



SUSTAINABILITY REPORT 2022

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 **GOGLIO.**

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Letter to stakeholders

The following document represents our Group's **Sustainability Report**. This document does not yet have the formal character of the so-called non-financial reporting, however it was prepared in line with the standards that are required for the purposes of this new form of reporting and disclosure requirements, to which our Group shall be subject starting from 2025.

As many of you will be aware, the attention to sustainability has always been one of the distinctive characteristics of the Goglio Group and great effort has been made during the past with regard to this theme, however there was no systematization of the multiple and diverse activities carried out by the Group, a shortcoming which this report seeks to remedy.


As you will be able to see in the report that we are presenting to you today, and which has been prepared with the fundamental support of our consultants from Ernst & Young, multiple aspects of what is today synthetically defined as *sustainability* are analysed; in fact, they range from the analysis of the activities carried out in order to render the workplace safe and welcoming, to the commitment in favour of the local communities of the places where the Group's production plants and offices are located, from the attention paid to the creation of increasingly sustainable and environmentally friendly products, to the measures put into practice to reduce as much as possible the environmental impact of our production processes.

All of the above are areas to which the Group's senior management has always paid great attention, due to the profound belief that a company cannot be content to only play a role in terms of creating economic value, but must also have a strong social role. In fact, today, in order to achieve success in the medium-long term, every company is required to pay attention to the well-being and safety of its collaborators, to become an active part of the local community in which it operates and to set itself the objective of leaving future generations the legacy of a better environment than the one in which it currently operates.

This report must not be considered to represent a point of arrival, it is intended instead to be a starting point to enable us to identify, year after year, those objectives that can help the Group to be increasingly sustainable, to allow it to continue to grow and be as successful as it has been over the past 170 year.

Happy reading,
Franco Goglio
Chairman and Managing Director

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Goglio: an industry
in step with the times

1.1 Solid foundations and an eye towards the future

Goglio was founded around the middle of the 19th century in Rho, in the province of Milan, as a “mechanical plant for the production of paper bags”.

Since the beginning of its activity, Goglio has focused on research and development of products with enthusiasm, monitoring market changes and technological innovations, and it is this innovative spirit that animated the original founders that has allowed the company to now be, over 170 years later, the industry leader in the production of packaging products.

In 1920 the growth in the market for packaging items pushed the heirs of the Goglio brothers to open a new factory in via Solari in Milan, but we had to wait until the 1960's to observe the most significant changes: in fact it was in these years that we saw the creation of the one-way degassing valve, which allows gas to escape from inside the package, while at the same time preventing its entry. This became one of the essential elements that still make up Goglio's packaging offering today, thanks to the ongoing process of research and innovation.

The Fres-Co System[®] was created in 1961 and profoundly changed the company's approach, combining the production of packaging materials with that of packaging machines. Fres-co is the acronym for *fresh container*, and consists of an innovative multi-layer packaging system that allows the preservation of the product, maintaining both its freshness and its organoleptic qualities.

During the period from the 1970's to the 2000's, Goglio launched a strategy expansion, extending its experience and products to international markets: three manufacturing plants were opened in Europe and in the United States and commercial offices were set up in France, Spain, Poland and Japan, to consolidate the Group's presence and to provide a customer-oriented service.

In order to further increase the production capacity and extend its product range, in 2006 the Group

opened a production plant in Tianjin in China, which focuses on the production of aseptic bags and packaging machines. The commercial offices in Brazil and India, inaugurated in 2010 and 2017 respectively, represent the most recent chapter of the Group's expansion phase.

The year 2015 saw the opportunity to make Goglio's industrial reality known around the world through its participation in EXPO Milan, as well as celebrating the 165th anniversary of the birth of the Group. The Expo also represented the opportunity to present Goglio's sustainable offer for the first time: in fact, the entirely compostable bags displayed by Illy as part of the cluster dedicated to coffee were produced by Goglio. Furthermore, the year 2016 saw the start of a phase of technological renewal within the Group. In fact, the installation of the new Digital Printing machine dates back to this year and, in more recent years, the cogeneration plant and the new solvent recovery system were constructed at the Daverio site.

From its foundation to date, Goglio has always specialised in the production of food packaging, consisting up of flexible laminates comprised of different poly laminates, or layers, which guarantee not only the conservation and protection of the packaged product, but also the quality thereof. Furthermore, the product range also includes other plastic accessories, such as, for example, the internally patented degassing valve, together with the production of entire packaging lines.

The current breadth of the offer and the reference markets (which cover all Continents) are proof of the realisation of the internationalisation aspirations that Goglio has shown since the middle of the last century. One of the key to this success is the verticality of the production process, that starts from the raw material

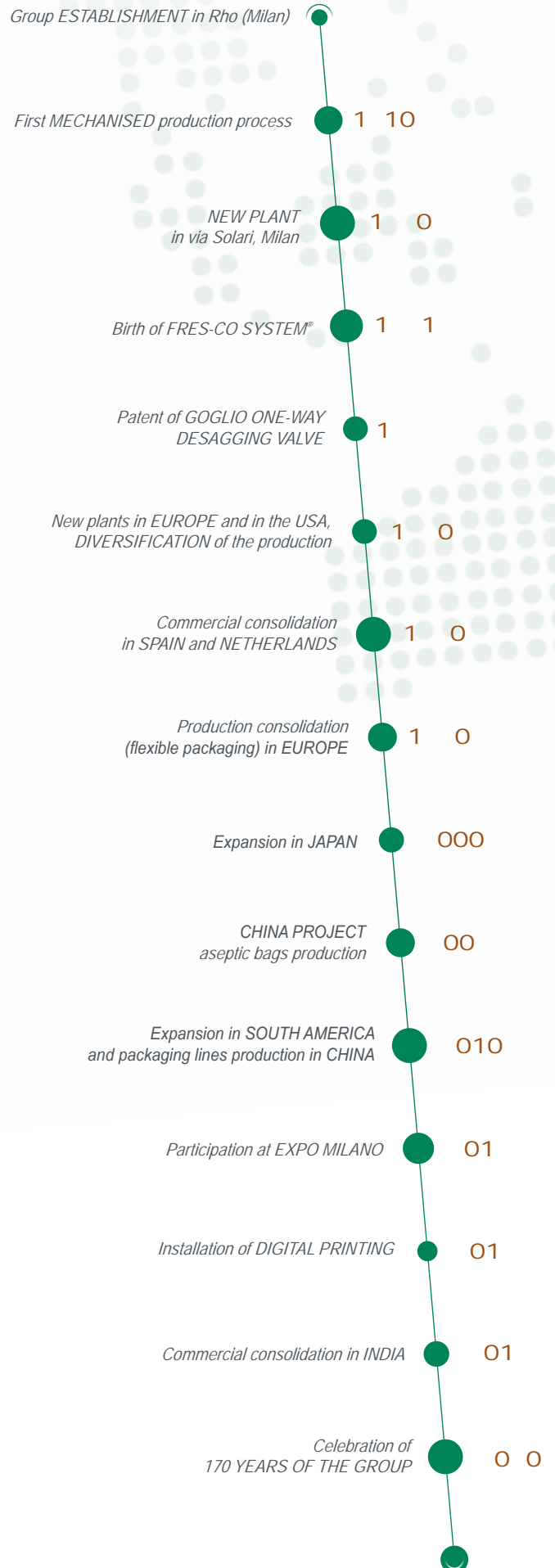
(plastic granulate) and ends with the finished product (packaging). Very few companies can boast such a high level of integration of all production phases: from the extrusion of polyethylene granules to the printing on the packages, through the production of components attached to the packaging such as the degassing valves. Our reputation as a highly specialized and vertical industry has even spread among customers and suppliers who refer to us as "the university of packaging".

The company's success is based on four cornerstones, which constitute the pillars of the Goglio Group. The production phase, in fact, represents only one part of a broader framework, which includes Research and Development, Customer Service and Social Responsibility.

While on the one hand the direct monitoring of all the key steps of the production process represents one of the distinctive elements of Goglio's success, a crucial driving force for growth has always been the Research and Development area. Investment in research and development therefore having the task of anticipating technological solutions and following market developments; respecting both the needs of the customer and the requirements of European and international legislation. It is precisely this continuous and incessant research that places the Group at the forefront of its sector.

The third pillar is constituted by the relationship of trust with the customer, which does not end with the sale and supply of the products: in fact, the customers has ongoing access to a dedicated service, aimed both at developing an increasingly tailor-made product and accompanying the customer during the product utilisation phase in order to guarantee the efficiency and performance of the purchased product.

Lastly, the involvement in social, environmental and governance issues both internal and external to the Group perimeter completes the framework for success.



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11,732
HOURS OF
TRAINING
carried out in
2022

1

**GOGLIO 2022
in figures**

6.6
MILION
EURO
invested in
R&D activity
in the last
three years

0 0



8 production plants

Italy, the Netherlands, China,
the USA

**7 commercial offices, also providing
technical support**

France, Spain, Poland, the Netherlands, Brazil, Japan and India

1,796 employees

in 10 countries

1.2 Responsibility for an ethical business

The success of the Goglio Group is largely due to its governance structure, which expresses a long-term vision, and which bases this corporate success on the achievement of challenging and far-sighted strategic objectives.

At the head of the corporate Group is the Italian company Goglio S.p.A., which controls the foreign subsidiaries, holding between 90% to 100% of their share capital, and which exercises management and coordination activities thereon.

The share capital of the company Goglio S.p.A. is held entirely by the family of Doctor Franco Goglio, directly or indirectly through Goglio Holding S.r.l. and Finsularis SA.

PARENT COMPANY

Goglio S.p.A.	Milan (Italy)
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SUBSIDIARIES

Fres-co System International B.V.	Zandaam (the Netherlands)	100%
Fres-co System España S.A.	Barcelona (Spain)	100%
Goglio East Europe Sp.Zo.o.	Krakow (Poland)	100%
Goglio North Europe B.V.	Zandaam (the Netherlands)	100%
Fres-co System USA Inc.	Telford (USA)	90%
Gopack Promotion S.p.A.	Milan (Italy)	91.64%
Goglio (Tianjin) Packaging System Co., Ltd.	Tianjin (China)	91.64%
Goglio France S.A.S.	Paris (France)	100%
Goglio Do Brasil Indústria Ltda	Jundiai (Brazil)	100%
Fres-co System Japan Inc.	Tokyo (Japan)	100%
Goglio Flex Pack System India PL	Bangalore (India)	100%

The Board of Directors of Goglio S.p.A. is renewed annually. The Board in office at the time of writing this report was appointed on 23rd June 2022 and comprises seven members. In addition to Franco Goglio and his children Fabia and Fabrizio Goglio, in the roles of President and Vice President respectively,

BOARD OF DIRECTORS

Chairman and Managing Director: Franco Goglio

Vice-president: Fabrizio Goglio

Vice-president: Fabia Goglio

Director: Marco Giovannini

Director: Marco Costaguta

Director: Stefano Trombetta

Director: Alexander Baumgartner

there are two executive members and two independent members. The authority and integrity of the Board members is ensured by their specific managerial skills and solid preparation on ESG issues, as well as by the application of the provisions of the Code of Ethics and Organizational Model 231 regarding the prevention of conflicts of interest. The presentation and approval of the Sustainability Report ensures that the members of the Board of Directors are constantly updated on ESG issues. The composition of the Board of Directors shows a majority male presence, with six men and one female; all members of the Board, except for two, are over the age of 60.

The structure of the governance bodies is completed with the Board of Statutory Auditors and the external audit company. The Board of Statutory Auditors is made up of five members: three acting members and two substitutes. The function performed concerns the supervision of compliance with the law as well as guaranteeing correct administration. The audit and accounting control are delegated to an external audit company.

The Organizational Model 231 requires that the

Company be at the disposition of the Board of Statutory Auditors and the external audit company and provide them with all documentation necessary in order to carry out the relevant checks according to the provisions of law, statute and internal regulation. Furthermore, Goglio S.p.A. undertakes to ensure full collaboration and transparency in its relationships and communications with the Board of Statutory Auditors and with the audit company, in compliance with the current legislation.

THE TOOLS TO GUARANTEE BUSINESS ETHICS

At the heart of the Group philosophy are not only its economic results, but also the principles of good conduct that it demonstrates throughout all phases of its creation of value. Ethics are nothing other than the foundations of the house, which must guide the behaviour of the Group and of all stakeholders with foresight. Goglio wants to be a source of pride for its stakeholders and to set an example to others, both in its business activities and in those not related thereto. To achieve this aim, the Group has implemented various tools such as the Code of Ethics; the Policy for Quality, Food Safety, Occupational Health and Safety and the Environment and the Organization, Management and Control Model pursuant to Italian Legislative Decree 231 of 8th June 2001.

In order to guarantee responsible business conduct in all of its activities and business relationships, these policies are made available to stakeholders through their publication on the company website and are

communicated to all employees through ad hoc training courses. The implementation of the policies is entrusted to the department managers who are responsible for ensuring their correct application by their respective departments.

The Organization, Management and Control Model, adopted by Goglio S.p.A. on 11th April 2019 in compliance with the regulatory obligations of the Legislative Decree 231/2001 (*Discipline of the administrative responsibility of legal entities, companies and associations*) provides that it periodically reports to the CEO and the Board of Statutory Auditors in relation to its implementation, and in particular on the critical issues encountered. It also has the task of ensuring that information flows are effective and directed towards the relevant company functions.

Each year the Supervisory Body must prepare a written report for the Board of Directors and the Board of Statutory Auditors illustrating the activities carried out during the year. No critical issues or violations of regulations against Group companies have been reported for the year 2022, either by the Supervisory Body or by external authorities.

CODE OF ETHICS

The Code of Ethics is a fundamental tool of corporate governance as it defines the context of social, environmental and business responsibility that the staff and the entire value chain must respect and aim towards. Given its strategic importance, the text is adopted by all companies within the Group, with slight variations related to each company's regulatory context.

The Code requires that activities be carried out following the principles of honesty, integrity, correctness and good faith, respecting the legitimate interests of the Stakeholders and the communities in which Goglio is present. Customers or third parties must be protected from any collusive and abusive behaviour; furthermore, it is essential to verify that the entire value chain is free from phenomena such as child or forced labour, while internally any sort of discrimination and attempted corruption is rejected.

Thanks to the provisions of the Code of Ethics, their dissemination within the company context and the sharing by management and all company personnel of the principles described therein, as well as to the corporate governance procedures defined by the Management, Organization and Control Model pursuant to Legislative Decree 231/2001 aimed at ensuring the correct management of the business, no episodes of corruption were recorded against any of the Group companies in the year 2022.

Lastly, the Code of Ethics is also the main tool through which the risk of conflicts of interest is prevented.

It provides that any situation that may constitute or determine a conflict of interest must be promptly communicated to the Supervisory Body, which is the body responsible for identifying the operational solutions aimed at safeguarding transparency and correctness and sharing them with the interested parties through written instructions.

QUALITY, FOOD SAFETY, OCCUPATIONAL HEALTH AND SAFETY AND THE ENVIRONMENT

The Management of Goglio S.p.A. has drafted a Policy for Quality, Food Safety, Occupational Health and Safety and the Environment which acts as a guideline for the development of the company and for the satisfaction of its customers and stakeholders. The document, dated February 2022, is applied through an integrated management system, for quality, the environment, health and safety at work and food safety, applicable for the majority of Italian

production sites.

The policy guidelines conform to the UNI EN ISO 9001:2015, UNI EN ISO 14001:2015, UNI ISO 45001:2018 standards; to certifications relating to the correct management of food safety such as the BRCGS PACKAGING MATERIALS version 6, the Safe Quality Food and the Interstate Milk Shipper (IMS); and also to the HALAL and KOSHER certifications for compliance with the food rules of the Muslims and Jewish religions.

The table below gives a summary of the certifications obtained by each of the Group's production plants.

	ISO 9001:2015	ISO 45001:2018	ISO 14001:2015	BRC	HALAL	KOSHER	FSSC 22000	ISCC Plus	SQF	IMS
Goglio S.p.A. Daverio	●	●	●	●	●	●		●		
Goglio S.p.A. Cadorago	●	●		●	●			●		
Goglio S.p.A. Milan	●	●		●	●			●		
Goglio S.p.A. Zeccone	●	●								
Goglio North Europe Zaandam (NL)			●	●				●		
Goglio Tianjin Packaging Tianjin (CN)	●		●	●	●	●	●			
Fres-Co System USA Red Oak and Telford (USA)					●	●			Level 3	Grade A

The Goglio Group companies therefore operate in accordance with these standards and with national and international regulations; it is committed to respecting the environment and promoting workplace safety as well as social progress, respecting the values of corporate social responsibility.

In particular, the **Quality Policy** must have as its cornerstone the involvement of all the company's collaborators: everyone is in fact called upon to develop the skills necessary for the standards and to maintain these by means of ongoing training courses. The ultimate goal must be to maintain the product requirements requested by the customer and if possible, through Research and Development, propose new quality standards and innovations of the product itself.

The same goes for the **Food Safety Policy**: the Group is committed to ensuring compliance with the requirements defined by legislative provisions and regulations in order to sell products that are safe for the health of consumers. In addition to the qualities defined in the previous paragraph, continuous monitoring of all production and logistics phases of the incoming raw materials and the outgoing finished product is necessary.

The existing defined and implemented policy must be constantly reviewed in order to comply with new products in the event that variations to the production processes are requested. The self-control procedures, based on the principles of the "Hazard Analysis and Critical Control Points" model, are therefore updated to maintain the required high standards.

The Quality and Food Safety policies play a crucial role in maintaining a high standard and preventing incidents of non-compliance with national regulations and with the Code of Ethics. As regards to the health and safety of products and services, no incidences of non-compliance have been recorded in the last three years that have led to fines or accidents and non-compliance with company standards.

Lastly, the **Environmental and Health and Safety Policy** places particular attention on the company's efficiency, sustainability and collaborators. The management system must ensure healthy and safe working conditions that prevent job-related injuries and illness. The commitment extends to the elimination of dangers and the reduction of risks

related to Health and Safety as well as compliance with all laws and regulation in force on the subject. It also promotes the ability to manage potential emergencies and accidents that may occur during work activities in a rapid, effective and diligent manner, taking care to have mapped out possible accidents in advance. The environmental policy also guarantees that each of the players involved acts in a careful and responsible manner, thus also ensuring constant compliance with environmental laws and regulations, with regard to which, in fact, no instances of non-compliance have been recorded at Group level in the last three years.



In addition to the certifications and documents mentioned above, in 2022 Goglio S.p.A. and Fresco System USA once more earned the *Silver* rating of the Ecovadis certification, demonstrating their commitment to Corporate Social Responsibility. Being member of Ecovadis is both a reason for awareness and a demonstration of the Company's commitment to innovation and to the rationalization of costs linked, for example, to energy consumption and waste disposal.



Furthermore, in 2022, Goglio S.p.A. obtained the "Quality Alternation Label" (BAQ) awarded by Confindustria for the fourth consecutive year. The recognition attests the companies' commitment to offering training opportunities to new generations such as, for example, participation in the state-organized "School-work alternatio" initiative for secondary schools.

TRADE ASSOCIATIONS

Goglio is partner of CEFLEX, a collaborative initiative that represents the entire flexible packaging value chain. The Circular Economy for Flexible Packaging initiative is the fruit of a collaboration between more than 180 European Companies, associations and organizations.

The aim of this initiative is to create a circular flexible packaging economy that progressively reduces the use of virgin raw materials.



Goglio is member of numerous trade associations, in particular, it is associated with: Assolombarda; Industrial Unions of the Province of Varese; Assografici (Association of Printing, Paper and Similar Companies); GIFLEX (Italian Flexible Packaging Group part of the Assografici Specialization Group);

FPE (Flexible Packaging Europe); UCIMA (Italian Union of Packaging Machine Manufactures) and finally the Italian Packaging Institute. In the USA, Fres-Co System USA is member of the National Coffee Association (NCA) and the Flexible Packaging Association (FPA).

1.3 Responsible management of the supply chain

The strategic vision of the Goglio Group is completed by careful and accurate management of the supply chain.

Relationship with suppliers are consolidated and based on mutual trust, as they are based on the common goal of maintaining a high-quality standard of both incoming raw materials and, consequently, of the outgoing product. For this reason, enhancing the know-how of its suppliers is an integral part of the Goglio Group's development strategy.

The raw materials purchased are subjected to a delicate control process which is carried out in the company's internal laboratory, thanks to the specialization of the employees in the chemical field, and which verifies the quality of the materials purchased. In the event of a discrepancy with the quality standards declared during the purchase phase, the matter is reported, and steps are taken in a collaboration with the supplier to resolve the problem encountered. Collaboration with suppliers guarantees not only product development, but also resilience in the event of external shocks, as occurred

in 2020 during the Covid pandemic.

The various production plants located in different parts of the world manage their value chain independently: the practices and policies adopted may in fact differ between one country and another, however, although there is no common centralized policy or procedure, management is similar across all foreign legal entities. As regards the Italian production plants, the number of active suppliers in 2022 amounted to more than 900, approximately 150 of whom are suppliers of raw materials, three of which represent the largest purchasing percentage.

The purchases of raw materials mainly consist of plastics, resins, aluminium, chemical products, such as inks and solvents, and packaging. Giving that the production of film is vertically integrated within the company, the purchasing function interfaces exclusively with large producers of raw materials, located abroad, who are required to comply with the

Code of Ethics and share the underlying values. The supplier selection process requires each supplier to complete an internal company analysis questionnaire at least every three years, on the basis of which internal database is updated. The supplier ranking considers various elements, including the number and type of products purchased, the duration of the commercial relationship, the size of the company and its economic solidity, its fiscal integrity, the methods adopted for the management of complaints and the processes designed to guarantee the quality of the products supplied, in addition to specific environmental and social requirements. In particular, during the selection process, those suppliers who demonstrate the optimization of organizational management aspects by presenting certification demonstrating their compliance with the standards

for quality management systems (ISO 9001), environmental management system (ISO 14001), occupational health and safety management systems (ISO 45001), social accountability (SA 8000) and anti-bribery management systems (ISO 37001), which together allow us to have a clear picture of each subject, are rewarded with additional scores.

The selection process is completed with the provision of an audit plan, which annually involves the most important suppliers and all those for whom specific critical issues have been highlighted in the previous analysis phases. In 2022, in the various production plants, 149 new suppliers were assessed on the basis of social requirements and 63 on the basis of environmental requirements, equivalent to 96% and 42% respectively.¹

Since 2021 Goglio S.p.A. has been a member of Sedex (code: ZC1075732), a collaborative data platform for sharing data on the sustainability of supply chains. Thanks to the contribution of over 55.000 members, Sedex represents an effective

tool for collecting, managing and evaluating the sustainability performance of the supply chain.



The measures implemented by the Italian production plants are also generally applied for the other production locations. Furthermore, where possible, the Group is committed to searching for local suppliers in all its production plants. This effort, aimed at enhancing the short supply chain which guarantees greater reliability and lower environmental as well as economic costs, has allowed the percentage of

local procurement to be stabilized at around 51%.² In order to avoid the double transport of certain goods and thus reduce the overall load transported, during 2022 the management of the downstream chain of production value in Italy has engaged in discussions with a logistics provider to evaluate the creation of a warehouse either in central Italy or in Emilia-Romagna.

¹ These percentages do not include the figures relative to Goglio Do Brasil Indústria Ltda, Fres-co System Japan Inc., Goglio Flex Pack System Índia PL, Fres-co System España S.A. e Goglio France S.A.S.

² These percentages do not include the figures relative to Goglio Do Brasil Indústria Ltda, Fres-co System Japan Inc., Goglio Flex Pack System Índia PL, Fres-co System España S.A. e Goglio France S.A.S.

1.4 Our approach to sustainability

THE JOURNEY TOWARDS SUSTAINABILITY FOR THE GROUP

Aware of the importance of incorporating sustainable growth objectives into its business in order to remain competitive and create value in the long term, the management of the Goglio Group has long invested in innovation and in the improvement of its environmental impact. The ecological transformation is not only required by European and international institutions, but both our customers and consumers in general also demonstrate an ever-growing interest and commitment thereto.

The company began this transformation journey some time ago and this year decided to take a further step forward by publishing the Group's first Sustainability Report. This document is addressed to all stakeholders and shows, in a transparent manner, the impact generated by the Group's business.

The Board of Directors periodically evaluates the economic, environmental and social performance of the organization, the relevant risks and opportunities, evaluating the quality of the management of the impacts that the company generates on the economy, the environment and people by the representatives of the key corporate functions. The evaluation and valorisation processes measure the company's contribution and are necessary to monitor its results and allow performance to be kept under control, which is essential in supporting those company activities aimed at achieving its strategic goals. The annual judgment on the Company's activity is necessary in order to identify any elements that can improve its performance, in terms of efficiency and effectiveness.

The management of environmental issues

THE ENVIRONMENTAL SUSTAINABILITY SECTOR IS GAINING RELEVANCE FOR SEVERAL REASONS WHICH ARE DESCRIBED IN DETAIL IN THIS REPORT.

The greatest pressures arise both from society and from the regulatory framework, which is improving and becoming ever more stringent.

In this regard, Fres-Co System USA is considering the introduction of the role of Sustainability Manager in the company's functions in order to address ESG and sustainable development issues which, increasingly, also affect the American market, historically characterized by less stringent regulations and constraints compared to Europe.

THE STAKEHOLDERS

The involvement of stakeholders is a fundamental element both for understanding their expectations towards the company and because they constitute a resource for promptly understanding the requests of customers and therefore of the market in which we operate. Goglio is therefore committed to creating stable and effective relationships that help it remain competitive and generate value. Stakeholders' expectations are to be considered part of the growth strategy, which is developed through direct and indirect dialogue therewith.

In order to consolidate the relationship of mutual trust, transparency and collaboration with its stakeholders, the company aims to ensure that it maintains an active and continuous dialogue therewith, that is able to enhance the specificity of each category identified through engagement and the creation of channels of communication commensurate with the needs of individual interlocutors. The results thereof

serve to assist the senior corporate functions in the preparation of the annual review and updating of its strategy relative to the Group's sustainable growth.

Goglio also has numerous communication channels, adapted to suit its various categories of stakeholders. These included the reporting channels available to employees and the complaint mechanisms for customers, through which Goglio collects and responds to any critical issues raised. Critical issues that may have a significant effect on smooth running of company *operations* are brought to the attention of the members of the Board of Directors.

The involvement of management was useful in the stakeholder identification phase and in defining their importance in terms of influence on Goglio. This phase of the sustainability report preparation process, commonly known as the "materiality analysis", precedes the actual identification of the more important issues which must be monitored and reported upon.



INITIAL ANALYSIS OF MATERIALITY

With the aim of promoting transparent and effective communication with stakeholders and at the same time consolidating internal awareness, in 2022 Goglio S.p.A. carried out an analysis of the environmental, economic and social impact of the Company's activities in accordance with the provisions of the latest version, updated in 2021, of the *Global Reporting Initiative Sustainability Reporting Standards* (hereinafter referred to as the "GRI Standards"), to date the most widespread and applied standards, at both an Italian and international level, used to define the disclosures to be included in reporting and to rigorously describe the sustainability commitment and performance of an organization through a precise set of indicators.

The Standard states that the identification of a company's material issues is linked to the identification of the significant impacts, generated or likely to be generated by the company on the economy, the environment and on people, including impact on human rights, across all of the organization's activities and business relationships. These impacts include actual or potential impacts, negative and positive impacts, short-term and long-term impacts, intentional and unintentional impacts and reversible and irreversible impacts.

The dedicated working group created at *corporate* level carried out the materiality analysis in four different stages:

Understanding the context in which the Company operates: analysis of the sector in which Goglio operates, taking into account different categories of sources, both internal and external to the Company.

Identification of Goglio's actual and potential impact: actual impacts are impacts that have already occurred, while potential impacts are those that may occur in the future.

Assessment of the significance and importance of the impacts: all impacts were assessed through a process of assessing the degree of significance developed in line with the criteria indicated by the Standard. The importance of an actual impact is determined by its severity, while the importance of a potential impact is determined by the severity and probability of the impact occurring. In particular, the severity of an impact was assessed taking three aspects into consideration:

- Scale of severity: how serious the impact is and the external context in which impact occurs, including geography;
- Scope of application: how widespread the impact is along the Company's value chain;
- Irremediable character³: how difficult is to remedy the damage caused by the impact.

The probability of the potential impact was assessed taking into account all the policies, procedures and other measures implemented by the company to prevent and mitigate the negative impact identified.

Prioritization of the most significant impacts for the Report: the priority of the most significant impacts for Goglio was established and the impacts deemed most relevant guided the identification of the material themes included in this Sustainability Report.

The main company functions were involved in the validation of the identified impacts and the significance assigned to each of them, through a dedicated workshop, in which the main innovations in the field of sustainability reporting were also presented.

The table below shows the list of material topics, together with the relevant GRI Disclosures, that emerged following the identification and aggregation of the material impacts.⁴

³ Irremediability was considered only for the assessment of negative impacts, and not for positive ones, as indicated by the GRI Standards 2021.

⁴ The impacts considered material are those to which a "very relevant", "relevant" and "moderate" significance has been attributed by the assessments carried out. Impacts that were found to be "negligible" were excluded.

FOCUS AREAS	DESCRIPTION OF IMPACT ● positive ● negative	IMPORTANCE TO STAKEHOLDERS	GRI TOPIC SPECIFIC DISCLOSURE
Fight against climate change	<p>High level of energy consumption The extraction processes, the production of plastic materials and the operational activities of the Group represent high energy-intensive industrial activities. The impact is exacerbated by the fact that key suppliers are based in Asian markets. The impact can be mitigated through energy efficiency actions, supply of energy from renewable sources, using integrated transport, by sea and rail, and maximizing load saturation.</p>	Very relevant	GRI 302: Energy
	<p>Contribution to climate change and air pollution caused by climate-altering emissions and other chemical substances The extraction processes, the production of plastic materials and the Group's operational activities involve high levels of emissions of greenhouse gas (GHG) and other pollutants (SOx, NOx, CO, PM, VOC), mainly linked to energy consumption. The impact is exacerbated by the fact that our key suppliers are based in Asian markets. The impact can be mitigated through energy efficiency measures, such as the supply of energy from renewable sources, using integrated transport, by sea and rail, and maximizing load saturation.</p>	Very relevant	GRI 305: Emissions
Circularity and protection of resources	<p>Depletion of natural resources caused by the exploitation of non-renewable raw materials The production of plastic materials is traditionally carried out using petroleum by-products, a non-renewable material, available in limited quantities and in great demand on the market. The impact can be managed on the one hand by investing in the circularity of the product and in its recycling and, on the other hand, by substituting, where possible, fossil fuel-based plastic with bioplastic.</p>	Very relevant	GRI 301: Materials
	<p>Negative impact due to ineffective treatment and/or disposal of waste The company's value chain and its operational activities involve the production of high volumes of waste, including hazardous waste, which, if not disposed of correctly, can cause serious environmental damage. The impact can be mitigated through a waste management plan that takes advantage of the best available technologies or by reducing the amount of waste produced through lower consumption of raw materials and the adoption of circular solutions.</p>	Relevant	GRI 306: Waste

FOCUS AREAS	DESCRIPTION OF IMPACT ● positive ● negative	IMPORTANCE TO STAKEHOLDERS	GRI TOPIC SPECIFIC DISCLOSURE
	<p>Exploitation and consequent depletion of water resources The production of petroleum-based plastic materials, and subsequently of packaging, requires the use of water for cooling the plants and for the various processes. The impact can worsen if water withdrawal occurs in areas subject to water shortages. The impact can be reduced through the installation of systems for recycling used water.</p>	Relevant	GRI 303: Water
	<p>Pollution of water resources caused by ineffective management of water discharges The production process of petroleum plastics and subsequently of packaging requires the use of water. If wastewater is not correctly managed through the installation of adequate purification and recycling systems, the consequence can be the pollution of the aquifers and soil surrounding the production sites.</p>	Moderate	
Circularity and protection of resources	<p>Development of solutions and products with a better sustainability performance thanks to investment in R&D Through internal departments, collaboration with universities and research centres, the Company can contribute to the development of solutions and products aimed at reducing environmental impacts, in particular, through the design of recyclable products, the study of innovative alternative materials to plastic and the promotion of the circular economy.</p>	Relevant	NON GRI TOPIC
	<p>Degradation of ecosystems caused by direct activities and incorrect management of the product's end of life Company activities, if carried out near protected areas, as well as the dispersion of plastic products into the environment following their use, could damage the surrounding habitat, with sometimes irreparable consequences, in particular with regard to marine ecosystems. The impact can be prevented through adequate consumer information campaigns regarding the correct disposal of plastic waste and activities to restore protected habitats.</p>	Moderate	GRI 304: Biodiversity


FOCUS AREAS	DESCRIPTION OF IMPACT ● positive ● negative	IMPORTANCE TO STAKEHOLDERS	GRI TOPIC SPECIFIC DISCLOSURE
Responsible supply chain management	<p>Selection, qualification and monitoring of suppliers based on environmental criteria</p> <p>The activities of the company's suppliers generate air pollution, waste, negative impacts on the healthiness and availability of water resources, soil and biodiversity. In particular, the extraction of metals and oil and the transport thereof to the processing centers have a negative impact on the surrounding habitat, very often marine, sometimes with irreparable consequences. The impact can be mitigated by evaluating and selecting suppliers based on environmental criteria.</p>	Relevant	GRI 308: Supplier environmental assessment
	<p>Selection, rating and monitoring of suppliers based on social criteria</p> <p>The activities of the company's suppliers can cause negative social impacts, such as poor working conditions, violations of human rights and worker exploitation. The impact can be mitigated by assessing and selecting suppliers based on social criteria.</p>	Relevant	GRI 414: Supplier social assessment
	<p>Violation of human rights along the supply chain</p> <p>Suppliers who do not operate in accordance with current labour law and the ILO Convention on fundamental rights may result in a violation of the human rights of employees and of the local communities in which they operate.</p>	Relevant	
	<p>Limited support to local suppliers through the procurement of goods and services</p> <p>The procurement of goods and services from foreign suppliers can lead to interruptions in the supply chain, limit the growth of the local economy and harm relationships with the local community.</p>	Moderate	GRI 204: Procurement practices

FOCUS AREAS	DESCRIPTION OF IMPACT ● positive ● negative	IMPORTANCE TO STAKEHOLDERS	GRI TOPIC SPECIFIC DISCLOSURE
Protection and valorisation of employees	<p>Failure to protect workers' rights within the company The Group operates at a global level and in contexts that could be characterised by a greater frequency of episodes with poor protection of workers' rights, exposing itself to the risk of abuse and controversy in the workplace. These conditions can lead to inadequate working circumstances and episodes of conflict with the community, employees and collaborators.</p>	Moderate	GRI 401: Employment
	<p>Lack of welfare tools and insufficient provision of benefits to employees Lack of investment in welfare tools and the limited provision of employee benefits can negatively impact the company's ability to attract and retain talent, resulting in an increase in staff turnover.</p>	Moderate	
	<p>Failure to develop employees' skills due to inadequate staff training programmes The ability to retain existing staff and to attract new talent is linked not only to staff welfare plans but also to training activities and professional growth programmes for employees and to their involvement in the corporate life. The Group's failure to prepare adequate programmes and training plans may lead to a lack of sufficient skills among employees, with negative economic consequences on the quality of its products.</p>	Moderate	GRI 404: Training and education
	<p>Discrimination and failure to promote equal opportunities in the workplace Discrimination and failure to respect diversity are linked to factors such as gender, sexual orientation, religion, ethnicity, language, and can lead to pay disparities, to exclusion from the hiring process or may compromise career opportunities. This situation can cause both moral and physical damage to workers and may have repercussions on their families and the community. They also have a negative impact on employee engagement and on productivity.</p>	Very relevant	GRI 405: Diversity and Equal opportunity GRI 406: Non discrimination
Health and safety in the workplace	<p>Damage to workers' health caused by the lack of adequate safety measures in the workplace Low levels of safety measures in the workplace in conditions of potential risk, coupled with a lack of staff training in this area, can give rise to serious workplace accidents, such as for example, electrocution, excessive exposure to noise, optical damage, burns, fractures and sprains, intoxication, road accidents, etc.</p>	Relevant	GRI 403: Occupational Health and Safety

FOCUS AREAS	DESCRIPTION OF IMPACT ● positive ● negative	IMPORTANCE TO STAKEHOLDERS	GRI TOPIC SPECIFIC DISCLOSURE
Protection of customer health and safety	<p>Damage to consumer's health caused by non-conformity of marketed products The company can cause damage to the customer's health, even in the long term, due to non-conformity of its products. To mitigate the impact, the company must implement and maintain a system that guarantees food packaging safety standards. The system should also cover suppliers, subcontractors and distributors as well as the company's premises. The impact could also be caused by incorrect or non-transparent labeling or marketing strategies.</p>	Relevant	GRI 416: Customer Health and Safety
Business ethics	<p>Failure to comply with current sector regulations The company must constantly monitor the current legislation of the sector in which it operates, in particular regarding the sanitation conditions of the premises and machinery, in order not to cause negative impacts on its end customers.</p>	Relevant	GRI 205: Anti-corruption
	<p>Damage caused to the economy and the community due to any fraudulent behaviour The company may be involved in episodes of corruption, also due to its relationships with suppliers in countries where legislation and controls are not sufficiently adequate.</p>	Very relevant	
Development of local communities	<p>Contribution to the development of the local community through donations, training initiatives and corporate volunteering The lack of initiatives aimed at positively contributing to the wellbeing and development of the local communities in which the Group operates, such as corporate volunteering initiatives, donations, the provision of free training and the promotion of a culture of sustainability, could limit the development of the local economy and the company's relationships with the community.</p>	Moderate	GRI 202: Market presence
	<p>Distribution to the stakeholders of the economic value generated by the organization The company generates and distributes economic value directly and indirectly through its operations. In particular, the company can have a significant positive impact through employee hiring policies aimed at the local population and by favouring local suppliers.</p>	Relevant	GRI 204: Procurement practices GRI 202: Market presence

The overall outcome of these analyses resulted in the identification of 8 material themes, which refer to the **impacts of the organization on the environment** (Fight against climate change, Circularity and protection of resources), **on people** (Protection and valorization of employees, Occupational Health and

Safety, Protection of Customer Health and Safety) and **on the economy and governance** (Development of local communities, Business ethics), as well as those **on the supply chain** (Responsible supply chain management).



Our team:
taking care of our people

2.1 People: our strength

Ever since its foundation, Goglio has always maintained a strong connection with the territory and the local community, from which it draws its strength and to which it redistributes a large part of the value generated.

For this reason, Management pays particular attention to the well-being of its employees, whom it considers the main component contributing to its success. The evolution and growth of the Group, as well as its expansion on a global scale, have further emphasised the strategic role of human resources development and the importance of a work environment that is as stimulating as it is respectful of everyone's diversity and needs.

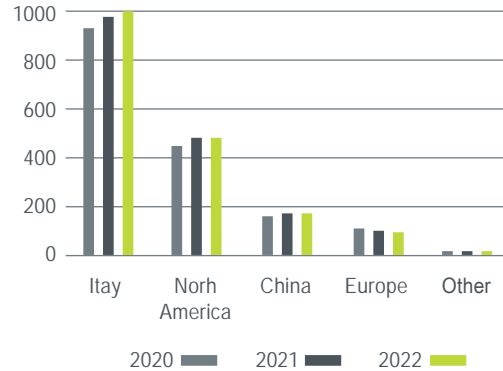
These are the reasons why the management of human resources is reflected in the fundamental principles described and defined in the Code of Ethics: to foster a work environment which, inspired by respect, fairness and collaboration, encourages the involvement and empowerment of employees.

The Group currently consists of **1,906 people** (of whom **1,796 employees** and 110 non-employee workers). Among employed workers, 56% work in Italy. The majority thereof are located at the historic Daverio headquarters (706 employees). The remaining part is located at the Zeccone (125 employees), Cadorago (105 employees) and Milan (63 employees) sites. As regards foreign companies, however, a large part of the workforce is employed in those of Telford and Red Oak in the United States (485 people in total), followed by China (176 people) and the Netherlands (103 people).

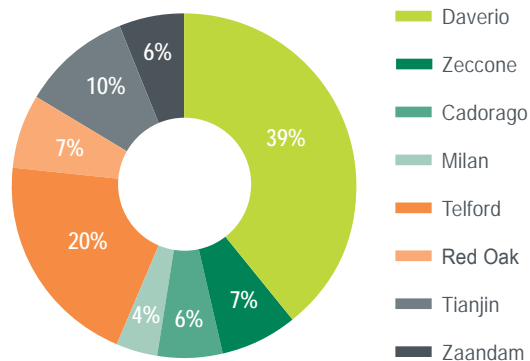
With the aim of facilitating an adequate work-life balance for our employees, the use of part-time contracts is envisaged, which however represent a minority share (less than 5% in 2022) of total employees at Group level.

Furthermore, the Group prefers to use permanent employment contracts⁶ in order to pursue operational

Number of employees by geographic area



Number of employees by location at 31st December 2022



stability and the development of specific know-how and skills, as well as being fundamental for building a consolidated and lasting relationship with its employees. In 2022, more than 94% of the Group's employees were employed on permanent contracts.

⁶ The permanent employees also included the workers of Fres-co System USA Inc., employed at the Red Oak (Iowa) and Telford (Pennsylvania) sites. The US employment law discipline of the so-called "work at-will" provides the right of the contractual parties, both the employer and the worker, to terminate the employment relationship ad nutum, i.e. without the need for notice and motivation. The only limitations on the part of the employer concern the so-called discriminatory dismissals, prohibited by law.

EMPLOYEES - GRI 2-7

	Italy			North America		
	2020	2021	2022	2020	2021	2022
Permanent contracts	951	953	954	459	487	485
- Male	729	732	729	361	375	370
- Female	222	221	225	98	112	115
Temporary contracts	16	37	45	0	0	0
- Male	15	32	38	0	0	0
- Female	1	5	7	0	0	0
Total	967	990	999	459	487	485

	Europe ⁷			South America			Asia ⁸		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Permanent contracts	128	123	117	5	5	4	117	118	121
- Male	106	103	96	4	4	3	63	63	64
- Female	22	20	21	1	1	1	54	55	57
Temporary contracts	5	6	10	0	0	0	57	60	60
- Male	2	3	8	0	0	0	37	38	40
- Female	3	3	2	0	0	0	20	22	20
Total	133	129	127	5	5	4	174	178	181

EMPLOYEES - GRI 2-7

	Italy			North America		
	2020	2021	2022	2020	2021	2022
Full-time	912	936	944	452	475	472
- Male	735	757	762	357	367	362
- Female	117	179	182	95	108	110
Part-time	55	54	55	7	12	9
- Male	9	7	5	4	8	4
- Female	46	47	50	3	4	5
Non guaranteed hours	0	0	0	0	0	4
Total	967	990	999	459	487	485

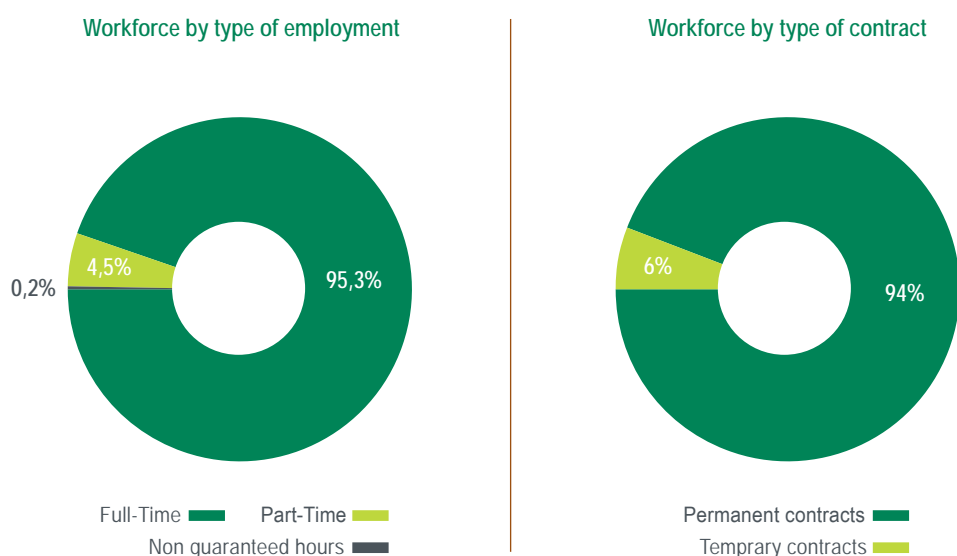
	Europe ⁹			South America			Asia ¹⁰		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Full-time	115	112	111	5	5	4	174	178	181
- Male	101	99	98	4	4	3	100	101	103
- Female	14	13	13	1	1	1	74	77	78
Part-time	18	17	16	0	0	0	0	0	0
- Male	7	7	6	0	0	0	0	0	0
- Female	11	10	10	0	0	0	0	0	0
Non guaranteed hours	0	0	0	0	0	0	0	0	0
Total	133	129	127	5	5	4	174	178	181

⁷ The figures refer to the Group's European plants and offices, excluding Italy.

⁸ The figures refer to the Group's Asian plants and offices: Tianjin, Bengaluru and Tokyo.

⁹ The figures refer to the Group's European plants and offices, excluding Italy.

¹⁰ The figures refer to the Group's Asian plants and offices: Tianjin, Bengaluru and Tokyo.



NON-EMPLOYEE WORKERS - GRI 2-8

	Italy			Europe			Other		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Interns	16	19	24	2	2	5	6	0	0
- Male	16	19	24	2	2	3	3	0	0
- Female	0	0	0	0	0	2	3	0	0
Trainees	0	2	2	0	0	0	0	0	0
- Male	0	2	2	0	0	0	0	0	0
- Female	0	0	0	0	0	0	0	0	0
Other	71	72	79	0	0	0	0	0	0
- Male	50	50	56	0	0	0	0	0	0
- Female	21	22	23	0	0	0	0	0	0
Total	87	93	105	2	2	5	6	0	0
- Male	66	71	82	2	2	3	3	0	0
- Female	21	22	23	0	0	2	3	0	0

Relations with the relevant trade unions have always been based on maximum collaboration and transparency. In all of the Group's plants, the employment relationship is regulated according to the provisions of the relevant national legislation. As far as the Italian plants are concerned, 100% of the employees are covered by collective bargaining contracts.

The health emergency due to the outbreak of the Covid-19 pandemic in March 2020 caused a slight contraction in the workforce at a consolidated level for 2020 compared to the previous year. This decline was then entirely reversed in 2021 and we would point out that the Group's workforce, driven by its

main production plants, grew in the three-year reporting period, albeit with different growth rates for the different geographic areas of reference. In particular, in 2022 the workforce remained stable compared to the previous year, recording a slight increase with regards to the Italian and Tianjin plants.

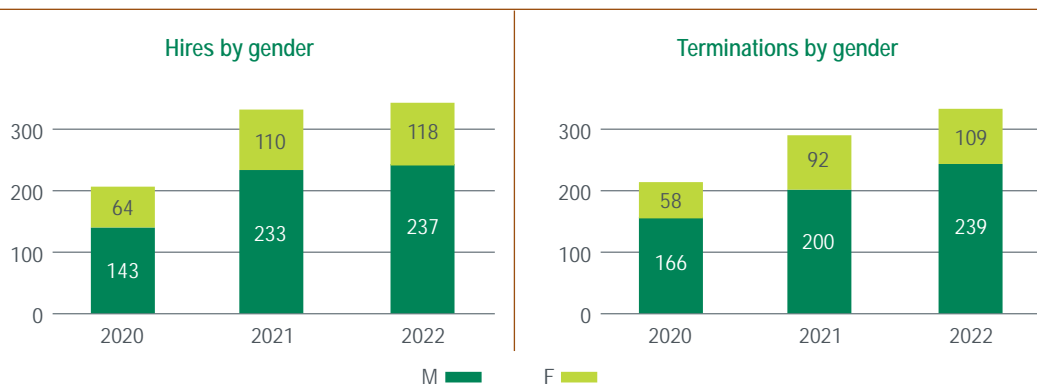
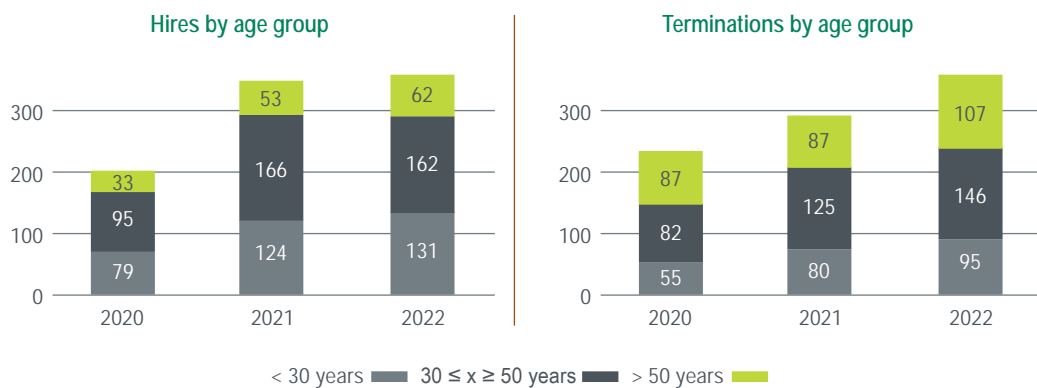
Overall, the hiring rate in 2022 was 19.8% (up from 19.2% in 2021 and 11.9% in 2020), corresponding to 355 new hirings. As regards terminations, the rate in 2022 was 19.4% (up from 16.3% in 2021 and 12.9% in 2020), corresponding to 348 terminations.

TURNOVER - GRI 401-1

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	143	233	237	Male	166	200	239
< 30 years	53	89	89	< 30 years	43	52	53
30 ≤ x ≤ 50 years	69	110	114	30 ≤ x ≤ 50 years	67	94	104
> 50 years	21	34	34	> 50 years	56	54	82
Female	64	110	118	Female	58	92	109
< 30 years	26	35	42	< 30 years	12	28	42
30 ≤ x ≤ 50 years	26	56	48	30 ≤ x ≤ 50 years	15	31	42
> 50 years	12	19	28	> 50 years	31	33	25
Total	207	343	355	Total	224	292	348
< 30 years	79	124	131	< 30 years	55	80	95
30 ≤ x ≤ 50 years	95	166	162	30 ≤ x ≤ 50 years	82	125	146
> 50 years	33	53	62	> 50 years	87	87	107

TURNOVER - GRI 401-1

	Hiring rate				Termination rate		
	2020	2021	2022		2020	2021	2022
Male	10.9%	17.3%	17.6%	Male	12.6%	14.8%	17.7%
< 30 years	35.6%	52.4%	45.4%	< 30 years	28.9%	30.6%	27.0%
30 ≤ x ≤ 50 years	11.0%	17.9%	19.1%	30 ≤ x ≤ 50 years	10.7%	15.3%	17.4%
> 50 years	3.9%	6.0%	6.1%	> 50 years	10.4%	9.5%	14.7%
Female	15.2%	25.1%	26.3%	Male	13.8%	21.0%	24.3%
< 30 years	49.1%	62.5%	102.4%	< 30 years	22.6%	50.0%	102.4%
30 ≤ x ≤ 50 years	10.7%	21.4%	19.0%	30 ≤ x ≤ 50 years	6.2%	11.8%	16.7%
> 50 years	9.5%	15.7%	18.1%	> 50 years	24.6%	27.3%	16.1%
Total	11.9%	19.2%	19.8%	Total	12.9%	16.3%	19.4%
< 30 years	39.1%	54.9%	55.3%	< 30 years	27.2%	35.4%	40.1%
30 ≤ x ≤ 50 years	10.9%	18.9%	19.1%	30 ≤ x ≤ 50 years	9.4%	14.3%	17.2%
> 50 years	4.9%	7.7%	8.7%	> 50 years	13.0%	12.7%	15.0%



As regards the incoming employee turnover of Goglio S.p.A.'s Italian sites, the data is influenced by the hiring of numerous seasonal staff, which is necessary due to the seasonal nature of part of the production. The Group is attempting to reduce the use of this category of worker, through the expansion of the reference markets and the consequent stabilization of demand for certain types of products. Without taking seasonal workers into account, the majority of the terminations are due to people leaving the Group upon reaching retirement age.

With reference to the breakdown by gender, the characteristic composition of the workforce, which has its origins in the nature of certain tasks on the production line, is also reflected in the preponderance of hiring and terminations of men. From the data shown in the graph above it can be seen how the percentage of female hires increased in the three-year reporting period. In particular, it rose from 25.1% in 2021 to 26.3% in 2022. This progressively improving figure reflects the Group's commitment to the development and implementation of initiatives and benefits in relation to Diversity & Inclusion issues. Furthermore, in order to meet the needs arising from the continual growth of the Group and to attract new talents, especially those of the younger age group, initiatives have been implemented aimed at improving the Group's attractiveness to potential

employees. In particular, the *school-work alternation* project is currently underway in Italy, leading to fifteen high school students being brought into the company, and collaborations were established with various universities to support students in the development of their research projects and degree thesis. During 2022 Goglio supported three students in drafting their degree thesis. In January 2023, the discussion of the final report on the studies conducted during 2022 by students, in collaboration with Goglio S.p.A relating to *Trends in Food Industry* as part of the *Food Engineering* course, will be held at the Polytechnic University of Milan. The studies concerned the packaging of tomatoes in an aseptic environment with a particular focus on solutions capable of increasing the sustainability of the flexible packaging supply chain, in which Goglio can boast decades of experience.

Similar initiatives have also been introduced by Fresco System USA, which every year hires university students for internships aimed at a stable placement within the company.

These initiatives have yielded important results, as demonstrated by the high percentage of hiring of employees under 30 years of age, corresponding to over 55.3%, representing an increase with respect to 54.9% recorded in 2022.

2.2 Diversity & Inclusion

For several years now, awareness-raising on the issues of diversity and inclusion has been underway within the company, in order to promote an inclusive work environment that respects diversity. This generates benefits not only for its collaborators, but also for their families and for the local communities.

Fres-co System USA. Inc. stands out in particular; in accordance with US law, this company is classed as an *Equal Opportunity Employer*, signifying that it is a company that does not discriminate against its employees on the basis of race, colour, religion, sex, age, disability or other health conditions, and that it is committed to providing specific environments or solutions for workers with needs deriving from their health or religious condition and which guarantees the right of every worker to lodge complaints in the event of discrimination in the workplace. Fres-Co System USA. Inc. has around 20 different nationalities among its staff and offers ESL (*English as a Second Language*) courses to those who do not have sufficient command of the English language. During 2022, hours of training on inclusiveness issues were provided for all company staff and inclusive bathrooms were introduced at all locations. A specific objective was that of increasing the percentage of female employees: thanks to the *Women in Manufacturing* initiative which gives female staff the opportunity to talk about their experience through interviews that explain what

it's like for a woman to work in the manufacturing sector and to access specific training courses. Furthermore, in support of religious communities and new mothers, Fres-co System USA. Inc. has set up a dedicated room (so-called *quiet room*), which can be booked on request, for moments of prayer or for breastfeeding.

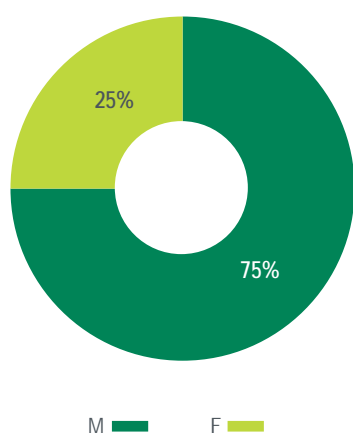
The initiatives aimed at promoting equal opportunities are not, however, a prerogative of the Group's American companies. For the benefit of the employees of the Daverio headquarters, Goglio S.p.A. has entered into an agreement with a private nursery school aimed at providing guarantees to its employees, including those resident in other municipalities, of being able to enrol their children near their place of work.

As proof of the effectiveness of the measures implemented, even though four ethical complaints regarding incidents of discrimination were received during 2022, the investigations carried out both internally and by the relevant authorities did not find sufficient evidence to support these complaints.

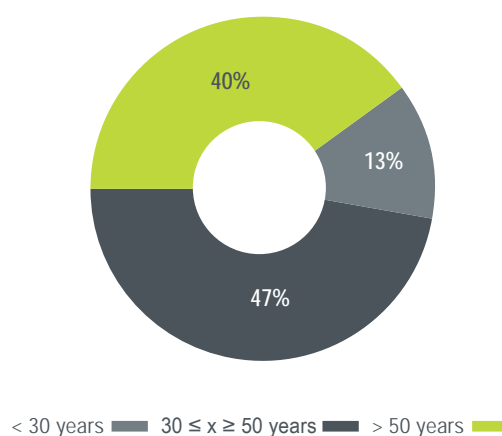
DIVERSITY AND EQUAL OPPORTUNITY - GRI 405-1

	2020	2021	2022		2020	2021	2022
Male	1,317	1,350	1,348	Male	76%	75%	75%
< 30 years	149	170	196	< 30 years	74%	75%	83%
30 ≤ x ≤ 50 years	627	614	596	30 ≤ x ≤ 50 years	72%	70%	70%
> 50 years	541	566	556	> 50 years	81%	82%	78%
Female	421	439	448	Female	24%	25%	25%
< 30 years	53	56	41	< 30 years	26%	25%	17%
30 ≤ x ≤ 50 years	242	262	252	30 ≤ x ≤ 50 years	28%	30%	30%
> 50 years	126	121	155	> 50 years	19%	18%	22%
Total	1,738	1,789	1,796	Total	100%	100%	100%
< 30 years	202	226	237	< 30 years	12%	13%	13%
30 ≤ x ≤ 50 years	869	876	848	30 ≤ x ≤ 50 years	50%	49%	47%
> 50 years	667	687	711	> 50 years	38%	38%	40%

Analysis of employees by gender - 2022



Analysis of employees by age - 2022



From the graphs we can see how Goglio's workforce has grown during the three-year reporting period. The majority of employees (47%) are in the age range between 30 and 50, however the number of young people under the age of 30 has grown compared to 2020, and now represent 13% of the

workforce. Similarly, the number of women among employees increased over the three-year period by 6.4% compared to 2020 and by 2% compared to 2021, despite the Group's total male-female ratio remaining constant at 75% men and 25% women.

2.3 Employee welfare

In order to increase the company's attractiveness for potential employees and to contribute to the well-being of its employees, as from 2022 Goglio has drawn up new corporate welfare policies for its Italian plants and offices, in full compliance with the provisions of the relevant CCNL national collective bargaining contract. Employees are kept informed of the planned measures via the Eudaimon portal; these include agreements with kindergartens, institutes and local territorial bodies, one-off bonuses (such as the €200 voluntary voucher provided during the Covid-19 pandemic to all employees) and agreements with local medical centres.

In order to better involve employees, Goglio has prepared and distributed a work-stress questionnaire aimed at identifying any critical issues and suggestions for improvement. No particular critical issues emerged from this questionnaire.

Goglio (Tianjin) Packaging launched an initiative called *Continual Improvement Project*, through which self-administered improvement groups were

created, involving employees of different levels and classifications and aimed at disseminating knowledge and improving the evaluation process. To support this initiative, a points system has also been implemented for the awarding of shopping vouchers on an online platform, this initiative allows employees to share, including via photographs, improvement actions carried out by a co-worker. Each employee has a maximum number of monthly points to assign and periodically the points received are converted into shopping vouchers. In addition to this, the initiative called *Great Club* was also implemented, with the aim of bringing improvements through the identification of a key theme for each Quarter.

As from 2021, Fres-co System USA, Inc. launched a project known as *Project Janus*, which is aimed at evaluating the corporate culture with a view to continuous improvement and to rendering Fres-co System USA an *employer of choice*. The Project, coordinated by an inter-functional group of employees, collects the experience of employees

along twelve organizational dimensions ranging from workplace safety, knowledge of company strategy, collaboration between functions, training, and individual professional growth plans. Each department manager is then called upon to define specific action plans to improve the level of participation (*engagement*) in their area. Furthermore, starting from the third quarter of 2022, Fres-co System USA, Inc. organises quarterly

meetings with all employees (known as *town halls*) to update them on company progress, on investment initiatives and, above all, to give everyone the opportunity to ask questions on topics of interest. Fres-co System USA, Inc. offers all employees a supplementary company plan (*benefit plan*) to cover medical, dental and ophthalmological expenses, which may be extended to cover the employee's immediate family members also.

Smart Working

A PART OF GOGLIO ITALY'S WORKFORCE CONTINUES TO ENJOY THE POSSIBILITY FOR SMART WORKING EVEN AFTER THE END OF THE STATE OF EMERGENCY CAUSED BY THE COVID PANDEMIC IN ACCORDANCE WITH THE REFERENCE POLICY: GOGLIO IS TRYING TO INFORM ITS EMPLOYEES ON THE CORRECT USE OF THIS TOOL.

With regards to the operational-organisational method, each employee must propose an agenda for carrying out their work, drawn up in agreement with their direct supervisor and with the department manager, always taking into account the activities and objectives linked to their role, the team to which they belong to and the projects it follows.

Goglio reserves the right to apply the Policy taking into consideration the specific needs of each employee. Today approximately 20% of the non-manual workforce carries out smart working. Fres-co System USA, Inc. also has a Work-From-Home (WFH) policy that allows employees in certain functions, with the approval of the function manager, to work from home two days a week.

To date, approximately 6.5% of the company population (31 people) take advantage of the WFH policy.

2.4 Ongoing growth

Given the extraordinary evolution and growth that the Group has experienced since its founding, the knowledge of the sector in which it operates and the experience and know-how of each individual employee constitute the underlying values of the entire organisation, which considers the personal and professional growth of its people to be the key to guaranteeing growth based on the skills and professionalism of the entire Group. It is for these reasons that Goglio, as described in the Code of Ethics, promotes business plans and training programmes aimed at promoting the development of each employee's abilities and skills.

Training therefore represents a strategic asset and,

in March 2022, the Group decided to centralize this activity with a new figure hired with the aim of coordinating, monitoring and implementing training processes. This person is responsible for monitoring the training provided throughout the organization, although it should be noted that the individual Group companies retain decision-making autonomy in providing specific training to their employees.

The companies of the Group wanted to adopt solutions aimed at strengthening internal communication by installing video panels in staff break areas to update employees on new legislation, on policies adopted in the company and on management guidelines on health and safety.

Goglio Academy

THE GOGGIO ACADEMY WAS BORN FROM THE AWARENESS OF THE FACT THAT TRAINING AND CONTINUOUS UPDATING OF SKILLS ARE THE KEY POINTS AND CRITICAL FACTORS TO ENSURE THE GROUP'S COMPETITIVENESS.

All training initiatives and courses launched by Goglio Academy have the aim to constitute a training centre for multifunctional topics concerning packaging products, point of reference for professional updating not only for Goglio employees, but also in the future, for external Institutions.

The topics covered include various aspects such as:

- Organisation of single-topic courses on packaging materials and machines aimed at the Group's technical and commercial staff;
- Maintenance of a technical support structure for the commercial functions that is always updated and in line with technological developments, with the aim of emphasizing Goglio's complementarity as a supplier of both packaging materials and packaging lines;
- Sharing of know-how with other companies within the Group through specific updating meetings on the development of new products/new applications;
- Collaboration with educational institutions (Universities and High Schools) for stage/training/local projects to connect schools with companies (e.g. Progetto Generazione d'Industria - UNIVA);
- Sharing research and development projects with Universities and Research Institutes;
- Exchange of information with customers.

In 2019 Goglio set up a specialised training centre known as the *Goglio Academy*, with the aim of disseminating mainly technical, innovative and development skills within the company, as well as providing training dedicated to management and to sales and administrative staff. The Goglio Academy aims to provide training in horizontal and transversal skills, not limited only to certain sectors and roles typical production line roles. It will be further strengthened and extended in the coming years, with the aim of providing added value for the Group, as well as a representing a tool to attract and keep employees.

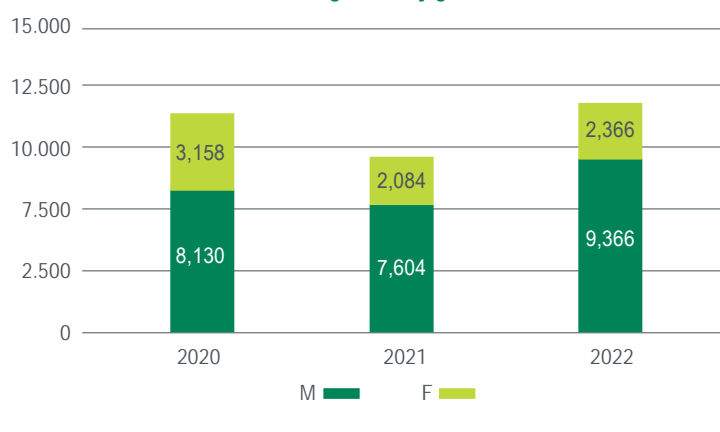
In particular, in 2022 Goglio decided to make the Academy more structured and therefore established a programme of activities on an annual basis, aimed at two levels of company employees which will come to force starting from January 2023: the first project, aimed at 12 employees, foresees the involvement of different transversal areas of the company. During these sessions the topics covered will range from corporate identity and culture to the development of soft skills and relationships and shall also include some economic and financial information. This project is expected to entail around 80 hours per person. The second project, however, is scheduled for September 2023 and will involve around 20-30 people and shall comprise two sessions at *lead management* level, aimed

at developing soft skills, such as conflict management and strategies for effective communication. Following the Academy training, specific professional training sessions are also planned at an individual level.

Particular attention is also paid to training in the Group companies located in China and the USA, as well as in the Italian and European sites, particularly training in workplace health and safety. In particular, for the China office, managerial level training and technical courses have been implemented, prepared and delivered by an external consultant. In addition to the compulsory training plans, Goglio (Tianjin) Packaging prepares a budget at the beginning of the year, linked to a series of different activities (for example: upgrades for maintenance, technical refresher courses) and activities relating to the development of *soft skills*, implementing courses and meetings with consultants to improve the approach to customers. In 2022 it was decided to launch a basic Italian course with participation open to managers and English language courses that employees can access.

The total hours of training provided in 2022 amount to approximately 11,732. Unlike previous years, the figures for 2022 include the training hours of the Telford and Red Oak plants.

Training hours by gender



TRAINING - GRI 404-1

	Hours of training provided		
	2020	2021	2022
Female	3,158.3	2,084.0	2,366.3
Male	8,129.8	7,604.3	9,366.0
Executives	146.3	140.5	150.0
Managers	663.3	568.5	758.5
White collars	4,711.0	3,789.8	3,956.8
Blue collars	5,767.5	5,189.5	6,867.0
Total	11,288.0	9,688.3	11,732.3

TRAINING - GRI 404-1

	Hours of training pro capita		
	2020	2021	2022
Female	9.8	6.4	5.3
Male	8.5	7.8	6.9
Executives	4.7	4.5	3.9
Managers	13.3	10.5	7.3
White collars	12.2	9.8	8.1
Blue collars	7.1	6.2	5.9
Average	8.8	7.4	6.5

Upon obtaining ISO 14001 certification for the Daverio plant in 2022, Goglio financed external training courses for managerial figures relating to the purposes of the certification and organised subsequent internal training courses for employees and department heads. Furthermore, a presentation was made available to employees on the Zucchetti portal explaining what obtaining this certification entails and the contents thereof.

The outbreak of the Covid-19 pandemic in March 2020 and the resulting health emergency caused an inevitable contraction in the hours of training provided, especially limiting in-person training. The majority of the hours were concentrated on training required by legislation in the field of health and safety and on language skills as well as on training provided to newly hired employees. The training courses are aimed at the entire company population, with particular emphasis on manual workers.

During the hiring phase, Goglio provides an internal training module specifically designed to educate employees on procedures and instructions within the company; each department has a module with dedicated information and procedures and each department head will have the task of illustrating and ensuring that such information is received by employees. Employees must receive the module within 60 days from starting work with the company. Recognising the strategic role that Goglio staff plays in the Group's success, the company also pays particular attention to evaluating the performance and ability of its workers, in order to enhance their growth.

Therefore, as regards Italian factories, for several years it has been the practice to evaluate the performance of workers through a dedicated evaluation form that the area manager must fill out annually for each employee: in particular, this evaluation is based on the analysis of the employee's technical skills and behaviour.

Overall, it represents a summarised judgment (structured with a score from 1 to 6 on the different skills of the employee) on the way the employee carries out his duties and enhances his skills. The company, through a second-level agreement, recognizes bonuses for all company staff based on annual economic performance.

It is a traditional initiative in the company, dating

back to the nineties.

In 2022, the traditional employee evaluation form was accompanied by a motivational interview and whereby employee satisfaction was measured on a scale ranging from 0 to 10. This initiative aims to help the company better understand the corporate climate and employee satisfaction so as to be able to act on any areas for improvement for each employee, including in terms of retribution and other *incentives*.

Fres-co System USA. Inc. also has a performance evaluation system. Each department evaluates the performance of its workers based on quantitative and qualitative criteria.

The total amount of the variable remuneration depends on the company results for the year in question; this pool of resources is then distributed as an equal amount for all employees with an *hourly salary*, while salaried staff receive a variable bonus depending on their individual performance. A project was launched in 2023 to make the correlation between the variable component and company results clearer and more formal; in 2024 Fres-co System USA. Inc. plans to overhaul its incentive system to further strengthen the link to overall business results.

In relation to career development, a mapping of the different company roles and related skills is currently being defined; this work will form the basis for the definition of internal growth paths.

At present, a programme is in place for *hourly* paid staff that allows for the acceleration of the increase in hourly pay for new hires; this programme is aimed at rewarding virtuous behaviour (*good attendance, no disciplinary warnings, etc.*) with an increase in hourly pay.

Lastly, as regards the Chinese company, an evaluation system shall be introduced for all of the company's employees, structured in a differentiated manner in relation to the different tasks performed. This evaluation system has evolved in recent years, also with a view to automating it and integrating it into the payroll and attendance management system. Furthermore, individual remuneration is assessed and updated annually basis, through a market analysis, on the basis of the knowledge and skills acquired by the individual employees; this also serves to render the company more attractive to potential employees.

PERIODIC PERFORMANCE REVIEWS – GRI 404-3¹²

Hours of training pro capita			
	2020	2021	2022
Female	42%	46%	44%
Male	48%	50%	50%
Executives	31%	48%	47%
Managers	67%	74%	68%
White collars	46%	48%	108%
Blue collars	41%	44%	44%

2.5 Workplace safety

The principles relating to the management of health and safety issues of its employees and collaborators, a fundamental issue for the Group, are reported and defined in the Code of Ethics, pursuant to which:

Goglio promotes the protection of the health and safety of workers, the environment and public safety, confirming the utmost commitment to ensuring that activities are conducted in compliance with international agreements and standards and laws, regulations, administrative practices and national policies of the countries where it operates.

Operational management must refer to advanced environmental protection criteria pursuing the continual improvement of health and safety conditions in the workplace and of environmental protection.

Goglio People, as part of their duties, actively participate in the process of risk prevention, environmental protection and public safety, and the protection of health and safety toward themselves, colleagues and third parties.

Research and technological innovation must be dedicated, in particular, to the promotion of products and processes which are ever-more compatible with the environment and characterized by an increasing focus on the health and safety of operators in compliance with current legislation.

Goglio also calls for strict and rigorous observance of accident prevention measures for third parties operating on its premises and ensures that those who have access to them are given all the necessary information regarding safety, as well as being adequately equipped to perform their duties safely on Goglio property.

¹² Report does not include Fres-co System USA Inc. for the years 2020 and 2021.

In addition to the commitment made to the continuous growth of the corporate culture in the field of health and safety and to the improvement of the behaviour of the Group's people, health and safety issues are managed, as far as the Italian factories are concerned, through specific management systems certified according to the *UNI EN ISO 45001:2018* standard. The certification for Italian plants covers both employees and non-employee workers, whose activity is carried out within the company perimeter and therefore are under the control of the organisation.

On 16.02.2022, the senior management approved the new version of the *Policy for Quality, Food Safety, Occupational Health and Safety and the Environment* (Revision no. 10/2022). In order to ensure that this Policy is understood, shared, implemented and adhered to by all its employees and collaborators, the Management has undertaken to share it with all interested parties by posting it on the various company noticeboards and disseminating it both on the company intranet and on the Goglio website. The Policy for Quality, Food Safety, Occupational Health and Safety and the Environment, promotes the measures necessary to prevent the occurrence of situations that may jeopardize health and safety, together with a systematic approach based on the evaluation of risks and opportunities, based on an analysis of the context in which the Group operates.

As reported in the Policy, Goglio is committed to ensuring safe and healthy working conditions by eliminating dangers and reducing risks to health and safety in the workplace, as well as respecting all relevant standards, laws and regulations currently in force. The company is also committed to promoting and implementing the rapid, effective and diligent management of emergencies and accidents and adopting the collection and analysis of data that allow the definition and implementation of a risk assessment aimed at significantly reducing the probability of accidents occurring and ensuring continuous improvement in the prevention of accidents, of near-miss accidents and of occupational diseases.

Goglio also plays a crucial role in raising awareness through staff training, meetings and other communication activities aimed at its employees, subcontractors and third parties operating on

behalf of the Group regarding their responsibility, encouraging safe and healthy behaviour even outside the work environment.

Risk assessment procedures and systems envisaged by the various national regulations are implemented and performed in all of the Group's various plants and offices. Since the Group's work activity is strongly characterized by tasks involving the production line, the main risks that the people of Goglio face are mainly linked to the use of potentially dangerous machines and equipment.

As regards the Group's Italian factories in particular, as required by Legislative Decree 81/2008, the Management System provides for the close collaboration of the Employer with the supervisors, who monitor the correct performance of work activities and ensure the implementation of the directives received, and with the head of the prevention and protection service (RSPP) who, on behalf of the Employer, evaluates risks, identifies mitigation measures and plans mandatory safety training. The Company Doctor also plays a central role, defining the health protocol, evaluating the worker's suitability for the job and monitoring their state of health. Lastly, the Workers' Representative for Safety shares all of the risks assessed by the DDL and acts as spokesperson for all of the workers.

The *Risk Assessment Document* (DVR) was also updated in 2021, significantly expanding the company's oversight on the topic. From the analysis carried out, it appears that the main risks to which Goglio employees are subjected derive from any non-optimal knowledge of emergency plans, which could expose them to serious consequences should the emergency event occur. In response, the company has taken great care to place posters in strategic points indicating the behaviour to be adopted in the event of an emergency. A further risk factor is due to the state of wear and tear of equipment and the use of obsolete machines or systems; therefore, the Group regularly carries out periodic preventive maintenance in addition to improving individual safety and protection devices. As regards the main risks associated with carrying out the tasks, the risk of exposure to noise and vibrations from machinery and visual and muscular fatigue are among those identified.

During the year 2022 Goglio has improved the

training management system as the new system enables management to monitor the training status and specific needs of each employee in a more rapid and straightforward manner. 2022 saw an improvement in the accident frequency rate, although the company ultimately aims to achieve zero accidents. Goglio has implemented various health and safety initiatives such as the increase in extraordinary maintenance, the introduction of parking sensors for forklifts, and the increase in targeted training hours for certain departments, always with a view towards ongoing improvement. The number of reports of near misses has raised, indicating an increase in employees' awareness of possible injury situations. Even with respect to previous years, the trend has always been on the increase. With regards to the topic of mobility and traffic, Goglio has decided to draw up a traffic plan where all risk situations are mapped with their relative location, so that employees are not only aware of the presence of the risk but also of its location.

With regard to human resources and employee training, in 2022 Goglio promoted a new initiative, called *WHP – Workplace Health Promotion*, implemented in the Daverio and Zeccone plants and taking advantage of a partnership with ATS of the Lombardy region, which promotes health and physical, social and mental wellbeing in the workplace. This project is expected to continue over a three-year period, with a different theme being tackled each year and with associated initiatives and the voluntary participation of employees. The theme for 2022 was that of smoking, while the theme for 2023 shall be that of alcohol abuse. The ultimate aim of this project is to increase the individual employee's well-being through physical and mental balance. The WHP project is also indirectly linked to safety, because healthy people are more lucid and perform more efficiently. As a result of its participation in the WHP program, Goglio Italia received a certificate of recognition for the commitment demonstrated in spreading the culture of well-being in the company as part of its social responsibility strategy.

In accordance with Italian law (Legislative Decree no. 81/2008), Goglio only provides this training to employed personnel, as external staff should receive training from their employer. Goglio

requires a self-certification from all new suppliers relating to the fulfilment of all health and safety obligations.

A separate mention should be given to Fres-co System USA. Inc. in the USA, which represents the high point of the Group as regards the management and monitoring of health and safety. In addition to constant and continuous training on health and safety issues, the company has a program for monitoring *near misses*, which encourages employees to report the cases they detect, with the possibility to report anonymously through the company intranet. Whenever a new *near miss* event is identified, this is reported and automatically communicated to all employees, together with any corrective actions implemented. During 2021, 852 *near misses* were detected and a target of 1,000 near misses was set in 2022. In addition, the company launched the programme *STOP!*, thanks to which each employee can halt production every time a risk or danger situation is identified.

Among the numerous initiatives implemented by Fres-co System USA. Inc., we would mention the organization of two *Safety Fairs* each year, during which interactive stands on health and safety topics are exhibited with training courses, tests, games and prizes. On the occasion of this day the Red Oak plant in Iowa shuts down in order to allow employees to participate in dedicated training on health and safety issues, also taking the opportunity to carry out team building activities. Production is not halted in Telford, Pennsylvania due to technical issues, however specific training is organized on various safety matters, often with the participation of the police and fire brigade. Due to the Covid-19 pandemic, it was not possible to organize these events in 2020 and 2021, however they recommenced in June 2022. Furthermore, on the occasion of the holidays, a communication is sent to all employees with suggestions and recommendations regarding how to reduce the risk of injury in the home, for example about the correct use of electric generators in the event of a blackout.

To protect everyone's health, Fres-co System USA. Inc. offers an onsite wellness coaching service three times a week, providing employees with the opportunity for consultation, on an anonymous

basis, for any problems related to mental and physical health.

As far as the Chinese plant is concerned, a resource has been set up dedicated to health and safety with the aim of adhering to stringent

national regulations.

A monthly meeting is held to discuss health and safety issues and to analyse the relative data.

ACCIDENTS IN THE WORKPLACE - GRI 403-9

	Employees				Non employees workers ¹³		
	2020	2021	2022		2020	2021	2022
Hours worked	3,197,834	3,237,012	3,319,635	Hours worked	152,000	152,000	176,000
Total number of accidents	46	44	50	Total number of accidents	-	1	-
- of which commuting accidents	8	8	5	- of which commuting accidents	-	-	-
- of which high-consequence work-related injuries, excluding fatalities	-	-	-	- of which high-consequence work-related injuries, excluding fatalities	-	-	-
- of which fatal accidents	-	-	-	- of which fatal accidents	-	-	-
Accident rate	2.877	2.719	3.012	Accident rate	-	1.32	-

The measures adopted in recent years to protect workplace health and safety have given positive results: the injuries that occurred were exclusively of a minor nature and mainly involved minor cuts and sprains, caused by distraction and improper use of personal protective equipment. Furthermore, they decreased by 10% between 2020 and 2022.

Finally, no cases of work-related diseases were recorded among employees during the three-year reporting period.

WORK-RELATED DISEASES - GRI 403-10

	Employees		
	2020	2021	2022
Cases of work-related diseases	0	0	0
- of which death	0	0	0
	Non-employees workers ¹⁴		
	2020	2021	2022
Cases of work-related diseases	0	0	0
- of which death	0	0	0

¹³ The figures do not take into account the Italian and Dutch plants, for which, for reasons of privacy, it is not possible to receive the data.

¹⁴ The figures do not take into account the Italian and Dutch plants, for which, for reasons of privacy, it is not possible to receive the data.

2.6 Side by side the local community

Despite its international dimension, the Goglio Group was born and developed with a highly local character and this is why, conscious of the importance of corporate ethical and social responsibility, the companies of the Group continue today to promote the culture of environmental and territorial protection.

The Group's top management is strongly convinced that an organization's decisions and activities have an impact on society and on the environment, and it is in relation to this that, in May 2022, Goglio S.p.A. received confirmation of the *Silver* rating from Ecovadis for Corporate Social Responsibility

(CSR). In 2022 Goglio also obtained, for the fourth consecutive year, the BAQ "*Bollino Alternanza Qualità*", assigned by Confindustria to companies that stand out for their commitment to offering training tools to new generations.

Initiatives adopted by Fres-co System USA, Inc.

FRES-CO SYSTEM USA, INC. HAS ALSO IMPLEMENTED VARIOUS INITIATIVES TO SUPPORT THE LOCAL COMMUNITY:

- Annual donation to the Red Oak Child Development Center (<https://www.redoakcdc.org/>) and subsidy of maintenance works to the structure;
- Cleaning and maintenance of the municipal road leading to the corporate headquarters of the Telford plant;
- For all corporate events organised by Fres-co System USA, food and drinks are donated to local organisations that provide assistance to individuals and families in need.

Goglio S.p.A. does so by collaborating with secondary schools and vocational training centres, through school-work alternation paths that create new employment opportunities for young people. The establishment of the *Goglio Academy* dates back to 2019, for professional training and the continuous updating of skills, not only within the organization: in fact, the academy provides continuous collaboration with educational institutions - Universities and High Schools, for the implementation of internships, work experience and school-business connection projects, including the "Industry Generation" project promoted with the collaboration of UNIVA. Goglio S.p.A. also participated at the Open Days of ITS Lombardia

Meccatronica of the Istituto Tecnico Industriale G. Cardano and at the Career Day of the Politecnico University of Milan. Last but not least, Goglio S.p.A. promotes the sharing of research and development projects with Universities and Research Institutes, such as the European SAFEMTECH Project with the University of Zaragoza.

Goglio S.p.A.'s commitment towards the community in which it operates is also demonstrated by the numerous local initiatives which it has supported over the years, in some cases through donations, in others by actively participating as an organiser. Some of these initiatives are historical, which the company participates in every year, while others vary from year to year.

ADOPT A STATUE

Starting from 2020, Goglio S.p.A. has decided to support the project launched by the Veneranda Fabbrica del Duomo di Milano aimed at financing the restoration and maintenance of the Cathedral's architectural heritage. As part of the *Adopt a statue* project, Goglio S.p.A. has chosen to support the restoration of the sculpture depicting San Longinus, whose creator, Pompeo Marchesi, is originally from the province of Varese, a territory with which Goglio S.p.A. has ties lasting more than fifty years.

The statue, on temporary loan to Goglio from the Veneranda Fabbrica del Duomo for a three-year period, has been placed at the entrance of the Daverio plant.

In order to enhance the initiative, in 2022, Goglio, in collaboration with the mayor of Daverio, organised visits open to the public, with the involvement of the cultural association *Amici dell'Arte* and of the company *Ammira - Promuovere il Bello e il Vero*, which presented the history of the statue and other curiosities regarding the Duomo of Milan to visitors during the guided tours.

SOS VALBOSSA

Goglio S.p.A. helped the *SOS Valbossa* Volunteer Organization, which operates in the health and social care sector, to purchase a vehicle for the

transport of disabled people. A gesture aimed at promoting this institution and the important contribution that they make to the local community.

VARESE BASKET SCHOOL CUP

The Group also sponsors local sports events, such as the *Varese Basket School Cup*, a tournament dedicated to the students of the high schools of the province of Varese organised by Pallacanestro Varese

and Il Basket Siamo Noi. The initiative includes not only the organization of the tournament between the schools, but also the promotion of the intrinsic values of team sports such as loyalty and team spirit, actively involving girls and boys as protagonists.

PALAZZINA DELLA CULTURA AND ALPI FOOD

Since 2011 Goglio S.p.A. contributes to the maintenance and financing of the activities carried out at the Palazzina della Cultura in Daverio, considered a cultural point of reference for the community. In May 2022 the town of Daverio adhered to the *Alpi Food* initiative relating to the world of food for Northern Italy: this project was created with the intention of being the starting point of a journey that should

lead to the Milan-Cortina 2026 event with a view to promoting the territory and the products it can offer. In the municipal gym adjacent to the Palazzina della Cultura, the Governors of the Regions of Lombardy, Friuli-Venezia Giulia, Piedmont, Val D'Aosta and Liguria were invited to discuss Made in Italy and the relaunch of the territories with an extension of the invitation also to the main representatives of the consortia and managers of companies in the Food sector.

riGOGLIOSO EVENT

At the end of 2021 and beginning of 2022, on the opening of the new employee entrance of the Daverio plant, designed to reduce traffic and CO₂ emissions, an event was organized in favour of sustainability with a Festa degli Alberi. The children of Daverio's primary school were invited

to plant 40 new trees in addition to the over 200 already planted, in order to contribute to the green redevelopment of the industrial site. This initiative represented the culmination of the riGOGLIOSO project which had been held during the previous weeks in the Daverio primary school, to address environmental issues through educational lessons.

LOCAL EMPLOYMENT POLICY

As a demonstration of how far the Goglio Group is rooted in the local community, the graph below shows the number of Group managers coming from neighbouring towns. The graph shows how the trend increased over the three-year reporting period, reaching a percentage of 52% for Italian sites in 2022, and 44% at Group level.¹⁵

Therefore, Goglio is a company that is very involved in the area in which it operates, offering jobs to people who live in neighbouring towns and who choose to work in the Group even for entire generations. The average length of employee service is high and over the years Goglio has become a point of reference for the community.

SENIOR MANAGERS ITALY - GRI 202-2

	2020	2021	2022
Total number of senior managers	21	23	25
Managers hired from the local community	10	12	13
Percentage of senior managers hired from the local community	48%	52%	52%

SENIOR MANAGERS GOGGIO GROUP - GRI 202-2

	2020	2021	2022
Total number of senior managers	32	34	57
Managers hired from the local community	12	14	25
Percentage of senior managers hired from the local community	38%	41%	44%

¹⁵ These percentages do not include the figures relative to Goglio Do Brasil Indústria Ltda, Fres-co System Japan Inc., Goglio Flex Pack System India PL, Fres-co System España S.A. e Goglio France S.A.S.

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O&B

Caring for the environment:
belief in a sustainable future

3.1 Caring for the environment

Environmental protection and safeguarding are central issues for Goglio's growth; our policy has always focused on reducing the consumption of resources and raw materials.

Fully aware of the environmental impacts of its activities, Goglio has worked incessantly over the years to improve the environmental performance of its processes and products, through a continuous process of improvement and significant investment in research and development.

The constant monitoring of processes and the drive to improve environmental management are guaranteed by the *Policy for Quality, Food Safety, Occupational Health and Safety and Environment*, through which Goglio defines the guidelines for its work and assumes the following commitments:

- *"The continual investment in innovation to anticipate market trends and offer our customers distinctive solutions and integrated systems";*
- *"Raising awareness, through training courses, meetings and communication activities for our employees, for sub-contractors and for all those who work for the Goglio Group to make them aware of their role and responsibilities regarding Occupational and Environmental Health and Safety, and encourage employees to follow a safe and healthy and environmentally friendly lifestyle also in their spare time";*
- *"Adopt environmentally friendly policies; control our activities to safeguard the environment";*
- *"Within the environmental sustainability and Circular Economy projects, the adoption of the ISCC Plus Certification, which allows us to expand the offer to customers with ISCC compliant products introducing ISCC certified raw materials from sustainable sources into the production cycle, using chain of custody principles through traceability and mass balance requirements".*

Over the years, the Group has equipped itself with tools for monitoring environmental performance, through the establishment of adequate KPIs, procedures for the prevention and timely response to emergencies and through improvement objectives. The ongoing commitment made in managing the issue culminated in 2022 in the obtainment of the ISO 14001:2015

certification for the Daverio production plant also; that, together with the other already certified systems, represents 62% of total materials purchased.

The principal environmental impacts monitored by the Group, and discussed in this Report, are:

- **Energy consumption and greenhouse gas emissions**, given that climate change is one of the topics of greatest interest to our stakeholders. Energy consumption mainly concerns production processes and includes the electricity consumed for the operation of the production plant, the heating and cooling of spaces as well as the use of fuels for transport and for forklifts.
- The use of **raw materials and materials** necessary for production.
- **Waste management**, separating out the portion sent for recovery, reuse or recycling from that disposed of in landfill.
- The use and management of **water resources**, for both industrial and civil uses, including machine cooling, canteens, cleaning activities, healthcare purposes or the irrigation of green spaces.

In order to achieve the set improvement objectives, Goglio has always invested large sums of capital in the research and development of new materials and cutting-edge technologies, through its innovation department. In recent years, research has allowed us to implement new production processes, optimize existing ones and improve product performance. In particular, the most important projects in which the Company has invested are:

- The reduction of the thickness of the laminates used for packaging;
- The reduction of the amount of residual material resulting from the molding and assembly phases in the production of degassing valves, without compromising the quality of the finished product;
- The feasibility study of packaging made of biodegradable or recyclable materials, which included packaging tests and the evaluation of product performance;

- The installation of the solvent recovery system in the Daverio and Cadorago production site, with a reduction in the quantity of solvent used and an improvement in the quality of water waste.

Some of these initiatives, described in detail in the report, have made it possible to obtain not only considerable economic savings for the company,

but also a benefit for the environment; others, however, will offer the opportunity to generate a large positive impact on the production of the entire sector, with a significant reduction in environmental impacts.

MATERIALS

Goglio's core business consists of the production of packaging for the food sector, particularly packaging for coffee, which alone accounts for half of the Group's total turnover. The packaging consists of a composite poly laminate, in which the two external layers are made of plastic materials such as polyolefins (PP, PE, PET) and ethylene-vinyl alcohol (EVOH) depending on the production recipes of the production plant.

The latter form the casing of the aluminium layer which, thanks to its "barrier" properties, represents the most important layer for the preservation of the packaged product. Adhesives are used both to glue the layers together and to apply the external film to the packaging on which the label is printed. The latter process involves the use of ink and solvents.

The trend in the volumes of materials used by

the Group shows a slight growth over the last three years: the COVID-19 pandemic significantly slowed down economic activities; however, the packaging sector recorded a lower drop in turnover than that recorded by industrial production, thus proving to be one of the most resilient segments of the market.

The production of packaging is related to the food sector, given that the two activities support each other; this is particularly the case for companies such as Goglio, where the food sector represents its main market. The year 2022 shows a strong growth (approximately +31%) in the value of production, which however does not correspond to a parallel growth in volumes produced due to the inflationary effect that characterised the year. At the same time the Group recorded a modest growth (+4.6%) in the materials used compared to 2021.

MATERIALS - GRI 301-1

		2020	2021	2022
Paper	Kg	338,158	379,207	246,037
Aluminium	Kg	6,097,291	5,298,833	6,710,705
Iron and steel	Kg	-	-	-
Plastics (petroleum derivatives)	Kg	36,472,830	37,426,969	38,873,647
Resins, ink, paint and additives	Kg	16,315,503	17,587,009	17,795,393
Adhesives	Kg	1,111,025	1,302,167	1,179,617
Solvent	Kg	1,993,993	2,010,382	2,168,573
Total	Kg	62,328,799	64,004,567	66,973,972

The numerical trend highlights the physiological variation in the quantities of each material used over the last three years. However, the sum of

these shows a discreet growth which correlates with the increase in the value of production in recent years.

PACKAGING - GRI 301-1

		2020	2021	2022
Wood packaging	Kg	2,954,502	3,651,754	3,638,633
Plastic packaging	Kg	235,040	253,121	270,493
Paper and cardboard packaging	Kg	2,201,690	2,214,394	2,273,391
Total	Kg	5,391,233	6,119,270	6,182,518

The products and materials used by Goglio are, in turn, packaged during the phases of transport to and from the production plants. The main materials that make up packaging are cardboard, wood and plastic, the latter representing a minority at approximately 4.5% of the total. Wood constitutes the raw material of the pallets used during the transport phases of the goods. The trend of the last three years is influenced by production values which also show a similar strong growth.

The paper and cardboard come from renewable sources and, for the Italian production plants, they are

FSC certified; the wood on the pallets also derives from renewable sources; whereas, on the contrary, the plastic comes from non-renewable sources, although, as detailed in the following paragraph, the Company had already started several years ago with the study and subsequent implementation of an internal programme aimed towards the reuse of materials resulting from processing waste through the mechanical recycling of the latter. This process generates a secondary raw material that can be, and has been, used for the production of pallets and secondary packaging.

WASTE MANAGEMENT

Waste is managed in full compliance with the regulations in force in each country in which the Group operates and with regional and local laws, where applicable. The production of waste is obviously connected to production activities and the residues from the related processes; however, the trend shows a slight decrease in the overall waste produced combined with a slight

fluctuation between 2020 and 2022 despite the marked increase in the value of production over the last three years. The composition can be divided based on the degree of hazardousness of the waste: the percentage of hazardous waste amounts to 9.1%, unchanged with respect to 2021. In 2022, 58% of the waste classed as hazardous followed a virtuous management cycle since as it was not disposed of in landfill, but rather, recycled or sent for recovery.

WASTE BY TYPE AND DISPOSAL METHOD - GRI 306-3

		2020	2021	2022
Hazardous waste	Ton	860	988	935
- Reuse, recycling, other recovery	Ton	587	624	544
- Landfill	Ton	273	364	391
Non-hazardous waste	Ton	9,570	9,890	9,307
- Reuse, recycling, other recovery	Ton	8,633	8,916	8,506
- Landfill	Ton	937	974	801
Total	Ton	10,430	10,878	10,242

A more detailed analysis shows that waste production is decreasing slightly compared to 2021, while the decrease in the intensity of waste produced is even more marked, i.e. the ratio of tons of waste per ton of material used, which dropped by more than 10% when compared with the same year. The analysis of the data from the Daverio headquarters shows that this plant, which

constitutes the largest share of the waste produced by the Group, recorded the most significant reduction in waste produced, despite the strong positive economic rebound that occurred between 2020 and 2022, with 6,500 tons in 2022 compared to 7,077 tons of waste in 2020. The 2019 figure was just over 8,000 tons.

RECOVERY OF PRODUCTION RESIDUES

The reduction in the waste flow leaving the Daverio plant is due to the implementation of a new process for the recovery of production residues. The latter are regenerated through a *re-granulation* process and are thus transformed into a by-product which can re-enter the production cycle or be sold to third-party companies. One of the possible outputs is the so-called *RG-mix*, a by-product containing a variable percentage of aluminium (between 4 and 9%) which can be used as a filler or for the creation of new products. In general, the composition of the output of the re-granulation process varies according to the input material and shows different percentages of

plastic materials such as, for example, polyethylene and polyester, as well as aluminium.

The process of re-granulating plastic products containing aluminium is a prerogative of the Goglio Group and a best practice of which the Company is proud. The activity will continue to be carried out in the coming years and will be refined in order to further reduce the quantity of residues destined to become waste. The implementation of this initiative made it possible to recover around 820 tonnes of residual material in 2022, which was partly reused in production recipes and partly sold to third-party companies, together with specification of the composition (PE, PP, PE-AL-PET).

MANAGEMENT OF WATER RESOURCES

The commitment to a more efficient management of the water resource is a goal that the Group tries to pursue through concrete actions. These are aimed at reducing water demand through the initiatives described below. The water demand is mainly linked to production processes, such as the cooling of the machinery and thermal machines that takes place

through closed circuit forced circulation systems or in cooling towers, the use of water softening and osmosis systems, and, as regards the Daverio and Zeccone plants, of a solvent recovery system. The remaining water consumption relates to water for non-industrial purposes, such as toilets, the staff canteen service and the irrigation of any gardens at the production sites.

WATER WITHDRAWAL - GRI 306-3

		2020	2021	2022
Aquifer (groundwater wells) of which:	m ³	255,733	275,374	211,626
- fresh water	m ³	255,733	275,374	211,626
- Other types of water	m ³	0	0	0
Water drawn from the aqueduct (Consortium) of which:	m ³	70,329	46,080	51,793
- fresh water	m ³	70,329	46,080	51,793
- Other types of water	m ³	0	0	0
Total	m³	326,062	321,454	263,419

The table above shows that in 2022 about 80% of the water consumed was taken from the aquifer, while the remaining part comes from consortium aqueducts: it is assumed that the waters used by Goglio (coming from both aquifer and aqueduct) are drinkable and therefore considered as being "fresh

water". The analysis of water withdrawals shows a decrease over the three-year period, due to the various measures adopted aimed at reducing our levels of water consumption, as described in greater detail below.

Almost all of the Group's water withdrawals come from low water stress areas, except for the plants located in Telford (Pennsylvania) and in Tianjin

(China), which are classified as medium-high risk areas, according to the classification of the Aqueduct Water Risk Atlas (World Resource Institute).

WATER WITHDRAWALS - GRI 303-3

		2020	2021	2022
Low water stress areas	m ³	269,522	288,608	229,934
Middle-high water stress areas	m ³	56,540	32,847	33,485
Total	m³	326,062	321,454	263,419

MEASURES ADOPTED FOR REDUCING WATER CONSUMPTION

Meters have been installed at the Daverio plant, at the points both of withdrawal and discharge of water in order to provide a more accurate water balance, and the installation of intermediate process meters is also planned in the near future. Lastly, the cooling system of the solvent recovery plant in Daverio, containing a 98° water and solvent mixture, originally utilised water (through refrigeration systems with ammonia evaporation condensers and water cooling towers) to satisfy part of the thermal cooling demand, while we now use an air-cooled condenser that uses electricity in the place of water. This improvement allows us to reduce not only water consumption, but also energy demand.

As described later in this Report, numerous interventions were carried out in the Daverio plant in 2022 in order to contain energy consumption, some of which also had as an indirect consequence a marked reduction in water consumption. In fact, water is used largely for refrigeration purposes, particularly in evaporative towers, therefore the less water is required for cooling the machines, the lower the overall energy demand of the system.

A further measure that led to the reduction of water

consumption at the Daverio site was the greater use of ion exchange resins for the production of demineralised water (which subsequently enters the steam network): this solution, compared to the osmosis plant, requires less use of water, although it does require hydrochloric acid and soda for the regeneration of the resins.

Water consumption therefore shows a marked tendency to decrease, with an annual rate of almost 10%, thanks to the 18% drop that occurred in 2022 compared to 2021. This trend is expected to be confirmed in the near future, thanks to the progressive replacement of inefficient thermodynamic machines, especially at the Daverio site where evaporative towers are currently used.

A further initiative to reduce water consumption concerned the Telford production site in the USA, where the restyling of the steam production system made it possible to halve water withdrawals in 2021 (19,300 m³) compared to 2020 (40,500 m³). In fact, 2022 confirmed the consumption of 2021 (19,300 m³) demonstrating the effectiveness of the intervention carried out.

Goglio comes to the aid of the local community: water emergency

OVER THE PAST TWO YEARS, ITALY HAS FACED A WORRYING AND PERSISTENT DROUGHT DUE TO LOW AND ERRATIC RAINFALL THAT HAS COMPROMISED THE COUNTRY'S WATER RESERVES.

The main consequences have been the lowering of waterways and lakes, while the aquifers have reduced to a worrying extent. Furthermore, there have been negative impacts on domestic and industrial water supplies, with water use restrictions imposed in many areas. The drought has therefore underlined the importance of sustainable management of water resources and the adoption of measures to mitigate the effects of climate change which is influencing the hydrological cycle.

During the summer of 2022, the prolonged drought and high summer temperatures, well above average, caused a crisis in the water supply network of the municipalities surrounding the Daverio plant. The company that manages the public network (ALFA) put forward the request to be able to extract drinking water from the aquifer via a surface well inside the Goglio perimeter.

The use of a well (one of the four present in the Daverio plant) was arranged for the supply of drinking water in the public network: the supply amounted to approximately 7,188 m³.

WATER DISCHARGES

As far as water discharges are concerned, the regulatory constraints imposed on the quality of discharges vary from country to country. In Italy, this is regulated by Italian national law (Legislative Decree 152/2006, the so-called Consolidated Environmental Law ¹⁶) and, in certain cases, also by consortiums, which may impose, where necessary, stricter limits than those established by national law. In the USA, the body responsible for issuing the discharge permit is the Department of Natural Resources of each state, which also has the power to modify and tighten the standards set at a federal level by the Environmental Protection Agency (EPA). After verification of the quality parameters and

limits imposed by current legislation, the water waste is transferred to the appropriate reception infrastructure: for example, after a pre-treatment with soda, in Italy the recipient is a consortium network, while in the Netherlands it is the City's sewer network. The Tianjin plant in China, on the other hand, delivers the wastewater, after a septic treatment, to an external company which is responsible for its correct management. Lastly, we would point out that in 2022 Goglio created two reservoirs intended for the collection of rainwater at its Daverio plant, with the aim of creating a water reserve. Finally, in April 2023, a request was sent to the competent public body to obtain the authorisation to use the rainwater, following appropriate purification treatments, for the irrigation of the green areas surrounding the plant.

¹⁶ "The limits vary depending on the origin of the discharge, the nature of the receiving body and the presence of hazardous substances", in compliance with appendix 5 of part III of Legislative Decree 152/2006 (so-called Consolidated Environmental Law).

HARMFUL EMISSIONS

The Group regularly monitors the concentrations of polluting emissions to ensure that the thresholds imposed by the regulations in force in the respective countries regarding air quality are respected. Given the uneven distribution of production plants around

the world and the heterogeneity of the legislation in force, each plant is subject to the monitoring of different specific chemical substances.

The emissions of the monitored pollutants do not show any significant trends and are, on the whole, stable.

HARMFUL AND POLLUTING EMISSIONS¹⁷ - GRI 305-7

		2020	2021	2022
NOx	Ton	12	13.3	14
Volatile Organic Compounds (VOCs)	Ton	255	197	238
SOx	Ton	0.04	0.03	0.05
Non-Methane Hydrocarbons (NMHC)	Ton	0.75	0.18	0.25
Particulate matter (PM)	Ton	0.58	0.47	0.59

The volatile organic compounds are the pollutants that require the most attention, as they are also the main pollutant emitted by the Group's specific production processes and in particular by the printing process. In fact, downstream of the lamination process, in which the ink necessary for printing is diluted with adhesive and solvent (ethyl acetate) and applied to the packaging, a flow of hot air hits the external surface of the packaging with the function of drying the 'ink (this process is known as *stripping*). The exiting air is conveyed into activated carbon adsorbers which retain the solvent until their adsorption capacity is saturated. The next phase differs between the production site in Daverio and Cadorago and the other sites where the process residues are burned in order to reduce emissions of volatile organic compounds (VOCs). In the case of Daverio and Cadorago, however, *reverse stripping* is performed via a steam flow, a process that allows the active carbons to be regenerated and the solvent recovered. The remaining water, still partly contaminated, enters an anaerobic treatment system. This system allows for savings of approximately 2,400 tons of ethyl acetate per year, i.e. the solvent, corresponding to approximately 90 fully loaded trucks.

We would point out that stringent regulations regarding polluting emissions are expected. In fact,

on 1st January 2024 the new European regulation on harmful emissions will come into effect and will regard both specific and diffuse emissions. As regards the former, no intervention will be necessary in our European plants given that the legal requirements are already satisfied by a wide margin; while it will be necessary to slightly reduce diffuse emissions of VOCs.

For example, the Daverio site has a solvent loss due to diffusivity of approximately 15%, while the new limit will require it to remain within the limit of 12%. The main actions that cause the dispersion of these substances are the use of rags and the opening of the solvent bin in order to use the solvent. In order to limit widespread emissions, interventions designed to further reduce the quantity of solvent used and stricter regulations relating to the phases of use of the material within the plant are envisaged.

Lastly, nitrogen oxide emissions are linked to combustion processes and are mainly due to the high temperatures that are generated in the combustion chambers of boilers. These emissions are difficult to avoid, however, filtering and abatement systems can significantly contain stack emissions and ensure compliance with concentration limits.

¹⁷ For a detailed explanation of the substances monitored in each production plant, reference should be made to the Methodological Noteer.

3.2 Climate change commitment

The new challenges linked to the decarbonisation of the energy system have led to a constant monitoring of the Group's energy performance, thus triggering various initiatives aimed at reducing energy consumption and, consequently, of CO₂ emissions.

The analysis of energy consumption does not reveal any significant changes over the last three years, with a fluctuation of only approximately 800,000 GJ, despite a significant increase in the value of production. Energy intensity, representing the ratio between energy consumed and materials

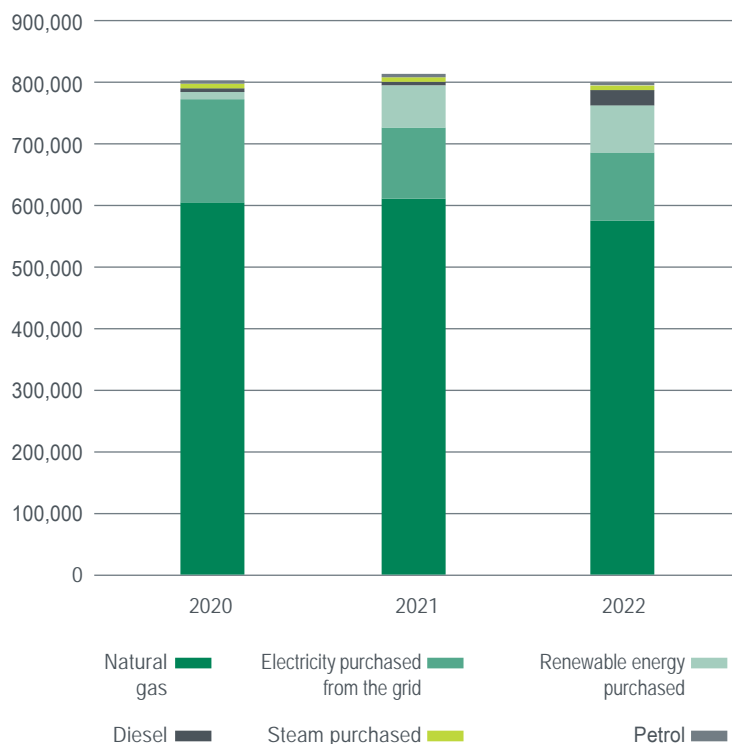
processed, is indicative of the actual effectiveness of performance improvement measures and appears to have decreased by 6.8% compared to 2020, after a decrease of 1.2% between 2021 and 2020, indicating that 2022 saw a significant reduction in energy consumption.

ENERGY - GRI 302-1

		2020	2021	2022
Natural gas	GJ	611,813	621,173	580,162
Electricity purchased from the grid	GJ	165,421	113,116	112,641
Renewable energy purchased	GJ	8,239	63,487	67,821
Diesel	GJ	6,000	7,624	27,443
Steam purchased	GJ	7,372	10,755	10,645
Petrol	GJ	565	785	843
Total energy consumed	GJ	799,409	816,940	799,555

The graph below shows the trend in energy consumption during the three-year period under examination.

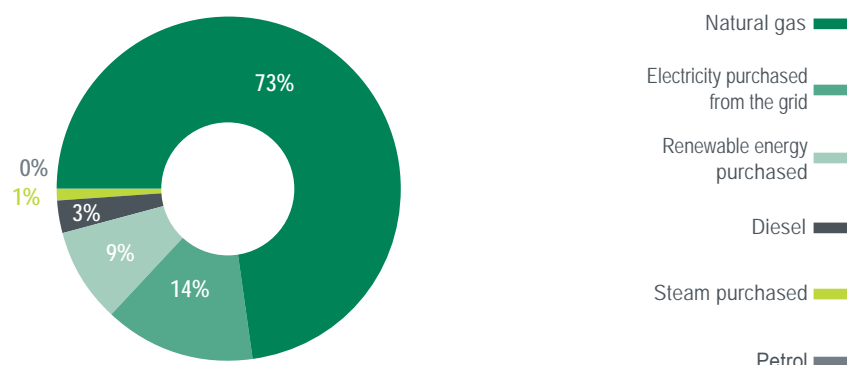
Energy consumption (GJ) GRI 302-1



An analysis of consumption between the different sources of energy shows that the most significant percentage, equivalent to 73%, relates to the thermal consumption of natural gas, followed by electricity consumption which constitutes approximately 23% of the total energy used, while diesel, petrol and purchased steam together account

for the remaining 4%. The composition has remained practically unchanged over the last 3 years, apart from the introduction of a significant portion of electricity from renewable sources (equivalent to approximately 9%).

The pie chart below shows the percentage composition for the year 2022.



ANALYSIS OF ENERGY CONSUMPTION BY GEOGRAPHIC AREA

The table below shows the breakdown of energy consumption with details of the individual production sites divided by geographical area.

Energy source (GJ)	Total			Italy			USA			China			Netherlands		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Diesel	6,000	7,624	27,443	5,065	6,659	26,477	-	-	-	865	906	932	70	58	34
Petrol	565	785	843	150	235	348	-	-	-	204	238	181	211	312	314
Natural Gas CHP	247,937	257,814	262,600	247,937	257,814	262,600	-	-	-	-	-	-	-	-	-
Natural Gas boilers	363,875	363,359	317,563	167,402	173,936	116,066	178,818	172,943	186,542	-	-	628	17,655	16,480	14,327
Electricity from CHP	102,435	99,177	107,846	102,435	99,177	107,846	-	-	-	-	-	-	-	-	-
Electricity purchased from the grid	165,421	113,116	112,641	56,166	54,798	44,800	91,431	38,791	43,279	17,820	19,520	24,556	2	6	5
Steam purchased	7,372	10,755	10,645	-	-	-	-	-	-	7,372	10,755	10,645	-	-	-
Renewable energy purchased	8,239	63,487	67,821	-	-	-	-	54,866	59,756	-	-	-	8,239	8,621	8,065
Total	799,409	816,940	799,555	476,722	493,442	450,291	270,249	266,601	289,578	26,261	31,419	36,941	26,177	25,478	22,745

The table highlights the sharp drop in energy consumption that occurred in Italy compared to 2021 (493,000 GJ vs 450,000 GJ) equivalent to

approximately 8.7%, while in the Netherlands the reduction amounted to over 10%. The American and Chinese plants, however, buck the trend, showing a

significant increase of 8.6% and 17.6% respectively, due to both the increase in production and to a lesser extent to the effects of high energy costs.

In order to contain electricity costs, the Daverio plant has made greater use of the cogenerator which, thanks to its greater overall efficiency, provides a better yield and enables the plant to avoid purchasing electricity from the national grid when prices are

excessively high. The year 2023 saw wholesale prices of natural gas in sharp decline with respect to the levels reached in 2022; it will therefore be possible to further reduce consumption thanks to the increased use of the cogenerator, a more efficient choice, instead of the diesel back-up generators which have seen an increase in consumption from 25,000 l in 2021 to 580,000 l in 2022.

GOGLIO'S CULTURE IN PERSEVERING ALONG THE PATH TOWARDS ENERGY EFFICIENCY

The path to reducing energy consumption has been pursued for several years thanks to numerous initiatives aimed at reducing thermal and electrical consumption of the Group's production plants.

Over the course of 2022, global macroeconomic conditions have caused a sharp increase in the prices of raw materials and utilities. The rise was triggered by several factors such as, for instance, the injection of large volumes of money - by almost every government in the world - into the world economy to support recovery during the crisis

caused by covid and by the outbreak of war in Ukraine which only exacerbated the increase of utility prices, especially that of natural gas. The European and Italian industry was highly dependent upon the supply of natural gas from Russia which, for several years, covered almost 40% of the demand for this fossil fuel in our country. The crisis has therefore triggered a race to reduce energy consumption and replace, when possible, this gas with coal, diesel or alternative renewable sources. This chapter aims to show the main steps taken during 2022 and in recent years to reduce energy consumption.

DAVERIO

Over the years, the Daverio plant alone has pursued various interventions aimed at reducing energy consumption. The main initiatives are reported here.

In 2015 the Daverio plant embarked on a virtuous path of reducing energy consumption, thanks to the replacement of obsolete thermal machines for the production of heat with a high efficiency cogeneration system (CAR). The installation was carried out in collaboration with the company E.On S.p.A. and has benefited from White Certificates¹⁸, or energy efficiency certificates, negotiable securities certifying the reduction in consumption: this measure, introduced in Italy in 2005, is aimed at encouraging the reduction in energy consumption in the industrial sector, which

represents the main target of this measure. The cogeneration system installed has an electrical power capacity of 4.4 MWe and a thermal power capacity of 4 MWt and is able to guarantee an overall efficiency that fluctuates at around 80% (78-81%), depending upon the conditions under which it operates. The thermal system was also designed to cover part of the requirements for cooling in summer by means of a lithium bromide absorber which, thanks to the different evaporation temperature compared to water (delta of 3 °C) it is able to remove heat by cooling it. The overall energy saving achieved thanks to the installation of the cogeneration system for the Daverio site, amounted to approximately 30% with respect to the situation prior to its installation. In terms of overall thermal power capacity, the cogenerator and boilers are subject to the Emission Trading System

¹⁸ The Energy Efficiency Certificates are borne by E.On, the energy service company (ESCO) that managed the project and supplies to the Daverio plant electricity and heat via a co-generator .

(ETS) Directive, one of the instruments adopted by the European Union to reduce greenhouse gas emissions in energy-intensive industrial sectors and electricity.

The collaboration with the E.On Group also continued in the three-year period 2017-2019: in those years, in fact, all of the internal and external high energy consumption lamps were replaced by LED lamps, resulting in a significant reduction in the plant's electricity consumption. The initiatives carried out during 2022 did not involve any particular economic investments, but rather regarded a more efficient management of the plant.

The first measures adopted action pursued concerned the management of the plant's air conditioning system in compliance with current legislation, which regulates the temperature for both the summer and the winter. The extremely mild temperatures of November and December favoured the reduction of energy consumption.

The pressure level of the steam network that powers the machines was reduced with the quality of the finished product remaining unchanged, while the

steam was completely shut down when the plant was not in operation, thus allowing a saving of 1,000 kg of steam per hour. The pressure difference, albeit minimal, results in significant energy savings if you consider that the system is active 24 hours a day. Furthermore, the steam network is connected to a heat exchanger to recover the condensation energy of the returning steam: this is then used to preheat the demineralised water entering the boilers.

A domino effect of this last measure concerned the losses of steam, which were reduced, thanks to lower condensed temperatures and therefore lower pressure in the collection tank.

Lastly, another intervention regarded the compressed air pressure, which was reduced slightly: this has resulted in a reduction in the dissipation of heat and therefore of energy.

Overall, the target of an approximately 22% reduction in thermal energy consumed per kilogram produced was achieved, down from 2.06 kWh/kg (in 2021) to 1.6 kWh/kg (in 2022). Thermal consumption has decreased from 50.5 GWht to 40.2 GWht.

MILAN

The Daverio plant is not the only one to have introduced energy efficiency measures: the production of valves concentrated in the Milan plant has been pursuing the path of energy efficiency for several years.

Correct energy management and related savings are two issues that are very dear to the Via Solari plant in Milan. The main initiatives implemented over the last few years have concerned the replacement of the valve molding presses and the configuration of the process parameters thereof: the optimal set-up of

these machines and the related operating parameters has made it possible to reduce energy demand and improve the quality of the finished product. The periodic replacement of air compressors with new devices allows the flow rate supplied to be varied and therefore maximizes efficiency. Lastly, the plant works diligently and consistently to remodulate the distribution of electricity both at the point of entry and inside the plant in order to reduce the waste caused by the losses in the transmission and distribution of electricity.

THE USA

The Telford plant has made improvements to its steam generation system, as mentioned above in the chapter on water resource management. The intervention involved the replacement of the

automatic valve system (*steam traps*) in the steam generator cooling system, resulting in a reduction in natural gas consumption of approximately 17% compared to 2020 and a 50% reduction in the freshwater requirements.

RENEWABLE ENERGY

Since 2022, the Daverio production site has been evaluating a project which involves the installation of a 1.3 MWe photovoltaic system: the renewable energy supplied therefrom would be sufficient to guarantee around 5% of electricity consumption. However, Daverio is not the only site where this idea is being considered: in fact, the Chinese plant at Tianjin has signed a contract for the purchase of electricity from renewable sources (Power Purchase Agreement,

PPA). The photovoltaic system will be installed in 2022 on the roof of the Chinese factory and will provide 15% of electricity demand.

Another two initiatives regarded the Dutch and the US plants: the Zaandam production plant, in fact, uses a Guarantee of Origin (GO) contract which enables it to cover 100% of its electricity consumption; while the US plant in Telford, Pennsylvania, meets 75% of its electricity consumption through energy derived from certified renewable sources.

CLIMATE CHANGING (GREENHOUSE GAS) EMISSIONS

The production and subsequent consumption of energy is the primary cause of greenhouse gas emissions into the atmosphere (IPCC, 2019). These activities, necessary for the company's operations, generate emissions of substances that warm the earth's climate. These emissions, for clear reporting purposes, are divided as follows:

- *Direct emissions*, i.e. GHG emissions generated on site from sources owned or controlled by the organization, due, for example, to the combustion of fossil energy carriers such as natural gas or diesel or refrigerant gas leaks;
- *Indirect emissions*, i.e. GHG emissions that are generated outside the company perimeter (e.g. emissions deriving from the use of purchased electricity or heating the production of which generated emissions of greenhouse gases);
- *Emissions generated by the company's value chain*, such as, for example, those deriving from the utilisation of energy used to produce the products and materials purchased externally, of fuels for non-company vehicles or for the transport of finished products. This category of emissions is not covered by this Report.

At Group level, the direct emissions linked to the production processes derive principally from the use of heat necessary to produce the poly laminate of the packaging, starting from the raw materials (polyethylene, polyester, nylon and aluminium). Electricity consumption is instead linked to the needs of machines, such as for example, printing machines, *converting* machines that transform the reels into

bags, packaging machines, assembling machines and the illumination of the buildings.

The indirect emissions (Scope 2) derive mainly from energy consumption directly attributable to the company, but which physically occur outside the perimeter, such as the purchase of electricity or heat and are calculated according to two distinct approaches:

- The *Location Based* approach involves applying an average emission factor (gCO₂/KWh) to electricity associated to the national energy mix of electricity production, including all sources of electricity production in the country, including renewable sources, and imports from other countries.;
- The *Market Based* approach considers an emission factor linked to the company's choice of electricity supply (market choice), or rather, whether agreements or contracts for the supply of renewable electricity have been stipulated such as Guarantees of Origin or PPAs. In this case the resulting emission factor shall be comprised of the renewable quota that, by convention, is considered carbon neutral (0 gCO₂/KWh) in the case in which the company purchases renewable energy, and from the quota coming from the *residual mix* not associated with a guarantee of origin and which varies from country to country depending on the power generation providers.

The analysis of climate-altering emissions does not show any particular trend, net of a sharp decrease between 2020 and 2022 with the Market Based method. This reduction is due to the decision to purchase electricity from renewable sources for the Telford plant, while the Zaandam plant already uses electricity certified by GO.

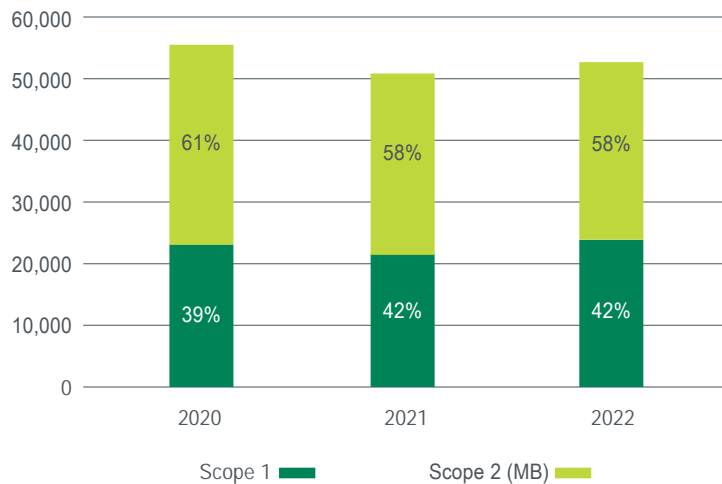
CLIMATE CHANGING (GHG) EMISSIONS - GRI 305-1 305-2

		2020	2021	2022
Emissions Scope 1	tCO ₂ eq	21,541	21,227	21,471
- From stationary combustion	tCO ₂ eq	20,536	20,493	17,838
- From fuel combustion in owned vehicles and diesel generators	tCO ₂ eq	489	626	2,013
- From Refrigerant Gas leaks	tCO ₂ eq	516	107	1,620
Emissions Scope 2				
- Location Based (LB)	tCO ₂ eq	33,894	33,875	33,531
- Market Based (MB)	tCO ₂ eq	33,603	28,500	29,246
Total Scope 1 and Scope 2 (Location Based)	tCO ₂ eq	55,434	55,101	55,002
Total Scope 1 and Scope 2 (Market Based)	tCO ₂ eq	55,144	49,727	50,718

The slight growth in Scope 1 emissions is mainly caused by the maintenance of thermal machines in the USA and the significant refilling of refrigerant gases. Furthermore, the 2022 energy crisis forced the Daverio site to use diesel to replace natural gas in the months in which the price of the latter had

reached unsustainable levels. The graph below shows the trend in both Scope 1 and Scope 2 GHG emissions calculated using the Market Based method. The net decrease in Scope 2 emissions is attributable to the purchase of GO by the Telford plant, as specified in the previous paragraph.

Direct and indirect GHG emissions (tCO₂eq) GRI 305-1 305-2



A further analysis can be carried out on emission intensity, i.e the tons of CO₂eq (calculated using the Market Based method) per kg of product purchased, which shows a significant reduction, of more than 14%, in the indicator with respect to 2020. The reason for such decrease can once

more be explained by the use of electricity from renewable sources and the by the in the energy efficiency of the production processes, which, taken together, guarantee a lower quantity of GHG emissions for an equal quantity of the material used.

Goglio and biodiversity

FROM THE IMPACT ASSESSMENT PROCESS CARRIED OUT IN ACCORDANCE WITH THE GRI STANDARDS, BIODIVERSITY WAS IDENTIFIED AS A MATERIAL TOPIC FOR THE GOGGIO GROUP.

In recent years there has been a significant increase in concerns on the part of the national and international society in relation to the protection of ecosystems, put at risk by the incessant increase in soil, water and air pollution and by the fragmentation of habitats.

The Goglio Group evaluates the impacts on biodiversity of each of its production plants, in accordance with the ISO 14001 environmental management standard, which provides rigorous protocols for monitoring impact areas that could potentially influence biodiversity near the plants, such as air emissions, water withdrawal, waste water treatment, storage and disposal of waste materials and acoustic emissions.

In 2022, the proximity of the Goglio Group's operational sites to protected areas and areas of high biodiversity value outside protected areas was analysed, finding that 2 sites are located within 5 kilometers of at least one protected area (Red Oak – Iowa and Tianjin - China), and 2 sites are located within 5 km of at least one key biodiversity area even if outside a protected area (Daverio – Italy and Zandaam – Netherlands).

In any case, compliance with national and international laws and regulations to which the Goglio Group is subject allows us to limit direct impacts, the only ones upon which the Group can proactively intervene.

Based on the examination of the potential indirect impacts on biodiversity, the procurement of raw materials and the correct management of the disposal of its products are the phases of the value chain in which the Group will have to focus its attention to limit its impact.

In the paragraph "Product innovation and design", the extensive work that Goglio has undertaken to create more sustainable packaging is illustrated, which aims to satisfy the principles of the circular economy and therefore, indirectly, mitigate the impacts on the upstream and downstream biodiversity of the value chain.

3.3 Product innovation and design

Goglio believes that research and development represent a fundamental pillar for the success of its business, especially in the international context in which it operates.

The new research initiatives allow us to maintain our competitive advantage and therefore to continue not only to prosper but also to lead the development of flexible packaging materials. The main contribution comes from the research centres located in Daverio and Telford, which carry out general and applied research activities. These skills, source of pride for the Group, are well known to Goglio's stakeholders, as suppliers and collaborators, to such a point that the company is informally nicknamed "*the university of packaging*". The research centres also collaborate closely with various Italian universities, including for example the Polytechnic University of Milan and the State University of Milan.

The packaging sector currently finds itself in a profoundly evolving situation. The production phase of a product is in fact at the origin of only one part of the impacts generated during the product's entire life cycle: the production phases of the raw materials utilised and the disposal at the end of use are in turn made up of potentially impactful processes. Consequently, the socio-environmental problems linked to these phases, in relation for example to the management of plastic, are generating strong pressure at a global level. As regards packaging, the attention of the institutions, and therefore of the companies themselves, is in fact shifting from the concept of compostability to that of recyclability.

BioMise PROJECT

Following years of research, which is currently still in progress, the compostability of the materials constituting the packaging has so far been found to be an ineffective path to follow due to technical problems, such as the different melting points of the materials, or the various physical properties such as, for example, the elasticity required by the product. Goglio has concentrated its research on valves and other packaging materials in order to make them compostable and it can be said that it has achieved the desired results. However, research has shown how complicated it is to generate flexible compostable packaging with the same characteristics as packaging made of plastic and aluminium, which are the materials currently used.

The research project "Eco-innovative technology for biodegradable and compostable multilayer laminates to be used in intelligent food packaging capable of tripling the shelf life without altering the organoleptic characteristics", but nicknamed more simply "BioMise", received a financial contribution from a fund from Ministry for Economic Development in 2016 and was concluded in 2021 with the inspection by the

Ministry itself. The aim of the project was to produce a new multi-layered antioxidant, anti-radical packaging material thanks to the action of the catechins contained in green tea extract, using only compostable and biodegradable materials, but which contained the appropriate barrier properties which prolonged the shelf-life of food products while maintaining their organoleptic properties and aroma. The final results of the research demonstrated that compostable materials can be produced.

Studies continue to improve the physical properties of the product and to make it more economically competitive.

Furthermore, the project extended previous knowledge and experience to biodegradable materials and adhesives and the compatibility of catechins (an antioxidant present in green tea) with bio-adhesives. One of the phases of the research involved the Zeccone Machine Division in order to test the new materials directly in the machines that use the packaging reels produced by production sites such as Daverio as input. The aim was also to understand how the design and components of the machines should change when using different materials.

SoMise PROJECT

The SoMise project, which is part of the BioMise project, was born from the idea of creating new packaging with a low environmental impact and which is primarily recyclable. The research project was called "Research, study, development, design, implementation and prototyping of innovative, recyclable flexible packaging and valorisation of production residues for recovery for the purposes of a sustainable circular economy with low environmental impact" or more simply the "SoMise" project. The initiative will receive economic support from the Ministry for Economic Development (hence the name SoMise) given that the technology studied will concern "Advanced Materials and Nanotechnology". The innovation that Goglio aims to develop concerns the research and design of a type of flexible and eco-friendly packaging intended for food packaging and which significantly reduces the environmental impact; in particular, the project will focus on 3 parallel strands:

- Research and development of new recyclable materials, mono-PE, mono-PP and their mixtures that have low thickness and high mechanical performance, even with a high gas barrier;
- Characterisation and optimization of the regranulate obtained from residues of production processes and through mechanical recycling, identification of one or more intended uses as a by-product;
- Packaging machines suitable for processing the new materials which are expected to be lighter and based on a monomer with different melting points

between the layers and with innovative welding solutions.

Unlike the BioMise project, which ended in 2021, the SoMise project is on the official launch pad during 2023 and will have an estimated duration of approximately 3 years. This new challenge will allow Goglio to improve its knowledge on the recyclability of materials and create new packaging solutions that anticipate European regulations and the expectations of stakeholders, first and foremost customers, who are more insistently asking to be able to buy products contained in recyclable packaging.

The search for product recyclability focuses mainly on the creation of single-material packaging which presents the same physical and chemical properties and that allows the packaging to be mechanically or chemically recycled.

Not only is the research and development centre in Daverio working on this line, but the Telford research centre, in order to respond to US regulations, which are sometimes more "stringent" than European ones, is looking to develop a mono-material packaging solution, which in this instance would be polyethylene. This initiative shows how national regulations can prove to be an incentive for innovation and the concrete opportunity to exploit new skills to expand into new markets which shall, at a later stage, demand more sustainable solutions. Furthermore, Fres-Co System USA, as a manufacturer of plastic packaging, is part of the "association of plastic recyclers" in order to remain constantly updated on developments in the sector.

CIRCULAR ECONOMY

As described elsewhere in this Sustainability Report, the Goglio Group has several initiatives in place aimed at the efficient management of resources, including the valorisation of production residues and the reduction of water and energy consumption. The most recent circular economy initiative was launched in 2017 and concerns the recovery of production residue during the packaging and converting production phases. After several attempts and research, it was possible to transform the residue into a by-product. The latter can have two different uses: in one case it can be reintroduced into the production recipes and therefore into the production cycle, while in the second case it can be sold to third-party companies who can use it for various purposes, including as a filling material. Once

transformed into granules, this material is known as RG-mix. In recent years, other possible solutions have also been under consideration: in particular, one could think of producing secondary packaging or plastic products such as chairs, tables, tubes or caps.

One of the most recent developments will involve the installation of a filter downstream of the re-granulating machines to separate aluminium and polyester from the residual material. These two materials are in fact the most problematic when reusing the residual material again in production recipes.

The results achieved in 2022 are very promising: it was in fact possible to regranulate 820 tonnes, 273 tons of which were reused in the production recipes while the remaining part, consisting of PE, PP and PE-AL-PET blend was sold on the market with approximately 547 tons being sold.

The aforementioned by-products have obtained by-product certification according to the UNI 10667-1:2017 standard renewed in 2022;

- Polyethylene (PE);
- Polypropylene (PP);
- By-product of plastic materials and aluminium.

A further circular economy initiative involves the solvent recovery plant, described in detail in the paragraph on harmful emissions. The process allows various benefits to be obtained both in terms of cost avoidance and in terms of environmental impact. In fact, this system renders the purchase of solvent unnecessary, thus eliminating the impacts deriving from the production and transport thereof, as well as avoiding the combustion at the end of the stripping process to regenerate the adsorbers, and the related emissions, mainly of VOC. The recovery system thus allows the solvent "naturally" present in the inks to be recovered and sold on the market when the collection tank is full. Lastly, less solvent combustion means lower abatement costs relating to the filtering systems for the air flow exiting the plants. The American plants of

Telford and Red Oak are therefore evaluating the possibility of installing solvent recovery systems in the next few years.

The Daverio and Cadorago plants thus demonstrate that they are an example of excellence in terms of the circular economy, and they will continue to pursue further objectives of reducing their environmental impacts and of developing an economy that reduces the consumption of resources and enhances the by-products of the production phase.

Lastly, we report on the work carried out by Goglio starting from 2016 when it commenced the digitalisation of the packaging process thanks to an IoT system called "Goglio Mind". End users (i.e. the customers themselves) can now directly access a digital platform and interface directly with the machines, optimizing operations and processes and follow some basic maintenance instructions. Furthermore, the platform also has a chatbot for certain frequently asked questions (FAQ), an alarm system based on various thresholds and pre-defined periodic reports.



APPENDICE

Appendices

GRI 401-1: Employee turnover

TURNOVER - GRI 401-1 – ITALY

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	50	79	81	Male	54	59	78
< 30 years	16	38	45	< 30 years	9	13	21
30 ≤ x ≤ 50 years	24	31	27	30 ≤ x ≤ 50 years	16	26	23
> 50 years	10	10	9	> 50 years	29	20	34
Female	25	43	48	Female	28	40	42
< 30 years	7	20	18	< 30 years	6	19	17
30 ≤ x ≤ 50 years	9	14	20	30 ≤ x ≤ 50 years	8	10	18
> 50 years	9	9	10	> 50 years	14	11	7
Total	75	122	129	Total	82	99	120
< 30 years	23	58	63	< 30 years	15	32	38
30 ≤ x ≤ 50 years	33	45	47	30 ≤ x ≤ 50 years	24	36	41
> 50 years	19	19	19	> 50 years	43	31	41

TURNOVER - GRI 401-1 – NORTH AMERICA

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	72	131	130	Male	91	117	135
< 30 years	32	47	40	< 30 years	28	33	28
30 ≤ x ≤ 50 years	29	61	69	30 ≤ x ≤ 50 years	43	53	64
> 50 years	11	23	21	> 50 years	20	31	43
Female	27	55	59	Female	21	41	56
< 30 years	17	12	21	< 30 years	3	8	22
30 ≤ x ≤ 50 years	7	34	21	30 ≤ x ≤ 50 years	2	14	18
> 50 years	3	9	17	> 50 years	16	19	16
Total	99	186	189	Total	112	158	191
< 30 years	49	59	61	< 30 years	31	41	46
30 ≤ x ≤ 50 years	36	95	90	30 ≤ x ≤ 50 years	45	67	82
> 50 years	14	32	38	> 50 years	36	50	59

TURNOVER - GRI 401-1 - CHINA

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	18	17	18	Male	11	16	15
< 30 years	4	1	4	< 30 years	4	5	3
30 ≤ x ≤ 50 years	14	16	14	30 ≤ x ≤ 50 years	7	11	12
> 50 years	0	0	0	> 50 years	0	0	0
Female	12	8	8	Female	8	5	8
< 30 years	2	2	3	< 30 years	3	0	3
30 ≤ x ≤ 50 years	10	6	5	30 ≤ x ≤ 50 years	5	4	5
> 50 years	0	0	0	> 50 years	0	1	0
Total	30	25	26	Total	19	21	23
< 30 years	6	3	7	< 30 years	7	5	6
30 ≤ x ≤ 50 years	24	22	19	30 ≤ x ≤ 50 years	12	15	17
> 50 years	0	0	0	> 50 years	0	1	0

TURNOVER - GRI 401-1 - EUROPE¹⁹

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	3	5	8	Male	10	7	10
< 30 years	1	2	0	< 30 years	2	1	1
30 ≤ x ≤ 50 years	2	2	4	30 ≤ x ≤ 50 years	1	4	4
> 50 years	0	1	4	> 50 years	7	2	5
Female	0	4	2	Female	1	6	2
< 30 years	0	1	0	< 30 years	0	1	0
30 ≤ x ≤ 50 years	0	2	1	30 ≤ x ≤ 50 years	0	3	0
> 50 years	0	1	1	> 50 years	1	2	2
Total	3	9	10	Total	11	13	12
< 30 years	1	3	0	< 30 years	2	2	1
30 ≤ x ≤ 50 years	2	4	5	30 ≤ x ≤ 50 years	1	7	4
> 50 years	0	2	5	> 50 years	8	4	7

TURNOVER - GRI 401-1 - SOUTH AMERICA AND ASIA²⁰

	Hires				Terminations		
	2020	2021	2022		2020	2021	2022
Male	0	1	0	Male	0	1	1
< 30 years	0	1	0	< 30 years	0	0	0
30 ≤ x ≤ 50 years	0	0	0	30 ≤ x ≤ 50 years	0	0	1
> 50 years	0	0	0	> 50 years	0	1	0
Female	0	0	1	Female	0	0	1
< 30 years	0	0	0	< 30 years	0	0	0
30 ≤ x ≤ 50 years	0	0	1	30 ≤ x ≤ 50 years	0	0	1
> 50 years	0	0	0	> 50 years	0	0	0
Total	0	1	1	Total	0	1	2
< 30 years	0	1	0	< 30 years	0	0	0
30 ≤ x ≤ 50 years	0	0	1	30 ≤ x ≤ 50 years	0	0	2
> 50 years	0	0	0	> 50 years	0	1	0

¹⁹ The figures regard the Group's European plants and offices, excluding the Italian ones.

²⁰ The figures regard the Group's Asian sites, excluding the Chinese plant at Tianjin.

GRI 305-1: Direct emissions (Scope 1)

CO ₂ emissions	UdM	Total			Italy			USA			China			Netherlands		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Scope 1		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Diesel	tonCO ₂ eq	449	571	1,954	379	499	1,885	-	-	-	65	68	66	5	4	2
Petrol	tonCO ₂ eq	40	55	60	11	17	25	-	-	-	15	17	13	15	22	22
Natural Gas	tonCO ₂ eq	20,536	20,493	17,838	9,448	9,810	6,520	10,092	9,754	10,479	-	-	35	996	929	805
Refrigerant Gas	tonCO ₂ eq	516	107	1,620	-	-	-	-	-	-	-	-	-	-	-	-
Totale	tonCO ₂ eq	21,541	21,227	21,471	9,837	10,325	8,429	10,092	9,754	10,479	79	85	114	1,017	956	829

GRI 305-2: Indirect emissions (Scope 2)

CO ₂ emissions	UdM	Total			Italy			USA			China			Netherlands		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Scope 1 and 2		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Location Based	tonCO ₂ eq	33,894	33,875	33,531	19,235	19,335	18,045	10,134	9,730	10,115	3,442	3,812	4,695	1,083	997	677
Market Based	tonCO ₂ eq	33,603	28,500	29,246	21,147	21,490	20,440	9,013	3,197	4,111	3,442	3,812	4,695	-	1	1

GRI 305: Total emissions (Scope 1 and 2)

CO ₂ emissions	UdM	Total			Italy			USA			China			Netherlands		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Scope 1 and 2		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Location Based	tonCO ₂ eq	55,434	55,101	55,002	29,072	29,660	26,474	20,225	19,484	20,593	3,522	3,897	4,809	2,099	1,953	1,506
Market Based	tonCO ₂ eq	55,144	49,727	50,718	30,984	31,815	28,869	19,105	12,951	14,589	3,522	3,897	4,809	1,017	957	830

GRI 303-3: Water withdrawal

Water withdrawal	UdM	Total			Italy			USA			China			Netherlands		
		2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
From surface water	m ³	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
From underground water	m ³	255,733	275,374	211,626	255,733	275,374	211,626	-	-	-	-	-	-	-	-	-
From municipal water supply	m ³	70,329	46,080	51,793	12,738	11,817	12,995	40,849	19,627	19,776	15,977	13,512	14,178	765	1,124	4,844
Total	m ³	326,062	321,454	263,419	268,471	287,191	224,621	40,849	19,627	19,776	15,977	13,512	14,178	765	1,124	4,844

Methodological note

The 2022 Sustainability Report of the Goglio Group is in its first edition and reports the main environmental, social and economic aspects that characterize the Group's activities. The Report was prepared in conformity with the GRI *Sustainability Reporting Standards*, updated in 2021 by the *Global Reporting Initiative*, according to the

"*In accordance*" option, guaranteeing the disclosure of at least one indicator for each topic.

The qualitative and quantitative data and information contained in the Sustainability Report, prepared on a voluntary basis, refer to the Goglio Group, comprised of the following companies:

Goglio S.p.A.	Milan (Italy)
Fres-co System International B.V.	Zandaam (Netherlands)
Fres-co System España S.A.	Barcelona (Spain)
Goglio East Europe Sp.Zo.o.	Krakow (Poland)
Goglio North Europe B.V.	Zandaam (Netherlands)
Fres-co System USA Inc.	Telford (USA)
Gopack Promotion S.p.A.	Milan (Italy)
Goglio (Tianjin) Packaging System Co., Ltd.	Tianjin (China)
Goglio France S.A.S.	Paris (France)
Goglio Do Brasil Indústria Ltda	Jundiai (Brazil)
Fres-co System Japan Inc.	Tokyo (Japan)
Goglio Flex Pack System India PL	Bangalore (India)

The Sustainability Report is drawn up annually and published in October. The 2022 Sustainability Report, published on 27th October 2023, relates to the financial year ended 31st December 2022 and also contains, for the purposes of comparing the company's performance over time, the data for the 2020 and 2021 financial years.

The reporting period of the Sustainability Report coincides with the reporting period of the Company's publicly deposited Consolidated Financial Statements.

The present Report is not subject to external assurance nor has any restatement of data relating to previous reporting periods been necessary, given that this is the first sustainability report published by the Group.

From an operative point of view, the preparation of the Report involved in the first instance an impact analysis phase (the methodology of which is described in detail in the paragraph "*The first materiality analysis in the company*" of Chapter 1 of this Report) in order to report on the issues that have emerged as material in relation to their economic, social and environmental impacts and which therefore influence the decisions of the stakeholders. The Report was drawn up according to the general principles indicated by the

GRI Standards (GRI 1 – Foundation):

- **Accuracy:** the information is reported correctly and in sufficient detail to allow the impacts of the Company to be assessed;
- **Balance:** positive and negative impacts are presented objectively and fairly, and the information reported allows users to see trends in impacts year by year;
- **Clarity:** the choice of clear and accessible language and the use of tables to represent the Company's performance make this Report usable and easy to understand for the stakeholders;
- **Comparability:** the indicators presented in the Report refer to the three-year period 2020-2022 and their performance over the years is always commented on in such a way as to allow comparison and comparability of the Group's performance over time;
- **Completeness:** the information provided is sufficient to allow an assessment of the organisation's impacts during the reporting period;
- **Sustainability context:** information relating to the impacts of the organization is reported in the broader context of sustainable growth;
- **Timeliness:** this document is prepared on a regular basis in order that the information is available in time to allow data users to make decisions;

- **Verifiability:** data must be gathered, registered, compiled and analysed in such a way as to be able to evaluate the quality of the information reported.

The table below shows the link between the material topics identified following the materiality analysis and the specific GRI Standards discussed in this Report.

Material Topics	Specific GRI Standards
Fight against climate change	GRI 302: Energy
	GRI 305: Emissions
Circularity and efficient use of resources	GRI 301: Materials
	GRI 303: Water and effluents
	GRI 306: Waste
Responsible management of supply chain	GRI 308: Supplier environmental assessment
	GRI 414: Supplier social assessment
Protection and valorisation of employees	GRI 401: Employment
	GRI 404: Training and education
	GRI 405: Diversity and equal opportunity
	GRI 406: Non-discrimination
Health and safety in the workplace	GRI 403: Occupational health and safety
Health and safety of consumers	GRI 416: Customer health and safety
Development of local community	GRI 204: Procurement practices
	GRI 202: Market presence
Business ethics	GRI 205: Anti- corruption

PRINCIPAL CALCULATION CRITERIA AND DEFINITIONS

The qualitative and quantitative information of a social, environmental and economic-financial nature contained in this edition of the sustainability report were collected through direct interviews with

the managers of the various company departments and through the compilation of data collection forms, according to a reporting process set on an annual basis. The principal calculation methods and assumptions used for the performance indicators reported, in addition to what is already indicated in the report are described below.

SOCIAL DATI

The **employees** are calculated as the workforce as of 31st December 2022.

The following formulas were used to calculate the **hiring and termination rate**:

Rate of new staff hires = new hires / total workforce x 100

Exiting staff turnover rate = exits / total workforce x 100

To calculate the **accident rate**, accidents that resulted in at least one day of absence from work following the day of the accident were considered and was calculated using the following formula:

*Frequency rate = (number of injuries / hours worked) * 200,000.*

The number of hours worked was estimated using the following formula:

*Number of hours worked = Number of employees * 8 hours * 200 working days*

ENVIRONMENTAL DATA

The environmental data presented in this report do not include those relating to the commercial offices (therefore in relation to Goglio Do Brasil Industria Ltda, Fres-co System Japan Inc., Goglio Flex Pack System India PL, Fres-co System España S.A. and Goglio France S.A.S.), given that they have a reduced environmental impact, considering the overall production activities of the Group.

Goglio's energy consumption is stated in Gigajoule (GJ) in this Report. Their processing was carried out using various conversion factors:

- Electricity, diesel, petrol and fuel oil: "UK Government GHG Conversion Factors for Company Reporting" of the UK Department for Environment, Food & Rural Affairs (DEFRA), for the years 2020, 2021 and 2022;
- Natural gas: "National standard parameter table" published by the Ministry for the Environment, Land and Sea²¹ (MATTM), based on data from the Higher Institute for Environmental Protection and Research (ISPRA) for the years 2020, 2021 and 2022;
- Purchased steam: an increase in water temperature from 15°C to 100°C (delta 85°C) was assumed, 4.18 J/g_{water} and a heat of evaporation of water equal to a 2,257 J/g_{water}.

²¹ The Ministry for the Environment and Protection of Land and Sea was named Ministry for Ecological Transition with the government headed by Mario Draghi in February 2021. In the document, however, reference will be made to MATTM.

The **direct and indirect** climate-changing emissions were calculated using the emission factors reported below and the unit of measurement used is *tCO₂equivalent* so as to be able to add the contribution of different climate-changing gases to each other.

The following sources were used for the calculation of the direct **Scope 1 emissions**:

- Fuels (natural gas, diesel and fuel oil): “UK Government GHG Conversion Factors for Company Reporting” published in 2022 for the 2022 figures and the versions published in 2021 and 2020 for the figures relative to the respective years by the UK Department for Environment, Food & Rural Affairs (DEFRA), in the tables “Gaseous fuels” and “Liquid fuel” contained in the paper “Fuel”;
- Fuel (diesel, petrol): “UK Government GHG Conversion Factors for Company Reporting” published in 2022 and the versions published in 2021 and 2020 for the figures relative to the respective years by the UK Department for Environment, Food & Rural Affairs (DEFRA), in the paper “Business travel – land”;
- Refrigerant gases: “Climate Change 2013 The Physical Science Basis” published in 2013 by the Intergovernmental Panel on Climate Change” (IPCC); “UK Government GHG Conversion Factors for Company Reporting” published in 2022 by the UK Department for Environment, Food & Rural Affairs (DEFRA) for the years 2022, 2021 and 2020;
- Purchased steam: “UK Government GHG Conversion Factors for Company Reporting” published in 2022 for the 2022 figures and the versions published in 2021 and 2020 for the figures of the respective years by the UK Department for Environment, Food & Rural Affairs (DEFRA), in the paper “Heat & Steam”.

The following sources were used for the calculation of the **Scope 2 indirect emissions**, from which the emission factors were obtained:

- Method for calculating “**location based**” emissions: “International Comparison” published by Terna in 2020 for the 2021 figures and in 2019 for the 2020 figures; “IEA Emission factors” published by IEA in 2022 for the 2022 figures.
- Method for calculating “**market based**” emissions: “European Residual Mixes 2021” published in 2022 by the Association of Issuing Bodies (AIB) for the 2022 figures, and the versions published in 2021 and 2020 for the figures for the respective years; “E-Grid” published in 2021 by the United States Environmental Protection Agency (EPA) for the 2022 figures, in 2020 for the 2021 figures and in 2019 for the 2020 figures; “International comparisons” published by Terna in 2020 and 2019 respectively for the years 2021 and 2020. At the time of drafting the document, the emission factors relating to the Residual Mix are not publicly available from accredited sources, therefore for the calculation of the emissions relating to the plant in China, the same location-based emission factors applied according to the methodology published by Terna in the document “International Comparison” and by the IEA in the document “IEA Emission factors” were used.

As described in chapter “*3.2 Commitment to climate change - Harmful Emissions*”, the limits on **polluting emissions** may differ from country to country in accordance with the legislation in force. For each polluting substance, the production plants that report the substance(s) in question are listed below:

- **Nitrogen oxide** emission is monitored in the Italian (by means of an estimate) and the US production sites;
- **Volatile Organic Compounds (VOCs)** emission is monitored in all production sites, with the exception of Milan and Zeccone, whose processes do not emit VOCs;
- **Sulphur Oxide** emission is monitored at the US production sites;
- **Non-Methane Hydrocarbons** emission is monitored at the Tianjin production site;
- **Particulate Matter (PM)** emission is monitored at the US production sites.

In assessing the distance of the Goglio Group's production sites from protected areas and areas of high value in terms of **biodiversity**, as well as for the identification of significant direct and indirect impacts on biodiversity, the following tool was used Integrated Biodiversity Assessment Tool (IBAT) (ibat-alliance.org).

GRI Content Index

Statement of use	Goglio has presented a report in conformity with the GRI Standards for the period 1.1.2022-31.12.2022
GRI 1 utilised	GRI 1 - Foundation - 2021 version
Relevant Sector Standard GRI	N/A

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
			Requirement/ Omission	Reason	Explanation	
General information						
GRI 2 - General Disclosures - 2021 version	2-1 Organisational details	1.1 Solid foundations and an eye towards the future	No omission	-	-	
	2-2 Entities included in the organisation's sustainability reporting	1.2 Responsibility for an ethical business	No omission	-	-	
	2-3 Reporting period, frequency and contact point	Methodological note	No omission	-	-	
	2-4 Restatements of information	Methodological note	No omission	-	-	
	2-5 External assurance	Methodological note	No omission	-	-	
	2-6 Activities, value chain and other business relationships	1.1 Solid foundations and an eye towards the future	No omission	-	-	
	2-7 Employees	2.1 People: our strength	No omission	-	-	
	2-8 Workers who are not employees	2.1 People: our strength	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
			Requirement/ Omission	Reason	Explanation	
General information						
GRI 2 - General Disclosures - 2021 version	2-9 Governance structure and composition	1.2 Responsibility for an ethical business	No omission	-	-	
	2-10 Nomination and selection of the highest governance body	1.2 Responsibility for an ethical business	No omission	-	-	
	2-11 Chair of the highest governance body	1.2 Responsibility for an ethical business	No omission	-	-	
	2-12 Role of the highest governance body in overseeing the management of impacts	1.4 Our approach to sustainability	No omission	-	-	
	2-13 Delegation of responsibility for managing impacts	1.4 Our approach to sustainability	No omission	-	-	
	2-14 Role of the highest governance body in sustainability reporting	Methodological note	No omission	-	-	
	2-15 Conflicts of interest	1.2 Responsibility for an ethical business	No omission	-	-	
	2-16 Communication of critical concerns	1.4 Our approach to sustainability	No omission	-	-	
	2-17 Collective knowledge of the highest governance body	1.4 Our approach to sustainability	No omission	-	-	
	2-18 Evaluation of the performance of the highest governance body	1.4 Our approach to sustainability	No omission	-	-	
2-19 Remuneration policies	-	Omission	Privacy restrictions	This is information kept and managed by the Human Resources office, which classified them as "Strictly Confidential". Such information, if published without appropriate and extensive comments, could be interpreted by readers in a misleading way.		

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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General information						
GRI 2 - General Disclosures - 2021 version	2-20 Process to determine remuneration	-	Omission	Privacy restrictions	This is information kept and managed by the Human Resources office, which classified them as "Strictly Confidential". Such information, if published without appropriate and extensive comments, could be interpreted by readers in a misleading way.	
	2-21 Annual total compensation ratio	-	Omission	Privacy restrictions	This is information kept and managed by the Human Resources office, which classified them as "Strictly Confidential". Such information, if published without appropriate and extensive comments, could be interpreted by readers in a misleading way.	
	2-22 Statement on sustainable development strategy	Letter to stakeholders	No omission	-	-	
	2-23 Policy commitments	1.2 Responsibility for an ethical business	No omission	-	-	
	2-24 Embedding policy commitments	1.2 Responsibility for an ethical business	No omission	-	-	
	2-25 Processes to remediate negative impacts	1.4 Our approach to sustainability	No omission	-	-	
	2-26 Mechanisms for seeking advice and raising concerns	1.4 Our approach to sustainability	No omission	-	-	
	2-27 Compliance with laws and regulations	1.2 Responsibility for an ethical business	No omission	-	-	
	2-28 Membership associations	1.2 Responsibility for an ethical business 1.3 Responsible management of supply chain 3.3 Product innovation and design	No omission	-	-	
	2-29 Approach to stakeholder engagement	1.4 Our approach to sustainability	No omission	-	-	
	2-30 Collective bargaining agreements	1.4 Our approach to sustainability	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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Material topics						
GRI 3 - Material topics - 2021 version	3-1 Process to determine material topics	1.4 Our approach to sustainability	No omission	-	-	
	3-2 List of material topics	1.4 Our approach to sustainability	No omission	-	-	
	3-3 Management of material topics	3.2 Commitment to climate change	No omission	-	-	
Fight against climate change						
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	3.2 Commitment to climate change	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	3.1 Caring for the environment	No omission	-	-	
		3.2 Commitment to climate change				
GRI 305 - Emissions 2016	305-1 Direct GHG emissions (Scope 1)	3.2 Commitment to climate change	No omission	-	-	
	305-2 Direct GHG emissions (Scope 2)	3.2 Commitment to climate change	No omission	-	-	
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	3.1 Caring for the environment	No omission	-	-	
Circularity and protection of resources						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	3.1 Caring for the environment	No omission	-	-	
GRI 301: Materials 2016	301-1 Materials utilised by weight or volume	3.1 Caring for the environment	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	3.1 Caring for the environment	No omission	-	-	
GRI 303 - Water and Effluents 2018	303-1 Interactions with water as a shared resource	3.1 Caring for the environment	No omission	-	-	
	303-2 Management of water discharge- related impacts	3.1 Caring for the environment	No omission	-	-	
	303-3 Water withdrawal	3.1 Caring for the environment	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	3.1 Caring for the environment	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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Circularity and protection of resources						
GRI 304 - Biodiversity 2016	304-2 Significant impacts of activities, products and services on biodiversity	3.1 Caring for the environment	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	3.1.Waste management	No omission	-	-	
GRI 306 - Waste 2020	306-1 Waste generation and significant waste-related impacts	3.1.2 Waste management	No omission	-	-	
	306-2 Management of significant waste-related impacts	3.1.2 Waste management	No omission	-	-	
	306-3 Waste generated	3.1.2 Waste management	No omission	-	-	
Responsible supply chain management						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.3 Responsible supply chain management	No omission	-	-	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	1.3 Responsible supply chain management	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.3 Responsible supply chain management	No omission	-	-	
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	1.3 Responsible supply chain management	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.3 Responsible supply chain management	No omission	-	-	
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	1.3 Responsible supply chain management	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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Safeguarding and valorization of employees						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	2.1 People: our strength	No omission	-	-	
GRI 401: Employment 2016	404-1 New employee hires and employee turnover	2.1 People: our strength 2.2 Diversity and inclusion	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	2.2 Ongoing growth	No omission	-	-	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	2.2 Ongoing growth	No omission	-	-	
	404-3 Percentage of employees receiving regular performance and career development reviews	2.2 Ongoing growth	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	2.1 People: our strength	No omission	-	-	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 People: our strength 2.2 Diversity and inclusion	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-1 Process of determining material topics	1.4 Our approach to sustainability	No omission	-	-	
GRI 406: Non- discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	2.2 Diversity and inclusion	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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Health and safety in the workplace						
GRI 3 – Material topics - 2021 version	3-3 Management of material topics	2.3 Workplace safety Methodological Note	No omission	-	-	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	2.3 Workplace safety	No omission	-	-	
	403-2 Hazard identification, risk assessment and incident investigation	2.3 Workplace safety	No omission	-	-	
	403-3 Occupational health services	2.3 Workplace safety	No omission	-	-	
	403-4 Worker participation, consultation, and communication on occupational health and safety	2.3 Workplace safety	No omission	-	-	
	403-5 Worker training on occupational health and safety	2.3 Workplace safety	No omission	-	-	
	403-6 Promotion of worker health	2.3 Workplace safety	No omission	-	-	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2.3 Workplace safety	No omission	-	-	
	403-9 Work-related injuries	2.3 Workplace safety	No omission	-	-	
	403-10 Work-related diseases	2.3 Workplace safety	No omission	-	-	

STANDARD GRI/ OTHER SOURCE	INFORMATION	LOCATION IN REPORT	OMISSION			NOTE
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Protection of consumer health and safety						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.2 Responsibility for an ethical business	No omission	-	-	
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	1.2 Responsibility for an ethical business	No omission	-	-	
Development of local communities						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	2.4 Side by side with the local community	No omission	-	-	
GRI 202: Market presence	202-2 Proportion of senior management hired from the local community	2.4 Side by side with the local community	No omission	-	-	
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.3 Responsible supply chain management	No omission	-	-	
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	1.3 Responsible supply chain management	No omission	-	-	
Development of local communities						
GRI 3 - Material topics - 2021 version	3-3 Management of material topics	1.2 Responsibility for an ethical business	No omission	-	-	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	1.2 Responsibility for an ethical business	No omission	-	-	

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