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In 2015, the United Nations endorsed the 2030 Agenda to contribute to global development, promote human well-being and protect the environment. At the heart of this ambitious Agenda are the 17 Sustainable Development Goals (SDGs). These support social and economic development as well as aspire to a world without poverty, inequality and discrimination. The SDGs have universal validity. The contribution of all countries is essential to address these major sustainability challenges, and this is why we set our sustainability commitments based on the SDGs. Our strategy is linked to specific goals, and each year we engage in a variety of activities, both inside and outside the company, to support this global plan for sustainable development. Pelliconi is committed to supporting the 17 SDGs, focusing strongly on those most closely aligned with the company's strategy.





“In times of change learners inherit the earth; while the learned find themselves beautifully equipped to deal with a world that no longer exists.”

- Eric Hoffer

Dear Stakeholders,

Let me introduce the 12th Sustainability Report covering the year 2021, a year that was by no means easy, but as I always tell my employees: “We have to consider the difficulties and adversities of the last few years as the new normal and make an effort not to be found unprepared. In other words, we have to turn unforeseen events into opportunities as a function of our corporate culture and global presence”. Having achieved this awareness, we focused even more on sustainability issues, also comforted by the National Recovery and Resilience Plan (NRRP), which includes various investment chapters dedicated to a more sustainable economy.

For the second year in a row, we commissioned the independent auditing firm Deloitte & Touche S.p.A. to carry out a limited assurance engagement of our Group's Sustainability Report. In addition, the rating agencies Cerved and EcoVadis issued two ESG ratings for the company this year. For us, these collaborations are not just a proof of concept, but an incentive, a stimulus for improving our sustainable performance and enhancing the value of environmentally friendly products.

Pelliconi is very clear about the economic objective, the expansion project to reaffirm proximity to the customer and the desire to create production

facilities to support local communities as well as the need to pursue innovation as an essential key to a more environmentally and socially sustainable economy. All this was pursued while protecting jobs and people's health. For example, the project signed with the multinational Technogym “The Wellness Company” at the end of the year allowed us to learn more about the eating habits and propensity to exercise of our employees through a questionnaire. During the lockdown and the immediately following months, eating disorders increased by 30%, thus triggering a social alarm to which we wanted to respond through this nutritional programme combined with sports practice. In the next report, we are confident that we will be able to report concrete data and evidence of how this rather unusual experience has been faced by the industry.

The Sustainability Report, which is drawn up and published annually, is a perfect tool to witness and summarise with transparency the commitment and values that guide the Group every day. It is with this green spirit that we want to face the challenges of the future, always keeping in mind our goals for the environment, society and the company that will help us grow over the years, as they have done over the past 83 years.

Through this Sustainability Report, the Pelliconi Group (hereinafter the "Group", the "Company" or "Pelliconi") reports on the activities and non-financial results of the 2021 financial year (from 1 January to 31 December).

The Group draws up and publishes its Sustainability Report annually (the last edition published in September 2021), in order to introduce its stakeholders to the main economic, environmental, and social impacts as well as to frame the company's activities within a broader context. This is to illustrate the relevant aspects relating to the closure manufacturer sector in the reference territory.

Pelliconi Group's Sustainability Report for the 2021 financial year (from 1 January to 31 December) has been prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" (hereinafter also referred to as "GRI Standards") defined by GRI - Global Reporting Initiative, according to the "In accordance - Core" option.

Aspects and indicators useful to define the content to be reported has been selected through a materiality analysis that considers relevant issues for the Pelliconi Group and its stakeholders. For details on the materiality analysis carried out by the Group, see the paragraph "Materiality analysis" in this document.

The reporting boundary of economic and financial data as well as information corresponds to that of the Pelliconi Group's Consolidated Financial Statements at 31 December 2021.

As regards qualitative information and quantitative data relating to human resources, including aspects relating to health and safety at work, the reporting boundary includes companies consolidated on a line-by-line basis in the consolidated financial statements.

As far as qualitative information and quantitative data on environmental aspects (Materials, Energy, Emissions, Waste, Water Withdrawal) are concerned, the Report includes Group companies that manage production sites (Pelliconi & C. S.p.A., Pelliconi Abruzzo S.r.l., Pelliconi Egypt S.A.E., Pelliconi Florida LLC, Pelliconi Suzhou Ltd) and, as of 2020, Pelliconi France SARL, which manages a sales office and a

warehouse. On the other hand, the companies PIMM S.p.A, Pelliconi USA Inc, Pelliconi RE Inc, Pelliconi Asia Pacific S.r.l, and Pelliconi Russia LLC have been excluded, as they only consist of offices, as well as Pelliconi Changzhou Ltd, which is not operational yet and therefore not considered relevant from the standpoint of environmental impacts.

Where possible, 2020 data have been reported along with 2021 data to allow analysing performance trends of the organisation over time.

All restatements of previously published comparative data are clearly indicated in the text. In addition, in order to ensure the reliability of the data, the use of estimates has been limited as much as possible and, if present, they are appropriately indicated and based on the best available methodologies.

In 2021, there were no significant changes to the Pelliconi Group's size, organisational structure, ownership structure, and supply chain.

The Group decided to have the Sustainability Report audited by an independent third party, identified in the company Deloitte & Touche S.p.A, which carried out a limited assurance engagement (according to the criteria indicated by the ISAE 3000 Revised) as indicated in the "Independent Auditors' Report", included in this document.

For further information, please contact:
sustainability@pelliconi.com

01

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Our Vision

A global reference partner in the closures industry and a leader in product and process innovation. We combine the latest digital technologies with sustainable and innovative solutions, also in the field of smart packaging services, with the aim of creating value for our stakeholders.



Our ethical principles and values

In the day-to-day conduct of our work we are guided by our principles, and in defining our values, strategies, operations and corporate culture we consider the following indispensable points of reference:

- the UN Universal Declaration of Human Rights
- the International Labour Conventions and Recommendations issued by the ILO (International Labour Organization)
- the Earth Charter drawn up by the Earth Council
- the principles set out in the UN Global Compact
- the UN Sustainable Development Goals (SDGs) for 2030.

Honesty and legality Respect for rules and laws, fairness and a sense of responsibility towards customers, suppliers as well as employees are strongly rooted in our Group. We do exactly what we promise in compliance with applicable regulations.

Integrity and professionalism Our extensive knowledge of the sector, full range of skills 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.

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.

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

Respect and value of human resources - diversity and inclusion (d&i) Our people are an indispensable element of our company's success. This is why we protect and promote the value of human resources in order to improve and increase the wealth as well as competitiveness of the skills of each employee. In this sense, we are committed to stimulating the skills, potential and personal interests of our people so that they find fulfilment in achieving the company's objectives. We believe that respecting diversity and promoting inclusion is a source of competitive advantage, creating a more motivated workforce with greater work-life harmony and balance. We are committed to safeguarding cultural and gender diversity, respecting the dignity of our people. Furthermore, we don't tolerate any form of violence, harassment, discrimination or exclusion based on age, culture, ethnicity, nationality, religious belief, race, political opinion,

marital status, pregnancy, veteran status, gender and sexual orientation, gender identity and/or expression, genetic information, health or disability. With this in mind, we favour initiatives aimed at achieving conditions of well-being in the workplace.

Fairness The Pelliconi Group offers its employees employment opportunities based on fair treatment and remuneration, based on criteria of merit as well as competence, without any discrimination. We respect different religious, political and cultural opinions. For this reason, we declare our neutrality and undertake not to associate ourselves with any body, organisation or institution that has political or religious implications. Company policies prohibit the donation of contributions to political parties and politicians. We are just as careful in managing business relationships with suppliers and business partners.

Commitment and sustainability We are committed to working 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 a more sustainable and inclusive economy and 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 environmental protection 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 perform our services through listening to our stakeholders, engaging them as well as collaborating with them.

Our code of ethics

The Code of Ethics, applied to all Pelliconi Group companies in Italy and abroad, was created to ensure that our fundamental ethical principles as well as values are clearly defined and form the basic element of the company culture, but also the behavioural standard for all those who have an employment contract and other forms of individual contractual collaboration with the Group.

Since 1939, the Pelliconi Group has been working to be a dynamic and reliable partner and the global benchmark in solutions for the bottling and packaging industry. Passion for innovation and quality, closeness to customers, attention to safety, the environment and people have always been the factors of our success.

Honesty and legality, integrity and professionalism, enthusiasm and passion, respect, fairness, commitment and sustainability are the principles and ethical values that characterise our cultural identity born from the entrepreneurial style of our founders. The latter have always considered integrity and trust in the relationship with their stakeholders an essential condition for long-term business sustainability.

This Code of Ethics expresses the commitments and responsibilities that every Pelliconi Group employee assumes in the conduct of each business activity. It is not to be considered as a substitute for, but as a supplement to applicable laws and contractual provisions.

The principles and ethical values as well as the rules of conduct that derive from them constitute our reference in the context of relations with each company stakeholder.

The Code of Ethics is not intended to delve into the merits of the individual conduct to be adopted in each case that arises, but rather to provide general lines of conduct that can be adapted to individual situations, starting from the assumption that improper and fraudulent conduct is not allowed under any circumstances, even if it brings advantages to the company.

The Code of Ethics and the communication channel set up for reporting alleged violations to the company's Ethics Committee, therefore, represent a valuable support in identifying and resolving any ambiguous situations in conflict with our principles as well as ethical values.

Through appropriate communication activities, this Code is brought to the attention of all internal and external stakeholders interested in the company's mission.

The addressees of this code shall report any breach of the code to the Supervisory Board at any time. The Supervisory Board shall promptly assess the report and proceed against any unlawful conduct, undertaking to ensure the secrecy of the identity of the reporting party, without prejudice to legal obligations.

**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.

Relationships with our stakeholders - Stakeholder Engagement

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

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.

As clearly expressed in our vision, we seek a partnership that goes beyond the classic supplier-customer relationship, with the aim of creating shared value with our stakeholders, among which an absolutely prominent place is occupied by customers.

The stakeholder engagement process in the coming months will proceed by identifying a series of reference customers and organising meetings with those responsible for sustainability initiatives. In this way, we will be able to verify together which topics we can start shared projects on. Our objective is to focus resources on partnership projects that allow achieving win-win objectives for sustainability strategies.

The partners with which to start this direct listening activity will be broadly representative of players in the food and beverage sector. In fact, this will include large global multinationals, large international companies, national bottlers (not necessarily part of large groups), bottlers operating on both national and international markets, in the various sectors of packaged beverages (soft drinks, beers, mineral water) and using various types of closure devices (crown caps, ROPP capsules, Maxi P-26, plastic capsules and SOPURE capsules for baby food).

In the coming years, the stakeholder engagement will also be extended in a structured manner to other stakeholder categories in order to define increasingly global and shared lines of action and objectives.

| Main categories of stakeholders ¹ | Our structure | In what way we interact, we listen to them and involve them |
|----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees | 434 in Italy and 149 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), Regione (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 Metal Packaging Europe. | 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, ALL, 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 (Det Norske Veritas) | Third party audit, validation and certification of documentation and reporting within the administrative, economic, financial, sustainability, and regulated management system frameworks. |

Notes:

¹ 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.

02

PELLICONI'S
PROFILE



Materiality analysis

In accordance with what requested by the GRI Sustainability Reporting Standards in 2020, a Materiality Analysis was carried out internally in order to identify the most relevant sustainability aspects for the company and its main stakeholders. In 2021, the Pelliconi Group confirmed the results of the previous year's materiality analysis, not detecting any significant changes that would alter its strategic and operational approach. Moreover, the material issues that emerged from the 2020 analysis were in line with the priorities of the Group and its stakeholders.

The Pelliconi Group's materiality analysis was conducted through an analysis of the context and the sector that led to the compilation of the map of material aspects, i.e. the most relevant aspects linked to the organisation's economic, ecological and social sustainability objectives. These topics were grouped into four general macro-areas and their relevance has been assessed by the main corporate functions.

Nineteen material aspects emerged, divided into four macro-areas: 'Anti-Corruption and Governance', 'Social Responsibility', 'Human Resources and Human Rights' and 'Environmental Responsibility', as represented in the Materiality Matrix in this chapter. Each topic is managed for appropriate control activities, defining policies, commitments, objectives, responsibilities, resources and management systems.



Scope and impacts of material aspects

| Area | Material topics | Reconciliation with GRI Topics | Scope of impact | |
|----------------------------------|-----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------------------------------------------------------|
| | | | Where the impact occurs | Group involvement |
| Anti-corruption and Governance | Ethics and anti-corruption | Anti-corruption Anti-competitive behaviour Public Policy | Group | Caused by the Group |
| | Compliance with laws and regulations | Environmental Compliance Marketing and labelling Customer Privacy Socio-economic Compliance | Group | Caused by the Group |
| Social responsibility | Innovation capacity | N/A | Group | Caused by the Group |
| | Product quality and safety | Customers' health and safety | Group | Caused by the Group |
| | Customer satisfaction | N/A | Group | Caused by the Group |
| | Economic performance | Economic performance | Group | Caused by the Group |
| | Local community support | Local communities | Group | Caused by the Group |
| | Business continuity assurance | N/A | Group | Caused by the Group |
| | Local procurements | Procurement practices | Group | Caused by the Group |
| Human resources and human rights | Schools and universities | N/A | Group and schools and universities | Caused and contributed to by the Group |
| | Health and safety at work | Health and safety at work | Group employees ¹ | Caused by the Group |
| | Employment | Employment Relations between workers and management | Group employees | Caused by the Group |
| | Professional development, training and talent scouting | Training and education | Group employees | Caused by the Group |
| | Respect for human rights | Supplier social assessment | Group and suppliers | Caused by the Group and related to the Group through its business relations |
| Environmental responsibility | Equal opportunities and non-discrimination | Diversity and Equal Opportunities Non-discrimination | Group employees | Caused by the Group |
| | Energy management | Energy | Group and electricity suppliers | Caused by the Group |
| | Emissions management (GHG) | Emissions | Group and electricity suppliers | Caused by the Group and related to the Group through its business relations |
| | Waste production and management | Waste | Group | Caused by the Group |
| Business sustainability | Materials Water and effluents Supplier environmental assessment | Group | Caused by the Group | |

Notes:

¹ Health and safety data do not include workers not employed by the Group. The Group shall consider further analysis with respect to the significance of other workers not directly employed in order to assess the need to collect data from the employers of external contractors and suppliers operating at the Group's sites and/or under the Group's control, assessing the quality and accuracy of such data over which it does not exercise direct control.

Materiality matrix

The 'Materiality Matrix' below is a summary representation of the aggregate results that emerged from the Pelliconi Group's analysis, and begins to outline a mapping of the values that characterise the ethics and operations of the company.



Analysis of non-financial risks and of control and management methods

Within the "High Level Structure" of the management systems certified according to ISO standards, the organisation applies the Precautionary Principle in the analysis and evaluation of risks for the study as well as design of new products, processes, markets and business.

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

- ANTI-CORRUPTION AND GOVERNANCE**
- SOCIAL RESPONSIBILITY**
- HUMAN RESOURCES AND HUMAN RIGHTS**
- ENVIRONMENTAL RESPONSIBILITY**

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

| Materiality area | Types of possible risks | Actions for the 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 adopted by the Parent Company • Whistle-blowing channel • Third-party certified management systems: ISO 9001 (for all production plants) • Internal 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 • Dissatisfied customers, market loss • Unsatisfactory economic performance • Problems and situations of friction and conflict with local communities • Image and reputation damage • 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 • Internal control systems • Marketing analysis • Careful selection and periodic evaluation of suppliers of products and providers of services based on environmental, social and quality criteria. • Continuous internal training plans for human resources • Career development plans for qualified internal human resources |
| Attention toward human resources | <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: ISO 45001 (for production plants in Italy), • Internal control systems • Structured analysis of contextual risks • Periodic analysis and evaluation of supply chain based on environmental, social and quality criteria. • Relations with schools and universities • Analysis of internal workplace climate, satisfaction and stress • Continuous internal training plans for human resources • Career development plans for qualified internal human resources • Reporting on working conditions in the supply chain via the SEDEX platform |
| 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: ISO 14001 (for production plants in Italy and China), ISO 50001 (for the production plant in Ozzano) • Internal control systems • Structured analysis of contextual risks • Continuous improvement analysis, optimisation and waste reduction • Investments in new technologies • Adoption of and compliance with Best Available Technologies (BAT) guidelines • 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 |

Our international market presence



“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 and MaxiSmart) 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, specific products for other sectors are currently being studied.

Our main figures for 2021 include a turnover of about Euro 182 million, an EBITDA at approx Euro 17.3 million, with a production of over 30 billion closures exported to over 100 nations worldwide.

Our group currently employs 583 employees, working in five production plants in four continents: in Italy in **Ozzano dell'Emilia (Bologna)** (parent company)

and Atessa (Chieti), in **Egypt** in El-Obour (Cairo), in the **United States** in Orlando (Florida) in **China** in Suzhou.

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 Munich, 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 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 700 customers worldwide, including all major beverage sector companies such as ABInBev, Calsberg, Castel, Coca Cola, Danone, Diageo, Heineken, Nestlé Waters, Pepsi Cola, 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

Our manufacturing plants in Italy and Worldwide



Pelliconi & C. S.P.A.

📍 **OZZANO DELL'EMILIA (BOLOGNA)**
Headquarters and original Pelliconi's plant

- Products**
- 29 mm crown caps
 - Aluminium closures
 - SoPure capsules



Pelliconi Florida LLC

📍 **ORLANDO (FLORIDA - USA)**

- Products**
- Plastic capsules (one-piece HDPE)
 - 26 mm crown caps



Pelliconi Abruzzo S.R.L.

📍 **ATESSA (CHIETI)**
The world's largest production facility for crown caps

- Products**
- 26 mm crown caps



Pelliconi France SARL

📍 **MARDEUIL (FRANCE)**

- Sold products**
- 26mm and 29mm crown caps
 - Maxi P-26
 - Obturateur type caps for champagne
 - 29 mm crown caps with built-in bidule



Pelliconi Egypt SAE

📍 **EL OBOUR CITY (CAIRO - EGYPT)**

- Products**
- 26 mm crown caps

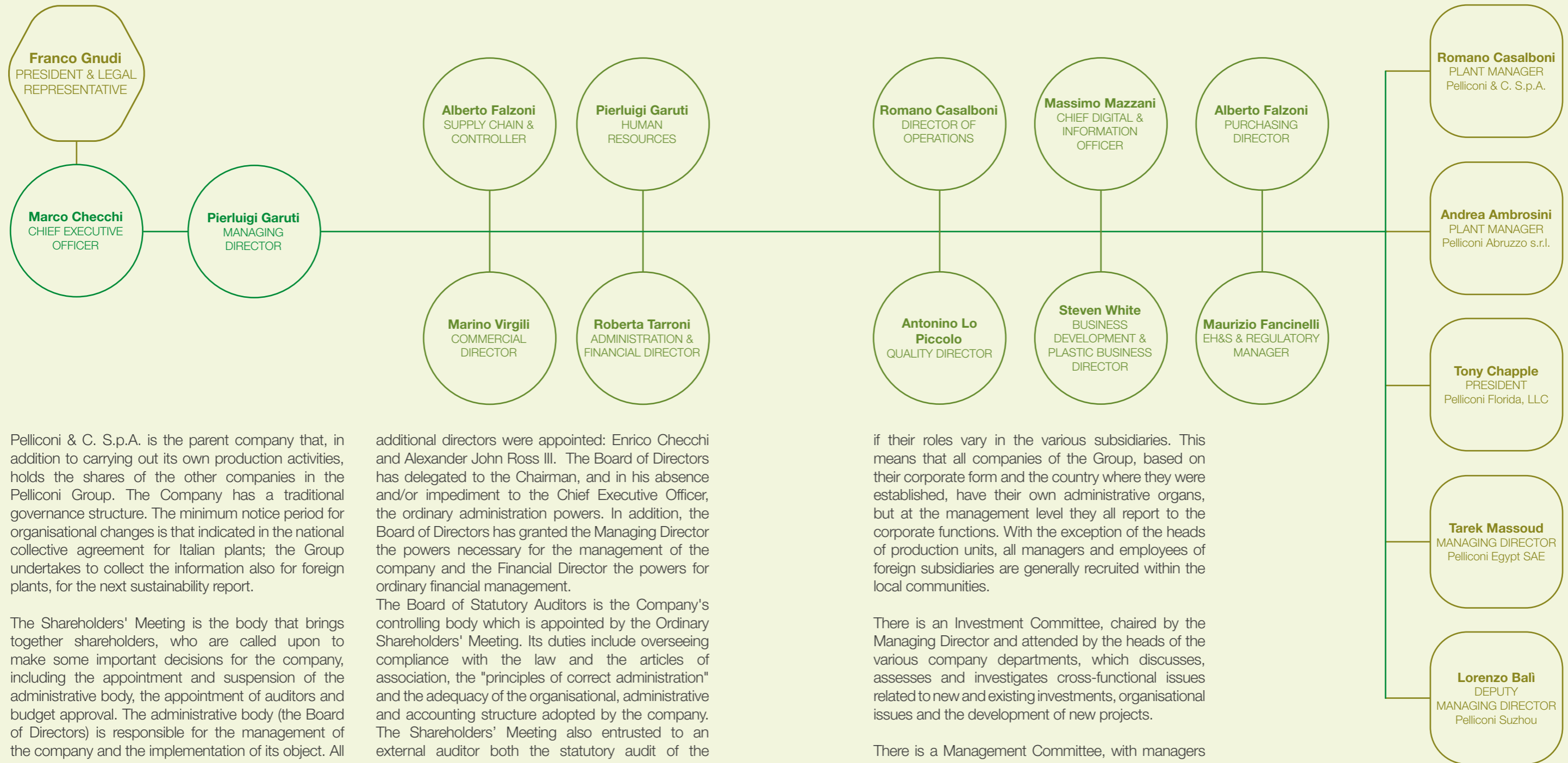


Pelliconi Suzhou CO, LTD

📍 **SUZHOU (JIANGSU PROVINCE - CHINA)**
Plant for the production of Maxi P-26

- Products**
- Aluminium closures

Organisational structure



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 minimum notice period for organisational changes is that indicated in the national collective agreement for Italian plants; the Group undertakes to collect the information also for foreign plants, for the next sustainability report.

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. Three independent Directors are also members of the Board of Directors. In 2021, two

additional directors were appointed: Enrico Checchi and Alexander John Ross III. 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. With the exception of the heads of production units, all managers and employees of foreign subsidiaries are generally recruited within the local communities.

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.

During the reporting period, there were no incidents of corruption or non-compliance with social and economic laws and regulations that required corrective action.

Board of Directors

| | Name | Surname |
|---------------------------|--------------------|-----------|
| President | Franco | Gnudi |
| Vice President | Maria Teresa | Pelliconi |
| Executive Director | Marco | Checchi |
| Director | Claudia | Gnudi |
| Director | Graziano | Verdi |
| Director | Massimo | D'Aiuto |
| Director | Enrico | Checchi |
| Director | Alexander John III | Ross |

| | 2021 | 2020 | % 2021 | % 2020 |
|---------------------------------------------------------|------|------|--------|--------|
| Pelliconi Group Board of Directors (as at 31/12) | 8 | 6 | 100% | 100% |
| of which men | 6 | 4 | 75% | 66.7% |
| of which women | 2 | 2 | 25% | 33.3% |
| under 30 years old | 0 | 0 | - | - |
| 30-50 years old | 2 | 0 | 25% | - |
| over 50 years old | 6 | 6 | 75% | 100% |

As in the previous year, during 2021 the activity of the Supervisory Bodies of the Parent Company Pelliconi & C. S.p.A. and its subsidiary Pelliconi Abruzzo S.r.l. was mainly aimed at collaborating with the corporate functions. This is to ensure full implementation as well as application of the contents of the shared Protocol for the regulation of measures to combat and contain the spread of the Covid-19 virus in the workplace.

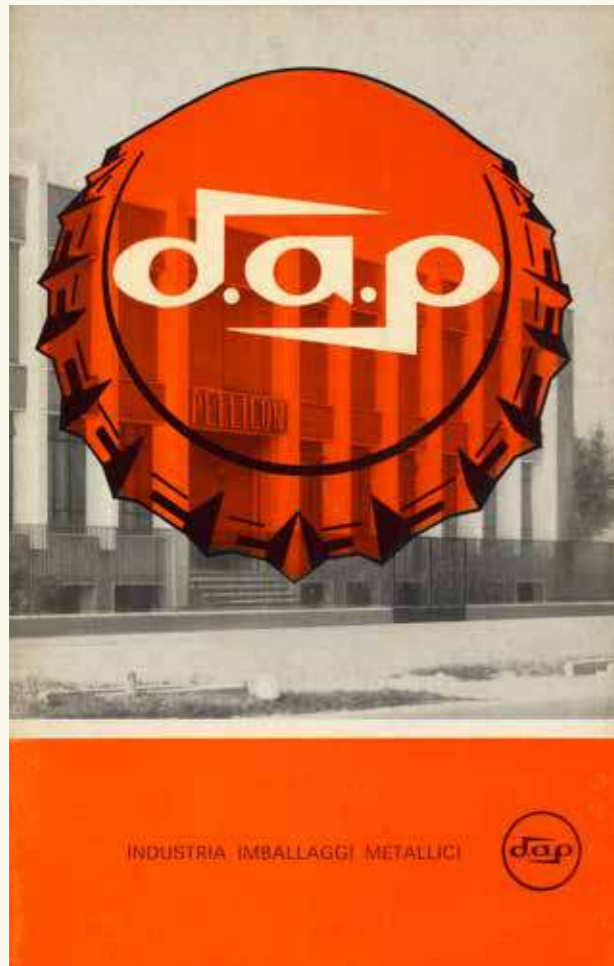
At the end of the year, the Supervisory Bodies took note of a number of recent regulatory changes (including those related to tax crimes) that further impacted the Model 231, requiring it to be updated and implemented over the next three years.

The regular auditing activities of both Supervisory Bodies did not reveal any reprehensible facts, episodes of discrimination of any kind or violations of the organisational model adopted, nor did they become aware of any acts or conduct involving a violation of the provisions contained in Law 231/2001.

Our history

“Our company was founded in Bologna in 1939, thanks to the passion and intuition of Angelo Pelliconi who, during the Second World War, invented a way of reusing food cans of the American soldiers to manufacture metal caps. Sustainability has been a major goal of ours ever since.”





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 Pelliconi Abruzzo Srl has been the protagonist of 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 taps 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.

Five years after the inauguration of Pelliconi Suzhou, Pelliconi Asia Pacific S.r.l. established the company 'Pelliconi (Changzhou) Metal Packaging Material Co. Ltd' on **9 August 2021**. This is based in the national high-tech district of Changzhou (one of the most competitive technological poles recognised in China) in the eastern Chinese province of Jiangsu, which will have a new operational plant in **2022**, with production on two lines, and will follow market developments.

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, the Pelliconi Group 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.



03

OUR CUSTOMERS

The Pelliconi Universe, 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. With the aim of pursuing a sustainable business, the company is concerned with ensuring business continuity over the long term. For this reason, a programme for the diversification of production in more than one plant has been set up. This facilitates proximity to the market and reduces the danger of discontinuity due to problems in the supply chain of the reference sector, even in the event of localised calamities or emergencies and adverse climatic events.

In 2021, our total production at the group level exceeded 30 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.



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.

In addition, we have started the industrial production of new types of closures worldwide with major investments.



Our commitment to customer satisfaction

We manage our customer relationships through a team of Account Managers 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 addition to being present on the main social media (Facebook, Instagram, LinkedIn, WeChat and Weibo) with a communication methodology dedicated to a modern and dynamic audience, the company official website is available in 4 versions: Italian, English, Russian and Chinese.

The presence of these languages allows us to have a site that can reach a wider audience.

We are constantly in touch and maintain a continuous relationship with our customers through our qualified human resource team working in the Internal Sales, Customer Service and Customer Assistance departments. There are frequent meetings and reciprocal visits to the plants, which can take place either in person or "virtually".

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

- Quality, safety and reliability of our products as well as services.
- Wide range of products suitable for 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.
- 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 after-sales relationships.”

04



OUR PRODUCTS

**Customer services**

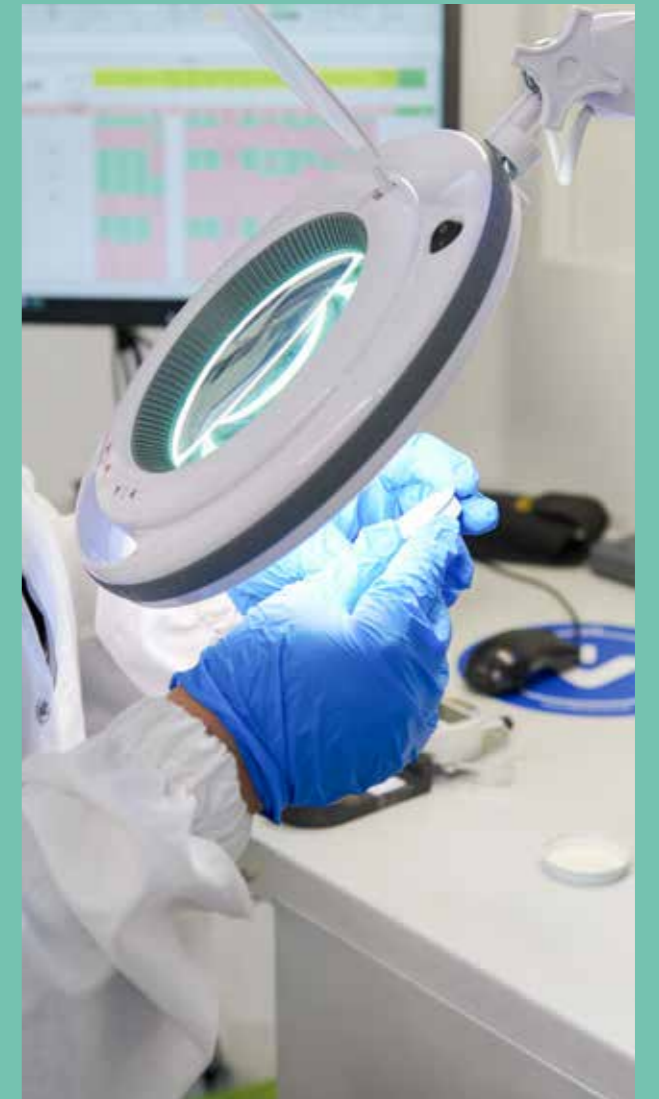
A global reference partner in the closures industry and a leader in product and process innovation. We combine the latest digital technologies with sustainable and innovative solutions, also in the field of smart packaging services, with the aim of creating value for our stakeholders.

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.



Sustainable packaging

Bottle closures are a key 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, technological performance, cost reductions and improved sustainability.

MaxiP-26 caps, with their innovative "pull-ring" opening, "Smart Crown" caps made of metal, the thickness of which having been greatly reduced, as well as 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. There were no incidents of non-compliance concerning health and safety impacts of our products during 2021.

All Pelliconi's products, for reasons of size and shape, do not bear any type of labelling other than an identification logo of the manufacturer (when authorised by the customer) and the punch, necessary for the traceability of the closures. Pelliconi provides its customers with technical data sheets containing all the specifications of each product, which are periodically updated in case of changes. The technical data sheet is sent to the customer while drawing up the contract, during the supply or at the customer's request.

During 2021, there were no incidents of non-compliance regarding information and labelling of products and services, or regarding marketing communications.

In managing its business relations, the Group complies with regulations protecting the privacy of customers and their data, ensuring that confidentiality and privacy are respected. As also clearly stated in its Code of Ethics, the Group is committed to protecting information relating to its own people and third parties, generated or acquired through internal management and business relations in order to avoid any improper use. To this end, all personal computers have a personal user profile protected by a secret password, and there is a remote backup system to ensure the protection of all data.

During 2021, there were no breaches regarding customer privacy, or loss of customer data.

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, certified by third parties according to recognised GFSI international standards (BRC-IoP and FSSC22.000).

In the Ozzano-Bologna plant, headquarters of the group and historical production site, and in the Atessa-Chieti plant (one of the largest in the world for the production of crown caps) the environmental and energy management systems are active and certified according to ISO 14001 and ISO 50001. The safety management system is also active and certified according to ISO 45001 and will be extended to other sites in the coming years.

The Suzhou plant in China has already aligned with standards implemented in the existing Pelliconi production plants (Egypt and Florida) and is ISO14001 certified.

Our plastic and/or metal closures have many applications

1. Contribute to containing the food product (beverage) in a specified, controlled environment, suitable for preservation and distribution to the consumer (bottle).
2. Protect the beverage from the external environment, preserving its constituent, nutritional and organoleptic qualities until it is consumed.
3. Guarantee food preservation and safety of the product through its entire life, from production to distribution, until final consumption.
4. Enhance the customer's brand with logos and colours that identify with the particular bottled beverage.

System certifications

| 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 | 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 | Management system for the Environment. | DNV | Accredia RVA |
| ISO 45001 | Pelliconi & C. S.p.A. Ozzano (Bologna) Italy Pelliconi Abruzzo s.r.l. Atessa (Chieti) Italy | Occupational safety and safety management system. | DNV | 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 | Accredia BRCGS |
| FSSC 22000 | Pelliconi Egypt SAE Cairo – Egypt Pelliconi Florida LLC Orlando (Florida) – USA Pelliconi Suzhou Co Ltd - Suzhou – PRC | | DNV | Accredia FSSC 22000 |
| ISO50001 | Pelliconi & C. S.p.A. Ozzano (Bologna) Italy | Energy management system. | DNV | Accredia |

Our product portfolio

The organisation manufactures components for the packaging of food products (beverages and baby food) and takes all precautions to ensure complete regulatory compliance of its products for their intended use. The finished products are not hazardous for use, they are intended for a professional operator and do not pose a health risk to the consumer. Thanks to the careful study and design phase of the products, to the control procedures for raw materials, processes and finished products (as required by the food safety management systems implemented in all production sites according to GFSI-recognised international standards), during the reporting period there were no episodes of complaints or non-conformities concerning impacts on the health and safety of the consumer relating to the products supplied as well as services provided. Special insurance policies taken out with qualified insurance companies operating worldwide provide cover against possible damage to third parties caused by the products supplied.



26mm crown caps

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



26 mm smart crown

- Tin Plate | Tin Free Steel shell
- super thin metal for reduced environmental impact



29mm crown caps

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



Plastic capsules (28 mm and 38 mm)

- single piece HDPE capsule
- for use on PC01881 finishes (28 mm)
- compatible with aseptic and cold processes (38mm)

"Physical Barrier" Technology

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

"Oxygen scavenger" technology

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



ROPP screw-on capsules 28x15 mm

- Aluminium capsule body
- PVC and PVC-free plastic liner
- Drop and split-band feature



Pull-ring capsules Maxi P-26

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



SoPure

- 51 mm diameter press-on twist-off capsule
- PVC-free, plasticiser-free, BPA-NI, ESBO Free
- eco-friendly closure



Flower cap

- Soft design with folded edge
- Material thickness 0.15 mm
- Advanced sealing performance

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 digits over one line or 5 digits over two lines), like the ones via the 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 or unique codes.



Competition Internal printing

Closures with an offset internal 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 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").

05



INVESTMENTS IN INNOVATION AND RESEARCH

Innovation department

Innovation is where we create the future. This is where new solutions for the world of food & beverage are born, this is where we support our customers with ideas and research & development projects. 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.

A team dedicated to innovation

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

Pelliconi has more than 80 years of experience in the industrial processing of metal, plastic and in the production and capping processes of the packaging world. These skills extend to modern and digital themes: the development of a project from idea to go-to-market, specific skills in mechanical, chemical and process engineering, product & business design, innovation management paths.

An in-house experimentation lab allows for rapid prototyping and testing of ideas. 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.

All this is done within an ecosystem of partners (suppliers, research centres, engineering companies, startups, universities) to access cutting-edge expertise.

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 and project management

For Pelliconi, innovation means having a well-structured process that has been consolidated over the years, thanks to the use of methodologies such as Design Thinking, Lean Startup, Open Innovation and Agile Development. Openness to the external ecosystem and a strong drive for Execution are distinctive elements of Pelliconi's approach to innovation.

SUCCESS = 1% IDEA + 99% EXECUTION

The development process

A structured process, made up of 5 phases and specific progress steps, together with a precise collaboration with other corporate bodies are the key feature of innovation at Pelliconi. In fact, a procedure called "Pelliconi Innovation Process Procedure" has been defined and shared: an explanatory document that validates the governance, process and methods of collaboration and autonomy at every level of project development and with every company player.

This development process, whether for product or service, makes it possible to evaluate, test and validate the initiatives at each progress step, monitoring deviations from the set objectives.

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

Phases

#1 IDEA

It can come from a variety of sources: internal, external or through customer requests.

#2 CONCEPT

Using a practical rapid prototyping approach, we assess whether the product/service can actually be produced and whether it meets market needs, as well as technical and pricing requirements. At this stage the product/service is defined as POC (Proof of Concept).

#3 PROTOTYPING

The development of a working prototype that represents the distinctive features of the product/service to be introduced in the market, realised with laboratory instruments. At this stage the product/service is defined as MVP (Minimum Viable Product).

#4 INDUSTRIALISATION

The preparation stage to make the product/service available on a large scale, which may include setting up an industrial production line.

#5 ON THE MARKET

The product/service is ready to be sold on a global scale, officially becoming part of Pelliconi's product portfolio.

1.

Marketing Intelligence and Communication for Innovation

The validation of ideas and concepts according to real market needs and the communication of new projects to the outside world is another key to development progress. This allows both to validate the ideas in the market and to refine a go-to-market strategy suitable for the specific sector of the new project and adapted for each specific innovation.

Marketing Intelligence activities are carried out before new project development activities, with periodic analysis of sector trends and study of innovations in related sectors, and also in parallel with the introduction as well as progress of new projects in the development flow.

This is complemented by market testing of prototypes and the definition of strategies for introducing products into the market and communicating value, exploiting new digital methodologies.

2.

Pelliconi's blog is born: "Inspire"

Pelliconi's renowned products do not need any presentation, they are already known all over the world. But the products or services born from the last intense years of research and development activities need to be diffused and communicated in a correct way in the sector, in order to transmit their value and intercept those who recognise it. That's why an Account Based Marketing project was started to get valuable solutions to customers who might be interested. Among the various activities, the project has seen the creation of a blog available at the address inspire.pelliconi.com and which describes and explores the benefits, suggestions for use and a little background about the creation of the new products. The idea is to "inspire" customers to take a step towards a new future in food & beverage.

3.

Dedicated innovation support service

In addition to the numerous developments that are part of the project portfolio, Pelliconi makes its ability to innovate and prototype available to the industry. On our company's website (Pelliconi Innovation) we explain such capabilities and how customers can contact us to investigate opportunities related to their business, as several groups have already been doing for years.

4.

Patents

Pelliconi today has a substantial patent portfolio resulting from its development activity carried out over the last 4 years. To date, there are more than 20, with extensions present in more than 70 countries. Patents cover new products, new materials or new supporting technologies.

5.

The project portfolio

Pelliconi's Innovation 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 taken into consideration.

Among the various projects each year there are both new products, i.e. new closures or packaging elements, but also new services, business models or new process technologies that in turn enable one of the above. The wide range of team skills (from mechanical, chemical, design, business development and digital skills) allows exploring every aspect related to the food&beverage sector: from the consumer experience to the technicality of the product or its production or application.

6.

Innovation Community

Within Pelliconi there is an "Innovation Community", made up of "Champions of Innovation" from the various company departments. The community is activated for specific projects of widespread interest and collaborates to target new challenging projects across all areas of the company. In addition, their task is to bring new ideas and to be spokespersons of innovation in the company in each sector with colleagues and ambassadors.

7.

Networking, the case of Politecnico di Milano

Pelliconi Innovation and the Politecnico di Milano have been working closely together for years. Within the "Startup Intelligence" circuit, in which numerous important national and global companies participate, Pelliconi emerges from the early days for its ability to quickly transform ideas into innovations in a sector generally considered less innovative than others, especially when compared to technology, energy and automotive sectors. Networking as well as creating relationships and partnerships with universities, startup incubators, consulting circuits brings great vision to Pelliconi: this opens a window on the experiences of other sectors, on 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 projects developed**Flower Family**

The Smooth Revolution. That's what we called it in 2018 when for the first time we were able to present an initial working prototype to the market, which after well over 120 years of dominance of the crown cap alone, now presents a truly valuable alternative. The market response was immediately enthusiastic, although giving up the iconic crown cap was a deep change that came with some hesitation. A lot has been accomplished since that day, and the "family" has grown, and is constantly evolving.

- 26mm flower pry-off, the flower-shaped cap. More sustainable, thanks to the reduction of raw materials that compose it, with an extremely distinctive design.
- Capping heads for the application of the Flower cap, also developed and patented by Pelliconi.
- Flower service: complete support including evaluation of the existing line for application of this new closure, supply of the necessary equipment (Conversion Kits), supply of the capsule and related maintenance service.
- Flower Twist: the great new entry in the family, now in the industrialisation phase. The smooth revolution will also embrace the world of twist solutions, guaranteeing a consumer experience aimed at safety and sustainability.
- 29 mm Flower pry-off, today in prototyping phase. Ideal solution for the world of wines and craft beers.



P•ink, the new Pelliconi brand for cap digital printing.

The technology developed and patented by Pelliconi's Innovation team makes it possible to finally create a new service for customising small batches of packaging. Pelliconi's quality and business scalability is translated into cap digital printing.

The target customer is completely new for the company, which can now start doing business with small craft breweries using ordinary caps. This new development also reaches out to private "homebrewers" as well as wineries and other small-scale producers of beverages who want to do promotional activities on their packaging.

The opportunity in the market

There is a great opportunity in the market, and Pelliconi is ready to seize 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.

The new technology

The developed and patented technology subverts the traditional logic of economies of scale that governs the offset production process of the iconic crown cap, which has always been optimised for production in very large quantities. Pelliconi has therefore invested in innovating this dynamic by developing digital printing technology. This technology, already widely used in other sectors, is now also becoming a reality in the world of metal packaging, offering countless opportunities for customisation, working on small batches with a minimum of 1 cap!

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. This new feature is now available on the 26 mm and 29 mm crown cap, but this is just the beginning.

The new brand and digital strategy

In order to introduce this innovative service to the market, Pelliconi created a new brand, called P•ink. This offers the possibility of giving the cap its own image even for small and medium-sized craft breweries (a sector that is growing enormously), which until yesterday mainly used ordinary caps. But not only that, private homebrewers will also have a flexibility that was not possible until yesterday.

To serve this new type of customers, Pelliconi has focused on online digital strategies, both for sales (through an e-commerce launched in April 2021 available at p-ink.shop) and for the acquisition of new customers. The company has created its own e-shop, to offer the possibility to configure directly online and buy customisable caps also in small batches. In just 8 months, more than 150 customers were reached in more than 25 countries worldwide.

Becoming known by a new market segment, communicating the new possibility and the benefits of it is no small challenge. To this end, the company has created a brand with its own specific identity, dedicated digital channels and extensive multi-channel activities for customer acquisition.



SoPure®: safe for mothers, pure for the environment

In order to support the environmental policies of multinationals that aim to reduce the use of plastic materials in packaging and to safeguard the future of the planet, Pelliconi has created SOPURE®: a PVC (Polyvinyl Chloride) free closure suitable for packaging different types of food in glass jars, but mainly used for baby food (homogenised products).

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

The SOPURE® capsule is a metallic closure of the press-on twist-off type with a diameter of 51 mm equipped with an extremely innovative liner for the sector as it is free of PVC and plasticisers (phthalates, adipates) and derived from a mixture of thermoplastic elastomers, polyolefins and additives.

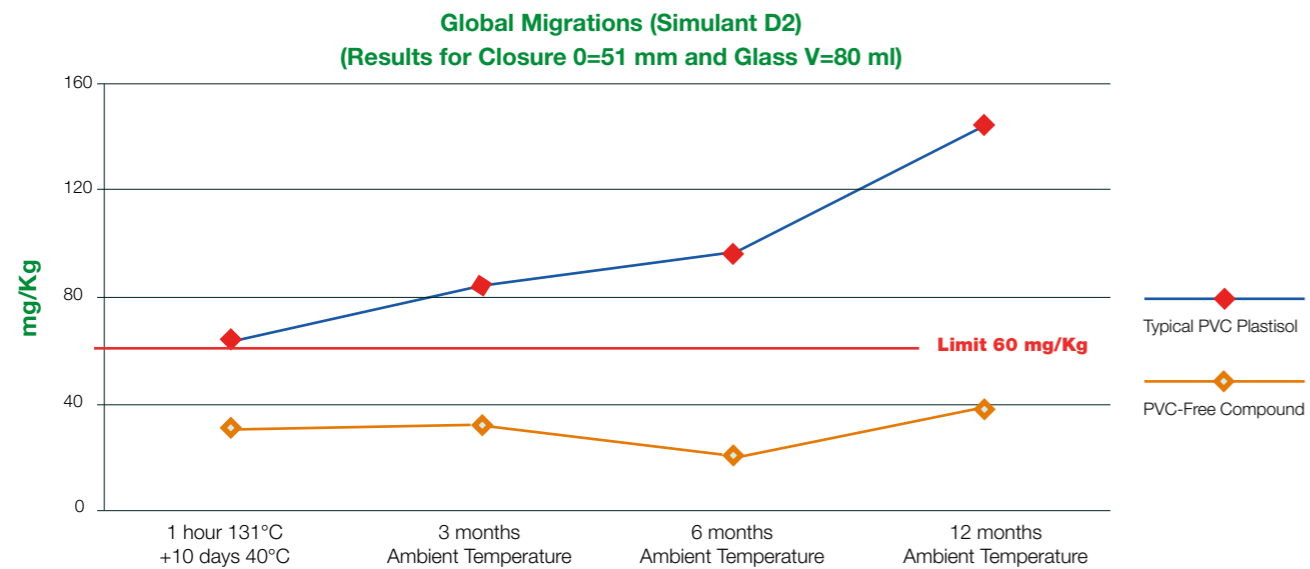
SOPURE® is composed of more than 99% polymer base, unlike common PVC Plastisol, which has less than 60% polymer and between 35-40% plasticising

liquids, lubricants and stabilisers. These are potentially transferable to food in glass packaging, especially in the case of high-fat foods such as canned meat and fish, cheese and other dairy products. The closure introduced on the market by Pelliconi, and totally plasticising additive-free, is therefore able to significantly reduce migration.

Studies conducted on the migration potential in 80 ml glass containers closed with SOPURE® caps have shown that this revolutionary capsule lining, unlike PVC which exceeds 140 mg/Kg, remains well below the overall migration limit of 60 mg/Kg even in the long term.

In addition, SOPURE® does not contain bisphenol A (BPA), a substance harmful to the human body, and is completely ESBO (epoxidized soybean oil) free.

Performance of SoPure®



More environmentally friendly during the disposal process

SOPURE® requires a much simpler disposal process and makes it suitable for recycling, incinerators and landfills.

This is because its PVC-free liner has less impact on the environment: in contact with the ground or burned in an incinerator, it does not release toxic substances into the soil or the atmosphere.

In addition, Provalin® - the material from which SOPURE® capsule liner is made - has been evaluated and approved according to the criteria of the Cradle to Cradle® V3.1 certification standard. The basic principle of Cradle to Cradle® is to preserve and enhance the ecosystems as well as biological cycles of nature by creating a sustainable system that is respectful of life and future generations. According to this certification, the liner has achieved a Gold Level of Material Health, confirming that there are no hazardous chemicals in PROVALIN®.

The advantages also extend to the production process of the compound as 38% less CO₂ is released into the environment compared to a PVC compound.

SoPure®: the solution that fits brands, consumers and the environment

With SOPURE®, Pelliconi wanted to contribute to the health of the planet and of consumers by improving the packaging of food products (especially baby food).

All this is possible without changing production lines. SOPURE® adapts easily to standard PVC capping lines, with no adjustment costs.

Finally, Pelliconi, thanks to the creation of this capsule, has taken another step forward to win over parents who care about environmental protection and expect the best for their children.

Why choose SoPure®?

- Pvc-FREE provalin (tpe liner)
- No plasticisers
- Bpa-ni
- Esbo free
- Eco-friendly



06

ECONOMIC IMPACTS



Financial performance in 2021

After the loss of sales volumes that occurred in 2020 due to the closure of the entire Ho.Re.Ca (Hotel, Restaurant, Café) channel, i.e., the world of food and beverage, the 2021 financial year began with important signs of recovery. This allowed the Group to generate revenues from sales and services amounting to Euro 182,374 thousand compared to Euro 153,842 thousand in the previous year, thus recording an increase of 18.5%.

During the year 2021, management was committed to countering the very strong tensions on the raw materials market, as a result of the production shutdowns imposed by government authorities to counter the expansion of the pandemic.

This activity became particularly strategic during this financial year and required strict control of the commercial function and the supply chain function, both of which were committed to managing the use of raw materials in the best possible way in order to meet existing contractual commitments.

This phenomenon characterised and influenced all the management activities of the last financial year and is continuing in the year 2022, affecting all the companies of the Group in different ways.

The increase in the value of production generated in 2021, together with the maintenance in percentage terms of the EBITDA - practically in line with that of previous years (in 2021 equal to 9.3%, in 2020 9.4% and in 2019 equal to 9.7%) - allowed the Group to generate a margin of Euro 17,304 thousand and a profit of Euro 3,834 thousand net of depreciation and amortisation on tangible and intangible assets for Euro 8,999 thousand. This also includes allocations to the provision for doubtful debts and the provision for future risks for Euro 493 thousand and Euro 630 thousand respectively.

The Group's global presence is reconfirmed as a consequence of the strategic choices made in past years that led to 11.2% of revenues from sales and services in Italy, 25.5% in Europe and 63.3% in non-EU countries.

All Group companies increased their revenues from

sales and services in 2021, with the exception of Pelliconi Russia LLC, which, however, generates an insignificant turnover, and Pimm S.p.a., whose 2021 financial year represents its last year of activity as it will be merged by incorporation into Pelliconi & C. S.p.a. from 1 January 2022 for all civil and tax purposes.

As far as the subsidiary Pelliconi Florida LLC is concerned, the investment plan implemented in the area of plastic capsules production allowed the American company to increase its revenues from USD 16,778 thousand generated in 2019 to USD 17,739 thousand in 2020 and USD 29,688 thousand finalised in 2021. This result was achieved even though the subsidiary was affected by the drop in consumption that occurred in 2020 in the American market, which was heavily impacted by the effects of the coronavirus.

The Chinese subsidiary Pelliconi Suzhou Ltd, generated USD 24,600 thousand in revenues (USD 19,569 thousand in 2020), also surpassing the level of the pre-pandemic period where it had achieved USD 22,722 thousand in revenues in 2019.

As regards the Group's Italian industrial companies, both the subsidiary Pelliconi Abruzzo S.r.l. and the Parent Company Pelliconi & C. S.p.a. reacted positively to the restart and reopening of all distribution channels, both increasing their respective turnovers compared to the previous year.

The Egyptian subsidiary Pelliconi Egypt SAE also recovered, achieving a turnover of Euro 5,405 thousand compared to Euro 4,573 thousand in 2020, confirming its presence on the reference market.

The positive results achieved in 2021 concern all metal bottle closures that recovered the level of sales volumes, returning to those of the pre-pandemic period. On the other hand, the plastic closures produced by the subsidiary Pelliconi Florida LLC more than doubled compared to those sold in 2019, an achievement made possible by the investment plan that started in 2020 and continued in 2021.

In addition, the financial year just ended saw the completion of the validation process of a twist-off capsule used for baby food at major customers' premises.

The completion of the validation process, together with the increase in the number of brands converted from PVC to PVC-free, augurs well for good sales volumes as early as the second half of 2022.

With regard to the investment activity carried out in 2021, it should be noted that this mainly concerns the parent company Pelliconi & C. S.p.a. and the subsidiary Pelliconi Florida LLC.

In 2021, the Parent Company made net investments of Euro 5,468 thousand (Euro 5,376 thousand in 2020), part of which in the production area and part in the real estate area.

Specifically, in the production area, it completed the investment plan that will allow it to enter the food market with a new twist-off closure dedicated

to baby food, while in the real estate area, it completed the purchase of some buildings adjacent to the Company's headquarters. Their preliminary contracts had already been formalised in 2020 and, due to their location, could represent a strategic investment for Pelliconi's future projects.

In addition, the sale by Pimm S.p.a. of the property owned by the company was completed, which meant that the company's economic reason ceased to exist, and therefore the corporate bodies of the two companies resolved the merger by incorporation of Pimm S.p.a. into Pelliconi & C. S.p.a. as of 1 January 2022.

The investment plan by Pelliconi Florida LLC in Florida (USA) in the production area continued, which allowed the subsidiary to significantly increase its revenues, as previously commented, and consequently improve the company's results.

These investments amounted to Euro 3,612 thousand in 2021, in addition to the investments of Euro 4,741 thousand in 2020.

With regard to the scope of consolidation, in 2021 a new development plan was launched in China with the establishment of a company called Pelliconi (Changzhou) Metal Packaging Co LTD, which was therefore included within the Group.

This project had suffered a slowdown in the realisation phase due to the spread of the pandemic. In the last financial year, following the general improvement in the situation, it was possible to identify the industrial infrastructure and thus move on to the realisation phase of the investment.

The Economic Value directly generated in the two-year period 2020-2021

| Economic performance | 2021 | 2020 |
|---------------------------------------|--------------------|--------------------|
| | Thousands of euros | Thousands of euros |
| Value redistributed to Suppliers | 135,884 | 109,287 |
| Remuneration of personnel | 30,570 | 29,223 |
| Remuneration of Backers | 2,393 | 2,401 |
| Remuneration of Stakeholders | 95 | 5 |
| Remuneration of Public Administration | 2,191 | 2,042 |
| Remuneration of the Community | 425 | 449 |
| Value retained by the Company | 12,885 | 10,483 |
| Generated economic value | 184,443 | 153,890 |
| Distributed economic value | 171,558 | 143,407 |

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.

During 2021, the Supervisory Bodies of the Parent Company Pelliconi & C. S.p.a. and its subsidiary Pelliconi Abruzzo S.r.l. were constantly updated on the correct implementation of protocols for the prevention of Covid-19 virus infection. These were adopted with continuity in the respective production sites since the beginning of the pandemic.

Evidence was also provided of the monitoring implemented by corporate functions on compliance with the protocols by employees, suppliers and more generally by external personnel, including the application of the Green Pass. What emerged is a picture of substantial adherence and implementation.

With reference to the content of the Organisational Model, both Supervisory Bodies deemed it necessary to schedule the updating of the Special Sections with specific reference to the new predicate offences included in the scope of Tax Crimes, Contraband and Crimes against the Public Administration (new cases).

No i) legal actions for anti-competitive behaviour, antitrust and monopolistic practices, ii) no penalties for non-compliance with laws or regulations relating to the provision and use of products and services were recorded during the reporting period.

The regular auditing activities of both Supervisory Bodies did not reveal any reprehensible facts or violations of the organisational model adopted, nor did they become aware of any acts or conduct involving a violation of the provisions contained in Law 231/2001.

Supply chain. Our suppliers

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.

Significant suppliers (in terms of volumes purchased and considering industrial manufacturers and not individual commercial resellers), including all new suppliers, are screened using environmental, ethical-social and sustainability criteria, with largely positive results. With regard to spending with local suppliers³, all packaging suppliers whose spending accounts for approximately 3.41% of the total purchased in 2021 were considered.

The Group undertakes, for the next reporting years, to expand the figure by also considering other types of local purchases.

For the production of our closures we source raw materials (mainly steel, aluminium, plastic, paints and inks) from the most qualified global producers, often large multinational groups, who represents

the state-of-the-art in technology and are a point of reference for our specific sector. In most cases they have confirmed that they have verified and accepted the Pelliconi code of ethics, and have in turn adopted their own code of ethics for the conduct of their business. Almost all suppliers explicitly state that they operate in compliance with the laws of the countries in which they carry out their production activities, in accordance with the guiding principles of labour and the UN Universal Declaration of Human Rights, the principles of the International Labour Organisation (ILO) and the Modern Slavery Act 2015.

All materials supplied comply with applicable international regulations, guidelines and technical standards. Furthermore, they are produced without making use of T3G metals from conflict zones as set out in the "Dodd-Frank Wall Street Act" and Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017, "laying down supply chain due diligence obligations for importers into the Union of tin, tantalum and tungsten, their ores, and gold, originating in conflict or high-risk zones".

All major suppliers have quality control systems certified to ISO9001. Furthermore, the vast majority also adopt an occupational safety as well as environmental management system that is externally audited and certified by independent, accredited parties according to the ISO45001 and ISO14001 reference standards.



Notes:

³ "Local suppliers" are those suppliers with registered offices in the national territory in which each individual company operates.

The table hereunder reports the total percentage of suppliers falling under different product categories having a code of ethics for business conduct and a third-party certified quality, environment and safety management system according to the ISO9001, ISO14001 and ISO45001 standards.

In order to constantly monitor the issue and align suppliers with the Group's values and principles, the table is periodically updated. Furthermore, dedicated questionnaires are sent to suppliers, which are required to fulfill them in order to provide an accurate and up-to-date overview.

Suppliers who adopted their own code of ethics and a certified environmental and occupational safety management system (%)⁴

| Supplier scope of business | ISO9001 | ISO14001 | ISO45001 | Code of ethics |
|----------------------------|---------|----------|----------|----------------|
| Steel suppliers | 100% | >60% | >60% | >60% |
| Aluminium suppliers | 100% | 100% | 100% | 100% |
| Paint and ink suppliers | 75% | 50% | 25% | >60% |
| Plastic compound suppliers | 80% | <70% | 60% | 100% |



Notes:

⁴ The analysis takes into account suppliers who are also producers of the materials supplied, excluding dealers and purely trading and non-producing companies.

Volume of purchases from ethical suppliers

The table below shows the total quantity of raw materials and auxiliary materials purchased by the organisation in 2021⁵.

| Category of material used | Type of material | Year 2020 | Year 2021 | Renewable material | Non-renewable material | Recyclable material | Reusable material | Recycling material |
|-----------------------------------------------|------------------------------|---------------|---------------|--------------------|------------------------|---------------------|-------------------|--------------------|
| | | [ton] | [ton] | | | | | |
| Raw materials | Steel | 56041 | 53291 | | X | X | | X |
| | Aluminium | 2536 | 2999 | | X | X | | X |
| | Paints and enamels | 1611 | 1664 | | X | | | |
| | Inks | 61 | 71 | | X | | | |
| | Plastic materials for liners | 6284 | 6446 | | X | | | |
| | Solvents and thinners | 11 | 9 | | X | | | |
| | High density polyethylene | 3977 | 6671 | | X | X | | |
| Plates and natural rubber for offset printing | Printing plates | 21 | 26 | | X | X | X | |
| | Natural rubber | 3 | 3 | | X | X | | |
| Packaging | Cardboard boxes | 2296 | 2672 | X | | X | | X |
| | Cardboard containers | 455 | 420 | X | | X | | X |
| | Plastic bags and films | 68 | 73 | | X | X | | |
| | Disposable pallets | 666 | 708 | X | | X | X | |
| | Returnable pallets | 867 | 1230 | X | | X | X | |
| ALL RAW MATERIALS | | 70,514 | 71,145 | | | | | |
| RAW MATERIALS+PACKAGING | | 74,881 | 76,259 | | | | | |

Notes:

⁵ Following an improvement of the reporting system, the 2020 data on purchased materials have been restated and differ compared to those published in the previous Sustainability Report. For the value reported in the 2020 Sustainability Report, please refer to the document published on the Group's website.

- The materials are grouped by type, e.g. steel = tin plate + chrome plate + stainless steel, paints and enamels = all types of paint products, plastic liner materials = PVC-based compounds + Polyethylene-based compounds.
- Metals (steel and aluminium) are infinitely recyclable materials ('Permanent materials') without any decay of the chemical-physical and mechanical-performance characteristics (unlike the other materials in the table, such as plastics, for which at each recycling cycle there is a more or less significant degradation of these characteristics - depending on the type of material). In any case, a recyclable material is defined as a material that at the end of life of the product of which it is the main component, can be recycled, even if it is not possible to separate the various components (e.g. caps are recycled as metal even in the presence of the plastic liner and painted layers, which cannot be separated from the metal body).
- Metals and cardboard packaging contain varying amounts of post-consumer recycled material. Only general sector statistical data are available for these materials divided by geographical area while specific data are not available for each type of product.
- The material is reusable only if subject to repeated use without any substantial modification.

07

RESPECT FOR THE ENVIRONMENT



Rational use of energy for reduced atmospheric emissions

We are committed 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 continuous adjustments 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.

Environmental footprint

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

This is why, with a view to Circular Economy, 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)
- VOC emissions (solvents in the atmosphere)
- NOx emissions (products of combustion)
- CO₂ emissions
- Consumption of materials (recyclable, renewable and non-renewable)
- 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.

Our main plants in Ozzano-Bologna and Atessa-Chieti as well as the Suzhou plant (China) 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. Energy consumption is verified by the managers of each plant, periodically checked and appropriately evaluated with a view to the rational and efficient use of resources. With regard to this point, the Ozzano plant has obtained ISO50001

certification, which demonstrates quality in energy management, with reference to the production and assistance of lithographed metal sheets, and the design, production and assistance for aluminium crown caps and capsules (screw-on and pull-ring).

More than 80% of energy consumption (electricity and natural gas) is linked to production at the Italian plants in Ozzano and Atessa, meaning that a large part of the Scope 1 and Scope 2 emissions of the Group's production is linked to them. In the financial year 2021, there was a slight increase in energy consumption, and thus in the emissions produced, even in the face of an increase (approx. 1.6%) in the production of caps at the Group's plants. These emissions are constantly monitored (in the same way as emissions from other plants are monitored) taking also into account fuel consumed by Group-owned vehicles, so as to broaden the overall view of the data, and thus facilitate possible improvements in the relative impacts in the near future, in line with the Group's environmental values. In a spirit of transparency and cooperation that characterises the relationship between the Group and its commercial partners, the Group's emissions data are periodically shared with CDP (Carbon Disclosure Project) through a dedicated platform. With a view to an overall reduction of emissions, it is undeniable that a significant part of these can also be attributed to the logistics linked to the Group's production. For this reason, the Group has strengthened its capacity and experience in intermodal transport over the years, for which reference should be made to the dedicated paragraph.

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. Almost all the water used is taken directly from the aqueduct, with the exception of the Atessa plant, which also uses groundwater -

significantly decreased compared to the previous year. Although the Group's use of water in the production of closures is relatively limited, it is aware of the intrinsic value of this resource, especially considering that most of the areas in which its plants are located (with the exception of Florida) are characterised by significant water stress, classified as medium or high according to the World Resources Institute methodology. For this reason, water withdrawals are periodically monitored in order to evaluate the overall figure and rationalise their use, if possible. In addition, as with emissions, data on water consumption are shared with CDP, again with a view to transparency with stakeholders.

Emissions linked to NOx (Nitrogen Oxides), SOx (Sulphur Oxides) and VOC (Volatile Organic Compounds) are also periodically monitored at the Italian plants in order to ensure compliance with legal limits and assess possible improvements.

There were no episodes of non-compliance with environmental laws and regulations during the reporting period.

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



Metal closures and sustainability

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 painting and lithography and which are then sheared into cap bodies and capsules.

Steel and aluminium sheets are purchased from the major international producers, who supply us from Italian, European and non-European locations.

In Italy and Europe, aluminium and steel from packaging products introduced on the market in the form of products are 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 metallic materials are magnetically extracted.

In Europe, the percentage of packaging recycled at the end of its life cycle stood at 97%* for steel and around 75%* for aluminium in 2020; in Italy, 79.8%** of steel and 68.7%** of aluminium released for consumption are sent for recycling. In 2019, 399,000 tons of steel packaging scraps were collected in Europe and sent for recycling to be reused by the industry, i.e. an amount which is over 50 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 savings and respect for the environment. Metals are totally recyclable, and both internal and scrap recycling 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.

Suppliers operating in markets where exports prevail greatly over domestic consumption (e.g. the Far East), and where the virtuous cycle of waste management is not yet fully developed, use a greater quantity of ore than recycled material. However, also in these countries the waste recycling process will soon become a high development resource and for these supply lines the environmental impacts will also be reduced as environmental awareness increases.

Recycling is an absolute worldwide priority in aluminium production where the recycling of post-consumer aluminium saves more than 95% of energy and reduces CO₂ emissions compared to aluminium produced from ore (bauxite). It is estimated that 75% of the aluminium ever produced (almost 1.5 billion tonnes from the late 1800s to today) is currently still in circulation. In 2019, about 20% of the total aluminium was produced from post-consumer material, with a projected growth of 35% in 2050. (****).

About half the weight of the disposable cardboard packaging we use to pack and ship our products is made from recycled material to minimise environmental footprint. Where logistically feasible, reusable metal containers (returnable), including the foldable type, are also available to optimise the logistics of recovery for subsequent use. Wooden pallets can also be reused over and over again until broken, and an increasing number of wooden pallets



are of the returnable type and part of international circuits such as EPAL, CHEP, LPR.

The raw materials recycling chain is actively functioning in our plants, since almost all our generated industrial 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.

2021 European and Italian data on material recycling (steel and aluminium)

| | Steel | Aluminium |
|-----------------------------------------------------------------------|-----------|-----------|
| TOTAL PACKAGINGS RELEASED FOR USE IN 2021 [ton] | 542,263** | 78,400*** |
| TOTAL TONS COLLECTED | 463,865** | 56,600*** |
| TOTAL TONS SENT FOR RECYCLING | 389,928** | 52,900*** |
| PERCENTAGE SENT FOR RECYCLING OVER THE AMOUNT RELEASED FOR USE | 72.0%** | 67.4%*** |

Sources:
 *Source: European Aluminium online database, 2020
 ** Source: Consorzio Nazionale Riciclo e Recupero Imballaggi Acciaio online database, 2021
 *** Source: Consorzio Nazionale Imballaggi Alluminio online database, 2021
 **** Source: "International Aluminium" online database, 2021

Product life cycle assessment (LCA)

A complete life cycle analysis (in accordance with applicable ISO standards) of Pelliconi's main products was carried out in 2016 by a qualified environmental research company (LCA-Lab srl), namely:

- 26 mm steel crown cap, Standard (0.22 mm thick) and Smart (0.18 mm thick) produced in the plant of Atessa (Chieti-Italy)
- Maxi P-26 ring-pull aluminium cap produced in the plant of Ozzano (Bologna-Italy), in order to quantify the environmental impacts in terms of environmental and energy indicators.

The LCA analysis applied in "cradle to grave" logic according to ISO 14040: 2006 and ISO 14044:2006 provides an "environmental rating" of the product and related processes, 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.

From the analyses carried out in 2016, for the caps under review, the highest incidence of impacts is always due to the production of raw materials (capsule: 92%, crown caps: 95% and 94%), i.e. aluminium and steel, and consequently to the upstream module that contains the "upstream" processes of plant production (capsule: 97%, crown caps: 97% and 95%).

In the core module, i.e. in the phase that goes from the transport of raw materials to plant processing, the greatest incidence is given by the production electricity that varies from 18.2% for capsules to 6-7% for crown caps. This module, compared to the total, has an impact that goes from 21% (capsules) to 12% (crown caps). Distribution transport accounts for an average of 5%, while the downstream module (transport and end-of-life) has a greater overall impact on capsules (18%) than on crown caps (8%).

These assessments reveal interesting results, which deserve to be updated. For this reason, the LCA analysis is now being revised (with the same consultancy body, LCA-Lab srl) and will also be extended to other strategic products for the company (Flower Cap and SoPure). Results are expected throughout the year 2022.



Sustainable logistics

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.

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.

As of today, we are working with several logistics partners (Alberti & Santi, Ambrogio, LKW Walter, Trans Italia) that allow us to operate with different intermodal transport options depending on the various destinations, where the initial and final part of a short/medium haul road transport is combined with:

- rail transport, such as to Belgium/Holland/France/Germany
- rail + ship transport, e.g. to Sweden/UK/Ireland
- short-sea service, e.g. to Spain/Portugal

Comparing the various shipments, the use of intermodal transport has allowed Pelliconi to avoid the emission of over 500 tons of CO₂ per year, considering only shipments from Italian production sites (Ozzano-Bologna and Atesa-Chieti).

LESS CO₂ EMISSION FROM INTERMODAL TRANSPORT COMPARED TO ALL ROAD TRANSPORT

| Year 2019 | Year 2020 | Year 2021 |
|-----------|-----------|-----------|
| 529.66 | 570.21 | 513.97 |



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 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 Düsseldorf, 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. |

Sustainable waste management - Circular economy.

In the spirit of the Circular Economy we strive to pursue a model of production and business management that is attentive to reducing waste, aimed where possible at the design of innovative products, the use of raw materials and production processes with reduced environmental impact, the reduction of waste, recycling and enhancing of waste especially in the case of permanent materials (metals).

Our waste is mostly made up of metal deriving from the process of the sheet cutting in shells and capsule bodies 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 and composition. 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.

In order to reduce the production of hazardous waste, an automatic washing system was installed a few years ago at the Ozzano plant for the parts of the painting machines that have to be disassembled and washed every time the paint is changed. The system consists of a washing machine integrated with a solvent distiller, interconnected in a workstation with transfer circuits and tanks for handling dirty and clean solvents. Machine parts are washed with clean solvent, which after washing is distilled to separate paint residues (then disposed of as sludge) from the solvent part. The distilled and cleaned solvent is then reused for subsequent

washes an indefinite number of times. This integrated system has enabled a drastic reduction in the consumption of solvent used for washing the machines, which was previously entirely collected and disposed of.



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 capsules, in accordance with the environment and safety management systems certified according to ISO standards.

Innovative Management of Production Scraps: metallic meshes

The production of caps and capsules requires coated and lithography 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 at a global level for more than 700 tons of recycled steel sheets skeletons.

Handling metal scrap as a secondary raw material

The request for handling metal waste as a secondary raw material, as permitted by current regulations, is also under analysis and pending authorisation by the competent authorities. This would mean drastically reducing the materials to be handled as non-hazardous industrial waste (all metal scrap from cutting and painting) and supplying them directly to professional users as secondary raw material, e.g. for aluminium and steel foundries. This management would make the metal recovery process faster and more direct, in line with the spirit of the "Circular Economy".

08

OUR PEOPLE



The value of human resources

Here at Pelliconi we are aware of the importance and the significance of the development of highly-competent, motivated and professional 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 as well as 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 Group aims at promoting an inclusive corporate culture that values diversity and guarantees all its employees equal opportunities in all aspects of their employment, such as training, remuneration and promotions, while at the same time preventing any type of discrimination.

The organisation reports on the employment of personnel at all production sites and all commercial offices; so the reporting boundary is extended to the entire Pelliconi Group.

Personnel is managed directly by the HR functions of the various production sites and sales offices, both for the recruitment and hiring phase and for the management of attendance, payroll and

The culture of well-being

We uphold the idea that there is a very strong connection between personal well-being and performance at work - an indicator that 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).

contributions. Local management is however subject to general supervision by the parent company.

The parent company's HR function periodically assesses the staff of the various group companies, and checks the correspondence to budget requirements, staff cost levels, any new staff additions and supervises and plans training.

The organisation reports the rate of new hires and the rate of turnover (all data broken down by age group, by gender and by geographic area intended as per individual site/plant).

100% of employees have access to parental leave contemplated by the regulations in force in the places of employment. The organisation reports the total number of employees who were entitled to parental leave, the total number of those who took it, the number of those who returned to work at the end of the leave and those who are still employed 12 months after their return, and the retention rate (all data broken down by gender).

In the Italian plants, 100% of the employees (that make up 74% of the Group's employees) are covered by the sector national collective agreement.

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 optimising 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.
- 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. Data on training, related both to occupational safety and to other issues relevant to the career development of Group employees, are constantly monitored and screened in order to ensure continuous and as widespread as possible updating.

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 become 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.



Health and safety at work

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 2021 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.

2021 confirmed the positive trend of the Group's overall performance compared to 2019-2020, both in terms of accident frequency and severity of accidents occurred; almost 75% of the Group's employees - corresponding to the employees of the Italian plants - are covered by an ISO 45001 occupational health and safety management system.

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

for each of the Group's facilities at any level.

- Renewal of certification for health and safety at work according to ISO 45001 standard for the Italian plants, and extension to more plants.

The organisation analyses all risk factors that contribute to ensuring the health and safety in the workplace of its employees, for all activities related to the company's business. Commitment to compliance with health and safety at work regulations is set out in company policies, both at group and individual site/plant level. The organisation reports on occupational health and safety at all production and commercial sites; so the reporting boundary is extended to the entire Pelliconi Group.

The analysis of risks and prevention and protection measures is entrusted to specifically identified managers who have decision-making and spending autonomy in the specific field. In the Italian production sites (Pelliconi & C SpA and Pelliconi Abruzzi srl) occupational health and safety management systems are implemented according to the international standard ISO 45001:2018 and third-party certificates (DNV).

The organisation conducts business in compliance with applicable regulations, BAT and applicable industry guidelines, implements a set of procedures for the safe conduct of activities and plans a series of prevention and protection actions for personnel, also based on the analysis of accidents (including near misses) both of the organisation (site and group) and reported by the media. Workers are required and encouraged to report any critical issues to their supervisors for immediate management and resolution of the problem, and are instructed to stop all activities in case of danger or significant risk. A series of periodic meetings allows the review and discussion of events and consequent actions, to avoid repetition and increase the awareness of all involved parties.

In compliance with applicable regulations, the organisation trains and informs 100% of its employees on occupational health and safety. Furthermore, it also plans and implements the necessary periodic health surveillance, through qualified consultants with the necessary skills and authorisations, while keeping personal information confidential.

The training and information of employees on occupational health and safety in relation to the activities and tasks performed and the corresponding risks are continuous and carried out both upon entry into service and with periodic updates. These activities are also complemented with operational training carried out alongside and supervised by expert personnel, until the resources are completely independent in their assigned tasks.

All general and specific training is recorded and tracked.

The organisation promotes employees' access to forms of medical assistance that are supplementary to the services provided by the national health systems in the various places where it operates, even for services that are not strictly work-related, with a view to promoting the health of workers and their families.



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 is published on our official website (www.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, Instagram and Youtube and which is also present in China with the help of Pelliconi's profile on the WeChat platform and the brand-new Weibo account.

Internal communication

The 2020 COVID-19 outbreak was the driving force behind a deep transformation that had already begun in the company in previous years and that carried on also in 2021. "Remote Working" has been extended, allowing, whenever possible, the continuation of working activities in one's own home. .

The new communication strategies implemented in 2020 allowed everyone to continue to feel involved in the life of the company despite distance and travel difficulties, confirming the validity and usefulness of digital tools as official and unambiguous points of reference for communicating operational information and procedures. Among these, there is #PelliconiTelegram, the one-way information channel reserved for Pelliconi employees capable of sending notifications directly to personal devices, through the installation of a free application. In addition, the general restructuring of the company's Intranet has carried on with the aim of bringing together on a single platform all the information, content and resources necessary for the work of each employee. In this way, documents and information can easily be found in one location and are updated in real time, also facilitating new colleagues.



10

COMMUNITY INITIATIVES



Pelliconi and the territories in which we operate, our commitment.

Pelliconi is a company driven by a strong ethical component that cares about the health and well-being of its employees and the inhabitants of the territories in which it operates. Every year it donates part of its earnings to scientific research and to social, artistic, cultural and sporting activities, with a view to redistributing wealth and reciprocity to the entire community.

Projects and initiatives supported by Pelliconi are selected with the management involvement. The same applies to the assessment in terms of benefits for the communities and involved stakeholders and the strengthening of the Group's brand.

As demonstrated by the initiatives listed below, Pelliconi develops and promotes activities that, apart from having a positive impact on the society in which it operates, take into consideration the heterogeneous nature of local communities and undertake specific actions aimed at the populations of the territories in which the Group operates.

With this purpose, the Companies do not have a negative impact but rather employ various resources to help create a better future.

The contributions and sponsorships provided have been reported in the financial statements and summarised in percentage terms in the infographics below.

Total investment for the community in different areas:



Fondazione Policlinico Sant'Orsola

After contributing almost two million euros in 2020 as part of the Fondazione Policlinico Sant'Orsola' project #PiùFortInsieme, Pelliconi officially joined the Foundation in 2021.

Social and environment: Pelliconi Plants A Forest



The 2020 sustainability project "Pelliconi Plants a Forest" is designed to help our planet and at the same time support communities around the world. With the help of **Treedom**, an online platform that allows you to plant trees digitally, Pelliconi has created **3 forests**: the Angelo Pelliconi Forest, the Pelliconi 4 Italy forest and the Winter Wonderland forest.

In just 10 years, the 3,732 trees planted by Pelliconi in 7 countries will absorb 501.35 kg of CO₂. We strongly believe in this action because of its concrete power and its impact on our planet.

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.

 **Scientific research**



Pelliconi is at AIL's side in the fight against leukaemia, lymphoma and myeloma, and in supporting patients and their families throughout their journey. In 2021, in addition to funding scientific research, Pelliconi donated surgical masks to the operators of the Bologna facility.



Pelliconi supports Italian biomedical research for the treatment of rare genetic diseases and contributes to the implementation of projects aimed at improving the care and quality of life of patients.



Pelliconi supports Italian biomedical research for the treatment of rare genetic diseases and contributes to the implementation of projects aimed at improving the care and quality of life of patients.

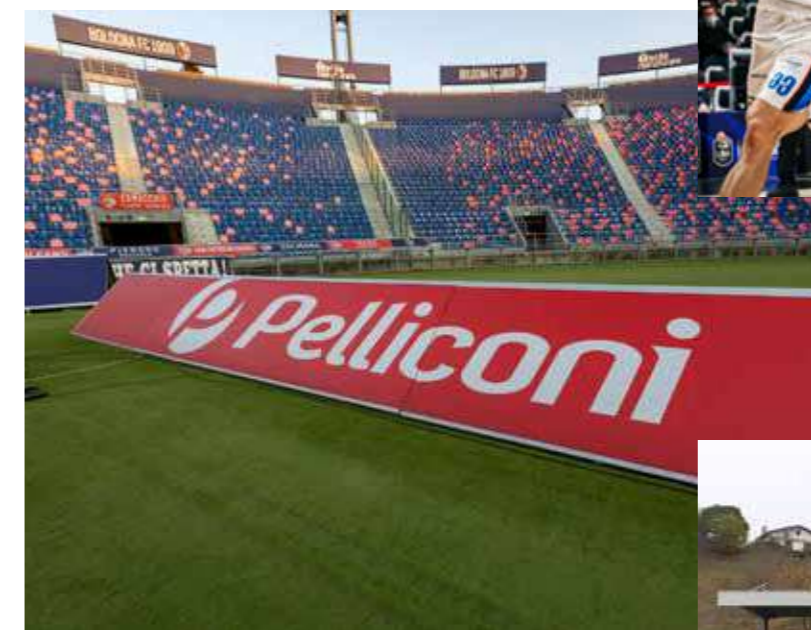


 **Sport**

Sport as an educational, inclusive, social value.

Pelliconi supported two of Bologna most important sports clubs also in 2021: **Virtus Bologna**, one of Italy's most prestigious basketball clubs, which plays at the highest national and international levels and was Italian champion in 2021, and **Bologna FC 1909**, a historic major league football club.

For the 2020/2021 sports season, Pelliconi has been the official sponsor of these prestigious clubs, the **Atessa football team A.S.D. Val di Sangro** and other local sports organisations.



In particular, Pelliconi recently signed an agreement with A.S.D. Val di Sangro to facilitate access for the children of its employees to the youth and school sector activities carried out by the aforementioned association, which is duly registered with CONI - Comitato Olimpico Nazionale Italiano (Italian National Olympic Committee) and is recognised as an **Elite Football Academy**.



Cineteca di Bologna



The support for quality cinema and institutions like that of Cineteca di Bologna, now recognised worldwide, continued in 2021. On the occasion of the 27th edition of **"Cinema Ritrovato"** - the summer festival that re-proposes the great classic films from around the world that have recently been restored - Pelliconi sponsored the viewing of **"Italia K2"** directed by Mario Fantin accompanied by the Orchestra and Choir of the Teatro Comunale Bologna, conducted by Timothy Brock.

In collaboration with Cineteca di Bologna, Pelliconi supported the project **"VISIONI ITALIANE"** in 2021, (a national competition for short/medium-length films and documentaries) by allocating a prize of €10,000 to the best work. The winning film in this edition of the competition was: **Zheng** by Giacomo Sebastiani.

"Musica Insieme" Foundation, Teatro delle Celebrazioni, Europauditorium

Despite the difficulties and forced closures imposed by the pandemic, Pelliconi continued to support in 2021 important organisations of the artistic and cultural world of Bologna, such as the "Musica Insieme" foundation, the Teatro delle Celebrazioni and the Europauditorium.

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. For the 2020 edition, 13 calls were published whose deadline for participation was extended to 10 June 2021, due to the Covid-19 emergency. For this edition, Pelliconi funded the Award for the best dissertation on the subject: "Post-pandemic economic and organisational aspects."



Measuring sustainability: ESG ratings

As already established in the previous pages, sustainability is one of the fundamental values of Pelliconi and its people.

The company is seriously committed to making a difference, which is why it decided during the 2021 financial year to "have sustainability measured" by two ESG rating experts: Cerved Rating Agency and Ecovadis. In order to avoid "greenwashing", it is essential for Pelliconi to be rated by several independent, nationally and internationally recognised bodies to demonstrate to its stakeholders, customers and suppliers the seriousness of the sustainability practices it has been committed to for more than 80 years. The ESG rating (or sustainability rating) is a synthetic assessment that measures the soundness of an organisation from the point of view of environmental, social and governance performance, which accompanies and complements the traditional economic-financial rating.

ESG rating processes are based on the analysis of various aspects, including, for example:

- For the environmental area: CO₂ emissions, energy efficiency, use of natural resources (e.g. water);
- For the social area: quality of the working environment, labour relations, control of the supply chain, respect for human rights;
- For the governance area: presence of independent directors, implementation of diversity policies (gender, ethnicity, etc.) in the Boards of Directors, top management remuneration linked to sustainability objectives.

The ESG ratings issued by Cerved Rating Agency and Ecovadis (which assessed the company performance for the 2020 financial year) are a 'BBB' and an overall score of 66/100, respectively (a score that allows the company to obtain the Ecovadis 'Silver' rating). These scores are a starting point that stimulates Pelliconi to improve and achieve even higher scores in the coming years, with the guarantee of maximum transparency in the assessment and enhancement of its sustainability practices.



Sustainability Indicators > Human Resources

DISCLOSURE 102-8: Information on employees

| TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHIC AREA AS OF DECEMBER 31 | | | | | | |
|------------------------------------------------------------------------------------------------------------------|------|-------|-----------------|------|-------|-------|
| Type of contract | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| TOTAL IN ITALY | 334 | 95 | 429 | 340 | 94 | 434 |
| Indefinite period | 327 | 93 | 420 | 330 | 89 | 419 |
| Definite period | 7 | 2 | 9 | 10 | 5 | 15 |
| Italy Ozzano | 120 | 90 | 210 | 120 | 89 | 209 |
| Indefinite period | 118 | 89 | 207 | 117 | 84 | 201 |
| Definite period | 2 | 1 | 3 | 3 | 5 | 8 |
| Italy Atessa | 214 | 5 | 219 | 220 | 5 | 225 |
| Indefinite period | 209 | 4 | 213 | 213 | 5 | 218 |
| Definite period | 5 | 1 | 6 | 7 | 0 | 7 |
| TOTAL ABROAD | 105 | 29 | 134 | 106 | 43 | 149 |
| Indefinite period | 30 | 10 | 40 | 73 | 29 | 102 |
| Definite period | 75 | 19 | 94 | 33 | 14 | 47 |
| China (Pelliconi Asia Pacific s.r.l / Pelliconi Suzhou Co, LTD/ Pelliconi Changzhou Co, LTD) ⁶ | 38 | 18 | 56 ⁷ | 39 | 17 | 56 |
| Indefinite period | 0 | 0 | 0 | 8 | 3 | 11 |
| Definite period | 38 | 18 | 56 | 31 | 14 | 45 |
| Egypt (Pelliconi for closures manufacturing (Pelliconi Egypt) Sae) | 37 | 1 | 38 | 31 | 3 | 34 |
| Indefinite period | 0 | 0 | 0 | 31 | 3 | 34 |
| Definite period | 37 | 1 | 38 | 0 | 0 | 0 |
| United States (Pelliconi Florida, LLC) | 26 | 9 | 35 | 32 | 21 | 53 |
| Indefinite period | 26 | 9 | 35 | 30 | 21 | 51 |
| Definite period | 0 | 0 | 0 | 2 | 0 | 2 |
| France (Pelliconi France Sarl) | 3 | 1 | 4 | 3 | 2 | 5 |
| Indefinite period | 3 | 1 | 4 | 3 | 2 | 5 |
| Definite period | 0 | 0 | 0 | 0 | 0 | 0 |
| Russia (Pelliconi Russia, LLC) | 1 | 0 | 1 | 1 | 0 | 1 |
| Indefinite period | 1 | 0 | 1 | 1 | 0 | 1 |
| Definite period | 0 | 0 | 0 | 0 | 0 | 0 |
| GROUP TOTAL | 439 | 124 | 563 | 446 | 137 | 583 |
| Indefinite period | 357 | 103 | 460 | 403 | 118 | 521 |
| Definite period | 82 | 21 | 103 | 43 | 19 | 62 |

Notes:

⁶ It should be noted that Pelliconi Asia Pacific S.r.l. established the company called "Pelliconi Changzhou Ltd" with registered and operating headquarters in China on 09/08/2021. As of 31/12/2021 the company consisted of one full-time, fixed-term female employee.

⁷ With respect to the human resources data of Pelliconi Suzhou Co. Ltd, in the consolidated financial statements the concept of staff differs from that of employees used in this Sustainability Report, as it also includes certain types of temporary staff. For this reason, the figure for employees for the Chinese Company presented in the Sustainability Report differs from the figure within the consolidated financial statements by a total of 4 employees.

| TOTAL NUMBER OF EMPLOYEES BY CONTRACT TYPE, GENDER AND GEOGRAPHIC AREA AS OF DECEMBER 31 | | | | | | |
|-----------------------------------------------------------------------------------------------------|------|-------|------------------|------|-------|-------|
| Type of contract | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| TOTAL IN ITALY | 334 | 95 | 429 | 340 | 94 | 434 |
| Full-time | 332 | 89 | 421 | 238 | 88 | 426 |
| Part-time | 2 | 6 | 8 | 2 | 11 | 8 |
| Italy Ozzano | 120 | 90 | 210 | 120 | 89 | 209 |
| Full-time | 118 | 84 | 202 | 118 | 83 | 201 |
| Part-time | 2 | 6 | 8 | 2 | 6 | 8 |
| Italy Atessa | 214 | 5 | 219 | 220 | 5 | 225 |
| Full-time | 214 | 5 | 219 | 220 | 5 | 225 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL ABROAD | 104 | 29 | 133 | 106 | 43 | 149 |
| Full-time | 104 | 29 | 133 | 104 | 43 | 147 |
| Part-time | 0 | 0 | 0 | 2 | 0 | 2 |
| China (Pelliconi Asia Pacific s.r.l / Pelliconi Suzhou Co, LTD/ Pelliconi Changzhou Co, LTD) | 38 | 18 | 56 ⁷ | 39 | 17 | 56 |
| Full-time | 38 | 18 | 56 | 39 | 17 | 56 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Egypt (Pelliconi for closures manufacturing (Pelliconi Egypt) Sae) | 37 | 1 | 38 | 31 | 3 | 34 |
| Full-time | 37 | 1 | 38 | 31 | 3 | 34 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| United States (Pelliconi Florida, LLC) | 26 | 9 | 35 | 32 | 21 | 53 |
| Full-time | 26 | 9 | 35 | 30 | 21 | 51 |
| Part-time | 0 | 0 | 0 | 2 | 0 | 2 |
| France (Pelliconi France Sarl) | 3 | 1 | 4 | 3 | 2 | 5 |
| Full-time | 3 | 1 | 4 | 3 | 2 | 5 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| Russia (Pelliconi Russia, LLC) | 1 | 0 | 1 | 1 | 0 | 1 |
| Full-time | 1 | 0 | 1 | 1 | 0 | 1 |
| Part-time | 0 | 0 | 0 | 0 | 0 | 0 |
| GROUP TOTAL | 439 | 124 | 563 ⁸ | 446 | 137 | 583 |
| Full-time | 437 | 118 | 555 | 442 | 131 | 573 |
| Part-time | 2 | 6 | 8 | 4 | 6 | 10 |

Notes:

⁷ With respect to the human resources data of Pelliconi Suzhou Co. Ltd, in the consolidated financial statements the concept of staff differs from that of employees used in this Sustainability Report, as it also includes certain types of temporary staff. For this reason, the figure for employees for the Chinese Company presented in the Sustainability Report differs from the figure within the consolidated financial statements by a total of 4 employees.

Sustainability Indicators > Human Resources

DISCLOSURE 401-3: Parental leave

| GROUP TOTAL | | | |
|------------------------------------------------------|------|-------|-------|
| Parental leave | 2021 | | |
| | Men | Women | Total |
| Employees who took parental leave during 2021 | 13 | 8 | 21 |
| Of which status at 31/12/2021 | | | |
| still on leave | 0 | 2 | 2 |
| returned and still employed | 13 | 6 | 19 |
| of which dismissed | 0 | 0 | 0 |
| Rate of return to work at 31/12/2021 | 100% | 75% | 90% |
| Employees who took parental leave during 2020 | 20 | 6 | 26 |
| Of which status at 31/12/2020 | | | |
| still on leave | 4 | 2 | 6 |
| returned and still employed | 15 | 4 | 19 |
| of which dismissed | 1 | 0 | 1 |
| Rate of return to work at 31/12/2020 | 75% | 67% | 73% |
| Employees who took parental leave during 2020 | 20 | 6 | 26 |
| Of which status at 31/12/2021 | | | |
| still on leave | 4 | 2 | 6 |
| returned and still employed | 14 | 3 | 17 |
| of which dismissed | 2 | 1 | 3 |
| Rate of return to work at 31/12/2021 | 70% | 50% | 65% |

| GROUP TOTAL | | | |
|--------------------------------------------------------------------|------|-------|-------|
| Parental leave | 2020 | | |
| | Men | Women | Total |
| Employees who took parental leave during 2020 ¹⁰ | 20 | 6 | 26 |
| Of which status at 31/12/2020 | | | |
| still on leave | 4 | 2 | 6 |
| returned and still employed | 15 | 4 | 19 |
| of which dismissed | 1 | 0 | 1 |
| Rate of return to work at 31/12/2020 | 75% | 67% | 73% |
| Employees who took parental leave during 2019 | 13 | 2 | 15 |
| Of which status at 31/12/2019 | | | |
| still on leave | - | 1 | 1 |
| returned and still employed | 13 | 1 | 14 |
| of which dismissed | - | - | - |
| Rate of return to work at 31/12/2019 | 100% | 100% | 100% |
| Employees who took parental leave during 2019 | 13 | 2 | 15 |
| Of which status at 31/12/2019 | | | |
| still on leave | - | - | - |
| returned and still employed | 13 | 2 | 15 |
| of which dismissed | - | - | - |
| Rate of return to work at 31/12/2020 | 100% | 100% | 100% |

Notes:

¹⁰ Following an improvement of the reporting system, the 2020 data on parental leave have been restated and differ compared to those published in the previous Sustainability Report. For the value reported in the 2020 Sustainability Report, please refer to the document published on the Group's website.

Sustainability Indicators > Human Resources

DISCLOSURE 404-1: Average hours of training per year per employee by gender and employee category¹⁰

| GROUP TOTAL | | | | | | | | | |
|---------------------------------------------------------------------------------------|---------------------------------|--------------------------------|--------------------------------------------|-----------------------------------|----------------------------------|----------------------------------------------|--------------------|----------------------------------|-------------------------|
| Hours of training (compulsory and non-compulsory) by professional category and gender | | | | | | | | | |
| Hours of training | 2020 | | | | | | | | |
| | No. of hours for male employees | Total number of male employees | No. of per capita hours for male employees | No. of hours for female employees | Total number of female employees | No. of per capita hours for female employees | No. of Total Hours | Total number of female employees | No. of Hours per capita |
| Senior Managers | 513.75 | 11 | 46.7 | 28 | 2 | 14.0 | 541.75 | 13 | 41.7 |
| Middle Managers | 405.25 | 8 | 50.7 | 39 | 4 | 9.8 | 444.25 | 12 | 37.0 |
| Office Workers | 699 | 77 | 9.1 | 492 | 53 | 9.3 | 1,191 | 130 | 9.2 |
| Manual Workers | 8,455 | 341 | 24.8 | 1,741 | 67 | 26.0 | 10,196 | 408 | 25.0 |
| Total | 10,073 | 437 | 131.3 | 2,300 | 126 | 59.1 | 12,373 | 563 | 112.9 |
| Hours of training | 2021 | | | | | | | | |
| | No. of hours for male employees | Total number of male employees | No. of per capita hours for male employees | No. of hours for female employees | Total number of female employees | No. of per capita hours for female employees | No. of Total Hours | Total number of female employees | No. of Hours per capita |
| Senior Managers | 580 | 12 | 65.8 | 51 | 2 | 25.5 | 631 | 14 | 58.8 |
| Middle Managers | 522 | 23 | 67.7 | 186 | 9 | 60.1 | 708 | 32 | 66.6 |
| Office Workers | 779.5 | 73 | 18.9 | 1,334 | 49 | 44.2 | 2,114 | 122 | 29.3 |
| Manual Workers | 10,253 | 338 | 40.2 | 3,382 | 77 | 63.2 | 13,634 | 415 | 43.9 |
| Total¹¹ | 12,134 | 446 | 192.6 | 4,952 | 137 | 193.1 | 17,087 | 582 | 199.07 |

DISCLOSURE 405-1: Diversity among employees

| Employees (no.) divided by professional category by gender at 31 December | | | | | | |
|---------------------------------------------------------------------------|------|-------|-------|------|-------|-------|
| GROUP TOTAL | | | | | | |
| Number | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| Senior Managers | 11 | 2 | 13 | 12 | 2 | 14 |
| Middle Managers | 8 | 4 | 12 | 23 | 9 | 32 |
| Office Workers | 77 | 53 | 130 | 73 | 49 | 122 |
| Manual Workers | 341 | 67 | 408 | 338 | 77 | 415 |
| Total | 437 | 126 | 563 | 446 | 137 | 583 |

| Employees (no.) divided by professional category by gender at 31 December | | | | | | |
|---------------------------------------------------------------------------|------|-------|-------|------|-------|-------|
| TOTAL IN ITALY | | | | | | |
| Number | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| Senior Managers | 9 | 2 | 11 | 9 | 2 | 11 |
| Middle Managers | 7 | 3 | 10 | 7 | 3 | 9 |
| Office Workers | 47 | 35 | 82 | 47 | 35 | 82 |
| Manual Workers | 271 | 55 | 326 | 277 | 55 | 332 |
| Total | 334 | 95 | 429 | 340 | 94 | 434 |

Notes:

¹⁰ Following an improvement of the reporting system, the 2020 data on training have been restated and differ compared to those published in the previous Sustainability Report. For the value reported in the 2020 Sustainability Report, please refer to the document published on the Group's website.

¹¹ Training data do not include workers not employed by the Group. The Group shall consider further analysis with respect to the significance of other workers not directly employed in order to assess the need to collect data from the employers of external contractors and suppliers operating at the Group's sites and/or under the Group's control, assessing the quality and accuracy of such data over which it does not exercise direct control.

| Employees (no.) divided by professional category by gender at 31 December | | | | | | |
|---------------------------------------------------------------------------|------|-------|-------|------|-------|-------|
| TOTAL ABROAD | | | | | | |
| Number | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| Senior Managers | 2 | 0 | 2 | 3 | 0 | 3 |
| Middle Managers | 1 | 1 | 2 | 16 | 7 | 23 |
| Office Workers | 30 | 18 | 48 | 26 | 14 | 40 |
| Manual Workers | 70 | 12 | 82 | 61 | 22 | 83 |
| Total | 103 | 31 | 134 | 106 | 43 | 149 |

| Employees (no.) divided by professional category by age group at 31 December | | | | | | | | |
|------------------------------------------------------------------------------|------|-------|-----|------|------|-------|-----|------|
| GROUP TOTAL | | | | | | | | |
| No. of people | 2020 | | | | 2021 | | | |
| | <30 | 30-50 | >50 | Tot. | <30 | 30-50 | >50 | Tot. |
| Senior Managers | 0 | 3 | 10 | 13 | 0 | 2 | 12 | 14 |
| Middle Managers | 0 | 9 | 3 | 12 | 0 | 21 | 11 | 32 |
| Office Workers | 14 | 79 | 37 | 130 | 13 | 78 | 31 | 122 |
| Manual Workers | 34 | 256 | 118 | 408 | 41 | 202 | 172 | 415 |
| Total | 48 | 347 | 168 | 563 | 54 | 303 | 226 | 583 |

| Employees (no.) divided by professional category by age group at 31 December | | | | | | | | |
|------------------------------------------------------------------------------|------|-------|-----|------|------|-------|-----|------|
| TOTAL IN ITALY | | | | | | | | |
| No. of people | 2020 | | | | 2021 | | | |
| | <30 | 30-50 | >50 | Tot. | <30 | 30-50 | >50 | Tot. |
| Senior Managers | 0 | 2 | 9 | 11 | 0 | 1 | 10 | 11 |
| Middle Managers | 0 | 7 | 3 | 10 | 0 | 5 | 4 | 9 |
| Office Workers | 6 | 42 | 34 | 82 | 5 | 46 | 31 | 82 |
| Manual Workers | 28 | 188 | 110 | 326 | 28 | 143 | 161 | 332 |
| Total | 34 | 239 | 156 | 429 | 33 | 195 | 206 | 434 |

| Employees (no.) divided by professional category by age group at 31 December | | | | | | | | |
|------------------------------------------------------------------------------|------|-------|-----|------|------|-------|-----|------|
| TOTAL ABROAD | | | | | | | | |
| No. of people | 2020 | | | | 2021 | | | |
| | <30 | 30-50 | >50 | Tot. | <30 | 30-50 | >50 | Tot. |
| Senior Managers | 0 | 1 | 1 | 2 | 0 | 1 | 2 | 3 |
| Middle Managers | 0 | 2 | 0 | 2 | 0 | 16 | 7 | 23 |
| Office Workers | 8 | 37 | 3 | 48 | 8 | 32 | 0 | 40 |
| Manual Workers | 6 | 68 | 8 | 82 | 13 | 59 | 11 | 83 |
| Total | 14 | 108 | 12 | 134 | 21 | 108 | 20 | 149 |

| Employees (no.) divided by professional category by gender at 31 December | | | | | | |
|---------------------------------------------------------------------------|-------|-------|-------|-------|-------|-------|
| GROUP TOTAL | | | | | | |
| Percentage | 2020 | | | 2021 | | |
| | Men | Women | Total | Men | Women | Total |
| Senior Managers | 1.9% | 0.4% | 2.3% | 2.1% | 0.3% | 2.4% |
| Middle Managers | 1.4% | 0.7% | 2.1% | 4.0% | 1.5% | 5.5% |
| Office Workers | 13.6% | 9.3% | 22.9% | 12.5% | 8.4% | 20.9% |
| Manual Workers | 60.8% | 11.8% | 72.7% | 58.1% | 13.2% | 71.3% |
| Total | 77.8% | 22.2% | 100% | 76.6% | 23.5% | 100% |

| Employees (no.) divided by professional category by age group at 31 December | | | | | | | | |
|------------------------------------------------------------------------------|------|-------|-------|-------|------|-------|-------|-------|
| GROUP | | | | | | | | |
| No. of people | 2020 | | | | 2021 | | | |
| | <30 | 30-50 | >50 | Tot. | <30 | 30-50 | >50 | Tot. |
| Senior Managers | 0 | 0.5% | 1.8% | 2.3% | 0 | 0.3% | 2.1% | 2.4% |
| Middle Managers | 0 | 1.6% | 0.5% | 2.1% | 0 | 3.6% | 1.9% | 5.5% |
| Office Workers | 2.5% | 13.9% | 6.6% | 23% | 2.2% | 13.4% | 5.3% | 20.9% |
| Manual Workers | 6% | 45.6% | 21% | 72.6% | 7.0% | 34.6% | 29.6% | 71.2% |
| Total | 8.5% | 61.6% | 29.9% | 100% | 9.3% | 52.0% | 38.8% | 100% |

Sustainability Indicators > Health and Safety

DISCLOSURE 403-9: Work-related injuries ¹²

| GROUP EMPLOYEES | | |
|------------------------------------------------------------------|-------|-------|
| Work-related injuries | | |
| Percentage | 2020 | 2021 |
| Total number of deaths due to work-related injuries | 0 | 0 |
| Total number of serious work-related injuries (excluding deaths) | 0 | 0 |
| Total number of recordable occupational accidents | 10 | 11 |
| ACCIDENT RATES | | |
| Rate of deaths due to work-related injuries | 0 | 0 |
| Rate of serious work-related injuries (excluding deaths) | 0 | 0 |
| Rate of recordable occupational accidents | 11.60 | 10.44 |

Notes:

¹² Health and safety data do not include workers not employed by the Group. The Group shall consider further analysis with respect to the significance of other workers not directly employed in order to assess the need to collect data from the employers of external contractors and suppliers operating at the Group's sites and/or under the Group's control, assessing the quality and accuracy of such data over which it does not exercise direct control.

Sustainability Indicators > Environmental data

DISCLOSURE 302-1: Energy consumption within the organisation

| Energy consumption within the organisation ¹³ | | | | | |
|----------------------------------------------------------|---------------------|-------------------|----------------|-------------------|----------------|
| Type of consumption | Unit of measurement | 2020 | | 2021 | |
| | | Tot. | Tot. GJ | Tot. | Tot. GJ |
| Fuels | | | 160,032 | | 158,679 |
| Methane gas | Smc | 4,438,234 | 158,924 | 4,381,418 | 157,030 |
| Diesel - Company Fleet | l | 19,673 | 705 | 28,077 | 1009 |
| Petrol - Company Fleet | l | 12,504 | 403 | 18,479 | 602 |
| LPG - Company Fleet | l | 0 | 0 | 1,600 | 39 |
| Electricity purchased | kWh | 32,041.818 | 115,351 | 37,175,534 | 133,832 |
| of which from renewable sources | kWh | 0 | 0 | 0 | 0 |
| of which from non-renewable sources | kWh | 32,041.818 | 115,351 | 37,175,534 | 133,832 |
| Total energy consumption | GJ | 275,383 | | 292,512 | |
| Renewable energy | GJ | 0 | | 0 | |
| Non-renewable energy | GJ | 275,383 | | 292,512 | |
| % of renewable energy on total | % | 0 | | 0 | |

DISCLOSURE 305-1: Direct (Scope 1) GHG emissions

| Direct (Scope 1) GHG emissions ¹⁴ | | | |
|----------------------------------------------|------------------------|--------------|--------------|
| | Unit of measurement | 2020 | 2021 |
| Methane gas | tCO ₂ | 8,960 | 8,856 |
| Road transport gas | tCO ₂ | 49.4 | 70 |
| Petrol for road transport | tCO ₂ | 27 | 40 |
| LPG | tCO ₂ | 49.4 | 2 |
| Total emissions of Scope 1 | tCO₂ | 9,036 | 8,970 |

Notes:

¹³ 2020 and 2021 DEFRA conversion factors were used for the calculation of energy consumption in GJ (UK Government GHG Conversion Factors for Company Reporting), see tables below for details. - Electricity: constant of 0.0036 GJ/kWh

¹⁴ 2020 and 2021 DEFRA emission factors were used for the calculation of Scope 1 emissions (UK Government GHG Conversion Factors for Company Reporting), see tables below for details.

DISCLOSURE 305-2: Energy indirect (Scope 2) GHG emissions

| Energy indirect (Scope 2) GHG emissions ¹⁵ | | | |
|------------------------------------------------------------|------------------------|---------------|---------------|
| | Unit of measurement | 2020 | 2021 |
| Electricity purchased – Location Based | tCO ₂ | 10,768 | 11,710 |
| Electricity purchased – Market Based | tCO ₂ | 14,934 | 17,064 |
| Total emissions of Scope 1 + Scope 2 Location Based | tCO₂ | 19,804 | 20,680 |
| Total emissions of Scope 1 + Scope 2 Market Based | tCO₂ | 23,970 | 26,033 |

| Conversion factors in GJ | | | | |
|--------------------------|---------------------|------------|---------|-------------------------|
| Type of consumption | Unit of measurement | Value | | Source |
| | | 2020 | 2021 | |
| Petrol | ton/l | 0.00073691 | 0.00074 | DEFRA 2020 - DEFRA 2021 |
| | Gj/ton | 43.83 | 43.8 | DEFRA 2020 - DEFRA 2021 |
| Diesel | ton/l | 0.00084 | 0.00085 | DEFRA 2020 - DEFRA 2021 |
| | Gj/ton | 42.64 | 42.47 | DEFRA 2020 - DEFRA 2021 |
| LPG | ton/l | 0.00053 | 0.00053 | DEFRA 2020 - DEFRA 2021 |
| | Gj/ton | 45.94 | 45.94 | DEFRA 2020 - DEFRA 2021 |
| CH4 (natural gas) | kg/m ³ | 0.8 | 0.80 | DEFRA 2020 - DEFRA 2021 |
| | Gj/ton | 44.76 | 45.03 | DEFRA 2020 - DEFRA 2021 |
| Electricity | GJ/kWh | 0.0036 | 0.0036 | Constant |

| Emission Factors | | | | |
|-----------------------------------------------|-----------------------------------|---------|---------|-------------------------|
| Type of consumption | Unit of measurement | Value | | Source |
| | | 2020 | 2021 | |
| Petrol | kgCO ₂ /l | 2.15532 | 2.19352 | DEFRA 2020 - DEFRA 2021 |
| Diesel | kgCO ₂ /l | 2.51072 | 2.51233 | DEFRA 2020 - DEFRA 2021 |
| LPG | kgCO ₂ /l | 1.55325 | 1.55709 | DEFRA 2020 - DEFRA 2021 |
| CH4 (natural gas) | kgCO ₂ /m ³ | 2.01888 | 2.02135 | DEFRA 2020 - DEFRA 2021 |
| Electricity purchased – Location Based | kgCO ₂ /kWh | 0.336 | 0.315 | Terna 2018 - Terna 2019 |
| Electricity purchased – Market Based | kgCO ₂ /kWh | 0.466 | 0.459 | AIB 2020 - AIB 2021 |

Notes:

¹⁵ The Market-based is based on the CO₂ emissions emitted by the energy providers from which the organisation purchases electricity, through a contract, and can be calculated by considering: energy Guarantee of Origin certificates and direct contracts with providers, provider-specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions that are not monitored or unclaimed (methodology used, with emission factor with source AIB - European Residual Mixes, 2020 for 2020 2 AIB - European Residual Mix 2021 for 2021). The location-based method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries (methodology used, with emission factor with source Terna 2018 for 2020 and Terna 2019 for 2021). Scope 2 emissions calculated with the location-based and market-based method are expressed in tonnes of CO₂, as the percentage of methane and nitrous oxide has a negligible effect on the total greenhouse gas emissions (CO₂ equivalents), as can be deduced from the relevant technical literature.

DISCLOSURE 305-7: Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant emissions¹⁶

| Other significant emissions | | | |
|-----------------------------|---------------------|-------------|--------------|
| | Unit of measurement | 2020 | 2021 |
| NO _x | t | 11.29 | 12.31 |
| SO _x | t | 0.90 | 0.487 |
| VOC/SOV | t | 28.29 | 29.43 |
| Total | t | 40.5 | 41.75 |

Notes:

¹⁶ The data on other emissions refer only to the Italian plants of Ozzano and Atessa. As far as SO_x emissions are concerned, they refer only to the Atessa plant, due to the type of production associated with this plant. The values reported are estimated on the basis of the average recorded through the periodic checks in relation to the annual worked hours of the concerned facilities.

DISCLOSURE 303-3: Water withdrawal

| Water withdrawal | | | | | |
|-----------------------------------------------------------|---------------------|--------------------|-------------------------|--------------------|-------------------------|
| Source of withdrawal | Unit of measurement | 2020 | | 2021 | |
| | | Total of all areas | Areas with water stress | Total of all areas | Areas with water stress |
| Surface water (total) | MI | | | | |
| Fresh water (≤1,000 mg/l total dissolved solids) | MI | | | | |
| Other types of water (>1,000 mg/l total dissolved solids) | MI | | | | |
| Groundwater (total) | MI | | | | |
| Fresh water (≤1,000 mg/l total dissolved solids) | MI | 2.68 | 2.68 | 0.068 | 0.068 |
| Other types of water (>1,000 mg/l total dissolved solids) | MI | | | | |
| Sea water (total) | MI | | | | |
| Fresh water (≤1,000 mg/l total dissolved solids) | MI | | | | |
| Other types of water (>1,000 mg/l total dissolved solids) | MI | | | | |
| Produced water (total) | MI | | | | |
| Fresh water (≤1,000 mg/l total dissolved solids) | MI | | | | |
| Other types of water (>1,000 mg/l total dissolved solids) | MI | | | | |
| Third-party water resources (total) | MI | | | | |
| Fresh water (≤1,000 mg/l total dissolved solids) | MI | 19.12 | 17.36 | 20.73 | 20.73 |
| Other types of water (>1,000 mg/l total dissolved solids) | MI | | | | |
| Total water withdrawal | MI | 21.80 | 20.04 | 20.80 | 20.80 |

DISCLOSURE 306-3: Waste by type and disposal method

| Waste generated by the Group | | |
|-------------------------------------------------|---------------|---------------|
| | 2020 | 2021 |
| Total HAZARDOUS waste produced (t) | 414 | 412 |
| Total NON-HAZARDOUS waste produced (t) | 11,383 | 12,143 |
| Percentage of hazardous waste over total | 3.5% | 3.3% |
| Total waste produced (t) | 11,797 | 12,555 |

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| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Financial performance. 54-55 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Financial performance. 54-55 | |
| GRI-201: Economic performance (2016) | | | |
| 201-1 | Direct economic value generated and distributed | The following is the economic value directly generated in the two-year period 2020-2021, 56. | |
| Material Topic: Local community support | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Pelliconi and the territories in which we operate, Our commitment, 82-86 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Pelliconi and the territories in which we operate, Our commitment, 82-86 | |
| GRI-413: Local Communities (2016) | | | |
| 413-1 | Operations with local community engagement, impact assessments, and development programmes | Pelliconi and the territories in which we operate, Our commitment, 82-86 | |
| Material Topic: Local procurements | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Supply chain - Our suppliers, 57-58 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Supply chain - Our suppliers, 57-58 | |
| GRI-103: Procurement Practices (2016) | | | |
| 204-1 | Proportion of spending on local suppliers | Supply chain - Our suppliers, 57 | |

| Material Topic: Health and safety at work | | | |
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| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Health and safety at work, 77-78 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Health and safety at work, 77-78 | |
| GRI-403: Occupational Health and Safety (2018) | | | |
| 403-1 | Occupational health and safety management system | Health and safety at work, 77-78 | |
| 403-2 | Hazard identification, risk assessment and incident investigation | Health and safety at work, 77-78 | |
| 403-3 | Occupational health services | Health and safety at work, 77 | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | Health and safety at work, 77-78 | |
| 403-5 | Worker training on occupational health and safety | Health and safety at work, 78 Professional training, 76 | |
| 403-6 | Promotion of worker health | Health and safety at work, 78 | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Health and safety at work, 77 | |
| 403-8 | Workers covered by an occupational health and safety management system | Health and safety at work, 77 | |
| 403-9 | Work-related injuries | Health and safety at work, 77-78 Sustainability Indicators/Health and Safety, 95 | |
| Material Topic: Employment | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 The value of human resources, 74 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 The value of human resources, 74 | |

| GRI-401: Employment (2016) | | | |
|-------------------------------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 401-1 | New employee hires and employee turnover | Sustainability Indicators, Human Resources, 90-91 | |
| 401-3 | Parental leave | Sustainability Indicators, Human Resources, 90-91 | |
| GRI-402: Labour/Management Relations (2016) | | | |
| 402-1 | Minimum notice periods regarding operational changes | Organisational structure, 26-29 | |
| Material Topic: Professional development, training and talent scouting | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Professional training, 76 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Professional training, 76 | |
| GRI-404: Training and education (2016) | | | |
| 404-1 | Average hours of training per year per employee | Sustainability Indicators, Human Resources, 93 | |
| Material Topic: Respect for human rights | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Supply chain - Our suppliers, 57-58 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Supply chain - Our suppliers, 57-58 | |
| GRI-414: Supplier social assessment (2016) | | | |
| 414-1 | New suppliers that were screened using social criteria | Supply chain, Our suppliers, 57-58 | |
| Material Topic: Equal opportunities and non-discrimination | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Our ethical principles and values, 10-11 The value of human resources, 74 | |

| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Our ethical principles and values, 10-11 The value of human resources, 74 | |
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| GRI-405: Diversity and Equal Opportunity (2016) | | | |
| 405-1 | Diversity of governance bodies and employees Composition of the board by gender and age, composition of employees by gender, age and employee category, as well as vulnerable categories (total, not by location). | Organisational structure, 26 Sustainability Indicators, Human Resources, 93-95 | |
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| 406-1 | Incidents of discrimination and corrective actions taken | Organisational structure, 26-29 | |
| Material Topic: Energy management | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 | |
| GRI-302: Energy (2016) | | | |
| 302-1 | Energy consumption within the organisation | Sustainability Indicators/Environmental Data, 96-99 | |
| Material Topic: Emissions management (GHG) | | | |
| GRI-103: Management Approach (2016) | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 Sustainable logistics, 67-69 | |

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| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 Sustainable logistics, 67 | | |
| GRI-305: Emissions (2016) | | | | |
| 305-1 | Direct (Scope 1) GHG emissions | Sustainability Indicators/Environmental Data, 96 | | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Sustainability Indicators/Environmental Data, 97 | | |
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| Material Topic: Waste production and management | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Sustainable waste management, 70-71 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Sustainable waste management, 70-71 | | |
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| 306-1 | Waste generation and significant waste-related impacts | Sustainable waste management, 70 | | |
| 306-2 | Management of significant waste-related impacts | Sustainable waste management, 70 | | |
| 306-3 | Waste generated | Sustainability Indicators/Environmental Data, 99 | | |

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| Material Topic: Business sustainability | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 Supply chain - Our suppliers, 57 Product life cycle assessment (LCA), 66 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Environmental impact - metal closures and sustainability, 62-65 Supply chain - Our suppliers, 57 Product life cycle assessment (LCA), 66 | | |
| GRI-301: Materials (2016) | | | | |
| 301-1 | Materials used by weight or volume | Supply chain - Our suppliers, 57 | | |
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| 303-1 | Interactions with water as a shared resource | Environmental impact, 62-63 | | |
| 303-2 | Management of water discharge-related impacts | Environmental impact, 62-63 | | |
| 303-3 | Water withdrawal | Sustainability Indicators/Environmental Data, 99 | | |
| GRI-308: Supplier Environmental Assessment (2016) | | | | |
| 308-1 | New suppliers that were screened using environmental criteria. | Supply chain - Our suppliers, 57 | | |
| Material Topic: Schools and Universities | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |

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| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Investments in innovation and research, 43-46 Recruitment of human resources, 65 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Investments in innovation and research, 43-46 Recruitment of human resources, 65 | | |
| Material Topic: Innovation capacity | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Investments in innovation and research, 43-46 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Investments in innovation and research, 43-46 | | |
| Material Topic: Customer satisfaction | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Our commitment to customer satisfaction, 35 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Our commitment to customer satisfaction, 35 | | |
| Material Topic: Business continuity assurance | | | | |
| GRI-103: Management Approach (2016) | | | | |
| 103-1 | Explanation of the material topic and its Boundary | Materiality analysis, 18-20 | | |
| 103-2 | The management approach and its components | Analysis of non-financial risks as well as control and management methods, 21 Financial performance. 54-55 | | |
| 103-3 | Evaluation of the management approach | Analysis of non-financial risks as well as control and management methods, 21 Financial performance. 54-55 | | |



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INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Pelliconi & C. S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Pelliconi Group (hereinafter also "Group") as of December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Pelliconi & C. S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Pelliconi Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements.

The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised ("reasonable assurance engagement"), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph "Financial performance in 2021" of the Sustainability Report with those included in the Group's Financial Statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management of Pelliconi & C. S.p.A. and with the personnel of Pelliconi Abruzzo S.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.



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In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following companies and sites, Ozzano (BO) site and production plant for Pelliconi & C. S.p.A. and Atessa (CH) production plant for Pelliconi Abruzzo S.r.l., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out site visits and remote meetings, during which we have met the management and have gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Pelliconi Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Silvia Dallai
 Partner

Bologna, Italy
 June 10 2022

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



See you next year
pelliconi.com