



Pelliconi

SUSTAINABILITY REPORT
2019



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Pelliconi's Sustainability Report has been prepared according to the Sustainability Reporting guidelines of the Global Reporting Initiative (GRI). This year, the report confirms the reporting scope and the number of performance indicators of the GRI standard achieved in the previous edition. The report is in line with the application level of the Global Reporting Initiative standard.

The report presents stakeholders with the main economic, environmental and social impacts. It also provides a broader context for the company's business, illustrating relevant aspects in relation to the sector of closure manufacturers and the territorial scope of reference.

The qualitative and quantitative reporting topics as well as information, reflect the requirements of the reference standard and the considerations that emerged in meetings with the company's management.

Additional information was gathered from national and international sectoral associations (ANFIMA, MPE), taking into account the best practices for sustainability reporting in the reference sector and the requests for information made by our customers.

Certain indicators (such as personnel training) were reported taking into account the standards for sustainability data promoted by ISTAT and the CSR Manager Network Italy. A list of published indicators is available at the end of the report, indicating where the information provided by the GRI are located within the document. As per previous years, the data and information provided (unless otherwise stated) refer to all the companies comprising the Pelliconi group: Pelliconi & C. S.p.A., Pelliconi Abruzzo s.r.l., Pelliconi Egypt S.A.E., Pelliconi Florida LLC, Pelliconi France SARL, Pelliconi Suzhou Ltd, and all commercial divisions where applicable.

Data has been compiled and checked by several department managers.

The section concerning the economic performance has been prepared using data from Pelliconi consolidated financial statements that have been audited by external and independent auditors.

Wherever possible, the data for the three-year period 2017-2018-2019 has been reported as requested by the GRI standard. CO₂ emissions deriving from electricity consumptions have been recalculated for the whole three-year period 2017-2018-2019, using the emission factor of the Italian power stations related to the year 2010 and published in the ISPRA 2012 report on emission factors in the Italian electricity sector.



"Pelliconi's 81-year history has taught us that there can be constant crises and challenges to face. However, this is what drives us to always foster a restart, as well as be stronger, better prepared, and more confident than ever in the future. Our secret? A passion for our work and the continuous search for new challenges."

In the introduction to the annual sustainability report, we must take a look at the situation that affected the entire world last year and that, unfortunately, is still going on. The Covid-19 pandemic has not only affected the world economy with a collapse in global GDP estimated at 4.4 points by the IMF, but it has also had a huge impact on our lives, habits and social relationships. Pelliconi's thoughts go out to the families and communities affected by the virus. We want to face this event with the positivity that distinguishes us and that serves to transform difficult situations into opportunities or to acquire the awareness of a new social status. This can be a turning point for us, a point from which we can start again stronger and that makes us wonder: "was our socio-economic model really correct or did we go too far?...". Pelliconi's 81-year history has taught us that there can be constant crises and challenges to face. However, this is what drives us to always foster a restart, as well as be stronger, better prepared, and more confident than ever in the future. Our secret? A passion for our work and the continuous search for new challenges. We are very attentive to safeguard our staff and all our stakeholders, with a focus on the protection and support of all communities within which we operate so that no one is forgotten, excluded or left

behind. In this historical moment, we must not forget about the results achieved so far in the field of environmental health and sustainability. This is why we have confirmed our project: "Pelliconi Plants a Forest" carried on with pride and becoming more and more popular as evidenced by the employees who decided to give a tree as a present instead of a consumerist gift. We cannot give up on our battle to protect the land, especially now, as it could bring great benefits and make our communities even stronger as well as more resilient.

Pelliconi cares about our communities, the environment that surrounds us and, above all, future generations, so I am pleased to tell you about some of the progress we have made and the goals we want to achieve.

With the idea of creating eco-friendly packaging, one of the goals pursued from the outset was to create products that combine the most modern technologies with a deep respect for the environment that surrounds us. But at Pelliconi, sustainability does not only mean working responsibly on environmental impact, it means above all trying to have as positive an impact as possible on the communities in which we operate. We firmly believe that progress can

only be defined as such if it is implemented with respect for the environment and for individuals. In fact, one of our driving goals is precisely that of leaving a better world for future generations. These values have driven and allowed the small family-run business founded in 1939 to become an internationally established company. We are strongly determined to continue along our path, consolidating the goals achieved so far and always setting new ones.

At Pelliconi, we want to do our part in terms of sustainability and are pleased to report the progress we are making in creating innovative yet sustainable products. The highest expression of this can be found in the latest product that has become part of Pelliconi's production, for which we decided to explore a completely new territory: baby food. We have created a cap that, precisely because of its PVC-free liner, represents not only an innovation in the sector, but also a solution designed with a view to food safety for children and respect for the environment. We always pursue the implementation of international standards in the areas of quality, food safety and environment, which translate into an attempt to implement the sustainable development goals set by the United Nations.

Given Pelliconi's commitment to researching and producing more environmentally sensitive closures, it is equally important that these products are packaged responsibly. The packaging materials used by Pelliconi comply with Directive 94/62/EC ("Packaging and Packaging Waste"), CONEG, and do not contain heavy metals (total content < 100 PPM). The boxes and containers used to transport Pelliconi products are made of recyclable corrugated cardboard with walls in virgin paper, suitable for contact with food and recycled material corrugated cardboard to reduce environmental impact. The polyethylene packaging bags inside them are also fully compliant with the relevant regulations. The packaging is free from appreciable quantities of TCA (trichloronitrobenzene), "mineral oil" and other organoleptically active substances and above all does not migrate or transfer smells to the contents. Furthermore, the production of boxes used by Pelliconi operates according to GMP, i.e. guidelines that ensure that materials and objects are manufactured and controlled in a hygienic manner, without posing any risk to human health.



“ We wish to continue our journey, following the values and motivations that have guided us so far.”

Julio

Despite the adversities, it is important to remember the company objectives achieved together with our 600 employees all over the world. It is with them in mind that we set new challenges and create new projects, with a view to making the working environment ever more welcoming and stimulating. We like to involve the entire Pelliconi's world, our big family, and - alongside the technological and digital development projects - we want to take a step forward on gender equality. We know that we have a good female labour force percentage within the company, but we want to pursue the goal of significant equality even if we are aware of the difficulties linked to reforms that are having difficulty getting off the ground: from the world of education to welfare and culture. Our country, unfortunately, records one of the lowest percentages among OECD countries, where less than 50% of the paid labour market is represented by women. The aim is, therefore, to speed up the achievement of gender pay equality in managerial, administrative and control positions. Female labour force - if improved according to the canons just described - can and must be read as a virtuous incentive for enterprises throughout Italy.

2020 has been particularly difficult for the world economy and its consequences have affected (and are still affecting) all communities around the world. Despite this, we believe it is important to continue working and investing to ensure the company's all-round growth, but also to continue our commitment to protecting the environment and communities. Communities that welcome us and that we want to support, not only financially, but also from a civic, cultural and urban planning point of view. Alongside this commitment, we want to continue to meet our stakeholders' expectations, sharing with them all the initiatives we have undertaken as and the future ones that we plan to undertake. We are convinced that the approach we have taken over the past year is what has allowed us to get this far. This is the spirit with which we would like to begin 2021.





OUR VISION

Leader in product and process innovation; we combine the most modern digital technologies with sustainable and innovative solutions, also in the field of services related to smart packaging, with the aim of creating value for our stakeholders.

Honesty and legality

Respect for current laws, code of ethics, company regulations, loyalty and a sense of responsibility towards customers, suppliers and workers are strongly rooted in our Group and we cannot overlook these guidelines.

Respect and professionalism

Our extensive knowledge of the sector, full range of skills, professional conduct highlighted by fundamental diligence and sincerity with all partners allowed us to earn our customers', suppliers' and other stakeholders' respect and trust. We will continue to work to deserve their respect and trust.

Respect

We are committed to act and think with other people in mind. In this way we must coexist in full mutual respect laying the foundations of civil coexistence where gender equality is an acquired concept preventing any form of abuse and gender inequality. Moreover, cherishing cultural diversity is not only an element of intellectual justice, but a way to enhance cultural pluralism.

Fairness

We offer all employees equal opportunities to work in full respect of the law, in such a way that permits each and every one of them to develop their own personal potential and to benefit from equitable contract terms and salary compensation, based exclusively on criteria of merit and competence, without any form of discrimination. We are just as careful in managing business relationships with suppliers and business partners.

Enthusiasm and passion

We take on all that we do with enthusiasm and team spirit, in the belief that the best results are only obtained with the utmost passion. Passion is the key to everything we do.

Precision

Our results show that we know how to promptly and duly meet our obligations.

Commitment to sustainability

We are committed to work actively towards sustainability, with a view to pursue economic development that is compatible with environmental, ethical and social balance. We safeguard employment conditions to provide a safe working environment and the best production practices for safeguarding the employee's physical and psychological well-being. We work actively for eco-sustainable development, to preserve the quality and quantity of the non-renewable natural reserves and reduce the environmental impacts of our business activities. This allows us to strike a balance between economic development and environment for future generations. We are committed to observing the needs of the regions where we operate, participating in the civic growth and general well-being of the communities in which we operate. This is because we are strongly aware of our fundamental role in adding value through listening to our stakeholders, involving them and collaborating with them.

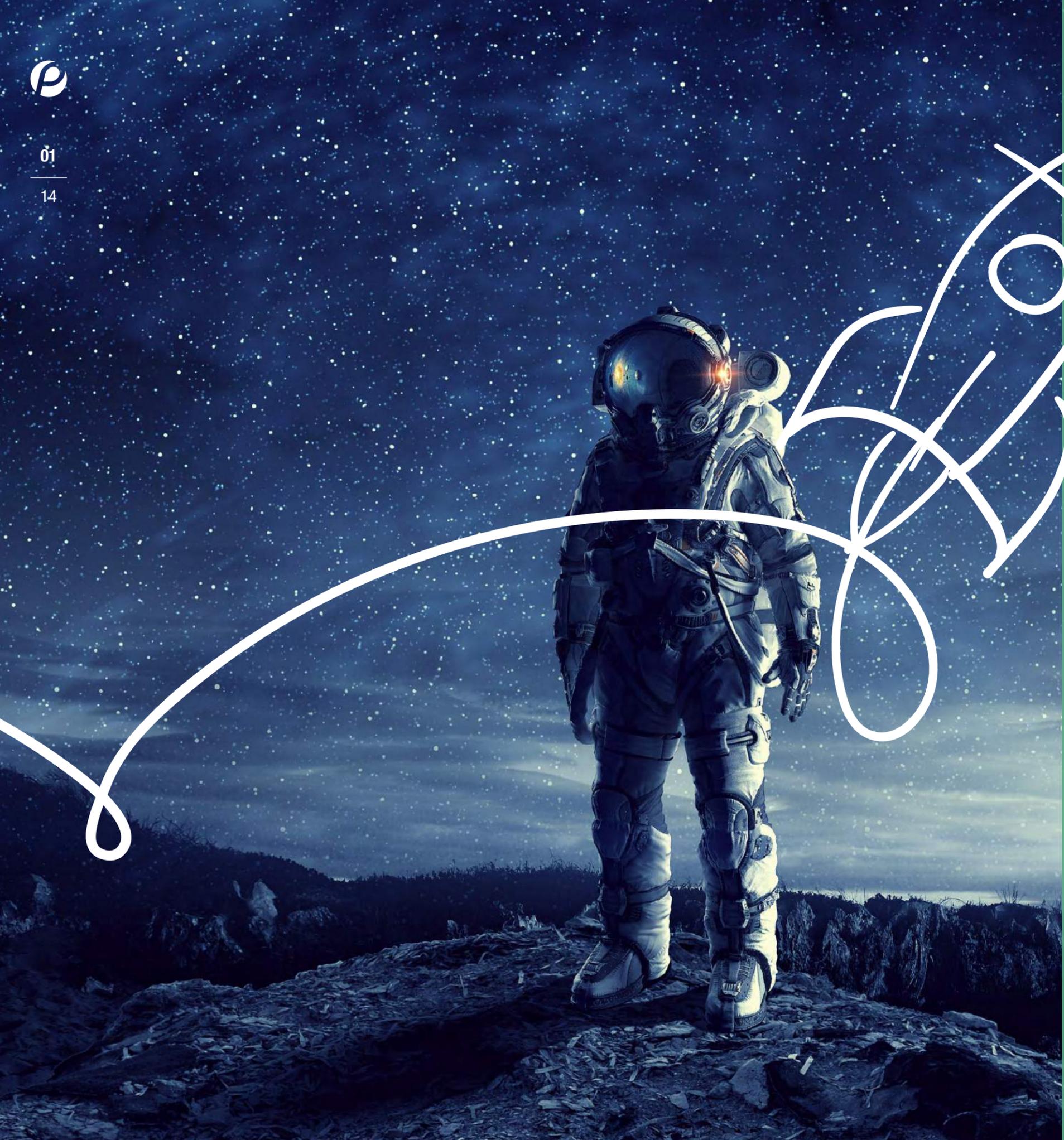
The Code of Ethics was developed to ensure that our fundamental ethical principles and values are clearly defined and serve as the cornerstone of corporate culture, as well as provide a standard of behaviour for all personnel in the conduct of their work.

Since 1939, the Group has been guided by principles of honesty and legality, against any discrimination on political, religious, ethnic, gender or sexual orientation grounds. Our skills and in-depth knowledge of the industry have earned us the respect and trust of our stakeholders, in part due to our commitment to territory development and respect for the environment. We offer all employees equal opportunities in full respect of the law, in such a way that each and every one of them can develop their own potential and benefit from equitable contract terms and salary compensation, based on criteria of merit and competence. We pay the same attention to the selection of our suppliers, ensuring that we only work with bodies and individuals who

share the principles and values that set us apart. We have never associated ourselves - and never will - with bodies, organisations or individuals who are openly ideologically, politically or religiously aligned. We are committed to safeguarding the environment and protecting the health and safety of all our employees, operating in accordance with strict environmental, accident prevention and occupational health and hygiene regulations. We also guarantee the well-being of all our employees by educating them against violence, whether physical or psychological, mobbing and sexual harassment. We are happy to continue our work guided by the same values of respect and fairness that drove our founders, and that continue to motivate the management today.

"There is no happiness without others."

-T. Todorov-



OUR MISSION

Creativity at the service of usefulness. The experiences of each person becoming part of a collective team spirit. Passion for innovation and quality, but respect above all: for our people, our environment and for what we do. Our group has distinguished itself worldwide for its unique nature, mindset and work ethics since 1939. Every day.

We are aware that our success on the market cannot exist without the attention given to the relationship with all our stakeholders, to create sound relationships which promote the building of consensus and mutual trust.

For each working activity which has an impact on one or more categories of our stakeholders, we always try to identify beforehand potential critical situations which may arise at each stage of our activities, defining with them common principles for greater integration of commitments, and for fully sharing objectives and results.

Our stakeholders represent the main target of our corporate social responsibility initiatives and at the same time they are also the most precious partners in building projects and paths fully in line as well as consistent with our core business and with the greatest challenges which are typical of our sector.

MAIN CATEGORIES OF STAKEHOLDERS	OUR STRUCTURE	IN WHAT WAY WE INTERACT, WE LISTEN TO THEM AND INVOLVE THEM
EMPLOYEES	432 in Italy and 138 in the rest of the world	Internal communication instruments (newsletters, intranet, mailing); periodical assessment of the employee engagement, internal and external events dedicated to the employees, Business Meetings and management committees.
CUSTOMERS	Over 700 national and international customers in the beverage sector.	Periodical satisfaction surveys. Visits at our production plants. Participation in internal and external events organised by customers. Continued relationships with our business consultants staff, and with other corporate functions: logistics, quality, technical division, etc.
SUPPLIERS	Our main suppliers are about 30, both national and international; product suppliers: steel, aluminium, paint, plastic compounds. Other service suppliers: transport and logistics.	Daily relationships with the purchasing management and with the logistics, quality and technical division corporate function as well as with all the other managerial roles according to the activities provided. Dialogue with the main associations representing suppliers through the ANFIMA-MPE network.
LOCAL INSTITUTIONS	Municipalities, Supervisory authorities (health, safety and fire prevention), Region (Emilia Romagna, Abruzzo, the Florida State and local authorities of El-Obour and Cairo and Suzhou and the Jiangsu province).	Meetings and visits at the production plants to obtain various authorisations for productive activities with regard to the regulations in force in the various relevant fields (e.g. corporate articles of association, registration of companies with the Chambers of Commerce or equivalent), authorisation for the productive activities, fire safety authorisations, environmental authorisations (e.g. AIA), inspections for checking compliance with regulations in the various relevant fields (e.g. environment safety, ...), presentations of projects to the institutions.
TRADE ASSOCIATIONS	ANFIMA, Confindustria and MetalPackagingEurope.	Periodic meetings, preparation and sharing of best practices, participation in tasks within technical and representative committees.
FINANCIAL INSTITUTIONS	National and international banks that finance the group's main investments.	Meetings with the company Top Management.
NON-PROFIT DIMENSION	Associations for the promotion of activities in the social field: AVIS, Fanep, AIL, Fondazione Sant'Orsola Bologna, Fondazione Aldini Valeriani, Museo del Patrimonio Industriale, sports and cultural associations.	Sponsorships, acts of generosity, assignment of goods or services, partnership projects, training and internships within the company.
TRADE UNIONS	FIOM-CGIL, CISL and UIL.	Collective and regional bargaining. Meetings with corporate trade union representatives.
SCHOOLS AND UNIVERSITIES	The European House – Ambrosetti, University and public and private research institutes; schools.	Development of partnership projects, financial support to study, training as well as research and development of products and materials; corporate testimonials at academic institutes; guided tours at the production plants for students attending technical institutes.
CERTIFICATION BODIES	Deloitte, SGS, DNV GL (Det Norske Veritas - Germanisher Lloyd)	Third party audit, validation and certification of documentation and reporting within the administrative, economic, financial, sustainability, and regulated management system frameworks.

“ The aim is to create alliances that bring about a competitive advantage and shared common benefits. ”

* The table gives a non-exhaustive but representative overview of the type of relationships we have with the several categories of stakeholders together with the main dialogue, interaction and involvement instruments which are typical of them.



In accordance with modern approaches to corporate sustainability and sustainability reporting, a Materiality Analysis was carried out internally in order to identify the most relevant sustainability aspects for the company and its stakeholders. It is an evaluation of the significance of a set of thematic areas of economic, social and environmental sustainability, assessed according to the expectation for the company and its most significant Stakeholders.

The combination of the "Materiality" assigned to each aspect returns a value of importance that allows these issues to be ordered according to various degrees of priority, in order to select the most significant ones on which to focus action and reporting commitments.

The Materiality Analysis finalised in the context of the Sustainability Report also allows the organisation to highlight the relationships between the interests of the company and those of the Stakeholders, highlighting the areas of mutual interest in sustainability, on which the content of the reporting and the strategic actions to be taken must focus.

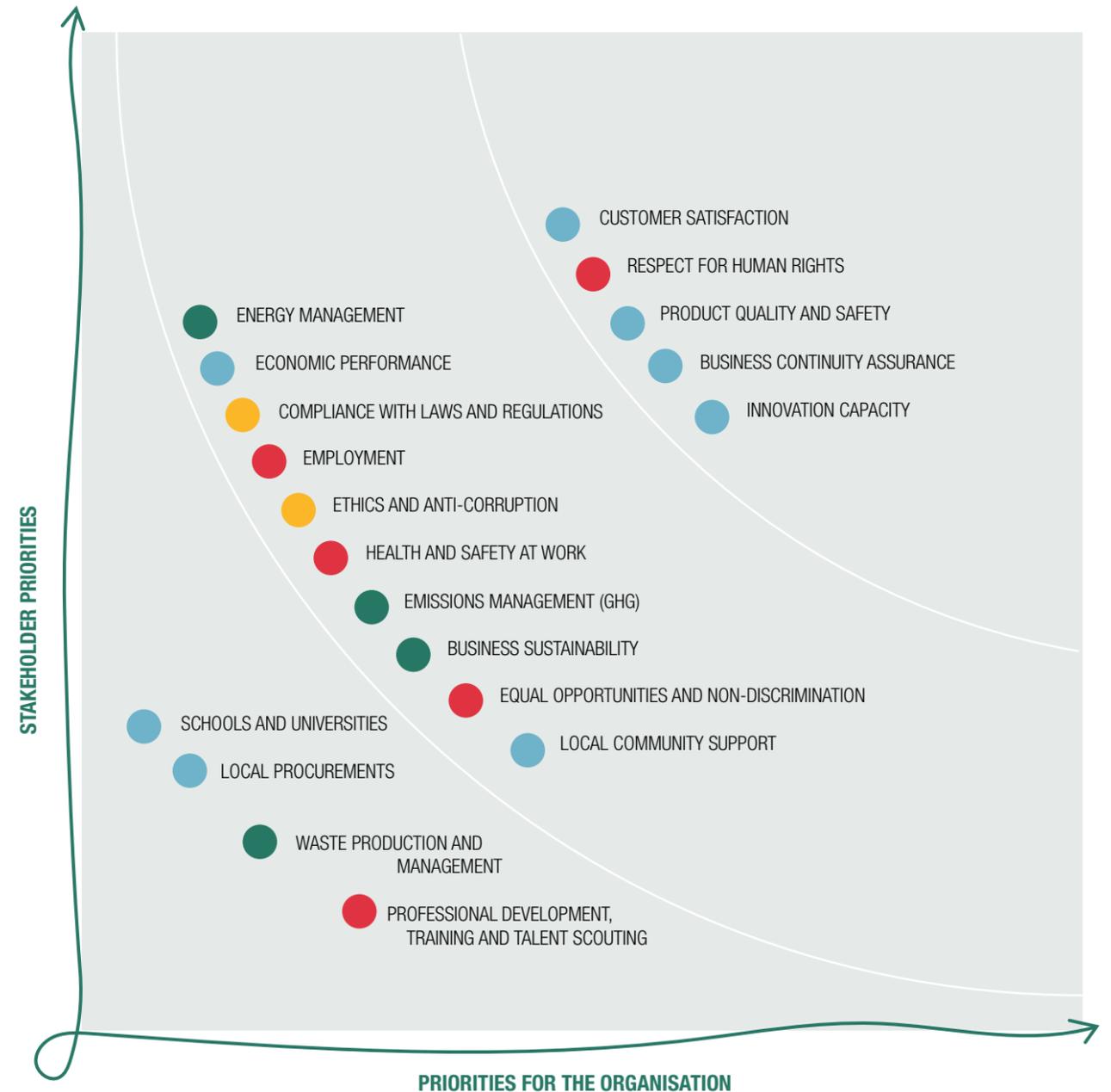


The "Materiality Matrix" below is a summary representation of Pelliconi's materiality analysis. The method used to update the matrix and the definition of potentially relevant issues involved an internal analysis: the company identified and selected the issues it considered significant for its internal and external stakeholders on the basis of the awareness and knowledge gained from long-term business.

Sustainability issues were assessed according to a rating scale to highlight their relevance and priority.

The material topics are categorised into areas as outlined below, to which one or more specific indicators correspond.

AREA	MATERIAL TOPIC
ANTI-CORRUPTION AND GOVERNANCE	Ethics and anti-corruption Compliance with laws and regulations
SOCIAL RESPONSIBILITY	Innovation capacity Product quality and safety Customer satisfaction Economic performance Local community support Business continuity assurance Local procurements Schools and universities
HUMAN RESOURCES AND HUMAN RIGHTS	Health and safety at work Professional development, training and talent scouting Respect for human rights Employment Equal opportunities and non-discrimination
ENVIRONMENTAL RESPONSIBILITY	Energy management Emissions management (GHG) Waste production and management Business sustainability





We have identified and analysed the non-financial risks relating to the areas that were found to be significant following the materiality analysis.

ANTI-CORRUPTION AND GOVERNANCE

SOCIAL RESPONSIBILITY

HUMAN RESOURCES AND HUMAN RIGHTS

ENVIRONMENTAL RESPONSIBILITY

For each significant area, we adopt policies, principles and organisational models that allow for the proper management and control of related potential risks. These are listed below based on research performed on the reporting of other organisations, some of which operate in the engineering manufacturing sector.

SCOPE OF MATERIALITY	TYPES OF POSSIBLE RISKS	ACTIONS FOR CONTROL AND MANAGEMENT
ANTI-CORRUPTION AND GOVERNANCE	<ul style="list-style-type: none"> • Offences for unlawful acts committed for the benefit of the organisation • Sub-optimal management of human and material resources • Failure to comply with regulations and guidelines • Penalties, fines and legal proceedings • Production stops and downtime • Image and reputation damage 	<ul style="list-style-type: none"> • Development and drafting of a code of ethics shared with all stakeholders • Organisation model according to Italian Legislative Decree no. 231/2001 • Third-party certified management systems • Internal self-control systems
SOCIAL RESPONSIBILITY	<ul style="list-style-type: none"> • Loss of competitiveness due to lack of innovation • Products not complying with the relevant regulations and technical standards • Unsafe products • Dissatisfied customers, market loss • Unsatisfactory economic performance • Problems and situations of friction and conflict with local communities • Image and reputation damage • Uncertainty of business continuity in the medium to long term • Excessive complexity and reduced supply chain assurance • Lack of generational turnover and loss of talents 	<ul style="list-style-type: none"> • Development and drafting of a code of ethics shared with all stakeholders • Third-party certified management systems • Internal self-control systems • Interaction with local communities • Structured analysis of contextual risks • Marketing analysis • Careful selection and periodic evaluation of suppliers of products and providers of services • Staff recruitment and continuous internal training plans for human resources • Career development plans for qualified internal human resources
HUMAN RESOURCES AND HUMAN RIGHTS	<ul style="list-style-type: none"> • Accidents and occupational diseases • Failure to comply with regulations and guidelines • Penalties, fines and legal proceedings • Production stops and downtime • Image and reputation damage • Lack of generational turnover and loss of talents • Excessive turnover • Loss of attractiveness in recruiting new resources • Discrimination and internal conflict • Mobbing, dissatisfaction and workplace climate deterioration • Failure to appreciate human resources with high development potential 	<ul style="list-style-type: none"> • Careful assessment of risks as well as prevention and protection activities • Third-party certified management systems • Internal self-control systems • Structured analysis of contextual risks • Periodic supply chain analysis and evaluation • Relations with schools and universities • Analysis of internal workplace climate, satisfaction and stress • Staff recruitment and continuous internal training plans for human resources • Career development plans for qualified internal human resources • SEDEX reporting
ENVIRONMENTAL RESPONSIBILITY	<ul style="list-style-type: none"> • Excessive impacts on the environment • Excessive consumption of energy and natural resources • Waste and inefficiency • Excessive and uncontrolled pollution • Failure to contribute to the recovery of resources • Difficulty in meeting legislative and BAT standards • Failure to meet the expectations of reference markets • Failure to comply with regulations and guidelines • Penalties, fines and legal proceedings • Production stops and downtime • Image and reputation damage 	<ul style="list-style-type: none"> • Third-party certified management systems • Internal self-control systems • Structured analysis of contextual risks • Continuous improvement analysis, optimisation and waste reduction • Investments in new technologies • Implementation of and compliance with BAT • Selection of suppliers and raw materials with reduced environmental impact • Design, research and development of innovative products with lower environmental impact • Environmental data reporting on CDP and Ecovadis



“We are one of the world’s leading manufacturers of metal closures for the beverage sector.”



Our production focuses on bottle closures like metal crown caps (including twist-off caps), threaded aluminium capsules, aluminium “pull-ring” (Maxi-P-26) caps, and screw-on plastic capsules, wine caps and baby food capsules.

Our bottle closures are mainly marketed to the beverage and baby food sectors. However, other specific products for the pharmaceutical and personal care sectors are being studied.

Our main figures for 2019 include a turnover of about Euro 163 million, an EBITDA at approx Euro 15 million, with a production of over 30 billion closures exported to over 100 nations worldwide.

Our group currently employs over 600 employees, working in five production plants in four continents:

- » in Italy: in Ozzano dell’Emilia, near Bologna (headquarters) and Atessa in the province of Chieti
- » in Egypt in El-Obour (Cairo)
- » in the United States in Orlando, Florida
- » in Suzhou, China.

To better meet our customers’ needs and take a more active commercial stance we have companies in strategic European nations: Pelliconi UK Ltd, in London, Pelliconi France SARL in Mardeuil (in the Champagne region), Pelliconi Deutschland GmbH in Karlsfeld, Baviera. In recent years we added Pelliconi Russia LLC in Saint Petersburg and a representative office in Istanbul, Turkey.

In 2015, two subsidiaries have been founded: Pelliconi Asia Pacific S.r.l. and Brewpark Sas. Pelliconi Asia Pacific S.r.l. is a finance Sub-Holding of the Group dedicated to the handling of companies operating in the South-East Asian region. This holding

is owned by Pelliconi & C. S.p.A and by Simest S.p.A. Brewpark Sas, a French law company, jointly owned by Pelliconi and a partner operating in the hop business, aims at developing sales in the micro-brewery segment in the Benelux area.

For more than 5 years, Pelliconi Suzhou Closures Manufacturing Co. Ltd has been fully operational with its production site not far from Shanghai.

The Pelliconi sales team also directly oversees markets on all continents: Europe, Africa, Middle and Far East, America and Oceania.

We serve over 600 customers worldwide, including all major beverage sector companies such as ABInBev, Calsberg, Castel, Coca Cola, Danone, Diageo, Heineken, Nestlé Waters, Pepsi Cola, SABMiller, etc.



01. United States
PELLICONI FLORIDA, LLC

02. UK
PELLICONI UK LTD

03. France
PELLICONI FRANCE SARL

04. Germany
PELLICONI DEUTSCHLAND GMBH

05. Italy
PELLICONI & C. S.P.A.
PELLICONI ABRUZZO S.R.L.

06. Turkey
LIAISON OFFICE

07. Egypt
PELLICONI FOR CLOSURES
MANUFACTURING (PELLICONI
EGYPT) SAE

08. Russia
PELLICONI RUSSIA LLC

09. China
PELLICONI SUZHOU CO, LTD



PELLICONI & C. S.P.A.

Ozzano dell'Emilia (Bologna)
Headquarters and original Pelliconi's plant

Products/ Manufacturing capacity

29mm crown caps/ 200 million pieces
Aluminium Closures/ 2.8 billion units
SoPure Capsules



PELLICONI FLORIDA LLC

Orlando (Florida - USA)

Products/ Manufacturing capacity

Plastic capsules (single piece HDPE)/ 2 billion pieces
26mm crown caps/ 3 billion pieces

PELLICONI ABRUZZO S.R.L.

Atessa (Chieti)
The world's largest production facility for crown caps

Products/ Manufacturing capacity

26mm crown caps/ 24 billion pieces



PELLICONI FRANCE SARL

Mardeuil (France)

Sold products

26mm and 29mm crown caps / MAXI P-26/
"Obturateur" type caps for champagne/
29mm crown caps with built-in bidule

PELLICONI EGYPT SAE

El Obour City (Cairo - Egypt)

Products/ Manufacturing capacity

26mm crown caps/ 3 billion pieces



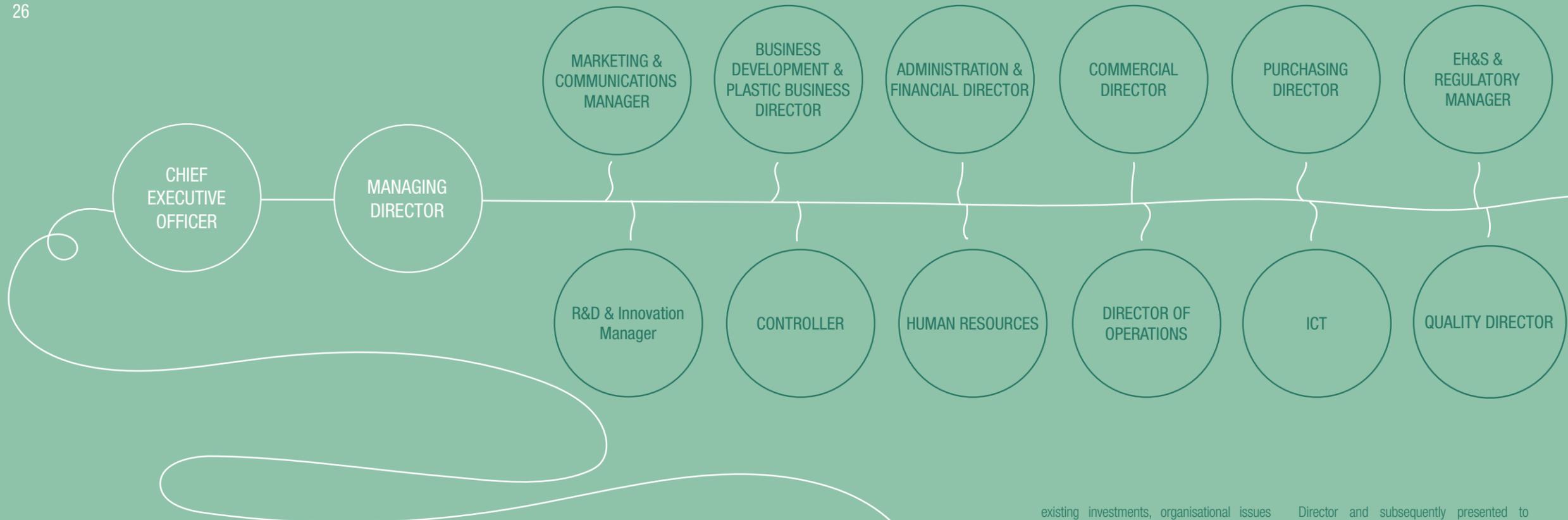
PELLICONI SUZHOU CO, LTD

Suzhou (Jiangsu Province – China)
Production plant for the manufacturing of Maxi P-26

Products/ Manufacturing capacity

Aluminium Closures/ 2 billion units





Pelliconi & C. S.p.a. is the parent company that, in addition to carrying out its own production activities, holds the shares of the other companies in the Pelliconi Group. The Company has a traditional governance structure

The Shareholders' Meeting is the body that brings together shareholders, who are called upon to make some important decisions for the company, including the appointment and suspension of the administrative body, the appointment of auditors and budget approval. The administrative body (the Board of Directors) is responsible for the management of the company and the implementation of its object. All shareholders of Pelliconi & C. S.p.A. are also members of the Board of Directors.

Mr Franco Gnudi is the Chairman and Legal Representative, while Mr Marco Checchi is

the Chief Executive Officer. Two independent Directors are also members of the Board of Directors. The Board of Directors has delegated to the Chairman, and in his absence and/or impediment to the Chief Executive Officer, the ordinary administration powers. In addition, the Board of Directors has granted the Managing Director the powers necessary for the management of the company and the Financial Director the powers for ordinary financial management.

The Board of Statutory Auditors is the Company's controlling body which is appointed by the Ordinary Shareholders' Meeting. Its duties include overseeing compliance with the law and the articles of association, the "principles of correct administration" and the adequacy of the organisational, administrative and accounting structure adopted by the company. The Shareholders' Meeting also

entrusted to an external auditor both the statutory audit of the financial statements of the parent company and the consolidated financial statements.

The **Group's organisational model** foresees a corporate level, headed by the Managing Director who reports to the CEO, and all other corporate functions with responsibilities at Group level, even if their roles vary in the various subsidiaries. This means that all companies of the Group, based on their corporate form and the country where they were established, have their own administrative organs, but at the management level they all report to the corporate functions.

There is an **Investment Committee**, chaired by the Managing Director and attended by the heads of the various company departments, which discusses, assesses and investigates cross-functional issues related to new and

existing investments, organisational issues and the development of new projects. There is a Management Committee, with managers from different areas of the company, responsible for discussing, analysing and informing the several participants about the Group's financial and economic results as well as about the state of advancement of the various projects and initiatives developed at the Group level.

The **Group Management Control** and **Controller** are in charge to oversee some transversal processes within the Group in order to plan, monitor and control the performance of the Group. To this end, an annual monthly cost budget is drawn up as well as a forecast of the financial results on a quarterly basis. The budgeting process involves all business areas, leading to the drafting of an economic and financial forecast for the following year. This document is approved by the Managing

Director and subsequently presented to the Board of Directors for approval. The Management Control checks and monitors any deviation between the actual and budgeted figures on a monthly basis.

Financial management is also coordinated at Group level, although certain treasury transactions are managed locally depending on the structure and type of the company, within the framework of the signature powers assigned locally to the various managers. All production companies have a Plant Manager who reports hierarchically to the Group Managing Director and functionally to the Chief Operating Officer of the Group.



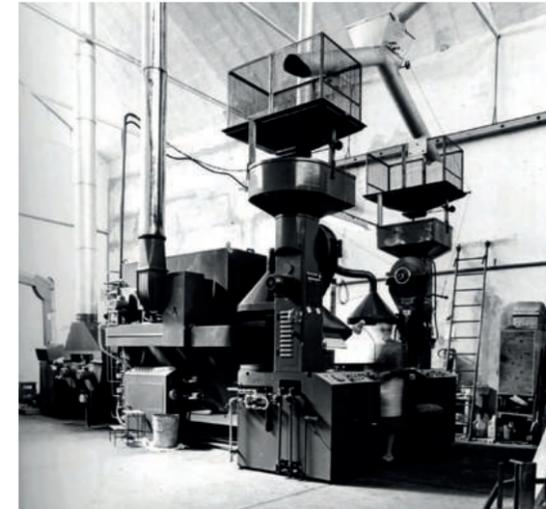


“Our company was founded in Bologna in 1939, thanks to the passion and intuition of Angelo Pelliconi who, at the beginning of the Second World War, invented a way of reusing metal military field ration containers of the Americans soldiers to manufacture metal caps.
A beacon for sustainability since 1939! ”

Already in the early, pioneering year, the Pelliconi closures were a success. Furthermore, in order to meet the growing market demand, the production process had to be accelerated and automated. This quest led Angelo Pelliconi to establish a strong working relationship, destined to become even stronger in the following years, with a group of young mechanics in nearby Imola, who would later go on to form SACMI. The increase in production capacity and the need for new spaces led the company to shift to Ozzano dell'Emilia, near Bologna, where we still have our headquarters and an important production plant.

Until the late 1980s, all of our production was based in the Ozzano dell'Emilia factory and our market share of some 4 billion pieces per year was primarily national, but with ever growing export shares to Europe and Africa. At the beginning of the 1990s, Pelliconi Abruzzo S.r.l. was established, with headquarters at Atessa, at the heart of the Val Di Sangro industrial zone in the province of Chieti. Over the years, the company made Pelliconi Abruzzo Srl a focus for important investments and a series of expansions, to the point of making it the largest capacity crown caps manufacturing plant in the world. Pelliconi Abruzzo Srl has contributed notably to increasing our productive capacity to the current levels of over 22 billion closures per year.

By this time internationalisation had become unavoidable, and in 2008 we established Pelliconi Egypt SAE, near Cairo, in partnership with an



Egyptian entrepreneur. This new production plant has an installed capacity of about 3 billion crown caps per year, intended to supply the Egyptian market, Middle Eastern countries and of the African continent, with particular marketing advantages for the countries belonging to the COMESA area.

In 2010 we established Pelliconi Florida LLC, with headquarters in Orlando, United States. In 2011, this site (which initially only produced plastic capsules) began manufacturing crown caps, with an annual installed capacity of about 4.5 billion pieces. Implementing the production of metal closures allowed us to break through the American market, which before was served by Italian plants. During 2016 (continuing the internationalisation process) we started operations in a new Pelliconi production site in China, located in Suzhou, near Shanghai, the economic capital of the Country. The production in this facility started with aluminium Maxi P-26 ring-pull closures, a type of closure with a strong growth and diffusion in the beverage market.

Born as a small company, operating on the domestic market, with a successful entrepreneurial vision and the will to be ever closer to its customers, Pelliconi is now one of the leading companies in the bottling closure section, and is proud to be a partner of the most important international players in the beverage sector.



Our customers

We now serve over 700 customers, including major international players in the beverage sector, with bottling plants and offices situated around the world.

Over the course of the years we have diversified and enriched our product portfolio, offering our customers a complete range of products and services to cover a variety of bottling solutions.

In 2019, our total production at the group level exceeded 29 billion closures of various types, with further growth expected in the coming years.

This result has been made possible by investing in research and development, not only with regard to new products but also new technologies. This offers our customers reliable partnerships seeking long-term collaborations, and following the path towards internationalisation with determination, to get ever closer to our consumers and focus more to fulfil their needs.



PRODUCT RESEARCH AND DEVELOPMENT: A CUSTOMER PARTNERSHIP RELATIONSHIP

We're always available when it comes to starting processes in partnership with our customers, for the continuous development of innovative and sustainable products.

Our customer-centric approach has brought us to invest in research and development when it comes to new markets and innovative products. We have opened new branches worldwide - in areas not previously covered locally but served by the Italian plants - and are now fully operative in Egypt, Florida and China.

Furthermore, we have developed new closures, such as the Maxi

P-26, which was met with great enthusiasm upon its launch on markets worldwide, contrary to its previous lack of presence in Europe.

This innovative closure is our reference product also in the Chinese plant.

We manage our customer relationships through a team of sales representatives who operate in several geographical areas around the world as truly specialised consultants.

In order to pursue the objective of customer proximity, we have opened sales offices in strategic areas of the market, such as Germany, France, United Kingdom and Russia.

In 2016, we opened a new plant in China for the production of Maxi P-26 aluminium ring-pull capsules.

Apart this ever more widespread regional presence, we have also activated online communications channels, such as our new company website that gives much more room to the customers, entirely re-designed in style and content. Furthermore we are also active on the most popular social media with a brand new communication strategy, oriented to a more modern and dynamic public.

We are constantly in touch and maintain a continuous relationship with our customers through a series of regular meetings at their own facilities and our plants, through our qualified human resource team working in the Internal Sales, Customer Service and Customer Assistance departments.

The fundamental pillars of our approach to customer care and satisfaction are:

- » Quality, safety and reliability of our products and services.
- » A wide range of products suitable for the various marketplace needs.
- » Unmatched know-how in the bottling sector, allowing us to provide a tailor-made advisory service in choosing the products which are the most adequate to meet our customers' needs, and also to be available to develop ad hoc solutions.
- » A substantial production capacity, allowing us to successfully address both continuous demand for large volumes through the peak (summer) seasons and urgent requests for large quantities of products outside of standard production.
- » Our will to be closer to our customers, even geographically, choosing to establish new business offices and production plants in markets until now served by the parent company.

Over the years we have demonstrated our ability to fully understand our customers' practical needs as well as develop tailor-made offerings suitable for specific applications, delivering the product under the planned terms and within the established deadlines, whilst maintaining a fruitful continuity in post-sales relationships. ”

Bottle closures are an important component of beverage packaging. Furthermore - apart from ensuring the protection and preservation of beverages - they also play an important role in our customers' marketing strategies.

A new cap or closure can give a product a competitive advantage in terms of appeal to the consumer, cost reductions and improved sustainability.

Maxi-P caps, with their innovative "ring-pull" opening, "Smart Crown" caps made of metal, the thickness of which having been greatly reduced, and the complete range of PVC-free closures and several technical solutions for promotional products are concrete examples of each competitive aspect described above.

To guarantee top product safety and quality to all our customers and end consumers, we asked our production facilities to gradually adhere to ever more demanding international standards in terms of quality, food safety, environment, and regulations regulating products coming in contact with food.

In addition to the HACCP self-control system for the health and safety risk prevention (incorporated since the very beginning in the Quality Management Systems under ISO 9001), we have also successfully completed the implementation of food safety management systems in all Pelliconi production plants.

In Ozzano-Bologna (the headquarters of the group and original production plant), we also completed the process for the achievement of the environmental management certification according to ISO 14001 - already in place in the Atessa facility - and also the OSHAS 18001 occupational safety management certification, planned to be implemented in other Pelliconi sites in the future.

The new plant in China has already aligned with standards implemented in the existing Pelliconi production plants.

STANDARD	CERTIFIED FACILITIES	SUBJECT	CERTIFYING AGENCY	ACCREDITATION BODY OF THE CERTIFYING AGENCY
ISO 9001	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy Pelliconi Abruzzo s.r.l. Atessa (Chieti) Italy Pelliconi Egypt SAE Cairo – Egypt Pelliconi Florida LLC Orlando (Florida) – USA Pelliconi Suzhou Co Ltd - Suzhou - PRC	Quality management system	DNV GL	Accredia RVA ANAB
HACCP	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy Pelliconi Abruzzo s.r.l. Atessa (Chieti) Italy Pelliconi Egypt SAE Cairo – Egypt Pelliconi Florida LLC Orlando (Florida) – USA Pelliconi Suzhou Co Ltd - Suzhou - PRC	Self-control system for risk analysis and prevention with regards to contamination of food products.	System included in certified quality system ISO9001, BRC-IOP and FSSC 22000	
ISO 14001	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy Pelliconi Abruzzo s.r.l. Atessa (Chieti) Italy Pelliconi Suzhou Co Ltd - Suzhou - PRC	Environmental management system.	DNV GL	Accredia RVA
OSHAS 18001	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy	Occupational safety and safety management system.	DNV GL	Accredia RVA
BRC-IOP	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy Pelliconi Abruzzo s.r.l. Atessa (Chieti) Italy	Food safety management system for sanitary food packaging manufacture.	DNV GL	Accredia BRCS
FSSC 22000	Pelliconi Egypt SAE Cairo – Egypt Pelliconi Florida LLC Orlando (Florida) – USA Pelliconi Suzhou Co Ltd - Suzhou - PRC		DNV GL	Accredia FSSC 22000
ISO50001	Pelliconi & C. S.p.A. Ozzano (Bologna) Italy	Energy management system	DNV GL BODY	Accredia



OUR PLASTIC AND/OR METAL CLOSURES HAVE MANY APPLICATIONS

Contribute to contain the food product (beverage) in a specified, controlled environment, suitable for preservation and distribution to the consumer (bottle).

Guarantee food preservation and safety of the product through its entire life, from production to distribution, until final consumption.

Protect the beverage from the external environment, preserving its constituent, nutritional and organoleptic qualities until it is consumed.

Enhance the customer's brand with logos and colours that identify with the particular bottled beverage.

OUR PRODUCT PORTFOLIO

**26MM crown caps**

- » Tin Plate/Tin Free Steel/ Stainless Steel shell
- » PVC and PVC free plastic liner
- » Pry-off and twist version

**26mm smart crown**

- » Tin Plate/Tin Free Steel shell
- » Low gauge steel for reduced environmental impacts

**29 MM crown caps**

- » Tin Plate/Tin Free Steel/ Stainless Steel/Aluminium shell
- » Printed PVC-free plastic or LDPE liner
- » Compliant for use with "Obturateur DAP" (Champenoise method)

**MAXI P-26 PULL-RING CAPSULES**

- » Aluminium capsule body
- » PVC-free plastic liner
- » HDPE plastic opening ring

**ROPP 28X15mm screw-on capsules**

- » Aluminium capsule body
- » PVC and PVC-free plastic liner
- » Drop- and Split-Band feature

**28mm plastic capsules**

- » Single piece HDPE capsule
- » For use on PC01881 finishes

"PHYSICAL BARRIER" TECHNOLOGY

- » PVC-free plastic liners with high gas barrier
- » Higher protection from environmental contaminations
- » Available for 26mm and 29mm crown caps

"OXYGEN SCAVENGER" TECHNOLOGY

- » PVC-free plastic liners with Oxygen scavenger capability
- » Higher protection from beverage flavour oxidation
- » Available for 26mm and 29mm crown caps and for Maxi P-26

Promotional products**INTERNAL INK JET PRINTING**

Promotional closures with a unique inner code printed by ink jet on the inner side of the metal shell and visible through the transparent liner. Great for contests requiring unique codes (combinations of letters and numbers up to 8-10 digits long), like the ones via Internet or SMS.

**INTERNAL LASER PRINTING**

Promotional closures with laser printing on the inner side of the metal shell and visible through the transparent liner. Great for contests that require printouts with advanced and diversified graphics with complex messages or a combination of these features.

**CONTEST - INTERNAL printing**

Closures with an offset printing of slogans, articulated phrases, drawings, even complex and polychrome ones, on the inside, readable through the transparent liner. Printing can also be applied in combination with an inkjet or laser alphanumeric code. Suitable for promotions with unique codes in combination with fixed images or texts.

**REMOVABLE LINER**

These are caps whose plastic liner can be easily removed ("peelable") from the metal shell. Once the liner has been removed the promotional message and/or the drawing become visible, but they cannot be read from the outside, through the bottle glass. Suitable for promotions with fixed images or texts.

**QR CODE PRINTING**

The QR code is one of the most widely used information systems in marketing. It can store much more data than a traditional barcode, including texts, geographical coordinates, link URLs, etc., which can be accessed by utilities installed on advanced cell phones ("mobile-tagging").

Global reference partner in the closures sector, leader in product and process innovation. We combine the most modern digital technologies with sustainable and innovative solutions, also in the field of services related to smart packaging, with the aim of creating value for our stakeholders.

As indicated in the Pelliconi Group's vision, service is an essential component of the process of partnership creation and modernisation of the company. Service is understood not only as a series of activities designed to increase the level of customer satisfaction, but also as being able to intercept and pro-actively satisfy particular or previously unexplored needs.

Compared to the "traditional" approach that has always distinguished Pelliconi's Technical Service, innovative solutions are being developed such as: the ticketing system, increased virtual presence of our technicians alongside customers for any type of need or support, requests for improvement of the capping process (e.g. analysis of capping device performance or performance measurement of the pasteurisation tunnel) and training.

Thanks to the great experience in the beverage sector that the company has developed throughout its history, Pelliconi also makes its know-how available for the development of tools to measure the quality of the closure and, if necessary, its support in solving problems related to the finished product.

The same approach has been applied to the new Flower and SoPure closures.



Pelliconi strongly believes in the value of packaging not only as a containment tool, but also as a communication tool, that allows the consumer to really get in contact and relate with the product. This is another reason why, since 2016, Pelliconi has been investing in innovation in a structured way through a dedicated Department with core skills open to the evolutions and contaminations of the outside world that add to the company's long experience.

The objective is to support customers with ideas as well as cutting-edge research and development projects but also to be pioneers of new solutions for the food&beverage sector. Today it is a department that includes Innovation and R&D at Corporate level with a team in Italy and a satellite team in China born in 2019.

For us, innovation means:

- » new products
- » new processes
- » new services.

Know-How

A young team with a wide range of skills characterises the Innovation Department, which aims at complementing Pelliconi's renowned experience in metal, plastic, capsule production and capping processes.

Skills range from technical aspects to digital topics:

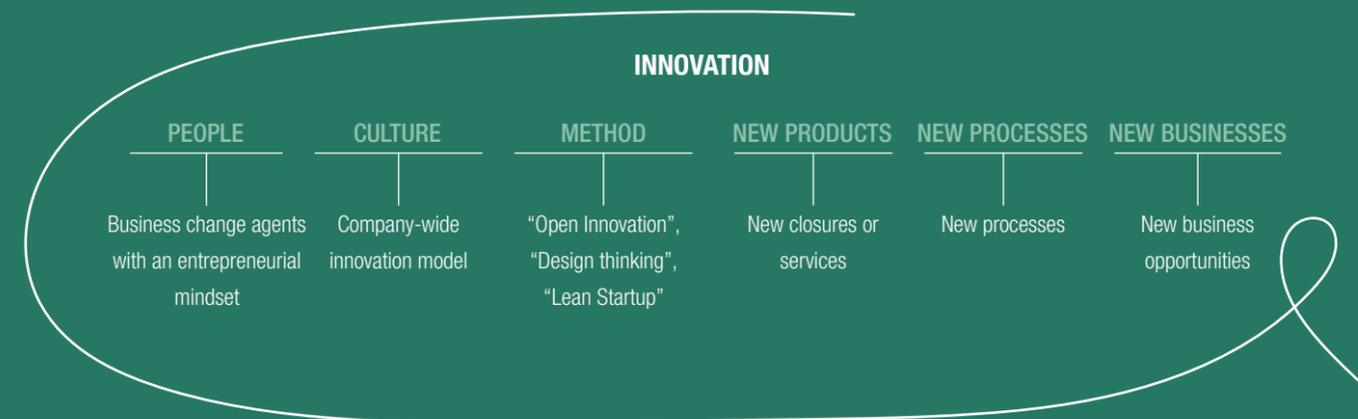
- » Ability to develop a project from the idea to the go-to-market phase
- » Specific mechanical, chemical, and process engineering skills.
- » Product and business design
- » Innovation management skills

An in-house experimentation lab allows for rapid prototyping and testing of ideas. The work is done with an ecosystem of partners (suppliers, research centres, engineering companies, startups, universities) to access additional specific expertise. Continuous training is another distinctive element in order to learn about the latest technologies, business models, experiences and best practices from other sectors as well. All this enables us to convert them into relevant context and bring new ideas to increase Pelliconi's competitive advantage.

Mindset

Innovation is a factor enabled by the coexistence of several elements: People, culture and method, multiplied by the potential of new products, processes and business models.

Such a formula allows for concrete yet challenging results:



Methods

Working on innovation is not a random internal process but a process open to the outside world and very well structured. In these years of activity, the organisation has gradually improved, taking advantage of different methods of innovation to generate new ideas, develop projects and analyse the adequacy of the solutions according to the specific opportunity.

Some of the approaches used in the various projects are:

- » Collaboration/co-creation (internal/external)
- » Agile development
- » Structured development process
- » Workshop
- » Design thinking
- » Open Innovation
- » Call4ideas
- » Lean startup
- » Networking

All with a huge focus on execution!

SUCCESS = 1% IDEA + 99% EXECUTION

Project management

Pelliconi's Project Portfolio is quite broad and ranges from "disruptive" innovations (such as new business models or technologies that are far from established market expertise) to more "incremental" innovations (such as product improvements). In addition, the project portfolio is analysed and balanced based on market trends that are mapped periodically.

A project development process has been put in place to collect ideas, evaluate and develop them by continuously testing the results, measuring them and verifying that they meet the objectives, going through 5 mandatory steps. Achieve results based on small evolutionary steps, in a pure Lean Startup perspective.

IDEA » CONCEPT » PROTOTYPE » INDUSTRIAL SETUP » ON THE MARKET

IDEA

Ideas can come from a variety of sources:

- » INTERNAL (from all departments, at all levels).
- » EXTERNAL (Universities, Consultants, Suppliers, Startups, other)
- » CUSTOMER REQUESTS

PROTOTYPE

Prototyping focuses on creating a stable product or service that replicates the desired end result. However, this is a prototype, so it was manufactured manually in order to analyse how the solution is created.

CONCEPT

A rapid prototyping approach is used to develop the concept, whereby we can physically see whether or not the product/service can actually be made and whether it fits the needs of the market.

INDUSTRIALISATION

The industrialisation phase allows the company to prepare everything necessary to make the product/service available on the market in a massive and consolidated way.

Examples



DESALL, CALL4 IDEAS THE CAP OF THE FUTURE.

Project: a new easy open closure

Method: Pelliconi launched a "Call for Ideas" (as an idea competition is technically called) on the Desall platform. The aim was to invite professional designers, design or architecture firms, freelancers and others to suggest innovative concepts for a new "easy open" closure, i.e. one that opens without a corkscrew. The focus of the competition was on design and user experience, with the aim of creating a product that is fun and capable of creating a new way of interaction.



OPEN INNOVATION WITH STARTUPS: TO OFFER INCREASINGLY INNOVATIVE SERVICES TO RESPOND TO MARKET DEMANDS AND MAKE THEM AVAILABLE IN RECORD TIME.

Project: Digital Printing on Caps

Method: Open Innovation with Startups means working with these small companies in an open mode. This is a great opportunity for Pelliconi to adapt an existing technology to its industry. What could be better than collaborating smoothly and with no excessive bureaucracy with professional experts? Startups are nowadays the most innovative components in the economic universe, but working with them is a delicate job that needs a specific approach because they do not have the strength and foundations of a large company. However, they have a unique potential based on their skills, speed and flexibility of action.



PRODUCT TEST: FLOWER CAP ON THE FIELD.

Project: Flower cap

Method: In some circumstances, having the opportunity to test new prototypes with ordinary people, unaware of the technicalities of the product and the sector, is probably one of the most effective methods to test the product on the market. This is useful to understand how a product is perceived, what are the strengths and weaknesses even before presenting it to potential customers. Having the opportunity to show them the end consumer's reaction is of considerable value, especially when trying to evolve an iconic product like the crown cap. The results of the Flower cap field test were really helpful for the future of the product.



LEAN STARTUP...OUR LEITMOTIV.

Project: Flower Family

Method: Building, testing, figuring out what works and what doesn't, and starting all over again. This is the approach behind Flower cap. The Lean startup method, an iterative development cycle, allows to shorten the validation time, making sure that all the key aspects take the right direction from the very beginning. This method is applied to the definition of new business models and new physical products, where the skills of the team combined with the tools of the structure can make testing possible.



INNOVATION COMMUNITY: INNOVATION AS A CULTURE TO BE SPREAD. OUR CHAMPIONS.

Project: all

Method: Within Pelliconi there is an "Innovation Community", made up of "Champions of Innovation" from various departments who collaborate to achieve challenging new projects across all areas of the company, i.e. bringing new ideas, developing specific projects, being spokespeople with colleagues, and ambassadors of innovation of every sector within the company.



NETWORKING: FROM THE POLYTECHNIC UNIVERSITY OF MILAN, TO INSTITUTIONS AND COMPANIES IN OTHER SECTORS: HOW WE STRUCTURE AND MAKE USE OF THE NETWORK.

Project: All

Method: Pelliconi Innovation and R&D works a lot with the world outside the company by networking and creating relationships and partnerships with universities, startup incubators, consulting circuits in the sector and beyond. This opens a window into the experiences of other sectors, the latest available technologies and possible business models. A community of managers who share skills and knowledge, collaborate where there are common projects, create awareness, contamination and visibility.

MAIN PRODUCTS AND TECHNOLOGIES DEVELOPED



Flower Cap

The Smooth Revolution. This is how we called it in 2018, when we were first able to present an initial working prototype to the market. The market response was immediately enthusiastic, although giving up the iconic crown cap was a deep change that came with some hesitation. A lot of ground has been covered since that day:

- » Definition of the final product and its technical characteristics (already patented)
- » Definition of the capping method, its development and patent.
- » Implementation of a dedicated production line, now available and operational in the plant of Ozzano. After over 120 years of market dominance of the crown cap, the work for our new revolutionary product continues by setting also Technical and Maintenance Services to fully support our customers, exceeding their expectations. Pelliconi is ready to see its product on the shelves in a widespread manner. The Flower evolution does not stop at a single product: besides the pry-off 26 mm Flower cap, Pelliconi R&D Innovation technicians are already working to make the "Flower family" grow in order to offer the market other versions of the closure in the years to come.



MaxiSmart

The Pelliconi ring-pull cap, known as the Maxi P-26, is a worldwide known symbol of the company that has been around for 10 years. During all those years the company has always kept its ears open to the feedback and needs of customers and end consumers, but it has also studied its own product to verify improvements in both performance and process. It is precisely in this context that MaxiSmart was born, taking advantage of the heterogeneous skills present within the team. The evolution has led to a product that maintains the same technical and dimensional specifications so as not to involve changes to the Pelliconi customers' capping system and guaranteeing the same quality of seal but with the following differences:

- » Easier opening thanks to a new internal pre-cut design. This allows using less force in the first opening stages, thus detaching the cap from the neck of the bottle more immediately.
- » Secure opening thanks to the liner that stays joined to the metal.



Digital printing on cap

There is a great opportunity in the market, and Pelliconi is ready to seize it, but also to guide and ride it. We are talking about packaging customisation, a widespread trend with a strong impact on consumers that is characterising various sectors, and is now also entering the world of metal closures thanks to Pelliconi. This breakthrough is made possible by digital printing technology, which Pelliconi has developed and patented with a partner to decorate the surface of metal closures, and which will complement the offset production process, which remains optimal for large batches to which Pelliconi is accustomed. Small batches for the ever-growing number of craft breweries, different closures for marketing activities and customisation for medium, large and very large brands: now everything is possible thanks to the digital printing technology on caps developed by Pelliconi. This not only revolutionises the production process, moving the decoration and customisation phase downstream, but also allows us to create a new business model by being even closer to our customers. All while respecting Pelliconi's quality and efficiency canons, which translates into production speed. As a first step, this new feature is now available on the 26mm crown cap, but this is just the beginning.

Is this a commodity manufacturing company that is listed among large companies that create innovation effectively and sometimes by thinking outside the box? Yes, it is.

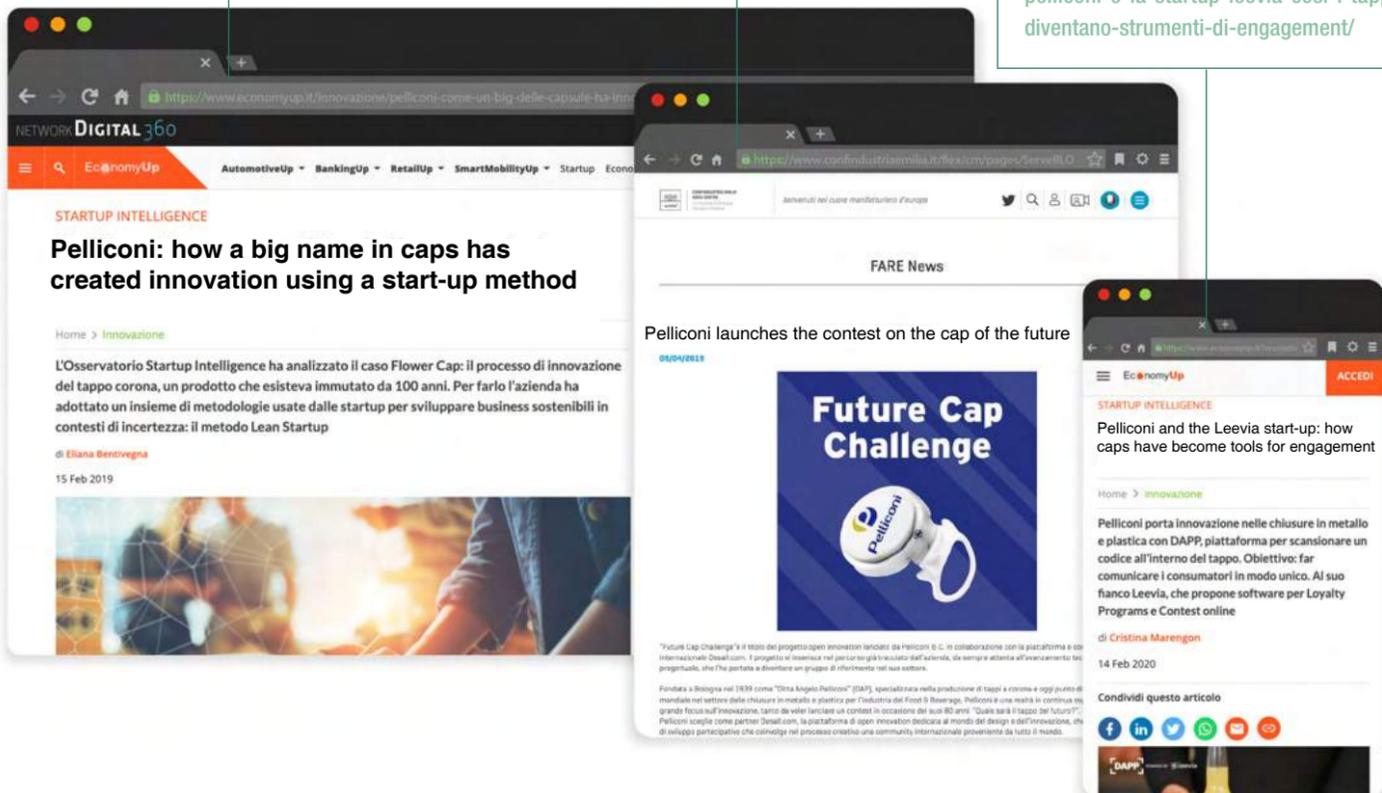
Therefore, the big technological companies of the Silicon Valley are not the only ones that can set an example. In fact, Pelliconi is also recognised as a manufacturer capable of providing suggestions to other companies on how to innovate in their own sector, even in those that are apparently less evolutionary.

This is not a Pelliconi's claim, but it is evidenced by articles published in specialised magazines and invitations to participate as speakers in conferences on innovation. This can only bring pride and even greater motivation to do our best every day with humility and dedication.

<https://www.economyup.it/innovazione/pelliconi-come-un-big-delle-capsule-ha-innovato-usando-un-metodo-da-startup/>

<https://www.confindustriaemilia.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/89548>

<https://www.economyup.it/innovazione/pelliconi-e-la-startup-leevia-cosi-i-tappi-diventano-strumenti-di-engagement/>



The SoPure® capsule is a metallic closure of the press-on twist-off type with a diameter of 51 mm suitable for the packaging in glass jars of different types of food but mainly used for baby food (homogenised products) equipped with an extremely innovative liner for the sector as it is free of PVC (Polyvinyl Chloride) and plasticisers (phthalates, adipates) and derived from a mixture of thermoplastic elastomers, polyolefins and additives.

SoPure represents the perfect combination of the two key principles of the company's vision: sustainability and innovation.

SoPure represents a major innovation that for the first time allows the elimination of PVC and plasticisers from baby food packaging in glass containers. The use of this type of liner meets the need of many manufacturers, retailers and consumers who have sought the removal of plasticised PVC from packaging for long term storage.

PVC is an excellent sealant, but it contains plasticisers that can migrate into the packaged food product, especially with foods that contain fat such as canned meat and fish, cheese and other dairy products. The closure introduced on the market by Pelliconi, PVC-free and totally plasticiser-free, is therefore able to reduce migration. Suitable for hot filling followed by pasteurisation and sterilisation process in autoclave.

In addition to being completely PVC-free and plasticiser-free, the capsule is ESBO-free, i.e. it does not use epoxidized soybean oil, a plasticiser normally used to ensure the hermetic closure of capsules of this type, and is also BPA-NI, therefore produced without the intentional addition of Bisphenol A.

Last but not least, SoPure can be classified as an eco-friendly and environmentally sustainable waste because the PVC-free liner that distinguishes it, allows a much easier recycling and facilitates its disposal. This makes the capsule suitable also for a low environmental impact incineration.

WHY CHOOSE SO PURE?

PROVALIN PVC FREE (TPE SEALING LINER) - NO PLASTICISERS - BPA-NI - ESBO FREE - ECO-FRIENDLY



SUITABLE FOR HOT FILLING FOLLOWED BY PASTEURISATION AND STERILISATION PROCESS IN AUTOCLAVE.



SUITABLE FOR LONG-TERM STORAGE OF BABY FOOD AND A WIDE RANGE OF FOODS AND SAUCES.



IT CAN BE USED ON STANDARD CAPPING LINES FOR GLASS JARS WITH PT FINISHES.

After the growth trend of previous years, 2019 represents for the Pelliconi Group a year of consolidation of its presence on the bottle closures market, achieving revenues from sales and services of Euro 162,922, in substantial stability compared to Euro 162,156 achieved during the 2018 financial year.

The Group closes the 2019 financial year with a profit of Euro 4,050 (Euro 4,454 year 2018) and an operating result of Euro 7,464 (Euro 8,815 in the 2018 financial year) after depreciation and amortisation of Euro 7,461 (Euro 7,455 in 2018) and after allocating Euro 1,022 to the provision for future risks compared to Euro 1,017 in the previous year.

In 2019, the global economy recorded the lowest levels of growth in the last ten years mainly due to the trade war between the US and China: in fact, Gross Domestic Product grew by 2.9% compared to 3.6% in 2018.

The continuation of trade wars, the uncertainties related to Brexit and the weakness of the German economy also affected economic growth in Eurozone countries, hitting the manufacturing sector in particular; these events brought GDP to 1.2% compared to 1.9% in the previous year. In Italy, in 2019, the economy showed stagnant dynamics, mainly due to the slowdown in industrial production motivated by the decline in exports: the gross domestic product contracted sharply from + 1% in 2018 to + 0.2% in the year under review. The spread of the Coronavirus (Covid-19) was a major shock to the growth prospects of economies worldwide and in the Eurozone. It also increased market volatility and, although temporary, it will have a significant impact on economic activity. In particular, production will slow down due to the reduction in domestic and foreign demand, mainly as a result of the adverse impact of the necessary containment measures. In addition, the increased uncertainty will have an impact on spending plans and their financing, with the spread of the Coronavirus representing a new and considerable additional source of downside risks to the growth outlook.

Although the Group's global presence is confirmed, the sales mix in the various geographical areas has changed; specifically, sales in EU countries have decreased by Euro 4,181, offset by an increase in sales in Italy and in non-EU countries of Euro 2,645 and Euro 2,302, respectively. In terms of non-EU countries, revenues in the US fell in 2019, while sales in China increased. A further increase is attributable to the subsidiary Pelliconi Abruzzo S.r.l., whose turnover has contributed to increasing the Group's sales both in Italy and in non-EU countries. As far as the Egyptian subsidiary Pelliconi Egypt SAE is concerned, there was a slight decrease in turnover, substantially confirming its presence on the market in 2019.

In terms of product offerings on the market, sales of ring-pull caps further increased during 2019. While the 26 mm crown cap - mainly used in the beer and soft drinks sector - underwent a slight decline deemed not significant or, in any case, not an indicator of a negative trend in the product which, although considered "mature", continues to be the most widely used bottle closure in certain market sectors.

After a 2018 financial year characterised by the consolidation of the results of the industrial initiatives and projects developed in previous years, a new articulated cycle of investments begun that significantly committed the Pelliconi Group in 2019. This laid the foundations for a further development phase that envisages initiatives both in terms of new products and in terms of meeting the growing needs in certain geographical areas for certain types of products. This development phase, which in the year just ended involved only some Group companies, is expected to continue in 2020, involving the American subsidiary Pelliconi Florida LLC, for which a three-year development plan has been approved, based on

an investment plan in the plastic closures sector. More specifically, new investments were made in 2019 by the subsidiary Pelliconi Suzhou Closures Manufacturing Co LTD that allowed the Group to increase the production capacity of this company. This initiative gave the parent company Pelliconi & C. S.p.a. the opportunity to make a technological change in its ring-pull aluminium closure production department and also allowed increasing the production capacity of the parent company with the addition of a new production line. All this was interconnected with a supervision software that made the entire project eligible for the benefits provided under Industry 4.0.

In addition, in a logic of being present on the wine sector with an increasingly complete range of products, some machines have been purchased in 2019 as well as another machinery to complete the production line that will be installed in 2020 for the production of capsules for this type of market.

The Quality Management System continues to be developed

on the basis of Corporate guidelines, defining and directing the various branches in implementing and adapting the System to local companies that are very similar in terms of product and process, but different in cultural terms, maintaining the necessary control and supervision in its implementation. In addition, during 2019, the Parent Company Pelliconi & c. S.p.a. and its subsidiary Pelliconi Abruzzo updated their respective Italian Legislative Decree no. 231/2001 models according to the legislative changes that have taken place, mainly with regard to environmental, corporate and irregular employment offences.

The Supervisory Bodies continued their respective audits with the various managers and no reprehensible facts or violations of the models adopted emerged, nor did they become aware of any acts or conduct involving a violation of the provisions contained in Italian Legislative Decree no. 231/2001.

THE FOLLOWING IS THE ECONOMIC VALUE DIRECTLY GENERATED IN THE THREE-YEAR PERIOD 2017-2019.

ECONOMIC PERFORMANCE	2017	2018	2019
GENERATED ECONOMIC VALUE	153,175	162,156	162,922
REVENUES	153,175	162,156	162,922
DISTRIBUTED ECONOMIC VALUE	143,001	154,482	153,435
OPERATING COSTS	110,935	121,846	119,493
EMPLOYEE SALARIES AND BENEFITS	26,729	28,142	29,664
PAYMENTS TO CAPITAL PROVIDERS	2,015	2,037	2,243
PAYMENTS TO PUBLIC ADMINISTRATION	1,826	2,314	1,743
COMMUNITY INVESTMENTS	150	143	292

Note: values expressed in K Euro

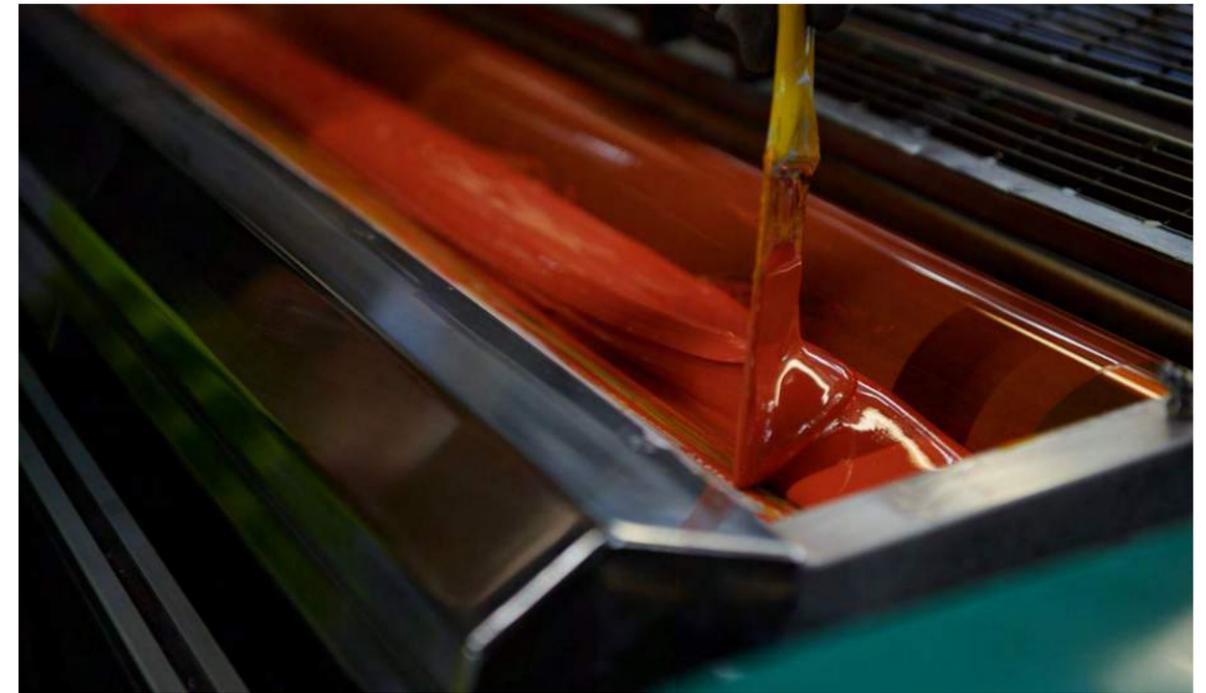
In our relations with suppliers, we are committed to implementing proper, timely and transparent practices in exchanging information and managing business relations, while seeking professionalism and commitment in sharing the principles and values referred to in our Code of Ethics.

In materials supply relations, tenders for goods and/or services and in collaborations with external partners (consultants, sales agents, etc.):

- » we comply with our internal procedures for the selection and management of suppliers and do not prevent any person meeting the requirements from competing;
- » during the selection process, we use objective evaluation criteria in a clear and transparent manner;
- » we periodically select and validate suppliers who can consistently ensure that the requirements and needs of our customers and consumers are met;
- » we communicate and share our values and ethical principles, including through specific references in contractual documents.

To produce our closures we obtain supplies of steel, aluminium, plastic, paint and ink from the most qualified producers, which are often large multinationals that employ state-of-the-art technologies and serve as a reference point for our specific sector. Most of them have adopted their own code of ethics for business conduct and implemented management systems for occupational and environmental safety (OHSAS 18001/ISO45001 and ISO14001) that are externally supervised and certified by independent and accredited agencies.

The table hereunder reports the total percentage of the purchases made from suppliers falling under different product categories having a code of ethics for business conduct and an environmental and occupational safety management system, externally certified under the ISO14001 and OSHAS 18001/ISO45001 standards.



TOTAL VOLUME OF PURCHASES IN 2019 FROM SUPPLIERS WHO ADOPTED THEIR OWN CODE OF ETHICS AND AN EXTERNALLY CERTIFIED ENVIRONMENTAL AND OCCUPATIONAL SAFETY MANAGEMENT SYSTEM.

ECONOMIC PERFORMANCE	ISO 14001	OHSAS 18001/ ISO45001	CODE OF ETHICS
STEEL SUPPLIERS	> 80%	> 80%	> 80%
ALUMINIUM SUPPLIERS	100%	100%	100%
PAINT AND INK SUPPLIERS	> 50%	> 50%	> 50%
PLASTIC COMPOUND SUPPLIERS	> 90 %	> 90 %	100%





07

48



07

49

RATIONAL USE OF ENERGY FOR REDUCED ATMOSPHERIC EMISSIONS

We are careful and invest resources to improve energy efficiency in production processes. This positively affects even atmospheric emissions. At equivalent production rates our production plants are now more efficient and consume less energy than they did in the past.

We manage to continuously improve our production processes through fine tuning and optimisation, (sometimes based on suggestions directly from our personnel) as well as through specific investments in new technologies. In this field, even research and development in production processes played an important role.

The environment represents for us a heritage to be respected and preserved for present and future generations.

This is why we undertake responsible management of natural resources, energy and waste. We aim at gradually improve our results through the use of new technologies which are ever more efficient and have a lower environmental impact, continuous improvement in production processes to minimise all forms of inefficiency and waste, research and development of new products and materials that are ever more ecological and rationalisation of logistics in relation to the transportation of our products and raw materials which we get from suppliers. The main sources of environmental impact from our production cycle are:

- » Energy consumption (methane and electricity)
- » VOS emissions (solvents in the atmosphere)
- » NOx emissions (products of combustion)
- » CO₂ emissions
- » Consumption of raw materials from non-renewable sources (in particular: steel, aluminium, plastic, and coating products)
- » Waste
- » Indirect emissions from transportation of products

In contrast, cap and closure production does not have a negative impact on biodiversity, since our production plants are located in industrial areas and the production processes do not have particularly critical impacts on soil, flora or fauna.

Water consumption does not represent a significant aspect in our production cycle since it is not used in business processes except in closed circuits for plant cooling and fire extinguishing systems in emergency cases (fire sprinkler and hydrant networks), as well as sanitary services and irrigation of green areas.

Our main plants, in Ozzano-Bologna and Atessa-Chieti are working according to the procedures set out by the respective environment management systems, which have achieved the certificate of compliance with international standard ISO14001. In any case, all of the production plants of the Group follow an approach to environmental issues management in compliance with the ISO14001 standard requirements.



" We engage, motivate and make our people aware of the positive impact everyone can make to lower the environmental footprint of our business. "

A significant part of the raw materials we use to produce our metal caps derive from recycled materials. The main raw material we use to produce closures is metal, particularly steel and aluminium, which we use as sheets for lithography and shearing. These are mainly purchased from Italian and European companies.

In Italy and Europe, aluminium and steel from packaging products introduced on the market in the form of products is mostly recovered and introduced once again in the production cycle by large industrial waste collection centres, with separate collection of urban rubbish, and by waste treatment plants, where ferrous materials are magnetically extracted.

In Europe, this percentage stood at 82.5%* for steel and around 65%* for aluminium in 2019; in Italy, 82.2%** of steel and 70%** of aluminium released for consumption are sent for recycling. In 2019, 399,006 tons of steel packaging scraps were collected and sent for recycling to be reused by industry, i.e. an amount which is 40 times greater than the weight of the Eiffel Tower***.

Separate collection of rubbish is particularly widely applied to steel and aluminium packaging used in civil, industrial, craftsman and commercial activities and supplies the virtuous circle of raw materials recycling. This means that in the production of steel and aluminium the percentage of secondary metal (from recovery) is constantly increasing compared to the primary metal (from ore), with enormous advantages in terms of energy-saving and respect for the environment. The metals are fully recyclable, and recycling, both internally and from scrap, has always been an integral part of their production process. There is no technological or qualitative difference between primary and secondary metal so much so that we can talk of material's recycling at the end of life, but in reality, as regards metal, it doesn't make sense to speak of "recycled material content".

From this point of view, metal packaging can thus be defined as absolutely eco-compatible. Most of the total weight of single-use cardboard packaging used in shipping packs for our products is composed of recycled material and, wherever it is logistically applicable, reusable metal containers are available, even folding types to optimise recovery logistics for the following use. Even an ever increasing amount of wood pallets are of reusable type, like those of the EPAL, CHEP and LPR circuits.

The raw materials recycling chain is actively functioning in our plants, since almost all our generated waste is collected separately and passed on to qualified companies so that it can enter the recycling cycle whenever possible. Most of this waste is made up of metal (steel and aluminium), but there is also a good proportion of plastic, paper and wood which are recycled in a controlled manner.

	STEEL	ALUMINIUM
TOTAL STEEL PACKAGINGS RELEASED FOR USE IN 2019	485,600	73,400
TOTAL TONS COLLECTED	480,900	55,900
TOTAL TONS SENT FOR RECYCLING	399,000	54,100
PERCENTAGE SENT FOR RECYCLING OVER THE AMOUNT RELEASED FOR USE	82%	70%
REDUCTION OF GREENHOUSE EMISSIONS (CO₂ K TON)	1,995	865****
ENERGY SAVING (K TEP)	474	164

<http://www.consozioricrea.org/consorzio/numeri>; <http://www.cial.it>

Sources:

*<https://www.european-aluminium.eu/>

***Ricrea (Consorzio Nazionale Riciclo e Recupero Imballaggi Acciaio) Management and 2019 Financial Statements Report

****<https://www.consozioricrea.org/consorzio/numeri/>

*****https://www.world-aluminium.org/media/filer_public/2020/10/20/wa_factsheet_final.pdf

WE have carried out a complete LCA (Life Cycle Assessment) in compliance with the standards ISO 14040-44:2006 on the following main Pelliconi's products:

1) 26 mm steel crown cap, Standard (0.22 mm thick) and Smart (0.18 mm thick) produced in the plant of Atessa (Chieti-Italy)

2) Maxi P-26 ring-pull aluminium cap produced in the plant of Ozzano (Bologna-Italy), in order to quantify the environmental impact in terms of environmental and energy indicators.

The LCA according to ISO 14040: 2006 and ISO 14044:2006 provides an "environmental rating" of the product/process, and is a sound procedure for the assessment of all energy and environmental contributions to a process or activity, made through the identification of all inputs and outputs committed in the production cycle. When

made on a product, the assessment includes the entire life cycle of the product, from extraction and raw materials production, all processes of manufacturing, transport, distribution, use, re-use, recycling and waste treatment.

For each of these elements a set of indicators is provided for the most common environmental and energy impacts, like: Global Warming Potential (GWP - kg CO2 eq.), Ozone layer depletion (kg CFC-11 eq.), Photochemical Smog (kg C2H4 eq.), Acidification (kg PO4 eq.), Eutrophication (kg SO2 eq.), Measure of direct/indirect energy from fossil/non-fossil sources (MJ), direct/indirect water consumption (l). LCA outcomes could be stated indicating which steps or processes cause main impacts, for a defined pollutant in a calculated amount, and what are the most significant produced/avoided environmental impacts or saved resources.

Reference standards ISO 14040: 2006 and ISO 14044:2006 define the assessment stages:

1) Goal Definition and Scoping: by defining purpose of the analysis, scope, functional units, system boundaries, data requirements, assumptions and limitations.

2) Life Cycle Inventory Analysis (LCI): with the identification and quantification of input and output flows throughout the life cycle of the product, identifying and quantifying the consumption of resources (raw materials, water, recycled products), energy (thermal and electrical) and emissions into the air, water and soil: a complete environmental report.

3) Life Cycle Impact Assessment (LCIA): the study of the environmental impact of a production process or activity, carried out with the help of some internationally used aggregate indicators that allow quantifying the impacts and comparing possible process or product and calculation software alternatives: this is the transition from numerical data to a risk rating.

4) Life Cycle Interpretation and Improvement: the results of the analysis are interpreted, identifying the environmental critical issues and highlighting the potential for both technical and managerial improvement of the life cycle of the product under analysis.

The analysis of Pelliconi products and processes was carried out in 'from cradle to grave' mode and led to some interesting results, which are summarised on the next page.

“
Steel and
aluminium can be
recycled infinite
times.
”

Between 92% and 95% of impacts

IT refers to processes upstream of Pelliconi, with particular reference to the metal supply chain (steel and aluminium).

Between 12% and 21% of impacts

IT refers to the transport of raw materials and to the processing operations carried out in Pelliconi plants, including energy consumption.

Final distribution

Its impact from the plant to the customer is less than 5% of the total, so the shipping distance to the customer has a little impact on the total.

The end of life has a positive impact

(i.e. no emission) ranging from 13 to 23%: thanks to recycling, the use of virgin raw materials for new production is avoided.

The "Smart Crown" cap

It allows a "Carbon Footprint" saving of about 15% compared to the standard crown cap at the same conditions.



The intermodal transport of goods over distances exceeding 700 km constitutes an economically-sustainable solution with a very reduced environmental impact.



The transfer of large quantities of goods from land to rail (and also sea) transport has positive effects on energy consumption and emissions of CO₂ and other exhaust gases produced by traditional land transport.

That is why we are active and continuously looking for opportunities to increase the volumes of our products using combined transport methods (road, rail, river and sea) for customer deliveries.

“
We can reduce CO₂ emissions by more than 40% through intermodal transport.
 ”

Intermodal transport on Italian and European territory, though having a wide margin for growth in terms of the potential interest of companies, is still a very complex procedure to handle. This is especially due to the lack of adequate infrastructure like inter-ports or nodes for the exchange of goods between different means of transport, and highly-developed partners who are able to responsibly transport materials by different means of transport while ensuring timely crossing and delivery.

Typically these nodes are logistic centres in which the different types of means of transport (land, rail, sea/river) meet, and where there is the transfer of containers, swap bodies or trailers from one means of transport to another. Besides the existing infrastructural constraints, there are also limitations linked to the demands of our

customers who request deliveries in a short time with little prior notification, within a ‘just in time’ perspective, as they also have to respond in almost real time to orders for goods from the large-scale retailers.

In spite of this constraint, we have nonetheless managed to ensure a high level of growth in intermodal transport with the definition of new guidelines for intermodal transport, in collaboration with new logistics partners, for new customers and new markets.

We strongly believe that in order to promote this type of transport it is necessary to have an approach geared towards the supply chain as well as the drive to create new infrastructures and incentives from competent bodies.

TWO EXAMPLES OF INTERMODAL TRANSPORT DELIVERIES

BULMERS LIMITED IRELAND (ATESSA – CLONMEL)	HEINEKEN - NETHERLANDS (ATESSA – ZOETERWOUDE)	DIAGEO UNITED KINGDOM (ATESSA-RUNCORN)
OVER 2000 KM BY TRAIN AND VESSEL	OVER 800 KM BY TRAIN	OVER 2000 KM BY TRAIN AND VESSEL
Following an initial part of the journey by land to reach the rail station in Novara, the swap body is loaded on the train which takes it to Rotterdam covering a distance of over 1000 km; from the port of Rotterdam there is another journey of 1100 km by sea to reach the port of Waterford which is only 50 km away from the Bulmers Ltd factory in Clonmel-Tipperary.	Following an initial part of the journey by land to reach the rail station in Gallarate (Milan), the swap body is loaded on the train which takes it to Antwerp or Dusseldorf, covering a distance of over 800 km; then by a road journey of 150 km it reaches the Heineken plant of Zoeterwoude.	Following an initial part of the journey by land to reach the rail station in Gallarate (Milan), the swap body is loaded on the train which takes it to Zeebrugge covering a distance of over 1000 km. From the port of Zeebrugge there is another journey by sea to reach the port of Killingholme which is only 200 km away from the Diageo factory in Runcorn-Cheshire.

“
In 2019, we sent approximately 95% of our waste for recycling.
 ”

Our waste is mostly made up of metal deriving from the process of the sheet cutting in shells which in turn constitute the supporting structure of the final product. Approximately 10% of the sheet is not part of the final product and therefore ends up as scrap from the production process. Even plastic materials mostly derive from the process of extrusion and application of the liners and may be recycled and reused for purposes not related to food. Paper, cardboard and wood from packaging material are reused in the sector of paper recycling.

Finally, a limited quantity of hazardous waste, such as from paint and ink residues, used machine lubricants, used light bulbs and used printer cartridges, is disposed of under highly controlled conditions and in complete compliance with applicable regulations. This waste is categorised internally and collected separately, and labelled with codes that identify its origins. Transport and disposal of the materials is then carried out by authorised and expert external companies, and every operation is documented for legally-required traceability.

TYPE OF MATERIAL	2017	2018	2019
STEEL (TIN PLATE, TIN FREE STEEL, STAINLESS STEEL)	57,208,097	63,898,687	59,267,182
ALUMINIUM	2,930,769	4,774,096	4,609,627
COATING PRODUCTS (PAINTS, ENAMELS, INKS AND SOLVENTS)	1,811,031	1,650,153	1,663,637
PLASTIC MATERIALS (CAP LINERS, RINGS AND BODIES)	9,567,063	10,093,083	7,892,843
PACKAGING MATERIALS	3,908,853	4,032,959	3,983,934

OTHER ENVIRONMENTAL INITIATIVES

REDUCTION OF THE RISK OF SOIL CONTAMINATION

In all Pelliconi plants equipped with lithography and coating departments, we have made significant investments to reduce the risk of spills to the ground in case of accidents that may occur in the process of handling painting products used for the manufacturing process of crown caps and closures.

VOC EMISSIONS

There have been improvements with regard to the emissions of volatile organic compounds (VOCs) in all our factories thanks to the approval of new painting products (paints and enamels) and other solid residues having a lower solvent content.

**INNOVATIVE MANAGEMENT OF PRODUCTION SCRAPS:
METAL SKELETONS**

The production of caps and capsules requires coated and printed metal sheets to be punched into shells and closure bodies. Due to the shearing of rectangular sheets into circular disks approximately 10-12% of the sheet remains unused as a skeleton, that must be considered a physiological scrap for the type of product. After some research we identified the possibility of using part of the scrap skeletons for the production of filtering devices for air treatment systems and air-conditioning. This makes possible to achieve an even greater environmental advantage than recycling scrap metal as secondary metal, since the waste products can be reused for a new destination with a simple mechanical reworking. So far it has been possible to adopt this system of recovery in our plants for more than 700 tons of recycled steel sheets skeletons.

Here at Pelliconi we are aware of the importance and the significance of the development of highly-competent and motivated individuals. These resources, give value to the organisation through individual skills and increase the company's competitive edge. This awareness has led us to come up with a series of initiatives to maintain our internal resources' loyalty, by increasing their well-being within the company and their sense of belonging to it. We provide all our employees with the opportunity to participate in training and special initiatives aimed at creating individual and organisational value and at disseminating and sharing our core values and culture. The group's increasingly global structure also requires an analysis of the different cultures, habits and traditions of the ever-new areas in which we operate. This includes the recruitment of local resources who can work with the various customers under the best conditions, and anthropological training of the staff who have to work with the various branch offices.

THE CULTURE OF WELL-BEING

We uphold the idea that there is a very strong connection between personal well-being and the performance at work - an indicator which in the past was only measured in terms of productivity. On the other hand, today productivity is indeed taken into consideration, but this is accompanied by new ideas and the motivation to continually improve. This can only happen if people are motivated and interested in the work they do. This is the reason why we organise cultural, artistic and sports activities which promote the well-being of our employees, and which constitute fundamental aspects for the improvement of the quality of life, work performance and employee engagement. Moreover, we support several non-profit associations in which our employees are involved (refer to the chapter about community relationships).

Recently we carried out a new analysis of organisational well-being: the analysis provided some food for thought which may become the starting point for the implementation of the improvement actions:

COMMUNICATION

The company designed some training programmes aimed at improving the skills of personnel managers, including defining more effective communication processes.

STRUCTURE AND ORGANISATION

The switching to SAP introduced changes in many processes which have settled in the past years. Processes were analysed and redefined to with a view to improvement, in order to innovate not only by introducing the new company management system, but also by seizing the opportunity to extend the change to the organisation of company processes and structure.

TEAM SPIRIT, MERITOCRACY AND FAIRNESS

We believe these areas must progress jointly, as a better structuring of roles and tasks may allow to improve the feeling of fairness and to reduce rivalry between colleagues. We are also designing a programme allowing to enhance the potential of each individual employee, by means of tools objectively observing the characteristics and skills of each individual.

CORPORATE CLIMATE

In the last few years the company has been experiencing an organisational, cultural and structural change. Under these circumstances and with a market which is becoming increasingly competitive we believe it is important that anyone understands the need for the changes in question, without perceiving them as negative.

In fact, we believe the aim of anyone, irrespective of his/her role, level and department, must be having a positive and professional attitude simplifying the work of colleagues and improving their life within the company.

Pelliconi shall promote this message by trying to create the conditions required to ensure that this becomes a common belief and behaviour.

RECRUITMENT OF HUMAN RESOURCES

As part of our personnel recruitment and selection process we carry out continuous talent scouting, particularly with schools, local technical institutes, universities and business schools.

The selection process begins with a precise description of the position, defining the skills, attitudes and experiences necessary to fulfil the particular role. Continuous updating of the various roles in the company, particularly to fulfil the new corporate strategic objectives, allows us to carry out a direct and continuous market

search. In order to support the selection process and to encourage the integration of new high school and college graduates, we have activated numerous working relationships with local schools, technical institutes, universities and associations.



PROFESSIONAL TRAINING

Enhancing employee engagement and performance.

We carry on with our commitment to creating the right conditions to improve the corporate climate and collaboration.

We have renovated many internal offices and departments, creating, where possible, large open space environments with more workstations, in order to enhance continuous interaction between people, which is essential for optimise working activities.

The use of sound-proofing panels and partitions has allowed us to create a better work environment, reducing noise pollution while still allowing people to communicate with each other and to exchange information. Even in production department we started some important projects aimed at creating a more functional organisational structure, to improve the exchange of information and increase efficiency in general.

The training of the employees is implemented through:

- » specialist technical courses useful for carrying out the specific tasks of the Group's business
- » training courses on the legislation in force
- » transversal courses for the development of managerial skills (e.g. time management, innovation, negotiation, sustainability, etc.)
- » language courses

Every year, our employees are extensively trained on the matter of safety at work, especially for what concerns the operators in the manufacturing department.

Pelliconi collaborates with the world of technical and scientific training in order to scout for new human resources.

The collaboration with the University of Bologna, especially for what concerns the Engineering department, puts the company in touch with graduates looking for internships on projects that are related to the company's field of interest.

Technical high schools are also a source of students looking for a way into the world of manufacturing employment, and thanks to the "dual system of vocational education and training" of the MIUR (Ministry of Education, University and Research) students of mechanics, electronics and chemistry will be come Pelliconi for a placement. The "dual system of vocational education and training" is an innovative teaching method that allows the consolidation of school knowledge acquired through practical work experience consistent with the curriculum. This practice is compulsory for the last years of high schools and is also confirmed in university, creating an effective relationship between the educational context and the manufacturing companies.



We are incessantly committed to ensure the health and safety of our employees and those of the subcontracted companies working within our factories.

Even in 2019 we continued investing in making available all the tools and training needed to minimise the possibility of accidents at work in the production departments, within the offices and in the sites in which contracting firms operate.

Year 2019 confirmed the positive trend of the overall group performance with respect to years 2017-18-19, both in terms of accident frequency and severity of accidents.

HEALTH AND SAFETY AT WORK

To ensure compliance with the laws, regulations and directives (national and foreign) related to safety, the following activities are carried out at our own premises, and occasionally at external training facilities:

- » analysis and constant updating of information on health and safety risks and dangers involving activities of Pelliconi staff and personnel from external companies (by means of specific operational safety plans which are laid out for every assigned external contract);
- » adequate management, updating and communication of internal policies and procedures drafted and approved by the top management for the proper carrying out of the work in terms of accident prevention;
- » specific classroom and on-site training activities for the prevention of identified risks;
- » activities to inform and involve the employees to take responsibility at all levels;
- » internal checks on the proper implementation of procedures and on the correct use of personal protective equipment (PPE) and work methods, regularly carried out by the safety officers responsible of each of the Group's facilities at any level;
- » renewal of OSHAS 18001 certification and transition to ISO45001 standard for the Italian plants, and extension to more plants.

PROPAK PHILIPPINES
24/26 January
Pasai City

**PROPAK
PHILIPPINES**

CEBC BREWERS CONFERENCE
24/25 January
Budapest



CRAFT BEER SUMMIT
12/14 September
Long Beach



VITEFF
15/18 October
Épernay



BEER ATTRACTION
16/19 February
Rimini



BBTECH EXPO
16/19 February
Rimini



BRAU BEVIALE
12/14 November
Nuremberg

BrauBeviale2019

SIMEI
19/22 November
Milan



BEVIALE MOSCOW
19/21 February
Moscow

BevialeMoscow2019

PROPAK ASIA
12/15 June
Bangkok

**PROPAK
ASIA 2019**

DRINK JAPAN
27 November
Chiba

Drink JAPAN 2019

WINEXPO
5 December
Sonoma County

winEXPO



WEBSITE AND SOCIAL NETWORKS

We care for environment protection and as a sustainable company we have decided to promote as much as possible all electronic media for the communication and information sharing, minimizing the use of paper. All news related to the world of Pelliconi are published on our official website (pelliconi.com) in order to keep everyone up to date.

It is equally important for us to create opportunities for interaction with our community, which remains alive thanks to Pelliconi's social channels on Facebook, LinkedIn and Youtube and which is also present in China with the help of Pelliconi's profile on the WeChat platform.

OUR COMMITMENT

Besides scientific research, we support social, cultural, artistic projects and activities which constitute fundamental values of our society, contributing to improvement in the quality of life in the local communities where we operate. We also support various local sports associations aimed at restoring the value of that area in terms of community well-being.

TOTAL INVESTMENT FOR THE COMMUNITY IN DIFFERENT AREAS:

21%

SOCIAL



38%

CULTURE



28%

SPORT



13%

SCIENTIFIC RESEARCH



Scientific research

AIRC

Italian Association for Cancer Research



AIL

Italian association against leukaemia-lymphoma and myeloma



Prevention is the key to preserve our health and must become a regular practice: intervening as soon as possible at the very first stages of a disease can radically change its course.

It is also essential to have access to accurate and reliable information on the disease treatment and prevention, in order to increase awareness and dispel dangerous false myths.

With this in mind, Pelliconi has decided to join the fight against cancer, supporting the scientific research and awareness campaigns carried out by AIRC - the Italian Association for Cancer Research. Pelliconi has decided to support AIRC by sponsoring a scholarship for a young researcher.

Pelliconi joined AIL's battle to promote and support scientific research for the cure of leukaemia, lymphoma and myeloma also in 2019.

It is important for patients and their families to have support throughout their journey. That's why we stand by AIL, to help and raise awareness.

Volunteering

FANEP
Paediatric Neurology Family Association



This Onlus provides assistance and top quality care to minors suffering from neuropsychiatric diseases, supporting at the same time their families (both practically and psychologically) while the children are in hospital.

Pelliconi strongly believes in the association seeking to help sick children, while also involving employees and raising their awareness about social issues.

Through the company's website and social media, Pelliconi has succeeded in making its users aware of this association, which was set up in 1983 by a group of parents of children suffering from neuropsychiatric illnesses and the doctors and paramedics of the Paediatric Neurology Department of the Gozzadini Institute in Bologna.

From the very beginning, FANEP has been committed not only to raising funds and supporting families and scientific research, but also to promoting the prevention and early diagnosis of eating disorders in minors and of neuropsychiatric diseases in children.

Sport

VIRTUS BOLOGNA
BOLOGNA FC



Sport as an educational, inclusive, social value.

In this sense, Pelliconi supports and is actively involved in two of Bologna's most important sports clubs: Virtus Bologna, one of Italy's most prestigious basketball clubs, which plays at the highest national and international levels, and Bologna FC 1909, a historic major league football club.

Pelliconi has been the official sponsor of these prestigious clubs and their youth sectors for the 2018/2019 sports season.

Culture

CINETECA DI BOLOGNA



The support for quality cinema and institutions like that of Cineteca di Bologna, now recognised worldwide, continued in 2019. In fact, at the 33rd edition of "Il Cinema Ritrovato", a festival that brings classic films back to life, Pelliconi sponsored the viewing of "The Cameramen", a film by Buster Keaton. Moreover, in the same year, Pelliconi supported the project "VISIONI ITALIANE".

TEATRO COMUNALE DI BOLOGNA



Pelliconi also supported the fourth edition of "Bologna Modern - Festival per le musiche contemporanee", organised by Teatro Comunale di Bologna with Fondazione Musica Insieme.

An overwhelming mix of symphony and chamber concerts, recitals, performances and lectures held over 17 days.

COMITATO LEONARDO



Every year, Comitato Leonardo - Italian Quality Committee awards Graduation Prizes to young graduates who have excelled in their dissertations on Made in Italy. Pelliconi supported this event by presenting the Graduation Prize: "Digitalizzazione: innovare per restare competitivi" (Digitalisation: stay competitive with innovation).



OUR TEAM	2017	2018	2019
TOTAL NUMBER OF EMPLOYEES	557	587	601
BY JOB CATEGORY			
SENIOR MANAGERS	16	16	16
MIDDLE MANAGERS	38	41	38
OFFICE WORKERS	104	138	116
MANUAL WORKERS	399	382	431
BY CONTRACT TYPE			
FULL TIME	542	567	578
PART-TIME	15	20	23
INDEFINITE PERIOD	522	548	556
DEFINITE PERIOD	35	39	45
BY AGE RANGE			
UNDER 30 YEARS OLD	83	117	67
BETWEEN 30 AND 50 YEARS OLD	354	339	371
OVER 50 YEARS OLD	120	131	163
BY GENDER: NO. OF WOMEN PER GRADE			
SENIOR MANAGERS	2	2	2
MIDDLE MANAGERS	9	9	9
FEMALE OFFICE WORKERS	43	46	48
FEMALE MANUAL WORKERS	48	62	65
TOTAL	102	119	124
% OF WOMEN IN WORKFORCE	18%	20%	21%
TURNOVER OF STAFF			
TOTAL NUMBER OF EMPLOYEES WHO LEFT IN THE YEAR*, OF WHICH	37	29	40
MEN	34	25	27
WOMEN	3	4	13
UNDER 30 YEARS OLD	10	7	13
BETWEEN 30 AND 50 YEARS OLD	19	18	24
OVER 50 YEARS OLD	8	4	3
TOTAL TURNOVER RATE	6.6%	4.9%	6.7%
RATE OF PEOPLE RETURNING TO WORK AFTER PARENTAL LEAVE	100%	100%	100%
HEALTH AND SAFETY AT WORK			
NO. OF ACCIDENTS WITH LEAVE FROM WORK OF AT LEAST ONE DAY	17	12	12

OUR TEAM	2017	2018	2019
ACCIDENT FREQUENCY RATES - STANDARD GRI/INT. LABOUR ORG. (ILO)**	3.44	2.39	2.45
STANDARD INAIL/ISO***	17.2	12.0	12.3
TRAINING			
TOTAL NUMBER OF TRAINING HOURS	3,643	7,134	10,110
TRAINING HOURS PER PERSON	6.5	12.2	16.8
BY JOB CATEGORY			
SENIOR MANAGERS	14.9	59.9	18.6
MIDDLE MANAGERS	14.5	13.8	17.7
OFFICE WORKERS	8.9	13.4	21.4
MANUAL WORKERS	5.0	9.9	8.0
WATER			
CONSUMPTION AND DISCHARGE CONSUMPTION BY SOURCES (HL/000):			
FROM WATER SUPPLY	0.294	0.249	0.216
FROM GROUND WATER WITHDRAWAL	1.023	1.000	0.689
DISCHARGE (HL/000)	0.231	0.282	0.230
ENERGY CONSUMPTION			
ELECTRICITY PURCHASED (KWH)	29,108,245	32,768,325	33,607,305
METHANE GAS CONSUMPTION (M³)	4,229,010	4,390,559	4,490,978
NOX			
EMISSIONS (T)	17.4	14.5	14.4
VOC/SOV (T)	40.5	60.7	24.7
ELECTRICITY CO ₂ (T)****	11,122	12,521	12,841
GAS CO ₂ (T)	8,141	8,542	8,645
TOTAL CO ₂ (T)	19,263	20,973	21,486
WASTE			
SPECIAL HAZARDOUS WASTE (T)	607.5	452	425.7
SPECIAL NON-HAZARDOUS WASTE (T)	11,369.0	11,550.1	11,437.1
TOTAL SPECIAL WASTE (T)	11,976.5	12,002.1	11,862.8
TOTAL SPECIAL WASTE FOR RECYCLING (%)	92.5%	91.9%	92.8%

* Left voluntarily due to employment termination or retirement

** Calculated as the number of accidents with at least one leave day/total hours worked in the year x 200,000, according to GRI/ILO standard

*** Calculated as the number of accidents with at least one leave day/total hours worked in the year x 1,000,000 according to INAIL/ISO standard

**** Calculated with the emission factor of the Italian power stations in 2010 as per ISPRA 2012 Report on emission factors in the Italian electricity sector



INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
1. STRATEGY AND ANALYSIS				
1.01	Statement from the CEO regarding the importance of sustainability for the organisation and its strategy.	Letter to stakeholders	6	1
1.02	Description of the key impacts, risks and opportunities.	Our approach to sustainable development	10-16	1
2. ORGANISATION PROFILE				
2.01	Organisation name	Pelliconi's profile	22-29	1
2.02	Main brands, products and/or services.	Our products	34-36	1
2.03	Operating structure of the organisation, including main divisions, operating companies, subsidiaries and joint ventures.	Pelliconi's profile	22-29	1
2.04	Location of the headquarters of the organisation.	Pelliconi's profile	22-29	1
2.05	Number of countries in which the organisation operates, name of the countries in which the organisation does most of its business or which are particularly relevant for the purposes of the issues of sustainability addressed in the report.	Pelliconi's profile	22-29	1
2.06	Nature of ownership and legal form.	Pelliconi's profile	22-29	1
2.07	Markets served (including geographical breakdown, sectors served, and types of consumers/beneficiaries).	Pelliconi's profile Our customers	22-29 30-31	1
2.08	Scale of the organisation (number of employees, net turnover or net returns, total capitalisation, quantity of products or services provided).	Economic impacts Our people	44-45 58-61	1
2.09	Significant changes in size, structure or nature of ownership occurring during the reporting period.	No significant changes occurred in the last year of reporting		1
2.10	Recognition/awards received in the reporting period.	No recognitions or awards were received in the last year of reporting		1
3. SCOPE OF THE REPORT				
REPORT PROFILE				
3.01	Reporting period for the information provided (for example fiscal/calendar year).	Methodological note	5	1

INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
3.02	Publication date of the most recent Sustainability Report.	Letter to stakeholders	6	1
3.03	Reporting cycle (annual, bi-monthly, etc.).	Methodological note	5	1
3.04	Contact point and useful addresses for requesting information on the sustainability report and its contents.	Methodological note	5	1
REPORT SCOPE AND GOAL				
3.05	Process for defining report content (definition of materiality, priority issues, and identification of the stakeholders to whom it is addressed).	Letter to stakeholders Methodological note	6 5	1
3.06	Scope of the report (countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Methodological note	5	1
3.07	Statement of any specific limitations on the objective or scope of the report.	Methodological note	5	1
3.08	Information relating to joint ventures, subsidiaries, leased facilities, outsourcing, or other entities that can significantly affect comparability between periods and/or organisations.	Pelliconi's profile	22-29	1
3.09	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the calculation of the indicators and the compilation of other information in the report	Methodological note	5	1
3.10	Explanation of the effect of any restatements of information provided in previous reports and the reasons for such restatements.	Methodological note	5	1
3.11	Significant changes from previous reporting periods in the objective, scope or measurement methods used in the report.	Methodological note	5	1
GRI CONTENT INDEX				
3.12	Table identifying the contents of the report stating the page number or website of each section.	GRI indicators	70-81	1
ASSURANCE				
3.13	Current policies and practices with regard to seeking independent assurance for the report, with the explanation of the objective and bases of external assurance.	The 2020 Sustainability Report has not been subjected to external audit. The economic data were extracted from the financial statement assessed by external and independent auditors.		1



INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
4. GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT				
4.01	Governance structure of the organisation, including committees under the board responsible for specific tasks such as defining strategy or organisational oversight.	Pelliconi's profile	22-29	1
4.02	Indicate whether the Chairman of the board also plays an executive role (if so, indicate the functions within the management and the reasons for this arrangement).	The Chairman currently serves as a member of the Board of Directors.		1
4.03	For companies with a unitary board structure, state the number of independent and/or non-executive members.	Organisational structure	26-27	1
4.04	Mechanism available for shareholders and employees to provide recommendations or direction to the board.	There are no particular procedures		1
4.05	Linkage between compensation for board members, senior managers and executives (including severance pay) and the organisation's performance (including social and environmental performance).	Pelliconi directors are not remunerated for these activities		1
4.06	Processes in place for the board to ensure conflicts of interest are avoided.	Pelliconi's profile	22-29	1
4.07	Processes for determining the qualifications and expertise of board members for guiding the organisation's strategy on economic, social and environmental issues.	There are no particular procedures		1
4.08	Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation.	Our approach to sustainable development	10-16	1
4.09	Board procedures for overseeing the organisation's identification and management of economic, environmental and social performance, including the relevant risks and opportunities and adherence to international standards, codes of conduct and adopted principles.	Pelliconi's profile	22-29	1
4.10	Process for evaluating the board's own performance, particularly with respect to economic, environmental, and social performance.	There are no particular procedures		1



INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
COMMITMENTS TO EXTERNAL INITIATIVES				
4.11	Explanation of the way in which the precautionary principle is addressed by the organisation.	Our products	34-36	1
4.12	Subscription or adoption of codes of conduct, sets of principles and charters developed by external institutions/organisations relating to economic, environmental, and social performance.	Our products	34-36	1
4.13	Participation in national and/or international trade associations.	Community initiatives	66-69	1
STAKEHOLDER ENGAGEMENT				
4.14	List of stakeholder groups that the organisation engages with.	Letter to stakeholders Methodological note Stakeholders relations	6 5 16-17	1
4.15	Basis for identification and selection of the main stakeholders with whom to engage in outreach activities.	Letter to stakeholders Methodological note Stakeholders relations	6 5 16-17	1
4.16	Approach to stakeholder engagement, specifying the frequency by type of activity developed, and by stakeholder group.	Letter to stakeholders Methodological note Stakeholders relations	6 5 16-17	1
4.17	Key topics and concerns raised through stakeholder engagement, and the way in which the organisation has responded to those concerns, including with regard to what stated in the Report.	Letter to stakeholders Methodological note Stakeholders relations Materiality Analysis	6 5 16-17 18-21	1
5. DISCLOSURE ON MANAGEMENT APPROACH				
DMA EC	Management approach to economic responsibility	Economic impacts	44-45	1
DMA EN	Management approach to environmental responsibility	Respect for the environments	48-57	1
DMA LA	Management approach to the management of employees	Our people	58-61	1
DMA HR	Management approach to human rights	Economic impacts	44-45	1
DMA SO	Management approach to responsible conduct of business	Our approach to sustainable development	10-16	1
SMA PR	Management approach to product responsibility	Our products	34-36	1



ECONOMIC PERFORMANCE INDICATORS

INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and government.	Financial performance in 2017-2019	44-45	1
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Pelliconi is not subject to any obligation of emission reduction or emission trading schemes. Therefore, fiscal (for instance carbon tax) or regulatory interventions, having direct effects on the business and on the financial performance of the company, are not possible. For Pelliconi climate change does not constitute a direct threat and does not impact the production of closures.		1
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation	The salary of new recruits in all the group's branches is on average higher than the minimum wage stipulated by law		1
EC6	Policies, practices and proportion of spending on locally-based suppliers in relation to the most significant locations of operations.	35% of the purchase of raw materials is made by Italian suppliers or foreign companies having branches or production facilities in Italy		1
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	The managers and employees of foreign subsidiaries are generally recruited within the local communities.		1

PRODUCT INDICATORS



INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Our products	34-36	2
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Our products	34-36	1
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	Our products	34-36	1
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No penalties for non-compliance with laws or regulations relating to the provision and use of products and services were recorded in the financial years 2016-17, 2017-18, 2018-19.		1



SOCIAL PERFORMANCE INDICATORS



INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
LA1	Total workforce by employment type, employment contract, and region.	Sustainability indicators	70-81	2
LA2	Total number and rate of employee turnover by age group, gender, and region.	Sustainability indicators	70-81	2
LA4	Percentage of employees covered by collective bargaining agreements.	100%		
LA5	Minimum notice period for operational changes (organisational changes), specifying whether such conditions are included in collective bargaining or not.	Different conditions stipulated for the notice period in relation to reorganising and restructuring are defined by the CCNL (National Collective Labour Contract) and union agreements.		2
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes.	Over 90% of the employees		1
LA10	Average hours of training by employee category	Sustainability indicators	70-81	2
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity.	Sustainability indicators	70-81	1
LA14	Ratio of basic salary of men to women by employee category.	We conducted a research on pay differentials between men and women; no significant gender pay differentials resulted in the management area; in the categories of employees and manual workers wage differentials are mostly attributable to the different length of service.		2

INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
HR1	Percentage and total number of substantial investment agreements that include human rights clauses or that have undergone human rights screening.	With regard to our suppliers and providers of goods and services, since 2012 we have included in our purchase orders a clause of acknowledgement and acceptance of our principles and values as defined in our code of ethics.		2
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Each year we carry out a qualitative survey to be able to assess whether our suppliers have their own code of ethics and how many of them are involved in human rights issues.		1
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to the respect of human rights, including the percentage of employees trained.	Sustainability indicators	70-81	1
HR4	Total number of incidents related to discriminatory practices and actions taken.	There have been no incidents of discrimination involving internal or external stakeholders.		1
HR9	Total number of incidents concerning violations of local community rights and actions taken.	There have been no litigations/lawsuits by local people.		1
S01	The nature, scope, and effectiveness of any programmes and activities that assess and manage the impacts of operations on a community, including start-up, operational, and decommissioning phases.	Community Initiatives	66-69	1
S06	Total value of financial and in-kind contributions to political parties, politicians and related institutions by country.	Company policies prohibit the donation of contributions to political parties and politicians.		2
S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	No legal actions for issues of unfair competition, anti-trust or monopolistic practices were recorded in the period 2017-18-19.		1
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	No administrative, criminal, pecuniary or non-pecuniary penalties were recorded in the three-year fiscal period (2016-17, 2017-18, 2018-19) having legal force for non-compliance or lack of respect for laws and regulations.		1

INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
EN1	Raw materials used according to weight and volume.	Respect for the environments	48-57	1
EN2	Percentage of used materials derived from recycled materials.	Respect for the environments	48-57	1
EN3	Direct energy consumption by primary energy source.	Sustainability indicators	70-81	1
EN4	Indirect energy consumption by primary energy source.	Sustainability indicators	70-81	1
EN8	Total water withdrawal by source.	There are no particular procedures		1
EN9	Water sources significantly affected by withdrawal of water.	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN13	Protected or restored habitats.	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN15	Number of IUCN Red List species with habitats in areas near the production plants	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity		1
EN16	Total direct and indirect greenhouse gas emissions by weight.	Sustainability indicators	70-81	1
EN17	Other relevant indirect greenhouse gas emissions by weight.	Sustainability indicators	70-81	1
EN18	Other relevant indirect greenhouse gas emissions by weight.	Respect for the environment	48-57	1
EN20	NOX, SOX and other significant air emissions by type and weight.	Sustainability indicators	70-81	1

INDICATOR CODE	INDICATOR DESCRIPTION	REFERENCES, LIMITATIONS AND NOTES	PAGE	LEVEL OF REPORTING*
EN21	Total water discharge by quality and destination.	Sustainability indicators	70-81	1
EN22	Total weight of waste by type and disposal method.	Sustainability indicators	70-81	1
EN23	Total number and volume of significant spills.	No spills occurred in the year of reporting		1
EN24	Weight of special hazardous waste	Sustainability indicators	70-81	1
EN25	Biodiversity affected by discharges of water	Our offices and production plants are located in industrial areas and do not present problematic issues for biodiversity. In any case, the production cycle does not require discharges of water.		2
EN26	Initiatives to mitigate environmental impacts of products and services and degree of impact mitigation.	Respect for the environment	48-57	2
EN28	Monetary value of significant fines and number of non-monetary sanctions for non-compliance with environmental regulations and laws.	No administrative, criminal, pecuniary or non-pecuniary penalties were recorded in the three-year fiscal period (2016-17, 2017-18, 2018-19) having legal force for non-compliance or lack of respect for laws and regulations.		1



SUSTAINABILITY REPORT
2019

