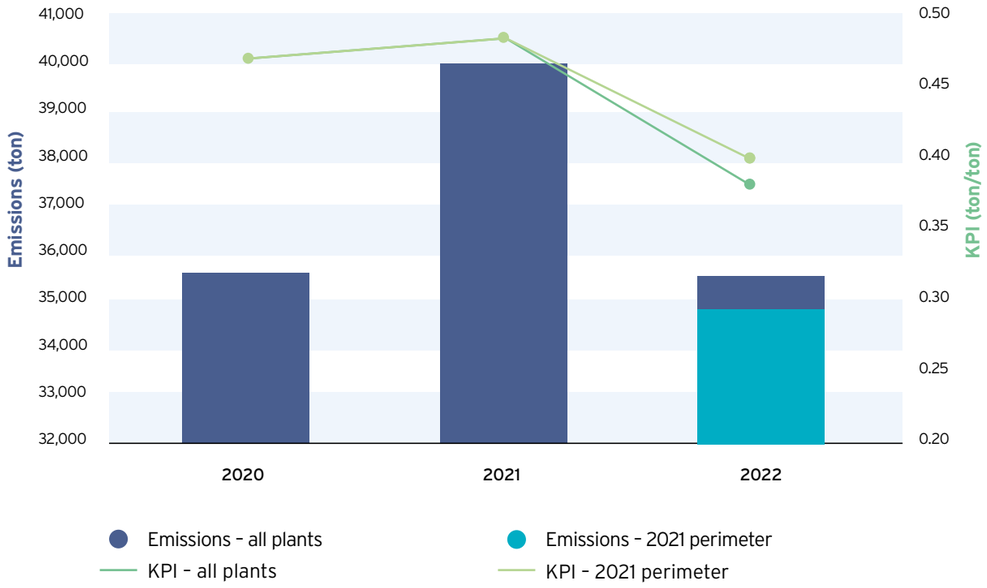
-12%

in total **CO_2 emissions**

-20%

in **CO_2 emissions** per metric ton of output

CO_2 emissions



7.2 ELECTRICITY CONSUMPTION

Electricity is the main energy vector consumed for production purposes in the various Gualapack sites around the world. We carry out capillary monitoring of consumption for all the main industrial activities (production lines), auxiliary services (thermal plants, compressor plants, solvent recovery) and general services (lighting, air conditioning, offices and laboratories).

In 2022, we recorded a 6% increase in absolute consumption, with an annual total of 79,154 MWh, mainly due to the acquisition of new production sites and a general increment in production. Considering the same plants as the 2021 perimeter, the increase would be only 2%. On the other hand, the performance linked to production volumes is positive, confirming recent years' positive trend with a 4% improvement in the indicator. The figure remains positive also considering only the production sites present in 2021 (-2%).

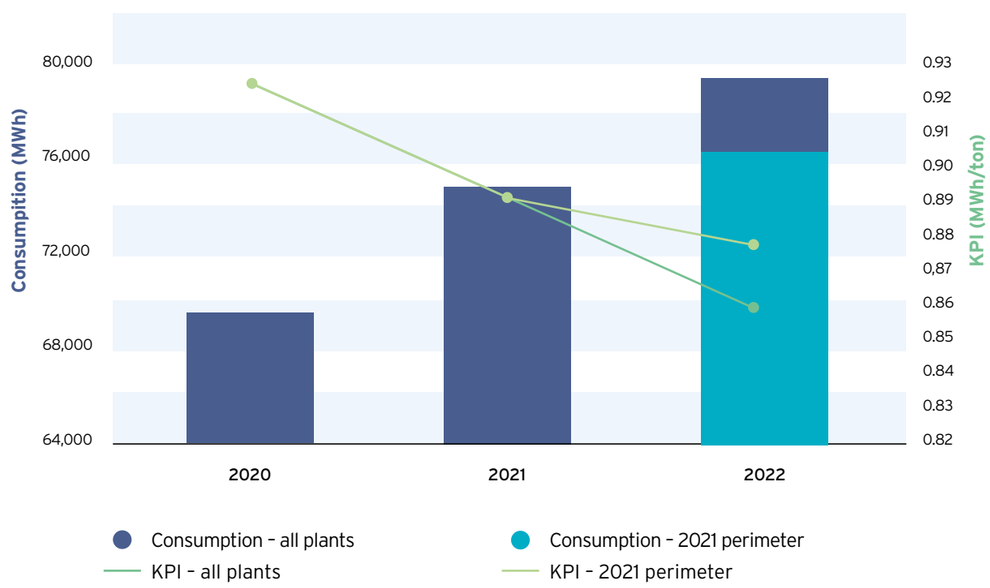
The indicator used is the ratio between the total electricity consumed and the total production volumes at the various sites. It is a parameter for which various improvement activities can be implemented, both technical (increasing efficiency, for example by adopting inverters or replacing old systems with higher-efficiency alternatives) and behavioural in nature (related to habits, research, and reporting of any waste).

In 2022, indeed, various initiatives were promoted to raise awareness and engage all personnel across the organisation in limiting consumption, both in offices and in production areas, by disseminating information sheets, launching campaigns through the online intranet and offering training and information initiatives.

-4%

electricity consumption per metric ton of output

Electricity consumption



7.2.1 Share of renewable electric energy

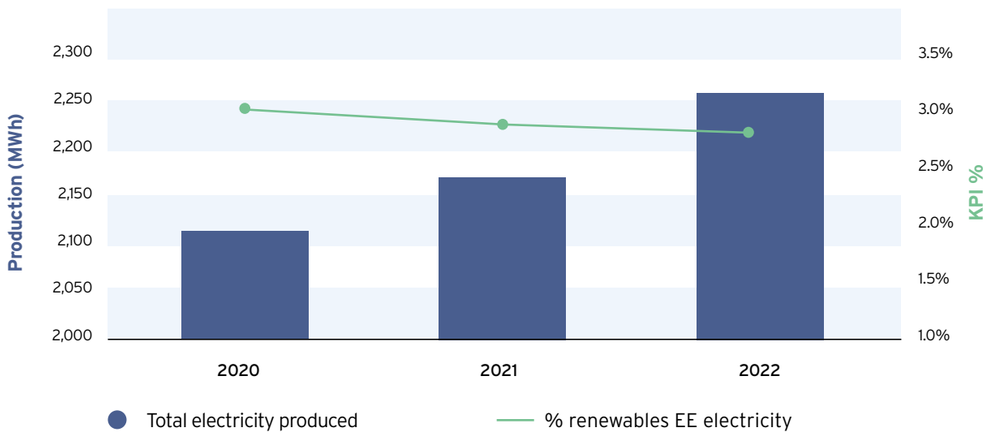
In line with previous years, in 2022 3% of the electricity consumed by our plants worldwide was produced from renewable sources. This includes the photovoltaic parks installed in Italy, at the Alessandria and Piacenza sites, and in Costa Rica. The Alessandria site has reached no less than a 13% share of renewables in its total electricity consumption. Feasibility assessments are underway to expand the solar plants at the various Group sites.

It is also worth mentioning the cogeneration plant installed in Piacenza: with an electrical power of 7.2 MW and the simultaneous production of thermal energy for around 3.5 MW, it is sufficient to cover the site's energy needs and ensure a cut in greenhouse gas emissions equal to about 15% compared to conventional solutions.

3%

of **electricity self-generated** from renewable sources

Electricity from renewables sources



7.3 METHANE CONSUMPTION

Methane (and in some cases LPG) represents a significant energy vector especially for our EMEA sites. It is used to generate thermal energy (both for heating and for the production process) and to produce electricity in the Piacenza cogeneration plant: over 60% of our total methane consumption is used in the latter activity, which guarantees a combined production of electrical and thermal energy (steam) with very high overall efficiency. In 2022, we recorded a sharp reduction in consumption: -26% with an overall total of 97,613 MWh including all sites. The KPI's positive performance was also confirmed: the ratio between the energy associated with the two fuels considered (methane and LPG) and the total production volumes decreased by 32% in 2022 (-28.6% when considering only the sites present in 2021).

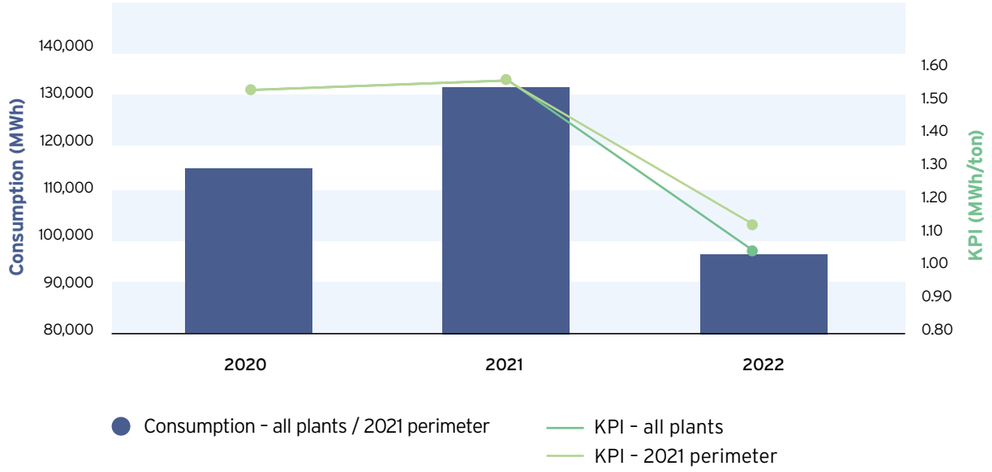
-26%

in total **methane consumption**

-32%

of **methane consumption** per metric ton of output

Methane-LPG



7.4 WATER WITHDRAWALS

Responsible water management is one of Gualapack's most important commitments in the field of sustainability. In 2022, the issue acquired even more importance due to the prolonged period of drought and lack of rainfall in some geographical areas. Our approach is aimed at minimising withdrawals, managing the quality of discharges, and promoting the awareness of all our collaborators in safeguarding this resource also through virtuous behaviours that reduce waste.

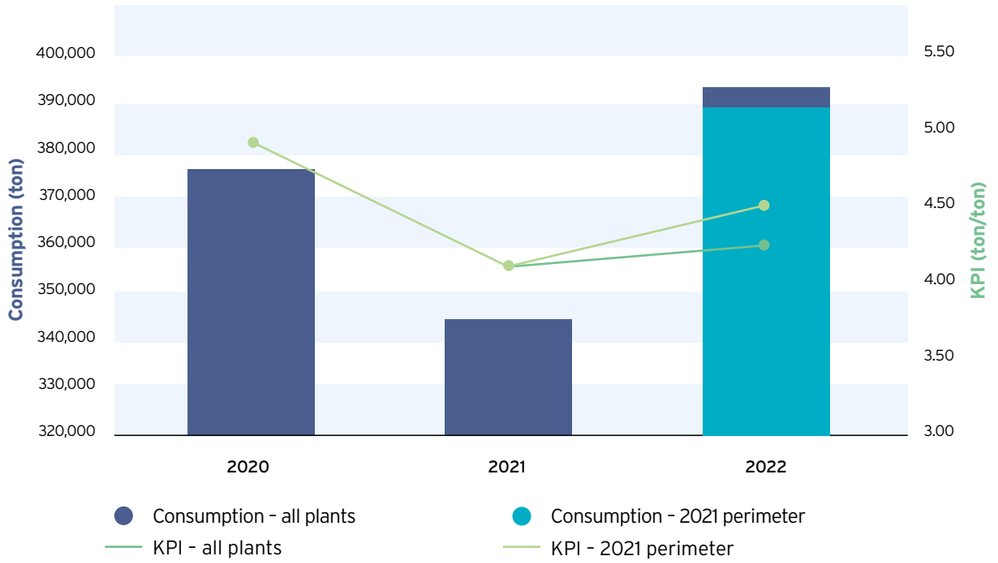
The greatest consumption in this case is linked to cooling systems such as evaporative towers, the production of steam (thermal energy) and sanitary and domestic equipment. The Piacenza site, located in an area that does not present particular vulnerabilities in terms of water, is the plant that consumes the most water, used primarily for cooling and then returned to the environment without significantly altering its quality.

In 2022, total water withdrawals increased by 14% reaching 393,422 m^3: this was mainly due to the extraordinary high temperatures recorded in the summer. The normalised index – calculated as the ratio between water withdrawal and total production volumes – increased by 4% in the year, reaching a value of 4.28, which is still 14% lower than in 2020.

-14%

in **water withdrawals** per metric ton of output vs 2020

Water



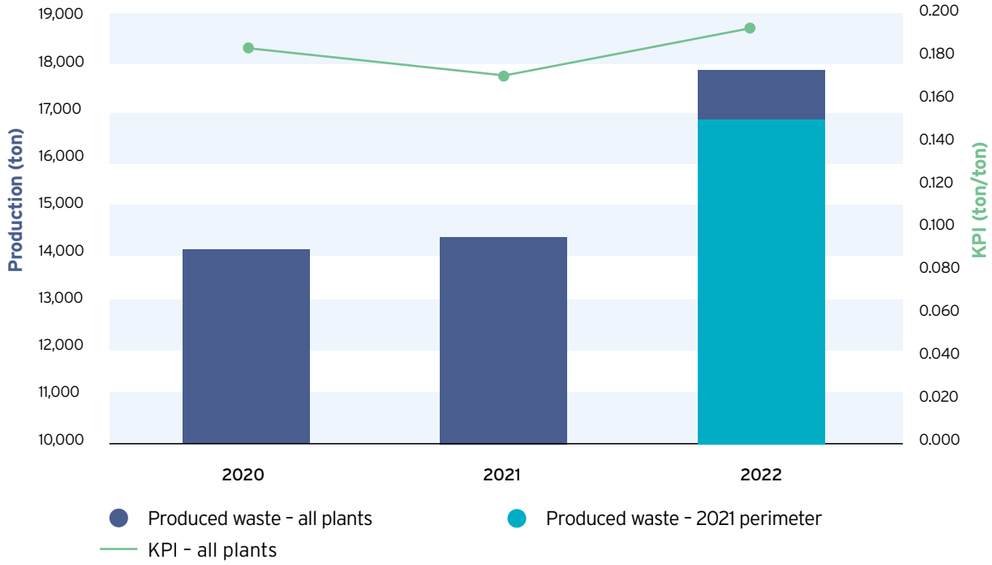
7.5 WASTE MANAGEMENT

Across all sites, the generation of waste – special, almost entirely non-hazardous waste – is subject to careful management and continuous monitoring. The total waste generated in 2022 by our plants around the world totalled 17,834 metric tons, with a 24% increase compared to 2021. The value is influenced by the growing number of sites included within the measurement perimeter: considering the one monitored in 2021, the recorded increase is 18%. In this case, the indicator is calculated as the ratio between the amount of waste generated and the total production volumes. Unfortunately, in 2022 there was a 13% deterioration of the index globally, mainly due to problems detected in some production sites, which have been identified and are being resolved. At our sites, waste is suitably differentiated at the origin so as to facilitate recovery operations. 77% of the waste generated is recycled or destined to reuse. At the moment, our commitment is mainly focused on limiting waste during start-ups, reducing both the time and the materials required, and on optimising order sequence programmes.

77%

of **waste recycled** or **prepared for reuse**

Waste

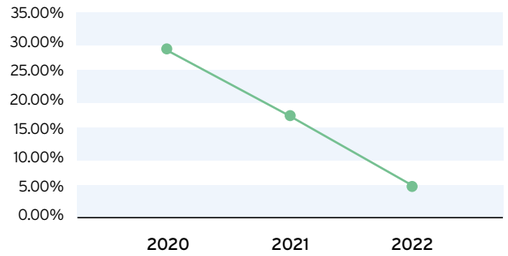


At the same time, Gualapack's commitment continues to progressively reduce the amount of waste destined to the landfill, favouring recovery, recycling and finally waste-to-energy processing through appropriate sorting. In this case, the index considered is the ratio between waste in landfills and total waste produced, and confirmed a strong improvement in 2022 with the normalised value settling at 5%, compared to approximately 30% in 2020. The change in the data measurement perimeter had no meaningful effect.

only 5%

of **waste** sent to landfill

% waste to landfil



7.6 CERTIFICATIONS OVERVIEW PER PLANT

		ISO 9001	ISO 14001	ISO 45001	ISO 50001	BRC PACKAGING	FSC	SEDEX SMETA	ISCC
Plant	**Country**	**Quality management**	**Environmental management**	**Health & Safety management**	**Energy management**	**Food Hygiene management**	**Certified forest products**	**Responsible supply standard**	**Chain of custody for plastic materials**
EMEA									
Alessandria	Italy	●	●	●	●	●	Not applicable	●	●
Piacenza	Italy	●	●	●	●	●	●	●	●
Carmagnola	Italy	●		●		Not applicable	Not applicable	●	Not applicable
Nadab Pouches	Romania	●	●	●		●	Not applicable	●	
Nadab Laminates	Romania	●	●	●		●		●	
CIS									
Sumy	Ukraine	●	●	●	●	●		●	
LATAM									
Cartago	Costa Rica	●	●	●	In process	●	Not applicable		
Santiago	Chile	●	In process	In process		●	Not applicable		
BRAZIL									
Iperó	Brazil	●	●	●		●	Not applicable	●	
Ouro Fino	Brazil	●							
Jaguariúna	Brazil	●				●		●	
NORTH AMERICA									
Tehuacán	Mexico	●	●	●			●	●	
		Other: FSSC 22000 v5.1 (Food Safety System Certification)							
EASYSNAP									
						●			●
Easysnap	Italy	Other: • IFS Food – International Featured Standard, Food • ISO 13485 – Quality management systems for medical devices • UNI EN ISO 22716 – Cosmetics: Guidelines on Good Manufacturing Practices • ICEA EMILIA ROMAGNA – Organic packaging for food and cosmetic products in single doses • CSQA • HALAL							

The plant in Minsk, Belarus, founded in 2021, was not operational in 2022.

7.7 OUR PLANTS

EMEA • *GUALAPACK ALESSANDRIA*

Gualapack's headquarters was founded in 1986, and manufactures pre-made, stand-up pouches and complete packaging solutions including everything from product co-design to injection moulding of caps and spouts, from container assembly to filling lines.

Country: Italy

Plant size: 40,000 m²

Year of establishment: 1986

Products:
Injection moulded spouts and caps, pre-made pouches

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, ISCC Plus, SEDEX SMETA 4-pillars

EMEA • *GUALAPACK PIACENZA*

Founded in 1925 under the name SAFTA and purchased by Gualapack in 2002, the plant manufactures multi-ply flexible laminates using rotogravure printing processes (including internal production of the graphics artwork and cylinder engraving), PE and PP blown film extrusion and lamination using adhesives or extruded PE, as well as slitting. In addition, it carries out applied research.

Country: Italy

Plant size: 84,000 m²

Year of establishment: 1925 (purchased in 2002)

Products:
PE blown film extrusion, graphics and cylinder engraving, rotogravure printing, lamination, slittings

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, ISCC Plus, FSC® Chain-of-Custody, SEDEX SMETA 4-pillars

EMEA • *GUALAPACK CARMAGNOLA*

Founded in the 1980s under the name Techpack, it later became Flextech, was acquired in 1993, and was merged and incorporated in Gualapack as its Machinery Division in October 2015. Filling lines for pre-made flexible packaging and some types of machines for the production of flexible packaging in Gualapack's factories are designed, assembled and installed at this site.

Country: Italy

Plant size: 5,000 m²

Year of establishment: 1986 (purchased in 1993)

Products:
Filling lines, machines for spout applications

Certifications:
ISO 9001:2015, ISO 45001:2018, SEDEX SMETA 4-pillars

EMEA • *GUALAPACK NADAB POUCHES*

The Gualapack Nadab Pouches plant in Chişineu-Criş, Romania, was founded in 2010 as a backup production site for the plant in Alessandria, Italy, to meet growing market demand and provide clients with better continuity of service.

The factory manufactures pre-made flexible pouches and plastic profiles made via extrusion process, required to pack the pre-made pouches produced.

Country: Romania

Plant size: 26,000 m²

Year of establishment: 2010

Products:
Pre-made pouches,
profile extrusion

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, SEDEX SMETA 4-pillars

EMEA • *GUALAPACK NADAB LAMINATES*

The Nadab Laminates plant was inaugurated in 2019. It manufactures multi-ply laminates destined to conversion into pouches at the Nadab Pouches plant next door. Its layout was designed to optimise flows and minimise the movement of materials.

The Group opted for production lines of the same standard as the models already adopted in the plants located in Piacenza, Italy and Sumy, Ukraine, to guarantee maximum production flexibility and a cohesive quality standard.

Country: Romania

Plant size: 37,000 m²

Year of establishment: 2019

Products:
Rotogravure printing, lamination, slitting

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, SEDEX SMETA 4-pillars

The plant in Minsk, Belarus, founded in 2021, was operational only for a short time in 2022 due to the conflict in the area.

EASYSNAP

Easysnap Technology, founded in 2002, created Easysnap®, a single-dose packaging with a patented opening system.

Easysnap® is made with automated machines designed and developed by Easysnap Technology.

The company includes two main business areas:

- Easysnap Technology Srl: focused on designing and engineering custom projects based on the research and development of new technologies, mechanical solutions, and plastic and paper materials;
- Easysnap Co-packing Srl: offering a complete co-packing service for third-party clients for any kind of liquid product, divided into two separate business units catering to the food and to the beauty & pharma markets.

Country: Italy

Plant size: 875 m²

Year of establishment: 2002 (purchased in 2021)

Products:
Design and assembly of packaging machines, packaging services for third parties

Certifications:
BRC Global Standard for Packaging and Packaging materials – Issue 6, ISCC Plus, IFS Food – International Featured Standard Food, ISO 13485 – Quality management systems for medical devices, UNI EN ISO 22716 – Cosmetics: Guidelines on Good Manufacturing Practices, ICEA EMILIA ROMAGNA – Organic packaging for food and cosmetic products in single doses, CSQA, HALAL

UKRAINE • *GUALAPACK UKRAINE*

Gualapack Ukraine, located in Sumy, was founded in 2014. In 2017, a new plant was inaugurated: the first integrated site to manage both the manufacture and processing of laminates and the production processes for flexible packaging and spout-and-cap closure systems.

Country: Ukreaine

Plant size: 13,000 m²

Year of establishment: 2014

Products:
Pre-made pouches, multi-ply laminates, injection moulding

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, ISO 50001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, SEDEX SMETA 4-pillars

BRAZIL • *GUALAPACK BRASIL*

Formerly Tradbor, the company was founded in 1994 and bought by Gualapack in 2015 under the name Gualapack Brasil. This site manufactures pre-made flexible packaging.

Country: Brazil

Plant size: 11,000 m²

Year of establishment: 1994 (purchased in 2015)

Products:
Pre-made pouches, injection moulding

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6, SEDEX SMETA 4-pillars

BRAZIL • *GUALAPACK TERUEL*

In 2021, Gualapack strengthened its presence in Brazil in line with the strategic plan defined in 2020, by acquiring Teruel. The Brazilian company was founded in 1969 and was well established in the domestic market in the field of laminates and packaging, with two production facilities in Ouro Fino (Minas Gerais) and Jaguariúna. The high-quality flexible packaging products it offers span from the food sector to personal care and home care applications.

Teruel, with its complementary technologies and product portfolio, allows Gualapack to offer a wider range of innovative solutions as well as a presence in the local territory, strengthening the production capability of pre-made pouches already available in Iperó.

Country: Brazil

Plant size:
- Ouro Fino plant, Minas Gerais: 20,000 m²
- Jaguariúna plant, São Paulo: 30,000 m²

Year of establishment: 1969 (purchased in 2021)

Products:
Printing and lamination (plastic, paper and cardboard), paper waterproofing and embossing, plastic application or lamination with flat mould, coating in extruded material, resin application with registration

Certifications:
Ouro Fino plant: ISO 9001:2015
Jaguariúna plant: ISO 9001:2015, BRC Global Standard for Packaging and Packaging materials – Issue 6, SEDEX SMETA 4-pillars

LATAM • *GUALAPACK COSTA RICA*

Gualapack Costa Rica manufactures pre-made flexible packaging of the same type and intended use as Gualapack's. The Group's first site in South America, it was founded in 2012 with the goal of establishing a strategic presence closer to local clients and markets.

Country: Costa Rica

Plant size: 9,800 m²

Year of establishment: 2012

Products:
Pre-made pouches, injection moulding, profile extrusion, filling lines

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, BRC Global Standard for Packaging and Packaging materials – Issue 6

LATAM • *GUALAPACK CHILE*

Founded in 2017, Gualapack Chile was born out of the need to have a closer relationship with our main clients in Latin America. This additional presence in the continent allows us to reduce delivery time, more efficiently meet demand, strengthen our product's standing in the country, and collaborate in a more synergic way to grow business.

Country: Chile

Plant size: 3,000 m²

Year of establishment: 2017

Products:
Pre-made pouches, injection moulding

Certifications:
ISO 9001:2015, BRC Global Standard for Packaging and Packaging materials – Issue 6

NORTH AMERICA • *EXCEL NOBLEZA*

EXCEL NOBLEZA was founded in 1985 in Tepanco de López, Puebla, and joined Gualapack in 2017. Its products include multi-ply laminates printed via flexography, pre-made stand-up pouches, overwrapping and labels. Since the beginning, its main goal has been to make flexible packaging solutions for its clients' products, always with a special interest for innovation.

Country: Mexico

Plant size: 15,000 m²

Year of establishment: 1985 (purchased in 2017)

Products:
Pre-made pouches, laminates, labels, shrink film, laminate pouches and high-barrier films

Certifications:
ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, FSC® Chain-of-Custody, SEDEX SMETA 4-pillars, FSSC 22000 v5.1 (Food Safety System Certification)

ADDITIONAL INFORMATION AND DATA

8.1 METODOLOGY AND SCOPE

This Sustainability Report, now in its 5th edition, is a voluntary document issued by the Group to present to our stakeholders the efforts and the results achieved during the year on environmental, social and governance related matters.

The 2022 edition of the Gualapack Sustainability Report was prepared according to the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), while also considering preliminary indications from the draft of the upcoming European Sustainability Reporting Standards. The information and the key performance indicators (KPIs) presented were chosen in line with the United Nations' 2030 Agenda Sustainable Development Goals (UN SDGs), to present the company's contribution to the global commitments toward a more sustainable planet.

Through the document, unless specified otherwise, the terms "we", "our", "us", the "Group" and the "company" refer to our global operations, including our fully consolidated subsidiaries.

During 2022, we were able to expand the boundary of our data collection process to cover more companies and manufacturing facilities compared to the past. Specifically, data were collected and reported for two plants in Brazil and one in Italy, acquired in 2021 and thus not included in previous reports.

Data related to employees, presented in Chapter 5 "Managing our Human Capital" and Chapter 8 "Additional information and data", include all Group employees worldwide. Data related to environmental impact, presented in Chapter 7 "Environmental performance of our plants" and Chapter 8 "Additional information and data", exclude specific sites from the scope of reporting due to the immateriality in relation to the Group as a whole, as may be the case for newly-acquired entities, production activities that are not yet fully operational or operate for limited time during the year, or sites where impacts are not meaningful due to the size and characteristics of the activities carried out.

Normalised environmental performance indicators are presented in order to ensure data comparability from year to year and enable operational trends to be evaluated.

Indexes and KPIs were chosen on the basis of their representativeness, comparability over time and coherence with the reality they report. For this reason, as well as to allow their correct understanding, it was necessary to relate the main sustainability parameters we identified to an appropriate common denominator. Furthermore, it was necessary to harmonise the indicators between different production sites. Gualapack factories produce a wide range of products, including pouches, caps, spouts, filling machines and film. A criterion was therefore identified to appropriately harmonise the KPIs, in order to obtain homogeneous consolidated data, and the quantity of total output from the plants over time, expressed in metric tons, was adopted as the common denominator. Total output data is therefore obtained by adding the volumes of pouches, caps, spouts, laminates, polyethylene film (where the film extrusion process is present) and ethyl acetate (where the solvent recovery process is present) produced at each production site.

The Carmagnola, Italy site could not be included in the environmental KPI analysis, neither in terms of ratio between resource consumption and emissions nor in terms of finished product. Indeed, in this case production consists of filling systems and machines that cannot be quantified on the basis of weight (metric tons), and which therefore are dimensionally different from the outputs of the other plants. The same logic applies to certain operations performed by the Easysnap plant in Modena, Italy.

In analysing certain indicators, apparent peaks and discontinuities compared to previous years' trends may stand out. These exceptional values are related to specific situations, promptly interpreted and explained in the comments to the tables or KPI charts.

The common denominator expressed in metric tons of total output over time, although efficient in harmonising the sites' different outputs, is not always the most effective numerical method to provide a fair picture of Gualapack's commitment to sustainability. For example, so-called "downgauging", while leading to clear benefits in terms of environmental impact, actually penalises the result of any KPI where weight is in the denominator. Another example is related to the often conflicting demands of reference markets: clients tend to order increasingly smaller production batches, while at the same time demanding a reduction in the environmental impact of products and processes. These two needs are obviously in conflict, as smaller batches inevitably lead to a loss of efficiency, caused by more frequent startups and by the high impact of setting up new processes. As regards this particular issue, Gualapack has focused its efforts for sustainability precisely on the optimisation of startup phases.

During 2022, we decided to update some of the methodologies and definitions applied in previous years, for example on how we consider energy production within our premises. These changes reflect the latest development in reporting best practices and standards, already mentioned above. To allow comparability of information with previous years, the same methodology applied for 2022 was applied retrospectively to data reported for 2020 and 2021. This required a restatement of information disclosed in previous reports for energy consumption and CO_2 emissions. The same principles were applied to the selection of more updated conversion factors, both in terms of fuel combustion as well as for emissions from electricity purchased from the grid.

Sources of conversion factors and emission factors adopted include the IPCC 2006 Guidelines for National Greenhouse Gas Inventories and the resources available at the Our World in Data website (ourworldindata.org).

All data presented in the Report refers to the International System of Units and may be subject to rounding. Conversions between different units were performed considering internationally recognised conversion factors. Employee details are reported in headcount as of year-end.

The document is prepared internally through the precious contribution of experts on the subject from all our global operations, and is overseen by Gualapack's Sustainability Committee. Despite our best efforts to ensure the accuracy of the information included, these are based on our state of knowledge at the time of publication with an inherent risk of errors. Should any error arise, we will amend the information in the next edition of the Report.

The PDF version of this document is available for download on our website:

http://www.gualapack.com

8.2 PEOPLE INDICATORS

8.2.1 Characteristics of employees

Employees by gender

Gender	N.
Male	1,797
Female	796
Total 2022	**2,593**

Employees by country

Country	N.
Italy	696
Romania	394
Ukraine	320
Brazil	268
Mexico	728
Costa Rica	81
Chile	93
Other countries	13
Total 2022	**2,593**

Employees by contract type and by gender

Contract	Gender	N.
Permanent	Male	1,770
	Female	782
	Total 2022	**2,552**
Temporary	Male	27
	Female	14
	Total 2022	**41**

Permanent

Country	Male	Female	N.
Italy	488	203	**691**
Romania	201	193	**394**
Ukraine	253	67	**320**
Brazil	188	80	**268**
Mexico	526	202	**728**
Costa Rica	50	14	**64**
Chile	60	20	**80**
Other countries	4	3	**7**
Total 2022	1,770	782	**2,552**

Temporary

Country	Male	Female	N.
Italy	4	1	**5**
Romania	0	0	**0**
Ukraine	0	0	**0**
Brazil	0	0	**0**
Mexico	0	0	**0**
Costa Rica	9	8	**17**
Chile	9	4	**13**
Other countries	5	1	**6**
Total 2022	27	14	**41**

The Group does not employ non-guaranteed hours employees.

Employees by contract type and by gender

Contract	Gender	N.
Full-time	Male	1,792
	Female	770
	Total 2022	**2,562**
Part-time	Male	5
	Female	26
	Total 2022	**31**

Full-time

Country	Male	Female	N.
Italy	491	184	**675**
Romania	201	193	**394**
Ukraine	252	64	**316**
Brazil	186	78	**264**
Mexico	526	202	**728**
Costa Rica	59	22	**81**
Chile	69	24	**93**
Other countries	8	3	**11**
Total 2022	1,792	770	**2,562**

Part-time

Country	Male	Female	N.
Italy	1	20	**21**
Romania	0	0	**0**
Ukraine	1	3	**4**
Brazil	2	2	**4**
Mexico	0	0	**0**
Costa Rica	0	0	**0**
Chile	0	0	**0**
Other countries	1	1	**2**
Total 2022	5	26	**31**

Workers who are not employees

Country	N.
Italy	73
Romania	26
Ukraine	0
Brazil	14
Mexico	0
Costa Rica	4
Chile	40
Other countries	10
Total 2022	**167**

Employee turnover

	N.	% turnover
Employees hired	668	28%
Employees who left	471	20%

8.2.3 Diversity and equal opportunities

Number of employees by age and by category

Age group	Blue collar	White collar	Managers and above	N.
<18 years old	0	0	0	**0**
18 - 29 years old	509	233	233	**744**
30-50 years old	893	439	439	**1,441**
>50 years old	227	142	142	**408**
Total	1,629	814	814	**2,593**

Number of employees by gender and by category

Gender	Blue collar	White collar	Managers and above	N.
Male	1,275	411	110	**1,796**
Female	354	403	40	**797**
Total	1,629	814	150	**2,593**

New employees by age

Age group	N.
<18 years old	0
18-29 years old	384
30-50 years old	249
>50 years old	35
Total 2022	**668**

New employees by gender

Gender	N.
Male	417
Female	251
Total 2022	**668**

Employees who left by age

Age group	N.
<18 years old	1
18-29 years old	213
30-50 years old	216
>50 years old	41
Total 2022	**471**

Employees who left by gender

Gender	N.
Male	309
Female	162
Total 2022	**471**

People with disabilities by categories

Blue collar	White collar	Managers and above	N.
34	34	0	**48**

People with disabilities by gender

Male	Female	N.
33	15	48

8.2.4 Social dialogue

Number of employees covered by collective bargaining agreement

Country	N.
Italy	695
Romania	394
Ukraine	320
Brazil	268
Mexico	607
Costa Rica	0
Chile	54
Other countries	0
Total 2022	**2,338**

Number of work stoppages

Total 2022	**0**

Social initiatives to support local communities

Country	N.
Italy	4
Romania	11
Ukraine	24
Brazil	51
Mexico	12
Costa Rica	5
Chile	0
Other countries	0
Total 2022	**107**

8.2.5 Occupational health and safety

Health and safety performance

	Own Employees	Workers who are not employees
Total hours worked	4,612,082	626,185
Fatalities as a result of work-related injuries	0	0
Fatalities as a result of work-related ill health	0	0
Number of recordable work related injuries	42	4
Frequency rate of recordable work related injuries	9.11	6.39
Recordable work related ill health	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents	814	42
Severity rate for days lost to work-related injuries and fatalities from work-related accidents	0.18	0.07
Employees in ISO 45001 certified plants	2,295	
Coverage versus total employees	89%	

8.3 ENVIRONMENTAL INDICATORS

8.3.1 Energy consumption & mix

Energy consumption from non-renewables sources

(MWh)	2020	2021	2022
Fuel consumption from coal and coal products	0	0	**0**
Fuel consumption from crude oil or petroleum	2,140	2,780	**2,604**
Fuel consumption from natural gas	**113,0190**	128,455	**95,008**
Fuel consumption from other non-renewable sources	0	0	**0**
Consumption from nuclear products	0	0	**0**
Consumption of purchased or acquired heat, steam and cooling	0	0	**0**
Consumption of purchased or acquired electricity	45,543	49,125	**56,750**
Total from operations	**160,703**	**180,451**	**154,363**

Energy consumption from company cars

(MWh)	2020	2021	2022
Diesel	903	1,039	**2,091**
Gasoline	n.a	n.a	**1,089**
Other fuels	n.a	n.a.	**130**
Total energy consumption from company cars	904	1,039	**3,310**

(MWh)	2020	2021	2022
Total energy consumption from non-renewables sources	161,606	181,490	**157,673**

Energy consumption from renewables sources

(MWh)	2020	2021	2022
Fuel consumption from renewable sources (i.e. biomass, biogas, non-fossil fuel waste, hydrogen from renewable sources, etc.)	0	0	**0**
Consumption of purchased or acquired heat, steam, and cooling from renewable sources	0	0	**0**
Consumption of purchased or acquired electricity from renewable sources	0	0	**0**
Consumption of self-generated non-fuel renewable energy	2,116	2,173	**2,256**
Total energy consumption from renewables sources	2,116	2,173	**2,256**

Energy production

(MWh)	2020	2021	2022
Energy production from non-renewable energy sources	25,316	31,875	**20,146**
Energy production from renewable sources	2,116	2,173	**2,258**
Total energy production	27,432	34,048	**22,404**

Energy intensity

	2020	2021	2022
Total energy consumption (MWh)	163,722	183,884	**159,929**
Intensity (MWh/k€ Net Turnover)	**0.60**	**0.56**	**0.42**
Intensity (MWh/Ton of Output)	**2.16**	**2.19**	**1.74**

8.3.2 CO_2 Emissions

Gross scope 1 GHG emissions

	2020	2021	2022
Total scope 1 emissions (Ton)	23,623	26,932	**20,673**
Share of scope 1 GHG emissions under regulated emission trading schemes (%)	84%	82%	77%

Gross scope 2 GHG emissions

	2020	2021	2022
Total scope 2 CO_2 equivalent emissions (Ton)	12,019	13,054	**14,671**

Total GHG emissions

	2020	2021	2022
Total CO_2 equivalent emissions (Ton)	**35,643**	**39,986**	**35,344**

GHG emissions intensity

	2020	2021	2022
Intensity (Ton CO_2/k€ Net Turnover)	0.13	0.12	0.09
Intensity (Ton CO_2/Ton of Output)	**0.47**	**0.48**	**0.38**

8.3.3 Water management

Water withdrawals

Water withdrawals by source (m³)	2020	2021	2022
Surface water	n.a.	n.a.	**1,093**
Groundwater	n.a.	n.a.	**335,561**
Seawater	n.a.	n.a.	**0**
Produced water	n.a.	n.a.	**0**
Third-party water	n.a.	n.a.	**56,767**
Total water withdrawals	**376,261**	**344,867**	**393,421**

Intensity of water withdrawals

	2020	2021	2022
Intensity of water withdrawal (m³/k€ Net Turnover)	**1.39**	**1.06**	**1.05**
Intensity of water withdrawal (m³/Ton of Output)	4.96	4.12	**4.28**

Water discharge

Water discharge by destination (m³)	2022
Surface water	**0**
Groundwater	**6,799**
Seawater	**0**
Third-party water	**306,509**
Total water withdrawals	**313,299**

Water consumption and intensity

	2022
Total water consumption (m³)	**80,123**
Intensity of water consumption (m³/k€ Net Turnover)	**0.21**
Intensity of water consumption (m³/Ton of Output)	**0.87**

Water recycled, reused and stored

(m³)	2022
Water recycled and reused	**2,768**
Water stored	**24,292**

8.3.4 Waste management

Waste diverted from disposal

	2020	2021	2022		
(Ton)	**Total**	**Total**	**Non-hazardous**	**Hazardous**	**Total**
Preparation for reuse	n.a.	n.a.	**5,951**	**761**	**6,712**
Recycling	n.a.	n.a.	**6,894**	**75**	**6,968**
Other recovery operations	n.a.	n.a.	**501**	**0**	**501**
Total waste diverted from disposal	**9,933**	**11,773**	**13,346**	**836**	**14,182**

Waste averted to disposal

	2020	2021	2022		
(Ton)	**Total**	**Total**	**Non-hazardous**	**Hazardous**	**Total**
Incineration	n.a.	n.a.	**1,858**	**672**	**2,530**
Landfilling	n.a.	n.a.	**748**	**137**	**885**
Other disposal operations	n.a.	n.a.	**0**	**237**	**237**
Total waste averted to disposal	**4,150**	**2,578**	**2,606**	**1,046**	**3,652**
Total waste generated	**14,084**	**14,351**	**15,952**	**1,882**	**17,834**

Intensity of waste generated

	2020	2021	2022
Intensity (Ton/k€ Net Turnover)	0.052	0.049	0.047
Intensity (Ton/Ton of Output)	0.19	0.17	0.19

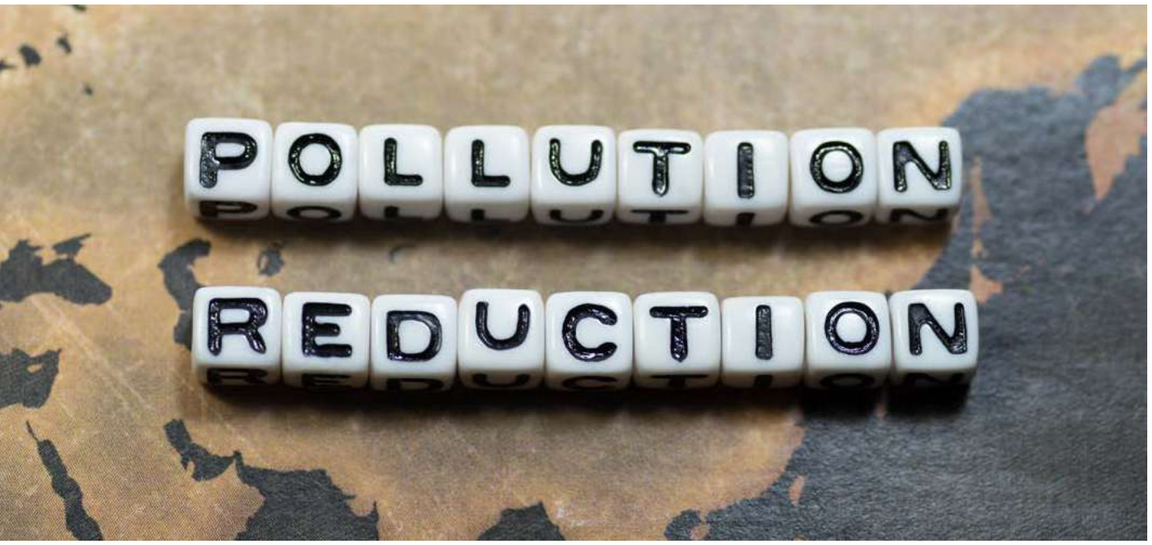
Non recycled waste

	2022	
	Total (Ton)	**% versus tot waste generated**
Non recycled waste	3,6812	21%

8.3.5 Pollutants

Air Pollutants	**2022 Amount (kg)**
SO_2 (sulphur dioxides);	**0**
NOx (nitrogen oxides);	**43,95**
Non-methane volatile organic compounds (NMVOC)	**119,997**
PM 2,5 (fine particulate matter);	**88**
NH_3 (ammonia)	**0**
Heavy metals	**0**

Water Pollutants	**2022 Amount (kg)**
Nitrates, phosphates and pesticides (plant protection products and biocides)	**2,561**

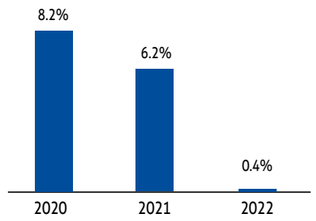


8.4 FINANCIAL INDICATORS

Economic sustainability

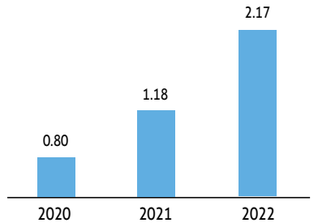
ROI (%)

Return on Investment is a ratio between the net profit and the invested capital.
ROI measures the profitability and efficiency of an investment.



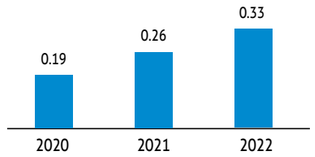
NFP/EBITDA (€ / €)

Ratio between Net Financial Position and Operating Result (Earnings Before Interest and Taxes). It expresses the ability of the company to cover debt through the financial flows deriving from core business activities.



NFP/EQUITY (€ / €)

Ratio between Net Financial Position and Equity (DEBT RATIO). It expresses the surplus of net debt compared to equity.



Art direction Eclettica-Akura

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