



2022

SUSTAINABILITY REPORT

LETTER TO STAKEHOLDERS

In 2022, the company enjoyed sustained growth despite various extremely complex situations, including the outbreak of war in Ukraine, the resulting energy crisis and inflation rates not seen for decades. The professionalism of all our employees was at the heart of ensuring we could meet these challenges promptly, guaranteeing the regular delivery of goods and services to our customers and a very good result for our shareholders.

Over the year, we strengthened our sustainability working group, increased the number of projects and, critically, continued on our path of research and development in pursuit of increasingly sustainable products, investing significant resources that have enabled us to develop innovative solutions, such as the one that was a winner at Packaging Europe's Sustainability Awards 2022. We made available to our customers a comparative impact analysis looking at new products in relation to those already in their portfolios. While this was broad-ranging in its approach, it did particularly focus on the ability to protect and preserve properties over time and the consequent reduction in food waste, end-of-life management and the emissions impact. In September 2022, the long-awaited European Regulation 2022/1616 came into force, regulating the safe use of recycled plastic materials in the end-use of our products. We immediately developed our first products using these new materials and obtained ISCC+ certification to guarantee their traceability.

At the same time, we have developed technologies and processes to reduce the use of materials – including the use of materials from internal reuse, renewable sources and recycling – and to reduce energy consumption and associated GHG emissions. This has included initiatives such as increasing the amount of certified renewable energy purchased, self-generated solar energy and thermal energy recovery. We have also embarked on a journey that will lead us to Scope 3 reporting and the creation of a Group-wide emissions reduction plan.

The activities focusing on improving the well-being, health and safety of employees were just as important, allowing our staff to benefit from training and improved corporate welfare. We also introduced new tools to ensure that the principles of equal opportunity and non-discrimination are applied across the organisation.

Driven by the new GRI Standards, we have enhanced the management of our external impact by introducing new tools to analyse supply chain impacts in greater depth. We have also looked into the impact of end users through their behaviour at the end of a product's life, and as a result we have stepped up our involvement in outreach projects.

We are proud of our results, but also recognise that we are on a journey with new and challenging goals ahead. We are committed to tackling these with the utmost enthusiasm and professionalism, aware of the positive impact they will have on us and our stakeholders, and we are fully committed to our vocation for sustainability.



Ruggero Gerosa
Chair



Claudio Gerosa
Deputy Chair

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01

THE GEROSA GROUP

Operating in the flexible packaging and labels industry, the Gerosa Group is a benchmark in the sector due to the quality of its products and services and its extensive expertise in sustainable packaging research and development. The Gerosa Group's history began in 1935, when Luigi and Giuseppe Gerosa founded a printing company in Inverigo, a family business that soon grew into an industrial player. Over time, it expanded to become a family-owned and managed group of companies with a presence in five European countries, exporting flexible packaging and labels to all continents.

Today, the Gerosa Group is made up of seven companies: five manufacturing companies, of which two are in Italy, two in Spain and one in Romania; and two trading companies, one in Germany and one in France. Geographic diversification is designed so we operate in areas of manufacturing excellence close to major target markets.



Cellografica Gerosa S.p.A.



Artema-Plast s.r.l.



Cellografica Gerosa S.A.



Flexocit s.r.l.



Rieusset S.A.



Gerosa Flexible Verpackungen G.m.b.H.



Commerciale Gerosa Group S.a.r.l.



87
YEARS OF BUSINESS



258
MEUR IN TURNOVER



836
PEOPLE

Our products are primary and secondary packaging and labels, mainly for the food and beverage sector, although we also have major clients in other sectors such as OTC pharmaceuticals, pet food and detergents. We also manufacture semi-finished products for some industries.

FOOD



COFFEE



CAKES/BAKED GOODS



FRESH FOODS



SAUCES AND CONDIMENTS



SNACKS



FROZEN FOODS

BEVERAGES



WINES AND SPIRITS



SOFT DRINKS

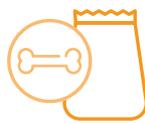


WATER



BEER

OTHER



PET FOOD



DETERGENTS



PERSONAL CARE PRODUCTS



MEDICINES AND OTC PRODUCTS



SEMI-FINISHED PRODUCTS



2017

The Innovation Center at the Inverigo plant is opened



2010

Gerosa Group S.a.r.l., a trading firm, is incorporated in France



2007

Artema-Plast s.r.l. in Romania joins the Group



2004

Rieusset S.A. in Spain joins the Group



1997

Gerosa Flexible Verpackungen G.m.b.H. is established in Germany



1993

The incorporation of Flexocit s.r.l. and the entry of Cellografica Gerosa S.A. make the Gerosa Group a reality



1980

The first photoengraving machine is installed



1935

Luigi and Giuseppe Gerosa open a small printing workshop in Inverigo, which would over time become Cellografica Gerosa S.p.A.



1949

The first rotogravure press is installed

THE GROUP'S GROWTH SINCE 1935...

Recognising the diversity of the market, we use all the major printing – gravure, flexo, digital – and laminating technologies, and we also specialise in a wide range of applications such as cold sealing, stand-up pouches, laser cutting, holograms, alpha-numeric printing and the latest digital innovations, including invisible internet code printing to convey information even on the smallest of surfaces.

We are known in the market for our high level of technical and technological expertise, particularly when it comes to complex products such as primary packaging for the food industry. At the same time, we have built our name on our extensive capacity for innovation and development, efficiency and flexibility. These have become defining features and strengths that have made us a key partner for the development of innovative and sustainable packaging for many leading Italian and international companies, who choose us to help them achieve their goals in a rapidly developing world. Our advanced services are another area in which we excel, offering these in the areas of food safety

and environmental sustainability, and last but not least, we have developed a high level of expertise and graphic quality over more than 40 years of experience in photoengraving cylinders for printing. The Gerosa Group fully embraces the ethical values of its founders, who firmly believed that a business should generate value over time for its shareholders, employees, business and financial partners and the community at large. These values have been passed down through the generations, but now they have also been translated into environmental, social and governance (ESG) topics, and formalised and integrated into corporate strategy and company management.

For the past five years, we have voluntarily published an annual Sustainability Report. Our 2022 Sustainability Report has been drafted in accordance with the latest version of the Global Reporting Initiative’s (GRI) Sustainability Reporting Standards and has been independently assured.

VALUE CHAIN



SUSTAINABLE AND INNOVATIVE PACKAGING

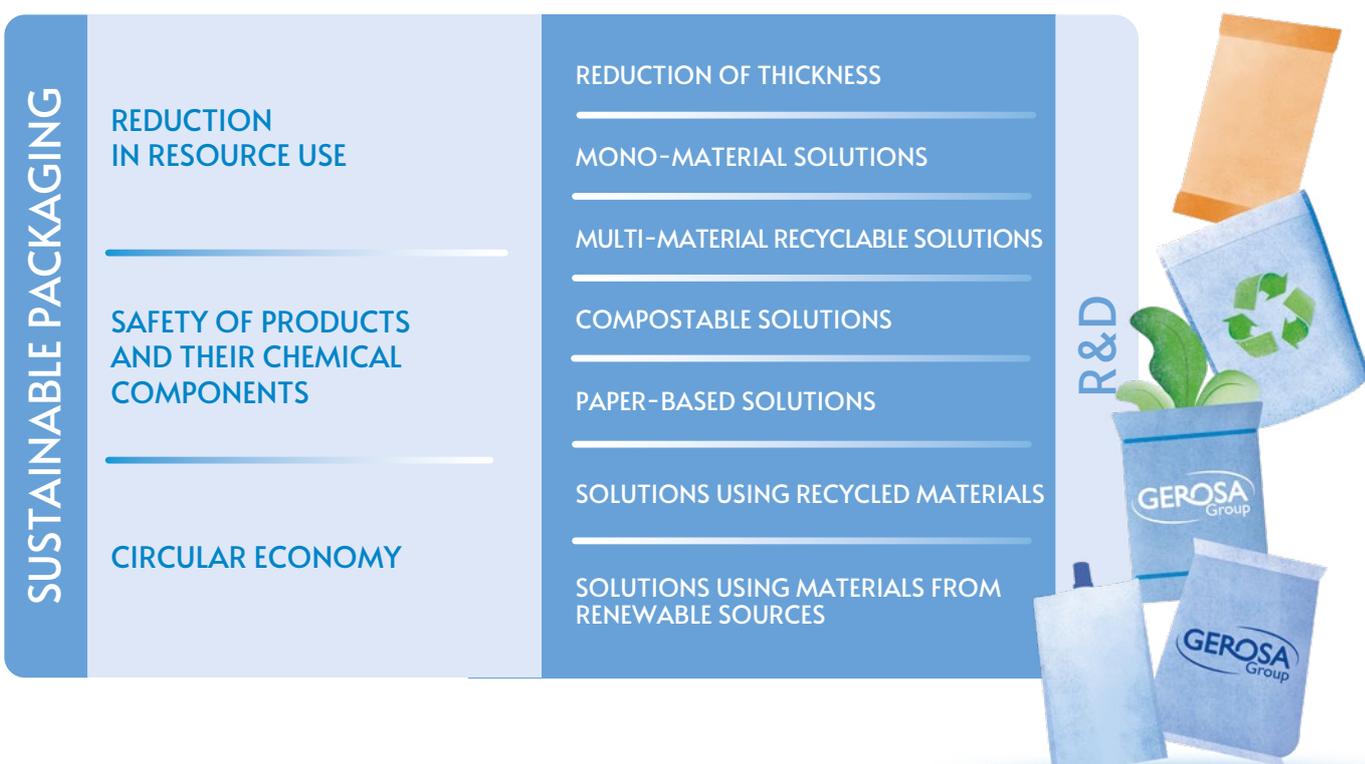
Packaging's future is packed with expectations and potential, not least because of the ever improving management of its environmental impact, which is why it fits perfectly with the European Green Deal and the circular economy in particular.

The entire industry has to deal with an environmental challenge, but it is particularly complex for food contact packaging, as this sector has to factor in the increasing constraints and sustainability requirements imposed by laws and regulations, such as the latest proposal for a European Union Regulation on Packaging and Packaging Waste (presented in late 2022), which amends Regulation (EU) 2019/1020 and Directive (EU) 2019/904 and repeals Directive 94/62/EC. At the same time, packaging that will come into contact with food must comply with strict regulations to protect human health, including Framework Regulation (EC) 1935/2004, which sets out EU-wide general requirements to be met by all food contact materials and articles which are intended to come into contact with food. Importantly food packaging has multiple, complex characteristics that protect and preserve the packaged food over time, thus genuinely helping to combat food waste. The latest data published by the FAO indicates that such waste amounts to 931 million tonnes of food wasted in

the final stages of the supply chain, from retail to household use and catering, an amount which, on an annual basis, represents 17% of the food available to the world's population (UNEP Annual Report 2021).

We fully recognise the complexity and strategic importance of developing sustainable and innovative packaging, which is why we invest significant time and resources in the research and development of recyclable and compostable products in line with the concept of a circular economy. We have identified numerous areas of sustainable packaging development, mainly based on the production of solutions optimised to increasingly reduce weight, solutions designed for recycling, certified compostable laminates, packaging containing recycled plastic, and paper and paper-based packaging.

We have undertaken multiple projects in these areas, some of which have resulted in products that are now in our portfolio and loved by our customers. Other such products are still in the experimental phase, having been started during the year in line with the latest regulations and developments in technology and materials.





At the 2022 Oscars of Printing (Printing Awards), the Gerosa Group took home the “Best Converter” award for its technical expertise, culture of quality, innovative processes and sustainable solutions, which are its key characteristics and have made Gerosa a benchmark in the packaging market for more than 87 years.



In November 2022, the Gerosa Group, together with project partner Taghleef Industrie, won the Sustainability Awards 2022, organised by Packaging Europe, in the recyclable materials category for pre-commercialised innovations. The proposed packaging solution seeks to replace PET/Al/PE or PET/Met-PET/PE multi-material structures and offers significant benefits in terms of recyclability and unit weight reduction, without compromising on product protection.



In 2021, we developed recyclable packaging called “Ge0 Pack”, a solution that blends recyclability and total biodegradability with zero waste and a 15% reduction in GHG emissions compared to standard packaging for the same use. Ge0 Pack was one of the finalists at the Oscars of Printing 2021, receiving a mention for quality, reduction of raw material consumption, zero waste, overall environmental impact and market trends in terms of end users, product safety, product preservation and traceability.



In 2020, we won the “Best Packaging Award” at the Packaging Oscar, sponsored by The Italian Institute of Packaging – which has been awarding the most innovative packaging on the market for years – with G4R, an innovative pouch solution for grated cheese. Equipped with an invisible code that can be scanned with a mobile device to deliver multimedia content, G4R uses Cronogard® technology, which has a protective and anti-bacterial function that extends shelf life and prevents food waste in delicate products such as those in the dairy industry. The packaging maintains the freshness of the product, partly because of its zip closure mechanism.

The challenges are truly industry-wide, across the supply chain, so we promote and embrace the concept of “open innovation” by creating and participating in development teams that from time to time include the various players in the supply chain, including start-ups, universities, research centres, associations, customers, suppliers and technology manufacturers.

In this respect, for 2022 we must also highlight our active participation in the scientific direction of Giflex (the national flexible packaging association) and Ceflex (www.ceflex.eu), the association that promotes the sustainability of the flexible packaging industry across Europe. The objectives of this association include the study and development of the packaging economy and proper end-of-life management of packaging, and the dissemination of knowledge about the positive values of flexible packaging through the dissemination of verified scientific knowledge.

We are also a member of Flexible Packaging Europe, the industry association with which we share the vision of a sustainable European flexible packaging industry and work together to reduce our environmental footprint and create a new packaging culture across Europe and the globe.

We are proud to have joined, in 2021, the Fondazione Carta Etica del Packaging (Ethical Packaging Charter Foundation) project, an offshoot of The Italian Institute of Packaging, which promotes the ethical principles of sustainability for our industry through voluntary contributions to research and training for industry professionals, thus becoming one of the first ambassadors of the Fondazione Carta Etica del Packaging.

We strongly believe in the importance of active dialogue on food safety with all stakeholders in the industry, especially those in the supply chain, and in the need to promote the dissemination of proven technical and scientific knowledge on the subject. It is with this conviction that, in 2022, we have again taken advantage of the opportunities offered by international and national industry associations such as Giflex, The Italian Institute of Packaging, Ceflex and Flexible Packaging Europe. All such initiatives fit firmly under the banner of SDG 17 “Partnership for the Goals”.

FLEXIBLE PACKAGING

ACCOUNTS FOR

50%

OF PACKAGING IN EUROPEAN SUPERMARKETS



THE BENEFITS OF FLEXIBLE PACKAGING



LESS RAW MATERIALS COMPARED
TO OTHER PACKAGING TYPES



LOWER TRANSPORT GHG EMISSIONS
DUE TO REDUCED WEIGHT AND BULK

AIMING FOR ZERO WASTE



SUSTAINABLE PACKAGING THROUGH

INVESTMENT IN RESEARCH AND DEVELOPMENT

5.3 MILLION
REPRESENTING 2.1%
OF TOTAL SALES

OPEN INNOVATION



• START-UPS • RESEARCH CENTRES • UNIVERSITIES



• ORGANISATIONS



• CUSTOMERS



• SUPPLIER ASSOCIATIONS

COLLABORATIONS

GROUP

TECHNICAL EXCHANGE MEETING, QUALITY FOOD SAFETY AND SUSTAINABILITY MEETING, PRODUCT INNOVATION AND SUSTAINABILITY THINK TANK

ASSOCIATIONS

GIFLEX, CEFLEX, THE ITALIAN INSTITUTE OF PACKAGING, FLEXIBLE PACKAGING EUROPE

OUTREACH PROJECTS

AMBASSADORS FOR ETHICAL PACKAGING CHARTER FOUNDATION, AND PROJECTS WITH SCHOOLS AND LOCAL COMMUNITIES

It is important to provide very high value-added services to stakeholders throughout the food supply chain, particularly in the areas of food safety and transparency, especially for those customers that operate globally and therefore require robust food safety assurances to comply with different regulations in different countries. In response, we have established a Group Global Food Safety function which, under the direct supervision of the parent company's senior management, co-ordinates quality and food safety in the individual Group companies. These units operate according to a common set of policies and issue compliance statements to a common standard.

We monitor product quality and food safety through the application of strict Good Manufacturing Practices (GMPs), achieving excellent results. In 2022, as in previous years, there were no food safety incidents reported to the European Rapid Alert System for Feed and Food (RASFF) portal. This is the EU's rapid alert system and its members include the European Commission, EU Member States and the European Food Safety Authority (EFSA). It monitors and notifies in real time direct and indirect risks to human and animal health and the environment from food, feed and food contact materials. Once again in 2022, the company's organisational model proved capable of ensuring that the annual number of non-conformity incidents with potential food safety implications, calculated as a percentage of the Group's number of deliveries, was less than 0.1%.

Innovation, product quality and safety, and food safety are key factors for success in our industry and have also been identified as core sustainability issues in the new materiality analysis, described on page 15, due to their current positive impact on consumer safety. By having our finger on the pulse of these issues we can maintain our pre-eminent position in the marketplace and we can keep meeting complex needs in an ever-changing world.

As the technologies, materials and regulations involved are developing rapidly, we invest heavily in researching and developing innovative solutions that can be transferred to industrial manufacturing.

In 2022, in order to effectively implement food safety and spread a culture of quality across the organisation, the customary annual Quality, Food Safety and Sustainability Meeting,

now in its 17th year, was held to share across the Group how things currently stand and the technical and regulatory developments in food safety and sustainability.

Finally, but no less importantly, we are also part of the food safety debate for new and emerging products, materials and processes, including recycled and compostable ones. This applies in particular to what is covered by the EU Chemicals Strategy for Sustainability, as detailed in the European Commission's Communication COM/2020/667 of October 2020. We are already pro-actively characterising all new food contact products and the new chemicals used in their manufacture so that we can quickly update our food safety protocols to reflect the latest approaches and any new findings on potentially harmful substances.

INNOVATIVE PROCESSES

Our organisation is also strongly focused on R&D and innovation in technologies and processes. For more than 40 years, photoengraving – both electro-mechanical and laser – has been integrated into our processes. Using this experience, in 2021 we developed and industrialised in Italy an innovative laser technology capable of meeting extremely complex graphic requirements. We are very proud of this extremely challenging project, especially as it is having genuinely positive impacts, including reducing emissions per engraved cylinder by more than 50% (compared to previous technology) and reducing the use of chemicals in both the photoengraving and printing processes, with the exact amount of savings depending on what is being engraved. Such is the innovative scope and positive environmental impact of this project that both the Ministry of Economic Development and the Lombardy Regional Government have praised it and even contributed financially to its realisation.

Over the past decade, new technologies have become crucial to economic development. On the one hand, they are a thriving market in their own right, and on the other, they are capable of significantly improving the efficiency – including the environmental efficiency – of more traditional industries. We believe that the introduction of Industry 4.0 elements plays a key role in process innovation, including in our industry, with positive economic, environmental and social impacts. In particular, the processing of large amounts of data coupled with advanced interface tools between operators and control instruments can improve manufacturing efficiency and product quality.

Automating scheduled tasks improves work ergonomics and limits human involvement in activities that are time-consuming, repetitive and do not require specific skills.

In 2019, Rieusset S.A. launched a project to determine how the company was placed in relation to Industry 4.0. In the initial diagnostic phase, the following were analysed: machinery, information systems and the general level of digitalisation. Rieusset S.A.'s performance was above average but, in a paradigm of continuous improvement, a three-year improvement plan was drawn up, which was suspended due to the pandemic and then relaunched in 2022, aiming to complete its roll out in the following two years.



The Internet of Things is also enabling technologically advanced products in our industry.

Smart or interactive packaging is an increasingly common term used to describe packaging solutions that use materials, surface treatments, packaging or printing techniques that can provide additional functions beyond the traditional ones of generic product containment and protection. For example, by using special printing technologies to add unique codes to packaging that are imperceptible to the human eye, it becomes possible to connect packaging to mobile devices or scanners in supermarkets.

In general, investments in the digital transition are decided independently by each Group company in accordance with Group policies and approved by their Boards of Directors on the basis of the Group's common values and objectives, which take into account the goals of improving economic performance, work ergonomics and increasing the professional skills of employees through specific training.

In 2022, investments were also made in advanced technologies to connect business systems.

In this field, the Gerosa Group, in partnership with BeeGraphic, has developed smart packaging: a coffee pack with an invisible code printed on its surface that can be easily scanned with any mobile device using a free app (StealthCode®). In 2019, this product won us the SMART Label award, an initiative promoted by HOSTMilano and POLI.design for products with distinctive innovative digital content.



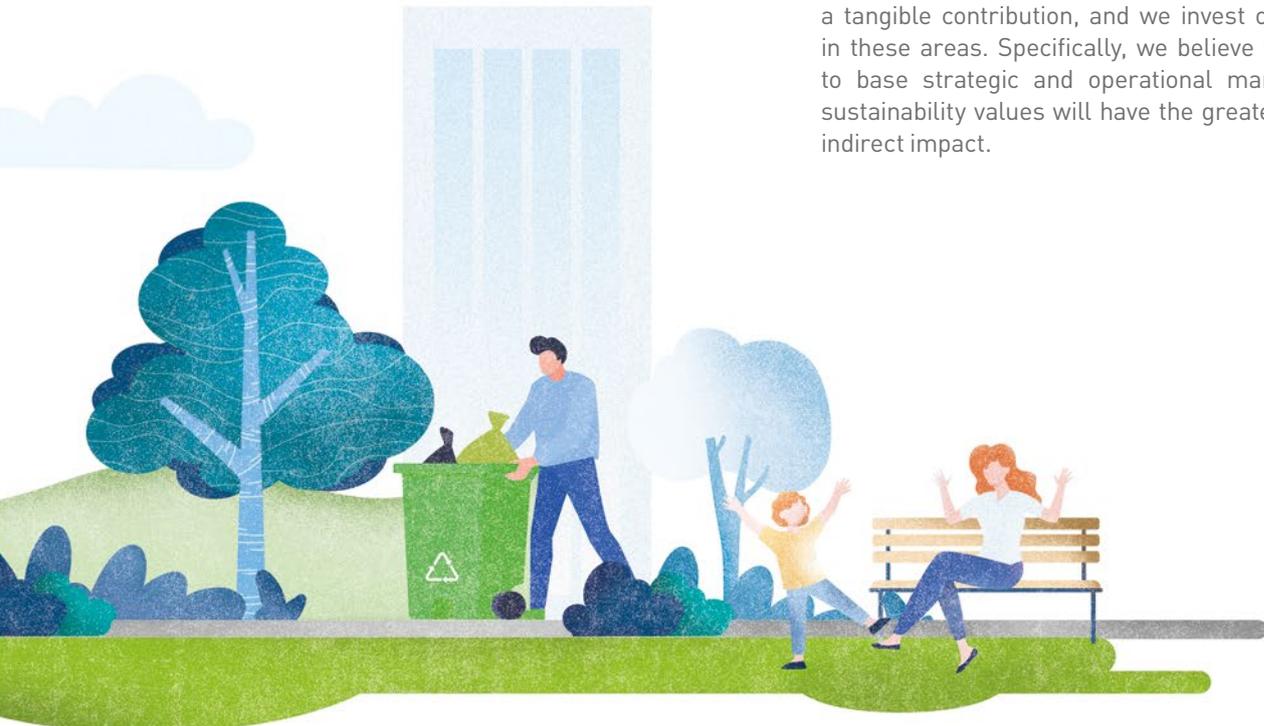
OUR CONTRIBUTION TO THE SDGs

On 25 September 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, a plan of action to advance global development, promote human well-being and protect the environment.

Agenda 2030 is detailed in 17 goals (Sustainable Development Goals - SDGs), which the governments of the 193 member countries of the United Nations have committed to achieving by 2030. The Agenda is primarily aimed at governments and institutions, given their capacity for large-scale action, but it does aim to engage all components of society. At the Gerosa Group, we feel strongly about making our own contribution to achieving these common goals, so we are taking actions that can contribute to achieving them.



To be more effective, we have identified goals where we believe we have the expertise and scale to make a tangible contribution, and we invest our resources in these areas. Specifically, we believe that choosing to base strategic and operational management on sustainability values will have the greatest direct and indirect impact.





QUALITY EDUCATION:
ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

We support schools in general, with a particular focus on vocational education:

- ongoing and project-based collaboration with local vocational schools;
- work experience opportunities and apprenticeships;
- continuing education for employees;
- scholarships and bursaries for local schools and educational institutions.



DECENT WORK AND ECONOMIC GROWTH:
promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We are committed to development that is economically, socially and environmentally sustainable:

- adopting ILO–International Labour Organization principles;
- adopting a Code of Ethics;
- establishing a reporting channel for ethical breaches;
- equal opportunity and inclusion projects;
- continuing education programmes;
- social mobility projects;
- training projects for people at risk of social exclusion;
- healthy lifestyle projects for employees, counselling and examinations by the company doctor where available.



INDUSTRY, INNOVATION AND INFRASTRUCTURE:
build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

Social impact through continuous investment in R&D, technology, inclusion, training and, more generally, sustainability for the business:

- ongoing investment in product R&D;
- ongoing investment in production technologies;
- investment in digital transition.



RESPONSIBLE CONSUMPTION AND PRODUCTION:
ensure sustainable consumption and production patterns

We design and manufacture safe packaging that protects food from contamination and spoilage, even as it is distributed around the world through increasingly complex supply chains. This is important in areas where health risks are already elevated and helps reduce food waste.

This includes:

- a dedicated food safety unit that monitors global developments in contamination regulations and the latest research on contaminants and their effects;
- research and development projects to find packaging that is increasingly effective in protecting against external contaminants and preserving the nutritional properties, aroma and taste of food over time;
- making cylinders in-house to ensure top quality printing, especially for nutritional and allergen information, ensuring it is legible even when the smallest, most complex fonts are used;
- promoting health and well-being through voluntary

health promotion and healthy lifestyles for employees, with the support of the company doctor where available.

We develop and produce packaging that truly fits the circular economy concept, promoting reduction, reuse and recycling:

- R&D projects for recyclable products;
- R&D projects for compostable products;
- R&D projects for products using recycled raw materials;
- R&D projects with reduced use of raw materials.

We manage chemical compounds carefully:

- in-house unit focused on preventing harmful emissions and chemical spills;
- projects to redesign internal processes to reduce the use of hazardous substances.

We manage waste carefully:

- internal projects to redesign processes to reduce consumption and reuse waste;
- joint projects to promote knowledge of proper post-consumer waste management.

We actively disseminate a culture of sustainability:

- we published our first Sustainability Report in 2018;
- our Sustainability Committee meets regularly to assess operational and strategic projects, using a competence-based approach to maximise the positive impacts and minimise the negative impacts of our business;
- we participate in local projects to promote, share and disseminate sustainability topics.



CLIMATE ACTION:
take urgent action to combat climate change and its impacts

We work to improve the energy efficiency of our processes:

- CHP, including CCHP;
- production and purchase of energy from renewable sources;
- product innovation, research and development.

We work to reduce the carbon footprint of our products:

- LCA studies;
- product innovation, research and development.



PARTNERSHIP FOR THE GOALS:
strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

We encourage and participate in projects with customers, suppliers, universities, research centres, start-ups, schools, associations and local communities, each of which brings their own expertise to help us achieve our sustainability goals faster:

- open research and development system;
- participation in industry projects;
- participation in area projects;
- participation in outreach projects.

SUSTAINABILITY RATINGS AND CERTIFICATIONS

The table below shows the certifications obtained by Group companies. In addition to the well-known management systems common to many industries, such as ISO 9001 quality certification, ISO 14001 environmental certification and ISO 45001 health and safety certification, the Gerosa Group has for years been expanding its commitment to other voluntary certifications, especially those related to management systems and chains of custody and products relevant to the industry in which it operates.

Food safety is clearly an issue of great importance, the operational effectiveness of which has been enhanced by the voluntary compliance of all Group companies since 2007 with the international BRC Global Standard, recognised by GFSI-Global Food Safety Initiative, a non-profit association set up by the Consumer Good Forum. Each plant currently has measures in place to comply with BRCGS Packaging Materials Issue 6 certification. In Italy, we were also one of the first companies in our industry to obtain ISO 22000 certification, which all our companies, with the exception of Flexocit s.r.l., have since obtained. Flexocit s.r.l.'s choice was dictated by the substantial overlap of the two management systems and the prevalence that BRCGS certification is gaining over ISO 22000 certification. In the coming years, other Group companies will adopt this approach, avoiding duplication and prioritising BRCGS certification.

Product sustainability is also becoming an increasingly important factor in consumer choice, driving demand for low-carbon and recycled or recyclable materials. However, for consumers to have reliable information about the sustainability of products, information needs to be traceable across the supply chain. To achieve this goal, the Inverigo

plant, in 2022, and the Cellografica Gerosa S.A. and Rieusset S.A. plants, in 2023, obtained voluntary ISCC+ (International Sustainability and Carbon Certification) certification, which guarantees traceability from raw material sourcing to product sales for bio-circulating materials (bio-based plastics from non-fossil sources) and circular materials (recyclable post-consumer, waste, nonbiological, fossil-based raw materials). At the time of writing this Sustainability Report, Artema-Plast s.r.l. had had the third party audit from the external certification body and we are awaiting the official issuance of the ISCC+ certificate, while for Flexocit s.r.l. this certification should be obtained towards the end of 2023.

In 2022, Cellografica Gerosa S.p.A., like Cellografica Gerosa S.A. and Rieusset S.A. in previous years, voluntarily obtained FSC certification, which ensures the traceability of materials from FSC-certified forests or, in the case of recycled materials, from the point of collection.

Cellografica Gerosa S.p.A. has obtained DIN compostable product certification, which means products with compostable characteristics can be traced and identified with a unique mark. Certification is issued in accordance with current international standards: DIN EN 13432:2000-12, ISO 17088:2012 and ASTM D 6400:2012-01.

Cellografica Gerosa S.p.A., Flexocit s.r.l. and Artema-Plast s.r.l. are also members of Sedex, a global non-profit organisation that aims to promote ethical principles along the supply chain and collects company information on sustainability, for which member companies can be audited by SMETA, the globally recognised social audit.

CERTIFICATIONS

					
UNI EN ISO 9001	✓	✓	✓		✓
UNI EN ISO 45001	✓	✓	✓	Planned 2023	
UNI EN ISO 14001	✓	✓	✓		✓
UNI EN ISO 22000	Not renewed (replaced with BRCGS)	✓	✓	Not renewed (replaced with BRCGS)	Not renewed (replaced with BRCGS)
BRCGS	✓	✓	✓	✓	✓
ISCC+	✓	Planned 2023	Planned 2023		Planned 2023
FSC	✓	✓	✓		Planned 2023
DPG ¹	N/A	N/A	✓	N/A	N/A
DIN COMPOSTABILE	✓			Re-planned 2023 ²	
SEDEX	✓			✓	✓

Ecovadis is one of the leading international sustainability rating platforms. The latest ratings are very positive in that they are in the highest percentiles, with scores up on previous years. In particular, at the time of writing this Sustainability Report, Cellografica Gerosa S.A., Rieusset S.A. and Cellografica Gerosa S.p.A. had been awarded gold medals by Ecovadis.

RATING

					
ECOVADIS	✓	✓	✓	Planned 2023	Planned 2023

		
CSR Rating Ecovadis obtained by Cellografica Gerosa S.p.A. for the Gerosa Group	CSR Rating Ecovadis obtained by Cellografica Gerosa S.A.	CSR Rating Ecovadis obtained by Rieusset S.A.

¹ Certificate of compliance with DPG Deutsche Pfandsystem GmbH, the packaging collection and recovery system in Germany (the "disposable deposit system").

² Unfortunately, Flexocit s.r.l. was unable to obtain DIN compostable certification in 2022 due to technical issues. However, the target remains and has been rescheduled for 2023.

MATERIALITY ANALYSIS

In 2022, we updated our materiality analysis following the recommended approach in the new GRI 3: Material Topics 2021, which is mandatory for GRI sustainability reporting documents published after 1 January 2023.

The process, which was completed in early 2023 and involved the entire Group, includes several analyses that together determine the Group's impact across the entire value chain. In order to identify current and potential negative and positive impacts on the economy, the environment and people, including human rights, that the Group generates as part of its business activities and relationships, a SWOT analysis was conducted, a strategic tool that proved very useful in highlighting the characteristics of our Group and then placing them in the sustainability context in which we operate. As part of our sustainability analysis, we have also conducted a Life Cycle Assessment (LCA) to provide a complete snapshot of all the environmental impacts of each stage of the manufacturing process for our products, from raw material supply to product disposal. This analysis led to us increasing the number of issues we report on, providing an ever more comprehensive picture of our environmental impacts.

These two analyses were complemented by a stakeholder analysis, that examined all those whose interests are or may be affected by our activities. This meant factoring in stakeholders with whom we have a direct relationship, such as employees, those with whom we do not have a direct relationship, such as consumers, and those who are unable to express their views, such as future generations. For each stakeholder category we identified expectations using a qualitative methodology, which also meant we could subsequently identify the key ones. Stakeholder analysis and engagement helps identify the Group's actual and potential impacts and makes it possible to build mutually beneficial relationships.

In the approach outlined in the GRI Standards, it is critical to recognise that an organisation may be linked to negative impacts even if it does not directly cause them through its own activities. Such links may arise from the organisation's business relationships along the value chain, which may involve connections to activities, products or services that cause such impacts.

SWOT ANALYSIS

	POSITIVE IMPACTS	NEGATIVE IMPACTS
CURRENT IMPACTS	STRENGTHS	WEAKNESSES
POTENTIAL IMPACTS	OPPORTUNITIES	THREATS

Drawing on the awareness of such an approach, and recognising that a company can make a contribution to sustainable development not only by monitoring and reducing its negative impacts, but also by building relationships of trust with all those with whom it does business, we have conducted an analysis of the sectors in which our customers and suppliers operate. Our analysis of these impacts, measured in terms of kilogrammes of product purchased or sold, revealed where we had a significant indirect impact.

Respect for human rights is a principle that underpins the entire system of the new GRI Standards and has been considered in each of our assessments in the new materiality analysis. This was followed by examining the impact of the Group's activities and those of our customers' and suppliers' principal businesses on these rights.

Once all impacts had been identified, we used a quantitative methodology to assess their significance, taking into account two factors:

- Severity or benefit, depending on whether the impact was positive or negative, assessed/considered in terms of its magnitude, its extent, and the possibility of implementing remediation measures for negative impacts.
- Probability of occurrence of potential impacts, both positive or negative.

We then set numerical thresholds, and all impacts identified as high were classed as significant.

This analysis confirmed many of the issues that have been highlighted as strategic to our business in the past, but also identified new areas that had not previously been reported. The end result of all these analyses is to list the material topics shown here, with these validated by the Group Sustainability Committee, the General Managers of Group companies and the Board of the parent company.

MATERIAL TOPICS



02

ECONOMIC PERFORMANCE

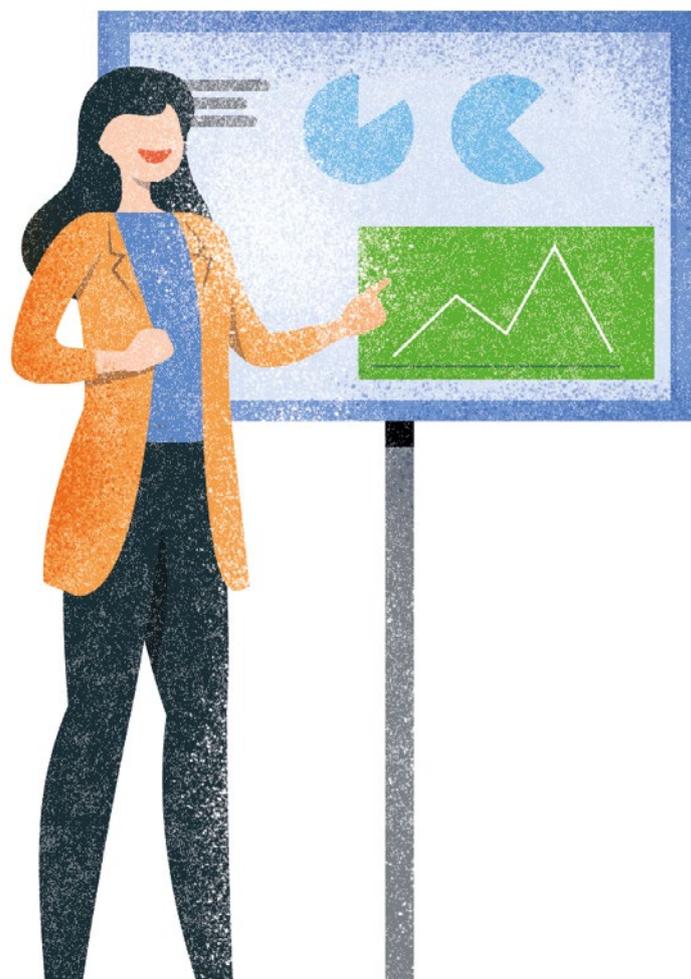
We firmly believe that the key first step in demonstrating our corporate responsibility is to show we are an economically viable, healthy company. This is essential if we are to pay our employees, suppliers and shareholders fairly and, through our taxes, contribute to the management and delivery of public services and assets that improve the general well-being of society.

The table on page 18 shows the Economic Value Generated, Distributed and Retained during the year and the previous two years. The breakdown of Economic Value Distributed is shown below. The values expressed here are based on the reclassification of items in the consolidated income statement of Cellografica Gerosa S.p.A. and represent, respectively: value of production and financial income; remuneration paid to employees, suppliers, financial institutions, shareholders and amounts paid to tax authorities and contributed to local communities; the share of the year's result that shareholders reinvested in the Group.

In the year in question, the Gerosa Group's Economic Value Generated was €258.3 million, an amount that represents a 20% increase on 2021, allowing €254.9 million to be distributed to its stakeholders.

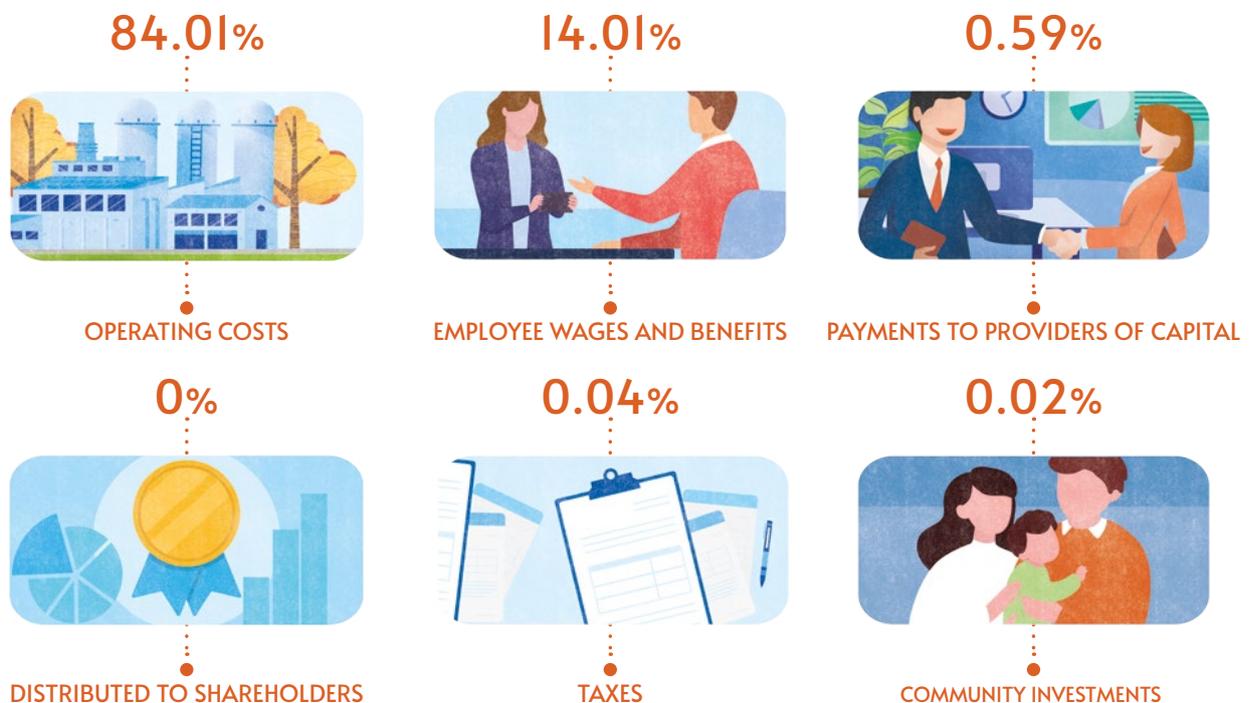
Growth in 2022 was characterised by high inflation, which had an impact on Economic Value Generated and Distributed (EVG&D), as well as on the breakdown of Economic Value Distributed on the different cost items. In particular, the increase in the cost of raw materials, especially energy commodities, led to a disproportionate increase in operating costs, which remunerate suppliers and employees, compared to other cost items.

It is also important to note that the tax charge was impacted by a large volume of deferred tax assets, which reduced this value. Finally, it should be noted that the shareholders decided to reinvest the entire FY 2022 profit in the Group's companies, waiving the payment of a dividend, thus maintaining a Retained Economic Value in line with previous years.



DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED¹

	2022	2021	2020
ECONOMIC VALUE GENERATED	258,317,256	215,500.784	194,927,065
OPERATING COSTS	217,009,098	173,279,074	151,987,314
EMPLOYEE WAGES AND BENEFITS	36,183,894	34,696,588	34,268,990
PAYMENTS TO PROVIDERS OF CAPITAL	1,531,977	1,203,260	1,194,130
DISTRIBUTED TO SHAREHOLDERS	0	1,467,000 ²	2,166,800
TAXES	115,099	1,331,867	1,873,947
COMMUNITY INVESTMENTS	64,499	96,201	89,230
ECONOMIC VALUE RETAINED	3,412,688	3,426,794	3,355,653



LOCAL COMMUNITIES AND SOCIAL PROJECTS

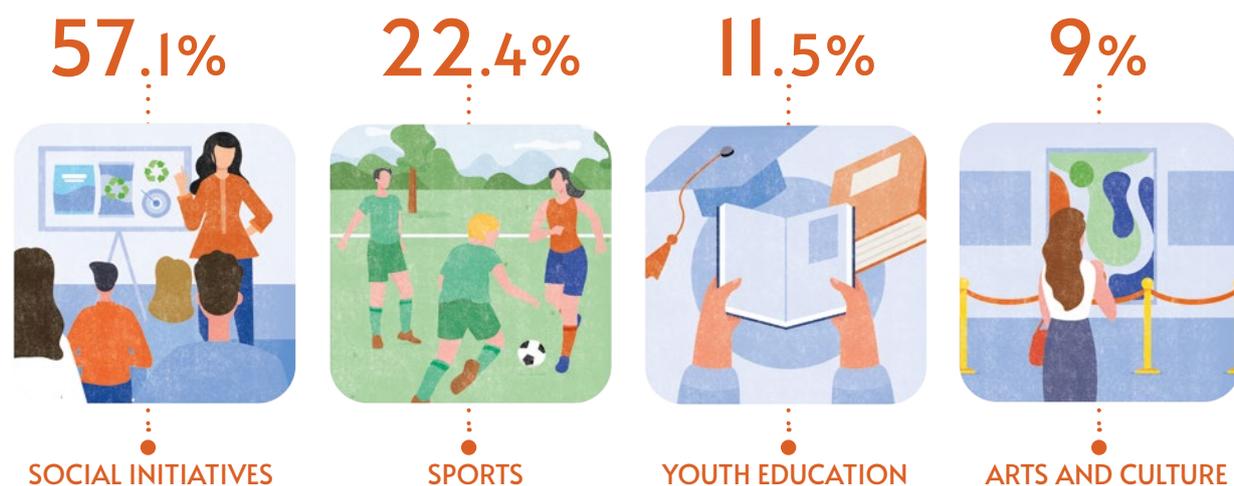
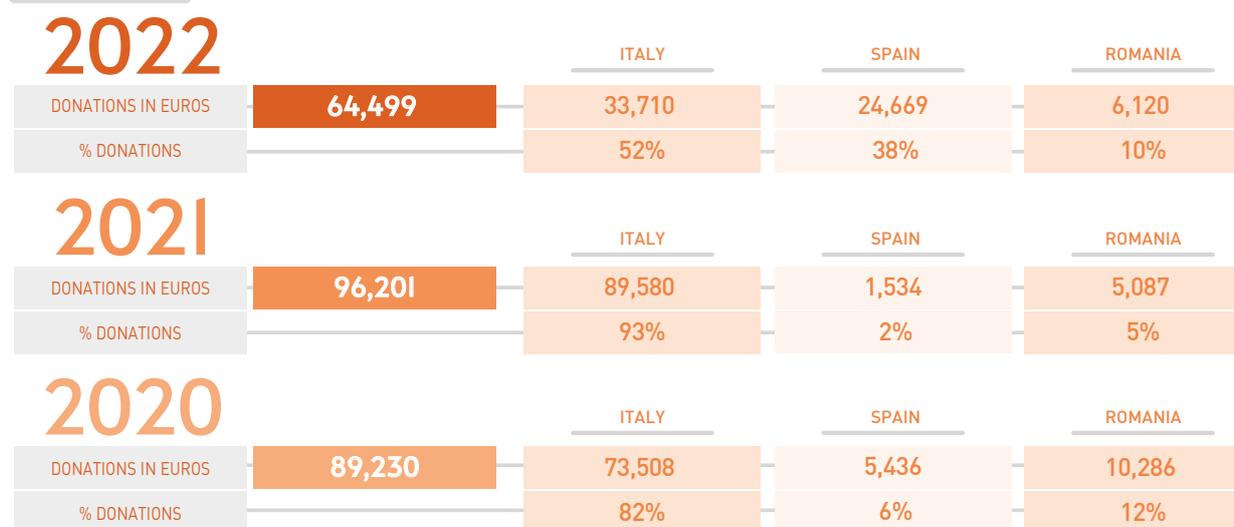
Relations with the local community are managed directly by the Managing Director or General Manager of the Group company concerned, and the allocation of resources is determined according to criteria set out in internal policies when the annual budget is drawn up, with priority given to recurring support for specific institutions to ensure the continuity needed for

projects that have a real impact. All Group companies are based in Europe and there is no evidence of particularly disadvantaged local communities. However, the Group is mindful of the social and economic context in which it exists and of which it sees itself as an active part, called upon to contribute to the common good.

¹These figures include the two trading firms, which are not included in the other data used in this Report (see also the Methodological Note on p. 45).

²The shareholders of Cellografica Gerosa S.p.A. resolved to distribute the profit made in 2021 by the parent company after the drafting of the 2021 Sustainability Report.

DONATIONS



In 2022, we supported associations and charities that care for the sick with donations totalling approximately €64,500, with a particular impact on the Don Carlo Gnocchi Association, with which the Group has been associated since the days of its founders, Luigi and Giuseppe Gerosa. We have also earmarked around €7,400 for educational projects, including bursaries for high school education, particularly in graphic arts and design. The remainder was allocated to local amateur associations and cultural promotion, in particular to FAI (the Italian Environmental Fund), to which we have been Golden Donors for many years, a choice motivated by our desire to preserve the landscape and artistic heritage for present and future generations.

Our commitment to the training of young people is reflected not only in financial contributions but also, and above all, in the time we devote to pupils in their final years of high school and to new school leavers, particularly from vocational schools, but also from technical institutes, high schools and universities. We work with such institutes to offer in-school training courses, curricular placements (e.g. those at Cellografica Gerosa S.p.A.) and other training experiences such as those that are part of Italian PCTO programmes. We also have a two-year project launched by Artema-Plast s.r.l. for students at technical schools that allows them to spend two weeks a year at the company, after which they can

Several projects have been launched to promote the inclusion of people with difficulties in accessing the labour market: Rieusset S.A. offered training work experiences to improve the curriculum skills of socially and educationally disadvantaged women seeking employment, and Cellografica Gerosa S.A., in collaboration with the Entrem Foundation, a local organisation that provides employment for people with intellectual disabilities, has hired such people for its gardening requirements. The parent company has established relationships with co-operatives that employ disabled people, with the aim of entering into agreements for the indirect employment of personnel.



apply for a job in the company and, if their interview is successful, with the right skills and aspirations, receive employment. During the year, such projects added up to about 2,500 hours. Recognising the importance of giving students the chance to really experience the world of work, a number of educational activities and experiences have been planned for the 2023/24 school year.

Our connection with the community takes the form of active participation in local trade associations, offering time and experience to support projects for smaller businesses growing in an ever-changing environment, thus contributing to local development. In particular, in 2022, Cellografica Gerosa S.p.A., as part of the RE-FILL project promoted by the Chamber of Commerce and Confindustria Como, in collaboration with Sant'Anna University of Pisa and other local companies in its supply chain, developed a tool for the preliminary analysis of the comparative impact

of different packaging—a tool intended for members of the promoting associations. Similarly, it has backed projects to promote sustainability management and reporting in small and medium-sized companies¹ through testimonials in both training and dissemination programmes.

We also believe that focusing on local communities means carefully managing the externalities that have the greatest impact. In this regard, we have identified noise and visual impacts, particularly for businesses located close to urban areas. These aspects are carefully managed by safety and new facility managers in a process that includes pre-assessing noise emissions and planning soundproofing measures where necessary. We also look for the best aesthetic solutions, taking advice from professional architects where necessary.

¹ Definition according to European Commission Recommendation 2003/361.

GOVERNANCE MODEL

The Group clearly recognises that the robust and efficient organisation of business decision-making processes and prudent risk management are fundamental to the good governance of business activities and their sustainability over time. The Gerosa Group consists of seven companies, of which five are manufacturing companies and two are trading companies. The parent company is Cellografica Gerosa S.p.A., based in Italy, which controls all the other companies.



The Board of Directors of Cellografica Gerosa S.p.A. defines the Group's strategic guidelines and organisation and is appointed by the Shareholders' Meeting according to shared criteria, which have not yet been formalised, based on competence and professionalism and the presence of at least one independent external director.¹ The remuneration of Directors, including any benefits and variable components, is determined by the Shareholders' Meeting according to criteria of congruence with the responsibilities of the role and the powers delegated, and always in accordance with the principles of equal opportunity and non-discrimi-

nation as enshrined in the Code of Ethics and the company's policies, even in the absence of specific procedures regulating this aspect or other external influences. The highest paid person in the Group is the Chair of the Board of Directors; the ratio of his total annual remuneration to the median of the total annual remuneration of all employees, excluding the highest paid person who is the Chair of the parent company, is 9.08. In making this calculation, we use actual gross annual salaries including fringe benefits, but excluding meal vouchers. The Chair of the Board does not hold any executive positions within the company. The Board of Directors currently consists of nine members, two of whom are women (22% of the total) and one of whom is an independent director (11% of the total). Three Board members are aged between 30 and 50; the other six are over 50.

Each subsidiary is governed by its own Board of Directors, which manages the individual company, determines its organisation and organises its control systems on the basis of the principles and strategic guidelines adopted for the Group.

The parent company's Board of Directors recently saw fit to formalise the strategic direction by defining the company's Vision and Mission, with sustainability as a central theme, to be formally adopted in 2023.

The principles of conduct that guide the Group are set out in the Code of Ethics² issued and approved by the Board of Directors of the parent company, which has defined them in full compliance with the Universal Declaration of Human Rights, the principles of the International Labour Organization (ILO), the principles of the Global Compact and the OECD Guidelines for Multinational Enterprises. During the year, the Code of Ethics was updated to better address environmental sustainability and supply chain responsibility, and the Supplier Code of Conduct was adopted. Both documents were approved and adopted by the Board of Directors of each of the Group's subsidiaries. All customers and suppliers are informed of the contents of the Code of Ethics and suppliers are asked to sign the Supplier Code of Conduct.

¹ According to Elite - Corporate Governance Framework.

² Posted on the Group's website at the following link https://www.gerosagroup.com/our_principles.php

For the most critical issues, the parent company's Board of Directors has adopted specific policies, many of which are referred to in the various chapters of the Sustainability Report, such as policies on human rights, occupational health and safety, equal opportunities and non-discrimination, and the environment. The policies were adopted in the Group, taking into account the specificities of each individual company. The adoption of uniform policies that take into account all the contextual elements of all Group companies will be completed in 2023 using a precautionary approach.

Policies are communicated to senior management and the directly involved business functions, which are required to implement them, potentially through the adoption of procedures and operating instructions. Communication to non-directly affected employees and third parties is planned for 2023, using information sessions and publication on the company website. The principles in the policies and their application are subject to review by the Supervisory Body and, solely for areas that are certified, subject to external audit. All policies are assessed as part of earning an Ecovadis Sustainability Rating.

Policies not covered in the Sustainability Report include, where relevant, those relating to anti-corruption and conflicts of interest, trade practices, taxation and data protection.

As stated in the Group's Code of Ethics, the Gerosa Group operates according to the principles of transparency, good faith and professional loyalty. It does not tolerate any form of bribery of public officials, customers, suppliers or any other party and it has drafted a specific Anti-Corruption Policy that covers conflicts of interest. Indeed, corruption often begins with a conflict of interest, which occurs when one abuses one's position for private gain— this is not only a crime, but also a distortion of the market and proper business relations. As such, all employees are required to disclose the existence or occurrence of a conflict of interest and to refrain from acting in a conflict of interest situation. Particular attention is paid to gifts, entertainment, gratuities, donations

and sponsorship as they represent higher risk elements that are governed by specific procedures and instructions. Group companies are required to keep accurate, complete and timely accounting records for the purpose of giving a true and fair view of the financial and equity position, operating results and cash flows of the business and to have their financial statements audited.

In truth, the Group has always adopted a tax approach based on compliance with the rules and their objectives, even in the absence of a body responsible for formally defining a tax strategy, with the support of external consultants of proven professionalism. The Group avoids the use of corporate processes or structures designed to prevent the tax authorities from knowing the beneficial owner of the activities performed and/or the owner of the goods or services. It does not engage in transactions, whether national or transnational, without valid business and economic reasons, or with the primary purpose of obtaining a tax advantage, or which are mere artifices to defeat the purposes of the relevant tax laws.

In terms of related party transactions¹, the Group has undertaken to respect and act in accordance with the arm's length principle in transfer pricing² set out in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations. Thus, the prices applied to the purchase and sale of goods and services within the Group are regulated on the basis of market prices, in accordance with free competition, and are documented and illustrated, along with information on the relations between companies, in the specific transfer pricing documentation.

These principles have recently been turned into rules by the company's Board of Directors in the Tax Policy, the signing of which is explicitly required of all parties, employees and consultants involved in tax management. In line with the Group's Code of Ethics and the Data Protection Policy, the Gerosa Group is aware of the importance of protecting privacy and respecting current regulations on the processing of personal data. As such, it has

¹ Related parties are those parties that have the ability to control another party, i.e., to exercise significant influence over the making of financial operating decisions by the reporting company.

² Principle recognised internationally and applied for tax purposes by multinational groups and tax administrations for transfer pricing purposes, according to which the price set in intercompany transactions must correspond to the price that would have been set between independent firms for identical (or similar/ analogous) transactions in the open market.

committed to processing personal data in accordance with the principles of lawfulness, transparency, specificity, necessity, limitation of storage, consent, the rights of data subjects, security and traceability. Each Group company has designated an internal function as the data processor.

The Group's manufacturing companies have an organisation, management and control model in place to manage the most critical issues. These models are designed to manage risk within a paradigm of preventing and sanctioning behaviour that contravenes laws and regulations and the principles enshrined in the Code of Ethics. As such, they are created in accordance with national regulations and guidelines (Legislative Decree 231/2001 for Italy and Fundamental Law 1/2015 for Spain) and take into account the specific nature of each company. The companies that have adopted such an organisational model also have a Supervisory Body that monitors the effectiveness of and compliance with the model and ensures that the model is updated as necessary. This Supervisory Body reports to the Board of Directors on a half-yearly basis on the supervisory activities carried out during the period and any evidence that has come to light. These companies also have a confidential reporting channel for any breaches or irregularities relating to the Organisation and Management Model and the principles enshrined in the Code of Ethics. This is better known as whistleblowing and it is governed by a specific policy. At the time of drafting this Sustainability Report, Artema-Plast s.r.l. does not have an Organisation and Management Model, but, although it is not required by Romanian legislation, it will soon have all the necessary elements, in accordance with the precautionary principle. In 2022, there were no reported incidents of corruption, human rights violations, non-discrimination, health and safety issues, environmental aspects or unfair business practices in any Group company.

GOVERNANCE OF SUSTAINABILITY

In 2018, our determination to define sustainability challenges led us to adopt a new structure focused on environmental, social and governance (ESG) issues. Called the Sustainability Committee, this organisational structure comprises around 40 people and is coordinated by the Group Sustainability Manager, who reports to the parent company's Board of Directors. The Sustainability Committee has a Head of Sustainability for each Group company, who reports to his or her Board of Directors, and the Sustainability Officers, who are responsible for the various sustainability topics.

The Board of Directors is responsible for defining the material topics and the sustainability strategy and for presenting the Sustainability Report. The Board's sustainability expertise is updated and developed through briefings from the Sustainability Committee and from the independent auditors when they provide their opinion on the Annual Report.

There is currently no formalised internal system for the Board to assess environmental, social and economic impacts. However the Board – as the body that has adopted the Code of Ethics and the Policies inspired by it, and as the body that has decided on a voluntary basis to commit to the publication of a Sustainability Report prepared in accordance with internationally recognised principles and certified by an independent third party – is strongly committed to rolling out measures aimed at maximising positive impacts and minimising negative impacts for all ESG topics. The elements on which the Group assesses its strategies and impacts annually and implements continuous improvement actions, both qualitative and quantitative, are the results of the materiality analysis process and stakeholder relations, the changes in international reporting standards for the Sustainability Report and the performance of the management indicators that feed into it.

We believe that the experience gained in recent years will help us to move towards a strategy that incorporates precise quantitative targets for all material topics for the entire Group.

The process used in drafting the Sustainability Report, and in particular the materiality analysis, has also enabled us to strengthen risk management by highlighting those risks that are sustainability related, have a medium to long time horizon for materialisation and have a real impact on the Group. The main sustainability risks identified are managed appropriately by the relevant business units, with further details provided in the specific sections of this Sustainability Report.



SUSTAINABILITY OFFICERS



SUSTAINABILITY COMMITTEES



- GROUP HEAD OF SUSTAINABILITY
- HEAD OF SUSTAINABILITY AT THE INDIVIDUAL COMPANIES
- GROUP SUSTAINABILITY OFFICERS
- SUSTAINABILITY OFFICERS AT THE INDIVIDUAL COMPANIES
- MEMBER OF THE GROUP SUSTAINABILITY COMMITTEE
- PRODUCT AND INNOVATION
- PRODUCT SAFETY
- ENVIRONMENT
- HEALTH AND SAFETY
- HUMAN RESOURCES
- LOCAL COMMUNITIES
- SUPPLIERS



03

SOCIAL PERFORMANCE

The inherent strength of the Gerosa Group lies in its people who, each with their own professionalism, work together and as a team, with a great sense of belonging and a family feel. As a Group, we are committed to building lasting relationships and providing stable employment, a safe and welcoming work environment where everyone can actively contribute to the Group's success, using and developing their professional skills. In line with the principles of our Code of Ethics and as set out in practice in specific policies, we also promote personal dignity and do not tolerate discrimination or any form of conditioning. We recognise that diversity is an asset and we use the principle of equal opportunity to safeguard it.

We are also committed to making a positive impact outside the company's walls, helping local communities and the people who live there. As such, our sourcing policy favours local suppliers and long-term relationships, and we support projects that benefit the surrounding communities in line with our values and business activities.

At the end of a product's life, it is the end consumer who makes the difference and so it is essential that they are involved for sustainable packaging to be completely fulfilled. The Group's commitment to raising awareness of the active role they have to play, choosing to reward virtuous situations and products, and increasing or improving separate waste collection are the areas that are earmarked for future projects.

HUMAN RIGHTS

Respect for human rights is fundamental across the Group, embodied in codes, policies, processes and actions that are verified and validated by independent third parties through the voluntary certifications that Group companies have chosen to achieve.

The FSC-certified companies in the Group are also assessed on the four principles of the ILO Fundamental Conventions. The latest ISCC+ certification, which has just been awarded to most Group companies, assesses not only the traceability of the sustainable management of natural resources, but also respect for human rights, the quality of working conditions and the adoption of ethical conduct towards all stakeholders.



At present, the threat of the human rights of employees being violated in the conduct of the Group's business is seen as low. This assessment takes into account all the elements mentioned in the Governance Model section on page 21, such as the adoption of a Code of Ethics and an Organisation and Management Model, the fact that the Group's companies are in countries where labour legislation guarantees the protection of international standards and the fact that no cases of human rights breaches have been found to date.

As this is a truly vital issue, the Gerosa Group has defined it as material and has made a concrete commitment to promote the value of its human resources. Consequently, the Group does not use child labour, forced labour or other forms of compulsory labour, promotes freedom of association and the right to collective bargaining, seeks to avoid discrimination of any kind by ensuring equal opportunities, provides working conditions that respect individual dignity and a safe and healthy working environment. And it requires all its suppliers to adhere to these principles. Additionally, it annually reports indicators that enable the ongoing monitoring of these aspects, as described in this chapter.

The drafting of a Supplier Code of Conduct, and the request that all our partners sign it, demonstrates our commitment to ensuring respect for human rights across the supply chain.

As part of the new materiality analysis, we also analysed the human rights impacts of the main business industries of our customers and suppliers, and assessed that the risk of human rights abuses is currently low for these staff as well.

EMPLOYEES AND CONTRACT STAFF

"Attracting, retaining and developing employees" remained a core element of the new materiality analysis. On this front, the Gerosa Group generates positive impacts through the creation of jobs and job management so as to promote employee well-being, continuous training and social actions.

As at 31 December 2022, 881 people worked for the Gerosa Group, an increase of 1.4% compared to 2021. Of these, 836 were salaried employees and 45 were temporary workers, representing 5% of the total and in line with the previous year. The latter, recruited through employment agencies, perform clerical work in Group companies or, more often, production roles. Permanent contracts make up almost all employment contracts, accounting for 95% of the total in 2022, down slightly from 97% in 2021. Agency and fixed-term contracts are used to meet temporary production needs and, should they persist, they are converted into open-ended contracts, usually within 12 months. In the Gerosa Group, there are no casual, zero hour or on-call workers without a guarantee of a minimum or fixed number of working hours. Given the nature of our business, part-time contracts are not common and are generally only viable for office workers. Part-time contracts accounted for 4% of the total in 2022, up from 3% in 2021, with the gender distribution remaining stable over the years at 42% women and 58% men in 2022.



There is no difference in treatment between employees on part-time or fixed-term contracts and full-time employees on permanent contracts.

All employees (100%) of Group companies are classified according to their national collective bargaining agreements. In addition, all Group companies, with the exception of Flexocit s.r.l. (5% of the Group's workforce), have supplemented the relevant national collective agreements with a Group collective agreement covering aspects

of the employment relationship such as holidays, production bonuses, training, social benefits and company welfare.

In 2022, 116 people were recruited and 105 people left. Romania accounted for 35% of the redundancies and 40% of the hirings because it has a very dynamic labour market, with extremely low unemployment and high demand for skilled workers. For the other companies, the figure is in line with industry norms.

EMPLOYEES BY CONTRACT TYPE

2022

		MEN	WOMEN	ITALY	SPAIN	ROMANIA
PERMANENT	798	639	159	327	294	177
FIXED-TERM	38	36	2	2	14	22
FULL-TIME CONTRACTS	805	657	148	321	289	195
PART-TIME CONTRACTS	31	18	13	8	19	4
TOTAL EMPLOYEES	836	675	161	329	308	199

2021

		MEN	WOMEN	ITALY	SPAIN	ROMANIA
PERMANENT	798	644	154	339	289	170
FIXED-TERM	27	24	3	0	7	20
FULL-TIME CONTRACTS	802	655	147	331	285	186
PART-TIME CONTRACTS	23	13	10	8	11	4
TOTAL EMPLOYEES	825	668	157	339	296	190

2020

		MEN	WOMEN	ITALY	SPAIN	ROMANIA
PERMANENT	824	670	154	346	282	196
FIXED-TERM	6	5	1	0	6	0
FULL-TIME CONTRACTS	811	665	146	338	281	192
PART-TIME CONTRACTS	19	10	9	8	7	4
TOTAL EMPLOYEES	830	675	155	346	288	196

NEW HIRES AND EMPLOYEE TURNOVER¹

2022

		MEN	WOMEN	<30 YEARS	30≤YEARS≤50	YEARS>50	ITALY	SPAIN	ROMANIA
ENTRIES	116	94	22	65	38	13	28	42	46
EXITS	105	87	18	43	47	15	38	30	37
NEW HIRES %	14%	14%	14%	40%	9%	6%	9%	14%	23%
TURNOVER %	13%	13%	11%	27%	11%	6%	12%	10%	19%

2021

		MEN	WOMEN	<30 YEARS	30≤YEARS≤50	YEARS>50	ITALY	SPAIN	ROMANIA
ENTRIES	84	70	14	45	29	10	17	31	36
EXITS	86	74	12	28	34	24	24	23	39
NEW HIRES %	10%	10%	9%	28%	7%	4%	5%	10%	19%
TURNOVER %	10%	11%	8%	17%	8%	10%	7%	8%	21%

2020

		MEN	WOMEN	<30 YEARS	30≤YEARS≤50	YEARS>50	ITALY	SPAIN	ROMANIA
ENTRIES	126	119	7	68	41	17	44	21	61
EXITS	73	68	5	20	27	26	18	11	44
NEW HIRES %	15%	18%	5%	43%	9%	8%	13%	7%	31%
TURNOVER %	9%	10%	3%	13%	6%	12%	5%	4%	22%

DIVERSITY AND EQUAL OPPORTUNITIES

The Group is committed to protecting and promoting equal opportunities in the broadest sense. It assesses and regulates access to employment, remuneration and career paths using objective criteria, including through specific instruments. It also pays particular attention to the removal of barriers that may hinder the integration and careers of certain categories of people.

In terms of gender diversity, the analyses conducted confirmed equal treatment. However, the gender distribution of employees shows that there are fewer women than men in the Group, which is in line with the average for manufacturing companies. As of 31 December 2022, women accounted for 19% of the workforce, a figure that is consistent with the last two years, but varies depending on the type

of processing performed at the various plants, especially where loads are handled, such as printing cylinders. The number of women is also linked to the type of employment contract, with a lower proportion among manual workers and a higher proportion among white-collar workers, including staff on technician-type contracts.

Over the last few years, we have been working to identify and dismantle hurdles that stand in the way of increasing the number of women in our companies. Following our initial analyses, we have started to offer corporate welfare packages to support work-life balance and have made changes to processes to make factory work more ergonomic, such as automated or facilitated load handling.

¹ Please note that due to an updated calculation methodology, the percentages of new hires and turnover rates by age group in 2021 differ from those published in the 2021 Sustainability Report.

We also pay special attention to people with disabilities, who must be able to achieve a fulfilling life through appropriate access to the working world. As such, we go beyond what is required by law to promote the inclusion of people from protected categories and look favourably on suppliers and vendors who share this commitment.

In order to monitor the proper application of the non-discrimination principles set out in our Code of Ethics, a confidential reporting channel has been established through which people can easily bring

such issues to the attention of the Supervisory Body. In 2022, as in previous years, there were no reported cases of gender or other discrimination.

In 2022, 71% of the total workforce was blue-collar, 25% white-collar and middle management, and 4% executives, broadly in line with 2021 (72% blue-collar, 25% white-collar and middle management, and 3% executives). In 2022, 100% of executives in all Group companies were recruited from the local community.¹

EMPLOYEES BY GENDER, AGE BANDS AND CATEGORIES

2022

		BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
MEN	81%	93%	47%	77%
WOMEN	19%	7%	53%	23%
<30 YEARS	19%	22%	14%	0%
30 ≤ YEARS ≤ 50	53%	52%	55%	43%
>50 YEARS	28%	26%	31%	57%

2021

		BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
MEN	81%	93%	49%	70%
WOMEN	19%	7%	51%	30%
<30 YEARS	20%	23%	14%	0%
30 ≤ YEARS ≤ 50	52%	51%	52%	52%
>50 YEARS	28%	26%	34%	48%

2020

		BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
MEN	81%	92%	49%	78%
WOMEN	19%	8%	51%	22%
<30 YEARS	19%	22%	11%	0%
30 ≤ YEARS ≤ 50	54%	54%	58%	39%
>50 YEARS	27%	24%	31%	61%

¹ The term "local" refers to executives recruited in the same region as which Group companies are based.



DEVELOPMENT OF EXPERTISE

Training and continuous development are fundamental elements in ensuring that the Group's companies are able to maintain, improve and constantly develop the technical skills of their employees—an aspect that is key to ensuring and maintaining the Group's drive for innovation. In such a perspective, training plans become strategic and as such are coordinated and managed, in conjunction with the head of function, by the human resources manager or director, who reports directly to the General Manager.

In 2022, 16,563 hours of training were provided, with an average of about 20 hours per capita, an

overall increase compared to previous years (+6% compared to 2021), partly due to the full resumption of in-person training activities, which were severely limited in the last two years due to COVID-19. In 2022, 30% of the total number of hours provided related to safety, with courses including both general training and specific training on the risks in our workplace. The remainder of the training covered specific technical courses and topics such as environmental and food safety management systems, sustainable sourcing, the Code of Ethics, the Organisation and Management Model and reporting channel (whistleblowing), regulatory updates and general training such as computer and language skills.

TRAINING

2022		MEN	WOMEN	BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
TRAINING HOURS	16,563	11,865	4,698	10,357	5,431	775
TRAINING HOURS PER CAPITA	20	18	29	17	26	26

2021		MEN	WOMEN	BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
TRAINING HOURS	15,645	10,874	4,771	10,961	3,817	867
TRAINING HOURS PER CAPITA	19	16	31	19	18	36

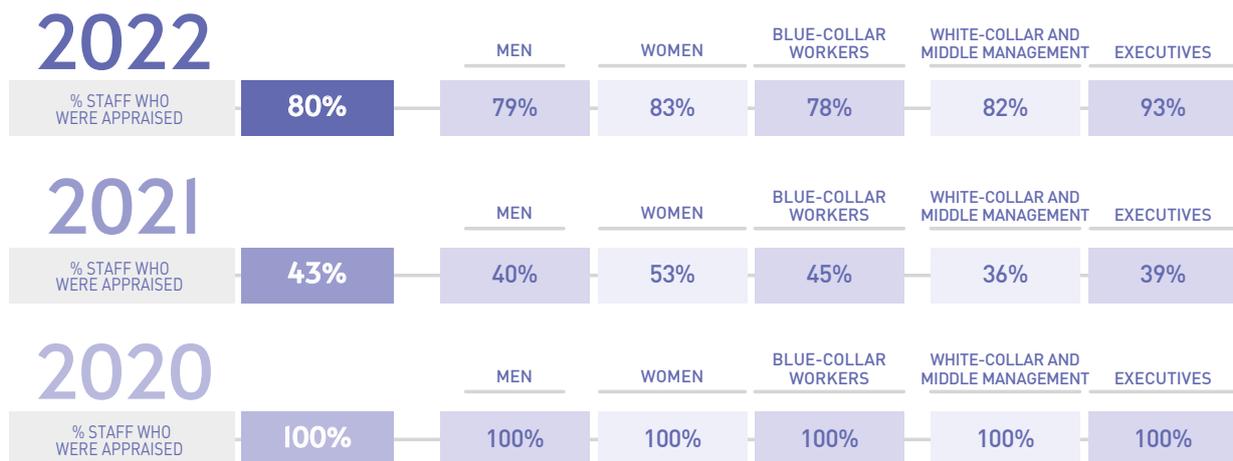
2020		MEN	WOMEN	BLUE-COLLAR WORKERS	WHITE-COLLAR AND MIDDLE MANAGEMENT	EXECUTIVES
TRAINING HOURS	10,839	8,372	2,467	7,090	3,542	206
TRAINING HOURS PER CAPITA	13	12	16	12	18	9

In 2022, 97% of the parent company's employees received specific training on the Code of Ethics, the Organisation and Management Model and the confidential reporting channel through which individuals inside and outside the company can report any misconduct to the company's Supervisory Body, with regard to crimes under the Legislative Decree no. 231/01 or breaches of the company's Code of Ethics. This process, known as whistleblowing, ensures that the identity of the whistleblower remains confidential and that the whistleblower is protected from possible retaliation or discrimination.



We also see regular employee appraisals as another useful tool for professional development. In 2022, 80% of the Group's employees received a periodic evaluation.

EMPLOYEE PERFORMANCE EVALUATION¹



At the end of 2022, Cellografica Gerosa S.p.A. carried out an evaluation of the skills and performance of the entire front line work force as part of a project called "Feedback 360". Through structured and anonymous evaluations by multiple people (peers, colleagues/subordinates, managers/supervisors of direct or indirect reports), strengths and areas for improvement of the evaluated resources were identified and specific development goals were defined.

¹ Please note that following an update of the calculation methodology, the percentages of people who received an appraisal in 2021 differs from what was published in the 2021 Sustainability Report.

OCCUPATIONAL HEALTH AND SAFETY

The Group has always prioritised providing a safe workplace for all employees and the local area. This commitment has been formalised in the Code of Ethics, and each company has adopted policies that not only comply with the law, but also commit to the latest standards and effectively promote a culture of safety.

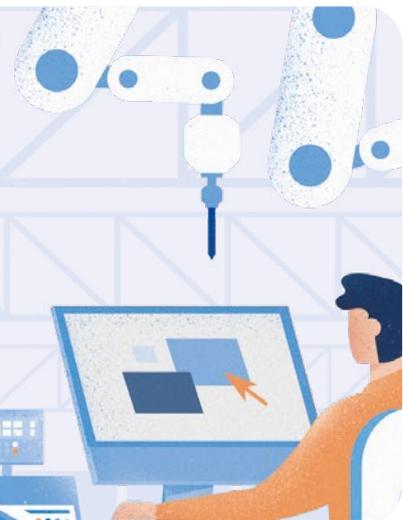
Preventing potential risks to workers' health and safety is a well-defined process based on identifying and assessing risks, and planning and scheduling prevention and control measures. Responsibility lies at the top of the corporate ladder with the General Manager or a Delegated Executive, who reports directly to the Board of Directors or, if applicable, the Employer. Such a process involves many different people in a variety of roles (e.g. workers' representatives, occupational physician, roles required by local regulations, workers themselves) and the results are compiled in a document that is updated in the event of significant changes in production, work organisation, developments in technical know-how or even as a result of accidents, injuries and health surveillance results. In practice, prevention measures include organisational actions, maintenance programmes, using personal protective equipment (PPE), occupational medicine and training. In concrete terms, we allocate organisational, technological and financial resources to protecting the health and safety of our employees. This applies both to our budget planning and to dealing with unforeseen needs, which are met even if they exceed our spending plans. Throughout the year we also periodically assess trends in injuries and near misses, and progress against

targets and training, as well as conducting internal audits of the management system. The results of these analyses are presented at regular meetings of the Health and Safety Committee, which is made up of the Employer, the competent physician, where available, and the workers' safety representatives. On average, this committee meets in each Group company four times a year. In addition, the Health and Safety Officer and any lower level roles that have been specifically trained also compile reports/notifications and suggestions. Finally, the competent physician, where present, actively cooperates with health surveillance to prevent work-related ill health.

Given the nature of our business, the main risks to employees arise from production processes and the use of equipment, with the main hazards being abrasions, cuts, bruises, crushed limbs, fractures and postural pain. Fire and explosion are an inherent risk due to the presence of solvents and inks used in manufacturing processes, as these can create flammable and in some cases explosive mixtures. Given the significance of this risk, it has a separate risk assessment.

In 2022, there were 17 injuries to employees, none of which had serious consequences¹, with a frequency rate of 12 per 1,000,000 hours worked. The main types of injuries were: cuts, bruises, fractures, back problems and crush injuries. No work-related ill health was detected in the relevant three-year reporting period.

The Group's three largest plants – Cellografica Gerosa S.p.A., Cellografica Gerosa S.A. and Rieusset S.A., which together employ 71% of the Group's workforce – have a UNI EN ISO 45001:2018-certified health and safety management system whose procedures, work instructions and internal and external audits cover all the Group's employees. Two plants – Flexocit s.r.l. and Artema-Plast s.r.l. – are gradually preparing to obtain certification in the coming years.



¹ "Serious consequences" refers to injuries that can cause irreversible permanent damage to the injured person or injuries that result in an absence from work of more than 180 days.

ACCIDENT RATES

	2022		2021		2020			
	NO. INJURIES	FREQUENCY RATE	HOURS WORKED	NO. OF SERIOUS INJURIES/ SERIOUS INJURY FREQUENCY RATE	NO. OF FATAL ACCIDENTS/ FATAL ACCIDENT FREQUENCY RATE	HOURS WORKED	NO. OF SERIOUS INJURIES/ SERIOUS INJURY FREQUENCY RATE	NO. OF FATAL ACCIDENTS/ FATAL ACCIDENT FREQUENCY RATE
WORKERS-EMPLOYEES	17	12.0	1,413,611	21	15.4	1,432,321	0	0
WORKERS NON-EMPLOYEES ¹	4	49.1	81,531	5	84.9	58,914	0	0
WORKERS EMPLOYEES	26	18.6	1,396,247	5	57.6	86,833	0	0
WORKERS NON-EMPLOYEES ¹	5	57.6	86,833					

Although the number of accidents and the frequency rate decreased in 2022 compared to previous years, they still fall short of our goal of zero accidents. This perspective explains our ongoing commitment to training and promoting a culture of safety. In 2022, we provided 4,924 hours of health and safety training (up 9% on 2021), involving 700 people. All new employees received training, which is repeated periodically and when the risk profile changes. The intensity and frequency of training is proportionate to the risk profile and responsibilities in the management system. For example, they are more frequent for the fire-fighting team, the first aid team, staff who manage the handling of goods and above-ground work, and people with key positions in the management system.

We have voluntarily provided a defibrillator at each site and trained a first aid team to ensure that potentially life-saving treatment can be provided quickly to staff and the local community. It should also be noted that at the Inverigo and Spanish sites, the break and refreshment areas have continuously updated information, 24-hours a day, displayed on monitors. In 2022, for the Inverigo site, employees were also provided with a special link so they could monitor the information provided on these monitors directly from their PC.

The Gerosa Group's commitment to its employees extends to the broader concept of well-being. Thanks to the willingness of the factory doctors, we have also been able to launch projects to help employees stay healthy outside of work. The focus is on common illnesses and in some cases basic screening, such as an ECG. In addition, through contractual agreements and in accordance with the principles of equal opportunity and non-discrimination, we provide benefits such as life insurance, supplementary health insurance, fuel vouchers, meal vouchers and company cars. For many years, Cellografica Gerosa S.p.A. has had a welfare plan that allows workers to convert production bonuses into social services at favourable conditions, covering a wide range of family needs such as school fees, books, summer courses, care services, travel and other leisure expenses. Other companies have taken targeted action, such as Cellografica Gerosa S.A., which has set up a bursary to cover the cost of school books for the children of its employees.

¹Workers who are not employees who fall within the scope of the company.

Promoting, developing and maintaining the physical, mental and social well-being of its employees has always been a Group goal. Since 2019, Cellografica Gerosa S.p.A. has been part of the WHP programme proposed by the regional health authority, which involves setting and achieving specific objectives in a three-year plan. As part of this project the company has worked to promote work-life balance and the adoption of healthy lifestyles through the introduction of flexitime, the creation of a break and refreshments room, the promotion of best practices in the workplace and training courses on addiction and the prevention of behavioural risk factors and chronic and degenerative diseases.

Having achieved all the objectives of the three-year plan, for 2022 Cellografica Gerosa S.p.A. set out to maintain all the best practices adopted and defined targets for 2023. Other Group companies have also taken steps to promote a healthier work-life balance: Cellografica Gerosa S.A., for example, has set aside a number of hours for employees to care for their children or elderly parents. In February 2023, Rieusset S.A. received AMERC Healthy Business certification for its efforts to promote health in the workplace in 2022.



SUPPLY CHAIN

For the Gerosa Group, sustainability is a core factor in how it selects its suppliers and manages its business relationships. We have adopted codes, policies, management systems and other tools to ensure that sourcing processes comply with these principles. We regularly map and assess the key risks in our supply chain, conduct supplier audits and implement supplier support and engagement activities.

In general, purchasing is the responsibility of the purchasing managers of the individual Group companies, who operate on the basis of common operational guidelines and report directly to the General Manager. The parent company's purchasing department plays a coordinating role when it comes to purchasing particularly important materials.

We have recently introduced a Supplier Code of Conduct, compliance with which is an integral part of the contractual obligations and acceptance of which is an essential requirement both for the qualification phase and for maintaining ongoing business relationships. At the end of 2022, we introduced new digital tools to assign a sustainability rating to our suppliers, who are held accountable on issues of occupational health and safety, human rights, the environment, business ethics and responsible sourcing. Using pre-qualification question-

naires, 33% of new direct material suppliers for the parent company and 20% for the Group were assessed on environmental and social criteria.

Once they have qualified, our assessment of suppliers looks not only at the economic side, but also at how they are viewed by the market, their ability to comply with regulatory obligations, their possession of key certifications and, more generally, their policies for managing social and environmental impacts. Food safety is a defining aspect of our industry and something we value highly, as evidenced by our long established direct channel with suppliers for communicating any risks concerning supplies.

In order to minimise the risk of impacts from our supply chain, in addition to qualifying and assessing suppliers, we conduct regular audits of our suppliers based on materiality criteria and share the results with them to determine corrective measures.

In 2022, all employees in the parent company's purchasing department also received training on sustainable sourcing.

As a general rule, we prefer suppliers who are local, or at least from that country, as such common ground and goals help to build cooperation and facilitate

projects, while also creating indirect employment opportunities with positive local impacts. This choice of proximity also allows us to reduce the impact of transport and associated emissions by reducing the distance between us and our suppliers.

In 2022, 94% of the Group's goods and services were purchased in the European market, of which 64% were purchased in each company's domestic market. These figures are lower than in 2021, but the change is mainly due to the varied impact of inflation on the type of goods purchased, rather than the supplier mix. For Italian companies, where this factor has less of an impact, the percentage of goods and services purchased from European suppliers has remained stable over the three-year period and exceeds 99%.

In 2022, Cellografica Gerosa S.p.A., together with some suppliers – local small and medium-sized enterprises –, was the promoter of a call for proposals sponsored by the Chamber of Commerce of Como-Lecco, which included completely free assistance in measuring their sustainability performance. Two of our suppliers won the bid and so the opportunity to receive a data collection platform, a dashboard summarising their ESG performance, and expert advice to develop an improvement plan.

GEOGRAPHICAL BREAKDOWN OF PURCHASES OF GOODS AND SERVICES

2022		GROUP	ITALY	SPAIN	ROMANIA
NON-EU SUPPLIERS		5.8%	0.2%	12.7%	8.5%
EU SUPPLIERS		94.2%	99.8%	87.3%	91.5%
OF WHICH DOMESTIC SUPPLIERS ¹		64.0%	84.4%	45.8%	31.6%
OF WHICH REGIONAL SUPPLIERS ¹		28.5%	45.8%	12.8%	1.5%

2021		GROUP	ITALY	SPAIN	ROMANIA
NON-EU SUPPLIERS		3.7%	0.2%	6.7%	8.3%
EU SUPPLIERS		96.3%	99.8%	93.3%	91.7%
OF WHICH DOMESTIC SUPPLIERS ¹		66.6%	88.4%	43.7%	20.7%
OF WHICH REGIONAL SUPPLIERS ¹		40.7%	49.0%	14.7%	4.2%

2020		GROUP	ITALY	SPAIN	ROMANIA
NON-EU SUPPLIERS		2.5%	0.3%	2.4%	11.1%
EU SUPPLIERS		97.5%	99.7%	97.6%	88.9%
OF WHICH DOMESTIC SUPPLIERS ¹		71.3%	89.6%	51.7%	41.4%
OF WHICH REGIONAL SUPPLIERS ¹		41%	53.5%	15.0%	5.2%

¹ The terms regional and domestic refer to purchases made from suppliers located in the same region/nation as the Group companies. Percentages are calculated against total spending. To determine local procurement, we look at a supplier's registered office.

CONSUMERS

The Group has been working for years to raise awareness of sustainability issues through training in schools, speaking at conferences and masters programmes, working with customers to ensure that labelling meets regulatory requirements, and offering consumers products certified to international standards and verified by independent third parties. The annual publication of our Sustainability Report, which is structured and written in such a way that it can be easily understood by everyone, including people outside of the industry, is one of the ways we maintain an active dialogue with all our stakeholders.

The most recent materiality analysis, which was extended to include company reporting according to the new GRI Standards, showed that the outreach

activities that the Gerosa Group can undertake to end consumers in various areas (e.g. product labelling, circular economy and food waste) is a material topic.

We believe it is critical that consumers have access to clear and reliable information so they can make informed choices. Equally, consumers must understand how they can adopt virtuous behaviour in managing post-consumer packaging so that it does not generate pollution. Our aim is to provide information on the highly complex world of food packaging through a neutral, scientific lens. We also are committed to reporting on this issue quantitatively in the future.

OUR COMMITMENT

PROVIDE INFORMATION THROUGH A NEUTRAL, SCIENTIFIC LENS ABOUT THE HIGHLY COMPLEX WORLD OF FOOD PACKAGING

AWARENESS RAISING ACTIVITIES ABOUT:



PRODUCT LABELLING



CIRCULAR ECONOMY



FOOD WASTE



04

ENVIRONMENTAL PERFORMANCE

Sustainability is closely linked to the protection of the environment, which is a valuable common good on which we depend and on which our existence has unavoidable impacts. Responsible management of environmental impacts is everyone's duty and a fundamental prerequisite for companies to operate in the marketplace. As an ethical choice and to manage the business responsibly, we strive to minimise our impacts on the environment and to make decisions about our direction and development that factor in environmental impact.

Our commitment to the environment is set out in our Code of Ethics, which each Group company develops as part of their environmental policies, defining specific principles and objectives that are updated over time to ensure continuous improvement. In order to ensure the effective implementation of the environmental policy, each Group company also adopts a management system in accordance with the UNI EN ISO 14001:2015 environmental standard and, with the exception of Flexocit s.r.l., they are all certified. Responsibility for environmental matters is delegated to the highest levels of the organisation, namely the General Manager or an Environmental Officer, who reports directly to the Board of Directors.

This chapter reports on the impacts associated with the entire production process, including graphic preparation, electroplating and engraving of printing cylinders, printing, joining and cutting of various types of film, as well as the impacts of the transport of incoming raw materials and outgoing finished products. As required by the new GRI Standards, the new materiality analysis also identified the impacts of our customers' and suppliers' key business areas.

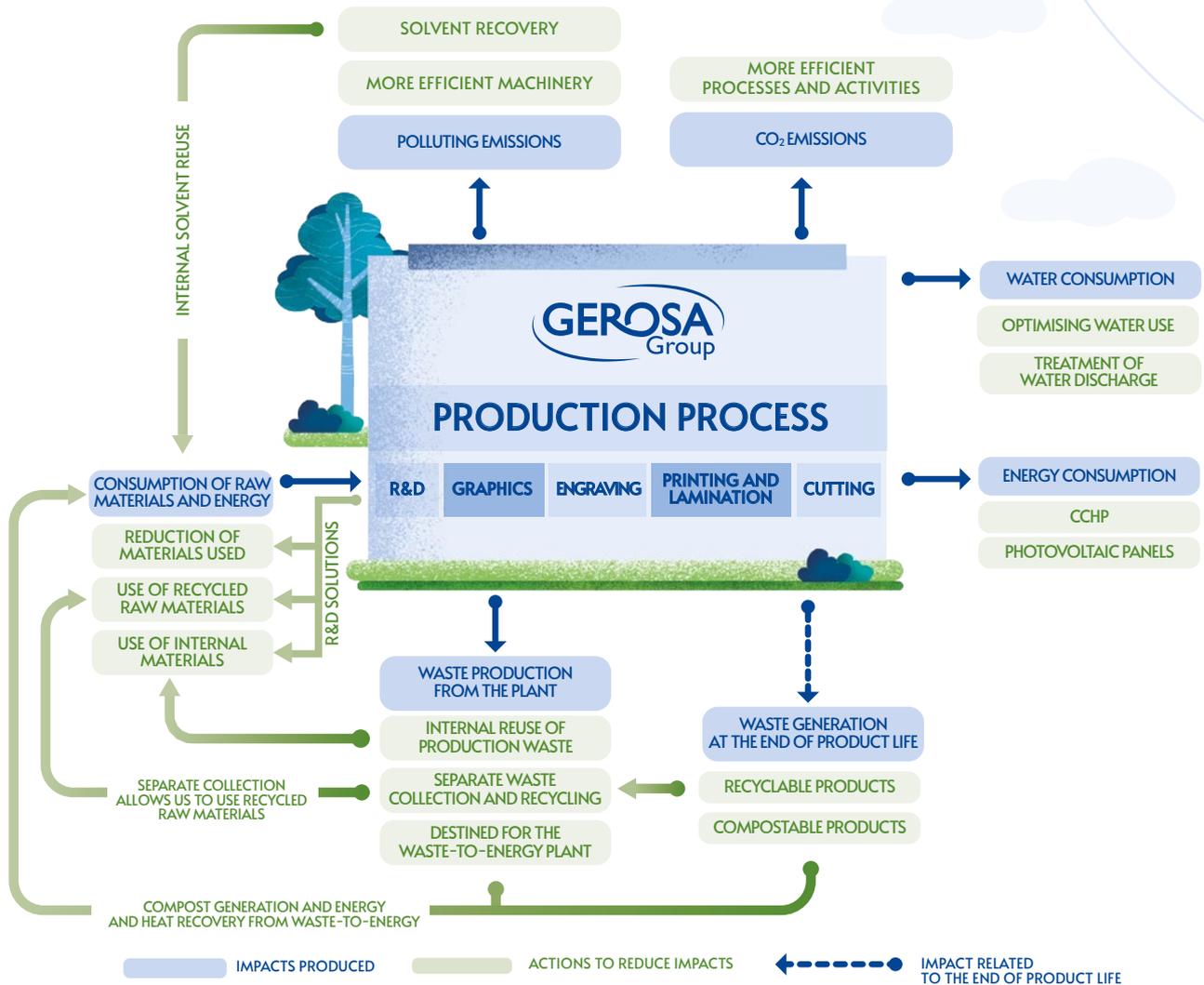
USE OF NATURAL RESOURCES

ENERGY EFFICIENCY

In our plants, energy is used to operate the equipment and machinery in the production cycle, as well as for heating and cooling, with the largest consumption coming from the printing and engraving machines, the production of heat used in the drying phase, and the operation of air pollution control equipment. These needs are met by purchasing electricity and methane gas, which are also used for CHP at Cellografica Gerosa S.p.A., and through the company's own production from photovoltaic panels installed at the Rieusset S.A. and Cellografica Gerosa S.A. sites.

With the installation and commissioning in 2022 of a new photovoltaic system, Cellografica Gerosa S.A., thanks to more than 1,500 solar modules installed, has equipped itself with a nominal production capacity of 854,200 kWh of green energy per year, which corresponds to the electricity consumption of about 120 homes. This key project helps reduce energy consumption from fossil fuels and cuts the company's energy footprint.

ENVIRONMENTAL IMPACTS AND ACTIONS TO REDUCE THEM
How the Gerosa Group locates its impact in a broader context



In the reporting year, the Group once again invested heavily to reduce its emissions. In addition to the installation of the new photovoltaic system at Cellografica Gerosa S.A., the highly efficient CHP plant installed in Inverigo in 2021 has been extended with a system for recovering the thermal energy generated by the CHP process.

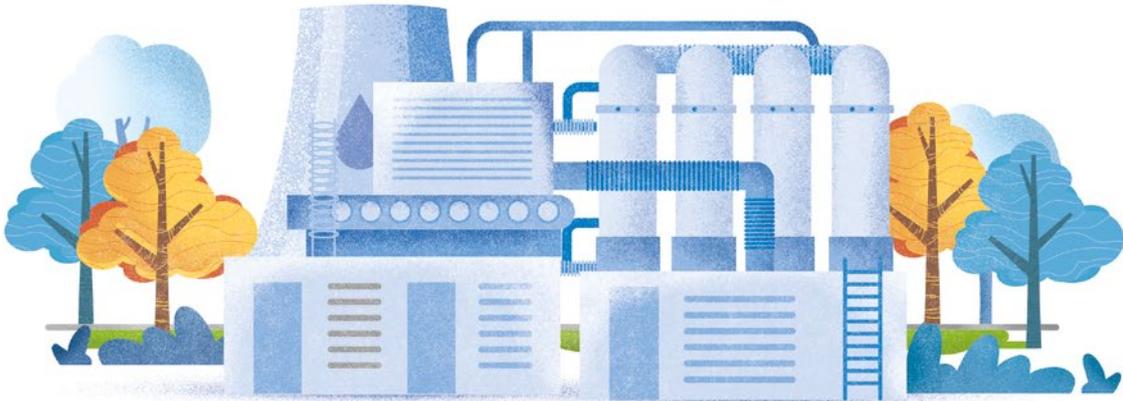
Due to these latest investments, total energy consumption in 2022 was the same as in the previous year, despite increased production. Of the total GJ consumed, those generated from renewable sources, specifically photovoltaic panels, more than doubled because of the Cellografica Gerosa S.A. installation. The share of electricity purchased from certified renewable sources also increased from 53% to 55% of total electricity purchased, due to Rieusset S.A. and Gerosa S.A., whose electricity purchases are 100% from certified renewable sources. In addition to absolute energy consumption, we also monitor energy

intensity per unit of product, calculated as the ratio of total consumption to total production expressed in square metres. This figure then shows the changes in consumption net of the effects of producing more or fewer units. In 2022, the figure decreased from 0.45 GJ/1,000 m² to 0.44 GJ/1,000 m². In 2022, notably, we refined the calculation methodology to better relate the different units of measurement used to the square metres measurement; for more details see Chapter 5, Methodological Note on p. 50. For the sake of completeness, it should also be noted that the distribution between energy sources in 2020 is different from that in 2021 and 2022, due to the shutdown of the Inverigo CHP installation until it was replaced by the new, more efficient one, and therefore the ratio between electricity and gas consumption in 2020 was reversed compared to the other years when the CHP plant was in operation.

ENERGY CONSUMPTION (GJ)

	2022	2021	2020
DIRECT ENERGY CONSUMPTION FROM NON-RENEWABLE SOURCES	279,311	276,259	167,111
NATURAL GAS	276,868	274,863	165,871
DIESEL	2,040	1,112	1,033
PETROL	394	284	207
LPG	8	0	0
INDIRECT CONSUMPTION OF PURCHASED ELECTRICITY	62,326	68,231	112,671
OF WHICH CERTIFIED RENEWABLE	34,290	35,983	4,985
CONSUMPTION OF SELF-GENERATED ELECTRICITY FROM PHOTOVOLTAICS	2,144	1,010	0
TOTAL ENERGY CONSUMPTION	343,781	345,500	279,782

With the unwavering aim of reducing our impact on the environment, in 2022 we expanded the CHP plant at the Inverigo site, equipping it with a heat absorber to recover thermal energy and reuse it for the production of cooling energy, which is then used in industrial processes and for air conditioning. The addition of these new machines to the CHP system has taken our energy self-production process to become CCHP (combined cooling, heating and power), further reducing our energy footprint and emissions impact, saving more than 900,000 kWh/year of energy and 231 tonnes/year of CO₂.



CCHP PLANT

PRODUCES ELECTRIC, THERMAL AND COOLING ENERGY USING THE SAME AMOUNT OF PRIMARY ENERGY

BENEFITS



MORE EFFICIENT PLANT WITH A REDUCTION IN ELECTRICITY CONSUMPTION



REDUCED ENVIRONMENTAL IMPACT WITH LOWER CO₂ EMISSIONS

RATIONAL CONSUMPTION OF RAW MATERIALS

Our company is committed to the careful management of raw materials, seeing them as valuable resources for the environment and the company. Raw materials – and indeed all materials used in the production cycle – are used according to circular economy principles. The clearest examples of this are the reduction of materials used where possible, the use of recycled raw materials and internal reuse, but also the design of products that can be recycled and reused at the end of their life.

For some time now, we have been carrying out intensive research and development to find innovative solutions that minimise the use of virgin raw materials, such as using lighter materials, without compromising on performance, and recycled materials. In line with the European Action Plan for the transition to a circular economy, the long-awaited Regulation 2022/1616, which aims to ensure the safety and quality of food products that come into contact with recycled plastic materials and articles, came into force in October 2022. This Regulation governs the use, previously limited to certain segments, of plastic materials from chemical

recycling, recognised as recycled, for packaging in direct contact with food. Despite the fact that these materials are still scarce on the market due to the small quantities produced, Cellografica Gerosa S.p.A. has developed several products with these materials and all the Group companies have already obtained or are planning to obtain ISCC+ certification, which certifies their correct management for the purpose of declaring the recycled content of the finished product.

In 2022, our purchasing of raw materials and packaging amounted to 53,962 tonnes of materials. The food contact restrictions in place until October 2022 did not allow us to use recycled raw materials, so their weight in total purchases is 0%. For packaging intended to hold finished products, we purchase several types with very high, if not total, recycled content, particularly the paper-based packaging. In total, 36% of the Group's packaging is made from recycled material. In terms of reporting, the collection of data on volumes of recycled raw materials or packaging has been extended to all Group companies since 2021.

RECYCLED MATERIALS (%)

	2022	2021	2020
RECYCLED RAW MATERIALS	0%	0%	0%
RECYCLED PACKAGING	36%	40%	31%

BIODIVERSITY

By extending the materiality analysis to include the impacts across the entire value chain, biodiversity emerged as a material topic for the first time, particularly in relation to deforestation, which is mainly linked to the processes for making coffee, tea, chocolate and dairy products.

Analysis of industry studies and of our major clients, through reading their financial statements and sustainability reports, shows that deforestation and sustainability in general receive significant attention. With regard to the analysis of the Gerosa Group's biodiversity, we assessed our presence in nature reserves or protected areas using the tool provided by the WWF (<https://riskfilter.org/biodiversity/explore/map>) and found that none of the Group's sites are located in such areas. Extending the analysis to key biodiversity areas, it appears that almost all of Spain, without specific reference to the area where Cellografica Gerosa S.A. and Rieusset S.A. are located, has high or very high biodiversity value. In 2023, we might investigate further the reasons for this en masse classification of Spain and what action, if any, should be taken.



MANAGEMENT OF CHEMICALS

Responsible management of chemicals is an important part of the Gerosa Group's commitment to sustainability. The main products we process in our plants are: solvent-based or water-based inks, solvents, paints and solvent-based or solvent-free adhesives. Appropriate prevention and protection measures are in place throughout the Group. The competent physician prepares and updates the health plan as necessary, and all employees involved in the handling and management of chemicals receive appropriate training and the correct personal protective equipment (PPE).

The following risks come from handling chemicals: fire and explosion, due to the solvents and inks used in the manufacturing process, as they can form flammable and in some cases explosive mixtures; environmental damage from possible soil, subsoil and air pollution caused by accidental spills.

WATER WITHDRAWAL AND DISCHARGE

The use of water in our process has not been a significant issue in the past as its importance is less than other issues, but the Group has still been monitoring the consumption of this precious resource for years. Our approach is to optimise the use of water and manage the quality of effluent (i.e. water discharge), with the aim of returning it to nature only after appropriate and verified treatment, in accordance with the parameters and regulatory requirements for effluent quality in the various countries in which we operate. The Group uses water for the following purposes: in cooling towers (with the exception of Flexocit s.r.l., which does not have them), electroplating and the bathrooms. In 2022, the Group's withdrawal of potable¹ water from third party water resources was 88 megalitres (80 megalitres in 2021), while the discharge of non-potable water, again through third parties, was 48 megalitres (39 megalitres in 2021, with total consumption of 40 megalitres).

The parent company and the Spanish companies have significant solvent recovery capacity as they have dedicated facilities for the treatment of solvent-saturated air from printing and laminating machines, which allows the internal reuse of recovered acetate. The first of these installed was added by Cellografica Gerosa S.p.A. in 1981, ahead of legal and industry obligations; in 2022 the solvent recovered by the Group amounted to 44% of total chemical usage (in 2021 it was 41%), with a peak of more than 70% at the Rieusset S.A. plant.

Fire and explosion risk management involves specific assessment and preventive measures to protect workers and the local community. Partly because of the potential environmental impact, the Group is continually investing resources in the prevention of accidental spills through specific training, the installation of containment systems in storage areas and the placement of containers with absorbent material in high-risk areas. As rainwater could wash any ink residues on the company's external surfaces directly into the sewerage system, rainwater collection systems are also in place at each site. The effectiveness of these prevention systems, particularly in the manufacturing departments, is tested by a specially trained environmental spill response team using simulations of accidents.

As water discharge meters are not available at all sites, please refer to the Methodological Note on page 48 for more details on the estimation of the above figure. For the assessment of areas of water stress (or scarcity, in WWF terminology), as per the indications in the related GRI standard, it was decided to use the tool provided by the WWF (<https://riskfilter.org/biodiversity/explore/map>). This analysis shows the risk of water stress is very low for Inverigo, medium for Cellografica Gerosa S.A., high for Rieusset S.A. and Flexocit s.r.l. and very high for Artema-Plast s.r.l.. 20% of total withdrawal (17 megalitres), 20% of total discharge (9 megalitres) and 20% of total consumption, i.e. withdrawal, discharge and consumption by Rieusset S.A., Flexocit s.r.l. and Artema-Plast s.r.l., took place in areas with high or very high water stress.

¹ Potable water is defined as water with a total dissolved solids concentration of 1,000 mg/l or less.

In terms of the value chain, water consumption appears to be significant for paper suppliers; while in terms of our clients, tea, coffee and beer production and the dairy industry require high water consumption. The main problem with water discharge in the value chain is the potential for eutrophication, i.e. pollution from fertilisers.

With low water consumption, cooling towers, also known as evaporation towers, are currently the most efficient solution compared to other cooling solutions for removing the excess heat produced during the manufacturing process.



EMISSIONS

GREENHOUSE GAS EMISSIONS

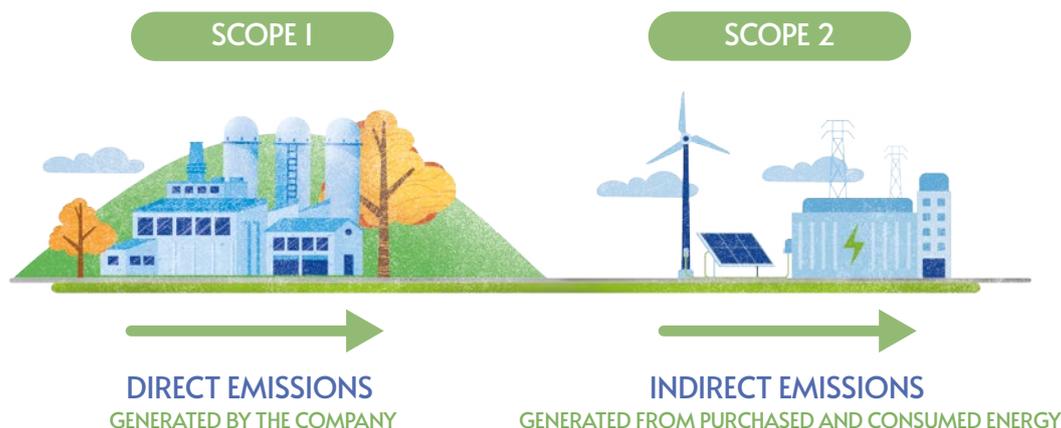
Every year, we assess the overall environmental impact of our businesses using a UNI EN ISO 14001:2015-compliant analysis, and then we invest, change processes and modify products to minimise greenhouse gas emissions. This approach also factors in the European Union’s goal of carbon neutrality by 2050 and the UN’s Agenda 2030. The majority of our emissions are linked to our manufacturing processes: precise calculations at the Inverigo plant show that these account for 97.4% of the total electricity used. In 2022, the Group’s total emissions of CO₂ equivalent were around 20,102 tonnes, slightly lower than in the

previous year. Emission intensity, calculated as greenhouse gas emissions (scope 1 and 2¹) per thousand square metres of product, remained stable at 0.03 metric tonnes of CO_{2-eq} per thousand square metres of product, a value that has also been recalculated for 2021 to reflect the change in the calculation of finished product production (see the Methodological Note on page 50 for details).

GHG EMISSIONS (tCO_{2eq})

	2022	2021	2020
SCOPE 1 (A)	15,780.71	15,553.78	9,419.00
OF WHICH FUELS	15,780.56	15,553.62	9,419.00
OF WHICH REFRIGERANT GASES	0.15	0.16	0
SCOPE 2 LOCATION BASED (B)	4,321.56	4,795.70	8,712.00
SCOPE 2 MARKET BASED (C)	2,896.73	3,465.15	11,581.00
LOCATION BASED TOTAL (A+B)	20,102.27	20,349.48	18,131.00
MARKET BASED TOTAL (A+C)	18,677.45	19,018.93	21,000.00

¹For Scope 2 emissions, Location-Based emissions were used.



FIRST SCOPE 3 REPORTING ANALYSIS

In 2022, we partially extended reporting for the Inverigo site to also include Scope 3 GHG emissions from the transportation of raw materials and finished products. This is an initial draft calculation that will be improved and implemented across the Group in 2023. We took into account the indirect emissions generated upstream in the value chain from transporting raw materials (plastic film, paper and aluminium), ancillary materials (chemicals) and packaging from our suppliers' sites to our own. These emissions amounted to 460 tonnes of CO₂ equivalent and represent 82 percent of the total indirect Scope 3 emissions calculated to date. We also calculated the indirect GHG emissions that occur downstream in the value chain, factoring in the transportation of finished products from Inverigo to our customers: 101 tonnes of CO₂ equivalent. Total indirect emissions calculated using this approach amounted to 561 tonnes of CO₂ equivalent. Realising that CO₂ emissions associated with the transport of inbound raw materials was higher, we have taken steps to minimise our emissions impact by choosing local suppliers where possible.

POLLUTING EMISSIONS

The main air pollutants emitted by the Group's plants are NO_x and VOCs (nitrogen oxides and volatile organic compounds). The levels of these emissions are within the parameters set by laws and regulations and are continuously monitored to ensure that they remain within these limits.

The sources of NO_x are the boilers used to generate heat, the combustors used to clean air saturated with solvents (not ethyl acetate), the CCHP used to generate electricity and heat, and the waste-to-energy incinerator. In 2020, several measures were adopted that actually reduced NO_x emissions despite an increase in production. At Cellografica Gerosa S.p.A., the work done on the boilers and replacing the first-generation CHP system with a more efficient one were two key steps.

In 2021, NO_x emissions decreased further due to the closure of the company's waste incineration plant in Inverigo, and then increased slightly in 2022. It should be noted, however, that NO_x and VOC emissions are calculated from periodic spot measurements, so some variations between years is likely. For more details on the calculation method, see the Methodological Note on page 50.

VOCs, on the other hand, are mainly generated during the printing process by ethyl acetate, a volatile component of some inks that is released into the atmosphere. These components are captured by special air treatment units before being released into the atmosphere. Specific solvent recovery equipment has been installed to reduce these emissions, as reported in the Management of Chemicals section.

POLLUTANT EMISSIONS (tonnes)

	2022	2021	2020
NO _x	15.4	13.3	28.3
VOCs	593.3	621.2	567.9

WASTE MANAGEMENT

Manufacturing inevitably generates waste. As a result, we are constantly striving to reduce the percentage of production waste by improving production efficiency and adopting the principles of the circular economy. Wherever possible, we reuse production waste in our production cycle, sell it on the market for reconditioning and the production of secondary raw materials, or send it to waste incineration plants for waste-to-energy recovery. Only waste that cannot be given a new “value” is sent to the landfill.

As mentioned in the section on the Management of Chemicals, the largest internal reuse is for ethyl acetate, which, once recovered, is reintroduced into the production process or sold if surplus to requirements.

Excluding waste recovery for internal reuse, 10,207 tonnes of waste was generated in 2022, and although this amount increased by 2% compared to the previous year, 85% of this, up from 72% in 2021, was sent for recycling/reuse and 15% for disposal,

which includes the external waste-to-energy portion. Notably, the Inverigo in-house waste-to-energy installation was decommissioned in December 2020. In an effort to minimise the amount of waste to be disposed of, separate waste collection was improved in 2021 by separating polyethylene and polypropylene. In addition, in-house recovery projects have been initiated to dispose of all process waste in the broadest sense (including small scrap) to approved specialist companies.

The management of external waste deliveries is carried out in full compliance with regulations, and external waste disposal and treatment companies are carefully selected on the basis of their professionalism and the type of waste.

Hazardous waste, accounting for 12% of the total waste generated in 2022, consisted mainly of spent ink and the plastic containers in which it was transported.

WASTE (tonnes)

	2022	2021	2020
HAZARDOUS WASTE	1,211	1,054	1,036
OF WHICH RECYCLED/RECOVERED	870	748	528
OF WHICH SENT FOR DISPOSAL	341	306	508
OF WHICH SENT FOR INTERNAL WASTE-TO-ENERGY RECOVERY	0	0	0
NON-HAZARDOUS WASTE	8,996	8,960	9,078
OF WHICH RECYCLED/RECOVERED	7,763	6,473	5,180
OF WHICH SENT FOR DISPOSAL	1,233	2,487	3,363
OF WHICH SENT FOR INTERNAL WASTE-TO-ENERGY RECOVERY	0	0	535
TOTAL WASTE	10,207	10,014	10,114

05

METHODOLOGICAL NOTE

SCOPE, DEFINITIONS AND PRINCIPLES

The 2022 Sustainability Report covers the corporate year from 1 January to 31 December 2022, which is the same as the financial reporting period. This Sustainability Report has been prepared in accordance with the 2021 version of the GRI Sustainability Reporting Standards (GRI Standards), which is mandatory for sustainability reports published from 1 January 2023.

The scope of this Sustainability Report is the Gerosa Group, also referred to in this document as the “Group”, including the industrial companies consolidated in the financial statements but excluding the trading companies Gerosa Flexible Verpackungen G.m.b.H. and Commerciale Gerosa Group S.a.r.l.. For the summary economic values on page 2 and the analysis of Economic Value Generated and Distributed in Chapter 2 – Economic Performance on pages 17 and 18, the scope of reporting is extended to all the consolidated companies. The parent company, Cellografica Gerosa S.p.A., is based in Inverigo (Como province) at Via al Gigante 23; the locations of the other companies are shown on page 1 in Chapter 1, The Gerosa Group.

To define the content and ensure its quality, the Sustainability Report has been drafted according to the reporting principles defined in section 4 of GRI 1: Foundation 2021, which identify and regulate accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability. To facilitate comparison, the Sustainability Report also includes performance data for the two-year period

2020-2021, where available. Any changes in the data for 2020 and 2021 compared to those reported in previous years, due to changes in the calculation methodology, are highlighted and clearly indicated in the text corresponding to the change itself. At the date of publication of this Sustainability Report, no events were known to have occurred after 31 December 2022 that are material to this Sustainability Report other than those already disclosed.

The Sustainability Report has been subject to a limited audit by EY S.p.A., an independent third party, whose report describing the audit process is in Chapter 7 – Report of the Independent Auditor.¹

MATERIALITY ANALYSIS AND MATERIAL TOPICS

The materiality analysis was conducted according to the new GRI 3: Material Topics 2021 using a process that began in 2022 and was completed in early 2023. As there are currently no industry standards published by GRI that relate to the Gerosa Group’s target industry, we have also referred to sector studies where available. The Group’s process is described in the section on the materiality analysis.

¹ Quantitative indicators that do not relate to general or topic-specific disclosures of the GRI Standards, as presented on the pages listed in the table of contents, are not subject to the limited audit by EY S.p.A.

The stakeholders identified in the new materiality analysis, how they are involved and the key elements of the report are presented below. Compared to the previous analysis, the list of stakeholders now also includes trade unions, employee representatives, the Supervisory Body and non-profit organisations.

	STAKEHOLDER ENGAGEMENT METHOD	KEY ELEMENTS OF THE RELATIONSHIP
EMPLOYEES	<ul style="list-style-type: none"> Continuous dialogue Training Periodic assessment of results Confidential reporting channel 	<ul style="list-style-type: none"> Quality of the employment relationship Human rights Occupational health and safety Training
TRADE UNIONS / WORKER REPRESENTATIVES	<ul style="list-style-type: none"> Constant dialogue Periodic consultation with occupational health and safety representative Periodic meeting pursuant to Art. 35 of Leg. Decree 81/08 	<ul style="list-style-type: none"> Employment contracts with wide-ranging employee benefits Human rights Occupational health and safety
SUPERVISORY BODY	<ul style="list-style-type: none"> Half-yearly meetings Confidential reporting channel 	<ul style="list-style-type: none"> Transparency and cooperation with all corporate subjects/entities
INSTITUTIONS	<ul style="list-style-type: none"> Dialogue with public administration representatives Participation in joint projects 	<ul style="list-style-type: none"> Participation in local development projects Economic results Product and process innovation
SUPPLIERS AND PROVIDERS	<ul style="list-style-type: none"> Assessment of suppliers Periodic dialogue Coordination meetings for work done in our workplace Dedicated line for food safety emergencies Periodic audits of main suppliers, with shared plan of corrective measures 	<ul style="list-style-type: none"> Compliance with contractual terms and conditions Long-term relationships Work together Human rights Occupational health and safety
CLIENTS	<ul style="list-style-type: none"> Periodic meetings Participation in trade fairs and industry events Joint projects Sharing of key information for supply chain sustainability Post-sales technical assistance 	<ul style="list-style-type: none"> Product quality and safety Product innovation Compliance with contractual terms and conditions
END CONSUMER	<ul style="list-style-type: none"> Publication of the Sustainability Report Participation in outreach events Indirect, through consultancy for food producers about the correct labelling of packaging Open to dialogue 	<ul style="list-style-type: none"> Food safety Clear information about the end of product life
THIRD SECTOR	<ul style="list-style-type: none"> Transparent communication Economic support for and involvement in projects 	<ul style="list-style-type: none"> Positive impact on the local area
LOCAL AREA AND COMMUNITY	<ul style="list-style-type: none"> Periodic dialogue Direct and indirect involvement in social projects Open days at our plants 	<ul style="list-style-type: none"> Inclusion of environmental aspects in business strategy Definition of management policies and systems Identification of the social needs of the local area Local economic development through the direct creation of employment and indirect benefits by favouring local suppliers Positive impact on the local area
TRADE ASSOCIATIONS	<ul style="list-style-type: none"> Participation in meetings and projects Participation in research and relevant conventions/conferences 	<ul style="list-style-type: none"> Development of the organisation's positioning Sharing of experience and information
SCHOOLS / UNIVERSITIES	<ul style="list-style-type: none"> Programmes with schools Open days at our plants Work experience and apprenticeships Bursaries and scholarships 	<ul style="list-style-type: none"> Support for and involvement in training and awareness raising, with presentations of case studies

The materiality analysis resulted in the identification of ten material topics, for each of which the associated impacts, positive and negative, actual and potential, direct and indirect, were identified.

LIST OF MATERIAL TOPICS	ASSOCIATED IMPACTS: positive and negative; actual and potential; direct and indirect ¹
ECONOMIC PERFORMANCE	<p>Actual, direct positive impacts:</p> <ul style="list-style-type: none"> Well-being of internal and external stakeholders, with adequate remuneration for employees, suppliers and shareholders Contribute to the well-being of the community by paying taxes, through investments and by making donations to the community
INNOVATION, QUALITY AND PRODUCT SAFETY	<p>Actual, direct positive impacts:</p> <ul style="list-style-type: none"> Protecting the consumer, especially for food items
HUMAN RIGHTS	<p>Potential direct and indirect negative impacts:</p> <ul style="list-style-type: none"> Obstacles to freedom of association Lack of collective bargaining Use of forced or compulsory labour Use of child labour Discrimination based on nationality, age, gender, ethnic origin, religion, beliefs, disability or sexual orientation
EMPLOYEE ATTRACTION, RETENTION AND DEVELOPMENT	<p>Actual, direct positive impacts:</p> <ul style="list-style-type: none"> Job creation - work environment conducive to employee well-being - non-compulsory training and welfare measures
OCCUPATIONAL HEALTH AND SAFETY	<p>Actual and potential direct negative impacts:</p> <ul style="list-style-type: none"> Work related injuries and ill-health
CONSUMER AWARENESS	<p>Potential direct positive impacts:</p> <ul style="list-style-type: none"> Protection and preservation of food <p>Potential direct positive impacts:</p> <ul style="list-style-type: none"> Increased awareness and information on labelling, recovery and reuse, nutrition
SUPPLY CHAIN MANAGEMENT	<p>Actual and potential direct positive impacts:</p> <ul style="list-style-type: none"> Reduction in environmental impact by favouring local suppliers - local community development
EMISSIONS	<p>Actual direct and indirect negative impacts:</p> <p>Air pollution due to:</p> <ul style="list-style-type: none"> Production process - direct impact Use of electricity with greenhouse effect and air pollution due to waste gases from combustion - direct impact Transport of inbound raw materials - indirect impact Transport of finished products to customers - indirect impact Production processes of our direct suppliers of materials - indirect impact
USE OF NATURAL RESOURCES	<p>Actual direct negative impacts:</p> <ul style="list-style-type: none"> Depletion of natural resources related to: use of raw and auxiliary materials for the production process, water withdrawal, fossil fuels for power generation <p>Potential direct negative impacts:</p> <ul style="list-style-type: none"> Management of chemicals: possible pollution of soil, subsoil and atmosphere; and accident risk: fire/explosion Possible contamination of water <p>Actual indirect negative impacts:</p> <ul style="list-style-type: none"> Water withdrawal and discharge related to the production processes of direct material suppliers and related to clients' production processes Deforestation related to clients' production processes
WASTE MANAGEMENT ²	<p>Actual direct negative impacts:</p> <ul style="list-style-type: none"> In case of disposal: soil pollution and increased use of natural resources <p>Actual indirect negative impacts:</p> <ul style="list-style-type: none"> Associated with the production processes of our direct material suppliers

¹ Indirect impacts are impacts that are not caused by the Group, but are caused by parties with whom the Group does business, although the Group has not caused or contributed to these impacts

² The direct impacts associated with the disposal/recovery operations in our production process, an impact that also includes, albeit marginally, the waste generated by the maintenance activities of indirect suppliers operating on our site.

In terms of the material topics, the changes from the previous list are highlighted below:

- Three new topics emerged: economic performance, human rights and consumer awareness. The first two topics were not explicitly identified as material in the previous version because they were considered essential prerequisites.
- The “Product Innovation, Quality and Safety” material topic includes the previous two “Product Innovation” and “Product Quality and Safety” material topics;
- The “Employee Attraction, Retention and Development” topic accommodates the previous “Employee Wellness” and “Employee Attraction, Retention and Development” topics;
- The former “Energy Efficiency and Climate Change” topic has been separated and the content now flows into: “Emissions” and “Use of Natural Resources”;
- The previous material theme “Rational Consumption of Raw Materials” has merged into the “Use of Natural Resources” topic;
- The former “Air Pollutant Emissions” topic, now identified as “Emissions,” includes both pollutant emissions and greenhouse gas emissions;
- The “Industry 4.0” topic was no longer identified as material, but it was decided to address it nonetheless in the Sustainability Report on page 9 in the section on Innovative Processes;
- The “Commitment to Local Communities” topic is no longer considered material, but continues to be reported in the “Economic Value Generated and Distributed” indicator on page 18 of the Economic Performance chapter;

In addition to the material topics, some general information has been included in this document on anti-corruption and anti-competitive behaviour, which the Group monitors closely and for which it believes it should continue to provide a disclosure.

CALCULATION METHODOLOGIES

The principal methods of calculation and any estimates made using a conservative approach are set out below. This information complements that provided in the main body of the document.

HEALTH AND SAFETY

For the reporting on health and safety, the following should be noted:

- All injuries are classed as accidents, even if they do not result in days away from work, with the exception of first aid activities.
- Commuting injuries are excluded from the reporting.
- “Injuries with serious consequences” are those that can lead to a permanent loss of body function or result in an absence of more than 180 days.
- The frequency rate for injuries is calculated as no. of accidents/hours worked x 1,000,000.
- The frequency rate for injuries with serious consequences is calculated as no. of injuries with serious consequences/hours worked x 1,000,000.

ENVIRONMENT

For reporting on environmental issues, the following should be noted:

- Where data was not available in the form required by the indicator, conservative estimates were used, resulting in the selection of assumptions associated with the least positive environmental performance for the Group.
- Flexocit s.r.l., Cellografica Gerosa S.A. and Rieusset S.A. do not currently use water discharge meters. For the first site, as water is only used for sanitation, the water withdrawn was assumed to be equal to the water discharged. On the other hand, for the two Spanish companies that also have cooling towers, the estimate for water discharge is also based on an amount of evaporated water equal to 60% of the water entering the tower.

- Energy consumption was calculated using the following conversion factors: for energy consumption from the use of petrol, diesel and LPG the conversion factors in the annually updated Department for Environment, Food and Rural Affairs (DEFRA) database; for energy consumption from natural gas, the conversion factors in the table of national standard parameters published by the Ministry of the Environment and Land and Sea Protection. For electricity, the transformation from kWh to GJ was calculated using the Department for Environment, Food and Rural Affairs (DEFRA) conversion factor.

CONVERSION FACTORS FOR ENERGY CONSUMPTION

	CONVERSION FACTORS	2022	2021	2020
ELECTRICITY	GJ/kWh	0.0036	0.0036	0.0036
NATURAL GAS	GJ/Sm ³	0.0353	0.0353	0.0353
PETROL	GJ/L	0.0331	0.0331	0.0328
DIESEL	GJ/L	0.0361	0.0361	0.0360
LPG ¹	GJ/L	0.0243	-	-

- Scope 1 GHG emissions from emission sources owned or under the direct control of the Group were calculated using the following formula: activity data (m³ of natural gas, litres of diesel, petrol, LPG) multiplied by the respective emission factor. For natural gas, the conversion factor from the national standard parameter table published annually by the Ministry of the Environment and Land and Sea Protection was used, while for petrol and diesel, the annually updated Department for Environment, Food and Rural Affairs (DEFRA) database was used. For leakage of refrigerant gases, the related GHG emissions reported in the maintenance records were used.

CONVERSION FACTORS FOR SCOPE 1 GHG EMISSIONS

	CONVERSION FACTORS	2022	2021	2020
NATURAL GAS	tCO ₂ /1000 Sm ³	1.9910	1.9830	1.9840
PETROL	KgCO _{2eq} /L	2.3397	2.3397	2.3147
DIESEL	KgCO _{2eq} /L	2.6988	2.6988	2.6879
LPG ¹	KgCO _{2eq} /L	1.5571	-	-

- Scope 2 GHG emissions reported according to the location-based method (average emission intensity of the national grids from which the energy is purchased) are calculated using the following emission factors, taken from Terna's International Comparisons using Enerdata data, as periodically updated, excluding self-generated energy from photovoltaic installations.

CONVERSION FACTORS FOR SCOPE 2 GHG EMISSIONS - LOCATION BASED

	CONVERSION FACTORS	2022	2021	2020
ITALY	KgCO ₂ /kWh	0.315	0.315	0.315
SPAIN	KgCO ₂ /kWh	0.210	0.210	0.210
ROMANIA	KgCO ₂ /kWh	0.280	0.280	0.280

¹ Conversion factors from past years have not been included as LPG was only used in 2022.

- Scope 2 GHG emissions reported according to the market-based method (emissions directly associated with the type of electricity purchased by the Group), excluding the share of purchased certified renewable energy and the share of internally generated energy, are calculated using the following emission factors taken from AIB - European Residual Mixes, as updated periodically.

CONVERSION FACTORS FOR SCOPE 2 GHG EMISSIONS - MARKET BASED

	CONVERSION FACTORS	2022	2021	2020
ITALY	KgCO ₂ /kWh	0.45657	0.45657	0.45857
SPAIN	KgCO ₂ /kWh	0.29583	0.29583	0.28653
ROMANIA	KgCO ₂ /kWh	0.28165	0.28165	0.26516

- Energy intensity is calculated as total energy consumption divided by 1000 m² of production. The emission intensity was calculated by dividing the sum of the Scope 1 and Scope 2 (location based) emissions per 1000 m² of production. The energy consumption used to calculate the index also includes the share of consumption by general production facilities, which cannot currently be separated from that of direct production. For both energy intensity and emission intensity, the denominator is the square metres of finished product placed in storage.
- NO_x (nitrogen oxides) are estimated using precise, periodic measurements of concentrations, which are then multiplied by plant capacity and operating hours.
- VOCs (Volatile Organic Compounds) are either estimated using the same approach as for NO_x, depending on the site, or calculated according to the Solvent Management Plan, which is drawn up in accordance with the regulations in force in each country where the Group has manufacturing facilities.
- The percentage of recycled material in packaging was calculated for all types of packaging using a conservative approach, assuming a recycled content of zero for all packaging for which it was not possible to obtain a declaration from the supplier. The various units of measurement were converted to kilogrammes using information from company documentation, data sheets and transport documents, and a weight was assigned for those items for which no data was available.

For more information or insights, please contact sustainability@gerosagroup.com.

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GRI CONTENT INDEX

STATEMENT OF USE	The Gerosa Group's reporting is in accordance with GRI Standards for the period from 1 January 2022 to 31 December 2022.
GRI I USED	GRI I: Foundation 2021
GRI SECTOR STANDARD APPLICABLE	None

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
				REQUIREMENTS OMITTED	REASON	EXPLANATION	
GENERAL INFORMATION							
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organisational details	Gerosa Group; Economic Performance; Methodological Note;	P. 1;21;45				
	2-2 Entities included in the organisation's sustainability reporting	Methodological Note;	P. 45				
	2-3 Reporting period, frequency and contact point	Gerosa Group; Methodological Note; Inside Back Cover;	P. 4; 45; 50; INSIDE BACK COVER				
	2-4 Restatements of information	Methodological Note;	P. 45				
	2-5 External assurance	Methodological Note; External Assurance;	P. 45; 58-58				
	2-6 Activities, value chain and other business relationships	Gerosa Group; Social Performance;	P. 1-4; 34-36				
	2-7 Employees	Social Performance;	P. 26-29				
	2-8 Workers who are not employees	Social Performance;	P. 26-29				
	2-9 Governance structure and composition	Economic Performance;	P. 21-24				
	2-10 Nomination and selection of the highest governance body	Economic Performance;	P. 21				
	2-11 Chair of the highest governance body	Economic Performance;	P. 21				

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
				REQUIREMENTS OMITTED	REASON	EXPLANATION	
GRI 2: GENERAL DISCLOSURES 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Economic Performance;	P. 21-24				
	2-13 Delegation of responsibility for managing impacts	Economic Performance;	P. 21-24				
	2-14 Role of the highest governance body in sustainability reporting	Gerosa Group; Economic Performance;	P. 16; 23-24				
	2-15 Conflicts of interest	Economic Performance;	P. 21-22				
	2-16 Communication of critical concerns	Economic Performance;	P. 22-23				
	2-17 Collective knowledge of the highest governance body	Economic Performance;	P. 23				
	2-18 Evaluation of the performance of the highest governance body	Economic Performance;	P. 21-23				
	2-19 Remuneration policies	Economic Performance;	P. 21				
	2-20 Process to determine remuneration	Economic Performance;	P. 21				
	2-21 Annual total compensation ratio	Economic Performance;	P. 21	Disclosure 2-21 b	Unavailable/incomplete information	The percentage increase over the previous year could not be calculated due to unavailable information; such reporting will be included from next year.	
	2-22 Statement on sustainable development strategy	Letter to Stakeholders;	Letter to stakeholders				
	2-23 Policy commitments	Economic Performance; Social Performance;	P. 18-22; 25-26; 34-36				
	2-24 Embedding policy commitments	Economic Performance; Social Performance;	P. 21-26; 30-31; 34-36				
	2-25 Processes to remediate negative impacts	Economic Performance; Environmental Performance;	P. 22-24; 37-38				
	2-26 Mechanisms for seeking advice and raising concerns	Methodological Note;	P. 31; 46				
	2-27 Compliance with laws and regulations	Economic Performance; Social Performance;	P. 23; 29				
2-28 Membership associations	Gerosa Group;	P. 7-8					

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
				REQUIREMENTS OMITTED	REASON	EXPLANATION	
	2-29 Approach to stakeholder engagement	Gerosa Group; Methodological Note;	P. 15; 46				
	2-30 Collective bargaining agreements	Gerosa Group; Methodological Note;	P. 27				
MATERIAL TOPICS							
GRI 3: MATERIAL TOPICS 2021	3.1 Process to determine material topics	Gerosa Group; Methodological Note;	P. 15-16; 45-48				
	3.2 List of material topics	Gerosa Group; Methodological Note;	P. 16; 47-48				
ECONOMIC PERFORMANCE							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Economic Performance; Methodological Note;	P. 15-16; 17-23; 47-48				
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct Economic Value Generated and Distributed	Economic Performance;	P. 17-18				
GRI 207: TAX 2019	207-1 Approach to tax	Economic Performance;	P. 22-24				
INNOVATION, QUALITY AND PRODUCT SAFETY							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Methodological Note;	P. 5-9; 15-16; 47-48				
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Gerosa Group;	P. 8				
HUMAN RIGHTS							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Economic Performance; Social Performance; Methodological Note;	P. 15-16; 21; 25-26; 47-48				
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Economic Performance; Social Performance;	P. 21; 26-30				
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Economic Performance; Social Performance;	P. 23; 28-29				
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	414-1 New suppliers that were screened using social criteria	Social Performance;	P. 34				

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
				REQUIREMENTS OMITTED	REASON	EXPLANATION	
EMPLOYEE ATTRACTION, RETENTION AND DEVELOPMENT							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Social Performance; Methodological Note;	P. 15-16; 25-31; 47-48				
GRI 202: MARKET PRESENCE 2016	202-2 Proportion of senior management hired from the local community	Social Performance;	P. 29				
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Social Performance;	P. 27-28				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social Performance;	P. 27				
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Social Performance;	P. 30-31				
	404-3 Percentage of employees receiving regular performance and career development reviews	Social Performance;	P. 31				
OCCUPATIONAL HEALTH AND SAFETY							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Social Performance; Methodological Note;	P. 15-16; 32-34; 47-48				
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Social Performance;	P. 32-34				
	403-2 Hazard identification, risk assessment and incident investigation	Social Performance;	P. 32-34				
	403-3 Occupational health services	Social Performance;	P. 32-34				
	403-4 Worker participation, consultation and communication on occupational health and safety	Social Performance;	P. 32-34				
	403-5 Worker training on occupational health and safety	Social Performance;	P. 32-34				
	403-6 Promotion of worker health	Social Performance;	P. 32-34				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Social Performance;	P. 32-34				

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
				REQUIREMENTS OMITTED	REASON	EXPLANATION	
	403-8 Workers covered by an occupational health and safety management system	Social Performance;	P. 32-34				
	403-9 Work-related injuries	Social Performance;	P. 32-34				
	403-10 Work-related ill health	Social Performance;	P. 32-34				
SUPPLY CHAIN MANAGEMENT							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Social Performance; Methodological Note;	P. 15-16; 34-35; 47-48				
GRI 204: PROCUREMENT PRACTICES 2016	204-1 Proportion of spending on local suppliers	Social Performance;	P. 35				
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	308-1 New suppliers that were screened using environmental criteria	Social Performance;	P. 34				
CONSUMER AWARENESS							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Social Performance; Methodological Note;	P. 15-16; 36; 47-48				
USE OF NATURAL RESOURCES							
GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Environmental Performance; Methodological Note;	P. 15-16; 37-42; 47-48				
GRI 301: MATERIALS 2016	301-2 Recycled input materials used	Environmental Performance;	P. 40				
GRI 302: ENERGY 2016	302-1 Energy consumption within the organisation	Environmental Performance;	P. 37-39				
GRI 303: WATER AND EFFLUENTS 2018	303-1 Interactions with water as a shared resource	Environmental Performance;	P. 41-42				
	303-2 Management of water discharge-related impacts	Environmental Performance;	P. 41-42				
	303-3 Water withdrawal	Environmental Performance;	P. 41				
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GRI 304: BIODIVERSITY 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental Performance;	P. 40				

GRI STANDARD	DISCLOSURE	CHAPTER	PAGE NO.	OMISSION			REFERENCE TO GRI SECTOR STANDARD
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GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Environmental Performance; Methodological Note;	P. 15-16; 37-38; 42-44; 47-48				
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance;	P. 42-43				
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance;	P. 42-43				
	305-4 GHG emissions intensity	Environmental Performance;	P. 42				
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	Environmental Performance;	P. 43-44				
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GRI 3: MATERIAL TOPICS 2021	3.3 Management of material topics	Gerosa Group; Environmental Performance; Methodological Note;	P. 15-16; 37-38; 44; 47-48				
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Environmental Performance;	P. 44				
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GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Economic Performance;	P. 21-23				
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GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Economic Performance;	P. 23				



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Independent auditors' report on the 2022 "Sustainability Report" (Translation from the original Italian text)

To the Board of Directors of
Cellografica Gerosa S.p.A.

We have been appointed to perform a limited assurance engagement on the "2022 Sustainability Report" (hereinafter the "Sustainability Report") of Cellografica Gerosa S.p.A. and its subsidiaries (hereinafter also the "Group" or "Gerosa Group") for the year ended on December 31st, 2022.

Directors' responsibility on the Sustainability Report

The Directors of Cellografica Gerosa S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological Note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of the Gerosa Group, regarding the sustainability performance, as well as the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

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Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via Lombardia, 31 - 00187 Roma
Capitale Sociale Euro 2.575.000,00 I.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCAA di Milano Monza Brianza Lodi
Codice fiscale e numero di iscrizione 00434000584 - numero R.F.A. di Milano 606158 - P.IVA 00891231003
Iscritta al Registro Revisori Legali al n. 70945 Pubblicato sulla G.U. Suppl. 13 - IV Serie Speciale del 17/2/1998
Iscritta all'Albo Speciale delle società di revisione
Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

In particular, we have conducted interviews and discussions with the personnel of Cellografica Gerosa S.p.A. and of Artema Plast S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for the production site of Boldesti-Scaeni (Romania) of Artema Plast S.r.l., that we have selected based on its activities, relevance to the consolidated performance indicators and location, we have carried out interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Gerosa Group for the year ended on December 31st, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological Note" of the Sustainability Report.

Milan, July 26, 2023

EY S.p.A.
Signed by: Paolo Zocchi, Auditor

This report has been translated into the English language solely for the convenience of international readers.



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CF e n. of Commercial register in Como no. 00200410132

Registered capital euro 8.000.000 fully paid

Design by riveradvertising.com

Printed by Grafiche Mariano - Finished printing in September 2023





2022 SUSTAINABILITY REPORT