

SUSTAINABILITY

REPORT

2022





The Founder of System Group, **Alvaro Boscarini**

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1.1

Identity and history

System Group is the brand of the Group of Companies whose majority shares are held by the financial holding company **HB Boscarini S.p.A.** or belong to members of the Boscarini family.

It was established in a small town in the Pesaro hinterland from the idea of the entrepreneur Alvaro Boscarini, who in 1979 founded Centraltubi where, with a small extrusion line, he began producing the first polyethylene tubes. In the early 1990s, the idea of forming a group of companies operating in the plastics processing sector began to materialize, and Centraltubi was joined by new companies: Pebo, in the field of plastics regeneration and Futura in the accessories and special fittings market. These were the first stages of a fortunate journey, which led in the following years to the birth, and then acquisition, of the other companies that today make up the Group, which has 15 production plants, including three abroad, and sales offices in several countries. The total workforce is more than 800 employees, working with the same enthusiasm as in the early years and helping to make System Group one of the leading players in the supply of complete and innovative plastic piping systems.

The production range includes:

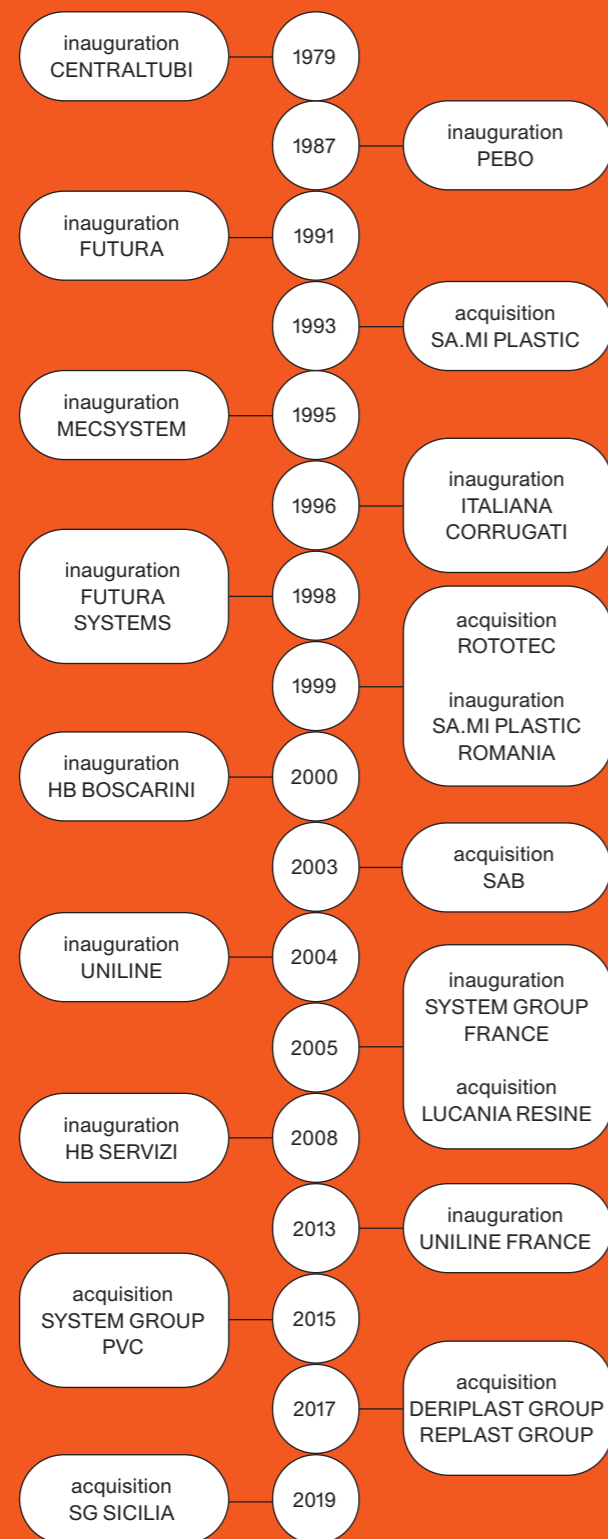
- HDPE, MDPE, and LDPE (*high, medium, and low-density polyethylene*) piping for waterworks, firefighting, irrigation, gas, drainage, and conduits;
- Double-layer corrugated pipes made of HDPE and PP (polypropylene) for sewage, drainage, and conduits;
- Big-size HDPE spiral pipes for drainage manifolds and storage systems;
- Multilayer pipes for hot water piping;
- PVC (polyvinyl chloride) pipes for sewage, pressurized irrigation and industrial systems, drainage, and conduits;
- PE tanks for outdoor and underground water storage and treatment systems;
- PE manholes for underground civil and industrial drainage systems;
- Standard and custom fittings;
- Channels for drainage of impermeable surfaces and draining asphalt;
- irrigation products;
- special pieces

At the end of January 2022, System Group Founder **Alvaro Boscarini** (President of HB Boscarini S.p.A.) passed away. His heirs and his sister Marina continue the path undertaken and outlined by the Founder.

Alvaro Boscarini was the Founder of Centraltubi (1979), the first Company around which he later built the entire Group. Alvaro was a person very devoted to work, of which he knew the value by family extraction. A charismatic entrepreneur, capable of conveying strong motivation, he cared deeply about the employees and the territory in general, where he grew most of his companies including those acquired elsewhere, then transferred to make a better "system." Thanks to his work, so many

families have been able to move their steps, being able to pursue small and large projects, contributing in generating widespread prosperity, so important for the valleys of the hinterland of the province of Pesaro-Urbino. Each idea has been followed by concrete actions, the results of which have been consolidated over time to reach the current size of the Group.

Group history

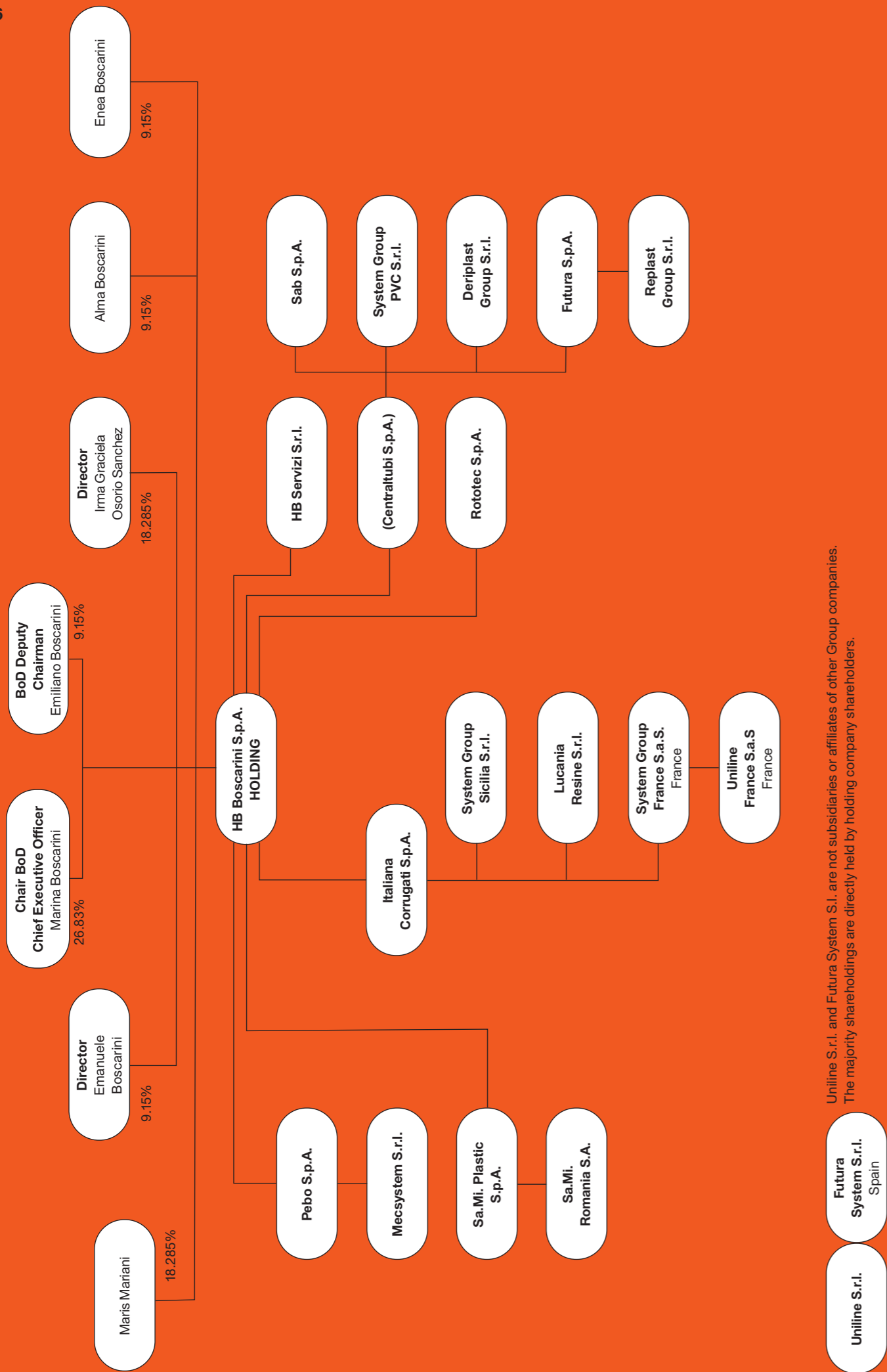


1.2 The Milestones of the Group

S.G. MILESTONES

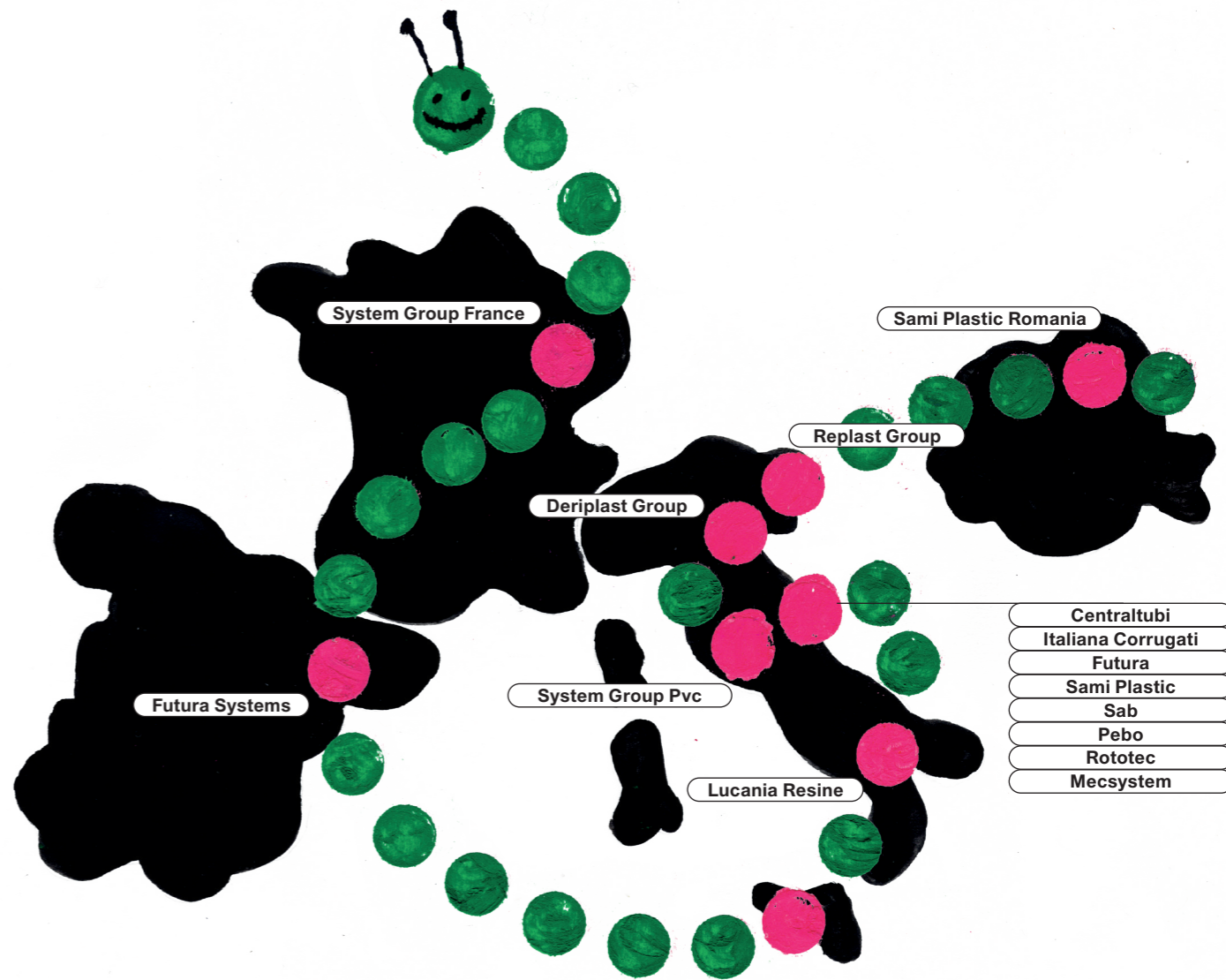
	year	Company	Activity
1	1982	Centraltubi	first Product Quality Mark (IIP 142) acquired
2	1998	Futura	production of PE manholes started
3	1998	Futura Systems	First international manufacturing experience launched with new unit in Spain
4	2001	Italiana Corrugati	scientific research c/o Bari Polytechnic funded for new Slow Flow product
5	2001	Italiana Corrugati	new plant
6	2001	Italiana Corrugati	Automatic corrugated pipe bellling technology adopted
7	2003	Centraltubi	new plant
8	2003	Rototec	new plant
9	2005	Lucania Resine	Commercial line expanded with PVC pipes through the acquisition of Lucania Resine
10	2007	Centraltubi	new KRAH plant and technology purchased for large diameter spiral piping production
11	2007	Sa.Mi. Plastic	Technology acquired and production of PE-X multilayer pipes started
12	2007	Sab	new plant
13	2008	Futura	NO FIRE designed and implemented: innovative environmental protection and safety system in road tunnels
14	2009	Sab	New anti-rotation system for saddle clamps
15	2009	Pebo	High-performance technology adopted to recycle PE materials from external sources
16	2009	Rototec	New product "Infini-tank" patented
17	2010	Sa.Mi. Plastic	Technology acquired and production of specific tubes for fiber optics started
18	2014	SG International	corrugated pipe production started in South Africa
19	2016	Sab	new 100% recyclable PE "flat" pipe patented
20	2017	Futura Systems	"CorPress" jointing system for PE and PP corrugated pipes
21	2017	Sab	new "Blue Seal" fitting patented
22	2022	System Group	passing away of founder Alvaro Boscarini
23	2023	Rototec	second plant

1.3 The Group structure



1.4

System Group in the world



1.5 Group's technical and production organization

System Group has grown, from the very beginning, with a clear strategy, conceived from the very beginning by founder Alvaro Boscarini. The main focus of this vision refers to the integration of activities and skills from both technical and business perspectives.

Integrating the manufacturing and research activities of dedicated organizations specializing in the production of a wide variety of manufactured goods has made it possible to expand the product range and the ability to respond to specific market demands. Today, customers increasingly demand integrated solutions, and sometimes the design and installation of entire plants; only those who know how to solve each individual problem from a technical point of view can propose a complete system that is functional to the needs expressed.

This evolution, a true flowering, has fostered the growth of know-how entirely within the Group, both in terms of individual products and custom solutions. This significant and consolidated product experience continues to increase the Group's competitive advantage in the sector, making it an absolutely privileged interlocutor.

One of the manifestations of the corporate strategy has involved the creation of a central **Technical Dept.** It acts as a hub that is fundamental for designing and implementing integrated solutions and facilitating the sharing of objectives for the R&D activities concerning the Group's products and services.

In addition, the central Technical Dept. provides support to technicians and customers who request it, through: descriptions of materials used, technical reports, including comparisons with alternative solutions and products, drafting of technical drawings, structural sizing of pipelines, drafting of related data sheets (now largely available on the Group website:

www.tubi.net)

and, upon request, even **BIM** objects. The accumulated experience also enables the company to support operators, both technical and on-site, in evaluations, providing suggestions on laying conditions that optimize the operational and management results of the work.

In addition to the central Technical Dept., the individual Group companies have specific technical office, which are mainly concerned with the design of their own products, as well as direct technical and design assistance.

BIM (*Building Information Modeling*) is a methodology that enables engineering and construction professionals to generate a digital model containing all the information on the entire life cycle of a work, allowing integration in the collection, standardization and combination of all the data from different places and times at the design level and optimizing planning, implementation and management until decommissioning. Therefore, it is particularly useful and essential for control, assessment and error reduction during execution and management.

"BIM objects" in digital format are needed to provide projects with all the necessary information, in the various chosen degrees of detail. System Group companies, which have always been attentive to the needs of network infrastructure designers and operators, have produced various BIM objects related to some of the products they have manufactured and made them available to the public free of charge through a Web portal. System Group can make new BIM on demand objects.

High-medium-low-density (HD-MD-LD) Polyethylene (PE) pipes	
Diameter range	7 to 1200 mm
Applications	Waterworks + gas + sewage + drainage (slotted) + cable protection + plumbing and heating + irrigation + firefighting + dredging + construction of containers and manholes + hydropower
Polyvinyl chloride (PVC) pipes.	
Diameter range	50 to 500 mm
Applications	waterworks + irrigation + sewage + drainage (slotted) + cable protection + wells
Polyethylene (PE) and polypropylene (PP) pipes.	
Diameter range	40 to 1200 mm
Applications	sewage systems + drainage (slotted) + cable protection + controlled mechanical ventilation + construction of tanks and manholes
Cross-linked polyethylene (PEX), aluminum multilayer (PEX-AL-PEX) pipes	
Diameter range	14 to 63 mm
Applications	heating and cooling hydraulic systems + gas
High-density polyethylene (HDPE) pipes	
Diameter range	800 to 2500 mm
Applications	sewage and stormwater drainage systems + low-pressure hydropower + underground forced ventilation systems + implementation manholes + lift stations + controlled-release water storage + stormwater treatment + firefighting tanks + service ducts + road-railway embankment crossing systems
Polyethylene (PE) hoses	
Range	distribution and drip hoses
Applications	drip irrigation
Grated channels	
Range	min. 100 × 50 to max. 500 × 500 mm
Applications	Drainage systems for pedestrian, road, port and airports surfaces
Fittings and special pieces	
Range	All types for all diameters of all pipes made by System Group
Applications	standard and customized connections between all elements constituting a system
Polyethylene (PE) Tanks	
Range	210 l to > 52,000 l (modular)
Applications	Domestic sewage systems and fuel delivery stations + lift stations + controlled-release water storage + stormwater treatment + firefighting tanks + phytoremediation
PE manholes	
Range	Standard and custom designs for all types, materials and diameters of plastic pipes
Applications	Construction of access points for inspection and maintenance work on the underground network
Production waste regeneration	
Range	All types of PE waste, from in-house production or recovered from waste sorting
Applications	Production of PE items from second-life materials (pipes, various molded objects, etc.).

1	System Group
1.5	The Group's Technical and Production Organization

HDPE - MDPE - LDPE and **LLDPE** are the acronyms for: **H**igh **D**ensity **P**olyethylene - **M**edium **D**ensity **P**E - **L**ow **D**ensity **P**E and **L**inear **L**ow-**D**ensity **P**E. This classification is mainly based on the density values (g/cm^3) of the source material as well as their respective fluidity, i.e., parameters that affect the characteristics and performance of the final manufactured items.

PEX stands for *cross-linked polyethylene*. PEX offers much higher strength and durability characteristics in transporting water at high temperatures than ordinary extrusion polyethylene, which could not operate, especially under pressure, at temperatures up to 90-110°C. The abbreviation **PEX-AL-PEX** indicates that the product consists of a PEX inner tube, which is coated with an adherent layer of aluminum, which is in turn coated with an additional PEX adherent tube. This conformation allows for all the advantages of plastic materials and metal in one product.

In order to adequately cover the wide range of products and services offered, System Group's production units are equipped with technologies that allow for specialization in the production of manufactured goods, intended for various uses.

One example is the production technology of corrugated pipes, made in Italy by Italiana Corrugati, System Group France in France, and Futura Systems in Spain, which can be made of PE and PP, intended for networked infrastructure for drainage systems (stormwater and sewage), power transmission and distribution cable threading, public lighting and telecommunications, as well as slotted for underground drainage and as external protection of other types of underground pipes.

The versatility of some manufactured products, together with the expertise of the Technical Dept., allowed for the development of innovative solutions that have facilitated access to new product-system markets.

Some of them contribute to varying degrees to improving the sustainability of specific systems, enabling, for example, a more rational use of water, as in the case of controlled-release storage volumes of stormwater retention systems to solve hydraulic invariance issues. The development of first flush treatment systems, both in accumulation and continuous with second rainwater, has also helped to improve traditional systems by bringing advantages mainly in terms of construction site set-up, durability and meeting CAM (Criteri Ambientali Minimi - *Minimum Environmental Criteria*) requirements.

Compared with "traditional" manufactured products, usually made of concrete, steel, or fiberglass, storage and/or treatment volumes achieved with extruded pipes and rotomolded polyethylene tanks offer important design and site versatility features thanks to:

- Wide range of modular figures, both standard and customized
- guaranteed tightness between elements
- considerable lightness and, as a result, greater site safety
- Use of smaller mechanical equipment with lower consumption
- Increased speed of construction of works.

The high chemical, electrical and biological inertness properties, in addition to the physical characteristics of high resilience in case of shocks, bradyseism and/or ground settling offered by polyethylene and polypropylene pieces, result in higher expectations of durability of the work, thus longer periods for reaching technical and economic obsolescence with related management advantages, as well as lower risks of unexpected events and consequent decrease in maintenance costs.

A clear contribution to the pursuit of a circular economy is made by the proposed partial or total use of recycled and recyclable materials in the production of manufactured items whose product quality standards, rather than the specific request of the customer, allow their adoption. They also contribute to the demand stimulus elicited by the mandatory regulations with the introduction of Minimum Environmental Criteria (CAM), which have been mandatorily provided for as early as the design phase of public works, by the Italian Public Contracts Code for some years now.

1	System Group
1.5	The Group's Technical and Production Organization

Hydraulic invariance: this is the principle by which the flow rate and volumes of stormwater discharged into the receiving bodies should be kept unchanged even after renovations or new building construction, so as to preserve the hydraulic balance of an area.

First flush: it is the rainwater corresponding, in the first part of each rain event, to a precipitation of 5 mm uniformly distributed over the entire drainage area served by the stormwater collection network.

Second flush: is the portion of stormwater runoff in excess of first rain water.

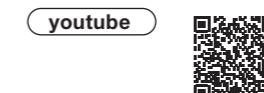
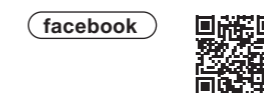
Public Contracts Code: also known as the "Code for Contracts and Concessions," this is the Italian legislation that governs the relationship

between public administration and companies contracted to carry out certain public works.

Minimum Environmental Criteria (CAM): are the environmental requirements defined for the various stages of the purchasing process, aimed at identifying the best design solution, product or service from an environmental perspective along the life cycle, taking into account availability in the market. CAM are defined within the framework of Plan for Environmental Sustainability of Consumption in the Public Administration Sector and are adopted by Decree of the Italian Ministry of Ecological Transition. Their systematic and homogeneous application enables the dissemination of environmental technologies and environmentally preferable products and generates market leverage, inducing less virtuous economic operators to adapt to new government requirements

The business proposition of the various companies, is presented through specialized networks and divided by channels: operators, companies and resellers of the various sectors (infrastructure, plumbing and heating, agriculture, energy, telecommunications, environment, etc.). It is coordinated through centralized service delivery for all Group companies. These include promotional activities, which are carried out by officials on the ground, mainly to planning experts, managers, training institutions and companies. Promoters in the area are thus able to offer multiple products, systems and integrated solutions from the assessment and design stages of materials assisted by all System Group's technical and sales departments.

A further boost to promotion and sales is achieved through the dissemination of significant information and experiences, which can be enjoyed thanks to the communication activities coordinated by System Group's Web Team, dedicated to managing the Group's website, planning and drafting editorial plans, as well as publishing and monitoring activities in social media (LinkedIn, YouTube, Facebook, Instagram, Flickr) and holding monthly public webinars.



We generate synergies that enable network design, management and construction professionals to consider System Group a strategic partner for their success

2.1

The value of human resources

GRI Standard 201-3

No Group Company has retirement plans in place for employees. Post-termination benefits are managed economically by Italian national institutions.

Training and professional development

The Group carries out training, information and updating activities locally through its **Academy**, which is recognized and accredited by the Marche Region under Decree no. 508- ifd dated 10.06.2020. This certification represents an important recognition for the level of technical expertise achieved and the quality of training services offered. System Group Academy can issue Qualification Diplomas, Certificates for free attendance refresher and specialization training courses exclusively for Skill Training, Sales Training and Management Training. The Academy's training initiatives can be directly accredited with the Professional Associations for the issuance of CPE (continuing professional education) credits.

2.2

Research collaborations

A number of System Group companies have, with increasing frequency, relationships with university institutions, both regionally and nationally, financing all or part of research and development projects.

Centraltubi currently has a project in place with the **Faculty of Engineering of the Marche Polytechnic University in Ancona**, the **Faculty of Chemistry of the University of Urbino Carlo Bo**, and **Marche Multiservizi** (manager of the integrated water service in the province of Pesaro and Urbino), to study and test the effects of disinfectant substances in the water used by citizens through PE pipes.

Another important research activity, also stemming from a Centraltubi project, is the one involving **RINA Consulting** - CSM S.p.A. Centro Sviluppo Materiali

(<https://www.rina.org/it/>)

is a major gas distribution network operator, aimed at testing the degree of permeability of polyethylene pipelines to hydrogen gas, in anticipation of supporting the upcoming requirements of gas distribution network operators engaged in the energy transition. In the absence of a specific standard, RINA Consulting has created a device to carry out the tests under the established conditions, while Centraltubi provided samples of new PE pipes to be tested, and samples of pipes in operation for more than 10 and 20 years were provided by the gas network operator in order to assess the behavior of the materials in place.

In 2022, an activity was also initiated to describe the environmental impacts associated with the production of polyethylene pipes through **Environmental Product Declaration**, (EPD), enabling an assessment and comparison of the impact of products throughout their life cycle.

EPD: a declaration created on a voluntary basis and prepared by referring to a product's Life Cycle Assessment (LCA), which defines the consumption of resources (materials, water, energy) and impacts on the surrounding environment at various stages of the product life cycle. The stages considered range from the extraction of raw materials, their transportation to the production site,

production and finally disposal of the product ("from the cradle to the grave").

The results are presented in summary form through the use of a number of environmental indicators, such as the amount of carbon dioxide emitted or GWP (Global Warming Potential) per declared unit of product. EPDs are made public by various accredited Program Operators

according to specific rules called PCRs (Product Category Rules), defined for each type of product, which contain the rules for conducting the

LCA and the EPD, which must also comply with ISO 14025 and EN 15804 for construction products.2.2

2.3

Collaborations with academic institutions

The Group has a partnership with the Faculty of Languages and Culture for Business at the University of Urbino Carlo Bo, through which undergraduates and recent graduates can participate in internships at the company with the possibility of later being placed in the workforce. Some students have also had the opportunity to write dissertations on the company and foreign trade, while other undergraduates, from the **University of Camerino** and the Marche Polytechnic University in Ancona, were welcomed to conduct interviews on sustainability issues, aimed at writing their dissertations.

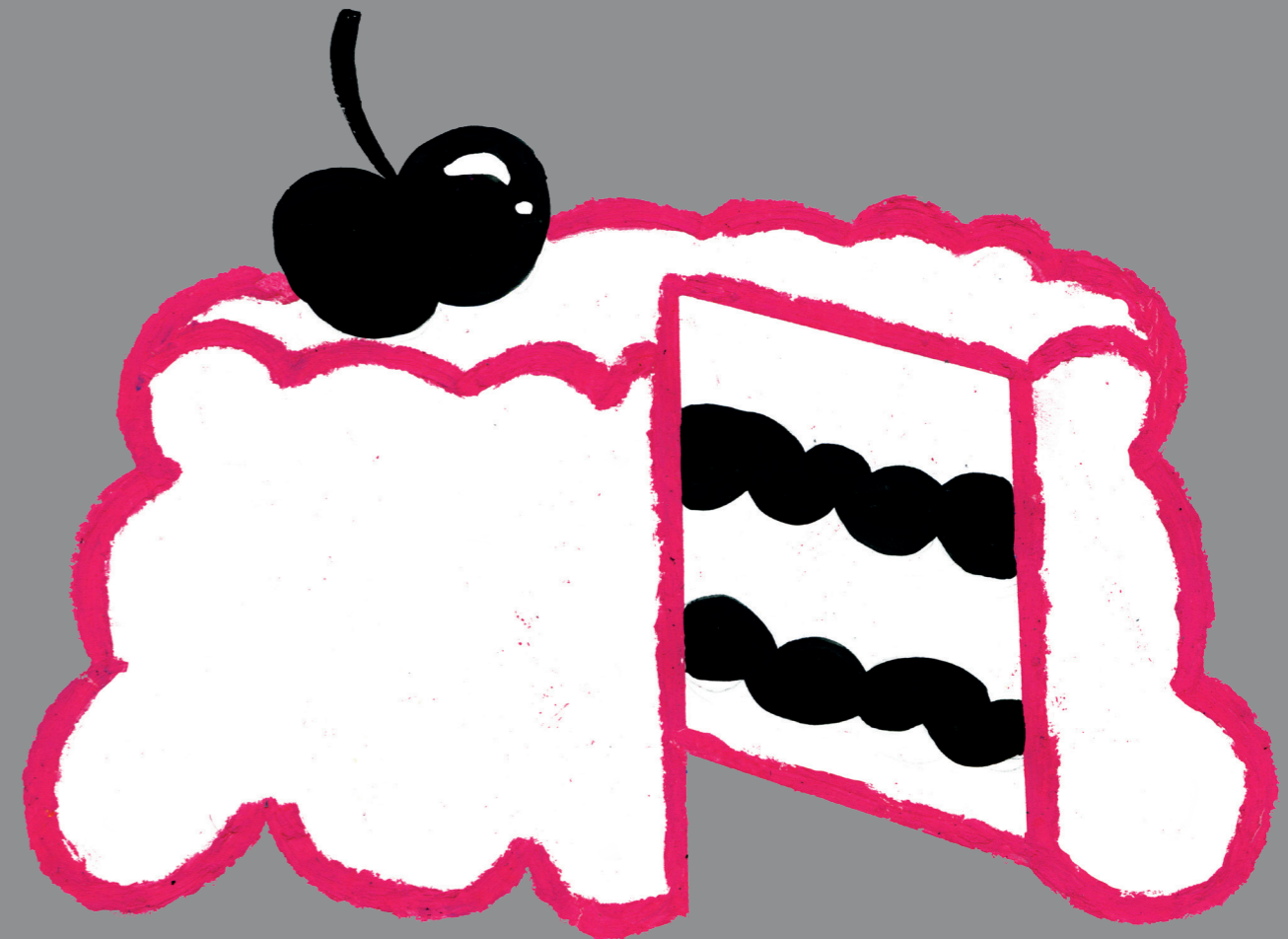
Also during 2022, Rototec initiated a “brand identity” project at the Department of Economics, Society, Politics - Degree Course in Marketing and Business Communication at the University of Urbino Carlo Bo, aimed at promoting a particular product that needed to be differentiated from the rest of the range. At the same time, it was necessary to consolidate the importance of Rototec’s mission and vision in order to pursue greater competitiveness against competitors.

For several years, System Group has also participated in the annual **Career Day** organized by the University of Urbino Carlo Bo, in order to acquaint undergraduates with an important industrial reality in the area, capable of catalyzing their future job needs.

In October 2022, Centraltubi signed an agreement with the **University of Pisa - Department of Engineering, Systems, Land and Construction**, for a project entitled “Consulting for technical and economic evaluation activities aimed at reducing energy consumption and prospects for innovative plants.”

In addition to reducing energy consumption and harmful emissions into the atmosphere through appropriate investments in innovative technologies, the aims of this project also include exploring possible alternatives to traditional energy sources and identifying those that can be implemented in the areas where System Group plants are located.

The various hypotheses to be made will be the subject of a technical and economic study, which will also take into account the prospects of uncertainty in future energy and commodity prices, aimed at probing the applicability of the studies conducted on different scenarios.



3.1 Recycling plastic

The PSV (Plastica Seconda Vita - Second Life Plastic) brand.

Recycling plastics can help the push toward circular economy models by reusing plastic already in use and limiting the creation of new plastic. In order to certify the commitment of companies in the industry and to ensure informed consumption by the public, **there is a label that certifies recycled plastic**: it is called, precisely, **Second Life Plastic (PSV)**.

This label is an environmental product certification system for materials and manufactured goods obtained from the use of plastic waste (pre-consumer, post-consumer or mix of both types) and is valid throughout Europe. It applies the concept of “traceability” of recycled materials, making products made from recycled materials recognizable.

Producing the relevant PSV mark certificate demonstrates the product’s compliance with Minimum Environmental Criteria (CAM) for the contracting of design services and building works regulated by Italian Legislative Decree no. 50 of 18 April 2016.

In the Italian Public Contracts Code, CAM have been included as mandatory design criteria, from the technical and economic feasibility stage and for all subsequent design levels.

The CAM Report, which each contractor is required to prepare, has to detail, among other things, the requirements for materials and construction products in accordance with the CAM, as well as to indicate the proof methods that a contractor must submit to the works management.

There are different types of marks, each of which tells what was the “first life” of the plastic that make up the certified product.



PSV from waste sorting: for materials and products made from 30% to 100% polymers derived from waste sorting, the specifications of which are set out in Italian Ministerial Decree 203/03 on Green Public Procurement (GPP) as well as the circular of the Italian Ministry of Environment of 4 August 2004. Only post-consumer raw materials are required to comply with UNI 10667 series standards as applicable.



PSV from industrial waste: for materials and products derived from industrial waste in the same percentages as for the PSV label for waste sorting (30-100%). Only pre-consumer secondary raw materials are required to comply with UNI 10667 series standards as applicable.



PSV Mix Eco: for materials and products made from mixtures of materials from waste sorting and/or industrial waste that comply with a recycled plastics content of at least 30%.



PSV Food: for materials and objects intended for contact with food. The “PSV Food” Mark is issued in the following cases:

- post-consumer plastics and manufactured products made from such materials in accordance with the provisions of Ministerial Decree of 21 March 1973, as amended, or recycled plastics subject to authorization in accordance with the provisions of Regulation (EC) No. 282/2008;

- manufactured products made using plastic offcuts and/or production waste that comply with Regulation (EU) No. 10/2011 concerning plastic materials and items intended to come into contact with food;
- manufactured products in which post-consumer recycled plastic is used behind a virgin plastic functional barrier, in accordance with Regulation (EU) No. 10/2011.



PSV Bag: certifies the content and traceability of recycled plastic in reusable bags



PSV by-product: certifies plastic materials managed as by-products (i.e., pre-consumer plastic industrial residues, offcuts and scraps resulting from both production and processing of polymers, actually used during the same or subsequent plastics processing by the producer or third party, without further treatment other than normal industrial practice, since they already meet the commodity requirements of the sector, for further plastics production/processing activities) and/or materials and/or semi-finished products and/or manufactured goods made from by-products.
Minimum by-product content ≥ 5%
This is without prejudice to the possibility of reducing this percentage upon approval by IPPR in the presence of specific technical or regulatory provisions.
It is understood as a mandatory prerequisite for certification compliance with the provisions of article 184 bis of Italian Legislative Decree 152/2006.

Centraltubi and Italiana Corrugati are the first two System Group companies to be awarded the PSV mark, issued by the certification body IIP (Italian Institute of Plastics). Centraltubi can make single or multiple HDPE pipe conduits, up to an inner diameter of 2500 mm, with polyethylene derived from waste sorting and post-consumer raw materials. Italiana Corrugati can produce pipes for cable protection and drainage up to an outer diameter of 1200 mm, with mixtures of materials derived from recycling and industrial waste.

4

The Group

System Group is composed of several entities, which carry out different and often integrated activities. All these entities are coordinated to achieve management, technical, production and business synergies.

The following are the main companies with cross-functional relevance to the Group's activities. Four of them, Centraletubi, Italiana Corrugati, Pebo and Rototec, are presented in sections further below because their more specific reporting was subject to third-party assurance.

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The Group

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SA.MI Plastic S.p.A.

Location	registered office at Via Garibaldi, 1, 61049 Urbania (PU); operational and administrative office at Piago (Monterone), 52038 Sestino (AR).
Year established	1993
Number of employees as at 31/12/2022	56
Value of Production 2022	€ 62,270,496
tel	(+39) 0575 71711
website	www.tubi.net/aziende/sa-mi-plastic/
mail	samiplastic@tubi.net
PEC (certified email)	samiplastic@legal-pec.it

The company manufactures polyethylene pipes, and Pex-Al-Pex multilayer heating and plumbing pipes for the following applications:

- PE pipes for waterworks,
- PE pipes for gas transportation,
- PE pipes for conduits,
- Multilayer pipes for water and gas,
- Pre-insulated multilayer pipes for hot and cold water.

SA.MI. Plastic operates under an ISO 9001 certified Quality Management System; it also complies with a number of standards for product certification (IIP, KIWA Bureau Veritas, RINA). The favorable logistics position allows it to purchase recycled raw material from Pebo, another System Group company, at "km 0," zeroing the costs and emissions for the transport of regenerated materials.

Marina Boscarini	Chair of the Board of Directors and CEO
Emiliano Boscarini	Deputy Chair of the Board of Directors
Emanuele Boscarini	Director

2

Futura S.p.A.

Location	Registered, operational and administrative offices at Via Mattei, 15, 61026 Belforte all'Isauro (PU)
Year established	1991
Number of employees as at 31/12/2022	25
Value of Production 2022	€ 10,451,890
tel	(+39) 0722 721075
website	www.tubi.net
mail	futura@tubi.net
PEC (certified email)	futura_spa@legalmail.it

The company specializes in the production and marketing of polyethylene manholes, fittings and special pieces made of HDPE (high density polyethylene) and pp (polypropylene), used in the field of liquid and gas pipeline installation and, in particular, in the construction and installation of special pieces for controlled municipal solid waste landfills. It is ISO-9001-certified and maintains Bureau Veritas Product Quality certification for manholes. Futura completes the range of products and services offered to the market by System Group. The five different departments into which the company is divided offer:

- Manholes and special pieces for drainage systems that comply with and are certified in accordance with current standards;
- Fittings and special formed pieces for pressurized systems that comply with and are certified to current standards;
- Multi-material fittings and repair collars;
- On-site support services with operated/unoperated equipment hire;
- Products for aquaculture and marinas such as docks and piers.

Emanuele Boscarini	Chair of the Board of Directors and CEO
Emiliano Boscarini	Deputy Chair of the Board of Directors and CEO
Andrea Romeo	Director

3

Mecsystem S.r.l.

Location	registered office in Via Garibaldi, 1, 61049 Urbania (PU); operational and administrative office in Via G. di Vittorio, 5, 61026 Piandimeleto (PU)
Year established	1995
Number of employees as at 31/12/2022	14
Value of Production 2022	€ 2,213,525
tel	(+39) 0575 772838
website	https://tubi.net/aziende/mec-system/
mail	centralino@mecsystemitalia.it
PEC (certified email)	mecsystem@legal-pec.it

The company performs routine and extraordinary maintenance of the Group's production facilities, engineering of production sites, special machinery design, and technical and economic evaluation of purchases of machinery and

equipment from third-party suppliers. Mecsystem provides energy management service to Group companies, with consumption analysis, cost control and implementation of energy saving systems.

Marina Boscarini	Sole Director
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HB Boscarini S.p.A.

Location	registered and administrative office at Via Foglia 11, 61026, Lunano (PU)
Year established	2000
Number of employees as at 31/12/2022	6
Value of Production 2022	-
tel	(+39) 0722 70011
website	-
mail	-
PEC (certified email)	hboscarini@legalmail.it

It is the Group holding company that carries out the activities serving the companies in the finance, management control, HR, legal, corporate and management areas.

Marina Boscarini	Chair of the Board of Directors and CEO
Emiliano Boscarini	Deputy Chair of the Board of Directors
Emanuele Boscarini	Director
Irma Osorio	Director

5

HB Servizi S.r.l.

Location	registered and administrative office at Via Foglia 11, 61026, Lunano (PU)
Year established	2008
Number of employees as at 31/12/2022	72
Value of Production 2022	-
tel	(+39) 0722 70011
website	-
mail	-
PEC (certified email)	hbservizi@legalmail.it

It provides centralized services for all Group companies, optimizing and coordinating their management. The main services are in the administration and finance, sales, marketing, and purchasing areas.

Marina Boscarini	Chair of the Board of Directors and CEO
Emanuele Boscarini	Deputy Chair of the Board of Directors and CEO
Emiliano Boscarini	Director

6

Uniline S.r.l.

Location	Registered, operational and administrative offices at Via Pascoli, 2, 61026, Lunano (PU)
Year established	2004
Number of employees as at 31/12/2022	33
Value of Production 2022	€ 24,091,293
tel	(+39) 0722.72631
website	www.uniline.biz
mail	commerciale@uniline.biz
PEC (certified email)	uniline@pec.it

The company carries out national and international transport activities, including in the field of special transport of goods and cargo for third parties, by any means and tonnage. It mainly serves the Group, but also has a good presence in the market. Logistics services are integrated into the various modes of transportation: sea, air, road and intermodal. It is ISO 9001 and ISO 28000 certified (standard for transportation and goods security along the supply chain). Uniline's fleet has more than 20 vehicles, consisting of large-volume trucks, semi-trailers, tractor-trailers and vans, as well as

tarpaulin-covered vehicles equipped with hydraulic tail lifts that can meet a wider range of unloading services. A program to modernize the entire fleet to "Euro6" standards is underway and will be completed by the year 2023. Maximum reliability and attention to compliance with the transit time of goods, from pick-up to delivery. In the second half of 2022, Uniline moved to the new plant, which to all intents and purposes has become the logistics hub for the Group and third-party accounts.

Emanuele Boscarini	Chair of the Board of Directors and CEO
Emiliano Boscarini	Deputy Chair of the Board of Directors and CEO

7

SAB S.p.A.

Location	Registered, operational and administrative offices at Via Salvo d'Acquisto, 61048, Sant'Angelo in Vado (PU) 2003
Year established	2003
Number of employees as at 31/12/2022	74
Value of Production 2022	€ 39,926,186
tel	(+39) 0722 810800
website	www.sabspa.com
mail	sab@tubi.net
PEC (certified email)	sabspa@pec.it

The company mainly operates in the fields of irrigation, drainage, production of molded fittings and other plumbing accessories. The presence in foreign markets is very significant and steadily rising. There is a 98 kWp photovoltaic system operating at the company that produces an average of 100,000 kWh per year used mainly for self-consumption.

Sab operates under an ISO 9001 Quality Management System, and holds numerous product certifications from different, country-specific bodies (Italy, Germany, Ukraine, Australia, etc.).

Emiliano Boscarini	Chair of the Board of Directors and CEO
Irma Osorio	Deputy Chair of the Board of Directors
Emanuele Boscarini	Director
Pietro Giunti	Director

8

Lucania Resine S.r.l.

Location	registered office at via Foglia 11, 61026, Lunano (PU); operational site at via della Fisica 20, 85100 Potenza
Year established	2005
Number of employees as at 31/12/2022	54
Value of Production 2022	€ 9,200,619
tel	(+39) 0971 56416
website	https://tubi.net/aziende/mec-system/
mail	lucaniarresine@tubi.net
PEC (certified email)	lucaniarresine@pec.it

The company manufactures smooth and corrugated polyethylene pipes, smooth PVC pipes, and roto-molding of polyethylene containers, for waterworks, irrigation, gas distribution, sewer drainage, drainage, and conduit systems, and water storage and treatment applications. Its geographic location makes it a logistics outpost for System Group, as

well as a manufacturing outpost, to serve markets in southern Italy. It operates with an ISO 9001 Quality Management System; it also has various national Product Quality marks (Bureau Veritas, IIP, IMQ), all of which are certified and validated by accredited third-party bodies.

Giuseppe Falasconi	Sole Director
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9

System Group PVC S.r.l.

Location	registered office in via Garibaldi 1, 61049, Urbania (PU); operational site at via Genova 12, 50052 Certaldo (FI) 2015
Year established	2015
Number of employees as at 31/12/2022	10
Value of Production 2022	€ 9,355,812
tel	(+39) 0571 652220
website	tubi.net/aziende/system-group-pvc/
mail	c.cancellieri@tubi.net
PEC (certified email)	systemgroup@pec.it

The company manufactures and markets PVC pipes, fittings and related accessories. System Group PVC operates with an ISO 9001 management system. It also has product quality

certifications for compliance with standards: UNI EN 1401, UNI EN 1452 (Bureau Veritas and IIP), CEI EN 61386-24 (IMQ).

Marina Boscarini	Sole Director
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10

Deriplast Group S.r.l.

Location	registered office and operational site at Via San Leonardo 2, 45010 Villadose (RO) 2017
Year established	2017
Number of employees as at 31/12/2022	31
Value of Production 2022	€ 22,895,733
tel	(+39) 0425 405267
website	www.deriplast.it
mail	info@deriplast.it
PEC (certified email)	deriplastgroup@legalmail.it

Deriplast Group manufactures smooth polyethylene pipes for waterworks, irrigation, gas distribution, sewer drains, dredging, and cable duct applications. Its location in northern Italy, close to crucial road and highway routes, makes it closer to European markets, where, year after year, it is consolidating its presence. It operates with an ISO 9001 Quality Management System and ISO 14001 Environmental Management System; it also has various national and international Product Quality marks (Bureau Veritas, DVGW,

OVGW, NF, Benor), all of which are certified and validated by accredited third-party bodies. Deriplast has a high-efficiency trigeneration plant with a rated electrical output of 520 kW. Through this system, the electric motors of the production plants are powered, but also the temperatures of the water are lowered before it reaches the chillers, greatly reducing energy consumption.

Emiliano Boscarini	Chair of the Board of Directors and CEO
Mario Cirino Pomicino	CEO
Antonio Mazza	Director

11

Replast Group S.r.l.

Location	registered office and operational site at Via di Salt 58, 33047 Remanzacco (UD)
Year established	2017
Number of employees as at 31/12/2022	18
Value of Production 2022	€ 9,589,673
tel	(+39) 0432 668762
website	www.replastgroup.com
mail	replastgroup@tubi.net
PEC (certified email)	replastgroup@legalmail.it

The company manufactures corrugated polyethylene pipes for cable duct applications, sewage and drainage drains, as well as components dedicated to various construction sectors, such as PVC fencing with steel core, ventilated roof profiles, and technical profiles. Its geographic location makes

it a logistics outpost for System Group, as well as a production outpost, to more easily serve the markets of northeastern Italy, as well as neighboring Austria and Slovenia. It has the product quality mark "IMQ" for conduit piping.

Emiliano Boscarini	Chair of the Board of Directors and CEO
Emanuele Boscarini	Director
Valter Rotter	Director
Tiziano Rotter	Director

12

SystemGroup Sicilia S.r.l.

Location	registered office at via Foglia 11, 61026, Lunano (PU); warehouse at via Ferraris, S.S. 115, 91026 Mazara del Vallo (TP)
Year established	2019
Number of employees as at 31/12/2022	4
Value of Production 2022	€ 6,381,961
tel	-
website	https://tubi.net/aziende/system-group-sicilia/
mail	systemgroupsicilia@tubi.net
PEC (certified email)	systemgroupsicilia@legalmail.it

It markets smooth PVC and PE pipes, as well as corrugated PE pipes, for waterworks, irrigation, sewer drainage, conduit and construction applications. Its geographical location places it logistically in the far south of Italy, thus greatly facilitating System Group's commercial coverage of the

entire island. It has the Bureau Veritas product quality mark for PVC piping for pressurized and non-pressurized drainage systems.

Giuseppe Falasconi	Sole Director
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13

System Group France S.A.S.

Location	Registered, operational and administrative offices at Rue du President Wilson no. 3, 21120, Is sur Tille (France)
Year established	2005
Number of employees as at 31/12/2022	52
Value of Production 2022	€ 29,578,009
tel	(+33) 3 80 956140
website	www.systemgroupfrance.fr
mail	contact_sgf@tubi.net
PEC (certified email)	-

The company manufactures corrugated polyethylene and polypropylene pipes for conduit, sewer drain, and drainage applications, as well as a smooth PE pipe production line specifically for conduit piping. It operates with an ISO 9001

Quality Management System; it also has various Product Quality marks (NF, IIP), all of which are certified and validated by accredited third-party bodies.

Emiliano Boscarini	Sole Director
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14

Uniline France S.A.S.

Location	Registered, operational and administrative offices at Rue du President Wilson no. 3, 21120, Is sur Tille (France)
Year established	2013
Number of employees as at 31/12/2022	2
Value of Production 2022	€ 4 254 377
tel	(+33) 3 80 956140
website	www.systemgroupfrance.fr
mail	contact_sgf@tubi.net
PEC (certified email)	-

The company carries out transportation activities for its affiliated company System Group France. Logistics services are integrated into the various modes of transportation: sea, air, road and intermodal.

Emiliano Boscarini	Sole Director
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15

Futura Systems S.L.

Location	Registered, operational and administrative offices in Carretera de Valls a Vendrell C-51, km 22, 43812 Tarragona (Spain)
Year established	1998
Number of employees as at 31/12/2022	32
Value of Production 2022	€ 20,448,564
tel	(+34) 977 628180
website	www.futura-systems.com
mail	comercial@futura-systems.com
PEC (certified email)	-

The company manufactures corrugated polyethylene and polypropylene pipes for conduit, sewer and drainage applications. It also holds the patent for a special and innovative proprietary joining system, the only one of its kind. It operates with an ISO 9001 Quality Management System; it

also has various national (APPLUS) and international (SII - Standards Institute of Israel) Product Quality marks, all of which are certified and validated by accredited third-party bodies.

Emanuele Boscarini	Chair of the Board of Directors
Moreno Baccarin	CEO
Emiliano Boscarini	Director

16

SA.MI Plastic Romania S.A.

Location	Registered, operational and administrative offices at Str. Vlaicu Aurel n.62, 720092 Suceava (Romania)
Year established	1999
Number of employees as at 31/12/2022	43
Value of Production 2022	€ 7,041,348
tel	+40 (230) 525016
website	www.samiplastic.ro
mail	commercial@samiplastic.ro
PEC (certified email)	-

The company manufactures smooth polyethylene pipes for water, gas, sewer, irrigation, drainage and cable threading applications. It also markets various System Group products throughout Romania. SA.MI Plastic Romania operates under

a company management system for Quality (ISO 9001), Environment (ISO 14001) and Occupational Health and Safety (ISO 45001), all of which are certified by accredited third-party bodies.

Nicole Paval	Sole Director
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Letter from the Chair to Stakeholders

GRI Standard 2 - 22 / 23

My first thought goes to my brother Alvaro, who passed away in early 2022, founder and enlightened genius, capable of creating a Group that year after year has confirmed its solid and strong roots in the local community.

The year that has just ended therefore opened with a deep sense of sadness and bewilderment, and prompted all of us, from the family, to all of our employees, to commit ourselves and continue on the path that Alvaro traced over these more than 40 years.

The legacy he left us is impressive and full of expectations and hope for the future.

The commitments we are making today follow the course of continuity and the guidelines that my brother consistently set out for us over all these years.

At the helm of the Group companies today are all members of the family, and in the various Management Committees, the employees who have contributed to the growth and success of our Group over the years.

The path we have taken on sustainability issues, is in its second year of reporting, but initiatives aimed at compliance with ESG issues have been in place for several years and are part of our daily activities.

We have always placed our employees and the surrounding economic, social and cultural landscape at the centre of attention in the hope of being an active and positive part of its evolution.

The responsibility we have and feel toward all our stakeholders is great and drives us to continuously improve ourselves in our daily practices, so that nothing is left to chance along our path of growth and development and our way of doing business is a source of balance and well-being for people and the territory.

Last year we started this voluntary process of reporting on how we understand sustainability, and the financial statements of three of our Companies were audited through a third-party assurance process.

This year we have included another Group Company in this virtuous cycle, with new material topics to report on, and which gives us the opportunity, along with the others already examined, to represent most of our Group's business models, which range from the production of specific manufactured goods for the transport of

fluids, to their storage, to the recovery and recycling of production materials, to services supporting the entire supply chain.

The Group also operates in other sectors, e.g., transportation, engineering, services, which are presented in this Report, and over the next few years will become an active and integral part of it for reporting sustainability impacts.

As announced last year, we formally adopted for Centraltubi S.p.A., a compliance programme, i.e., 231 Model (as per Italian Legislative Decree 231/2001), providing us with a collegial Supervisory Board.

This project, which we have voluntarily joined, despite it not being a current obligation, has been implemented to bring greater consistency and relevance to our way of doing business. It encompasses initiatives aimed at protecting workers and their safety, the environment and its healthiness, our institutional stakeholders, and our partners, including both customers and suppliers.

Returning to the general issues, what happened in 2022 on the international scene is, unfortunately, still part of our everyday life.

The immense disaster of war, which is still ongoing, the sharp price increases in the commodity and energy markets, which have seen us on the front lines to counter and mitigate their effects on our companies, the social tensions and problems caused by soaring inflation, have marked 2022 as a period, yet another after the pandemic, that cannot be fit into known patterns and therefore must be approached with great attention, day after day.

Last but not least, returning to environmental issues, 2022 has been confirmed as one of the hottest and driest years ever, forcing everyone to think deeply about the management of water reserves and imposing an increasingly concrete commitment to the issues of the UN 2030 Agenda.

Most of our companies belong to the electricity-intensive and gas-intensive category, which makes us doubly involved in the issues of energy saving, production efficiency and emission reduction.

We have long since activated, and have been reinforcing our commitment to, internal teams, collaborations with universities, and external consultants, all engaged in working on energy

and environmental issues. Their role is to define future strategies and increasingly reconcile the growth of the Group with respect for everything outside of it that we encounter daily.

Commitments made over the years to our employees, in terms of professional growth and enhancement of skills, training and welfare, are confirmed and supported by Management.

The large investments that we have also made in 2022 have always been evaluated from the perspective of curbing consumption and reducing waste, and have seen the launch of an innovative project on the use of our products to transport hydrogen.

In the following pages, we will try to detail our projects and investments already completed and those in the pipeline, with particular attention to those that have greater affinity with ESG issues.

I can only wish a good read to all those who have the curiosity and desire to learn about the contents of this second Sustainability Report of Centraltubi. While certainly capable of improvement, we hope it can represent and account for our commitments and the results achieved.

In conclusion, my most dutiful thanks, also on behalf of the other members of the Management, go to all our employees and external partners, for their consistently positive commitment exerted every day in the management of activities. We are confident they will continue the project of my brother Alvaro, whose teachings we will never abandon.

Marina Boscarini



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5.1.1 Company profile

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GRI Standard	205

Centraltubi S.p.A., the parent company of the Boscarini Group, better known in the market as “System Group”, was founded in Lunano (PU), in the Pesaro hinterland, in 1979. The registered office and operational site is at Via Foglia 11, in Lunano (PU).

More than 40 years after the fortunate and far-sighted intuition of its founder, Mr. Alvaro Boscarini, who passed away in early 2022, it stands, together with the Group that has been formed around it over the years, as a national leader in the processing of plastics for fluid conveying and storage and plays a leading role on the international scene.

The workforce consists of 71 employees (*full time equivalent*) and the total value of production amounts to more than € 100 million.

Centraltubi performs all the processing for the manufacturing of products in-house without outsourcing specific activities or processes. Deliveries can be made “ex-warehouse” or at the Company’s expense, which normally provides transportation in cooperation with another Group company, Uniline.

The company is equipped with **high-tech extrusion lines**, which enable it to achieve remarkable levels of productivity and high-quality standards.

The product range includes:

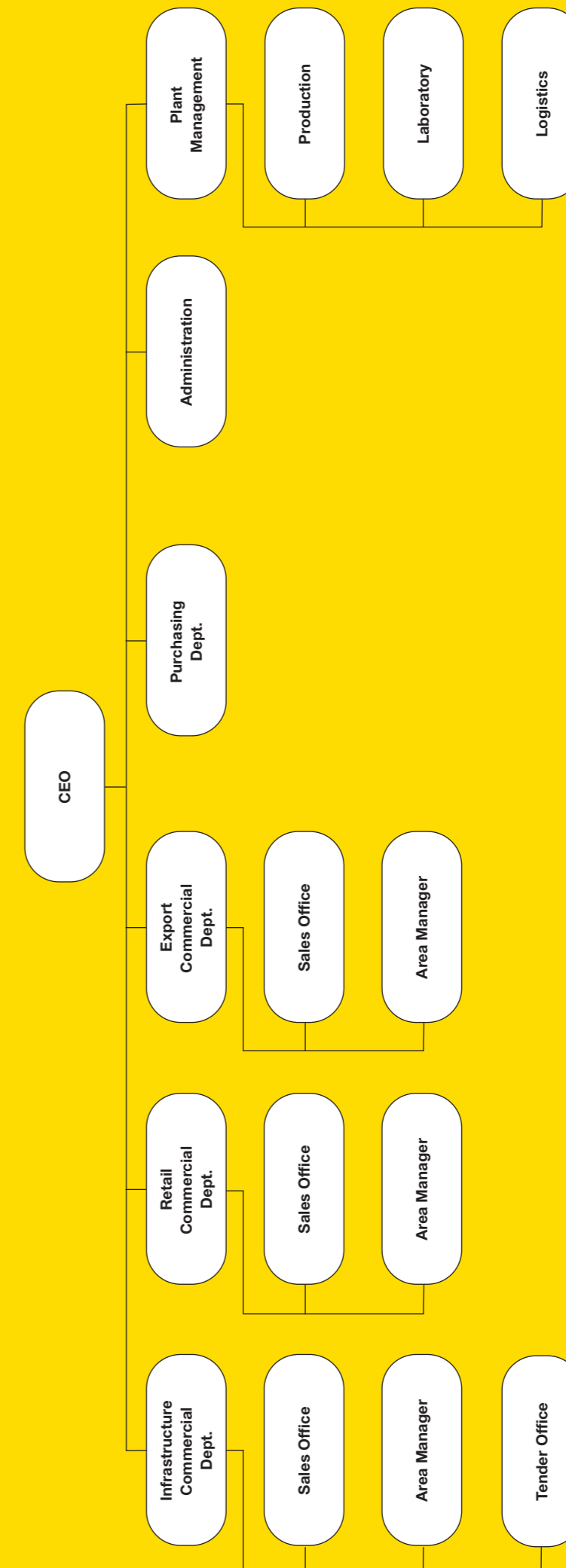
- **HDPE, MDPE, and LDPE** (high, medium, and low-density polyethylene) **pipng** for waterworks, firefighting, irrigation, gas, drainage, and conduit piping;
- Big-size HDPE and polypropylene polymeric spiral pipes for drainage manifolds and construction of storage systems;
- Big-size HDPE and composite spiral pipes for drain manifolds and construction of storage systems.

5.1.2 Corporate governance

The Board of Directors consists of: Marina Boscarini (Chair and CEO), Emiliano Boscarini (Deputy Chair and CEO), Emanuele Boscarini (CEO), Andrea Romeo (Director). The Board of Statutory Auditors consists of: Stefano Arcangeli (Chair), Guido Agostini (Standing Auditor) and Simone Spinaci (Standing Auditor).

Following the adoption of the compliance program pursuant to Italian Legislative Decree 231/2001, a collegial Supervisory Board was established, composed of Carlo Alberto Campi (chair), Marco Garavani (member) and Antonio Mazza (member).

Centraltubi makes the decisions relating to sustainability independently.



Centraltubi S.p.A. has adopted the traditional administration and control system as set forth in Articles 2380-bis et seq. of the Italian Civil Code under which the Board of Directors is entrusted with corporate management and the Board of Statutory Auditors with the functions of control and supervision, including with regard to sustainability and for the management of impacts (especially negative impacts) and with regard to their reporting, including supervision over due diligence for the determination of material topics and for the proper identification of stakeholders. The adoption of 231 Model (as per Italian Legislative Decree 231/2001) introduces an element of novelty, leading to more accurate risk analysis and effective compliance management. The governance system ensures constant discussion between management and shareholders, according to the following principles: the Shareholders' Meeting is a body with exclusively deliberative functions whose powers are by law limited to the most important decisions of corporate life; the Board of Directors plays a central role in guiding and managing the Company and the Group. In addition to the powers vested in it under the law and the Articles of Association, the Board has exclusive jurisdiction in relation to the most important decisions from an economic and strategic perspective as well as functional to the exercise of business monitoring and direction as well as on issues of sustainability. Indeed, the Board also plays a central role in approving corporate strategies with respect to environmental management, including climate change, and social issues. The Board of Directors is renewed each time the annual financial statements is approved.

The Board of Statutory Auditors serves until the approval of the annual financial statements for the year 2022. The Board of Statutory Auditors supervises, inter alia, (i) compliance with the law and the Articles of Association as well as observance of the principles of proper administration; (ii) to the extent of its remit, the adequacy of the Company's organizational structure, internal control system and administrative and accounting system, as well as the reliability of the latter in correctly representing operating events; (iii) the manner in which the rules of corporate governance provided for in codes of conduct to which the Company adheres are actually implemented; and (iv) the effectiveness of the internal audit and risk management system.

The Supervisory Board, on the other hand, is responsible for verifying the effectiveness and adequacy of the compliance program, its effective implementation, and proposals for updating and implementation. The Board meets at least quarterly. The first meetings were used to learn more about current company management systems.

The performance of the Board of Directors related to sustainability policy, is evaluated by the Strategic Steering Committee (hereinafter also CDS), which on a weekly basis, collegially analyses the progress of projects, including those related to ESG issues on which the Group has focused, assessing the evolution and achievement of the strategic objectives set.

Performance analyses and evaluations are conducted by involving the internal control and organizational units responsible for auditing the management systems adopted by the Group, with a view to compliance with current regulations. External structures that are involved in the auditing of management and quality systems also participate in this process.

Based on the outcomes and conclusions from the CDS assessments, project progress is updated and, with a view to continuous improvement, new goals and objectives are set for the future.

The **Sustainability team** is currently made up of diverse professionals, both internal and external, with also the goal of drafting the Sustainability Report.

The working group dedicated to overseeing and managing ESG issues has been given the responsibility to participate in the definition of the Group's sustainability strategy, as well as to identify, report to top management and manage, in cooperation with the relevant functions, risks related to sustainability issues, including those concerning climate change, and finally to identify areas and projects for improvement, thus contributing to long-term value creation.

This reporting is subjected to external assurance by independent certification body accredited for management system and product certification.

By a resolution of the Board of Directors, Centraltubi S.p.A. adopted its **compliance program - 231 Model - pursuant to Italian Legislative Decree 231/2001** with the aim of reducing the risks of offenses being committed by senior figures and subordinates.

However, adoption in itself is not sufficient to ensure the legal validity of the 231 Model. It is imperative that it be effectively implemented and constantly updated. For this reason, all company functions and individual employees are informed, trained and involved in the issues concerning the 231 Model: policies, procedures, penalty system, etc.

A management system in accordance with the 231 Model requires profoundly correct behavior by all parties who, in any capacity, engage in dealings with the company, and who are called upon to conduct themselves in line with the Code of Ethics adopted by the company.

The adoption and effective implementation of a management system that complies with the 231/01 Model will also make a strong contribution to the proper implementation of corporate anti-corruption practices.

The Group's Code of Ethics has already been published, applied in all its member Organizations and can be found at the link:

<https://tubi.net/codice-etico/>.

In relation to the application of the Code of Ethics, information activities, including external, and planned internal training activities have been implemented.

Legislative Decree No. 231 of 8.06.2001 introduced the provision of direct personal liability of the collective entity (entities provided with legal personality and companies and associations, including those without legal personality) for a series of crimes committed by individuals related to it, who acted in the interest or to the advantage of the entity, into the Italian legal system.

In such cases, the entity can **protect itself** from legal action if it can

demonstrate that it has adopted and effectively implemented an organizational, management and control model suitable for preventing crimes of the kind that occurred.

In order to avoid the involvement of the company or entity by invoking the exclusion or limitation of its liability arising from one of the offenses stipulated by law, it needs to adopt an adequate **compliance program** and relies on a **Supervisory Board** to monitor its implementation.

Centraltubi has not faced any incidents of corruption and has not been sanctioned for conduct contrary to the current regulations of any sector or area with regard to "sustainability"-related objectives.

Centraltubi does not belong to associations that can influence its activities and choices, in general and specifically with regard to sustainability.

5.1.3

Quality Management and Certifications

Centraltubi operates with the following corporate management systems: Quality (**UNI EN ISO 9001**), Environment (**UNI EN ISO 14001**) and Occupational Health and Safety (**UNI ISO 45001**), all certified by an independent and accredited third-party body (Istituto Italiano dei Plastici).

Centraltubi is duly registered with the Italian National Compulsory Consortium for the Recycling of Polyethylene Waste Goods "PolieCo", governed by the bylaws set forth in Ministerial Decree of 23 May 2019, pursuant to and in accordance with Article 234 (Legislative Decree 152/2006). See

<https://tubi.net/consorzio-polieco/>



For its own production (upon request) of pipes made from totally or partially recycled materials for applications in which there are no impediments to use, it has obtained permission to use the PSV (Plastics Second Life) from waste sorting mark, which certifies the recycled content and traceability of manufactured products made using 60% to 100% polymers derived from waste from sorting or other post-consumer circuits.

The products made by the company comply with a wide range of standards with product quality marks, the main ones including:

- IIP mark (no. 142), issued by the Istituto Italiano dei Plastici
 - on PE pipes in accordance with UNI EN 12201-2 for the pressurized transport of water;
 - on PE pipes in accordance with EN 1555-2 for gas transportation;
 - on PE pipes in accordance with UNI EN 12666 for non-pressure drainage systems;
 - on PE pipes according to UNI EN ISO 15494 for industrial applications;
 - on PE spiral pipes according to DIN 16961 for water transportation;
 - On PE and steel composite pipes in accordance with UNI 11434 with structured wall, for water transportation;
- Piip/c mark on Technical Specification PAS 1075 for PE100-RC (Resistant to Crack) pipes for water transportation;
- Bureau Veritas mark, on PE100 and PE100-RC products for water (UNI EN 12201-2 standard) and gas (UNI EN 1555-2 standard);
- IMQ mark, issued by the Istituto per il Marchio di Qualità (Institute for Quality Mark), on products in accordance with CEI EN 61386-1-24 for conduit systems.

Major foreign product brands include:

- DVGW (Germany) mark on PE100 and PE100-RC pipes in accordance with EN 12201-2 for the pressure transport of water;
- SVGW (Switzerland) mark on PE100-RC pipes: in accordance with EN 12201-2 for the pressure transport of water, in accordance with EN 1555-2 for gas transport;
- NPM mark (Nordic Poly Mark, for Denmark + Norway + Sweden + Finland) on PE100 and PE100-RC pipes in accordance with EN 12201-2 for pressure transport of water;
- DINplus mark, issued by DIN CERTCO (Germany), for PE100-RC pipes for water in accordance with EN 12201-2 and for gas in accordance with EN 1555-2.

5.1.4

Strategy for sustainability

Centraltubi has identified the main objectives on which to focus the implementation of projects in the ESG (Environmental, Social and Governance) area.

1. Develop products and design solutions that contribute to the improvement of sustainability in the infrastructure that uses our products
2. Use in our manufactured products, where permitted by technical product standards, recycled raw materials or those derived from the processing of by-products
3. Constantly seek technological and organizational solutions that can generate energy efficiency and waste reduction, promoting investments that are compatible with sustainability goals
4. Involve our partners in this virtuous circle, and also adopt practices for selecting them on the basis of their compliance with our ethical standards
5. Participate in and contribute to the socio-economic development of the communities in which the Group operates
6. Pursue and promote ethical behavior, protect workers' rights and their health and safety. Protect the land and communities in which we live and operate
7. Develop effective, transparent and accountable communication with our employees and stakeholders

Centraltubi currently has a project underway with the Faculty of Engineering of the Polytechnic University of Marche in Ancona, the Faculty of Chemistry of the Carlo Bo University of Urbino, and Marche Multiservizi (manager of the integrated water service in the province of Pesaro and Urbino), to study and **test the effects of chlorine-based disinfectants** in water distributed to citizens through polyethylene pipes.

Another important research activity, also stemming from a Centraltubi project, involves **RINA Consulting -CSM S.p.A. Centro Sviluppo Materiali** is a leading gas distribution network operator, aimed at verifying the **degree of permeability of polyethylene pipelines to the transport of hydrogen gas**, for which it is expected to be introduced in the near future as a mixture with natural gas and thus to be used incrementally in the coming years. In the absence of a specific standard, RINA Consulting has created a device to carry out tests under the agreed conditions, while Centraltubi provided samples of new polyethylene pipes to be tested in addition to the design and related funding, and samples of pipes in operation for 11 and 19 years were provided by the gas network operator.

The relationship with the 2030 Agenda

Aiming to consider the impacts of human actions from a long-term perspective, Centraltubi promotes a business model that respects society and the environment in line with the **2030 Agenda Goals**.

The Sustainable Development Goals (SDGs) are a set of 17 goals, defined by the United Nations Organization as a strategy "to achieve a better and more sustainable future for all." They are also known as 2030 Agenda, named

after the document whose title is *Transforming Our World*. The 2030 Agenda for Sustainable Development recognizes the close link between human well-being, the health of natural systems and the presence of common challenges for all countries.

The sustainability goals address the impacts produced by human activity.

A company generates impacts that result from choices and orientations made over time. The older ones create the status quo; the current ones should contribute to improving the situation.

Below is the relationship between material topics (with GRI standards addressed and 2030 Agenda goals).

Reference is made to the document published by GRI entitled *Linking the SDGs and the GRI Standards* and can be found at:

<https://www.globalreporting.org>

Centraltubi's material topics and their relationship with the 2030 Agenda

2030 Agenda	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	12 Responsible consumption and production	13 Climate action
Economic governance, objectives and results (201)						8	9			13
Anti-corruption policies (205)						8				
Non-discrimination policies and actions (405 - 406)			5			8		10		
Employment management (401)	3		5			8		10		
Knowledge management (404)		4	5			8		10		
Health and safety (403)	3					8				
Recycling and materials management (301)						8			12	
Waste management (306)				6					12	
Water resource management (303)				6					12	
Energy consumption reduction (302)					7	8			12	13
Containment of emissions into the atmosphere (305)	3								12	13

5.1.5 Dialogue and relationship with Stakeholders

Centraltubi has defined its criteria for relations with stakeholders, which are **banking institutions, suppliers, customers, local authorities, national and European government agencies, universities and employees**.

From 2023, different ways of managing stakeholder dialogue will be implemented.

Their needs in terms of information will be assessed based on considerations regarding the type of relationship that the stakeholders have with the company and the impacts generated by the company.

Concerning the relationship, stakeholders are distinguished between influencers and influenced parties. For example, suppliers are required to implement what the Company requires in general and for sustainability; compliance with requirements can influence their rating. Conversely, customers, with their requests, may demand specific behaviors from the Company in both operational and information management terms. Therefore, suppliers are mostly influenced parties, and customers are influencers.

The interests of different stakeholders may relate to impacts generated by the Company or that Company may have to face. For example, local administrators are interested in "inside-out" impacts: well-managed waste, value distributed across the territory. Banks are reasonably interested in how the company makes itself resilient to impacts that come from outside, such as possible increases in energy costs.

Continuing with this example, it can be seen that some stakeholders are interested in economic content, such as banks, while others are interested in content in the "social" area, such as employees who are obviously particularly concerned with Occupational Health and Safety.

Over time, the relationship will become increasingly in-depth and personalized so that stakeholder engagement activities bring added value to both the Company and its stakeholders.

A questionnaire was administered to all identified stakeholders in 2022. The graphical and table representations of the aforementioned, the defined guidelines for stakeholder relations, the items and results of the survey administered can be found in this document.

Inform	Dialogue	Collaborate, co-design	Transpose requirements	
Stakeholder type	Influencers/influenced parties	Outside-in/Inside-out impacts	Social/environmental/economic impacts	Type of relationship
Customers	Influencers	Inside-out	Environmental	Outgoing information and survey
Suppliers	Influenced parties	Outside-in	ESG	Information and assessment (rating)
Credit and financial institutions	Influencers - influenced parties	Outside-in	Economic	Information exchange and engagement, rating
Employees	Influenced parties	Inside-out	Social	Outgoing information and survey
Local authorities	Influencers	Inside-out	ESG	Outgoing information (institutional)
National and European government agencies	Influencers (prescriptive)	Inside-out	ESG	Transpose requirements
University		All	Environmental	Information exchange and engagement

Customers

They will be informed about the inherent path to sustainability taken at the company, both in relation to products and processes. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Suppliers

They will be subject to rating in relation to parameters pertaining to sustainability. Collaborative relationships will also be established in light of the information received.

Credit and financial institutions

Information exchange and engagement will be maintained regarding the company's goals and results and its resilience to impacts, specifically outside-in impacts. The dialogue will then cover the assessment tools that this stakeholder category brings to bear in relation to business activity. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Employees

Through the Sustainability Report, they will be informed of initiatives, goals and results related to human resource management. Through function managers and representatives provided for in national mandatory regulations, employees can seek clarification and present their concerns regarding labour rights.

Local authorities

They will receive communications related to the Sustainability Report. A short questionnaire on the company's presence in the area will be prepared and administered to the mayors of three municipalities, Sant'Angelo in Vado, Lunano and Piandimeleto.

Governance bodies

Information from governance bodies is monitored regarding the enactment of mandatory regulations.

University

In this case, it concerns mutually chosen relationships. The exchange of information occurs through institutional channels and in relation to specific projects.

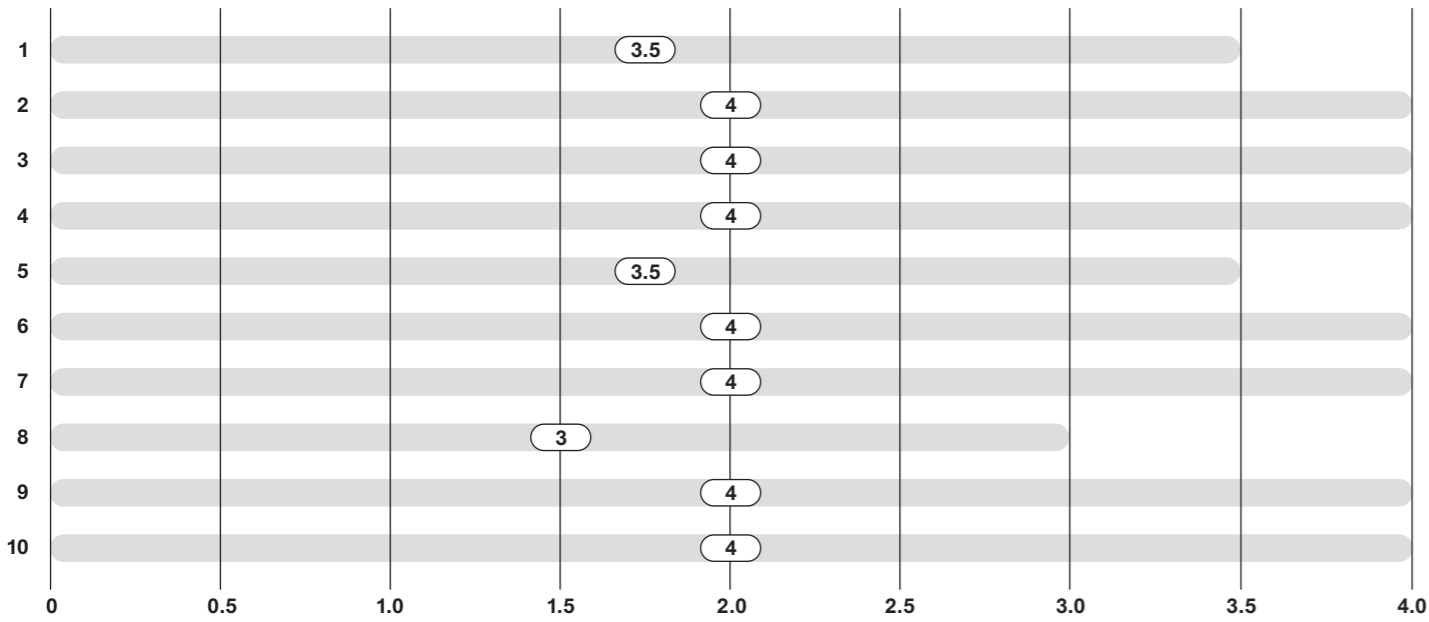
For the current year, a questionnaire was administered to all stakeholders. The items and results are described below. The practice for the various companies has been standardised by referring to a single "System Group" standard.

Items

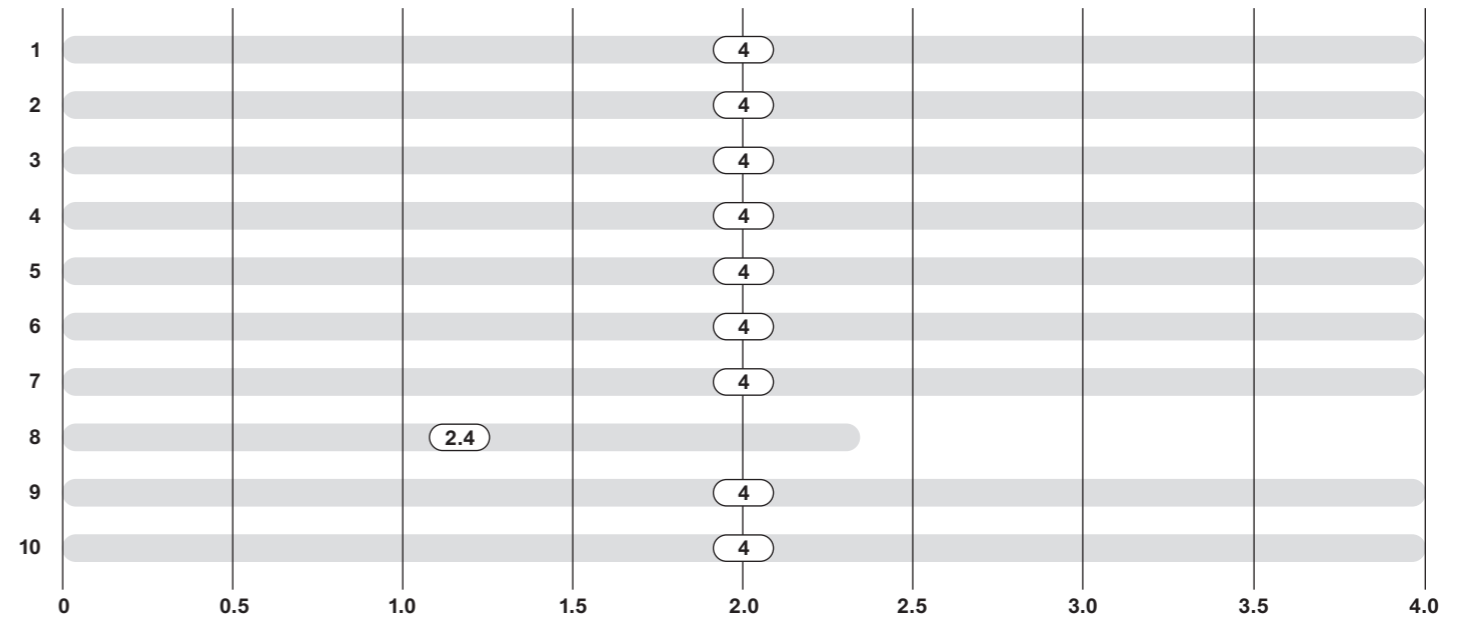
1. System Group has drawn up, for the second consecutive year, the Sustainability Report. Do you think this document could be an interesting and useful tool for assessing the company's commitment to sustainability issues?
2. Does the Company use products from non-polluting and recyclable materials for its business and where possible, do you appreciate this choice also because it is in line with the new European regulations to protect the user and the environment?
3. Do you think it is important for System Group to make efforts to control energy and curb emissions that are harmful to humans and the environment?
4. Do you think it is important that System Group also seeks to engage its suppliers on ESG (Environmental, Social, and Governance) issues, including through the example of sustainable management of its operations?
5. Do you appreciate that the Company is extremely attentive to fostering the well-being and personal development of employees in order to protect their Health and Safety?
6. Do you think it is important for System Group to be attentive to and adequately protect gender equality within the Company, including in relation to professional training development policies?
7. Do you think it is important for the Company to be able to identify, through careful analysis, the types of risks associated with its activities (e.g., climate change risks) in order to adopt appropriate policies and strategies through the application of a resilience model and, consequently, maintain its market positioning?
8. Do you believe that the younger generation is sufficiently interested and involved in relation to the transformations taking place in our country with regard to sustainability issues and in particular in relation to the use and disposal of plastics?
9. How do you assess your relationship with System Group?
10. Do you think it is important for the company to communicate to its Stakeholders (customers, suppliers, employees, associations, mayors, etc.) about initiatives, implemented or planned, on sustainability?

RESULTS

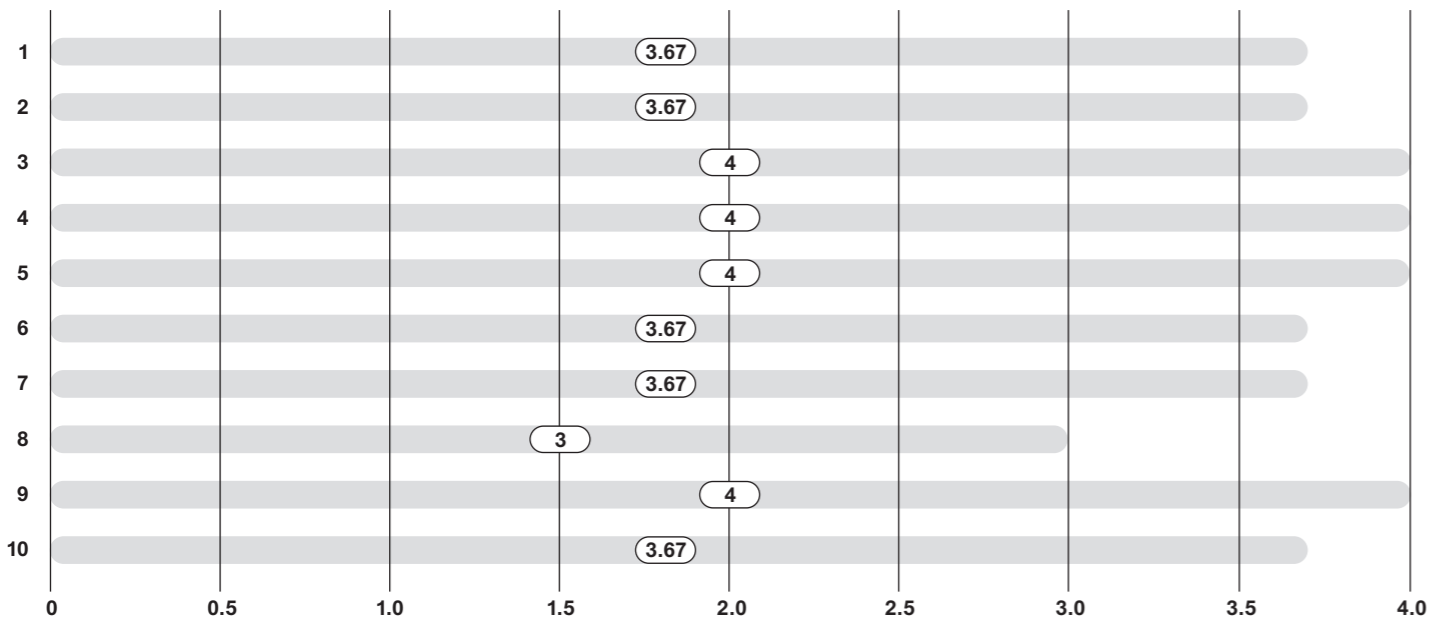
Credit Institution



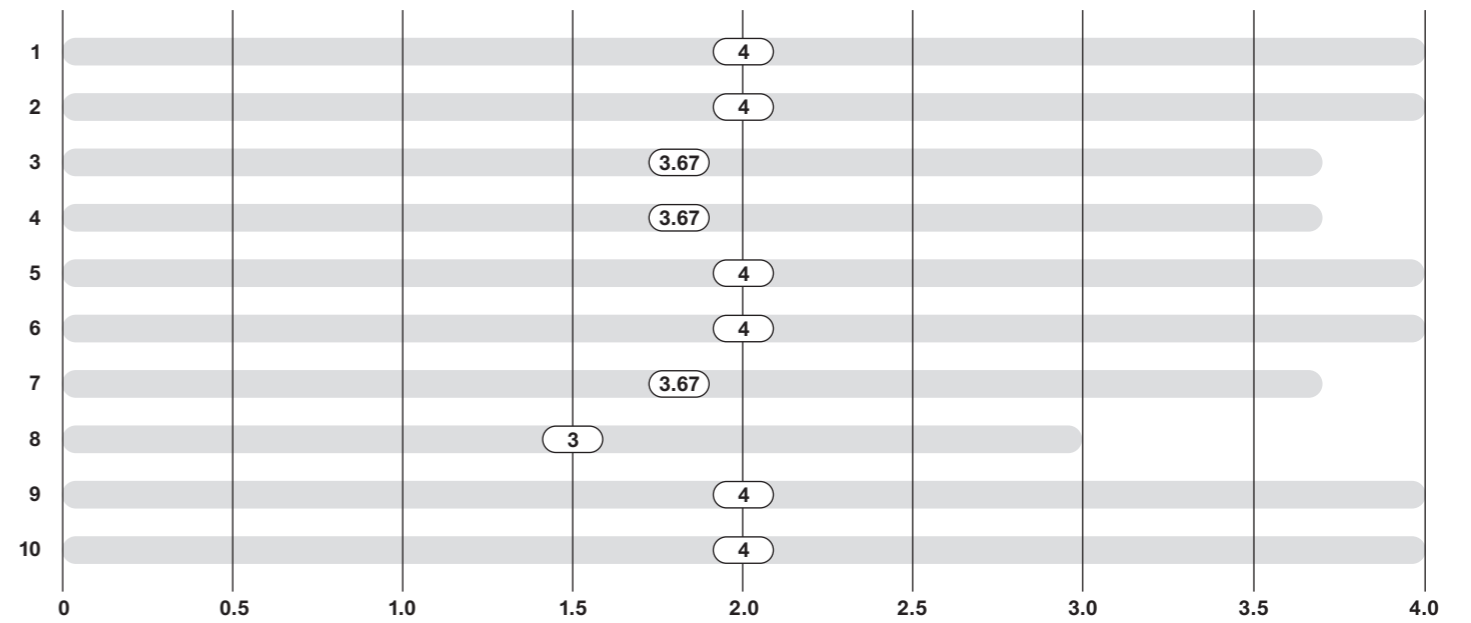
Customers



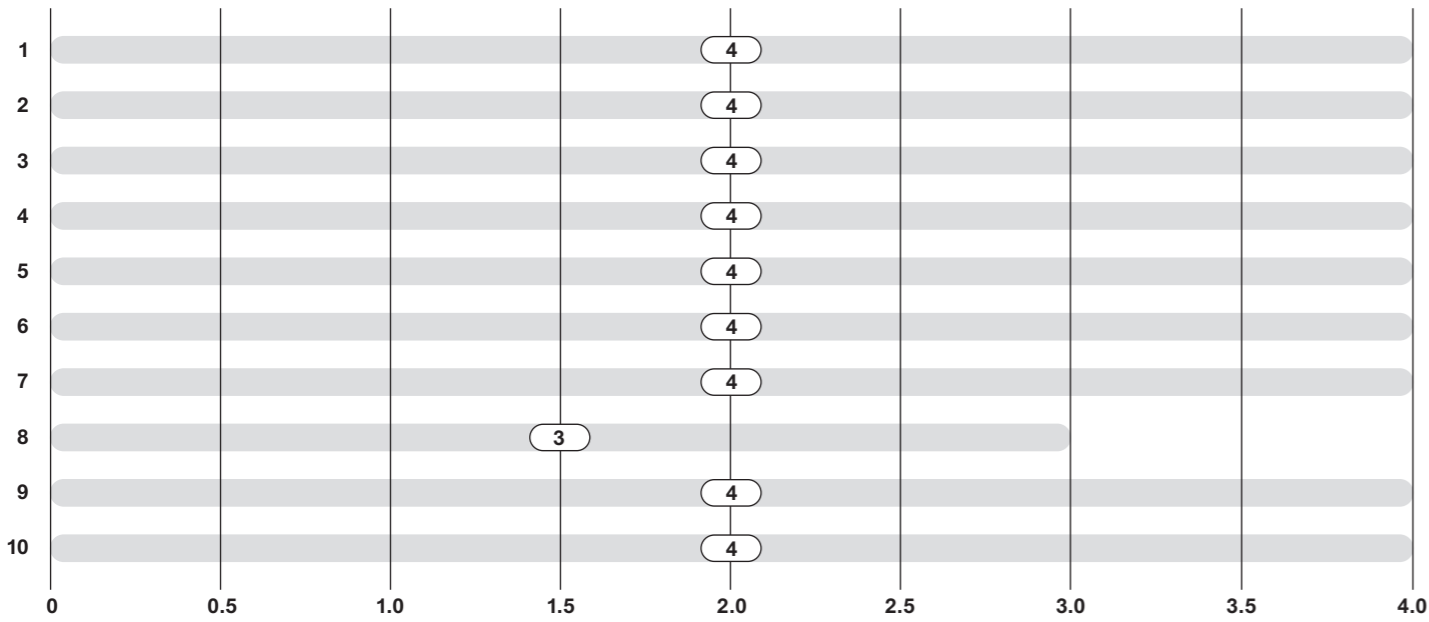
Associations



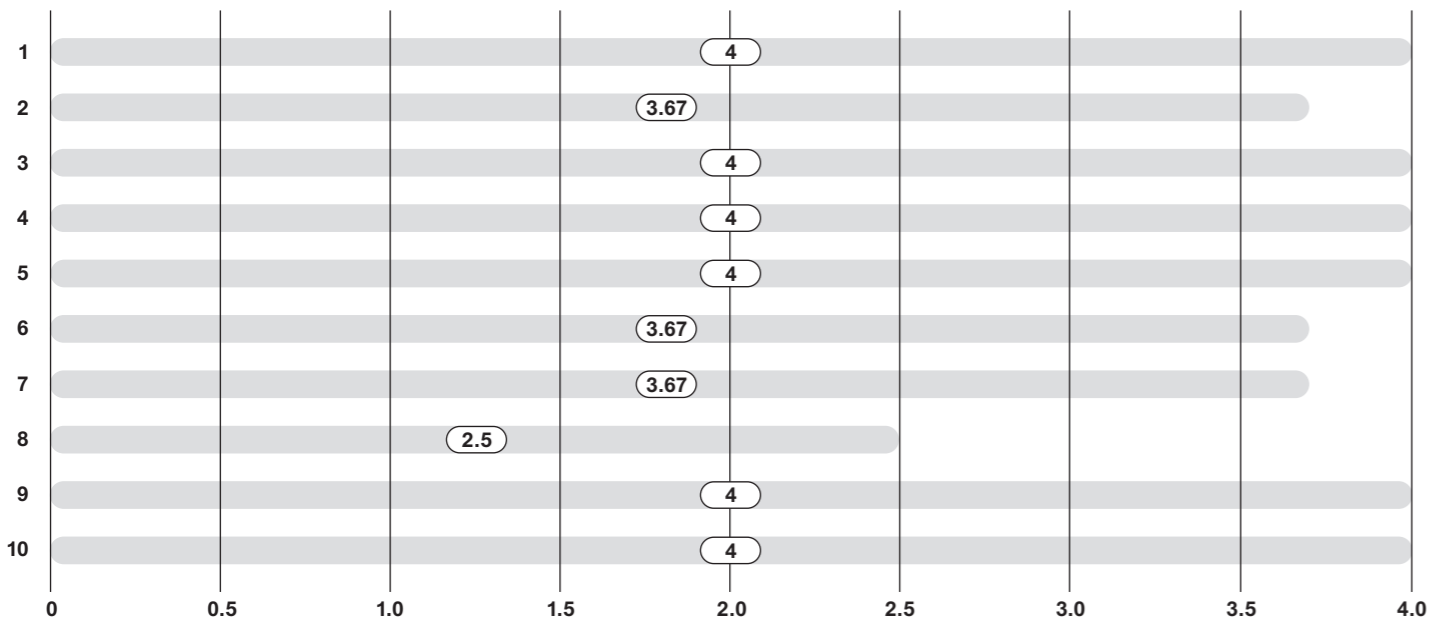
Municipalities



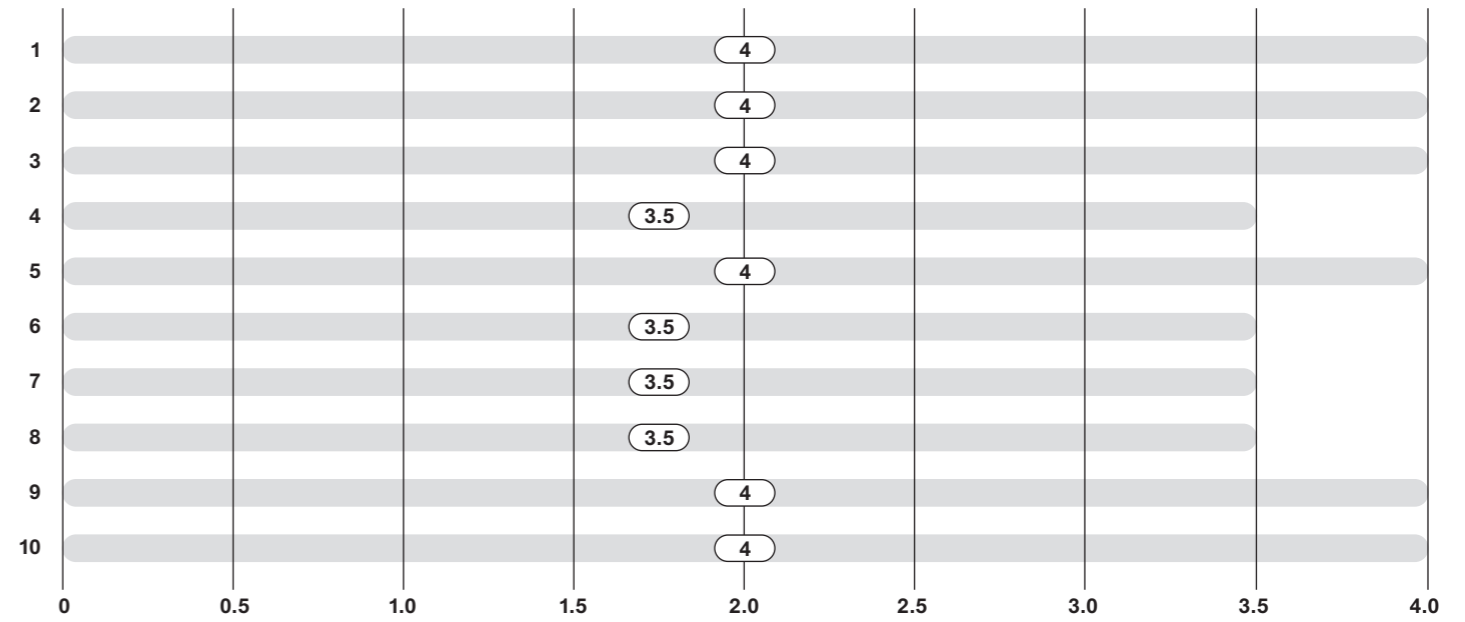
Suppliers



Employees



University



5.1.6 Due Diligence

GRI Standard 2 - 29
 GRI Standard 3 - 1 / 2

Centraltubi, in this sustainability report, carried out due diligence to verify its list of stakeholders and to identify relevant issues in terms of current or potential impacts, both positive and negative.

Material topics are those that have a significant impact on the economic, social, and environmental performance of the organization and can influence stakeholder evaluations. The Company's commitment is strongly oriented toward paths, programmes and perspectives that primarily take into account the needs of its stakeholders, both inside and outside its organization.

The latter have been classified in order to define dedicated and efficient ways of relating to their specific needs.

Methodology

For the 2022 sustainability report, in order to verify its list of stakeholders and determine its material topics and in the absence of a *sector standard*, Centraltubi:

1. conducted a benchmark survey of other companies involved in plastics processing by considering the set of reported standards;

5	Centraltubi
5.1.6	Due Diligence

2. assessed the specifics of business activities and processes;
3. considered the outcome of prior dialogue with stakeholders;
4. evaluated feedback on the importance of a number of issues in national binding legislation.

Conclusions

Among the issues to be covered, in terms of risks, those related to energy management are considered very important. Opportunities refer to the process of recycling materials.

Energy consumption mainly concerns industrial production processes. Regarding these activities, emissions should be kept under control and reduced to the extent possible through energy consumption.

Especially in assessing the benchmark, it was deemed necessary to also report in relation to the management of water resources, a topic that was not addressed in the previous Sustainability Report

In the current report, therefore, all the most relevant standards for all three areas are covered: economic and governance, social and environmental.

As regards "social sustainability," Occupational Health and Safety is at the forefront along with training.

Other issues identified as material are "anti-corruption" and "non-discrimination" safeguards.

In economic terms, Value Distributed and investment are the main highlights.

Economic and financial management will be an increasingly important issue, especially in terms of resilience in the face of ongoing socioeconomic and environmental changes.

For this reason, and taking into account the outcome of the benchmark analysis, for topics considered material, the relevant topic standards and disclosures reported are those defined in the GRI Content Index with Reference for Reporting 2022.

List of the main areas to which the main impacts pertain

- Economic governance, objectives and results
- Anti-corruption policies
- Non-discrimination policies and actions
- Health and Safety management
- Knowledge management
- Recycling and materials management
- Waste Management
- Water resource management
- Reduction in energy consumption
- Emission containment and reduction

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5.2 **The company's economic position**

GRI Standard	201 - 1 / 4
GRI Standard	2 - 25
GRI Standard	3 - 3

In 2022, Centraltubi S.p.A. recorded a total value of production of € 103,960,028. As at 31/12/2022, Centraltubi's balance sheet showed a net profit for the year of € 9,825,442.

The events that most affected companies in 2022 in general, and Centraltubi in particular, were, in addition to the pandemic, the Russia-Ukraine conflict, inflation, and central bank policies as they generated uncertainty about growth prospects.

Centraltubi uses high-density polyethylene (HDPE), low-density polyethylene (LDPE) and linear-low-density polyethylene (LLDPE) in its production cycle, the raw material used is a petroleum derivative, therefore, its purchase price is strongly influenced by the fluctuation of quotations in international markets. On the demand side, given the economic and political context in a phase of adjustment, the outlook for 2023 remains uncertain. It remains crucial for the Company to maintain its market share and follow the opportunities introduced by the Italian National Recovery and Resilience Plan (PNRR).

With reference to sales, in absolute terms, revenues from sales of products and services increased by 17.12% over last year. Production costs also increased due to rising raw material prices and energy costs.

Sales are mainly directed to the domestic market for 79% and 21% to the foreign market.

5.2.1 **Value Generated
Value Distributed
Value Retained**

In its classical meaning, Value Added is a measure of the wealth an economic entity realizes through the use of production factors and how it is distributed among key stakeholders.

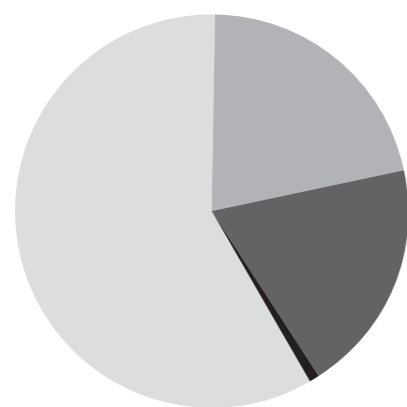
This document does not include the income statements and balance sheets that have already been prepared and are included in the file attached to the 2022 Financial Statements. **Economic Value Generated** (Gross Value Added generated by the entity) and **Economic Value Distributed** (Value Added Distributed) to stakeholders are also described.

The **Value Retained** is calculated by subtracting the Value Distributed from the Value Generated.

Determination of Net Overall Value Added	2022	%	2021	%
Overall value of production	€ 103,960,028		€ 88,116,730	
Intermediate costs of production	- € 86,430,400		- € 75,706,451	
Gross value added from ordinary operations	€ 17,529,627		€ 12,410,279	
Ancillary operations	€ 267,203		€ 510,526	
Overall gross value added	€ 17,796,830		€ 12,920,806	
Depreciation	- € 829,260		- € 785,493	
Overall net value added	€ 16,967,570	100.00%	€ 12,135,313	100.00%

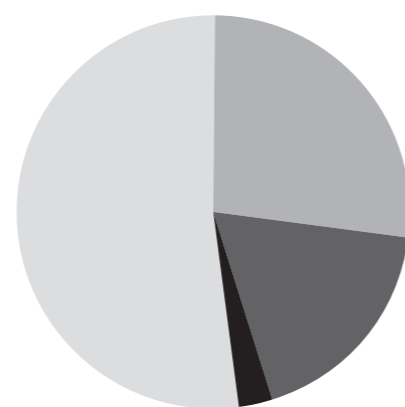
Breakdown of Overall Net Value Added	2022	%	2021	%
Staff remuneration	- € 3,625,255	21.37%	- € 3,332,553	27.46%
Public Administration Remuneration	- € 3,291,913	19.40%	- € 2,142,166	17.65%
Return on loan capital	- € 224,960	1.33%	- € 376,312	3.10%
Company remuneration	€ 9,825,442	57.91%	€ 6,284,281	51.79%

Distribution of value added 2022



■	Lenders/Credit Institutions	1.33 %
■	Public Administration	19.40 %
■	Workers	21.37%
■	Company	57.91%

Distribution of value added 2021



■	Lenders/Credit Institutions	3.10%
■	Public Administration	17.65%
■	Workers	27.46%
■	Company	51.79%

5.2.2 Costs, subsidies and grants.

Title of measure	Title of project	Amount
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2020	Facilities for companies that consume large quantities of electricity	€ 674,002.58
Aid Scheme - Identifier 18852 SA 59255	Exemption from the payment of social security contributions for companies that do not apply for redundancy payments (Article 3, Italian Decree-Law 104/2020)	€ 5,547.28
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2019	Facilities for companies that consume large quantities of electricity	€ 718,063.62
		€ 1,397,613.48

5.2.3 Investments

Centraltubi pursues its objectives of productive efficiency and reducing environmental impact through investments in multiple sectors, from those strictly to technology and production, to operator safety, process improvement, and energy efficiency.

Below follows the list of the main actions put in place in 2022.

Production and warehouses

Activation of new external and internal storage silos for automatic loading of the extrusion lines, among the benefits of which is the achievement of a significant reduction in manual warehouse handling, zero loss of raw material in the yards and thus greater order and cleanliness.

Two new extrusion lines were purchased, replacing obsolete lines, with an energy improvement of approx. 30% and productivity more than 20% higher.

Overhaul of the cooling tanks, started in 2021 to reduce water losses, completed.

“Free Cooling” system implemented on another water chilling installation used in the production cycle.

FREE COOLING is a cooling system that employs outside air at room temperature, when below certain values, to cool a liquid, gaseous, or solid element without the support of electricity-consuming refrigeration machinery or devices.

Energy consumption

Completion of work to replace traditional lamps with high-efficiency LED systems, both inside the plant and on the floodlight towers located in the outdoor yards.

The investments indicated in the previous points also have a positive impact on energy consumption.

The monitoring of energy consumption, at all production facilities, is implemented through a dedicated software application, and the results are analyzed by a specialized technician.

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5.2	The company's economic position
5.2.3	Investments

Occupational safety

A lifting platform was installed for the safe execution of maintenance work at heights, both inside and outside the plant, thereby reducing risks for the operators.

One-way travel corridors for incoming trucks, both for loading and unloading, and for the warehouse, were created, increasing the safety level of the operators and reducing the risk of interference with vehicles in transit.

An operational mode of recovering production waste was adopted by completely outsourcing waste shredding operations to specialized operators.

Digitalization

Implementation of “MES” (Manufacturing Execution System) completed in production management, with which all process parameters (consumption, productivity, temperatures, etc.) are controlled.

Main investments 2022

The following table refers to the carrying amounts values of the 2022 Financial Statements

Area	Amount	Description of investments
Economic and governance	€ 6,606.00	Purchase of furniture, cabinets, meeting tables
	€ 9,855.00	Internal vehicles
Social	€ 8,062.15	Purchase of PCs and monitors for employees
	€ 180,850.87	Machinery protection barriers
	€ 21,801.25	Purchase of Software for Occupational Health and Safety Management and Personnel Recruitment.
Environmental	€ 506,391.12	Works for the construction of a part of the plastic granule storage and transport plant to improve performance and reduce costs
	€ 88,027.41	Equipment for production department
	€ 333,351.63	Purchase of extruder, pilot plant with the collaboration of University of Ancona that will ensure lower consumption and increased productivity

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5.3 **Opportunities and issues related to environmental aspects**

GRI Standard	2 - 25
GRI Standard	3 - 3
GRI Standard	301
GRI Standard	302 - 1 / 2 / 3 / 4
GRI Standard	303
GRI Standard	305
GRI Standard	306

The environmental impacts of Centraltubi are energy consumption, resulting emissions, use of plastic materials, water resource management, and waste management. The Company continuously monitors the outcome of actions taken to minimize negative impacts and increase positive impacts by publishing information including calculation methods in its sustainability report.

Centraltubi is an energy-intensive company in terms of electricity and is registered on the list of electricity-intensive companies with the Cassa per i Servizi Energetici e Ambientali (CSEA). The latter is a public economic entity under the supervision of the Regulatory Authority for Energy Networks and Environment (ARERA) and the Italian Ministry for Economic Development. It operates in the electricity, gas and water sectors.

Large quantities of electricity to run production processes are consumed because processing plastics requires that they be heated, extruded and formed, and then cooled.

This energy consumption also has a significant economic impact.

The Company is committed to keeping energy consumption low; for the electrical component, a plan of actions on motors has been put in place, providing for the application of inverters and gradual replacement with high-efficiency motors; routine maintenance work is carried out with a view to improving the operating logic of pressurized equipment, reducing the operating pressure of the network and activating continuous leakage monitoring processes. The plan for localized rephasing of the electrical system was implemented, and a program to monitor and study refrigeration consumption was initiated with the University of Pisa to plan future actions on the production cooling system.

Emissions are also kept under control and monitored, with a focus on direct greenhouse gas (GHG) leakage emissions from refrigeration circuits.

One of the most relevant initiatives in the area of **environmental policies** concerns the management of the Group company's transportation vehicles that are tasked with this activity. By managing deliveries for all the companies, transportation is optimized. A delivery monitoring and optimization project has been put in place at company level with a view to better reporting and reducing the impact of emissions from fuel used outside the company.

In terms of materials, Centraltubi is committed to using the maximum amount of **recycled plastic** possible by making stable agreements with its suppliers.

Water consumption is optimized and kept under control to the extent that water resource management does not pertain to a major impact.

Waste is managed in compliance with mandatory regulations and with the utmost commitment to encouraging the recycling of materials.

Control activities are managed in accordance with the standards described in chap. 1.3 of this document.

5	Centraltubi
5.3	Opportunities and topics related to environmental aspects

ODS

(Ozone Depleting Substances)
 It is the definition of those substances that contribute to the depletion of the ozone layer in the atmosphere. They include, for example, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halon.

The Company does not produce, import or export ODS, CFC-11 (trichlorofluoromethane) or other equivalent substances.

Centraltubi states that it has no litigation in progress and has not incurred any significant fines or other penalties for non-compliance with environmental laws and regulations.

5.3.1 Energy and emissions management

The manufacture of Centraltubi's products is particularly energy intensive in both the electrical and thermal components. Regarding electricity, 80% of consumption is determined by the absorption of the machines for the production of solid-wall pipes made by extrusion; about one-fifth of this is determined by the electrical energy absorption of the refrigeration machines required for cooling the water used to bring down the temperature of the pipes leaving the extrusion head. For the remaining portion, the main consumption items are related to the energy absorption of the compressors serving the pressurized air circuit, the consumption of the special pieces production department and the drainage pipe slitting department, and finally the charging of forklift batteries.

Diesel fuel is used to refuel the only combustion-engine forklift equipped to handle the big-size spiral tubing.

Natural gas is taken from the network to serve the space heating system and domestic hot water production (28%) and for direct-flame heating of the mandrels used to produce the big-size spiral pipes (72%).

The electrical energy used comes solely from grid withdrawals, and the purchased electrical energy covers all the electrical energy consumed. This envisages the national energy mix as partitioning in the absence of certification of origin, without any contribution from self-production

Below is an overview of Centraltubi's energy consumption. The decrease in total energy is due to the decrease in the use of electricity and energy from fuel outside the Company (the value should be considered an estimate due to the difficulty in the measurement process). There has been a noticeable increase in fossil fuel energy related to the increased production of big-size spiral tubes.

5	Centraltubi
5.3	Opportunities and topics related to environmental aspects

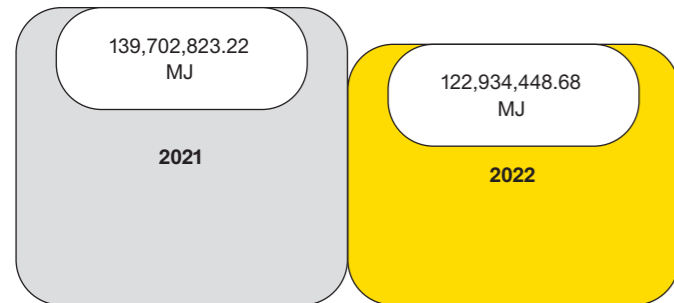


5	Centraltubi
5.3	Opportunities and topics related to environmental aspects
5.3.1	Energy and emissions management

Energy consumption	Quantity in MJ	
	2021	2022
Diesel fuel	179,998.00	341,996.20
Methane	2,011,899.03	2,331,994.64
Total energy from fuels (all fossil fuels) - Scope 1	2,191,897.03	2,673,990.84
Electricity - Scope 2	62,869,672.80	59,450,695.20
Total energy from fuel external to the Company (all fossil) - Scope 3	74,641,253.39	60,809,762.64
Total energy consumption	139,702,823.22	122,934,448.68

J (joule) and MJ (megajoule)
MJ is a multiple of the Joule and is the unit of measurement of work and heat, equivalent to 10⁶ Joules.

Total energy consumption in MJ



GHG (Greenhouse Gas)
They are gaseous constituents of the atmosphere, both anthropogenic and natural, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted from the Earth's surface, atmosphere and clouds. These include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), the full list of which can be found in the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report.

GHG emissions from Centraltubi come from the use of fossil fuels inside and outside the company, electricity consumption, and minor gas leaks from refrigeration equipment. The overview is presented below.

Emissions	Quantity in t CO ₂ eq.	
	2021	2022
From domestic fossil fuels - Scope 1	126.61	157.03
From abroad, location based - Scope 2	4,678.55	5,101.20
From abroad, market based - Scope 2	7,973.45	7,549.41
From fossil fuels externally (Scope 3)	5,639.13	4,610.01
Other emissions (refrigerant gases)	46.48	13.66
Total emissions, location-based method	10,490.77	9,881.90
Total emissions, market-based method	13,785.67	12,330.11

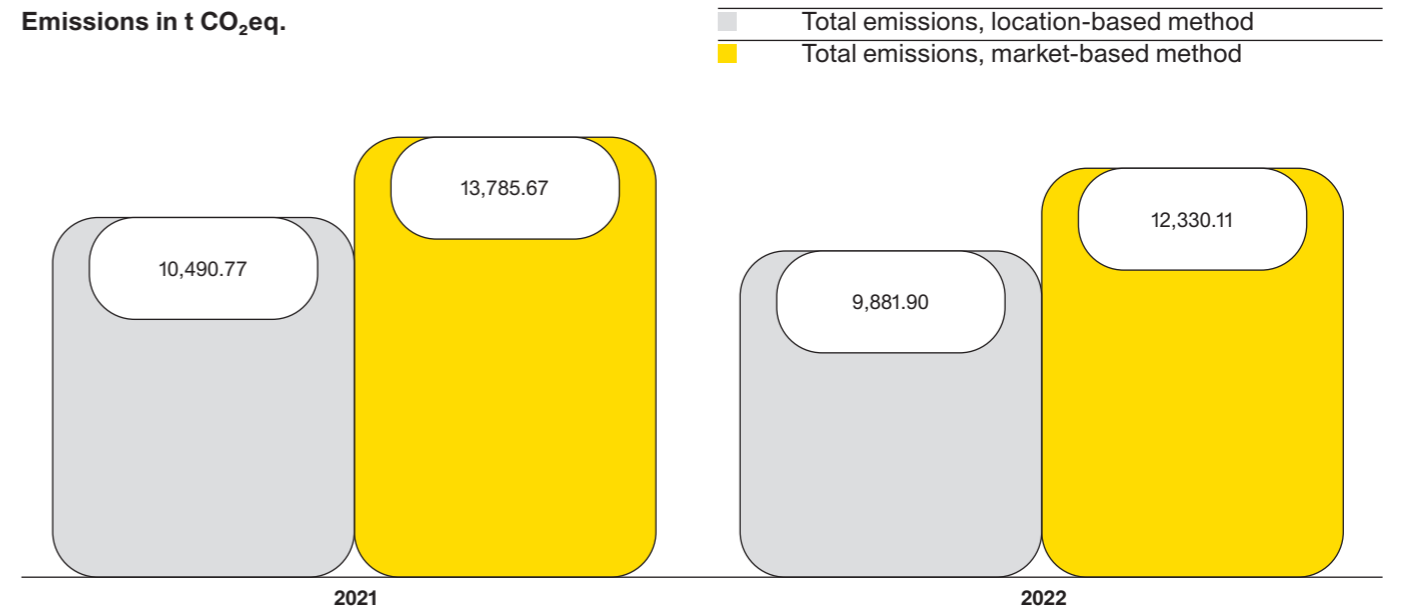
5	Centraltubi
5.3	Opportunities and topics related to environmental aspects
5.3.1	Energy and emissions management

Emissions from fossil fuels outside the Organization (Scope 3) are estimated by considering:

- The transportation of raw materials from the production site to the processing company;
- The transportation of finished products to the destination site;
- employees' home-work commutes.

Criteria for the calculation are given in the methodological note.

Emissions in t CO₂eq.



Centraltubi is authorised to emit to the atmosphere from three points subject to periodic analysis; analyses conducted annually at the localised sources show compliance with the limits set by mandatory legislation for TOC and particulate matter. There are no other fugitive and diffuse emissions subject to measurement. GHG emissions are given only by the consumption of methane as a fossil fuel and any leakage of Fgas (R407 C) from the refrigeration circuits, which are subject to annual inspection and maintenance.

The value of the total production in kg is calculated as the sum of the individual deposits of compliant material production updated on the company management database in the year under analysis.

Electricity consumption was reduced from 2022 to 2021 by 5.44% also with the actions implemented by the organisation as documented in Section 2.3. Fossil fuel consumption (Scope 1) increased by 21.99%. Transport-related fossil fuel consumption (Scope 3) decreased by 18.53% as a result of load optimisation and route location; this figure, however, is affected by the calculation methodology based on estimated activity data.

The amount of emissions (location based) decreased from 2022 to 2021 by 5.80%.

5	5.3	Opportunities and topics related to environmental aspects
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Energy intensity is the ratio of total energy consumed (in MJ) to the quantity of product (in kg). **Emission intensity** is the ratio of greenhouse gas emissions (tCO₂eq) to the quantity of product (in kg).

Both showed a decrease in 2022 compared to 2021. Energy intensity decreased by 7.64%, emission intensity by 1.13%.

		Energy intensity		Emission intensity	
Year	Production in kg	Energy consumption in MJ	Energy intensity	Emissions in t CO ₂ eq (location based)	Emission intensity
2022	30,597,006	122,934,448.68	4.02	9,881.90	0.00032297
2021	32,113,885	139,702,823.22	4.35	10,490.77	0.00032667

5.3.2 **Water as a resource**

The Marche region has always been rich in water; however, this condition in recent periods is changing: the steady advance of climate change requires great care be taken in the use of this resource.

The municipality of Lunano is served by the former Piandimeleto consortium waterworks, which delivers water from springs located mainly in the Frontino municipality and the Carpegna municipality, with local springs and wells tapping the underground water table as supplementary sources (source: Arpam).

The territory of AATO1 Marche in which the municipality of Lunano falls is classified as low water severity (source: Marche Region).

Centraltubi invests in economic, project, and organizational terms by adopting a corporate policy aimed at water saving, minimizing waste and maximizing reuse

The Company uses water for civil and industrial purposes. For production activities, water circulates in closed circuits. The consumption of water, therefore, pertains to topping up only.

The Company holds an active concession to tap public water from wells from the Marche Region for the irrigation of private greenery.

Centraltubi discharges only domestic civil wastewater into the municipal sewage system.

Stormwater is always discharged into the sewer system as storm sewage.

5	5.3	Opportunities and topics related to environmental aspects
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* Estimate
According to GRI standards, the quantity of water should be calculated in megalitres (Ml). One Ml is equal to 1,000,000 litres or 1,000 m³.

Operation	Quantity in m ³
Drinking water taken from the water supply system*	2,403
Non-drinking water taken from underground source	283
Discharge of domestic civil wastewater into surface waters after treatment by a municipal treatment plant*	530
Water consumption*	2,156

5.3.3 **Materials and waste management**

In respecting the environment, Centraltubi attaches great importance to the quality of the materials chosen for its production and to the recovery of processing waste and other material that has reached the end of its life cycle.

Centraltubi produces highly technical manufactured items for the electrical and telecommunications sector and for water management and treatment, starting with plastics obtained from the reuse of waste from sorting, certifying their content with the Plastica Seconda Vita mark, according to the IPPR (Institute for the Promotion of Recycling Plastics) regulation, with periodic audits by the Istituto Italiano dei Plastici.

Centraltubi recovers waste from production processes, sorts it, and gives it as by-products to PEBO (another Group company that deals with plastic recycling) to obtain high-performance raw materials.

Centraltubi is a company duly registered with the mandatory consortium PolieCo as per Italian Legislative Decree 152/2006 (art. 234) with which it has initiated a program for the promotion and development of activities to analyze and reduce the environmental footprint of products.

Centraltubi does not carry out significant product and packaging material recovery activities.

The following is the situation in kg related to materials management.

Plastics (all non-renewable materials)	in kg
Virgin polyethylene	33,659,307
Polyethylene from industrial by-products	2,357,093
Recycled polyethylene from waste sorting UNI 10667-2 certified	1,597,540
Total polyethylene used	37,613,940
Total non-virgin polyethylene	3,954,633
Percentage of recycled product out of total	4.25%

5	Centraltubi
5.3	Opportunities and topics related to environmental aspects
5.3.3	Materials and waste management

The standard UNI 10667-2 sets out requirements and test methods for the characterization of polyethylene intended for various uses from the recycling of industrial residues and/or pre- and/or post-consumer materials. These are materials that replace purchased virgin materials, other than by-products and production waste of the organization.

Industrial by-products are those production wastes that can be managed as goods and not as waste because they meet all the conditions provided for by law (Article 184-bis of Legislative Decree 152/2006).

Packaging - other	UoM	Quantity
Polyester strapping	m	813,500
Polyethylene pipe plugs	number	664,185
Tie rods	number	16,229
Steel strapping	kg	12,641
Polystyrene cylinders	number	3,448
Stretch film (linear low-density polyethylene)	kg	3,352
Round wire CUZN30 SGK	kg	690.06
Wooden slat	m³	666.56
Wooden coils	pieces	2,150
Pallets	pieces	1,624
Plywood panel	pieces	158.73

Wood materials should be considered renewable, otherwise the materials used for packaging Centraltubi products are non-renewable.

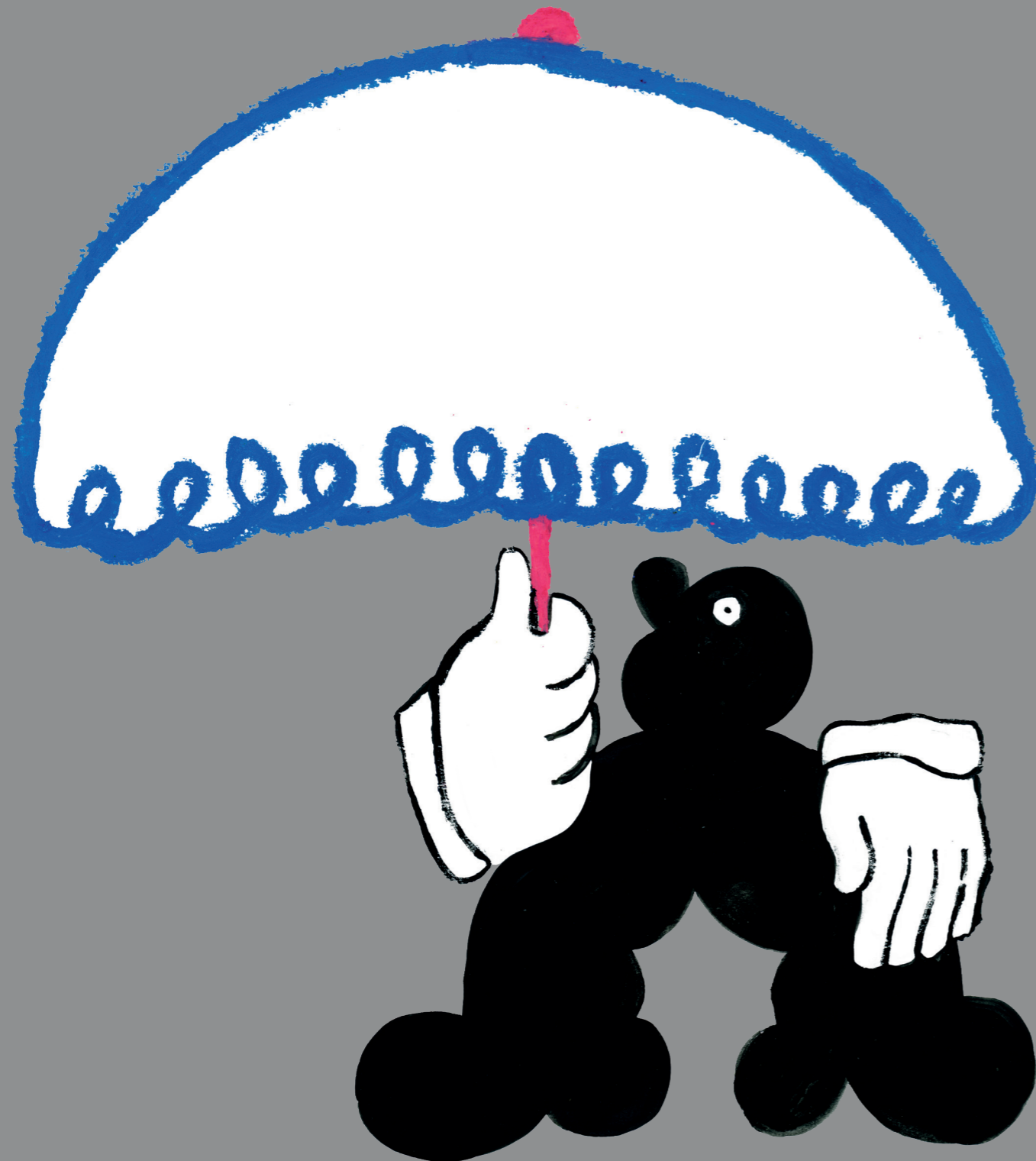
The Organization has a procedure in place to determine data on materials used in weight/volume, where expressed in other units of measurement. The organization has a waste recording and monitoring system through load and unload registers, and support programs for managing movements and inventories. Annually, the Single Environmental Declaration Form (MUD) is submitted.

The following is the situation regarding waste management ›

5	Centraltubi
5.3	Opportunities and topics related to environmental aspects
5.3.3	Materials and waste management

According to GRI standards, the quantity of waste should be calculated in tons. One ton is equal to 1,000 kg.

Non-hazardous waste sent for recycling or recovery (EWC code)	Quantity in kg	Destination
07 02 13 waste plastic	47,970.00	R13
12 01 02 ferrous metal dust and particles	24,770.00	R13
12 01 05 plastic shavings and turnings	6,750.00	R13
15 01 02 plastic packaging	72,800.00	R3
15 01 03 wooden packaging	8,660.00	R13
15 01 04 metallic packaging	110,290.00	R13
15 01 07 glass packaging	134,020.00	R13
16 02 16 components removed from discarded equipment other than those mentioned in 16 02 15	80.00	R13
17 04 06 tin	16,080.00	R13
20 01 02 glass	8,440.00	R13
Total	429,860.00	
Hazardous waste sent for recycling or recovery with EWC code	Quantity in kg	Destination
13 02 08 other engine, gear and lubricating oils	820.00	R13
Hazardous waste sent for disposal with EWC code	Quantity in kg	Destination
15 01 10* packaging containing residues of or contaminated by dangerous substances	12.00	D15
Total waste	430,692.00	
Total waste sent for recycling or recovery	430,680.00	



5.4

The care of our people

GRI Standard	3 - 3
GRI Standard	2 - 7 / 8 / 25 / 30
GRI Standard	401
GRI Standard	403
GRI Standard	404 - 1 / 2a
GRI Standard	405
GRI Standard	406

Centraltubi has 70.975 FTEs, basically unchanged from last year. The number of female workers is unchanged.

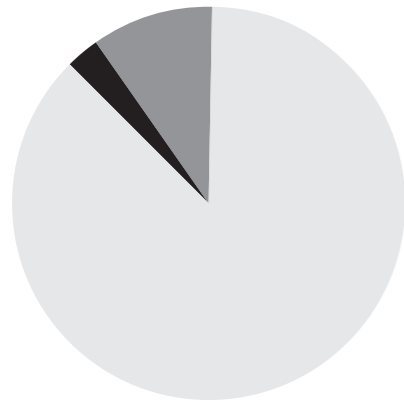
FTE (Full Time Equivalent) defines the total workforce described in terms of "people employed full time" (e.g., 2 people working 50% part time = 1 FTE). The acronym FTE (full-time equivalent) is also used in Italian.

Information about employees (their number is calculated as "full time equivalent" people).

	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees - FTE	64.975	7.000	71.975	63.975	7.000	70.975
Fixed-term employees - FTE	13.450	0	13.450	10.650	0	10.650
No-term employees - FTE	51.525	7.000	58.525	53.325	7.000	60.325
Total employees - FTE	64.975	7.000	71.975	63.975	7.000	70.975
Full-time employees	63.000	7.000	70.000	62.000	7.000	69.000
Part-time employees	1.975	0	1.975	1.975	0	1.975

Centraltubi also guarantees freedom of association for all staff, with the presence of RSA (company trade union representation) in the production unit and maintains open and transparent relations with the main trade unions.

Full-time and part-time employees 2022



Part-time male workers	1.975 / 3%
Full-time female workers	7 / 10%
Full-time male workers	62 / 87%

Type of contract 2022



No-term female employees	7 / 10%
No-term male employees	10.65 / 15%
Fixed-term male employees	53.325 / 75%

All workers at the company are employed and have either a fixed-term or no-term contract. In 2022 Centraltubi did not sign any contracts for temporary agency workers.

5.4.1 Professional development and growth

In 2022 Centraltubi provided a total of 1,486 hours of training (172 hours in 2020 and 1329 hours in 2021).

The hours are divided as follows: mandatory training under articles 36 and 37 of Italian Legislative Decree 81/08 continuing education updates and continuing education under Industry 4.0.

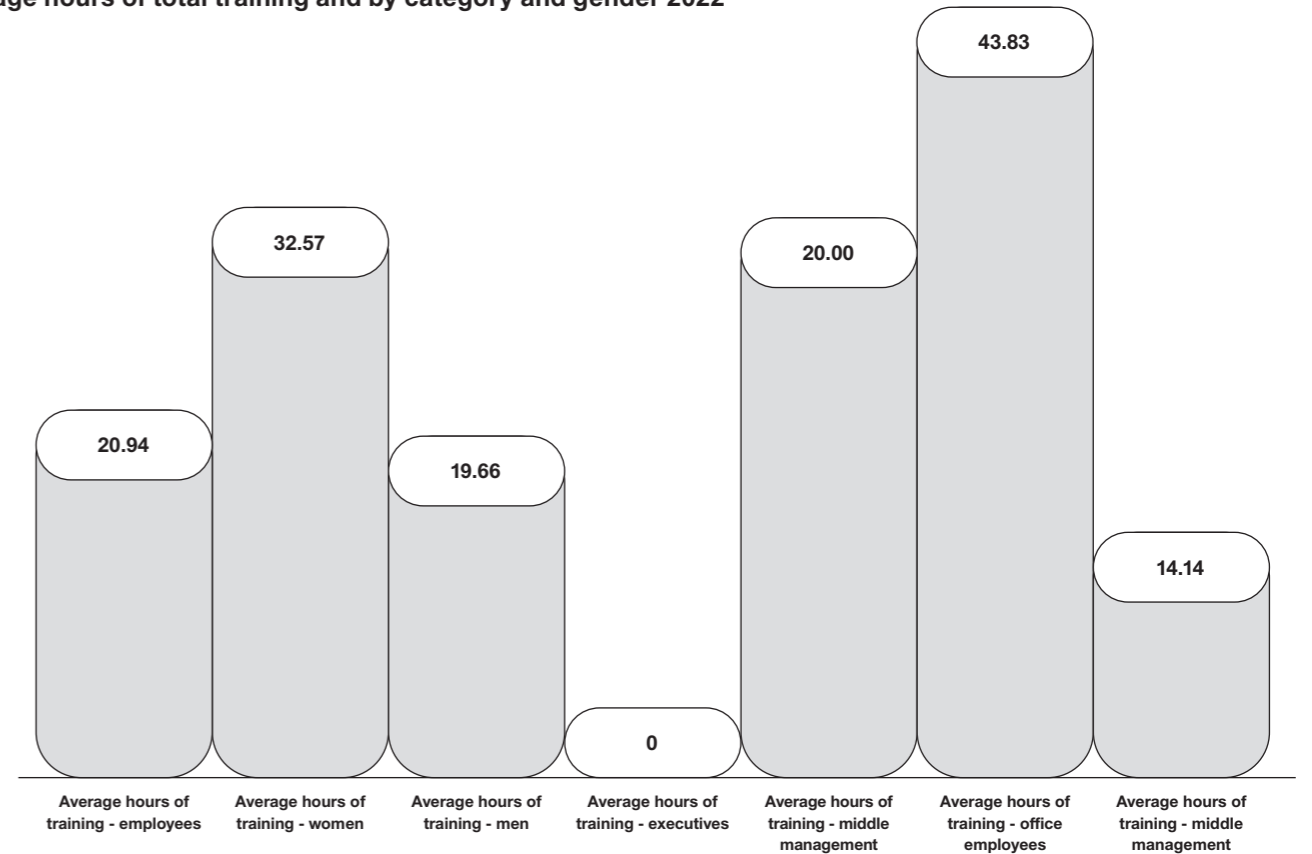
The training activities provided were aimed at having its employees acquire or consolidate their knowledge on the professional use of software that can make production and quality business processes increasingly interconnected. The training course was provided by the training provider Focus Group S.r.l., which is accredited by the Marche Region for continuing and higher education and by the main interprofessional funds for continuing education such as Fondimpresa, Fondo Artigianato Formazione (FART), FonCoop and FONTER.

Training activities are carried out on IT and Industry 4.0.

In 2021 the economic value of training provided at Centraltubi amounted to €26,274.00 while in 2022 it stood at €27,485.86, higher than the previous year.

	2021	2022
Economic commitment to training	€ 26,274.00	€ 27,485.86

Average hours of total training and by category and gender 2022



Centraltubi does not operate transition assistance programs for any employee to facilitate continuity of employment and management of the end of employment after retirement or termination of employment.

Centraltubi does not adopt periodic performance and professional development assessment systems for any employee.

5.4.2 Non-discrimination and equal opportunity

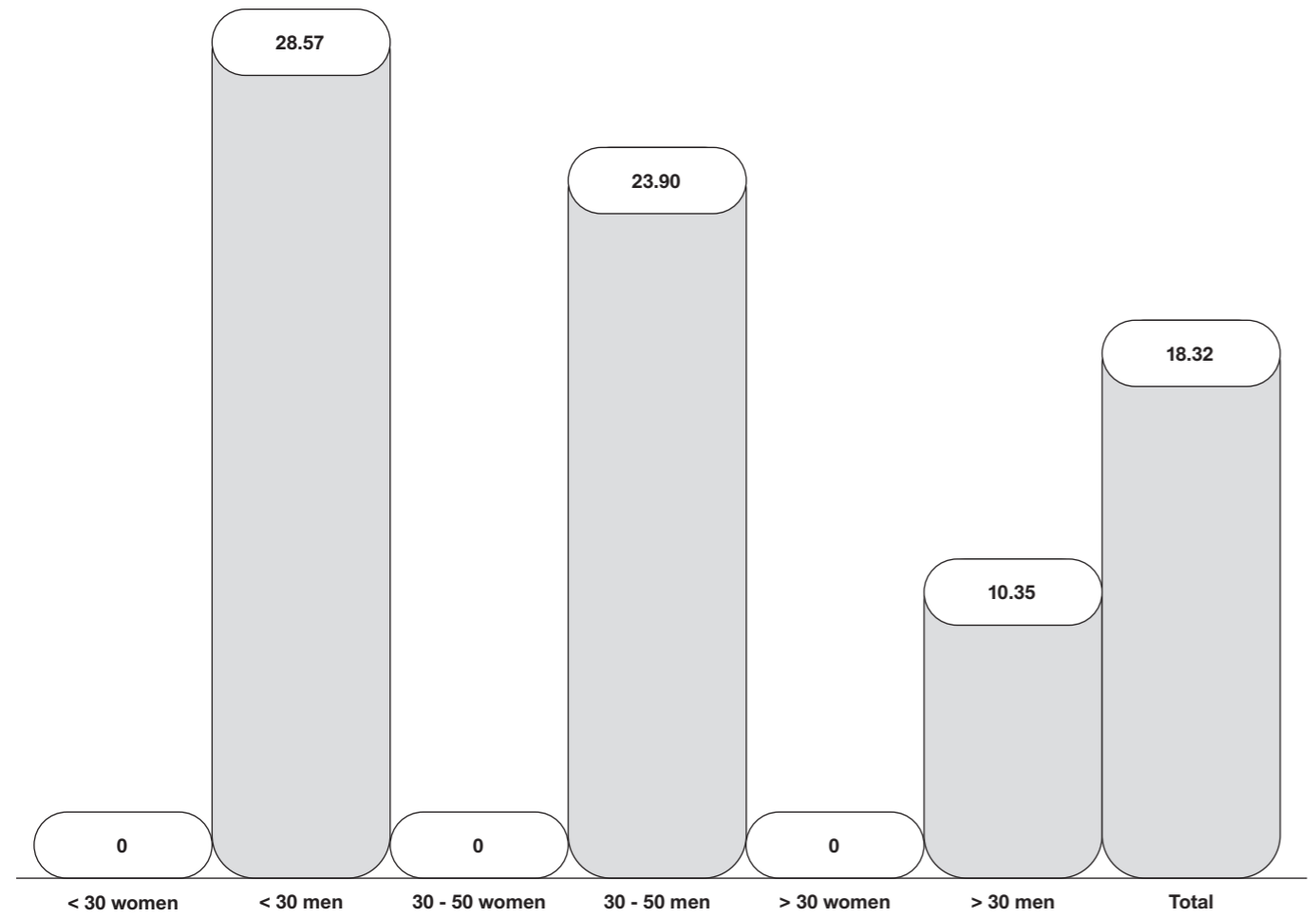
Turnover

Turnover refers to all people who join or leave the company for a number of reasons (retirement, layoffs, decisions to change, etc.).

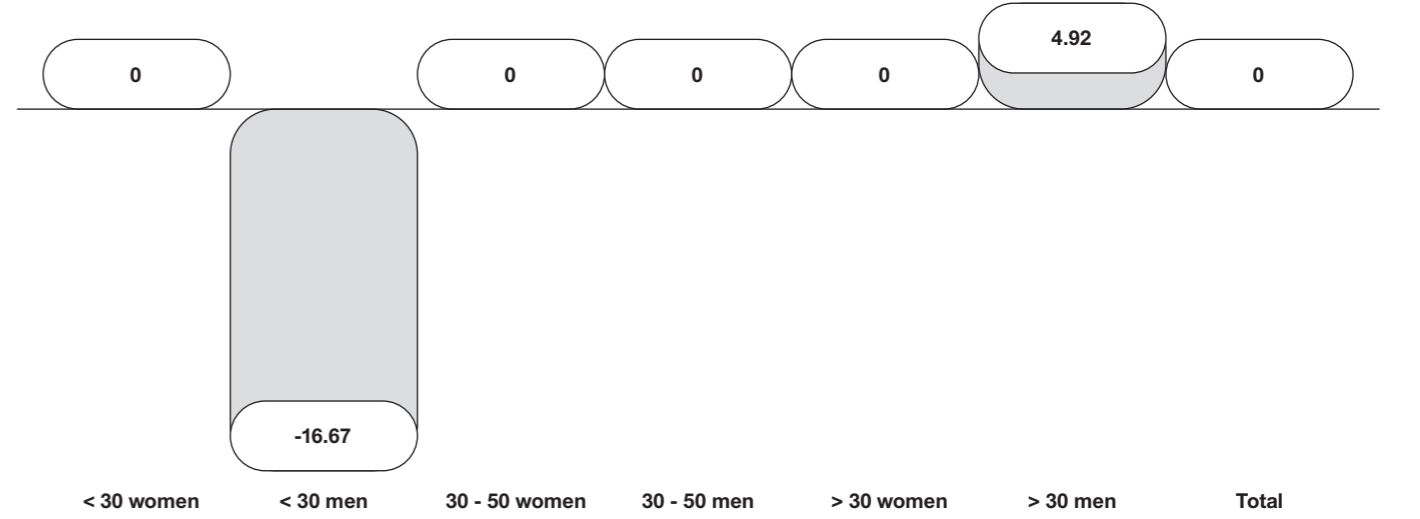
The table shows the inflow and outflow of employees by age group and gender. Overall Turnover Rate means the number of staff who entered the Company.

	Number at beginning of period (FTE)	Average number over the period (FTE)	Number new hires (FTE)	Number of exits (FTE)	¹ Hiring rate (% positive turnover)	² Overall turnover rate (% new hires - exits)	³ Overall turnover rate (% new hires + exits)
< 30 women	3	3	0	0	0.00	0.00	0.00
< 30 men	7	6	2	3	28.57	-16.67	83.33
30 - 50 women	3	3	0	0	0.00	0.00	0.00
30 - 50 men	37.65	37.65	9	9	23.90	0.00	47.81
> 50 women	1	1	0	0	0.00	0.00	0.00
> 50 men	19.325	20.325	2	1	10.35	4.92	14.76
Total	70.975	70.975	13	13	18.32	0.00	36.63

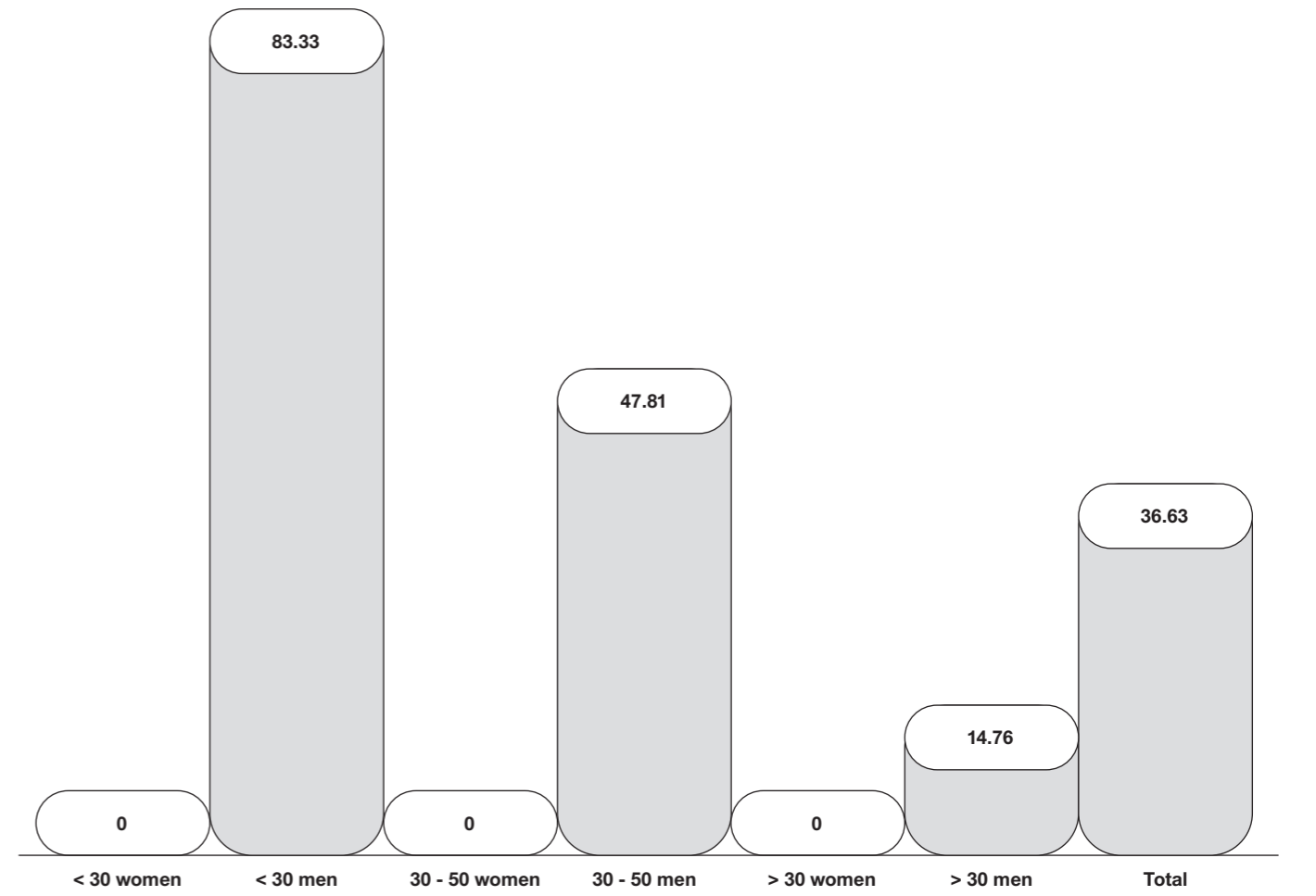
¹ Hiring rate



² Overall turnover rate (new hires - exits)



³ Overall turnover rate (new hires + exits)



Hiring rate is calculated as staff entering the Company/staff at the beginning of the period x 100. The overall turnover rate is calculated either by the formula new hires - exits/average number of employees in the period x 100 or by the formula new hires + exits/average number of employees in the period x 100.

Parental leave

In 2022, at Centraltubi, no employee was eligible for parental leave.

Equal opportunity

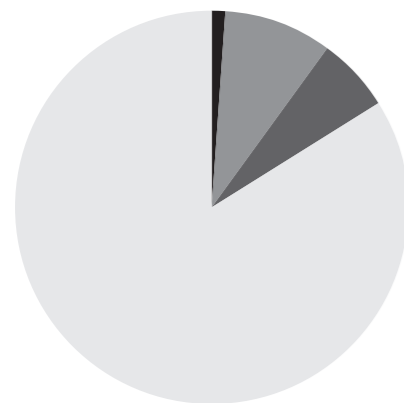
The term “equal opportunity” is used to refer to the legal principle, enshrined in the Italian Constitution, which aims to remove all sorts of “discriminatory” obstacles from the participation of individuals in social, economic, political and labor life. It is therefore a condition of substantive equality and parity introduced to ensure “equal treatment” for all people and to prevent forms of discrimination on the basis of certain aspects (gender, age, sexual orientation, ethnicity, disability, religious and political orientation, etc.).

Centraltubi recognizes “equal opportunity” and eliminates all kinds of discriminatory differences in access to and participation in the social, economic and political dimensions of company life.

All people working at the company are hired under National Collective Labour Agreements; salaries, therefore, are not affected by gender or other parameters not provided for in the regulations.

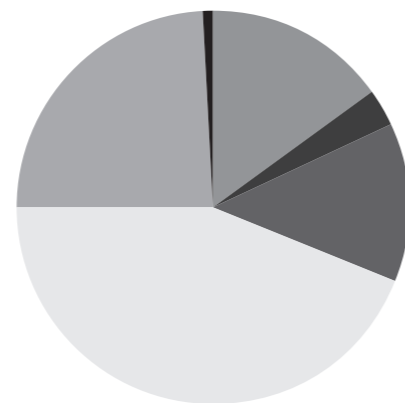
The criteria for assigning or granting benefits to staff do not concern the type of contract (fixed-term/no-term, full-time/part-time and other parameters such as gender and age).

Staff by qualification and gender in percent



Female middle management	0.70%
Office employees - women	6.34%
Office employees - men	8.91%
Male workers	84.04%

Staff by qualification and age group

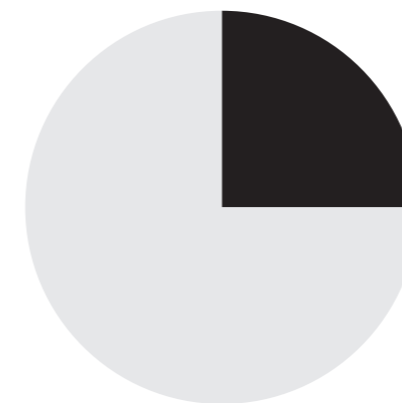


Middle management 30-50 y/o	1 / 1%
Office employees - 30-50 y/o	2 / 3%
Office employees > 50 y/o	9 / 13%
Office employees < 30 y/o	11 / 15%
Workers 30-50 y/o	17 / 24%
Workers < 30 y/o	31 / 44%

Remuneration of all people hired at the Company refers to national collective bargaining agreements (Rubber Plastic Industry). Any other forms of remuneration are not defined on the basis of criteria such as gender or age.

Composition of the Centraltubi Board of Directors			
Marina Boscarini	> 50	F	Chair of the Board of Directors and CEO
Emiliano Boscarini	30 - 50	M	Deputy Chair of the Board of Directors and CEO
Emanuele Boscarini	30 - 50	M	CEO
Andrea Romeo	30 - 50	M	Director

Equal opportunity - board members by gender



Board members - women	1 / 25%
Board members - men	3 / 75%

Centraltubi's Board of Directors consists of one woman and three men.

Non-discrimination

No incidents of discrimination of any kind have occurred or have been reported at Centraltubi.

5.4.3 **Occupational health and safety**

System Group places great emphasis on management systems related to the protection of occupational health and safety (OSH) and pursues the goal of adopting systems in accordance with ISO 45001.

The objective that the Group pursues by adopting these systems, along with due compliance with the requirements of Italian Legislative Decree 81/08, is substantial: utmost protection of the health and safety of employees must be ensured, with special attention to those employed in the production process.

5

5.4

5.4.3

Centraltubi

The care of our people

Health and safety at work

The adoption of the 231 Model (pursuant to Italian Legislative Decree 231/2001) has further emphasized the attention and care in monitoring the procedures provided for by the current regulations on health and safety of workers. Thanks to the periodic checks by the certifying bodies and the Supervisory Board, the systems are constantly monitored and updated.

The occupational health and safety system makes reference to the so-called "Consolidated Occupational Safety Act," i.e., Italian Legislative Decree 81/2008, which establishes the ways through which preventive actions must be mandatorily put in place and, more generally, how and what measures need to be taken to improve these aspects of working life.

Risk assessment

The methods of hazard identification, risk assessment, and the safety measures adopted to minimise workers' exposure to various hazards are addressed within the company's Risk Assessment Document (DVR). This document considers work activities, work organization, human resources, work areas, equipment and machinery used, and materials employed. The analysis methodology involves several stages of data acquisition, evaluation and processing leading to the assignment of a single risk value (severity by frequency) for each risk. Based on this value and the acceptance criteria, preventive and protective measures are established to reduce the risk to a tolerable acceptance level.

Health surveillance

The health protocol is the fundamental tool through which the company implements health surveillance, contributing to the prevention of occupational diseases and injuries that may occur in the workplace. It is defined by the Company Physician based on the results obtained from the risk assessment and aims to keep the health of workers under control. The health protocol contains the clinical/instrumental exams that workers should do at specific intervals, based on the type of work carried out and the risks involved, and is continuously updated, when changes occur or when the risk assessment in the company is updated.

Periodic meetings as per article 35 of Italian legislative decree 81/08

In accordance with article 35 of Italian Legislative Decree 81/08, the meeting for sharing safety aspects and issues is organized once a year. The Employer or his delegate, the H&SO, the company physician and the workers' safety representative (RLS) are invited to attend the meeting.

The following issues are considered at the plenary meeting:

- risk assessment document
- trends in injuries, occupational diseases and health surveillance, technical characteristics and effectiveness of personal protective equipment
- worker information and training programs for safety purposes.

At the end, behaviors and best practices for risk prevention and improvement goals are identified.

Other consultations among safety contact persons are carried out during the company physician's inspection of workplaces.

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5.4

5.4.3

Centraltubi

The care of our people

Health and safety at work



Injuries and near misses

The company collects data on injuries and “near misses” to analyze their causes and assess the possibility of making corrections and improvements. Incident analysis is routinely carried out for injuries occurring to workers with more than 30 days of first prognosis or whose dynamics are in need of further investigation. The analysis stages consist of:

- Collection of all elements necessary for defining the event (data, statements, documents, photos, etc.).
- Analysis of elements and identification of causes
- Final description of the dynamics of the incident and analysis of the causes
- Conclusions and identification of actions to be taken.

These actions may include technical measures such as structural works on plant, machinery and/or equipment, organizational measures, procedural measures to regulate workers’ behavior, training and information measures, and review of the risk assessment.

Education, information and training

The company implements and maintains a procedure in place so that the people who work for it directly, or on its behalf, are aware and competent at all times. The DVR identifies the main tasks within the company; these tasks are also the basis for identifying training needs in relation to its occupational health and safety risks and its management system. Education, information and training are provided by taking all necessary actions to meet these needs, and documented information is kept.

System Group has adopted a new computerized system for managing health and safety-related compliance.

By availing itself of collaboration and partnership with qualified training institutions, the main objectives of preserving the quality of lessons, ensuring participants’ full involvement and effective interactivity with teachers are achieved, to continue to increase internal expertise and foster its human resources.

For all newly hired employees, induction paths are defined, both theoretical and practical with on-the-job mentoring, tailored to the role, on issues concerning safety, the environment, workers’ rights, and the code of ethics, in accordance with legal requirements and the integrated management system. The management system provides for mandatory training and education upon hiring and job change.

In addition to mandatory training, additional training is established, following events such as injuries and near misses, nonconformities found by field checks, new activities to be carried out, and evaluation of workers’ skills. Training is not only delivered during the induction of staff into the company, but also covers continuing education in order to foster professional growth and individual motivation.

The occupational health and safety management system covers all people who happen to work within its scope.

In 2022, there were **126,560** hours worked at Centraltubi compared to 125,255 in the previous year. There were **3** injuries, down from 2020, which recorded 7, and 4 in 2021.

	2021	2022
Hours Worked	125,255	126,560
Total injury days	236	60
No. of total injuries	4	3
1 Frequency Rate - GRI / UNI 7249	31.9	23.7
2 Severity Rate - UNI 7249	1.62	0.14
Severity Rate - GRI	0	0
Rate of Fatalities	0	0

The **Frequency Rate** is calculated in the same way according to both **GRI Standards** and in accordance with **ISO Standard 7249:2007** (used by INAIL) and refers to recordable injuries, excluding fatalities, that have occurred. Commuting incidents occurring on the journey to and from work are not counted as they are not managed by the organization. The calculation involves the following formula: **no. of injuries x 1,000,000/hours worked.**

In accordance with standard ISO 7249:2007 (used by INAIL in Italy), the **Severity Rate** relates the days not worked due to injury to the number of hours worked. The calculation involves the following formula:

no. of days not worked due to injury x 1,000/hours worked.

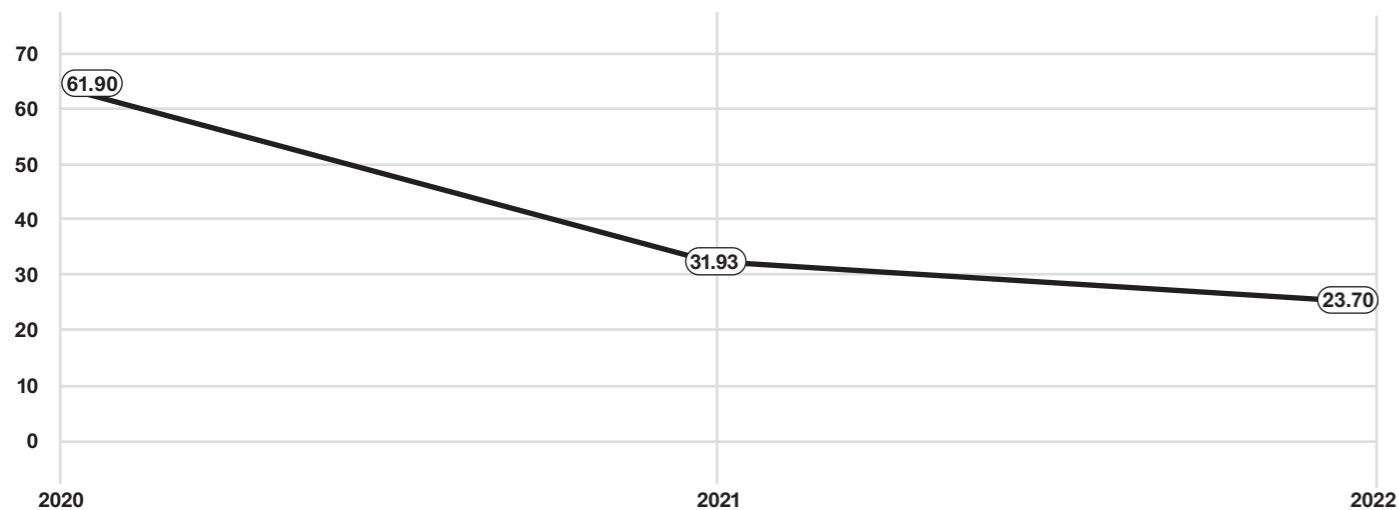
In accordance with the GRI Standard, the Severity Rate relates the number of serious injuries (with prognosis greater than 180 days) to hours worked. The calculation involves the following formula: **no. of serious injuries x 1,000,000/hours worked.**

In accordance with the GRI Standard, the Rate of Fatalities relates the number of fatalities to hours worked. The calculation involves the following formula: **no. of fatalities x 1,000,000/hours worked.**

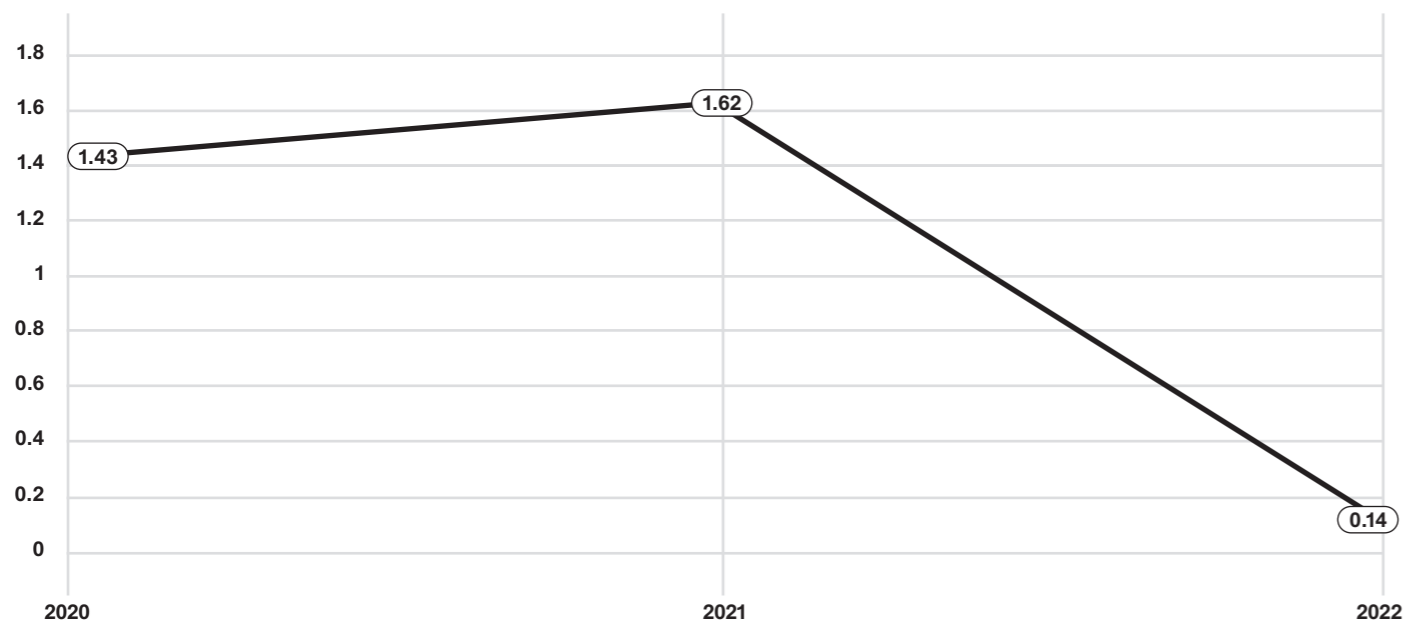
Also in 2022, as in the previous year, incidents occurred in production and were identified as - *low severity* - (B), were mostly caused by carelessness, inappropriate behavior or chance events. It does not appear possible to determine a common reason or context. The Company has, in any case, **initiated actions** to improve the level of employee safety through employee awareness, with new education and more in-depth training in the use of work tools (on cutting tools, winder use, taping replacement). The company states that an injury occurred between 2021 and 2022 (started on 13/10/2021 and ended on 01/02/2022, first day of work 02/02/2022). The employee sustained a fracture of the distal phalanx of the third finger of his right hand due to distraction in handling the extruder. In addition to the 29 days related to the 3 injuries in 2022, the 31 days that also occurred in 2022 but related to the 2021 injury were also calculated.

5	Centraltubi
5.4	The care of our people
5.4.3	Health and safety at work

1 Frequency Rate Calculation - GRI / UNI 7249



2 Severity Rate Calculation - UNI 7249



In 2021 and 2022, no injuries with prognosis of more than 180 days occurred at Centraltubi.

In the years 2020, 2021 and 2022, there were no fatalities due to injury.

No cases of occupational diseases occurred or were reported.

5	Centraltubi
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5.5 GRI Content Index

GRI Standard 1 - 7

Centraltubi S.p.A. reports about its sustainability in accordance with GRI Standard 2021 for the period 01.01.2022 - 31.12.2022. GRI 1: Foundation 2021 is used.

GRI Standard / other source	Disclosure	Chapters	Page
GRI 2 General Disclosures 2021	2-1 Organizational details	1	32
	2-2 Entities included in the organization's sustainability reporting	1	32
	2-3 Reporting Period, Frequency and Contact Point	5	75
	2-4 Restatements of information	6	75
	2-5 External assurance	7	75
	2-6 Activities, value chain and other business relationships	1	32
	2-7 Employees	4	61
	2-8 Workers who are not employees	4	61
	2-9 Governance structure and composition	1	32
	2-10 Nomination and selection of the highest governance body	1	32
	2-11 Chair of the highest governance body	1	32
	2-12 Role of the highest governance body in overseeing the management of impacts	1	32
	2-13 Delegation of responsibility for managing impacts	1	32
	2-14 Role of the highest governance body in sustainability reporting	1	32
	2-15 Conflicts of Interest	6	
	2-16 Communication of critical concerns	1	32
	2-17 Collective knowledge of the highest governance body	1	32
	2-18 Evaluation of the performance of the highest governance body	1	32
	2-19 Remuneration policies	Omitted	
	2-20 Process to determine remuneration	Omitted	
	2-21 Annual total compensation ratio	Omitted	
	2-22 Statement on sustainable development strategy	Letter from the Chair and 1.4	28, 32
	2-23 Policy commitments	Letter from the Chair and 1.4	28, 32
	2-24 Embedding policy commitments	1	32
	2-25 Processes to remediate negative impacts	2, 3 and 4	47, 51, 61
	2-26 Mechanisms for seeking advice and raising concerns	1	32
	2-27 Compliance with laws and regulations	1	32
	2-28 Membership associations	1	32
	2-29 Approach to stakeholder engagement	1	32, 45
	2-30 Collective bargaining agreements	4	61
GRI 3 Material Topics 2021	3-1 Process to determine material topics	1, 6	32, 45
	3-2 List of material topics	1	45
	3-3 Management of material topics	2, 3 and 4	47, 51, 61

Omissions			Explanation
Requirements omitted	Reasons		
2-19 Remuneration policies	Confidentiality		
2-20 Process to determine remuneration	Confidentiality		
2-21 Annual total compensation ratio	Confidentiality		
201-2 Financial Implications and Other Risks and Opportunities Resulting from Climate Change	Information not available / incomplete		Centraltubi did not conduct any "SWOT" analysis for climate change in 2022.

GRI standards with an asterisk () have been dealt with for applicable disclosures.*

Relevant topic	GRI Standard / other sources	Disclosures covered	Chapter	Page
Economic performance and anti-corruption	GRI 201 - Economic Performance 2016*	1 / 4	Chap. 2	47
	GRI 205 Anti-Corruption 2016	All	Chap. 1	32
Energy and emissions - Fight against climate change	GRI 302 Energy - 2016*	302-1 / 2 / 3 / 4	Chap. 3	51
	GRI 303 Water and Effluents - 2018	All	Chap. 3	51
	GRI 305 Emissions - 2016	All	Chap. 3	51
Materials and waste management - Circular economy	GRI 301 Materials - 2016	All	Chap. 3	51
	GRI 306 Waste - 2020	All	Chap. 3	51
Health and safety at work	GRI 403 Occupational Health and Safety - 2018	All	Chap. 4	61
Knowledge management	GRI 404 Training and Education - 2016*	404-1 / 2a	Chap. 4	61
Employment, non-discrimination, equal opportunity and welfare	GRI 401 Employment - 2016	All	Chap. 4	61
	GRI 405 Diversity and Equal Opportunity - 2016	All	Chap. 4	61
	GRI 406 Non-discrimination - 2016	All	Chap. 4	61

Not applicable

Disclosures	Explanation
Disclosure 201-3 Obligations Concerning Defined Benefit and Other Pension Plans	The Company does not prepare pension plans because such treatment is paid for by national institutions
Disclosure 302-5 Reductions in energy requirements of products and services	The Company's products have no energy requirements
Disclosure 404-2 404-2 Programs for upgrading employee skills and transition assistance programs b) Transition assistance programs to facilitate employability and management of the end of employment due to retirement or termination	These activities are not implemented at the Company.
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	At the company, employees do not receive periodic performance evaluations.

Methodological Note

GRI Standard 1
 GRI Standard 2 - 3 / 4 / 5

This Sustainability Report, version dated 30/08/2023, covering the reporting year 2022, is the second published by Centrltubi S.p.A. It was prepared and drafted in accordance with the **Consolidated Set of the GRI Standards 2021**.

The Sustainability Report 2022 has undergone third-party assurance by the certification body Istituto Italiano dei Plastici.

Compared with previous reporting, some revisions in disclosures, described below, have been made against an improved calculation process and revised sources for a number of coefficients/factors.

The reporting **scope** of qualitative and quantitative data and information, including economic and financial data and information, contained in the Sustainability Report specifically refers to the performance of Centrltubi S.p.A. for the **reporting period 2022 (01.01.2022 - 31.12.2022)**. For comparative purposes, figures for the period 2021 are presented where available.

The preparation, drafting and publication of the Sustainability Report represent voluntary activities and have regular **annual intervals**. The **reporting period** is the year, defined as the **“calendar year.”**

For all **material topics**, as defined by due diligence, the Organization defines objectives within the framework of its sustainability strategy, as well as risks and opportunities for its declination and application.

All information provides a consistent picture inherent in “impacts”; *both positive and negative effects* are considered and reported. The emphasis on various report topics reflects their relative priority.

This Sustainability Report describes in detail the data with their respective units of measurement, defining their basis and the possibilities for consultation and verification; it also establishes what the data described are intended to demonstrate.

This document contains a summary index of information related to the different areas covered (GRI Content Index) and reported according to GRI Standard 2021 in such a way as to allow traceability of indicators and other quantitative and qualitative information presented within the Sustainability Report.

Any specific techniques and tools used are also explained.

Other paper or digital documents may also report the data, information and contents of the Sustainability Report in summary form. Each document above provides the information to use the full version.

For the *GRI Standard - 305 Emissions - 2016*, the Sustainability Report combines, in part, Disclosures 305 - 1 and 305 - 2.

The description of positive and negative impacts, such as information on their management, is included at the beginning of Chapters 2, 3 and 4 devoted to the economic and governance, environmental and social areas, respectively.

The Organization's highest governance body is responsible for reviews and approval of reported information, including relevant topics.

The terms **“Boscarini Group”** and **“System Group”**, referred to in the Sustainability Report 2022, are not legal entities, but are designations used to identify the shareholding and business identity, respectively.

Boscarini Group refers to all the companies whose shares are held directly or indirectly by members of the Boscarini Family. The representation of the Group and shareholding is documented in the introductory part of the Sustainability Report.

5	Centraltubi
5.6	Methodological Note

System Group is the brand including, on a commercial and marketing level, the companies of the Boscarini Group. This name allows for the unambiguous recognition of the Companies and strengthens their image in the market as it characterizes their identity and belonging.

The **Strategic Management Committee (CDS)** is a corporate governance body composed of members of the Boscarini Family currently involved in the management of the companies and in which they hold shares, as well as a number of employees who occupy key roles within the various companies.

Said CDS meets at least weekly and where necessary, more frequently.

The CDS guides the choices and activities for sustainability of both System Group and the individual companies. Therefore, conflicts of interest are prevented.

The **Sustainability Team** consists of employees and external consultants. Employees belong to the Technical area, Marketing area, and Administration and Control. One consultant takes care of regulatory compliance aspects, while the other follows environmental topics. The Team meets periodically for the purpose of drafting the Sustainability Report. Throughout the year, the Team and Corporate Management analyze the progress of projects related to the ESG areas and set guidelines for future investments.

Information was reported by assessing relevant impacts that can currently be measured with some degree of accuracy (or estimated) and that may fall under the responsibility or influence, even partial, of the company.

Assumptions and methodologies underlying the calculations made

The company's economic position

Economic information is represented according to the matrix of the Financial Reporting Working Group (GBS Standard 2013).

Opportunities and topics related to environmental aspects

With regard to information pertaining to environmental topics, emission factors for calculating direct emissions (scope 1) from the Company's stationary combustion and factors for calculating energy consumption (PCI) were acquired from the Italian National Standard Parameter Table for the year 2022 "...UNFCCC National Inventory," which can be found at the link:

<https://www.ets.minambiente.it/News#272-pubblicazione-parametri-standard-nazionali-anno-2022>.

For automotive diesel fuel, the emission factor given by the UK Government GHG Conversion Factors for Company Reporting 2021 and 2022 was considered, as for heavy fuel oil.

This information can be found at the links:

2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049333/conversion-factors-2021-full-set-advanced-users.xlsm

5	Centraltubi
5.6	Methodological Note

2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083855/ghg-conversion-factors-2022-full-set.xls

Fuel	Emission factor		Unit of measurement
	2021	2022	
Natural gas (methane)	1.983	1.991	tCO ₂ / 1000 Stdm ³
Diesel fuel (100% mineral diesel)	2.70553	2.6988	kgCO ₂ eq / l
Fuel oil for ships	3.10669	3.10669	kgCO ₂ eq / l

In calculating transportation emissions, in the absence of further details on the fleet of vehicles used for product delivery, the reference considered is the articulated vehicle for heavy loads in the > 33-ton load range (Articulated > 33 ton - diesel) with a medium load class, according to the UK Government GHG Conversion Factors for Company Reporting reference table

GHG emissions for road transport (Business Travel Land) 2021	916.48 gCO ₂ eq/km
GHG emissions for road transport (Business Travel Land) 2022	930.04 gCO ₂ eq/km

Similarly, for the vehicles used by employees, a generalization was made in defining the reference emissions. Specifically, considering the UK Government GHG Conversion Factors for Company Reporting 2022 reference table, a diesel-powered upper-medium category car was taken as the reference:

Category	Passenger cars
Fuel	Diesel
Segment	D
GHG emission factor 2021	159.55 gCO ₂ eq/km
GHG emission factor 2022	161.97 gCO ₂ eq/km

The following reference values taken from 2021 Global Ocean Container Greenhouse Gas Emissions Intensity Clean Cargo October 2021 and in collaboration with BSR were considered in calculating emissions for maritime transport

(<https://www.bsr.org/>)

found at the link:

<https://smartfreightcentre.org/en/our-programs/clean-cargo-1/clean-cargo/>

The reference document in the link above, containing data for the year 2022, was published after the report was prepared, so the coefficients available at that time were used.

Average and aggregate Clean Cargo emission factors by trade routes		
Route	CO ₂ emissions by trade route (gCO ₂ eq / TEU* / km)	
	Utilization Factor 70%	
	2021 (2020 figure)	2022 (2021 figure)
Intra Mediterranean	134.3	148.2

TEU: "Twenty Foot Equivalent Unit": Unit equivalent to 20ft container, length 6m usable volume 33 m³, maximum load capacity 21600 kg

As a precaution, the calculation was carried out using the minimum utilization factor also considering the low weight/volume ratio of plastic pipe loads by taking the emissions for the Intra Mediterranean route as the reference value.

Calculation assumptions should be explored in depth with cargo service providers and possible insights into transport improvement and optimization should be verified.

In general, due to the intrinsic characteristics of the activity, the calculation, although performed to the best of our ability, can only be considered an estimate. Verification of the impact of indirect emissions is performed by analyzing the supply documents (Codes: CF) for upstream transportation and distribution activities and delivery documents (Codes BE, BI, BN, BS); based on the origin/destination of the goods a distance in kilometres is associated with each document to determine the emissions according to the indicated coefficients. The calculation results in an overestimate because it does not consider the actual volume or weight transported, but only the distance in kilometres of the origin or destination of the goods indicated by the transport document.

Total Scope 2 "market based" indirect emissions were calculated for 2021 and 2022 by applying the emission factor given by European Residual Mixes, Association of Issuing Bodies. Below are the links.

2021	2022
European Residual Mixes 2021, Association of Issuing Bodies	European Residual Mixes 2022, Association of Issuing Bodies
https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf	https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf
Table 2	Table 2
456.57 gCO ₂ eq / kWh	457.15 gCO ₂ eq / kWh

For the location-based calculation of emissions from electricity consumption, the emission factor provided by ISPRA - Atmospheric Emission Factors of Greenhouse Gases in the Domestic Electricity Sector and Major European Countries, Report 386/2023, Table 1.13 was used (gross electricity generation)

www.isprambiente.gov.it/files2023/pubblicazioni/rapporti/r386-2023.pdf

2021	2022*
267.90 gCO ₂ eq/kWh	308.9 gCO ₂ eq/kWh
*Preliminary estimate	

For the purpose of calculating the emission factor of refrigerant gas R407C, it is composed of the following mixture of hydrofluorocarbons (HFCs): HFC-32 at 23%, HFC-125 at 25% and HFC134a at 52%. The global warming potential (GWP) of the constituent gases of the mixture according to EU Regulation No. 517/2014 results in 675, 3,500 and 1,430, respectively, with a GWP of the weighted average of 1,773.85, rounded to 1774.

Water

The manager of the integrated water service is Marche Multiservizi. Sources of supply to the municipalities of Lunano and Piandimeleto: spring (Carpagna) and wells (Lunano). Source: General Regulatory Plan of Waterworks of the Marche Region and AATO1.

Water Stress Marche 2022: The territory of AATO1 in which the municipalities of Lunano and Piandimeleto fall is classified as at low water severity.

The estimation of wastewater assimilated to domestic sewage discharged by System Group companies is done by applying environmental engineering criteria considering an average consumption for production and office staff. Specifically, a water supply per worker of 40 l/day was considered, 60 l/day for companies with bathrooms equipped with showers. While for office employees, an average daily sanitary consumption of 20 l/day of drinking water was considered. Average working days for each category are calculated by considering 252 working days for 2022, recalculated taking into account type of contract (full time or part time) and any breaks in the employee's employment in the year in question. The coefficient of reduction of the share of discharged water to the per-capita water supply is assumed to be 0.8.

The care of our people

Regarding Chapter 4 on human resources, it is clarified that additional indicators were used to report on injury trends. Said indicators are described in detail in the text.

Two formulas have been presented for the overall turnover rate: one formula is calculated as follows: *entries + exits / average staff units over the period*, the other: *entries - exits / average staff units over the period*.

These two methods are used to distinguish a simple turnover of a certain number of personnel, for example, 7.5% entries and 7.5% exits, from an event considered 'in literature' as critical, such as the exit, in close succession, of 15% of the people employed in an organization.

Injury and parental leave trends were described by explaining the real influence of the information on reporting, considering that the reporting standards require information that does not necessarily have to cover a one-year period.

Stakeholder Engagement

Also in line with the guidelines of the new directive on corporate sustainability reporting, thanks to the parameters described in the table presented in Section 1.5, stakeholder management starts from the observation of what happened in the previous reporting period.

Examining the above table, each stakeholder category was defined according to three parameters described below.

Influencers/influenced parties

The relationship with the Company is marked by mutual influences; however, it may be that the levers of influence are not equally distributed between the two parties. Government agencies decisively influence corporate activity to the extent that they generate (sometimes even force) systemic transitions. The individual company, conversely, may have little or no influence on the policies of the governance body. Similarly, lending institutions can exert pressure for the Company to become resilient.

Speaking of lending institutions, it should be borne in mind that they "impose" forms of dialogue and content of the relationship with the Company through surveys and questionnaires, which in themselves represent a flow of information that this type of stakeholder assesses as adequate. Therefore, this assessment was made for each stakeholder category.

Outside-in / inside-out impacts

Staying with the example of credit institutions, it is evident from the documents sent to the companies that their interests are focused on aspects that, if poorly managed, could cause reputational damage to the company, and on resilience, that is the Company's ability to cope with impacts from the socioeconomic context. In this period, the second topic is gaining increasing importance because wars and pandemics have made the context much more volatile and unpredictable. Therefore, the most important question today is "...has the company done everything necessary to successfully stay in the market?" Therefore, it can be said that the most relevant impacts for lending institutions concern, precisely, the reaction and what happens "outside" the company, influencing it.

Conversely, local government bodies may be affected by "inside - out" impacts such as care for the environment or value distributed throughout the territory (an aspect that has also been underestimated in past surveys). Therefore, this assessment was made for each stakeholder category.

Social/environmental/economic impacts

Each stakeholder focuses on one or more sustainability areas: employees on "health and safety," lending institutions on the economic and governance spheres. Therefore, this assessment was made for each stakeholder category.

The general situation of the existing forms of communication and those that can be activated has also been evaluated.

We have already covered the surveys of credit institutions. Then some forms/opportunities for dialogue should also be considered.

- ISO 9001 requires customer satisfaction surveys; these surveys may also cover some sustainability aspects.
- Supplier selection activities, again provided for in ISO 9001, may involve exchanging information and establishing criteria for approval that relate to certain sustainability aspects.

Mandatory Health and Safety regulations provide the opportunity to ask questions or make comments in relation to this topic, which is certainly among—if not—the most important of the "social" issues.

Based on all these inputs, the forms of dialogue to be initiated in 2023 were identified and described for each type of stakeholder.

A positive escalation was also assumed in the dialogue. For example, with credit institutions, it is reasonable that the dialogue matures and moves from responding to surveys to a form of sharing strategic plans for sustainability (co-design).

Stakeholders consulted through interviews implicitly and explicitly confirmed the adequacy of the adopted indicators.

Assessments for the definition of material topics

This analysis deals with the context in which Centraltubi S.p.A., Italiana Corrugati S.p.A., Pebo S.p.A. and Rototec S.p.A., operate, and their actual and potential negative impacts and positive impacts.

It also takes into account the opinions of stakeholders in its relationship with the companies mentioned above.

To determine the material topics, in the absence of a *sector standard*, the following was done:

1. the specifics of business activities and processes were assessed;
2. feedback was sought on the importance of a number of issues in national binding legislation;
3. a benchmark survey of other companies that use plastics in their operations was conducted.

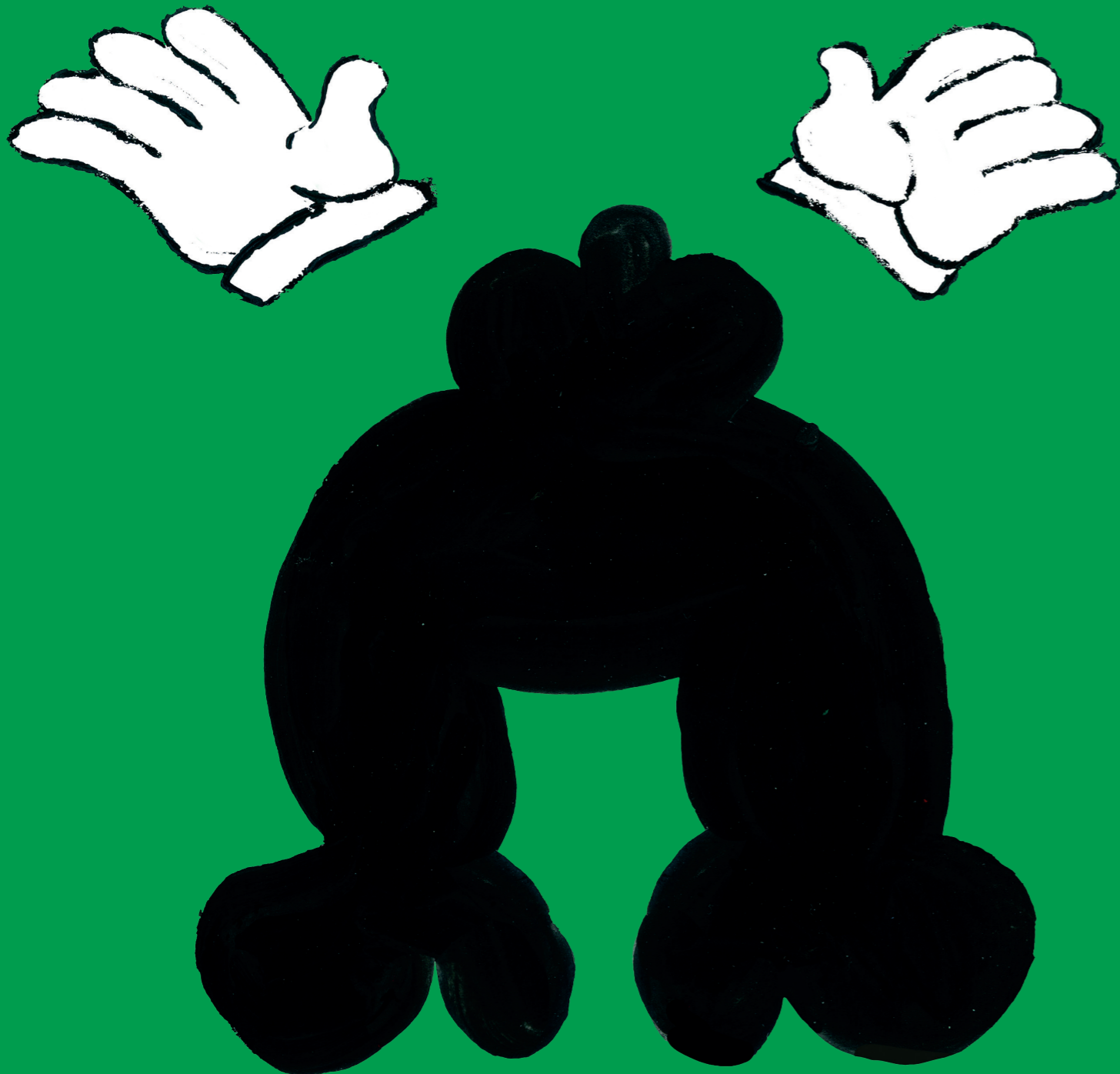
The material topics were determined by reviewing the information collected.

Processes, activities and value chain

For manufacturing companies, the management of company processes involves significant energy consumption with consequent emissions (especially CO₂eq), while impacts on water resources are not particularly significant. This is because the water used for cooling in production activities is in a closed circuit.

From the perspective of impacts, the management of waste, the recovery of production residues, and the use of recycled materials are significant topics.

ITALIANA CORRUGATI



Letter from the Chair to Stakeholders

GRI Standard 2 - 22 / 23

My first thought goes to my father Alvaro, who passed away in early 2022, founder and enlightened genius, capable of creating a Group that year after year has confirmed its solid and strong roots in the local community.

The year that has just ended therefore opened with a deep sense of sadness and bewilderment, and prompted all of us, from the family, to all of our employees, to commit ourselves and continue on the path that Alvaro traced over these more than 40 years.

The legacy he left us is impressive and full of expectations and hope for the future.

The commitments we are making today follow the course of continuity and the guidelines that my father consistently set out for us over all these years.

At the helm of the Group companies today are all members of the family, and in the various Management Committees, the employees who have contributed to the growth and success of our Group over the years.

The path we have taken on sustainability issues, is in its second year of reporting, but initiatives aimed at compliance with ESG issues have been in place for several years and are part of our daily activities.

We have always placed our employees and the surrounding economic, social and cultural landscape at the centre of attention in the hope of being an active and positive part of its evolution.

The responsibility we have and feel toward all our stakeholders is great and drives us to continuously improve ourselves in our daily practices, so that nothing is left to chance along our path of growth and development and our way of doing business is a source of balance and well-being for people and the territory.

Last year we started this voluntary process of reporting on how we understand sustainability, and the financial statements of three of our Companies were audited through a third-party assurance process.

This year we have included another Group Company in this virtuous cycle, with new material topics to report on, and which gives us the opportunity, along with the others already examined, to represent most of our Group's business models, which range from the production of specific manufactured goods for the transport of

fluids, to their storage, to the recovery and recycling of production materials, to services supporting the entire supply chain.

The Group also operates in other sectors, e.g., transportation, engineering, services, which are presented in this Report, and over the next few years will become an active and integral part of it for reporting sustainability impacts.

As announced last year, we formally adopted for Italiana Corrugati S.p.A., a compliance programme, i.e., 231 Model (as per Italian Legislative Decree 231/2001), providing us with a collegial Supervisory Board.

This project, which we have voluntarily joined, despite it not being a current obligation, has been implemented to bring greater consistency and relevance to our way of doing business. It encompasses initiatives aimed at protecting workers and their safety, the environment and its healthiness, our institutional stakeholders, and our partners, including both customers and suppliers.

Returning to the general issues, what happened in 2022 on the international scene is, unfortunately, still part of our everyday life.

The immense disaster of war, which is still ongoing, the sharp price increases in the commodity and energy markets, which have seen us on the front lines to counter and mitigate their effects on our companies, the social tensions and problems caused by soaring inflation, have marked 2022 as a period, yet another after the pandemic, that cannot be fit into known patterns and therefore must be approached with great attention, day after day.

Last but not least, returning to environmental issues, 2022 has been confirmed as one of the hottest and driest years ever, forcing everyone to think deeply about the management of water reserves and imposing an increasingly concrete commitment to the issues of the UN 2030 Agenda.

Most of our companies belong to the electricity-intensive and gas-intensive category, which makes us doubly involved in the issues of energy saving, production efficiency and emission reduction.

We have long since activated, and have been reinforcing our commitment to, internal teams, collaborations with universities, and external consultants,

all engaged in working on energy and environmental issues. Their role is to define future strategies and increasingly reconcile the growth of the Group with respect for everything outside of it that we encounter daily.

Commitments made over the years to our employees, in terms of professional growth and enhancement of skills, training and welfare, are confirmed and supported by Management.

The large investments that we have also made in 2022 have always been evaluated from the perspective of curbing consumption and reducing waste, and have seen the launch of an innovative project on the use of our products to transport hydrogen.

In the following pages, we will try to detail our projects and investments already completed and those in the pipeline, with particular attention to those that have greater affinity with ESG issues.

I can only wish a good read to all those who have the curiosity and desire to learn about the contents of this second Sustainability Report of Italiana Corrugati. While certainly capable of improvement, we hope it can represent and account for our commitments and the results achieved.

In conclusion, my most dutiful thanks, also on behalf of the other members of the Management, go to all our employees and external partners, for their consistently positive commitment exerted every day in the management of activities. We are confident they will continue the project of my father Alvaro, whose teachings we will never abandon.

Emiliano Boscarini



Summary

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6.1.1 Company profile

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Italiana Corrugati was founded in 1996. It is a leading manufacturer of double-wall corrugated pipes, both for underground civil and industrial drainage systems and for conduit and drainage systems.

The workforce consists of 76,28 employees (*full time equivalent*) and the total value of production amounts to more than € 80 million. The factory and offices of Italiana Corrugati are located at Fonte del Doglio, 22/E in Piandimeleto in the province of Pesaro and Urbino.

Italiana Corrugati purchases recycled raw material from PEBO, a System Group company, and, in the case of virgin raw material, from other companies in the petrochemical industry (e.g., Lyondell Basell, Borealis, etc.). It performs all the processing for the manufacturing of products in-house without outsourcing specific activities or processes. Deliveries can be made "ex-warehouse" or at the Company's expense, which normally provides transportation in cooperation with Uniline, another Group company. It normally handles routine and periodic maintenance in house. Mecsystem collaborates on maintenance and technology development activities.

The Company has a well-equipped and modern laboratory where tests are carried out on incoming raw materials, hydraulic tightness of joints, impact resistance, flexibility and annular rigidity, which are necessary to test product quality and performance.

Italiana Corrugati has engaged in multiple activities, reviews and investments for process optimization, personnel safety, reduction of energy consumption, improvement of process flow and performance of the proposed products and systems, with positive social and environmental impacts.

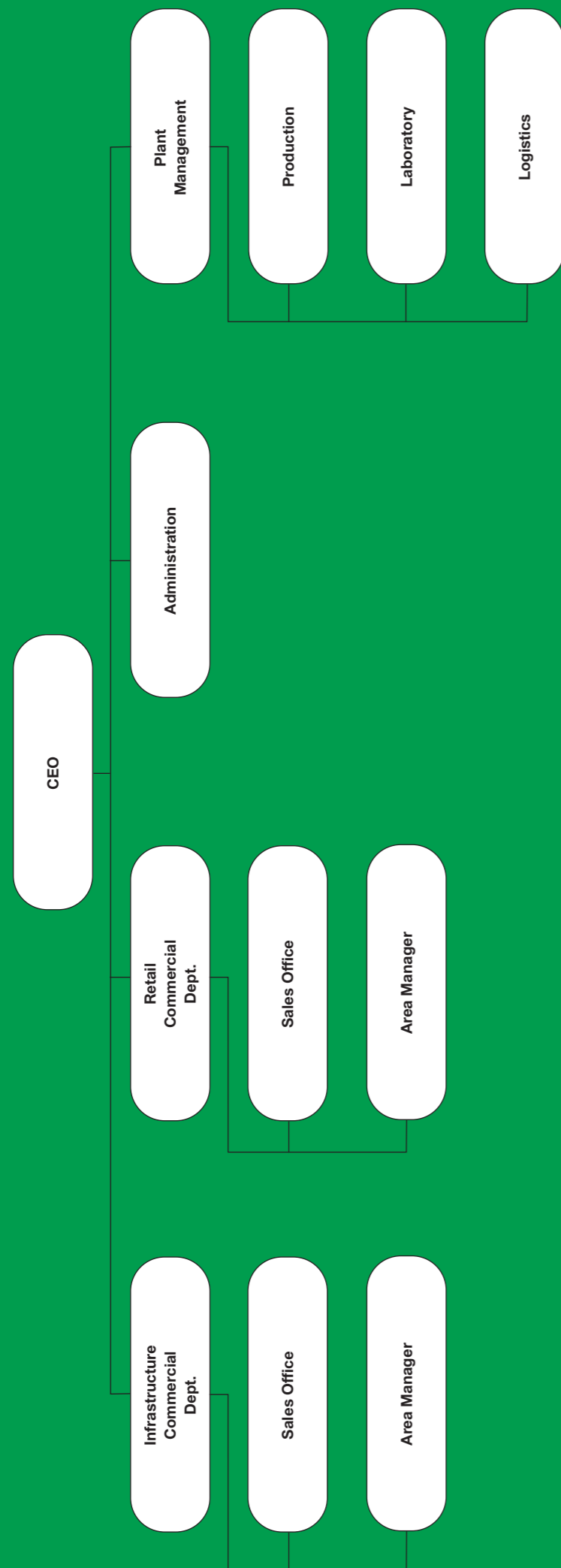
6.1.2 Corporate governance

The Board of Directors consists of: Emiliano Boscarini (Chair and CEO), Emanuele Boscarini (CEO), Filippo Pini (Director), Andrea Romeo (Director).

The Board of Statutory Auditors consists of: Simone Spinaci (Chair), Guido Agostini (Standing Auditor) and Decio Amedeo Raggi (Standing Auditor).

Following the adoption of the compliance program pursuant to Italian Legislative Decree 231/2001, a collegial Supervisory Board was established, composed of Giovanni Orciani (chair), Gabriele D'Amore (member) and Alessandro Severini (member).

Italiana Corrugati makes the decisions relating to sustainability independently.



Company organizational chart as at 31/12/2022

6

6.1.2 Italiana Corrugati Corporate governance

Italiana Corrugati S.p.A. has adopted the system of administration and control traditional as set forth in Articles 2380-bis et seq. of the Civil Code under which the Board of Directors is entrusted with corporate management and the Board of Statutory Auditors the functions of control and supervision, including with regard to sustainability and for the management of impacts (especially negative ones) and with regard to their reporting, including supervision over due diligence for the determination of material issues and for the proper identification of stakeholders.

The adoption of Model 231 (formerly Legislative Decree 231/2001) introduces an element of novelty, leading to more accurate risk analysis and effective management of compliance. The governance system ensures constant discussion between management and shareholders, according to the following principles: the Shareholders' Meeting and a body with exclusively deliberative functions whose powers are by law limited to the most important decisions of corporate life; the Board of Directors plays a central role in the guidance and management of the Company and the Group. In addition to the powers vested in it under the law and of the Articles of Association, the Board is reserved exclusive competence in relation to the most important decisions from an economic and strategic as well as functional point of view.

The Board of Directors is renewed each time the annual operating budget is approved. The Board of Statutory Auditors is in office until the approval of the annual budget relating to the year 2022. It supervises, among other things, (i) compliance with the law and By laws as well as compliance with the principles of proper administration; (ii) to the extent of its within its competence, on the adequacy of the organizational structure of the Company, the internal control system and the administrative and accounting system, as well as on the reliability of the latter in correctly representing the facts management facts; (iii) on the manner of concrete implementation of the corporate governance rules provided for by codes of conduct to which the Company adheres; (iv) on the effectiveness of the internal audit and risk management system. The Supervisory Board, on the other hand, is responsible for the activities of verifying the effectiveness and adequacy of the Organization, Management and Control, its effective implementation and proposals for updating and implementation. The Body meets at least quarterly. The first meetings served to review the company's current management systems in depth. The board's performance related to the policy of sustainability, are evaluated by the Strategic Management Committee (hereinafter also CDS), which, on a weekly basis, collegially analyzes the progress of projects, including those related to ESG issues on which the Group has focused, assessing the evolution and achievement of the strategic goals set. Performance analyses and assessments are conducted by involving the internal control structures and organizational units responsible for auditing of the management systems adopted by the Group, with a view to compliance with current regulations. Also participating in this process are the external structures that are involved in the audit of management and quality systems. Based on the outcomes and conclusions that emerge from the assessments of the CDS, project progress is updated and, with a view to continuous improvement, new goals and objectives are set for the future. The Sustainability team is currently composed of professional diverse, both internal and external, with also the goal of arriving at the drafting of the Sustainability Report.

The Team that is dedicated to the supervision and management of the ESG, has been given the responsibility of participating in the definition of the Group's sustainability strategy, as well as identifying, reporting to senior management and manage, in collaboration with the relevant functions, risks related to issues of sustainability, including those that relate to climate change, and finally identify areas and projects for improvement, thereby contributing to the creation of long-term value.

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Italiana Corrugati

↳.1.2

Corporate governance

This reporting is subjected to external assurance by independent certification body accredited for the certification of management systems and products.

By a resolution of the Board of Directors, Italiana Corrugati S.p.A. adopted its **compliance program - 231 Model - pursuant to Italian Legislative Decree 231/2001** with the aim of reducing the risks of offenses being committed by senior figures and subordinates.

However, adoption in itself is not sufficient to ensure the legal validity of the 231 Model. It is imperative that it be effectively implemented and constantly updated. For this reason, all company functions and individual Employees, are informed, trained and involved in the issues concerning the 231 Model.

A management system in accordance with the 231 Model requires profoundly correct behavior by all parties who, in any capacity, engage in dealings with the company, and who are called upon to conduct themselves in line with the Code of Ethics adopted by the company.

The adoption and effective implementation of a management system that complies with the 231/01 Model will also make a strong contribution to the proper implementation of corporate anti-corruption practices.

The Group's Code of Ethics has already been published, applied in all its member Organisations and can be found at the link:

<https://tubi.net/codice-etico/>.

In relation to the application of the Code of Ethics, information activities, including external, and planned internal training activities have been implemented.

Legislative Decree No. 231 of 8.06.2001 introduced the provision of direct personal liability of the collective entity (entities provided with legal personality and companies and associations, including those without legal personality) for a series of crimes committed by individuals related to it, who acted in the interest or to the advantage of the entity, into the Italian legal system.

In such cases, the entity can **protect itself** from legal action if it can

demonstrate that it has adopted and effectively implemented an organizational, management and control model suitable for preventing crimes of the kind that occurred.

In order to avoid the involvement of the company or entity by invoking the exclusion or limitation of its liability arising from one of the offenses stipulated by law, it needs to adopt an adequate **compliance program** and relies on a **Supervisory Board** to monitor its implementation.

Italiana Corrugati has not faced any incidents of corruption and has not been sanctioned for conduct contrary to the current regulations of any sector or area with regard to "sustainability"-related objectives.

Italiana Corrugati does not belong to associations that can influence its activities and choices, in general and specifically with regard to sustainability.

↳

Italiana Corrugati

↳.1.3

Quality Management and Certifications

The products made by the Company comply with various standards with product quality marks:

- IIP mark (No. 287), issued by the Istituto Italiano dei Plastici, on corrugated PE pipes in accordance with UNI EN 13476-1-3 for non-pressure drainage systems;
- Bureau Veritas mark, on corrugated PE pipes in accordance with UNI EN 13476-1-2-3 for non-pressure drainage systems;
- IMQ mark, issued by the Istituto per il Marchio di Qualità (Institute for Quality Mark), on corrugated pipes in accordance with CEI EN 61386-1-24 for conduit systems.

Italiana Corrugati operates with the following corporate management systems: Quality (**UNI EN ISO 9001**) and Environment (**UNI EN ISO 14001**), all certified by an independent and accredited third-party body (Istituto Italiano dei Plastici). It is duly registered with the National Compulsory Consortium for the Recycling of Polyethylene Waste Goods "PolieCo," governed by the bylaws set forth in the Italian Ministerial Decree of 23 May 2019, pursuant to and in accordance with Article 234 (Legislative Decree 152/2006), has also been awarded the PSV MIXECO mark, which certifies the recycled content and traceability of manufactured goods made using polymers derived from waste from waste sorting and/or industrial waste.

↳.1.4

Strategy for sustainability

Italiana Corrugati has identified the main objectives on which to focus the implementation of projects in the ESG (Environmental, Social and Governance) area.

1. Develop products and design solutions that contribute to the improvement of sustainability in the infrastructure that uses our products
2. Use in our manufactured products, where permitted by technical product standards, recycled raw materials or those derived from the processing of by-products
3. Constantly seek technological and organizational solutions that can generate energy efficiency and waste reduction, promoting investments that are compatible with sustainability goals
4. Involve our partners in this virtuous circle, and also adopt practices for selecting them on the basis of their compliance with our ethical standards
5. Participate in and contribute to the socio-economic development of the communities in which the Group operates
6. Pursue and promote ethical behavior, protect workers' rights and their health and safety. Protect the land and communities in which we live and operate
7. Develop effective, transparent and accountable communication with our employees and stakeholders

The relationship with the 2030 Agenda

Aiming to consider the impacts of human actions from a long-term perspective, Centraltubi promotes a business model that respects society and the environment in line with the **2030 Agenda Goals**.

The Sustainable Development Goals (SDGs) are a set of 17 goals, defined by the United Nations Organization as a strategy “to achieve a better and more sustainable future for all.” They are also known as 2030 Agenda, named after the document whose title is *Transforming Our World*. The 2030 Agenda for Sustainable Development recognises the close link between human well-being, the health of natural systems and the presence of common challenges for all countries. The sustainability goals address the impacts produced by human activity.

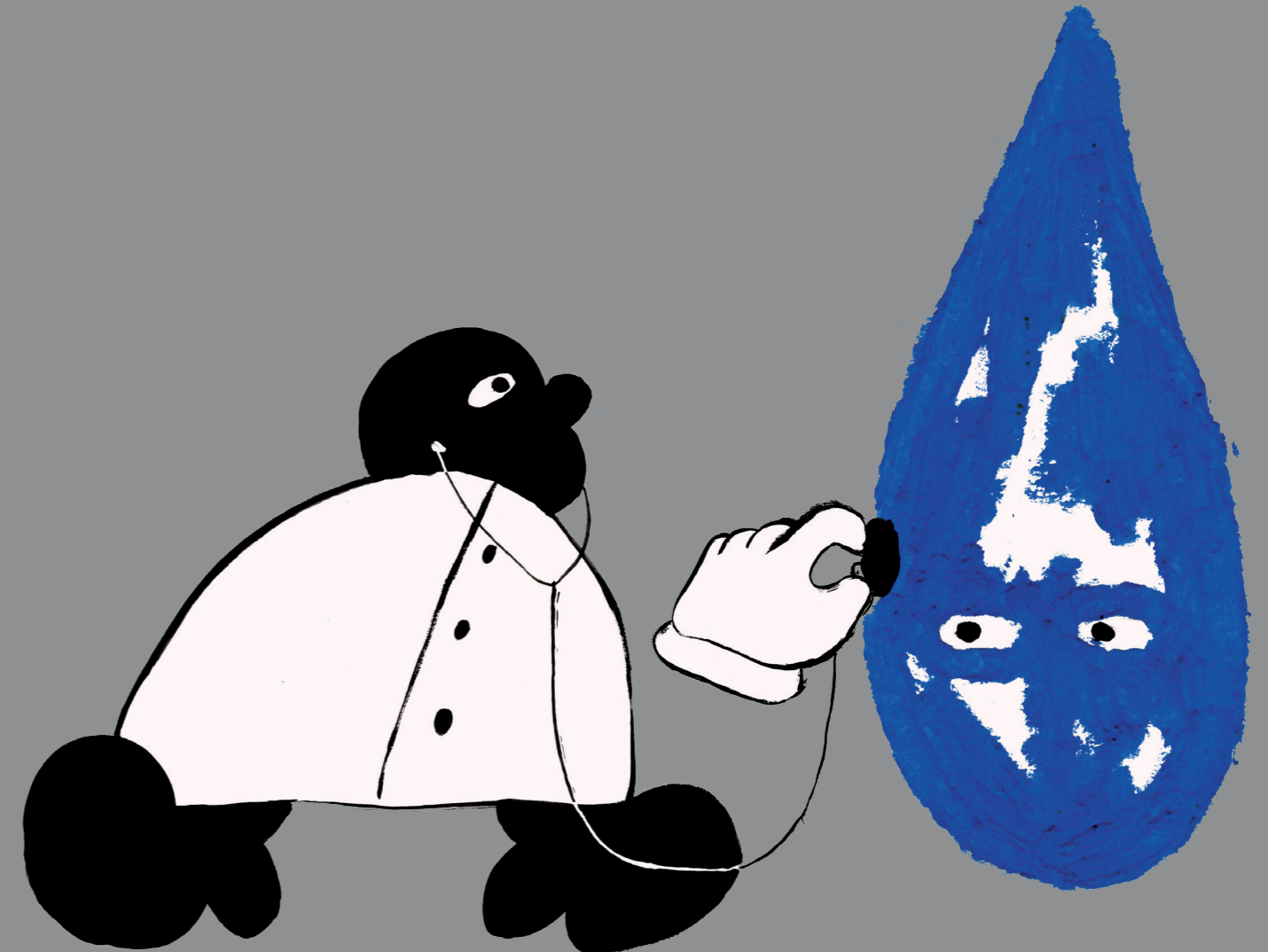
A company generates impacts that result from choices and orientations made over time. The older ones create the status quo; the current ones should contribute to improving the situation.

Below is the relationship between material topics (with GRI standards addressed and 2030 Agenda goals). Reference is made to the document published by GRI entitled *Linking the SDGs and the GRI Standards* and can be found at:

<https://www.globalreporting.org>

Italiana Corrugati’s material topics and their relationship with the 2030 Agenda

2030 Agenda	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	12 Responsible consumption and production	13 Climate action
Economic governance, objectives and results (201)						8	9			13
Anti-corruption policies (205)						8				
Non-discrimination policies and actions (405 - 406)			5			8		10		
Employment management (401)	3		5			8		10		
Knowledge management (404)		4	5			8		10		
Health and safety (403)	3					8				
Recycling and materials management (301)						8			12	
Waste management (306)				6					12	
Water resource management (303)				6					12	
Energy consumption reduction (302)					7	8			12	13
Containment of emissions into the atmosphere (305)	3								12	13



6.1.5 Dialogue and relationship with Stakeholders

Italiana Corrugati has defined its criteria for relations with stakeholders, which are **banking institutions, suppliers, customers, local authorities, national and European government agencies, universities and employees.**

From 2023, different ways of managing stakeholder dialogue will be implemented.

Their needs in terms of information will be assessed based on considerations regarding the type of relationship that the stakeholders have with the company and the impacts generated by the company.

Concerning the relationship, stakeholders are distinguished between influencers and influenced parties. For example, suppliers are required to implement what the Company requires in general and for sustainability; compliance with requirements can influence their rating. Conversely, customers, with their requests, may demand specific behaviors from the Company in both operational and information management terms. Therefore, suppliers are mostly influenced parties, and customers are influencers.

The interests of different stakeholders may relate to impacts generated by the Company or that Company may have to face. For example, local administrators are interested in “inside-out” impacts: well-managed waste, value distributed across the territory. Banks are reasonably interested in how the company makes itself resilient to impacts that come from outside, such as possible increases in energy costs.

Continuing with this example, it can be seen that some stakeholders are interested in economic content, such as banks, while others are interested in content in the “social” area, such as employees who are obviously particularly concerned with Occupational Health and Safety.

Over time, the relationship will become increasingly in-depth and personalised so that stakeholder engagement activities bring added value to both the Company and its stakeholders.

A questionnaire was administered to all identified stakeholders in 2022. The graphical and table representations of the aforementioned, the defined guidelines for stakeholder relations, the items and results of the survey administered can be found in this document.

Inform	Dialogue	Collaborate, co-design	Transpose requirements	
Stakeholder type	Influencers/influenced parties	Outside-in/Inside-out impacts	Social/ environmental/ economic impacts	Type of relationship
Customers	Influencers	Inside-out	Environmental	Outgoing information and survey
Suppliers	Influenced parties	Outside-in	ESG	Information and assessment (rating)
Credit and financial institutions	Influencers - influenced parties	Outside-in	Economic	Information exchange and engagement, rating
Employees	Influenced parties	Inside-out	Social	Outgoing information and survey
Local authorities	Influencers	Inside-out	ESG	Outgoing information (institutional)
National and European government agencies	Influencers (prescriptive)	Inside-out	ESG	Transpose requirements
University		All	Environmental	Information exchange and engagement

Customers

They will be informed about the inherent path to sustainability taken at the company, both in relation to products and processes. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Suppliers

They will be subject to rating in relation to parameters pertaining to sustainability. Collaborative relationships will also be established in light of the information received.

Credit and financial institutions

Information exchange and engagement will be maintained regarding the company’s goals and results and its resilience to impacts, specifically outside-in impacts. The dialogue will then cover the assessment tools that this stakeholder category brings to bear in relation to business activity. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Employees

Through the Sustainability Report, they will be informed of initiatives, goals and results related to human resource management. Through function managers and representatives provided for in national mandatory regulations, employees can seek clarification and present their concerns regarding labor rights.

Local authorities

They will receive communications related to the Sustainability Report. A short questionnaire on the company’s presence in the area will be prepared and administered to the mayors of three municipalities, Sant’Angelo in Vado, Lunano and Piandimeleto.

6	Italiana Corrugati
6.1.5	Dialogue and relationship with Stakeholders

Governance bodies

Information from governance bodies is monitored regarding the enactment of mandatory regulations.

University

In this case, these are mutually chosen relationships. Information is exchanged through institutional channels and in connection with specific projects.

For the current year, a questionnaire was administered to all stakeholders. The items and results are described below. The practice for the various companies has been standardised by referring to a single "System Group" standard.

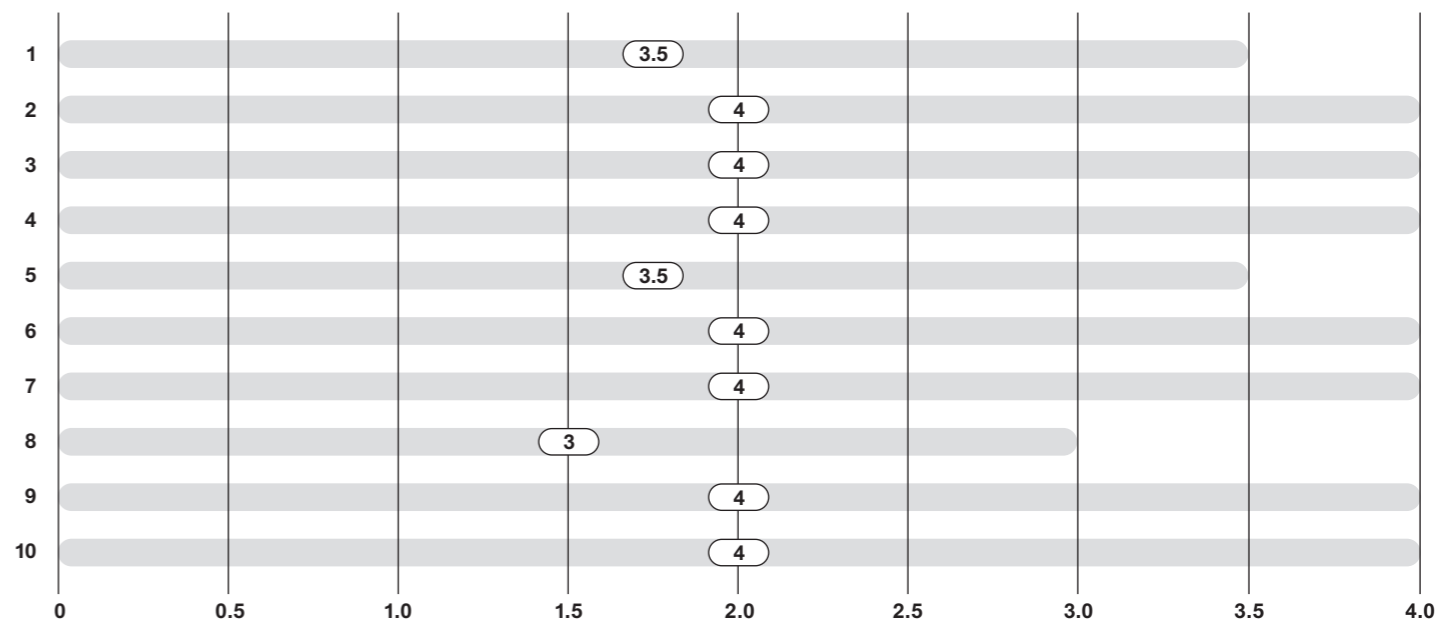
Items

1. **System Group has drawn up, for the second consecutive year, the Sustainability Report. Do you think this document could be an interesting and useful tool for assessing the company's commitment to sustainability issues?**
2. **Does the Company use products from non-polluting and recyclable materials for its business and where possible, do you appreciate this choice also because it is in line with the new European regulations to protect the user and the environment?**
3. **Do you think it is important for System Group to make efforts to control energy and curb emissions that are harmful to humans and the environment?**
4. **Do you think it is important that System Group also seeks to engage its suppliers on ESG (Environmental, Social, and Governance) issues, including through the example of sustainable management of its operations?**
5. **Do you appreciate that the Company is extremely attentive to fostering the well-being and personal development of employees in order to protect their Health and Safety?**
6. **Do you think it is important for System Group to be attentive to and adequately protect gender equality within the Company, including in relation to professional training development policies?**
7. **Do you think it is important for the Company to be able to identify, through careful analysis, the types of risks associated with its activities (e.g., climate change risks) in order to adopt appropriate policies and strategies through the application of a resilience model and, consequently, maintain its market positioning?**
8. **Do you believe that the younger generation is sufficiently interested and involved in relation to the transformations taking place in our country with regard to sustainability issues and in particular in relation to the use and disposal of plastics?**
9. **How do you assess your relationship with System Group?**
10. **Do you think it is important for the company to communicate to its Stakeholders (customers, suppliers, employees, associations, mayors, etc.) about initiatives, implemented or planned, on sustainability?**

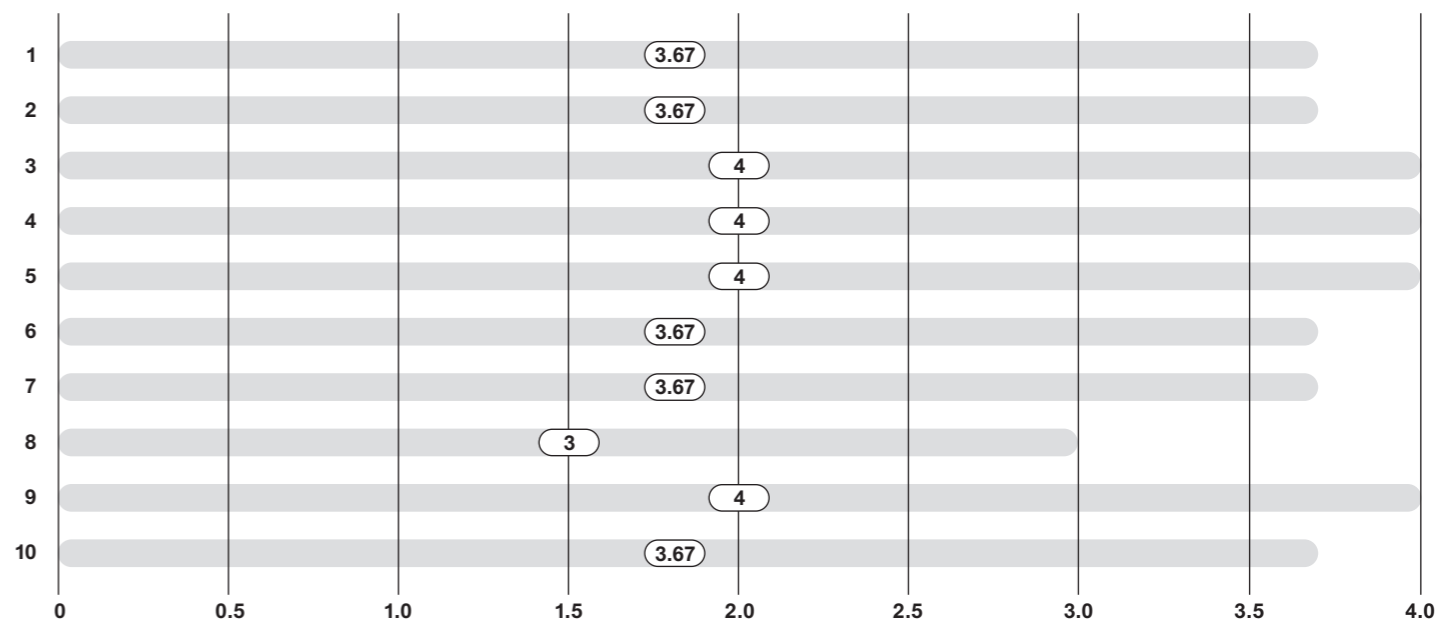
6	Italiana Corrugati
6.1.5	Dialogue and relationship with Stakeholders

RESULTS

Credit Institution

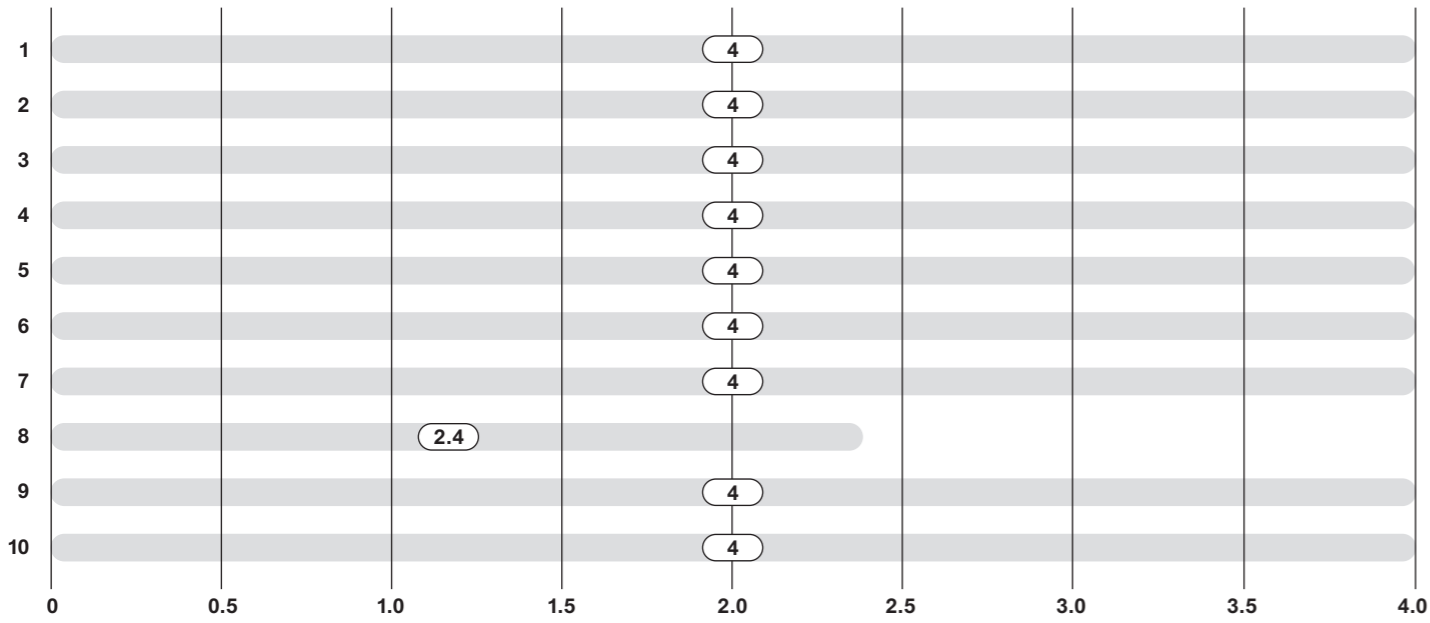


Associations

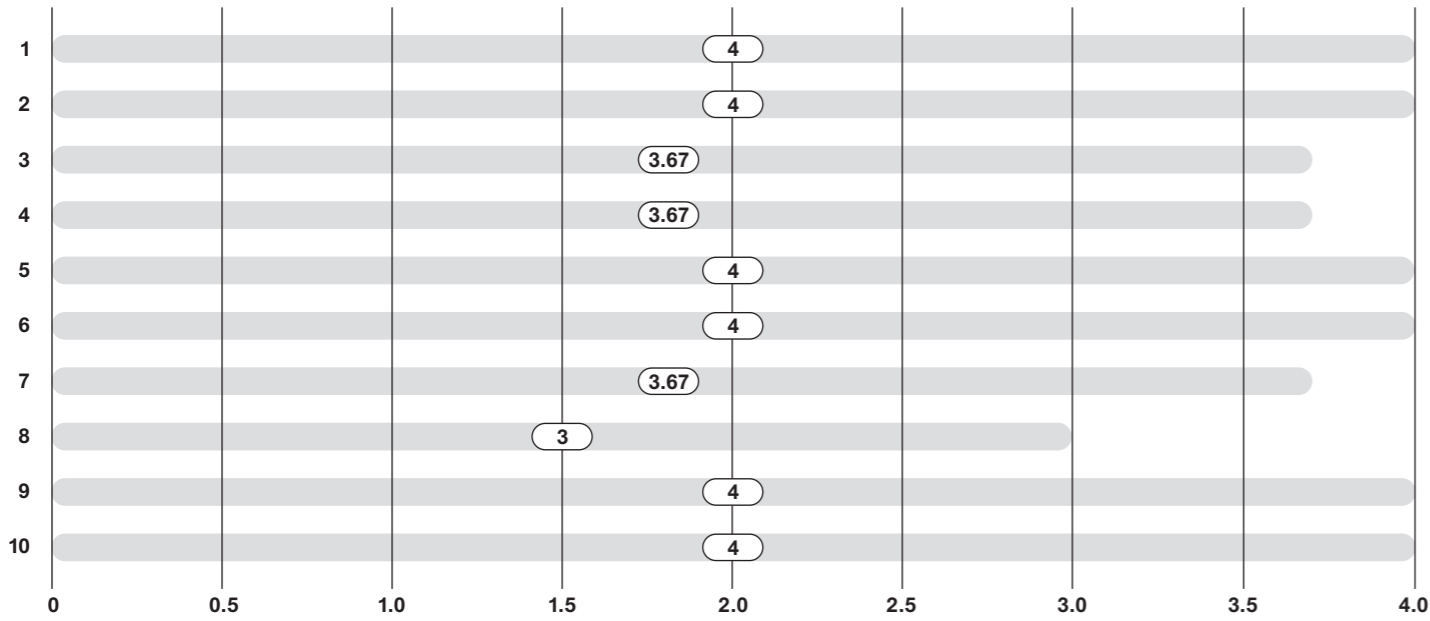


L.1.5

Customers

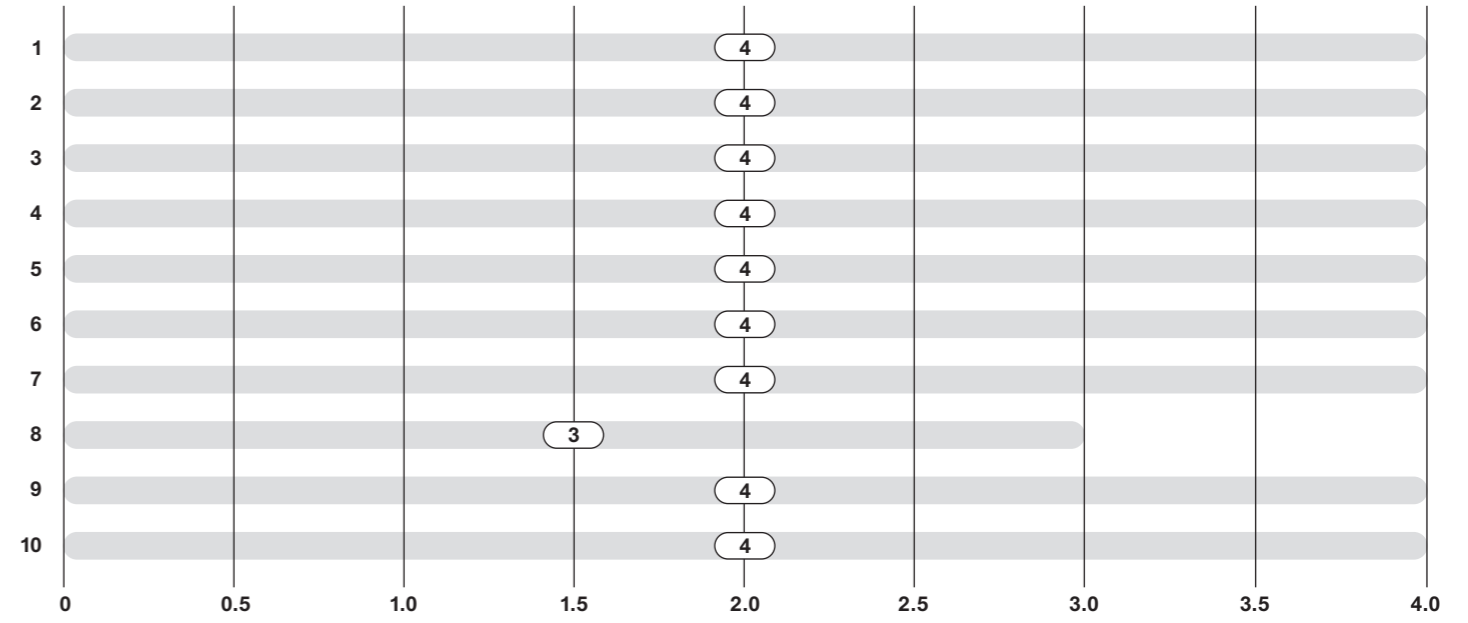


Municipalities

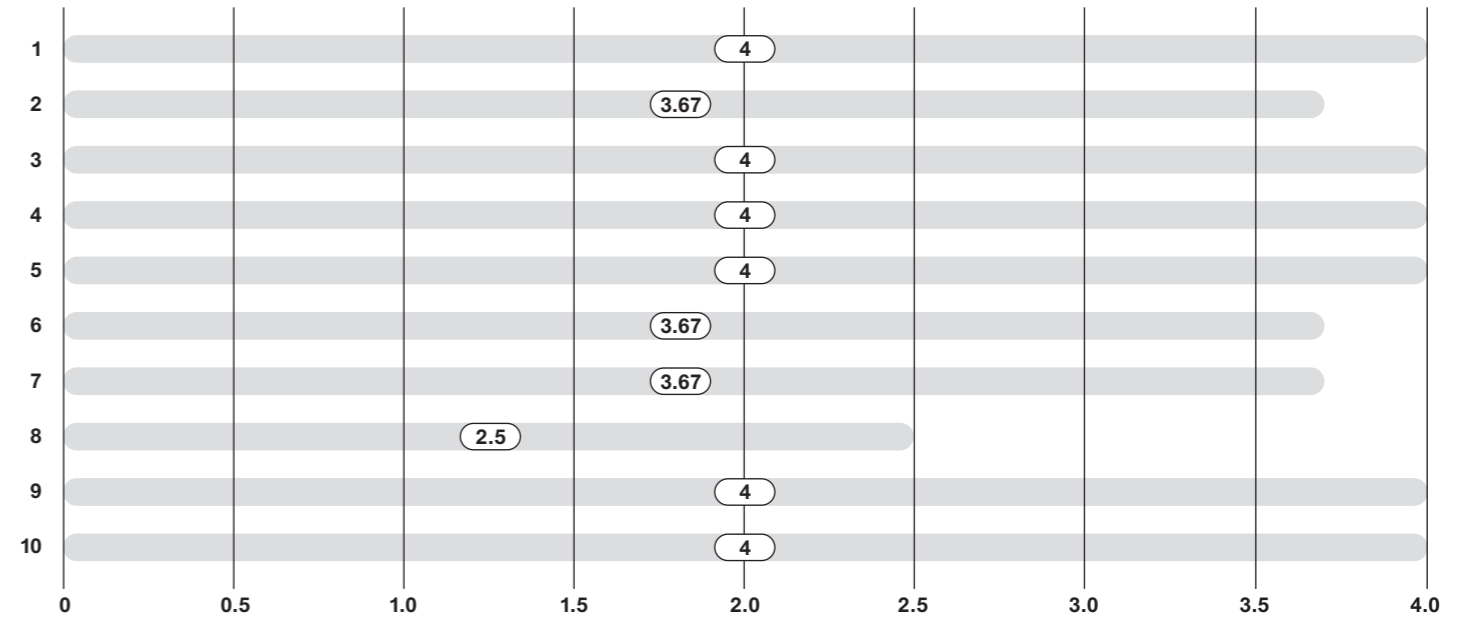


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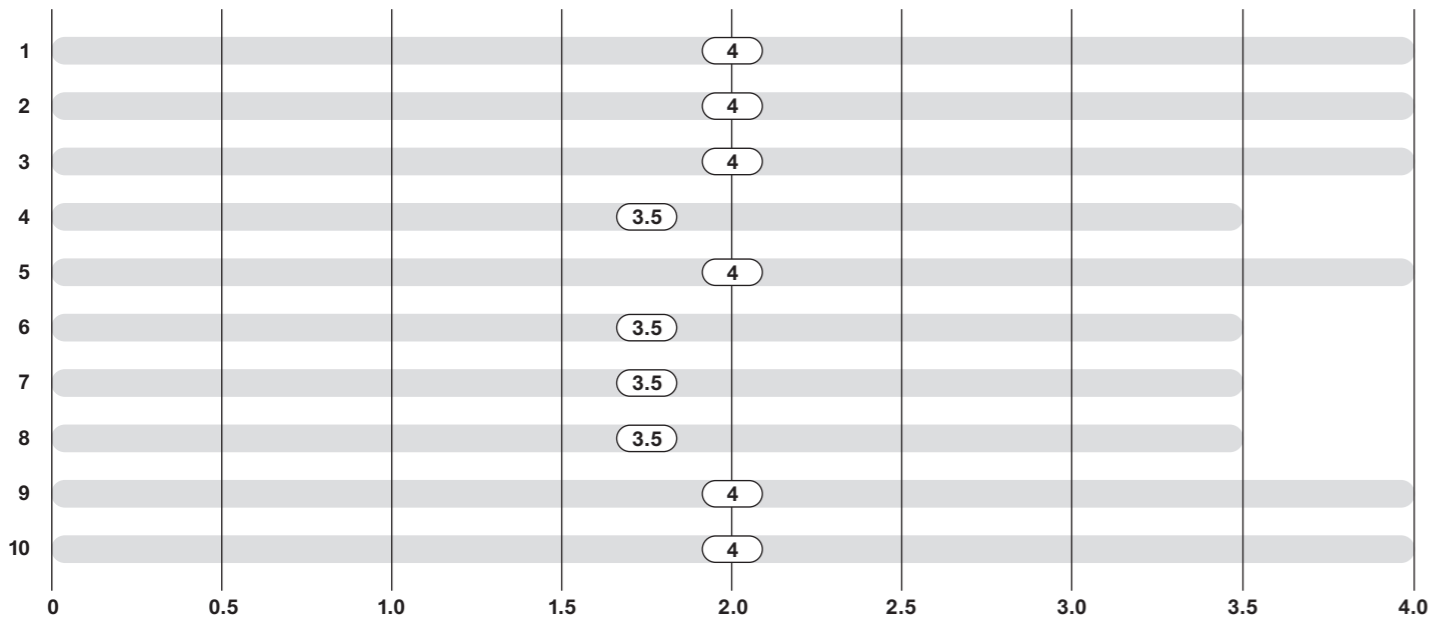
Suppliers



Employees



University



Due Diligence

GRI Standard 2 - 29
GRI Standard 3 - 1 / 2

Italiana Corrugati, in this sustainability report, carried out due diligence to verify its list of stakeholders and to identify relevant issues in terms of current or potential impacts, both positive and negative.

Material topics are those that have a significant impact on the economic, social, and environmental performance of the organization and can influence stakeholder evaluations. The Company's commitment is strongly oriented toward paths, programs and perspectives that primarily take into account the needs of its stakeholders, both inside and outside its organization.

The latter have been classified in order to define dedicated and efficient ways of relating to their specific needs.

Methodology

Italiana Corrugati, for its Sustainability Report 2022, in order to verify its list of stakeholders and determine its material topics, in the absence of the *sector standard*, proceeded as follows:

1. conducted a benchmark survey of other companies involved in plastics processing by considering the set of reported standards;
2. assessed the specifics of business activities and processes;

Due Diligence

3. considered the outcome of prior dialogue with stakeholders;
4. evaluated feedback on the importance of a number of issues in national binding legislation.

Conclusions

Among the issues to be covered, in terms of risks, those related to energy management are considered very important. Opportunities refer to the process of recycling materials.

Energy consumption mainly concerns industrial production processes. Regarding these activities, emissions should be kept under control and reduced to the extent possible through energy consumption.

Especially in assessing the benchmark, it was deemed necessary to also report in relation to the management of water resources, a topic that was not addressed in the previous Sustainability Report

In the current report, therefore, all the most relevant standards for all three areas are covered: economic and governance, social and environmental.

As regards "social sustainability," Occupational Health and Safety is at the forefront along with training.

Other issues identified as material are "anti-corruption" and "non-discrimination" safeguards.

In economic terms, Value Distributed and investment are the main highlights.

Economic and financial management will be an increasingly important issue, especially in terms of resilience in the face of ongoing socioeconomic and environmental changes.

For this reason, and taking into account the outcome of the benchmark analysis, for topics considered material, the relevant topic standards and disclosures reported are those defined in the GRI Content Index with Reference for Reporting 2022.

List of the main areas to which the main impacts pertain

- Economic governance, objectives and results
- Anti-corruption policies
- Non-discrimination policies and actions
- Health and Safety management
- Knowledge management
- Recycling and materials management
- Waste Management
- Water resource management
- Reduction in energy consumption
- Emission containment and reduction

6.2

The company's economic position

GRI Standard 201 - 1 / 4
GRI Standard 2 - 25
GRI Standard 3 - 3

In 2022, Italiana Corrugati S.p.A. recorded a total value of production of € 82,138,874. As at 31/12/2022, Italiana Corrugati's balance sheet showed a net profit for the year of € 14,015,121.

Italiana Corrugati uses mainly HDPE Polyethylene and PP in its production cycle. The raw material is an oil derivative; therefore, its purchase price is strongly influenced by fluctuating prices in international markets. Collaboration with major raw material suppliers continues and can be traced back to all the European multinationals operating in the sector, which, moreover, have branches present all over the world.

On the demand side, given the economic and political context that is still in a phase of adjustment, the outlook for 2023 remains uncertain. While the situation with regard to energy costs and availability of raw materials and components has partially improved, critical issues — such as the recent crisis in banking institutions — continue to occur, making any attempt at making forecasts difficult. It will be essential for the Company to maintain its market share and seize opportunities introduced by the respective countries and the European Community in relation to PNRR.

During 2022, the company recorded an additional +24.80% in sales although the increase is partially related to the increase in sales prices that occurred during the period.

In reference to sales, about 15.7% were directed to foreign markets and 84.3% to the domestic market.

In absolute terms, revenues from sales of products and services increased from the previous year due to the improvement of the market.

6.2.1

Value Generated
Value Distributed
Value Retained

In its classical meaning, Value Added is a measure of the wealth an economic entity realizes through the use of production factors and how it is distributed among key stakeholders.

This document does not include the income statements and balance sheets that have already been prepared and are included in the file attached to the 2022 Financial Statements. Economic Value Generated (Gross Value Added generated by the entity) and Economic Value Distributed (Value Added Distributed) to stakeholders are also described.

The Value Retained is calculated by subtracting the Value Distributed from the Value Generated.

6

6.2



6	Italiana Corrugati
6.2	The company's economic position
6.2.1	Value Generated Value Distributed Value Retained

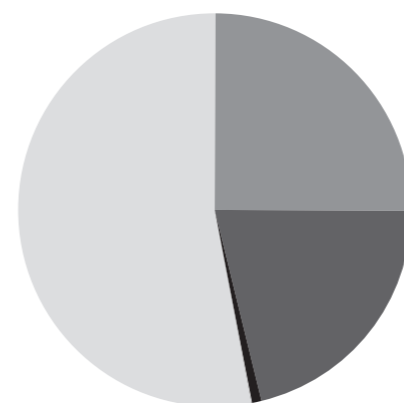
Determination of Net Overall Value Added	2022	%	2021	%
Overall value of production	€ 82,138,874		€ 65,355,528	
Intermediate costs of production	- € 58,211,401		- € 49,086,830	
Gross value added from ordinary operations	€ 23,927,473		€ 16,268,698	
Ancillary operations	€ 24,007		- € 454,194	
Overall gross value added	€ 23,951,480		€ 15,814,504	
Depreciation	- € 1,199,508		- € 1,047,032	
Overall net value added	€ 22,751,972	0.00%	€ 14,767,472	0.00%

Breakdown of Overall Net Value Added	2022	%	2021	%
Staff remuneration	- € 3,391,238	14.91%	- € 3,703,418	25.08%
Public Administration Remuneration	- € 5,182,219	22.78%	- € 3,068,509	20.78%
Return on loan capital	- € 163,394	0.72%	- € 202,482	1.37%
Investments in the community/ donations		0.00%	- € 7,400	0.05%
Company remuneration	€ 14,015,121	61.60%	€ 7,785,663	52.72%

(* Ancillary operations	2022	%	2021	%
Impairment of Fixed Assets (-)	€ -		€ 176,000	
Income from equity investments (+)	€ 294,867		€ -	
Other financial income (+)	€ 16,798		€ 9,464	
Write-downs (-)	€ 287,658		€ 287,658	
Total - ancillary operations	€ 24,007		- € 454,194	

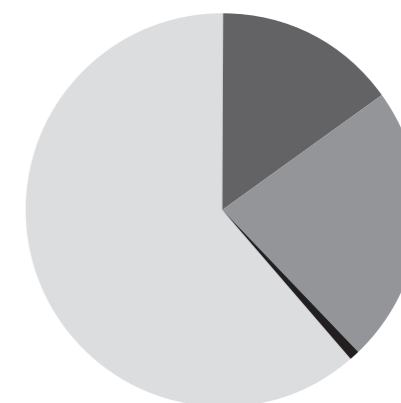
6	Italiana Corrugati
6.2	The company's economic position

Breakdown of value added 2021



Investments in the community	0.05%
Lenders/Credit Institutions	1.37%
Public Administration	20.78%
Workers	25.08%
Company	52.72%

Breakdown of value added 2022



Investments in the community	0.00%
Lenders/Credit Institutions	0.72%
Workers	14.91%
Public Administration	22.78%
Company	61.60%

6.2.2 Costs, subsidies and grants.

During 2022, Italiana Corrugati S.p.A. received the following government grants.

Title of measure	Title of project	Amount
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2020	Facilities for companies that consume large quantities of electricity	€ 467,963.49
Aid Scheme - Identifier 18852 SA 59255	Exemption from the payment of social security contributions for companies that do not apply for redundancy payments (Article 3, Italian Decree-Law 104/2020)	€ 16,667.96
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2019	Facilities for companies that consume large quantities of electricity	€ 533,264.28
		€ 1,017,895.73

6	Italiana Corrugati
6.2	The company's economic position

6.2.3 Investments

Italiana Corrugati has always implemented investment policies aimed at technological and process innovation. Trends in recent years see it even more focused on issues of energy conservation, respect for people's health and safety, and environmental protection.

Below follows the list of the main actions put in place in 2022.

Production and warehouses

During 2022, some production lines were *revamped* with the main goal of reducing energy consumption and increasing productivity. The sharp rise in energy costs helped accelerate this process and confirmed its validity. Unloading and loading areas of warehouse goods were optimized to reduce inefficient handling and increase operator safety.

The adoption of the "free cooling" system has also been initiated for Italiana Corrugati for its benefits to consumption and plant efficiency.

The term **REVAMPING** refers to the upgrading of industrial plants, capable of extending their life cycle and overcoming any technical obsolescence. This results in increased productivity of plants without having to change them.

Occupational safety

The number of forklifts equipped with anti-collision safety systems has been further expanded, for the safety of operators and to reduce accidental damage to goods, resulting in less rejects and dispersion of handled granules. A sweeping machine is used daily to clean the outdoor yards, which enables the recovery of granules that are lost during handling and prevents their dispersion into the environment.

Energy consumption

Some of the actions already described have a significant impact in reducing energy consumption as they improve plant efficiency.

Others involved the completion of the replacement of the lighting systems in the outdoor yards and offices with LED technology and low-power lamps.

Digitalization

Paperless system adopted through specific software, which significantly reduces the printing of warehouse documents, updating operators' tablets on forklifts in real time and improving their working conditions.

"MES" (Manufacturing Execution System) implemented in production management, with which all process parameters (consumption, productivity, temperatures, etc.) are controlled.

6	Italiana Corrugati
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Major investments

Area	Amount	Description of investments
Economic and governance	€ 29,191.00	Car lease redemption
Social	€ 6,945.00	Office machines, PCs, notebooks, video conferencing equipment
	€ 71,361.00	Logistics management software
	€ 37,555.00	Internal road repair
Environmental	€ 244,400.00	Machinery and equipment
	€ 84,475.00	Completion of drying system and transportation of shredded raw material (multi-year cost)
	€ 11,845.00	Construction of forklift charging station canopy
	€ 771,359.00	Specific facilities: new extruder, energy-efficient refrigerator

6.3 Opportunities and topics related to environmental aspects

GRI Standard	2 - 25
GRI Standard	3 - 3
GRI Standard	301
GRI Standard	302 - 1 / 2 / 3 / 4
GRI Standard	303
GRI Standard	305
GRI Standard	306

The environmental impacts of Italiana Corrugati are energy and natural gas consumption, resulting emissions, use of plastic materials, water resource management, and waste management. The Company continuously monitors the outcome of actions taken to minimize negative impacts and increase positive impacts by publishing information including calculation methods in its sustainability report.

Italiana Corrugati is an energy-intensive company in terms of electricity and is registered on the list of electricity-intensive companies with the Cassa per i Servizi Energetici e Ambientali (CSEA). The latter is a public economic entity under the supervision of the Regulatory Authority for Energy Networks and Environment (ARERA) and the Italian Ministry for Economic Development. It operates in the electricity, gas and water sectors.

Large quantities of electricity to run production processes are consumed because processing plastics requires that they be heated, extruded and formed, and then cooled.

This energy consumption also has a significant economic impact.

In terms of materials, Italiana Corrugati is committed to using the maximum amount of recycled plastic by entering into stable agreements with its suppliers and promoting initiatives to enhance the value of PSV (Second Life Plastic) mark products.

6.3	Opportunities and topics related to environmental aspects
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Water consumption is optimized and kept under control to the extent that water resource management does not pertain to a major impact.

Waste is managed in compliance with mandatory regulations and with the utmost commitment to encouraging the recycling of materials.

Control activities are managed in accordance with the standards described in chap. 1.3 of this document.

ODS
(Ozone Depleting Substances)
It is the definition of those substances that contribute to the depletion of the ozone layer in the atmosphere. They include, for example, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halon.

The Company does not produce, import or export ODS, CFC-11 (trichlorofluoromethane) or other equivalent substances.

Italiana Corrugati states that it has no litigation in progress and has not incurred any significant fines or other penalties for non-compliance with environmental laws and regulations.

6.3.1 Energy and emissions management

The Company is committed to keeping energy consumption low. The points of highest energy consumption consist of:

- Water cooling and pumping processes (25%)
- Corrugated PE and PP pipe production machines (60%).

Cooling system consumption is being monitored, and investments have been made in natural cooling technologies for the water used through free cooling systems, and work has been done and is planned to upgrade and improve the extruders. The air pressurization system was subject to a leak monitoring and maintenance plan while also optimizing network management with a view to reducing compressor energy consumption.

Emissions are also kept under control and monitored, with a focus on direct GHG leakage emissions from refrigeration circuits.

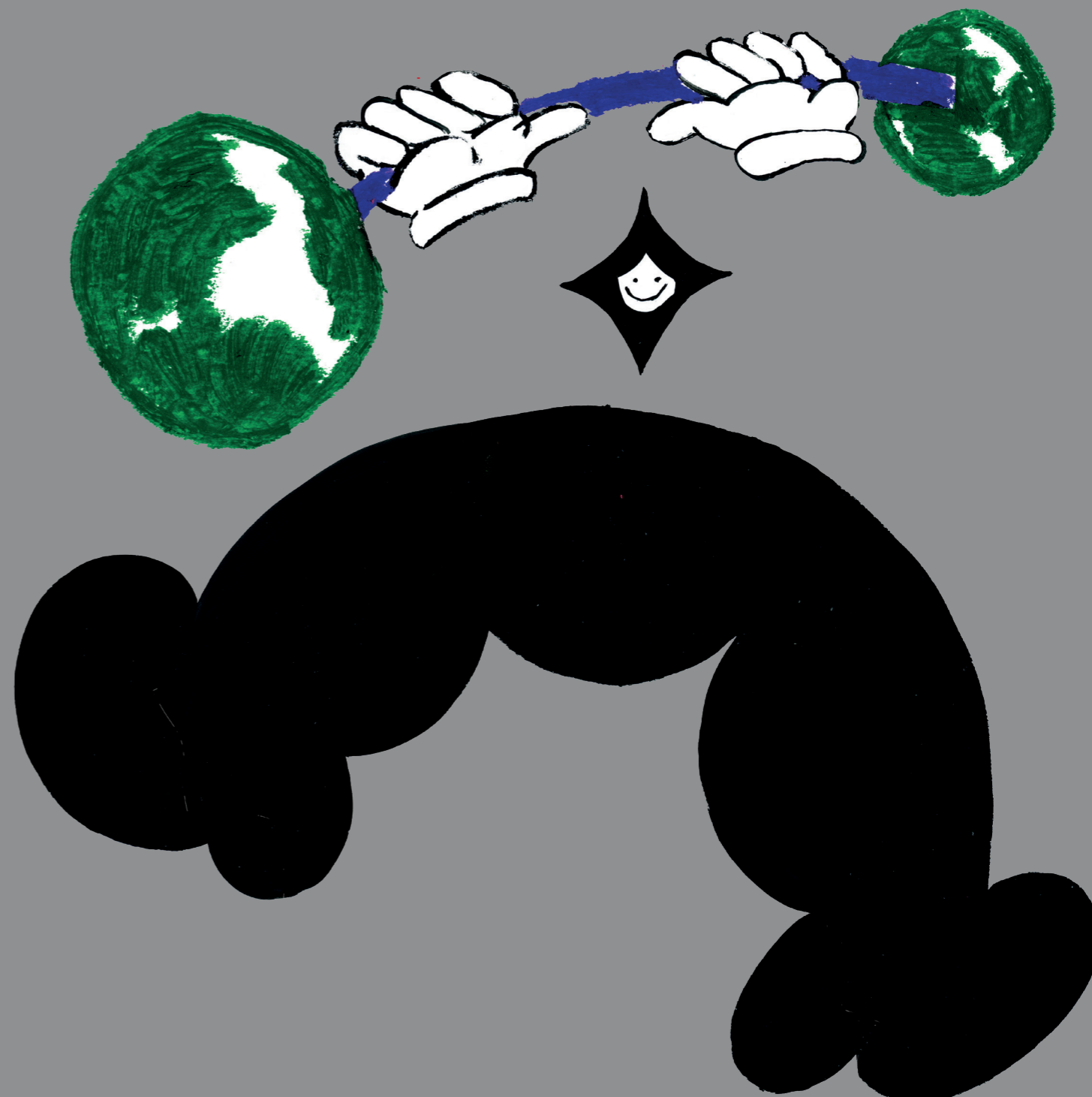
The most relevant initiatives in the area of environmental policies concern the management of the Group company's transportation vehicles that are tasked with this activity. By managing deliveries for all the companies, transportation is optimized. A delivery monitoring and optimization project has been put in place at company level with a view to better reporting and reducing the impact of emissions from fuel used outside the company.

Natural gas is taken from the grid to serve the space heating system and domestic hot water production; for the latter need, the Company is also equipped with a system of production from solar thermal energy.

The electrical energy used comes solely from grid withdrawals, and the purchased electrical energy covers all the electrical energy consumed. This envisages the national energy mix as partitioning in the absence of certification of origin, without any contribution from self-production

Below is an overview of Italiana Corrugati's energy consumption. The

6.3	Opportunities and topics related to environmental aspects
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6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects
6.3.1	Energy and emissions management

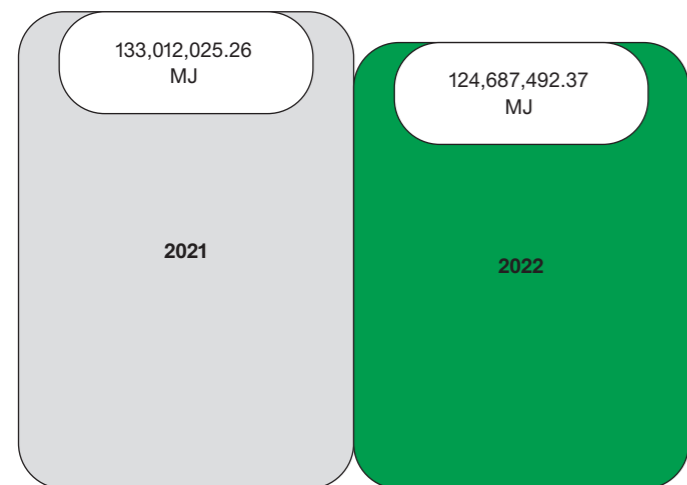
decrease in total energy is due to the decline in the use of electricity and energy from external fuel. Optimizing loading systems to reduce the impact of transportation to customers is a constant goal for Italiana Corrugati. In terms of emission intensity, the increase in the specific value appears to be correlated with the change in the national energy mix for the year under review.

Energy consumption	Quantity in MJ	
	2021	2022
Methane	310,966.73	400,226.86
Total energy from fuels (all fossil fuels) - Scope 1	310,966.73	400,226.86
Electricity - Scope 2	48,807,572.40	44,473,107.60
Total energy from fuel external to the Company (all fossil) - Scope 3	83,893,486.12	79,814,157.91
Total energy consumption	133,012,025.26	124,687,492.37

J (joule) and MJ (megajoule)
MJ is a multiple of the Joule and is the unit of measurement of work and heat, equivalent to 10⁶ Joules.

(*) During the reporting period, there was a failure of the methane consumption metre connected to the heating system. The meter was replaced in December 2022. Until that date, space reheating was done using a system powered by electricity.

Total energy consumption in MJ



6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects
6.3.1	Energy and emissions management

GHG (Greenhouse Gas)
They are gaseous constituents of the atmosphere, both anthropogenic and natural, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted from the Earth's surface, atmosphere and clouds. These include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), the full list of which can be found in the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report.

GHG emissions from Italiana Corrugati come from the use of fossil fuels inside and outside the company, electricity consumption, and minor gas leaks from refrigeration equipment. The overview is presented below.

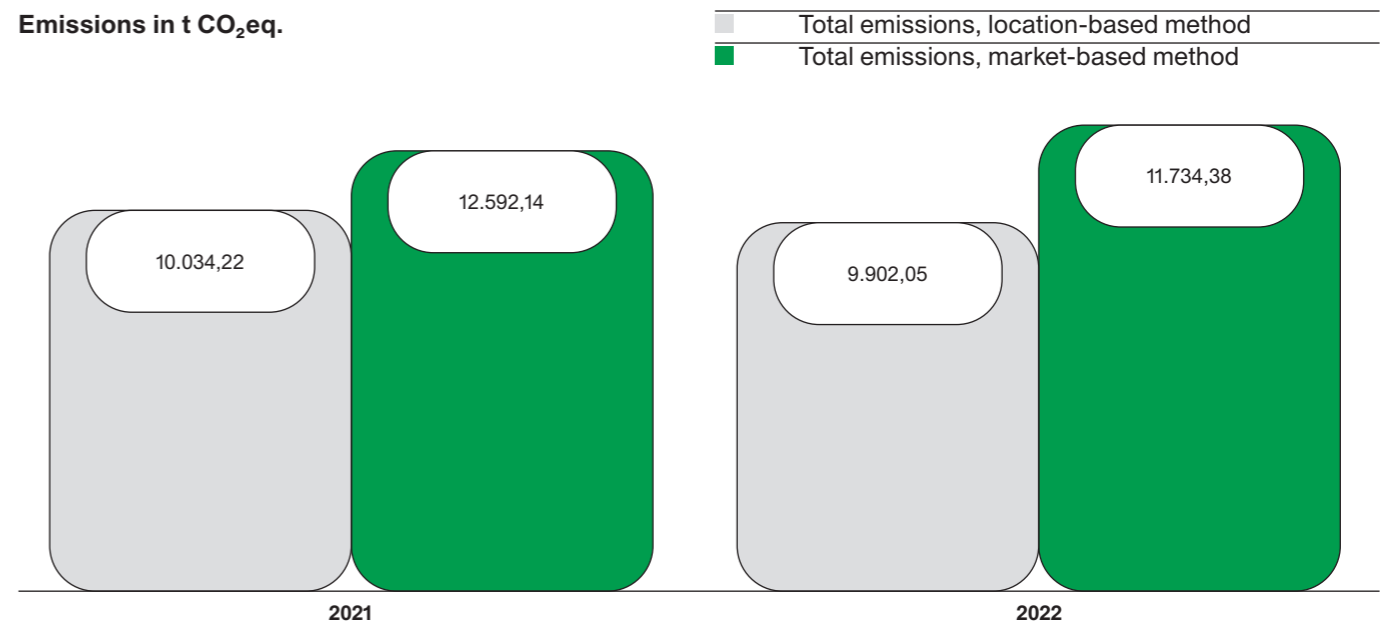
Emissions	Quantity in t CO ₂ eq.	
	2021	2022
From domestic fossil fuels - Scope 1	17.48	22.55
From abroad, location based - Scope 2	3,632.10	3,816.04
From abroad, market based - Scope 2	6,190.02	5,647.47
From fossil fuels externally (Scope 3)	6,345.08	6,064.36
Other emissions (refrigerant gases)	39.56	0.00
Total emissions, location-based method	10,034.22	9,902.95
Total emissions, market-based method	12,592.14	11,734.38

Emissions from fossil fuels outside the Organization (Scope 3) are estimated by considering:

- The transportation of raw materials from the production site to the processing company;
- The transportation of finished products to the destination site;
- employees' home-work commutes.

Criteria for the calculation are given in the methodological note.

Emissions in t CO₂eq.



6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects
6.3.1	Energy and emissions management

Italiana Corrugati is authorized to emit to the atmosphere from three points subject to periodic analysis; analyses conducted annually at the localized sources show compliance with the limits set by mandatory legislation for TOC and particulate matter. There are no other fugitive and diffuse emissions subject to measurement. GHG emissions are given only by the consumption of methane as a fossil fuel and any leakage of Fgas (R407 C) from the refrigeration circuits, which are subject to annual inspection and maintenance.

The value of the total production in kg is calculated as the sum of the individual deposits of compliant material production updated on the company management database in the year under analysis.

Electricity consumption was reduced from 2022 to 2021 by 8.88% also with the actions implemented by the organization as documented in Section 2.3. Fossil fuel consumption (Scope 1) increased by 28.7%.

Transport-related fossil fuel consumption (Scope 3) decreased by 4.86% as a result of load optimization and route location; this figure, however, is affected by the calculation methodology based on estimated activity data.

The amount of energy decreased from 2022 to 2021 by 6.26%.

The amount of emissions (location based) decreased from 2022 to 2021 by 1.31%.

Energy intensity is the ratio of total energy consumed (in MJ) to the quantity of product (in kg). Emission intensity is the ratio of greenhouse gas emissions (tCO₂eq) to the quantity of product (in kg).

Both showed a decrease in 2022 compared to 2021. Energy intensity decreased by 1.97%, emission intensity by 3.21%.

		Energy intensity		Emission intensity	
Year	Production in kg	Energy consumption in MJ	Energy intensity	Emissions in t CO ₂ eq (location based)	Emission intensity
2022	20,672,083	124,687,492.37	6.03	9,902.95	0.00047905
		Energy intensity		Emission intensity	
2021	21,618,217	133,012,025.26	6.15	10,034.22	0.00046416

6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects

6.3.2 Water as a resource

The Marche region has always been rich in water; however, this condition in recent periods is changing: the steady advance of climate change requires great care be taken in the use of this resource.

The municipality of Lunano is served by the former Piandimeleto consortium waterworks, which delivers water from springs located mainly in the Frontino municipality and the Carpegna municipality, with local springs and wells tapping the underground water table as supplementary sources (source: Arpam).

The territory of AATO1 Marche in which the municipality of Lunano falls is classified as low water severity (source: Marche Region).

Italiana Corrugati invests in economic, project, and organizational terms by adopting a corporate policy aimed at water saving, minimizing waste and maximizing reuse

The Company uses water for civil and industrial purposes. For production activities, water circulates in closed circuits. The consumption of water, therefore, pertains to topping up only.

Italiana Corrugati discharges only domestic civil wastewater into the municipal sewage system.

Stormwater is always discharged into the sewer system as storm sewage.

* Estimate
According to GRI standards, the quantity of water should be calculated in megalitres (Ml). One Ml is equal to 1,000,000 litres or 1,000 m³.

Operation	Quantità in m ³
Drinking water taken from the water supply system*	1,685
Water taken from underground source	0
Discharge of domestic civil wastewater into surface waters after treatment by a municipal treatment plant*	702
Water consumption*	983

6.3.3 Materials and waste management

In respecting the environment, Italiana Corrugati attaches great importance to the quality of the materials chosen for its production and to the recovery of processing waste and other material that has reached the end of its life cycle.

Italiana Corrugati produces highly technical manufactured items for the electrical and telecommunications sector and for water management (drainage), starting with plastics obtained from the reuse of waste from sorting, certifying their content and quality with the PSV (Second Life Plastic) mark, according to the IPPR (Institute for the Promotion of Recycling Plastics) regulation, with periodic audits by the Istituto Italiano dei Plastici.

Italiana Corrugati recovers waste from production processes by managing it mainly within the production process with a system of sorting, grinding, and reuse; only a small part of the waste is sent off as a by-product to Pebo (another Group company that deals with plastic recycling) from which it purchases high-performance regenerated raw materials.

6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects
6.3.3	Materials and waste management

Italiana Corrugati is a company duly registered with the mandatory consortium PolieCo as per Italian Legislative Decree 152/2006 (art. 234) with which it has initiated a program for the promotion and development of activities to analyze and reduce the environmental footprint of products.

Italiana Corrugati does not carry out significant product and packaging material recovery activities.

The following is the situation in kg related to materials management.

	UNI 10667-2 certified plastic	Virgin plastics + internal reuse	Total
Stock situation at the beginning of the period	52,000	684,000	736,000
End-of-period stock situation	223,000	270,000	493,000
Inventory balance			243,000
Materials purchased	9,263,077	11,627,156	20,890,233
Material recovered from internal processes	0	1,633,113	1,633,113
By-product, outsourced work	0	89,796	89,796
Total raw material (kg)	9,092,077	13,764,065	22,856,142

The standard UNI 10667-2 sets out requirements and test methods for the characterization of polyethylene intended for various uses from the recycling of industrial residues and/or pre- and/or post-consumer materials. These are materials that replace purchased virgin materials, other than by-products and production waste of the organization.

Packaging - other	UoM	Quantity
Polyester strapping	m	546,000
Polyethylene pipe plugs	number	965
Polypropylene strapping	m	4,188,000
Stretch film	kg	3,690
LDPE (low-density polyethylene) caps.	kg	13,659
Wooden packaging	pieces	179,084
PP twine	kg	5,743
PET monofilament	kg	11,240
Polyurethane insulation	m³	2,820

6	Italiana Corrugati
6.3	Opportunities and topics related to environmental aspects
6.3.3	Materials and waste management

Wood materials should be considered renewable, otherwise the materials used for packaging Italiana Corrugati products are non-renewable.

The Organization has a procedure in place to determine data on materials used in weight/volume, where expressed in other units of measurement.

The following is the situation regarding waste management

The organization has a waste recording and monitoring system through load and unload registers, and support programs for managing movements and inventories. Annually, the Single Environmental Declaration Form (MUD) is submitted.

According to GRI standards, the quantity of waste should be calculated in tons. One ton is equal to 1,000 kg.

Non-hazardous waste sent for recovery (with EWC code)	Quantity in kg	Destination
08 03 18 Waste printing toner other than those mentioned in 08 03 17	65	R13
15 01 01 paper and cardboard packaging	36.640	R13
15 01 02 plastic packaging	19.615	R13
15 01 02 imballaggi di plastica	48.280	R13
15 01 03 wooden packaging	89.520	R13
16 02 14 discarded equipment other than those mentioned in 16 02 09 to 16 02 13	130	R13
16 02 16 components removed from discarded equipment other than those mentioned in 16 02 15	74	R13
16 06 05 other batteries and accumulators	42	R13
17 04 05 iron and steel	28.640	R13
Total non-hazardous waste sent for recovery	223.006	

Hazardous waste sent for recycling or recovery with EWC code		
20 01 21* fluorescent tubes and other mercury-containing waste	1.162	R13
Total waste sent for recovery	224.168	
Hazardous waste sent for disposal (with EWC code)		
06 01 06* other acids	60	D15
12 01 09* machining emulsions and solutions free of halogens	4.500	D15
15 01 10* packaging containing residues of or contaminated by dangerous substances	118	D15
15 01 11* metallic packaging containing a dangerous solid porous matrix (e.g. asbestos), including empty pressure containers	60	R13
15 02 02* absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by dangerous substances	530	D15
Total waste sent for disposal (all "hazardous")	5,268	
Total waste	229,436	

6.4 The care of our people

GRI Standard	3 - 3
GRI Standard	2 - 7 / 8 / 25 / 30
GRI Standard	401
GRI Standard	403
GRI Standard	404 - 1 / 2a
GRI Standard	405
GRI Standard	406

The number of Italiana Corrugati's employees is 76.275 FTE, up from the previous year.

Information about employees (their number is calculated as "full time equivalent" people).

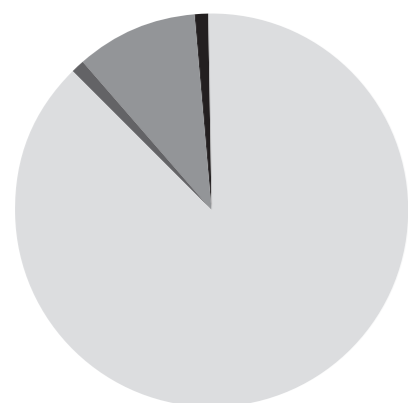
FTE (Full Time Equivalent) defines the total workforce described in terms of "people employed full time" (e.g., 2 people working 50% part time = 1 FTE). The acronym FTE (full-time equivalent) is also used in Italian.



	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees - FTE	62.53	10	72.53	67.525	8.75	76.275
Fixed-term employees - FTE	10	3	13	15	3	18
No-term employees - FTE	52.53	7	59.53	52.525	5.75	58.275
Total employees - FTE	6.53	10	72.53	67.525	8.75	76.275
Full-time employees	62	10	72	67	8	75
Part-time employees	0.53	0	0.53	0.525	0.75	1.275

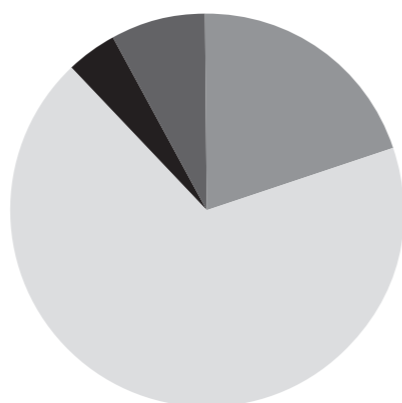
Italiana Corrugati also guarantees freedom of association for all staff, with the presence of RSU (company trade union representation) in the production unit and maintains open and transparent relations with the main trade unions.

Part time - full time



Part-time male workers	0.525 / 1%
Part-time female workers	0.75 / 1%
Full-time female workers	8 / 10%
Full-time male workers	67 / 88%

Type of contract



Temporary agency workers - women	0%
Temporary agency workers - men	0%
Fixed-term employees - women	3 / 4%
No-term female employees	5.75 / 7%
Fixed-term male employees	15 / 20%
No-term male employees	52.525 / 69%

All workers at the company are employed and have either a fixed-term or no-term contract. In 2022 Italiana Corrugati did not sign any contracts for temporary agency workers.

6.4.1 Professional development and growth

In 2022 Italiana Corrugati provided a total of 1,660 hours of training, down from the previous year, but in line with the company's needs, which had seen a greater commitment in 2021 (with 1,774 hours) in order to make up for some of the training hours not implemented in 2020 due to Covid19.

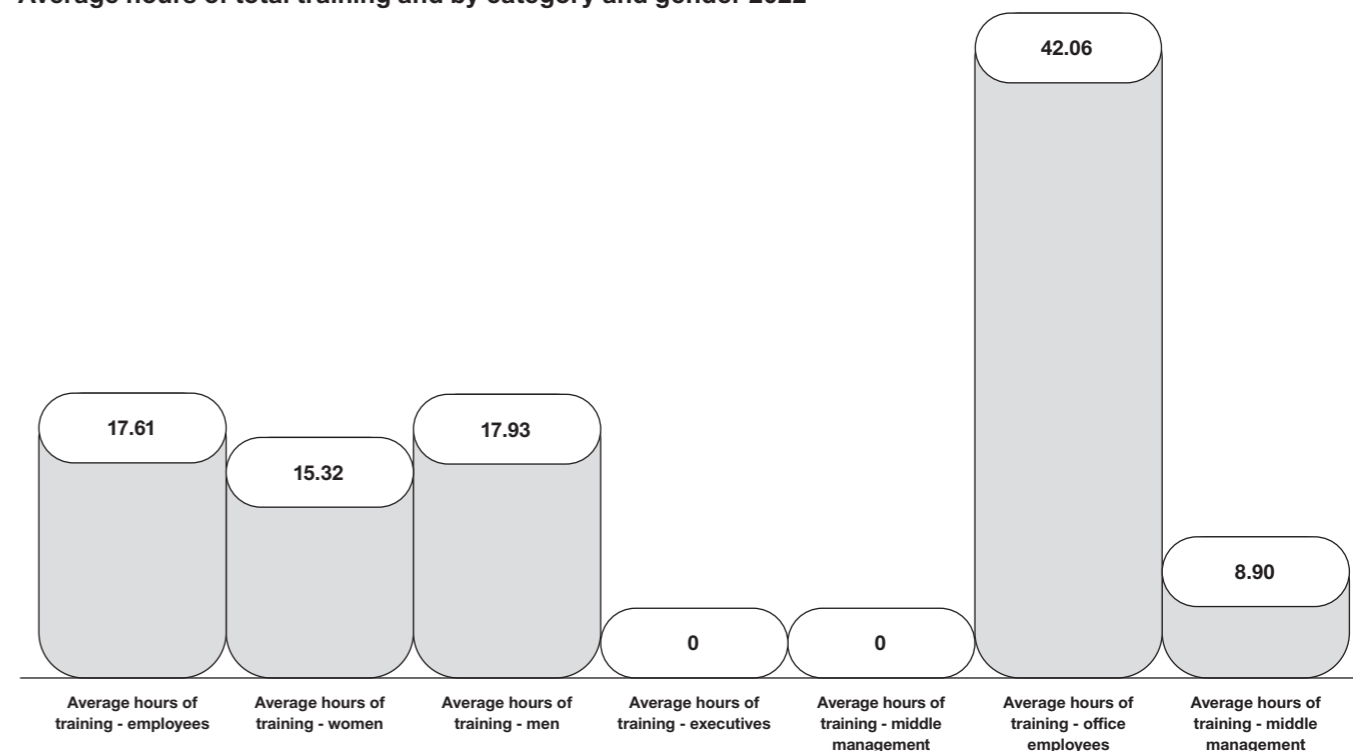
The hours are divided as follows: mandatory training under articles 36 and 37 of Italian Legislative Decree 81/08 continuing education updates and continuing education under Industry 4.0.

The training activities provided were aimed at having its employees acquire or consolidate their knowledge on the professional use of software that can make production and quality business processes increasingly interconnected. The training course was provided by the training provider Focus Group S.r.l., which is accredited by the Marche Region for continuing and higher education and by the main interprofessional funds for continuing education such as Fond-impresa, Fondo Artigianato Formazione (FART), FonCoop and FONTER. Training activities are carried out on IT and Industry 4.0.

In 2021 the economic value of training provided at Italiana Corrugati amounted to €20,057.00, while in 2022 it was €17,370.67.

	2021	2022
Economic commitment to training	€ 20,057.00	€ 17,370.67

Average hours of total training and by category and gender 2022



6	Italiana Corrugati
6.4	The care of our people

Italiana Corrugati does not operate transition assistance programs for any employee to facilitate continuity of employment and management of the end of employment after retirement or termination of employment.

Italiana Corrugati does not adopt periodic performance and professional development assessment systems for any employee.

6.4.2 Non-discrimination and equal opportunity

Turnover

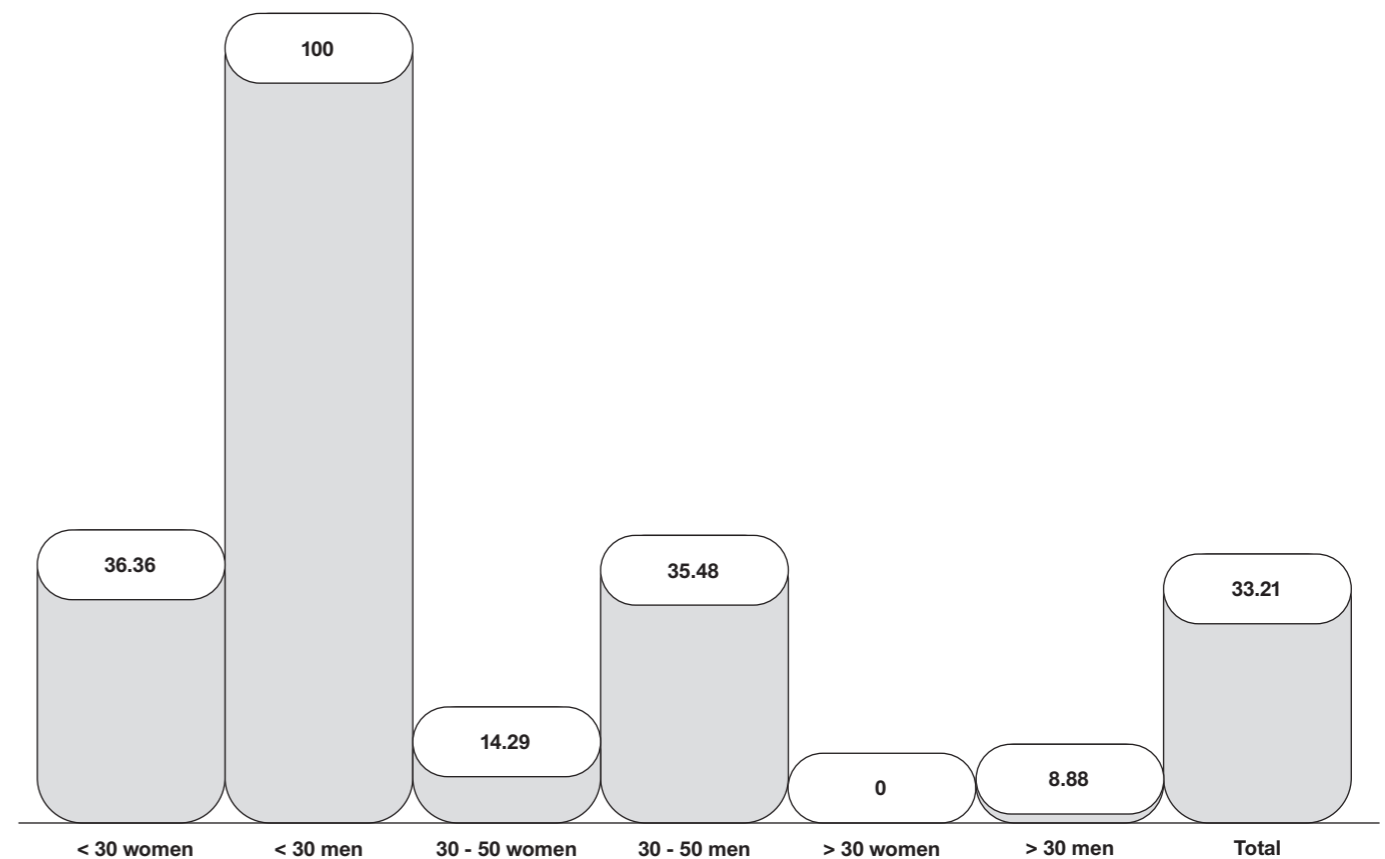
Turnover refers to all people who join or leave the company for a number of reasons (retirement, layoffs, decisions to change, etc.).

The table shows the inflow and outflow of employees by age group and gender.

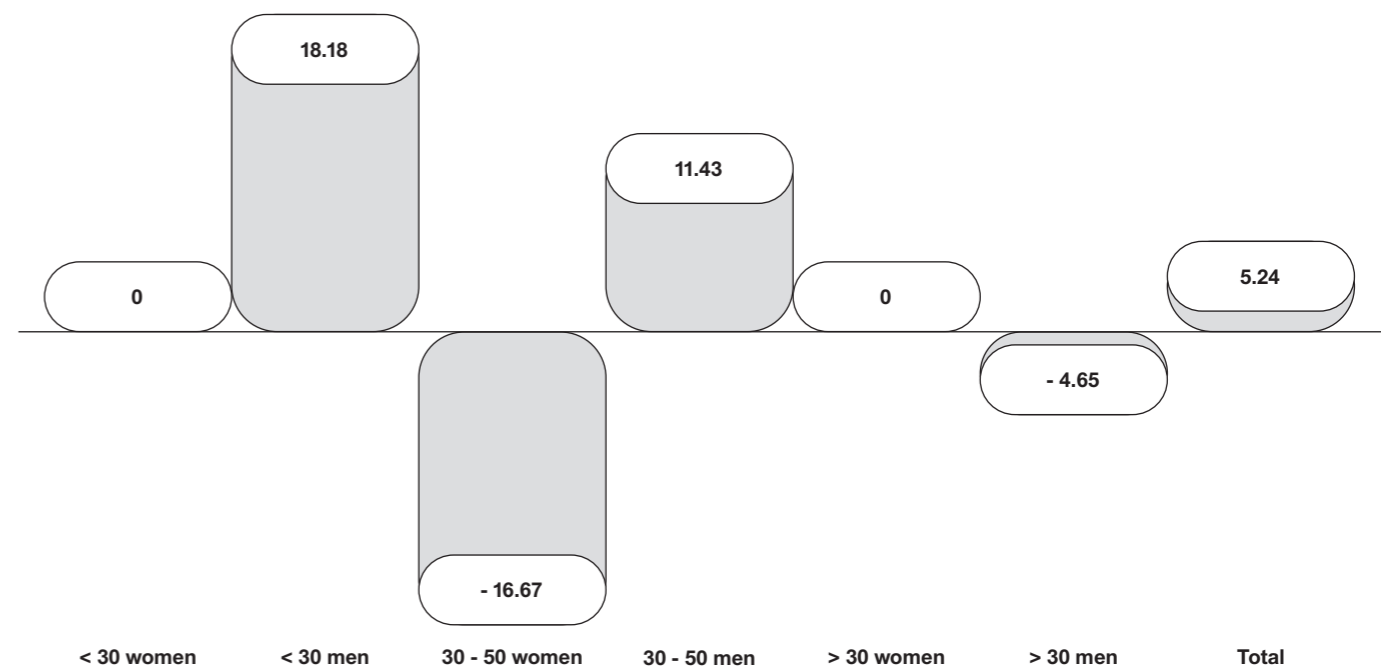
	Number at beginning of period (FTE)	Average number over the period (FTE)	Number new hires (FTE)	Number of exits (FTE)	1 Hiring rate (% positive turnover)	2 Overall turnover rate (% new hires - exits)	3 Overall turnover rate (% new hires + exits)
< 30 women	2.75	2.75	1	1	36.36	0.00	72.73
< 30 men	9	11	9	7	100.00	18.18	145.45
30 - 50 women	7	6	1	2	14.29	-16.67	50.00
30 - 50 men	31	35	11	7	35.48	11.43	51.43
> 50 women	0	0	0	0	0	0	0
> 50 men	22.525	21.525	2	3	8.88	-4.65	23.23
Total	72.275	76.275	24	20	33.21	5.24	57.69

6	Italiana Corrugati
6.4	The care of our people
6.4.2	Non-discrimination and equal opportunity

1 Hiring rate

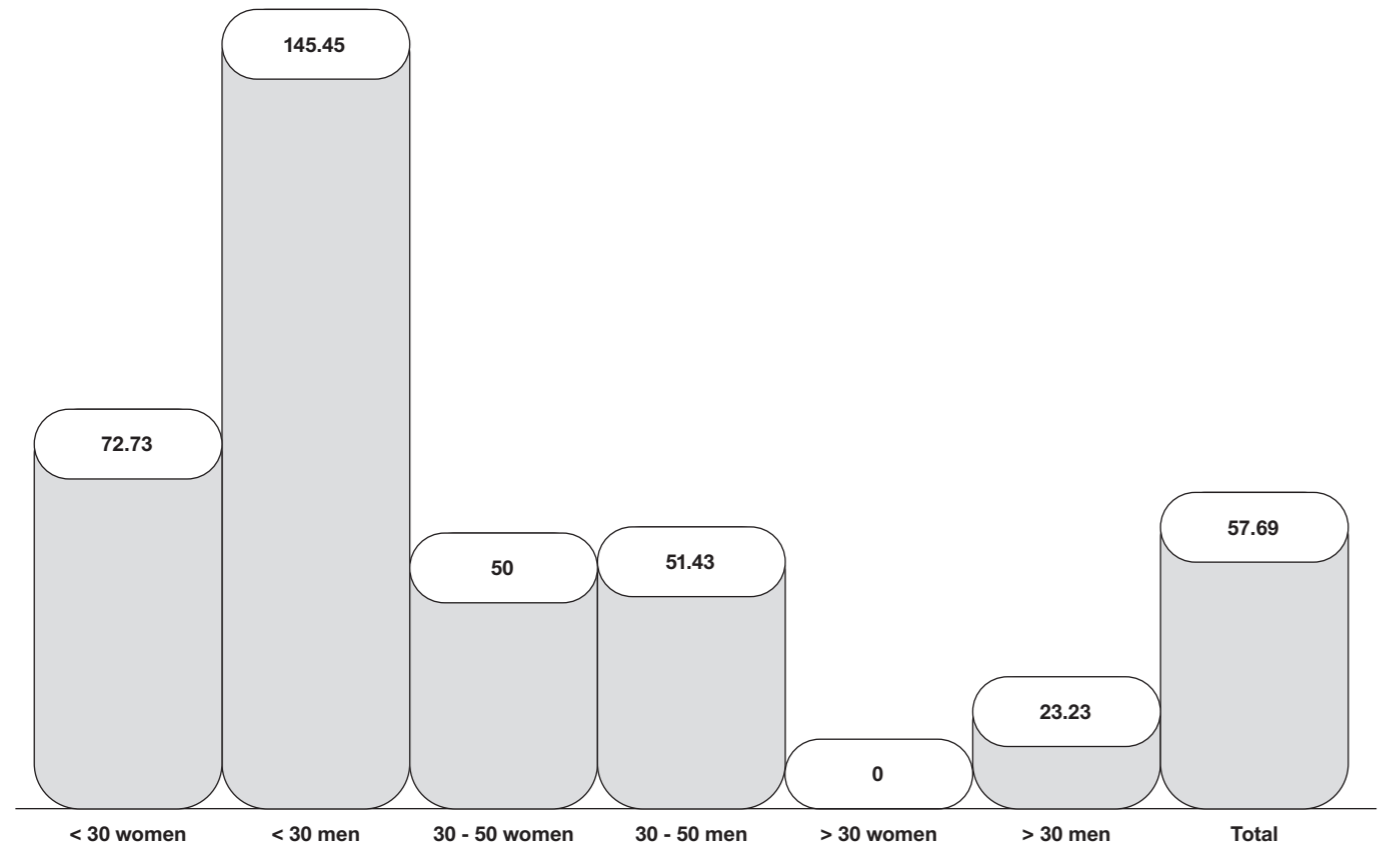


2 Overall turnover rate (new hires - exits)



6	Italiana Corrugati
6.4	The care of our people
6.4.2	Non-discrimination and equal opportunity

3 Overall turnover rate (new hires + exits)



Hiring rate is calculated as staff entering the Company/staff at the beginning of the period x 100. The overall turnover rate is calculated either by the formula new hires - exits/average number of employees in the period x 100 or by the formula new hires + exits/average number of employees in the period x 100.

Parental leave

In 2022 in Italiana Corrugati, a female employee who was entitled took parental leave, returning to work regularly at the conclusion of the stipulated period.

At the time of writing this report, the employee is still employed by the company.

Equal opportunity

The term “equal opportunity” is used to refer to the legal principle, enshrined in the Italian Constitution, which aims to remove all sorts of “discriminatory” obstacles from the participation of individuals in social, economic, political and labor life. It is therefore a condition of substantive equality and parity introduced to ensure “equal treatment” for all people and to prevent forms of discrimination on the basis of certain aspects (gender, age, sexual orientation, ethnicity, disability, religious and political orientation, etc.).

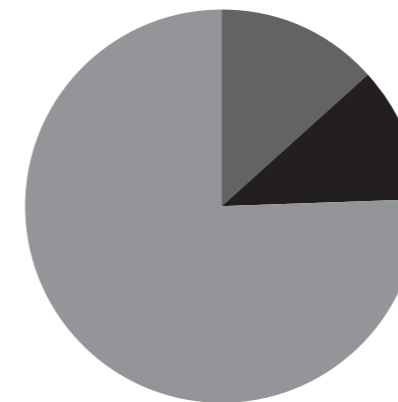
6	Italiana Corrugati
6.4	The care of our people
6.4.2	Non-discrimination and equal opportunity

Italiana Corrugati recognises “equal opportunity” and eliminates all kinds of discriminatory differences in access to and participation in the social, economic and political dimensions of company life.

All people working at the company are hired under National Collective Labor Agreements; salaries, therefore, are not affected by gender or other parameters not provided for in the regulations.

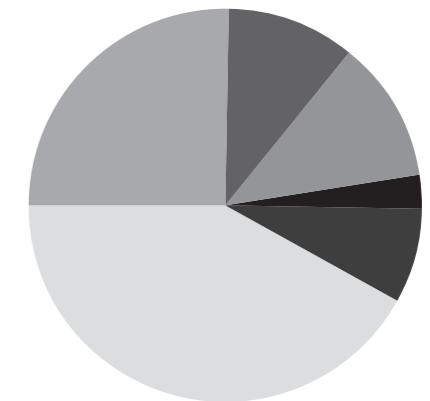
The criteria for assigning or granting benefits to staff do not concern the type of contract (fixed-term/no-term, full-time/part-time and other parameters such as gender and age).

Staff by qualification and gender in percent



Office employees - women	12%
Office employees - men	13%
Male workers	75%

Staff by qualification and age group



Office employees > 50 y/o	2%
Workers < 30 y/o	6%
Employees < 30	8%
Office employees - 30 - 50 y/o	9%
Workers > 50 y/o	19.525%
Workers - 30 - 50 y/o	32%

Remuneration of all people hired at the Company refers to national collective bargaining agreements (Rubber Plastic Industry). Any other forms of remuneration are not defined on the basis of criteria such as gender or age.

6	Italiana Corrugati
6.4	The care of our people

Composition of the Board of Directors Italiana Corrugati			
Emiliano Boscarini	30 - 50	M	Chair of the Board of Directors and CEO
Emanuele Boscarini	30 - 50	M	Deputy Chair of the BoD
Filippo Pini	30 - 50	M	Director
Andrea Romeo	30 - 50	M	Director

The Board of Directors of Italiana Corrugati consists of four men between the ages of 30 and 50 years.

Non-discrimination

The strong presence of foreign workers represents an opportunity from both a labor and human relations perspective. Centraltubi ensures equal professional, contractual and salary treatment, with reference to the type of employment and the provisions of the National Collective Bargaining Agreement, and respect for customs, traditions and cultures.

No incidents of discrimination of any kind have occurred or have been reported at Italiana Corrugati.

6.4.3 **Occupational health and safety**

System Group places great emphasis on management systems related to the protection of occupational health and safety (OSH) and pursues the goal of adopting systems in accordance with ISO 45001.

The objective that the Group pursues by adopting these systems, along with due compliance with the requirements of Italian Legislative Decree 81/08, is substantial: utmost protection of the health and safety of employees must be ensured, with special attention to those employed in the production process.

The adoption of the 231 Model (pursuant to Italian Legislative Decree 231/2001) has further emphasized the attention and care in monitoring the procedures provided for by the current regulations on health and safety of workers. Thanks to the periodic checks by the certifying bodies and the Supervisory Board, the systems are constantly monitored and updated.

The occupational health and safety system makes reference to the so-called "Consolidated Occupational Safety Act," i.e., Italian Legislative Decree 81/2008, which establishes the ways through which preventive actions must be mandatorily put in place and, more generally, how and what measures need to be taken to improve these aspects of working life.

6	Italiana Corrugati
6.4	The care of our people
6.4.3	Health and safety at work

Risk assessment

The methods of hazard identification, risk assessment, and the safety measures adopted to minimize workers' exposure to various hazards are addressed within the company's Risk Assessment Document (DVR). This document considers work activities, work organization, human resources, work areas, equipment and machinery used, and materials employed. The analysis methodology involves several stages of data acquisition, evaluation and processing leading to the assignment of a single risk value (severity by frequency) for each risk. Based on this value and the acceptance criteria, preventive and protective measures are established to reduce the risk to a tolerable acceptance level.

Health surveillance

The health protocol is the fundamental tool through which the company implements health surveillance, contributing to the prevention of occupational diseases and injuries that may occur in the workplace. It is defined by the Company Physician based on the results obtained from the risk assessment and aims to keep the health of workers under control. The health protocol contains the clinical/instrumental exams that workers should do at specific intervals, based on the type of work carried out and the risks involved, and is continuously updated, when changes occur or when the risk assessment in the company is updated.

Periodic meetings as per article 35 of Italian legislative decree 81/08

In accordance with article 35 of Italian Legislative Decree 81/08, the meeting for sharing safety aspects and issues is organized once a year. The Employer or his delegate, the H&SO, the company physician and the workers' safety representative (RLS) are invited to attend the meeting.

The following issues are considered at the plenary meeting:

- risk assessment document
- trends in injuries, occupational diseases and health surveillance, technical characteristics and effectiveness of personal protective equipment
- worker information and training programs for safety purposes.

At the end, behaviors and best practices for risk prevention and improvement goals are identified.

Other consultations among safety contact persons are carried out during the company physician's inspection of workplaces.

Injuries and near misses

The company collects data on injuries and "near misses" to analyze their causes and assess the possibility of making corrections and improvements. Incident analysis is routinely carried out for injuries occurring to workers with more than 30 days of first prognosis or whose dynamics are in need of further investigation.

The analysis stages consist of:

- Collection of all elements necessary for defining the event (data, statements, documents, photos, etc.).
- Analysis of elements and identification of causes
- Final description of the dynamics of the incident and analysis of the causes

6	Italiana Corrugati
6.4	The care of our people
6.4.3	Health and safety at work

- Conclusions and identification of actions to be taken.

These actions may include technical measures such as structural works on plant, machinery and/or equipment, organizational measures, procedural measures to regulate workers' behavior, training and information measures, and review of the risk assessment.

Education, information and training

The company implements and maintains a procedure in place so that the people who work for it directly, or on its behalf, are aware and competent at all times.

The DVR identifies the main tasks within the company; these tasks are also the basis for identifying training needs in relation to its occupational health and safety risks and its management system. Education, information and training are provided by taking all necessary actions to meet these needs, and documented information is kept.

System Group has adopted a new computerized system for managing health and safety-related compliance.

By availing itself of collaboration and partnership with qualified training institutions, the main objectives of preserving the quality of lessons, ensuring participants' full involvement and effective interactivity with teachers are achieved, to continue to increase internal expertise and foster its human resources.

For all newly hired employees, induction paths are defined, both theoretical and practical with on-the-job mentoring, tailored to the role, on issues concerning safety, the environment, workers' rights, and the code of ethics, in accordance with legal requirements and the integrated management system. The management system provides for mandatory training and education upon hiring and job change.

In addition to mandatory training, additional training is established, following events such as injuries and near misses, nonconformities found by field checks, new activities to be carried out, and evaluation of workers' skills. Training is not only delivered during the induction of staff into the company, but also covers continuing education in order to foster professional growth and individual motivation.

The occupational health and safety management system covers all people who happen to work within its scope.

In 2022, there were **130,162** hours worked at Italiana Corrugati compared to 120,913 in the previous year. There were **4** injuries, down from 2021, which recorded 5.

1
2

	2021	2022
Number of injuries	5	4
Hours worked	120,913	130,162
Total injury days	315	61
Frequency Rate - GRI / UNI 7249	41.4	30.7
Severity Rate - UNI 7249	2.61	0.47
Severity Rate - GRI	0	0
Rate of Fatalities	0	0

6	Italiana Corrugati
6.4	The care of our people
6.4.3	Health and safety at work

The **Frequency Rate** is calculated in the same way according to both **GRI Standards** and in accordance with **ISO Standard 7249:2007** (used by INAIL) and refers to recordable injuries, excluding fatalities, that have occurred. Commuting incidents occurring on the journey to and from work are not counted as they are not managed by the organization. The calculation involves the following formula: **no. of injuries x 1,000,000/hours worked**.

In accordance with standard **ISO 7249:2007** (used by INAIL in Italy), the **Severity Rate** relates the days not worked due to injury to the number of hours worked. The calculation involves the following formula: **no.**

of days not worked due to injury x 1,000/hours worked.

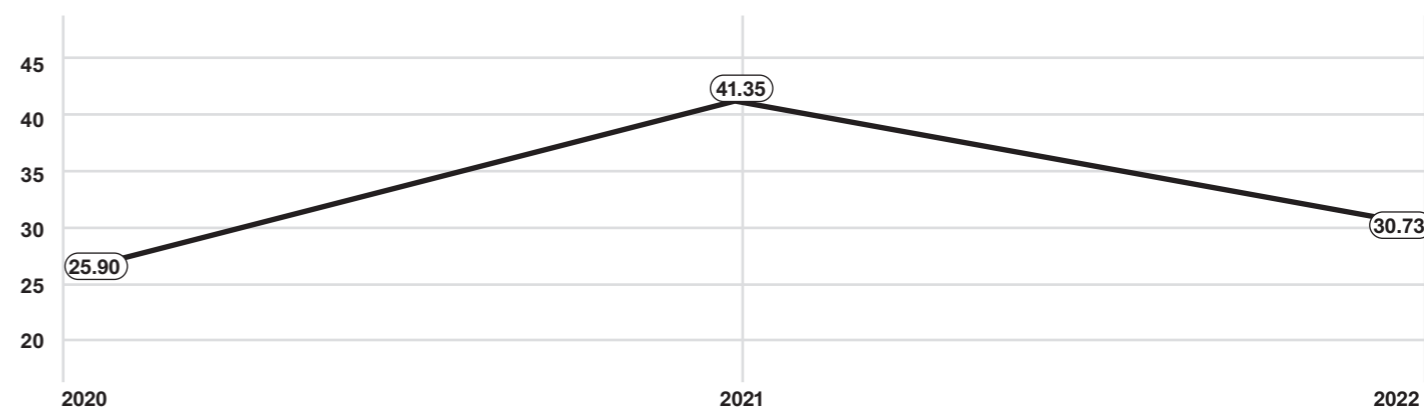
In accordance with the **GRI Standard**, the **Severity Rate** relates the number of serious injuries (with prognosis greater than 180 days) to hours worked. The calculation involves the following formula: **no. of serious injuries x 1,000,000/hours worked**.

In accordance with the **GRI Standard**, the **Rate of Fatalities** relates the number of fatalities to hours worked. The calculation involves the following formula: **no. of fatalities x 1,000,000/hours worked**.

Also in 2022, as in the previous year, incidents occurred in production and were identified as - *low severity* - (B), were mostly caused by carelessness, inappropriate behavior or chance events. It does not appear possible to determine a common reason or context. The company has **initiated actions** to improve employee safety by raising awareness among staff, with new training and more in-depth training in the use of work tools. Specifically, Italiana Corrugati has updated the General Risk Assessment Document, which includes ongoing renewal of workplace safety measures with risk assessments for physical and chemical agents, fire risk, health surveillance, a competent doctor, the update of the emergency and evacuation plan, the declaration of conformity of the electrical and grounding system, the inspection of the first aid/medical kit, work equipment, and plants and machinery, the adoption of personal protective equipment, horizontal and vertical signage, periodic checks of fire extinguishers and hoses, fine dust measurements, the establishment of internal regulations, and training and information (refresher course for the Workers' Safety Representative, Forklift Operator refresher course, First Aid and Fire Fighting refresher course, Welders course).

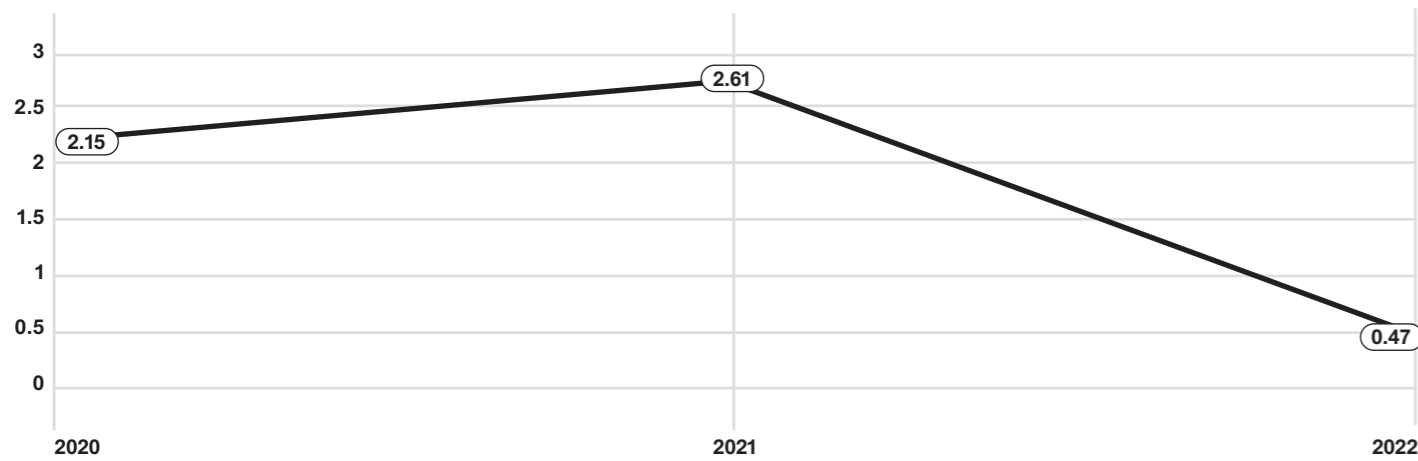
Please refer to the document "System Group Injuries 2022" for details on how the accidents occurred.

1 Frequency Rate GRI / UNI 7249



6	Italiana Corrugati
6.4	The care of our people
6.4.3	Health and safety at work

2 Severity Rate UNI 7249



In 2021 and 2022, no injuries with prognosis of more than 180 days occurred at Italiana Corrugati.

In the years 2021 and 2022, there were no fatalities due to injury.

No cases of occupational diseases occurred or were reported.

6	Italiana Corrugati
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6.5 GRI Context index with reference

GRI Standard 1 - 7

Italiana Corrugati S.p.A. reports about its sustainability in accordance with GRI Standard 2021 for the period 01.01.2022 - 31.12.2022. GRI 1: Foundation 2021 is used.

GRI Standard / other source	Disclosure	Chapters	Page
GRI 2 General Disclosures 2021	2-1 Organizational details	1	89
	2-2 Entities included in the organization's sustainability reporting	1	89
	2-3 Reporting Period, Frequency and Contact Point	5	133
	2-4 Restatements of information	6	133
	2-5 External assurance	7	133
	2-6 Activities, value chain and other business relationships	1	89
	2-7 Employees	4	118
	2-8 Workers who are not employees	4	118
	2-9 Governance structure and composition	1	89
	2-10 Nomination and selection of the highest governance body	1	89
	2-11 Chair of the highest governance body	1	89
	2-12 Role of the highest governance body in overseeing the management of impacts	1	89
	2-13 Delegation of responsibility for managing impacts	1	89
	2-14 Role of the highest governance body in sustainability reporting	1	89
	2-15 Conflicts of Interest	6	
	2-16 Communication of critical concerns	1	89
	2-17 Collective knowledge of the highest governance body	1	89
	2-18 Evaluation of the performance of the highest governance body	1	89
	2-19 Remuneration policies	Omitted	
	2-20 Process to determine remuneration	Omitted	
	2-21 Annual total compensation ratio	Omitted	
	2-22 Statement on sustainable development strategy	Letter from the Chair and 1.4	85, 89
	2-23 Policy commitments	Letter from the Chair and 1.4	85, 89
	2-24 Embedding policy commitments	1	89
	2-25 Processes to remediate negative impacts	2, 3 and 4	104, 109, 118
GRI 3 Material Topics 2021	2-26 Mechanisms for seeking advice and raising concerns	1	89
	2-27 Compliance with laws and regulations	1	89
	2-28 Membership associations	1	89
	2-29 Approach to stakeholder engagement	1	89
	2-30 Collective bargaining agreements	4	118
	3-1 Process to determine material topics	1, 6	89
	3-2 List of material topics	1	89
	3-3 Management of material topics	2, 3 and 4	104, 109, 118

Omissions			Explanation
Requirements omitted	Reasons		
2-19 Remuneration policies	Confidentiality		
2-20 Process to determine remuneration	Confidentiality		
2-21 Annual total compensation ratio	Confidentiality		
201-2 Financial Implications and Other Risks and Opportunities Resulting from Climate Change	Information not available / incomplete		Italiana Corrugati did not conduct any "SWOT" analysis for climate change in 2022

GRI standards with an asterisk () have been dealt with for applicable disclosures.*

Relevant topic	GRI Standard / other sources	Disclosures covered	Chapter	Page
Economic performance and anti-corruption	GRI 201 - Economic Performance 2016*	1 / 4	Chap. 2	104
	GRI 205 Anti-Corruption 2016	All	Chap. 1	89
Energy and emissions - Fight against climate change	GRI 302 Energy - 2016*	302-1 / 2 / 3 / 4	Chap. 3	109
	GRI 303 Water and Effluents - 2018	All	Chap. 3	109
	GRI 305 Emissions - 2016	All	Chap. 3	109
Materials and waste management - Circular economy	GRI 301 Materials - 2016	All	Chap. 3	109
	GRI 306 Waste - 2020	All	Chap. 3	109
Health and safety at work	GRI 403 Occupational Health and Safety - 2018	All	Chap. 4	118
Knowledge management	GRI 404 Training and Education - 2016*	404-1 / 2a	Chap. 4	118
Employment, non-discrimination, equal opportunity and welfare	GRI 401 Employment - 2016	All	Chap. 4	118
	GRI 405 Diversity and Equal Opportunity - 2016	All	Chap. 4	118
	GRI 406 Non-discrimination - 2016	All	Chap. 4	118

Not applicable

Disclosures	Explanation
Disclosure 201-3 Obligations Concerning Defined Benefit and Other Pension Plans	The Company does not prepare pension plans because such treatment is paid for by national institutions
Disclosure 302-5 Reductions in energy requirements of products and services	The Company's products have no energy requirements
Disclosure 404-2 404-2 Programs for upgrading employee skills and transition assistance programs	These activities are not implemented at the Company
b) Transition assistance programs to facilitate employability and management of the end of employment due to retirement or termination	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	At the company, employees do not receive periodic performance evaluations

6.6 Methodological Note

GRI Standard 1
GRI Standard 2 - 3 / 4 / 5

This Sustainability Report, version dated 30/08/2023, covering the reporting year 2022, is the second published by Italiana Corrugati S.p.A. It was prepared and drafted in accordance with the **Consolidated Set of the GRI Standards 2021**.

The Sustainability Report 2022 has undergone third-party assurance by the certification body Istituto Italiano dei Plastici.

Compared with previous reporting, some revisions in disclosures, described below, have been made against an improved calculation process and revised sources for a number of coefficients/factors.

The reporting **scope** of qualitative and quantitative data and information, including economic and financial data and information, contained in the Sustainability Report specifically refers to the performance of Italiana Corrugati S.p.A. for the **reporting period 2022 (01.01.2022 - 31.12.2022)**. For comparative purposes, figures for the period 2021 are presented where available.

The preparation, drafting and publication of the Sustainability Report represent voluntary activities and have regular **annual intervals**. The **reporting period** is the year, defined as the **“calendar year.”**

For all **material topics**, as defined by due diligence, the Organization defines objectives within the framework of its sustainability strategy, as well as risks and opportunities for its declination and application.

All information provides a consistent picture inherent in “impacts”; *both positive and negative effects* are considered and reported. The emphasis on various report topics reflects their relative priority.

This Sustainability Report describes in detail the data with their respective units of measurement, defining their basis and the possibilities for consultation and verification; it also establishes what the data described are intended to demonstrate.

This document contains a summary index of information related to the different areas covered (GRI Content Index) and reported according to GRI Standard 2021 in such a way as to allow traceability of indicators and other quantitative and qualitative information presented within the Sustainability Report.

Any specific techniques and tools used are also explained.

Other paper or digital documents may also report the data, information and contents of the Sustainability Report in summary form. Each document above provides the information to use the full version.

For the *GRI Standard - 305 Emissions - 2016*, the Sustainability Report combines, in part, Disclosures 305 - 1 and 305 - 2.

The description of positive and negative impacts, such as information on their management, is included at the beginning of Chapters 2, 3 and 4 devoted to the economic and governance, environmental and social areas, respectively.

The Organization's highest governance body is responsible for reviews and approval of reported information, including relevant topics.

The terms “Boscarini Group” and “System Group,” referred to in the Sustainability Report 2022, are not legal entities, but are designations used to identify the shareholding and business identity, respectively.

Boscarini Group refers to all the companies whose shares are held directly or indirectly by members of the Boscarini Family. The representation of the Group and shareholding is documented in the introductory part of the Sustainability Report.

6	Italiana Corrugati
6.6	Methodological Note

System Group is the brand including, on a commercial and marketing level, the companies of the Boscarini Group. This name allows for the unambiguous recognition of the Companies and strengthens their image in the market as it characterizes their identity and belonging.

The **Strategic Management Committee (CDS)** is a corporate governance body composed of members of the Boscarini Family currently involved in the management of the companies and in which they hold shares, as well as a number of employees who occupy key roles within the various companies.

Said CDS meets at least weekly and where necessary, more frequently.

The CDS guides the choices and activities for sustainability of both System Group and the individual companies. Therefore, conflicts of interest are prevented.

The **Sustainability Team** consists of employees and external consultants. Employees belong to the technical area, Marketing area, and Administration and Control. One consultant takes care of regulatory compliance aspects, while the other follows environmental topics. The Team meets periodically for the purpose of drafting the Sustainability Report. Throughout the year, the Team and Corporate Management analyze the progress of projects related to the ESG areas and set guidelines for future investments.

Information was reported by assessing relevant impacts that can currently be measured with some degree of accuracy (or estimated) and that may fall under the responsibility or influence, even partial, of the company.

Assumptions and methodologies underlying the calculations made

The company's economic position

Economic information is represented according to the matrix of the Financial Reporting Working Group (GBS Standard 2013).

Opportunities and topics related to environmental aspects

With regard to information pertaining to environmental topics, emission factors for calculating direct emissions (scope 1) from the Company's stationary combustion and factors for calculating energy consumption (PCI) were acquired from the Italian National Standard Parameter Table for the year 2022 "...UNFCCC National Inventory," which can be found at the link:

<https://www.ets.minambiente.it/News#272-pubblicazione-parametri-standard-nazionali-anno-2022>.

For automotive diesel fuel, the emission factor given by the UK Government GHG Conversion Factors for Company Reporting 2021 and 2022 was considered, as for heavy fuel oil.

This information can be found at the links:

2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049333/conversion-factors-2021-full-set-advanced-users.xlsm

6	Italiana Corrugati
6.6	Methodological Note

2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083855/ghg-conversion-factors-2022-full-set.xls

Fuel	Emission factor		Unit of measurement
	2021	2022	
Natural gas (methane)	1.983	1.991	tCO2 / 1000 Stdm ³
Diesel fuel (100% mineral diesel)	2.70553	2.6988	kgCO ₂ eq / l
Fuel oil for ships	3.10669	3.10669	kgCO ₂ eq / l

In calculating transportation emissions, in the absence of further details on the fleet of vehicles used for product delivery, the reference considered is the articulated vehicle for heavy loads in the > 33-ton load range (Articulated > 33 ton - diesel) with a medium load class, according to the UK Government GHG Conversion Factors for Company Reporting reference table

GHG emissions for road transport (Business Travel Land) 2021	916.48 gCO ₂ eq/km
GHG emissions for road transport (Business Travel Land) 2022	930.04 gCO ₂ eq/km

Similarly, for the vehicles used by employees, a generalization was made in defining the reference emissions. Specifically, considering the UK Government GHG Conversion Factors for Company Reporting 2022 reference table, a diesel-powered upper-medium category car was taken as the reference:

Category	Passenger cars
Fuel	Diesel
Segment	D
GHG emission factor 2021	159.55 gCO ₂ eq/km
GHG emission factor 2022	161.97 gCO ₂ eq/km

The following reference values taken from 2021 Global Ocean Container Greenhouse Gas Emissions Intensity Clean Cargo October 2021 and in collaboration with BSR were considered in calculating emissions for maritime transport

(<https://www.bsr.org/>)

found at the link:

<https://smartfreightcentre.org/en/our-programs/clean-cargo-1/clean-cargo/>

6	Italiana Corrugati
6.6	Methodological Note

The reference document in the link above, containing data for the year 2022, was published after the report was prepared, so the coefficients available at that time were used.

Average and aggregate Clean Cargo emission factors by trade routes - year 2019			
Route	CO ₂ emissions by trade route (gCO ₂ eq / TEU* / km)		Utilization Factor 70%
	2021 (2020 figure)	2022 (2021 figure)	
Intra Mediterranean	134.3	148.2	
TEU: "Twenty Foot Equivalent Unit": Unit equivalent to 20ft container, length 6m usable volume 33 m³, maximum load capacity 21600 kg			

As a precaution, the calculation was carried out using the minimum utilization factor also considering the low weight/volume ratio of plastic pipe loads by taking the emissions for the Intra Mediterranean route as the reference value.

Calculation assumptions should be explored in depth with cargo service providers and possible insights into transport improvement and optimization should be verified.

In general, due to the intrinsic characteristics of the activity, the calculation, although performed to the best of our ability, can only be considered an estimate

Reporting on the impact of indirect emissions is done by analyzing supply documents (Codes: CB, CA) for upstream transportation and distribution activities and delivery documents (Codes BE, BI, BIR, BL, BLS, BN, BT, BV); based on the origin/destination of the goods a distance in kilometres is associated with each document to determine the emissions according to the indicated coefficients. The calculation results in an overestimate because it does not consider the actual volume or weight transported, but only the distance in kilometres of the origin or destination of the goods indicated by the transport document.

Total Scope 2 "market based" indirect emissions were calculated for 2021 and 2022 by applying the emission factor given by European Residual Mixes, Association of Issuing Bodies. Below are the links.

2021	2022
European Residual Mixes 2021, Association of Issuing Bodies	European Residual Mixes 2022, Association of Issuing Bodies
https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf	https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf
Table 2	Table 2
456.57 gCO ₂ eq / kWh	457.15 gCO ₂ eq / kWh

6	Italiana Corrugati
6.6	Methodological Note

For the location-based calculation of emissions from electricity consumption, the emission factor provided by ISPRA - Atmospheric Emission Factors of Greenhouse Gases in the Domestic Electricity Sector and Major European Countries, Report 386/2023, Table 1.13 was used (gross electricity generation)

www.isprambiente.gov.it/files2023/pubblicazioni/rapporti/r386-2023.pdf :

2021	2022*
267.90 gCO ₂ eq / kWh	308.9 gCO ₂ eq / kWh
*Preliminary estimate	

For the purpose of calculating the emission factor of refrigerant gas R407C, it is composed of the following mixture of hydrofluorocarbons (HFCs): HFC-32 at 23%, HFC-125 at 25% and HFC134a at 52%. The global warming potential (GWP) of the constituent gases of the mixture according to EU Regulation No. 517/2014 results in 675, 3,500 and 1,430, respectively, with a GWP of the weighted average of 1,773.85, rounded to 1774.

Water: Italiana Corrugati

The manager of the integrated water service is Marche Multiservizi. Sources of supply to the municipalities of Lunano and Piandimeleto: spring (Carpegna) and wells (Lunano). Source: General Regulatory Plan of Waterworks of the Marche Region and AATO1.

Water Stress Marche 2022: The territory of AATO1 in which the municipalities of Lunano and Piandimeleto fall is classified as at low water severity.

The estimation of wastewater assimilated to domestic sewage discharged by System Group companies is done by applying environmental engineering criteria considering an average consumption for production and office staff. Specifically, a water supply per worker of 40 l/day was considered, 60 l/day for companies with bathrooms equipped with showers. While for office employees, an average daily sanitary consumption of 20 l/day of drinking water was considered. Average working days for each category are calculated by considering 252 working days for 2022, recalculated taking into account type of contract (full time or part time) and any breaks in the employee's employment in the year in question. The coefficient of reduction of the share of discharged water to the per-capita water supply is assumed to be 0.8.

The care of our people

Regarding Chapter 4 on human resources, it is clarified that additional indicators were used to report on injury trends. Said indicators are described in detail in the text.

Two formulas have been presented for the overall turnover rate: one formula is calculated as follows: *entries + exits / average staff units over the period*, the other: *entries - exits / average staff units over the period*.

These two methods are used to distinguish a simple turnover of a certain number of personnel, for example, 7.5% entries and 7.5% exits, from an event considered 'in literature' as critical, such as the exit, in close succession, of 15% of the people employed in an organization.

Injury and parental leave trends were described by explaining the real influence of the information on reporting, considering that the reporting standards require information that does not necessarily have to cover a one-year period.

6	Italiana Corrugati
6.6	Methodological Note

Stakeholder Engagement

Also in line with the guidelines of the new directive on corporate sustainability reporting, thanks to the parameters described in the table presented in Section 1.5, stakeholder management starts from the observation of what happened in the previous reporting period.

Examining the above table, each stakeholder category was defined according to three parameters described below.

Influencers/influenced parties

The relationship with the Company is marked by mutual influences; however, it may be that the levers of influence are not equally distributed between the two parties. Government agencies decisively influence corporate activity to the extent that they generate (sometimes even force) systemic transitions. The individual company, conversely, may have little or no influence on the policies of the governance body. Similarly, lending institutions can exert pressure for the Company to become resilient.

Speaking of lending institutions, it should be borne in mind that they “impose” forms of dialogue and content of the relationship with the Company through surveys and questionnaires, which in themselves represent a flow of information that this type of stakeholder assesses as adequate. Therefore, this assessment was made for each stakeholder category.

Outside-in / inside-out impacts

Staying with the example of credit institutions, it is evident from the documents sent to the companies that their interests are focused on aspects that, if poorly managed, could cause reputational damage to the company, and on resilience, that is the Company’s ability to cope with impacts from the socioeconomic context. In this period, the second topic is gaining increasing importance because wars and pandemics have made the context much more volatile and unpredictable. Therefore, the most important question today is “...has the company done everything necessary to successfully stay in the market?” Therefore, it can be said that the most relevant impacts for lending institutions concern, precisely, the reaction and what happens “outside” the company, influencing it.

Conversely, local government bodies may be affected by “inside - out” impacts such as care for the environment or value distributed throughout the territory (an aspect that has also been underestimated in past surveys). Therefore, this assessment was made for each stakeholder category.

Social/environmental/economic impacts

Each stakeholder focuses on one or more sustainability areas: employees on “health and safety,” lending institutions on the economic and governance spheres. Therefore, this assessment was made for each stakeholder category.

The general situation of the existing forms of communication and those that can be activated has also been evaluated.

We have already covered the surveys of credit institutions. Then some forms/opportunities for dialogue should also be considered.

ISO 9001 requires customer satisfaction surveys; these surveys may also cover some sustainability aspects.

Supplier selection activities, again provided for in ISO 9001, may involve exchanging information and establishing criteria for approval that relate to certain sustainability aspects.

6	Italiana Corrugati
6.6	Methodological Note

Mandatory Health and Safety regulations provide the opportunity to ask questions or make comments in relation to this topic, which is certainly among—if not—the most important of the “social” issues.

Based on all these inputs, the forms of dialogue to be initiated in 2023 were identified and described for each type of stakeholder.

A positive escalation was also assumed in the dialogue. For example, with credit institutions, it is reasonable that the dialogue matures and moves from responding to surveys to a form of sharing strategic plans for sustainability (co-design).

Stakeholders consulted through interviews implicitly and explicitly confirmed the adequacy of the adopted indicators.

Assessments for the definition of material topics

This analysis deals with the context in which Centraltubi S.p.A., Italiana Corrugati S.p.A., Pebo S.p.A. and Rototec S.p.A., operate, and their actual and potential negative impacts and positive impacts.

It also takes into account the opinions of stakeholders in its relationship with the companies mentioned above.

To determine the material topics, in the absence of a *sector standard*, the following was done:

1. the specifics of business activities and processes were assessed;
2. feedback was sought on the importance of a number of issues in national binding legislation;
3. a benchmark survey of other companies that use plastics in their operations was conducted.

The material topics were determined by reviewing the information collected.

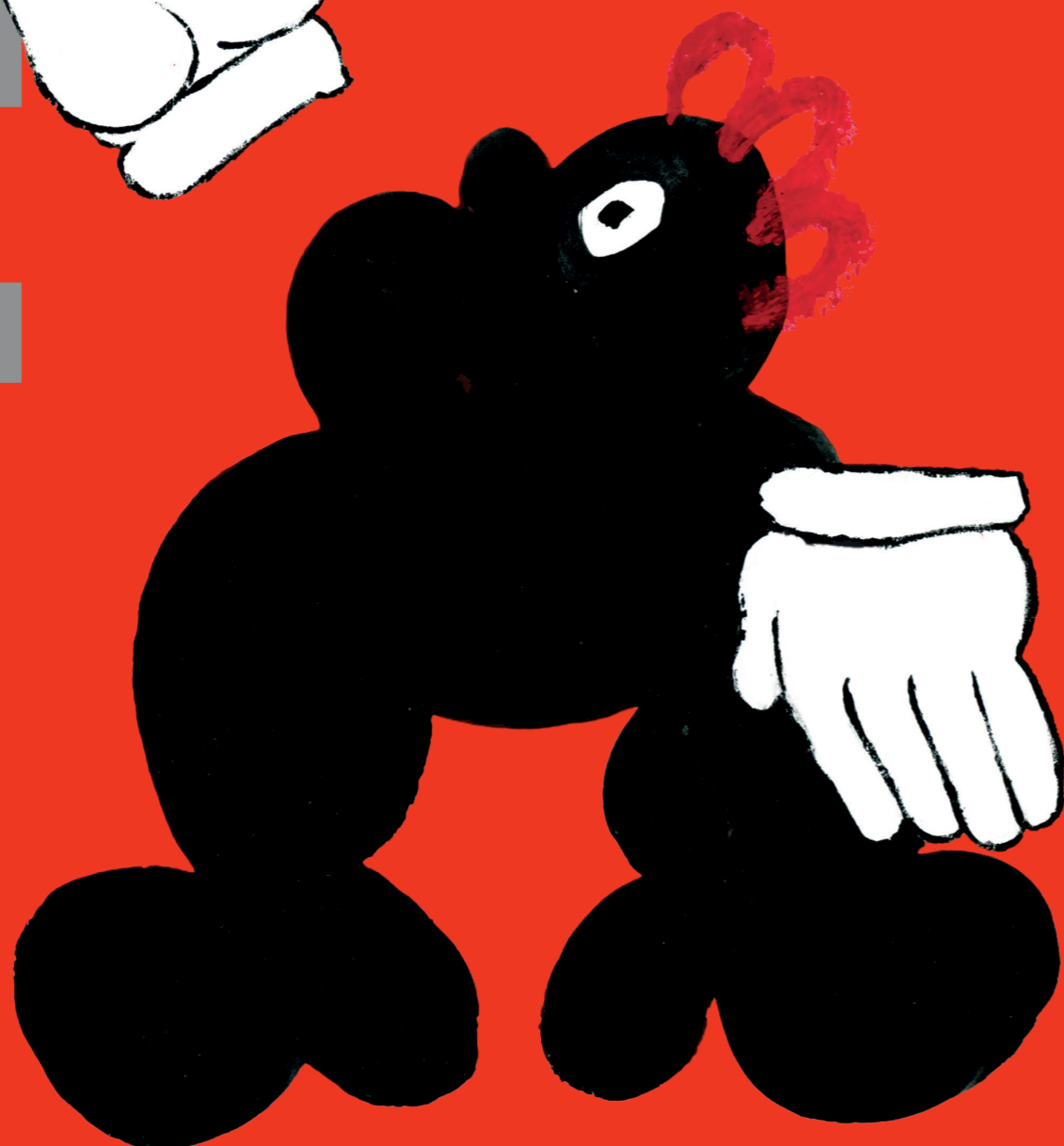
Processes, activities and value chain

For manufacturing companies, the management of company processes involves significant energy consumption with consequent emissions (especially CO₂eq), while impacts on water resources are not particularly significant. This is because the water used for cooling in production activities is in a closed circuit.

From the perspective of impacts, the management of waste, the recovery of production residues, and the use of recycled materials are significant topics

The activities carried out by the different companies in the Group are integrated. In fact, there is an entity that deals specifically with the recycling of materials for Group companies, as well as for third parties. Transportation is also entrusted to a Group company, whose sole purpose is this activity. This structure should be seen as a strength, both because this way the Organisations can “specialize,” and because this model brings specific organizational advantages: for example, the vehicles involved in transportation and deliveries carry “mixed” loads, this allows for optimization of both load and route management.

OB
B
E
P



Letter from the Chair to Stakeholders

GRI Standard 2 - 22 / 23

My first thought goes to my father Alvaro, who passed away in early 2022, founder and enlightened genius, capable of creating a Group that year after year has confirmed its solid and strong roots in the local community.

The year that has just ended therefore opened with a deep sense of sadness and bewilderment, and prompted all of us, from the family, to all of our employees, to commit ourselves and continue on the path that Alvaro traced over these more than 40 years.

The legacy he left us is impressive and full of expectations and hope for the future.

The commitments we are making today follow the course of continuity and the guidelines that my father consistently set out for us over all these years.

At the helm of the Group companies today are all members of the family, and in the various Management Committees, the employees who have contributed to the growth and success of our Group over the years.

The path we have taken on sustainability issues, is in its second year of reporting, but initiatives aimed at compliance with ESG issues have been in place for several years and are part of our daily activities.

We have always placed our employees and the surrounding economic, social and cultural landscape at the centre of attention in the hope of being an active and positive part of its evolution.

The responsibility we have and feel toward all our stakeholders is great and drives us to continuously improve ourselves in our daily practices, so that nothing is left to chance along our path of growth and development and our way of doing business is a source of balance and well-being for people and the territory.

Last year we started this voluntary process of reporting on how we understand sustainability, and the financial statements of three of our Companies were audited through a third-party assurance process.

This year we have included another Group Company in this virtuous cycle, with new material topics to report on, and which gives us the opportunity, along with the others already examined, to represent most of our Group's business models, which range from the production of specific manufactured goods for the transport of

fluids, to their storage, to the recovery and recycling of production materials, to services supporting the entire supply chain.

The Group also operates in other sectors, e.g., transportation, engineering, services, which are presented in this Report, and over the next few years will become an active and integral part of it for reporting sustainability impacts.

As announced last year, we formally adopted for Pebo S.p.A., a compliance program, i.e., 231 Model (as per Italian Legislative Decree 231/2001), providing us with a collegial Supervisory Board.

This project, which we have voluntarily joined, despite it not being a current obligation, has been implemented to bring greater consistency and relevance to our way of doing business. It encompasses initiatives aimed at protecting workers and their safety, the environment and its healthiness, our institutional stakeholders, and our partners, including both customers and suppliers.

Returning to the general issues, what happened in 2022 on the international scene is, unfortunately, still part of our everyday life.

The immense disaster of war, which is still ongoing, the sharp price increases in the commodity and energy markets, which have seen us on the front lines to counter and mitigate their effects on our companies, the social tensions and problems caused by soaring inflation, have marked 2022 as a period, yet another after the pandemic, that cannot be fit into known patterns and therefore must be approached with great attention, day after day.

Last but not least, returning to environmental issues, 2022 has been confirmed as one of the hottest and driest years ever, forcing everyone to think deeply about the management of water reserves and imposing an increasingly concrete commitment to the issues of the UN 2030 Agenda.

Most of our companies belong to the electricity-intensive and gas-intensive category, which makes us doubly involved in the issues of energy saving, production efficiency and emission reduction.

We have long since activated, and have been reinforcing our commitment to, internal teams, collaborations with universities, and external consultants, all engaged in working on energy

and environmental issues. Their role is to define future strategies and increasingly reconcile the growth of the Group with respect for everything outside of it that we encounter daily.

Commitments made over the years to our employees, in terms of professional growth and enhancement of skills, training and welfare, are confirmed and supported by Management.

The large investments that we have also made in 2022 have always been evaluated from the perspective of curbing consumption and reducing waste, and have seen the launch of an innovative project on the use of our products to transport hydrogen.

In the following pages, we will try to detail our projects and investments already completed and those in the pipeline, with particular attention to those that have greater affinity with ESG issues.

I can only wish a good read to all those who have the curiosity and desire to learn about the contents of this second Sustainability Report of Pebo. While certainly capable of improvement, we hope it can represent and account for our commitments and the results achieved.

In conclusion, my most dutiful thanks, also on behalf of the other members of the Management, go to all our employees and external partners, for their consistently positive commitment exerted every day in the management of activities. We are confident they will continue the project of my father Alvaro, whose teachings we will never abandon.

Emanuele Boscarini



Summary

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7.1.1 Company profile

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Pebo was founded in 1987. It is the company of the Boscarini Group, on the market better known as "System Group," specializing in the recovery and recycling of high and low density polyethylene, which comes from both the recovery of production residues and dispersions in plants, as well as from selected purchases of secondary raw materials from the recycling of waste and by-products.

Pebo's geographic location, close to most of the Group's other companies, allows for a significant containment of environmental impacts from transportation.

The production plant and offices are located in Località Piego in the Monterone hamlet of the municipality of Sestino, in the province of Arezzo.

The workforce consists of 46.28 employees (*full-time equivalent*). The total value of production amounts to more than € 50 million.

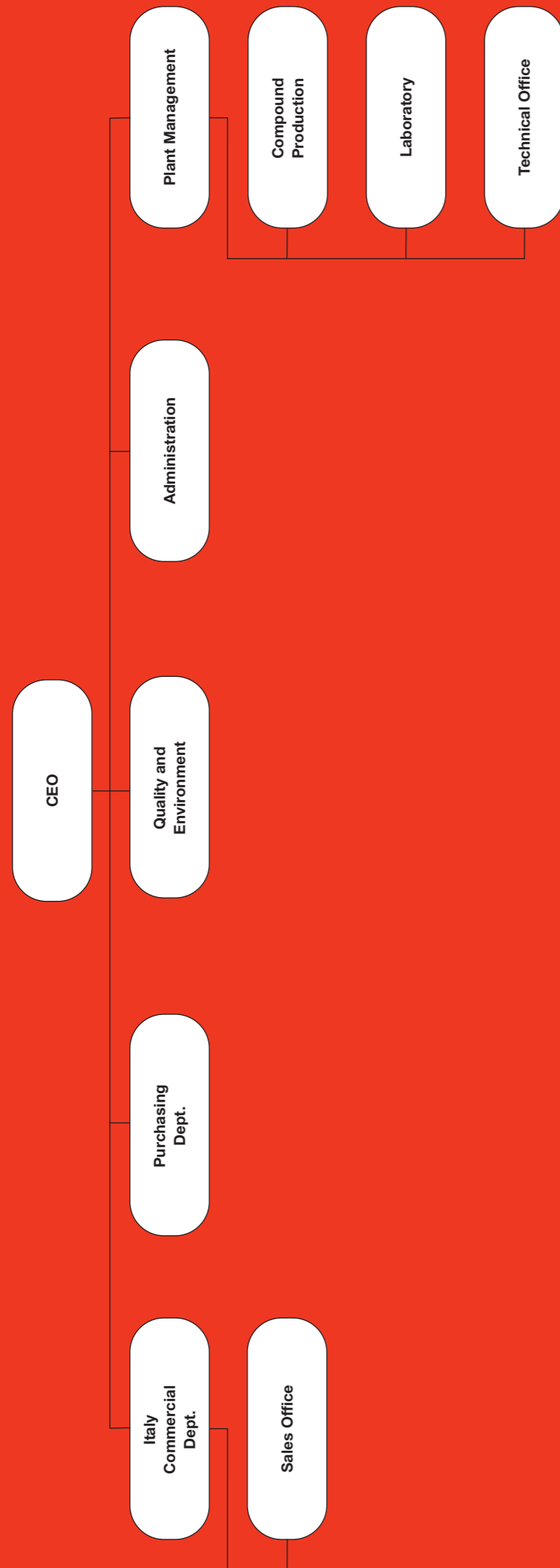
7.1.2 Corporate governance

The Board of Directors consists of: Emanuele Boscarini (Chair and CEO), Marina Boscarini (Deputy Chair and CEO), Emiliano Boscarini (Director).

The Board of Statutory Auditors consists of: Guido Agostini (Chairman), Loretta Ferri (Standing Auditor) and Simone Spinaci (Standing Auditor).

Following the adoption of the compliance program pursuant to Italian Legislative Decree 231/2001, a collegial Supervisory Board was established, composed of Carlo Alberto Campi (chair), Renato Manchini (member) and Andrea Romeo (member).

PEBO makes decisions pertaining to sustainability independently.



Company organisational chart as at 31/12/2022

7.1.2	Pebo
	Corporate governance

By a resolution of the Board of Directors, PEBO S.p.A. adopted its compliance program - 231 Model - pursuant to Italian Legislative Decree 231/2001 with the aim of reducing the risks of offenses being committed by senior figures and subordinates.

However, adoption in itself is not sufficient to ensure the legal validity of the 231 Model. It is imperative that it be effectively implemented and constantly updated. For this reason, all company functions and individual Employees, are informed, trained and involved in the issues concerning the 231 Model.

A management system in accordance with the 231 Model requires profoundly correct behavior by all parties who, in any capacity, engage in dealings with the company, and who are called upon to conduct themselves in line with the Code of Ethics adopted by the company.

The adoption and effective implementation of a management system that complies with the 231/01 Model will also make a strong contribution to the proper implementation of corporate anti-corruption practices.

The Group's Code of Ethics has already been published, applied in all its member Organisations and can be found at the link:

<https://tubi.net/codice-etico/>.

In relation to the application of the Code of Ethics, information activities, including external, and planned internal training activities have been implemented.

Legislative Decree No. 231 of 8.06.2001 introduced the provision of direct personal liability of the collective entity (entities provided with legal personality and companies and associations, including those without legal personality) for a series of crimes committed by individuals related to it, who acted in the interest or to the advantage of the entity, into the Italian legal system. In such cases, the entity can **protect itself** from legal action if it can

demonstrate that it has adopted and effectively implemented an organisational, management and control model suitable for preventing crimes of the kind that occurred. In order to avoid the involvement of the company or entity by invoking the exclusion or limitation of its liability arising from one of the offenses stipulated by law, it needs to adopt an adequate **compliance program** and relies on a **Supervisory Board** to monitor its implementation.

PEBO has not faced any incidents of corruption and has not been sanctioned for conduct contrary to the current regulations of any sector or area with regard to "sustainability"-related objectives.

PEBO does not belong to associations that can influence its activities and choices, in general and specifically with regard to sustainability.

PEBO S.p.A. has adopted the traditional administration and control system as set forth in Articles 2380-bis et seq. of the Italian Civil Code under which the Board of Directors is entrusted with corporate management and the Board of Statutory Auditors with the functions of control and supervision, including with regard to sustainability and for the management of impacts (especially negative impacts) and with regard to their reporting, including supervision over due diligence for the determination of material topics and for the proper identification of stakeholders. The adoption of 231 Model (as per Italian Legislative Decree 231/2001) introduces an element of novelty, leading to more accurate risk analysis and effective compliance management. The governance system ensures constant discussion between management and shareholders, according to the following principles: the Shareholders' Meeting is a body with exclusively deliberative functions whose powers are by law limited to the most important decisions of corporate life; the Board of Directors plays a central role in guiding and managing the Company

and the Group. In addition to the powers vested in it under the law and the Articles of Association, the Board has exclusive jurisdiction in relation to the most important decisions from an economic and strategic perspective as well as functional to the exercise of business monitoring and direction as well as on issues of sustainability. Indeed, the Board also plays a central role in approving corporate strategies with respect to environmental management, including climate change, and social issues. The Board of Directors is renewed each time the annual financial statements is approved.

The Board of Statutory Auditors serves until the approval of the annual financial statements for the year 2022.

The Board of Statutory Auditors supervises, inter alia, (i) compliance with the law and the Articles of Association as well as observance of the principles of proper administration; (ii) to the extent of its remit, the adequacy of the Company's organisational structure, internal control system and administrative and accounting system, as well as the reliability of the latter in correctly representing operating events; (iii) the manner in which the rules of corporate governance provided for in codes of conduct to which the Company adheres are actually implemented; and (iv) the effectiveness of the internal audit and risk management system.

The Supervisory Board, on the other hand, is responsible for verifying the effectiveness and adequacy of the compliance program, its effective implementation, and proposals for updating and implementation. The Board meets at least quarterly. The first meetings were used to learn more about current company management systems.

The performance of the Board of Directors related to sustainability policy, is evaluated by the Strategic Steering Committee (hereinafter also CDS), which on a weekly basis, collegially analyses the progress of projects, including those related to ESG issues on which the Group has focused, assessing the evolution and achievement of the strategic objectives set.

Performance analyses and evaluations are conducted by involving the internal control and organisational units responsible for auditing the management systems adopted by the Group, with a view to compliance with current regulations. External structures that are involved in the auditing of management and quality systems also participate in this process.

Based on the outcomes and conclusions from the CDS assessments, project progress is updated and, with a view to continuous improvement, new goals and objectives are set for the future.

The Sustainability team is currently made up of diverse professionals, both internal and external, with also the goal of drafting the Sustainability Report.

The working group dedicated to overseeing and managing ESG issues has been given the responsibility to participate in the definition of the Group's sustainability strategy, as well as to identify, report to top management and manage, in cooperation with the relevant functions, risks related to sustainability issues, including those concerning climate change, and finally to identify areas and projects for improvement, thus contributing to long-term value creation.

This reporting is subjected to external assurance by independent certification body accredited for management system and product certification.

7.1.3 Quality Management and Certifications

PEBO operates with the following corporate management systems: Quality (UNI EN ISO 9001) and Environment (UNI EN ISO 14001), all certified by an independent and accredited third-party body (Istituto Italiano dei Plastici).

PEBO offers a wide range of polyethylene compounds for molding and extrusion defined according to EN ISO 17855-1 and from recycling certified in accordance with UNI EN ISO 10667-2.

7.1.4 Strategy for sustainability

PEBO has identified the main objectives on which to focus the implementation of projects in the ESG (Environmental, Social and Governance) area.

1. Develop products and design solutions that contribute to the improvement of sustainability in the infrastructure that uses our products
2. Use in our manufactured products, where permitted by technical product standards, recycled raw materials or those derived from the processing of by-products
3. Constantly seek technological and organisational solutions that can generate energy efficiency and waste reduction, promoting investments that are compatible with sustainability goals
4. Involve our partners in this virtuous circle, and also adopt practices for selecting them on the basis of their compliance with our ethical standards
5. Participate in and contribute to the socio-economic development of the communities in which the Group operates
6. Pursue and promote ethical behavior, protect workers' rights and their health and safety. Protect the land and communities in which we live and operate
7. Develop effective, transparent and accountable communication with our employees and stakeholders

The relationship with the 2030 Agenda

Aiming to consider the impacts of human actions from a long-term perspective, Centraltubi promotes a business model that respects society and the environment in line with the **2030 Agenda Goals**.

The Sustainable Development Goals (SDGs) are a set of 17 goals, defined by the United Nations Organization as a strategy "to achieve a better and more sustainable future for all." They are also known as 2030 Agenda, named after the document whose title is *Transforming Our World*. The 2030 Agenda for Sustainable Development recognises the close link between human well-being, the health of natural systems and the presence of common challenges for all countries.

The sustainability goals address the impacts produced by human activity. A company generates impacts that result from choices and orientations made over time. The older ones create the status quo; the current ones should contribute to improving the situation. Below is the relationship between material topics (with GRI standards addressed and 2030 Agenda goals). Reference is made to the document published by GRI entitled *Linking the SDGs and the GRI Standards* and can be found at:

<https://www.globalreporting.org>

Pebo's material topics and their relationship with the 2030 Agenda

2030 Agenda	3 Good health and well-being	4 Quality education	5 Gender equality	6 Clean water and sanitation	7 Affordable and clean energy	8 Decent work and economic growth	9 Industry, innovation and infrastructure	10 Reduced inequalities	12 Responsible consumption and production	13 Climate action
Economic governance, objectives and results (201)						8	9			13
Anti-corruption policies (205)						8				
Non-discrimination policies and actions (405 - 406)			5			8		10		
Employment management (401)	3		5			8		10		
Knowledge management (404)		4	5			8		10		
Health and safety (403)	3					8				
Recycling and materials management (301)						8			12	
Waste management (306)				6					12	
Water resource management (303)				6					12	
Energy consumption reduction (302)					7	8			12	13
Containment of emissions into the atmosphere (305)	3								12	13



7.1.5 Dialogue and relationship with Stakeholders

PEBO has defined its criteria for relations with stakeholders, which are **banking institutions, suppliers, customers, local authorities, national and European government agencies, universities and employees.**

From 2023, different ways of managing stakeholder dialogue will be implemented.

Their needs in terms of information will be assessed based on considerations regarding the type of relationship that the stakeholders have with the company and the impacts generated by the company.

Concerning the relationship, stakeholders are distinguished between influencers and influenced parties. For example, suppliers are required to implement what the Company requires in general and for sustainability; compliance with requirements can influence their rating. Conversely, customers, with their requests, may demand specific behaviors from the Company in both operational and information management terms. Therefore, suppliers are mostly influenced parties, and customers are influencers.

The interests of different stakeholders may relate to impacts generated by the Company or that Company may have to face. For example, local administrators are interested in “inside-out” impacts: well-managed waste, value distributed across the territory. Banks are reasonably interested in how the company makes itself resilient to impacts that come from outside, such as possible increases in energy costs.

Continuing with this example, it can be seen that some stakeholders are interested in economic content, such as banks, while others are interested in content in the “social” area, such as employees who are obviously particularly concerned with Occupational Health and Safety.

Over time, the relationship will become increasingly in-depth and personalised so that stakeholder engagement activities bring added value to both the Company and its stakeholders.

A questionnaire was administered to all identified stakeholders in 2022.

The graphical and table representations of the aforementioned, the defined guidelines for stakeholder relations, the items and results of the survey administered can be found in this document.

Inform	Dialogue	Collaborate, co-design	Transpose requirements	
Stakeholder type	Influencers/influenced parties	Outside-in/Inside-out impacts	Social/ environmental/ economic impacts	Type of relationship
Customers	Influencers	Inside-out	Environmental	Outgoing information and survey
Suppliers	Influenced parties	Outside-in	ESG	Information and assessment (rating)
Credit and financial institutions	Influencers - influenced parties	Outside-in	Economic	Information exchange and engagement, rating
Employees	Influenced parties	Inside-out	Social	Outgoing information and survey
Local authorities	Influencers	Inside-out	ESG	Outgoing information (institutional)
National and European government agencies	Influencers (prescriptive)	Inside-out	ESG	Transpose requirements
University		All	Environmental	Information exchange and engagement

Customers

They will be informed about the inherent path to sustainability taken at the company, both in relation to products and processes. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Suppliers

They will be subject to rating in relation to parameters pertaining to sustainability. Collaborative relationships will also be established in light of the information received.

Credit and financial institutions

Information exchange and engagement will be maintained regarding the company’s goals and results and its resilience to impacts, specifically outside-in impacts. The dialogue will then cover the assessment tools that this stakeholder category brings to bear in relation to business activity. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Employees

Through the Sustainability Report, they will be informed of initiatives, goals and results related to human resource management. Through function managers and representatives provided for in national mandatory regulations, employees can seek clarification and present their concerns regarding labor rights.

Local authorities

They will receive communications related to the Sustainability Report. A short questionnaire on the company’s presence in the area will be prepared and administered to the mayors of three municipalities, Sant’Angelo in Vado, Lunano and Piandimeleto.

Governance bodies

Information from governance bodies is monitored regarding the enactment of mandatory regulations.

University

In this case, these are mutually chosen relationships. Information is exchanged through institutional channels and in connection with specific projects.

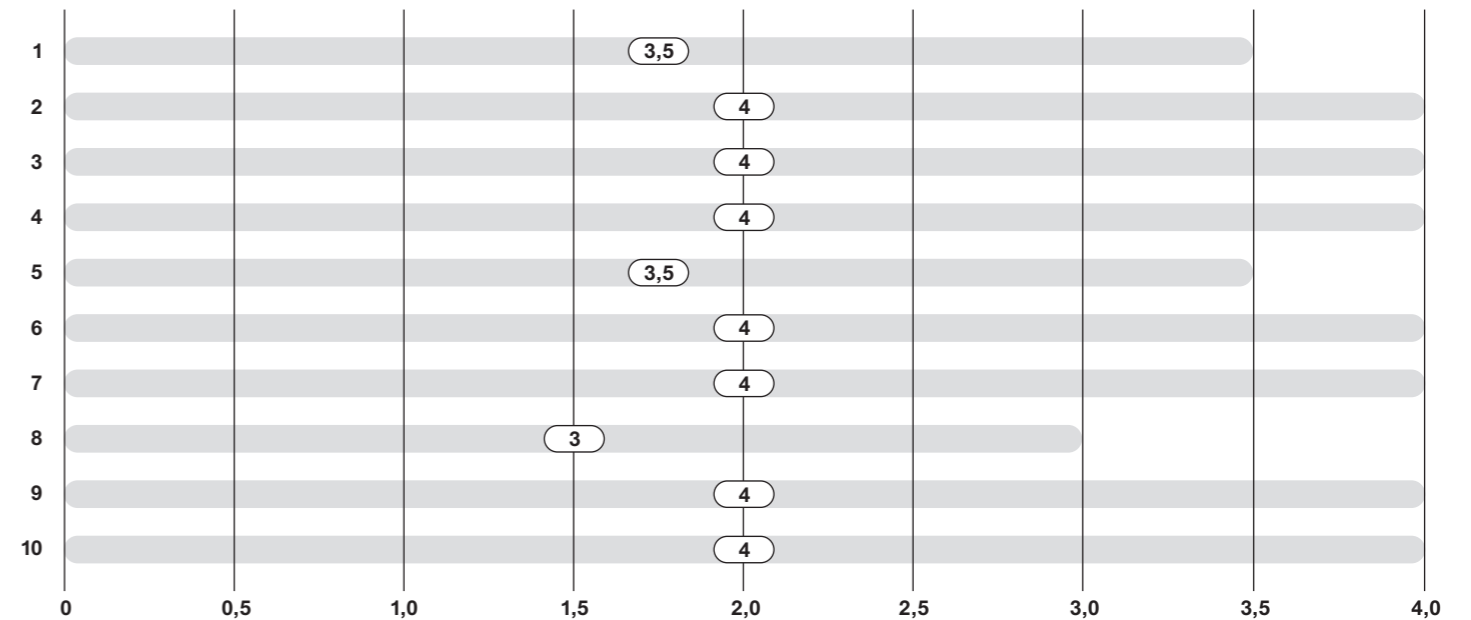
For the current year, a questionnaire was administered to all stakeholders. The items and results are described below. The practice for the various companies has been standardised by referring to a single "System Group" standard.

Items

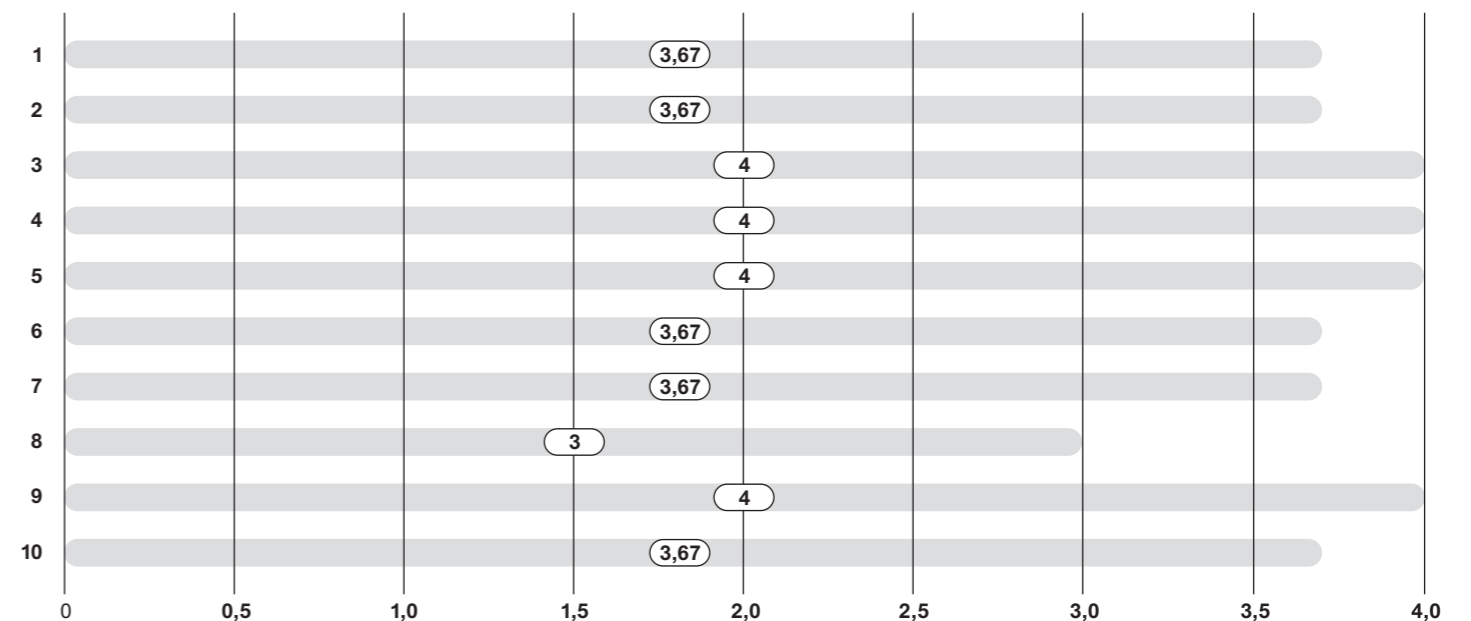
1. **System Group has drawn up, for the second consecutive year, the Sustainability Report. Do you think this document could be an interesting and useful tool for assessing the company's commitment to sustainability issues?**
2. **Does the Company use products from non-polluting and recyclable materials for its business and where possible, do you appreciate this choice also because it is in line with the new European regulations to protect the user and the environment?**
3. **Do you think it is important for System Group to make efforts to control energy and curb emissions that are harmful to humans and the environment?**
4. **Do you think it is important that System Group also seeks to engage its suppliers on ESG (Environmental, Social, and Governance) issues, including through the example of sustainable management of its operations?**
5. **Do you appreciate that the Company is extremely attentive to fostering the well-being and personal development of employees in order to protect their Health and Safety?**
6. **Do you think it is important for System Group to be attentive to and adequately protect gender equality within the Company, including in relation to professional training development policies?**
7. **Do you think it is important for the Company to be able to identify, through careful analysis, the types of risks associated with its activities (e.g., climate change risks) in order to adopt appropriate policies and strategies through the application of a resilience model and, consequently, maintain its market positioning?**
8. **Do you believe that the younger generation is sufficiently interested and involved in relation to the transformations taking place in our country with regard to sustainability issues and in particular in relation to the use and disposal of plastics?**
9. **How do you assess your relationship with System Group?**
10. **Do you think it is important for the company to communicate to its Stakeholders (customers, suppliers, employees, associations, mayors, etc.) about initiatives, implemented or planned, on sustainability?**

RESULTS

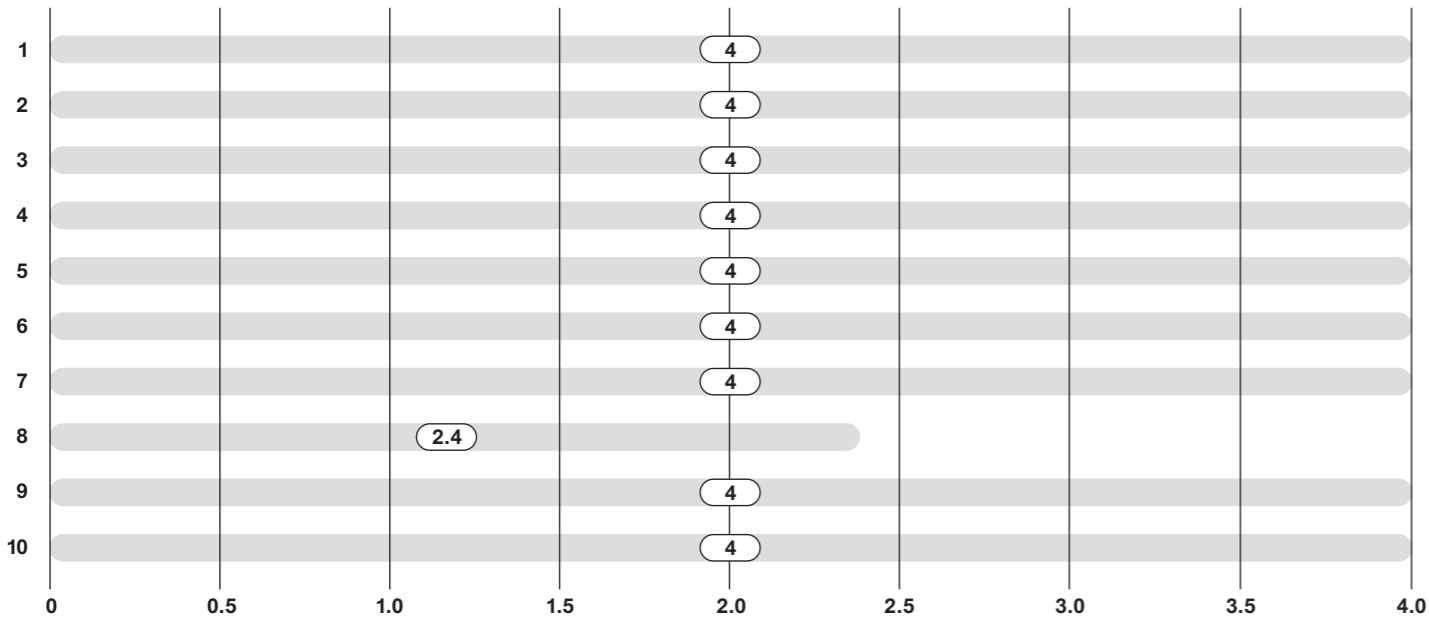
Credit Institution



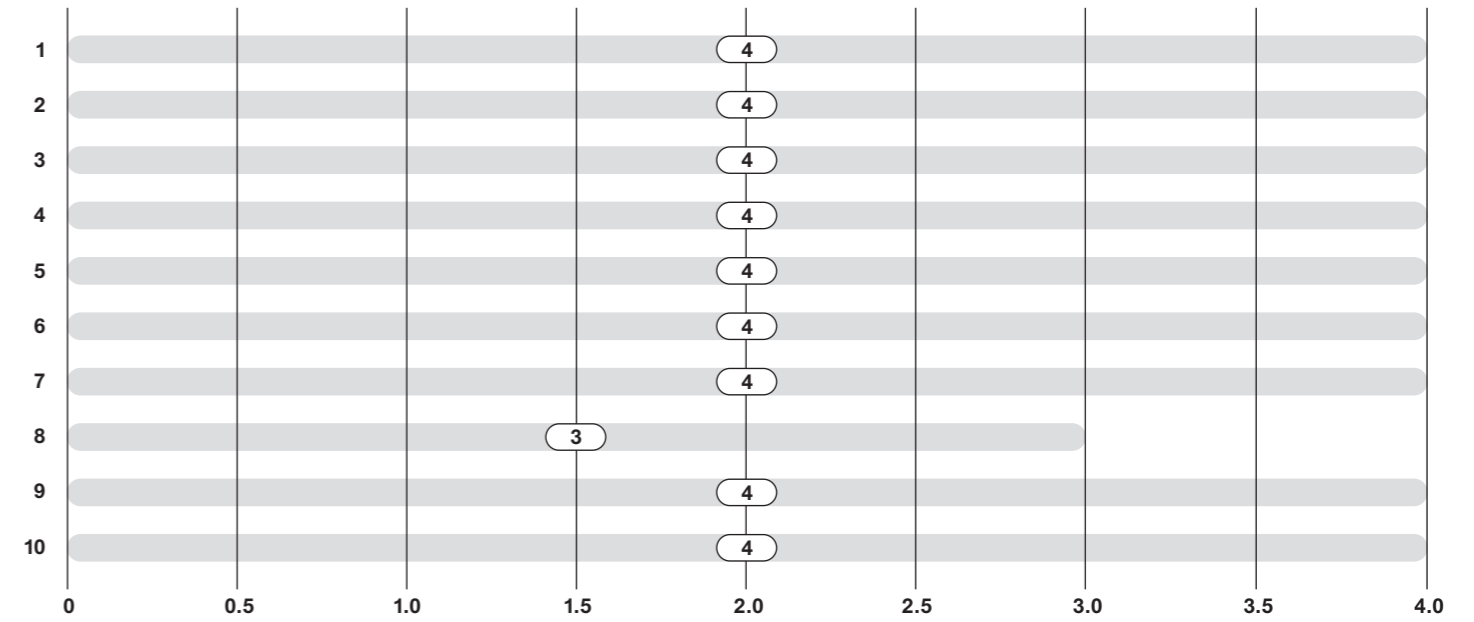
Associations



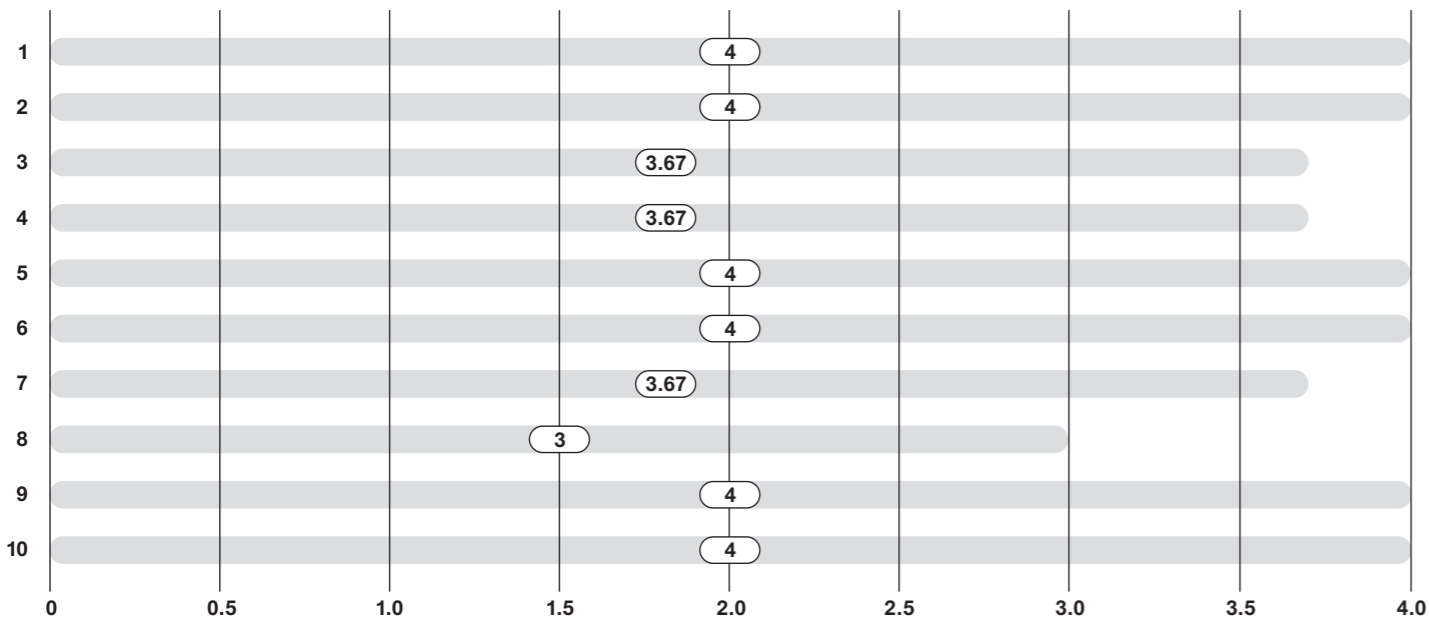
Customers



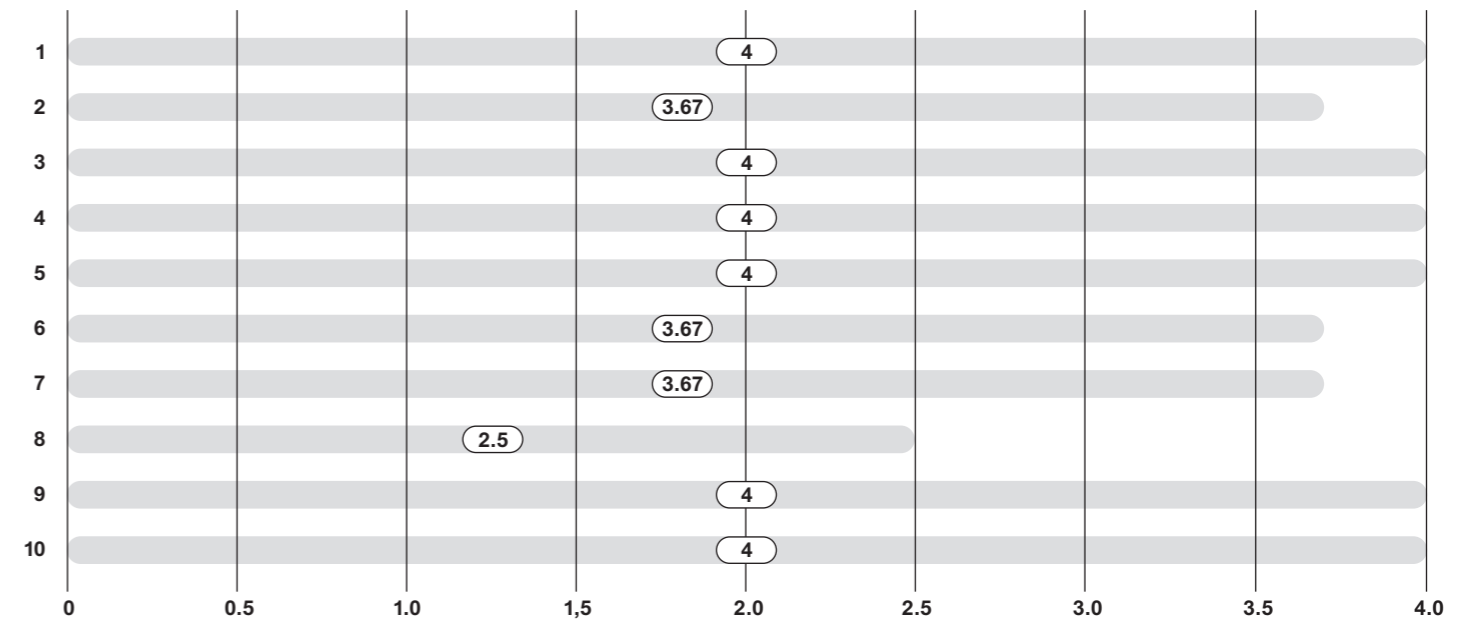
Suppliers



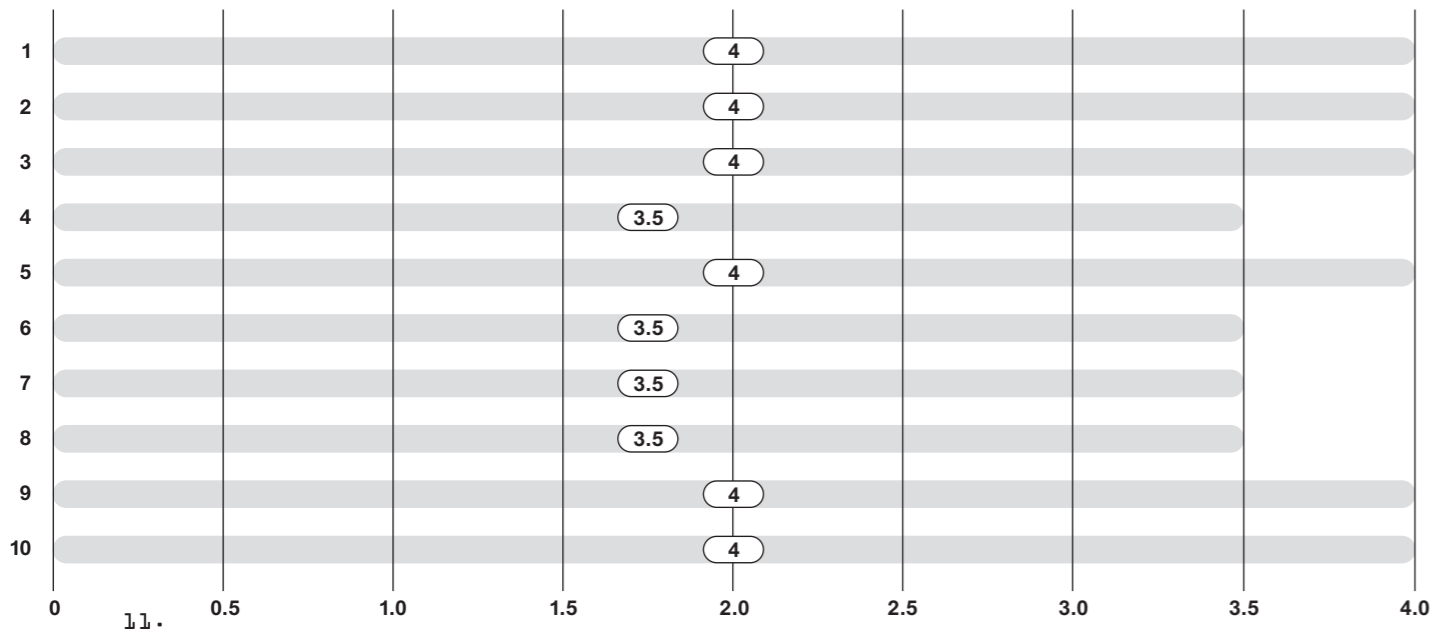
Municipalities



Employees



University



7.1.6 Due Diligence

GRI Standard 2 - 29
GRI Standard 3 - 1 / 2

For its Sustainability Report 2022, in order to verify its list of stakeholders and for the identification of relevant topics in terms of impacts, both positive and negative, current or potential.

Material topics are those that have a significant impact on the economic, social, and environmental performance of the organization and can influence stakeholder evaluations. The Company's commitment is strongly oriented toward paths, programs and perspectives that primarily take into account the needs of its stakeholders, both inside and outside its organization.

The latter have been classified in order to define dedicated and efficient ways of relating to their specific needs.

Methodology

For the reporting period covering calendar year 2022, in order to verify its list of stakeholders and determine its material topics, in the absence of a *sector standard*, PRBO proceeded as follows:

1. it conducted a benchmark survey of other companies operating in the same industry by considering the set of reported standards;
2. assessed the specifics of business activities and processes;

7.1.6 Due Diligence

3. considered the outcome of prior dialogue with stakeholders;
4. evaluated feedback on the importance of a number of issues in national binding legislation.

Conclusions

Among the issues to be covered, in terms of risks, those related to energy management are considered very important. Opportunities refer to the process of recycling materials.

Energy consumption mainly concerns industrial production processes. Regarding these activities, emissions should be kept under control and reduced to the extent possible through energy consumption.

Especially in assessing the benchmark, it was deemed necessary to also report in relation to the management of water resources, a topic that was not addressed in the previous Sustainability Report

In the current report, therefore, all the most relevant standards for all three areas are covered: economic and governance, social and environmental.

As regards "social sustainability," Occupational Health and Safety is at the forefront along with training.

Other issues identified as material are "anti-corruption" and "non-discrimination" safeguards.

In economic terms, Value Distributed and investment are the main highlights.

Economic and financial management will be an increasingly important issue, especially in terms of resilience in the face of ongoing socioeconomic and environmental changes.

For this reason, and taking into account the outcome of the benchmark analysis, for topics considered material, the relevant topic standards and disclosures reported are those defined in the GRI Content Index with Reference for Reporting 2022.

List of the main areas to which the main impacts pertain

- Economic governance, objectives and results
- Anti-corruption policies
- Non-discrimination policies and actions
- Health and Safety management
- Knowledge management
- Recycling and materials management
- Waste Management
- Water resource management
- Reduction in energy consumption
- Emission containment and reduction

GRI Standard 201 - 1 / 4
 GRI Standard 2 - 25
 GRI Standard 3 - 3

7.2 The company's economic position

In 2022, PEBO S.p.A. recorded a total value of production of € 53,232,139.
 As at 31/12/2022, PEBO's balance sheet showed a net profit for the year of € 3,300,888.
 The year 2022 ended with a 27% increase in sales compared to reporting period 2021 and a positive bottom line despite the sharp increase in energy prices that characterized the second half of the year. The increase in energy expenditure led to an increase in the prices of virgin plastics with repercussions also on the price of plastics for recycling that the Company uses to produce compounds. In order to ensure a continuous flow in both quantity and quality, the Company has proceeded with intensive supplier selection in Italy, but especially abroad, allowing for better planning, greater availability of raw materials and greater contractual strength in the market. PEBO has committed to improving productivity by planning to purchase a new remanufacturing line in 2023. A new packaging line for finished product and a new shredding plant were purchased in 2022. In addition, the Company has begun the process of installing a new IT platform that will allow greater real-time control of industrial process data.
 PEBO continues research and development of new compounds for applications including alternatives to the current use of the product, always in compliance with environmental protection regulations.

7.2.1 Value Generated
 Value Distributed
 Value Retained

In its classical meaning, Value Added is a measure of the wealth an economic entity realizes through the use of production factors and how it is distributed among key stakeholders.
 This document does not include the income statements and balance sheets that have already been prepared and are included in the file attached to the 2022 Financial Statements. Economic Value Generated (Gross Value Added generated by the entity) and Economic Value Distributed (Value Added Distributed) to stakeholders are also described.
 The Value Retained is calculated by subtracting the Value Distributed from the Value Generated.



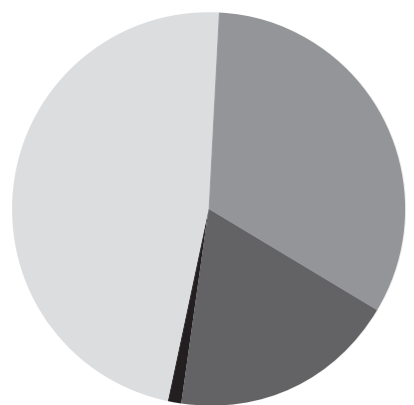
7	Pebo
7.2	The company's economic position
7.2.1	Value Generated Value Distributed Value Retained

Determination of Net Overall Value Added	2022	%	2021	%
Overall value of production	€ 53,232,139		€ 40,161,726	
Intermediate costs of production	- € 46,150,945		- € 32,215,842	
Gross value added from ordinary operations	€ 7,081,194		€ 7,945,884	
Ancillary operations	€ 65,560		€ 162,339	
Overall gross value added	€ 7,146,754		€ 8,108,223	
Depreciation	- € 1,103,584		- € 1,141,959	
Overall net value added	€ 6,043,170	100.00%	€ 6,966,264	100.00%

Breakdown of Overall Net Value Added	2022	%	2021	%
Staff remuneration	- € 2,200,019	36.41%	- € 2,281,084	32.74%
Public Administration Remuneration	- € 449,999	7.45%	- € 1,291,777	18.54%
Return on loan capital	- € 92,264	1.53%	- € 77,414	1.11%
Company remuneration	€ 3,300,888	54.62%	€ 3,315,989	47.60%

Breakdown of overall net value added 2021

Breakdown of overall net value added 2022



Return on loan capital	1.11%
Public Administration Remuneration	18.54%
Staff remuneration	32.74%
Company remuneration	47.60%

Return on loan capital	1.53%
Public Administration Remuneration	7.45%
Staff remuneration	36.41%
Company remuneration	54.62%

7	Pebo
7.2	The company's economic position

7.2.2 Costs, subsidies and grants.

During 2022, PEBO received the following government grants.

Title of measure	Title of project	Amount
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2020	Facilities for companies that consume large quantities of electricity	€ 983,768.40
Aid Scheme - Identifier 18852 SA 59255	Exemption from the payment of social security contributions for companies that do not apply for redundancy payments (Article 3, Italian Decree-Law 104/2020)	€ 11,903.94
Aid Scheme - Identifier 2172 SA 38635. Energy-intensive companies 2019	Facilities for companies that consume large quantities of electricity	€ 1,120,038.19
		€ 2,115,710.53

7.2.3 Investments

In the System Group landscape, PEBO has a strong production specificity and therefore has made investments aimed at improving the recycling stages of plastics. Below follows the list of the main actions put in place in 2022.

Production and warehouses

As early as the second half of the last decade, the Company has been working to incorporate advanced systems for processing plastic waste (of polyethylene), intended for its regeneration and reintegration into the production cycle. In this regard, more modern facilities have been introduced for the collection and treatment of sludge from waste washing and subsequent transfer to specialized companies. As for the water used in the production process, since it is managed in a closed-loop system, consumption is attributable to topping-up and any extraordinary maintenance of the system. The forklifts are all electric.

Occupational safety

Great emphasis is placed on process improvement and specific training for workers. Investments have been made to reduce manual handling of loads and to collect and store the packaging with which the waste material is delivered and which in turn will be recovered by specialized companies.

The shredding plant for processing waste and materials to be recycled has been encapsulated to reduce noise, as have soundproof walls in some areas of the production cycle.

Energy consumption

The Company is energy-intensive, so much of the investments and technical work are aimed at reducing plant consumption.

“Free-cooling” systems were also introduced at PEBO, and exterior and interior lighting fixtures were replaced.

Area	Amount	Description of investments
Economic and governance	€ 5,625.00	Industrial and commercial buildings
Social	€ 3,630.33	Purchase of PCs and monitors for employees
Environmental	€ 2,211,545.52	Plant and machinery
	€ 4,800.00	Internal vehicles

7.3 Opportunities and topics related to environmental aspects

GRI Standard	2 - 25
GRI Standard	3 - 3
GRI Standard	301
GRI Standard	302 - 1 / 2 / 3 / 4
GRI Standard	303
GRI Standard	305
GRI Standard	306

PEBO’s environmental impacts are energy consumption, resulting emissions, water resource management, and waste management. The company continuously monitors the outcome of actions taken to minimize negative impacts and increase positive impacts by publishing information including calculation methods in its sustainability report.

One positive impact for PEBO is its own specific activity, which is plastic recycling.

PEBO is an energy-intensive company in terms of electricity and is registered on the list of electricity-intensive companies with the Cassa per i Servizi Energetici e Ambientali (CSEA). The latter is a public economic entity under the supervision of the Regulatory Authority for Energy Networks and Environment (ARERA) and the Italian Ministry for Economic Development. It operates in the electricity, gas and water sectors.

Large quantities of electricity to run production processes are consumed because processing plastics requires that they be heated, extruded and formed, and then cooled. This energy consumption also has a significant economic impact.

The Company is committed to keeping energy consumption low. The latter is related, for the most part, to granulation line uptake (70%). For this, the replacement of an

entire line with more efficient equipment has been planned. Routine maintenance work was carried out with a view to improving the operating logic of pressure equipment, reducing the operating pressure of the network and activating continuous leakage monitoring processes. Regarding the impact of refrigeration consumption, work has been carried out and planned to encourage natural cooling of the water used through Free Cooling systems, and revamping of the lighting system with LED lamp lights has been completed.

Emissions are also kept under control and monitored, with a focus on direct greenhouse gas (GHG) leakage emissions from refrigeration circuits.

Waste is managed in compliance with mandatory regulations and with the utmost commitment to encouraging the recycling of materials.

Control activities are managed in accordance with the standards described in chap. 1.3 of this document.

ODS
(Ozone Depleting Substances)
It is the definition of those substances that contribute to the depletion of the ozone layer in the atmosphere. They include, for example, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halon.

The Company does not produce, import or export ODS, CFC-11 (trichlorofluoromethane) or other equivalent substances.

PEBO states that it has no litigation in progress and has not incurred any significant fines or other penalties for non-compliance with environmental laws and regulations.

7.3.1 Energy and emissions management

The manufacture of PEBO’s products is particularly energy intensive and consumption is related only to the imported electricity component, as the company has no other form of direct consumption of fossil fuels.

The electrical energy used comes solely from grid withdrawals, and the purchased electrical energy covers all the electrical energy consumed. This envisages the national energy mix as partitioning in the absence of certification of origin, without any contribution from self-production

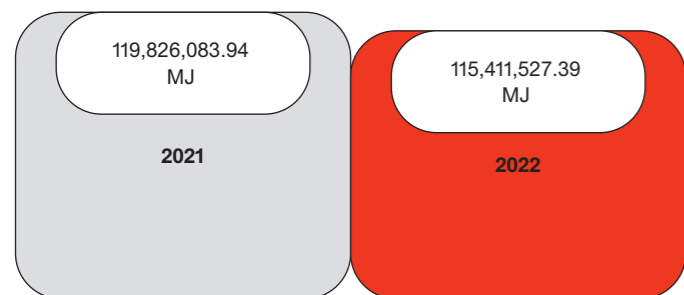
Below is an overview of PEBO’s energy consumption. The decrease in total energy is due to the decline in the use of electricity and energy from external fuel. Regarding emissions related to transportation activities of manufactured compounds, the reduction is due to sales to neighboring markets. Regarding direct emissions from mobile combustion within the Company, the transition to a handling system consisting entirely of electric forklifts has been completed. Monitoring of direct GHG fugitive emissions has enabled a reduction in this impact as well. As for indirect emissions from imported energy consumption, the Location Based value shows an increase that can be correlated with the change in the national energy mix for the year under review.

7	Pebo
7.3	Opportunities and topics related to environmental aspects
7.3.1	Energy and emissions management

Energy consumption	Quantity in MJ	
	2021	2022
Diesel fuel	53,999.40	0
Total energy from fuels (all fossil fuels) - Scope 1	53,999.40	0.00
Electricity - Scope 2	86,759,276.40	83,695,068.00
Total energy from fuel external to the Company (all fossil) - Scope 3	33,012,808.14	31,716,459.39
Total energy consumption	119,826,083.94	115,411,527.39

J (joule) and MJ (megajoule)
MJ is a multiple of the Joule and is the unit of measurement of work and heat, equivalent to 10⁶ Joules.

Total energy consumption in MJ



GHG (Greenhouse Gas)
They are gaseous constituents of the atmosphere, both anthropogenic and natural, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted from the Earth's surface, atmosphere and clouds. These include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), the full list of which can be found in the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report.

GHG emissions from PEBO come from the use of fossil fuels outside the company, electricity consumption, and minor gas leaks from refrigeration equipment. The overview is presented below.

Emissions	Quantity in t CO ₂ eq	
	2021	2022
From domestic fossil fuels - Scope 1	4.06	0.00
From abroad, location based - Scope 2	6,456.34	7,181.50
From abroad, market based - Scope 2	11,003.25	10,628.11
From fossil fuels externally (Scope 3)	2,498.08	2,396.86
From refrigerant gas (R407C)	130.21	41.33
Total emissions, location-based method	9,088.69	9,619.70
Total emissions, market-based method	13,635.60	13,066.31

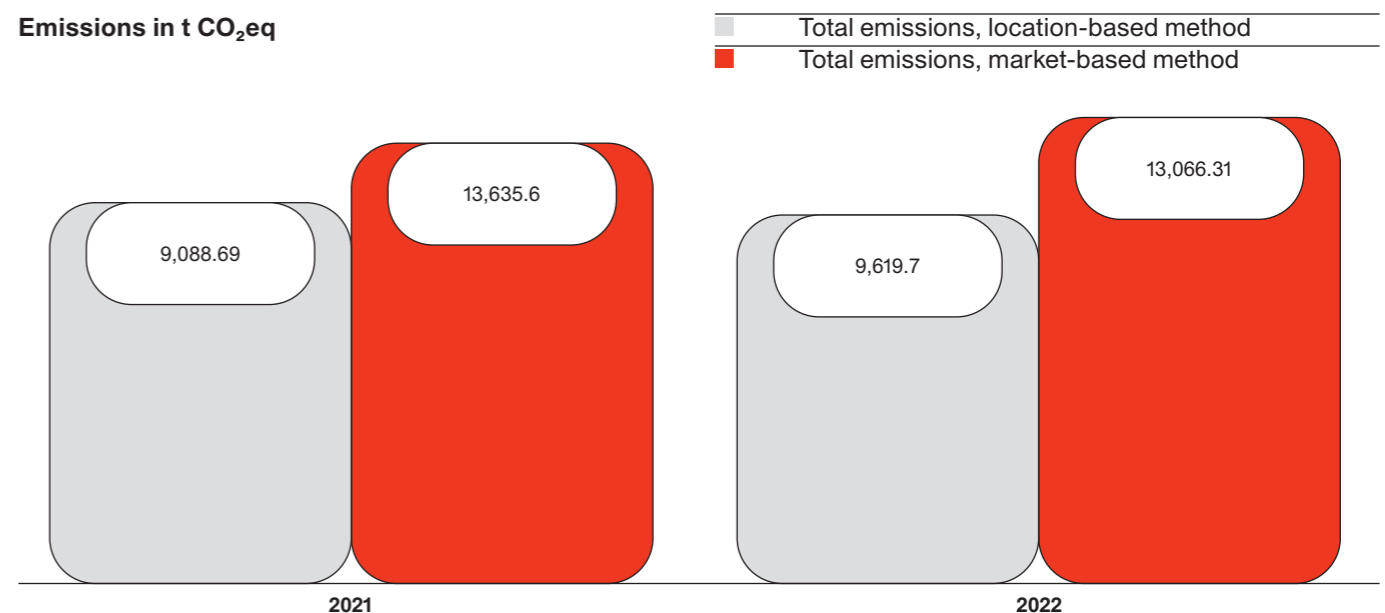
7	Pebo
7.3	Opportunities and topics related to environmental aspects
7.3.1	Energy and emissions management

Emissions from fossil fuels outside the Organization (Scope 3) are estimated by considering:

- The transportation of raw materials from the production site to the processing company;
- The transportation of finished products to the destination site;
- employees' home-work commutes.

Criteria for the calculation are given in the methodological note.

Emissions in t CO₂eq



Pebo is allowed to emit into the atmosphere from six points subject to periodic analysis; analyses conducted annually at the localised sources show compliance with the limits set by mandatory legislation for dust and VOCs. There are no other fugitive and diffuse emissions subject to measurement. GHG emissions are given only by the leakage of Fgas (R407C) from the refrigeration circuits, which are inspected and maintained annually.

The value of the total production in kg is calculated as the sum of the individual production loads of compliant materials updated on the company management database in the year under analysis.

Electricity consumption was reduced from 2021 to 2022 by 3.68% also with the actions implemented by the organization as documented in Section 2.3.

The consumption of fossil fuels (Scope 1) was canceled compared to the previous year.

Transport-related fossil fuel consumption (Scope 3) decreased by 3.93% as a result of load optimisation and route location; this figure, however, is affected by the calculation methodology based on estimated activity data.

The amount of emissions (location based) increased from 2022 to 2021 by 5.84 percent; market based decreased by 4.18 percent.

7
7.3 Opportunities and topics related to environmental aspects

Energy intensity is the ratio of total energy consumed (in MJ) to the quantity of product (in kg). Emission intensity is the ratio of greenhouse gas emissions (tCO₂eq) to the quantity of product (in kg).

From 2021 to 2022, energy intensity decreased by 3.73%; emission intensity increased by 5.79%.

		Energy intensity		Emission intensity	
Year	Production in kg	Energy consumption in MJ	Energy intensity	Emissions in t CO ₂ eq (location based)	Emission intensity
2022	42,878,243	115,411,527.39	2.69	9,619.70	0.00022435
		Energy intensity		Emission intensity	
Year	Production in kg	Energy consumption in MJ	Energy intensity	Emissions in t CO ₂ eq (location based)	Emission intensity
2021	42,857,721	119,826,083.94	2.80	9,088.69	0.00021207

7.3.2 Water as a resource

The territory of the upper Foglia River valley has always been rich in water; however, this condition in recent periods is changing: the steady advance of climate change requires great care be taken in the use of this resource.

The industrial area of Piego is located near the hamlet of Monterone in the municipality of Sestino and is served by the company Nuove Acque S.p.A. as the Integrated Water Service Manager for the drinking water component drawn from the network.

PEBO uses water drawn from the municipal water supply for the sanitary needs of its employees and uses well water for production needs, the Company holds an active concession for the derivation of public water from wells from the Tuscany Region for industrial use.

The Piego and Monterone waterworks, which serve the company, draw its water for human consumption from underground sources and in particular from local springs and wells, and the risk of network insufficiency was found to be low (Emergency Operational Plan for the 2017 Drinking Water Crisis - Monitoring, Measures and Interventions, Italian Presidential Decree No. 91 dated 13-07-2017).

7
7.3 Opportunities and topics related to environmental aspects

Water consumption for industrial use is related to the replenishment of incoming material washing water; the washing water is treated by an in-house plant that uses biological and chemical/physical systems to purify the water in order to feed it back into the cycle. The circuit of this water is closed, is optimized and kept under control, and the replenishments are mainly related to the moisture content of the process sludge and extraordinary purging and maintenance of the treatment system.

PEBO invests in economic, project, and organisational terms by adopting a corporate policy aimed at water saving, minimizing waste and maximizing reuse. PEBO discharges only domestic civil wastewater into the municipal sewage system.

Stormwater is treated in the first flush component and discharged into the surface water course, the Foglia River, as per the Single Environmental Permit.

* Estimate
According to GRI standards, the quantity of water should be calculated in megaliters (Ml). One Ml is equal to 1,000,000 litres or 1,000 m³.

Operation	Quantity in m ³
Water withdrawn from water supply network from groundwater*	671.0
Water withdrawn from water supply network from surface water	0.0
Water withdrawn from water supply network from other networks	0.0
Drinking water taken from water supply network	671.0
Non-drinking water taken from underground source	1,476.0
Total water taken from underground source*	2,147.0
Total water taken from surface water source	0.0
Total water taken from other networks	0.0
Total water taken*	2,147.0
Domestic civil wastewater discharge to surface water*	609.2
Water consumption*	1,537.8

7.3.3 Materials and waste management

Concerning environmental protection, PEBO attaches great importance to the selection of materials used in the production of quality, highly technical compounds, mainly intended for the production of pipes for the electrical and telecommunications sector and manufactured goods for water management and treatment.

PEBO compounds are made from materials derived from the recovery of waste from sorting, industrial waste and by-products, and virgin raw materials and additives. PEBO constantly verifies the recycled plastic content of its materials according to a tracking and monitoring plan that complies with UNI 10667-2.

PEBO carries out product and packaging material recovery activities.

The following is the framework related to materials management >

7.3	Opportunities and topics related to environmental aspects
7.3.3	Materials and waste management

Non-renewable materials purchased

*PSRM: plastic secondary raw material: these are materials that have ceased to be waste, resulting from waste plastic recovery operations consisting of a polymer matrix and fillers, reinforcements, pigments, additives and other polymers compatible with that matrix, which can be in the form of powder, granules, or flakes, and milled, agglomerated or densified and which can be used for their original function or for further different uses.

Type	2021	2022
	t	t
PSRM* from pretreated post-consumer and pre-consumer waste	25,145	27,645
Polyethylene waste from waste sorting centres	8,982	8,536
Non-pretreated, pre-consumer PSRM	4,324	1,427
By-product, outsourced work	3,187	2,953
Downgraded virgin raw material	2,259	2,160
Dyes and additives	1,466	2,437
PEBO Compound: returns	52	162
	45,416	45,320

Packaging purchased

Type	UoM	2021	2022
Big bag made of polypropylene	Number	18,425	14,370
Low-density polyethylene cap	Kg	49,511	198,689
Low-density polyethylene stretch film	Kg	14,035	3,670
Carton tape	Number	2,880	4,248
Pallets	Number	17,402	16,870
Low-density polyethylene bag	Kg	38,625	24,527

Wood materials should be considered renewable, otherwise the materials used for packaging PEBO products are non-renewable.

The Organization has a procedure in place to determine data on materials used in weight/volume, where expressed in other units of measurement.

Recovered waste (ton)

Waste and EWC code in kg	2021	2022
EWC 15 01 02 - Plastic packaging	4,553,384	2,789,000
EWC 19 12 04 - Plastic and rubber	3,821,327	4,737,755
EWC 16 01 19 - Plastic	376,320	828,470
EWC 12 01 05 - Plastic shavings and turnings	169,795	181,010
EWC 07 02 13 - Waste plastic	61,850	0
	8,982,676	8,536,235

7.3	Opportunities and topics related to environmental aspects
7.3.3	Materials and waste management

The following is the situation regarding waste management

The organization has a waste recording and monitoring system through load and unload registers, and support programs for managing movements and inventories. Annually, the Single Environmental Declaration Form (MUD) is submitted.

Waste by type (EWC code) in kg	Destination	2021	2022
12 01 05 plastic shavings and turnings	D13		17,870
12 01 14* machining sludges containing dangerous substances	R12	13,530	
12 01 15 sludge from water treatment plant washing of plastic materials [shovelable sludge]	D13	60,460	413,460
	D15	504,060	
12 01 15 machining sludges other than those mentioned in 12 01 14	D9	286,300	653,720
	D15	12,000	
13 02 08* other engine, gear and lubricating oils	R13	860	780
15 01 01 paper and cardboard packaging	R13	7,020	8,120
15 01 02 plastic packaging	R12		11,170
	R13	144,010	73,680
	R3		60,780
15 01 03 wooden packaging	R3 + R13	11,680	34,060
	R13	225,680	254,200
15 01 11* metallic packaging containing a dangerous solid porous matrix (e.g. asbestos), including empty pressure containers	R3 + R13	317,720	272,860
	R13	20	
15 02 03 absorbents, filter materials, wiping cloths and protective clothing other than those mentioned in 15 02 02	D15		26,040
	R13	51,730	59,770
16 02 16 components removed from discarded equipment	R13	1,780	
16 07 08* wastes containing oil	D15	1,320	
16 10 01* aqueous liquid wastes containing dangerous substances	D15	44,650	58,110
16 10 02 aqueous liquid wastes other than those mentioned in 16 10 01 (first flush tank)	D9	7,780	46,700
17 04 05 iron and steel (scrap iron)	R13	47,600	55,040
19 12 04 plastic and rubber	R3		55,040
	R3 + R12	123,240	184,160
	R12	322,850	43,710
	R3 + R13	22,290	
	R13	1,149,260	908,740

7	Pebo
7.3	Opportunities and topics related to environmental aspects
7.3.3	Materials and waste management

Non-hazardous waste sent for recovery in kg		
Destination	2021	2022
R12	322,850	54,880
R12 + R3	123,240	184,160
R13	1,627,080	1,360,330
R3 + R13	351,690	306,920
R3	0	135,350
Totals (kg)	2,424,860	2,041,640

Non-hazardous waste sent for disposal in kg		
Destination	2021	2022
D13	60,460	431,330
D15	516,060	26,040
D9	294,080	700,420
Totals (kg)	870,600	1,157,790

Hazardous waste sent for recovery in kg		
Destination	2021	2022
R12	13,530	0
R13	880	780
Totals (kg)	14,410	780

Hazardous waste sent for disposal in kg		
Destination	2021	2022
D15	45,970	58,110

Actual (kg)	2021	2022
Grand total non-hazardous waste	3,295,460	3,199,430
Grand total hazardous waste	60,380	58,890
Total waste	3,355,840	3,258,320

According to GRI standards, the quantity of waste should be calculated in tons. One ton is equal to 1,000 kg.

7	Pebo
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7.4 The care of our people

GRI Standard	3 - 3
GRI Standard	2 - 7 / 8 / 25 / 30
GRI Standard	401
GRI Standard	403
GRI Standard	404 - 1 / 2a
GRI Standard	405
GRI Standard	406

The number of employees at PEBO amounts to **44.275 FTE** and is essentially unchanged. The number of female workers is unchanged.

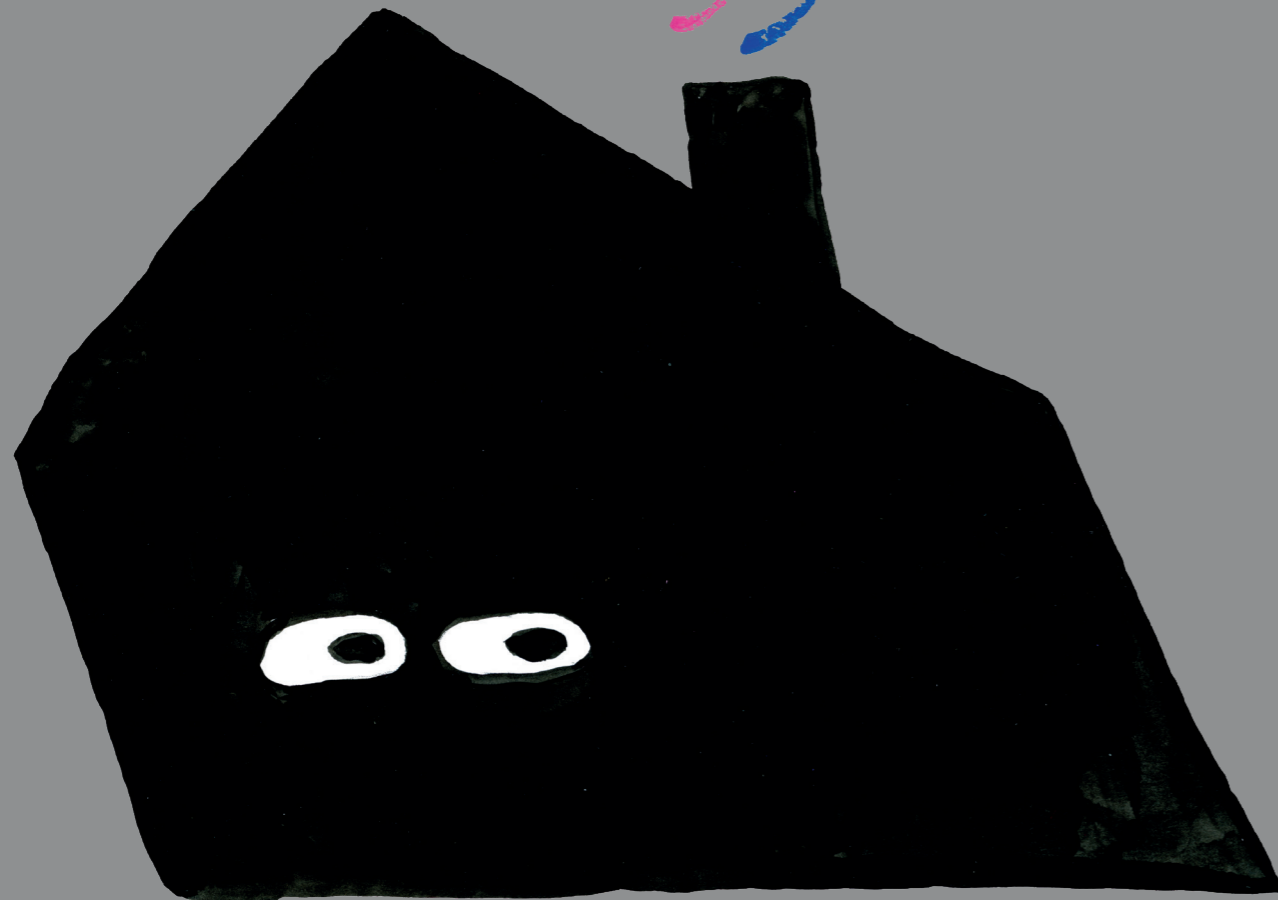
FTE (Full Time Equivalent) defines the total workforce described in terms of "people employed full time" (e.g., 2 people working 50% part time = 1 FTE). The acronym FTE (full-time equivalent) is also used in Italian.

Information about employees (their number is calculated as "full time equivalent" people).

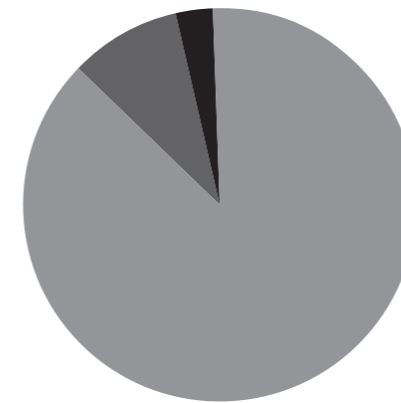
	2021			2022		
	Men	Women	Total	Men	Women	Total
Total employees - FTE	42.00	4.275	46.275	39	5.275	44.275
Fixed-term employees - FTE	1	1	2	3	1.000	4
No-term employees - FTE	41	3.275	44.275	36	4.275	40.275

Total employees - FTE	42.00	4.275	46.275	39	5.275	44.275
Full-time employees	42	3	45	39	4	43
Part-time employees	0	1.275	1.275	0	1.275	1.275

PEBO also ensures freedom of association for all staff by keeping its employees up-to-date on legally recognized forms of representation and maintaining open and transparent relations with key trade union representatives.

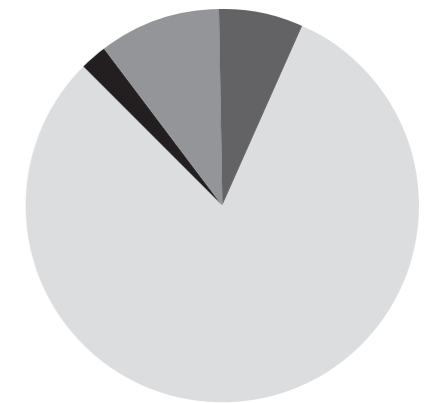


Part time - full time



Part-time male workers	0%
Part-time female workers	1.275 / 3%
Full-time female workers	4 / 9%
Full-time male workers	39 / 88%

Type of contract



Fixed-term employees - women	1 / 2%
Fixed-term male employees	3 / 7%
No-term female employees	4.275 / 10%
No-term male employees	36 / 81%

All workers at the company are employed and have either a fixed-term or no-term contract. In 2022 PEBO did not sign any contracts for temporary agency workers.

4.1 Professional development and growth

In 2022 PEBO provided a total of 1,794 hours of training, 1,604 4.0 training and 190 hours of mandatory training. In 2022, training activity showed a marked increase over the previous year.

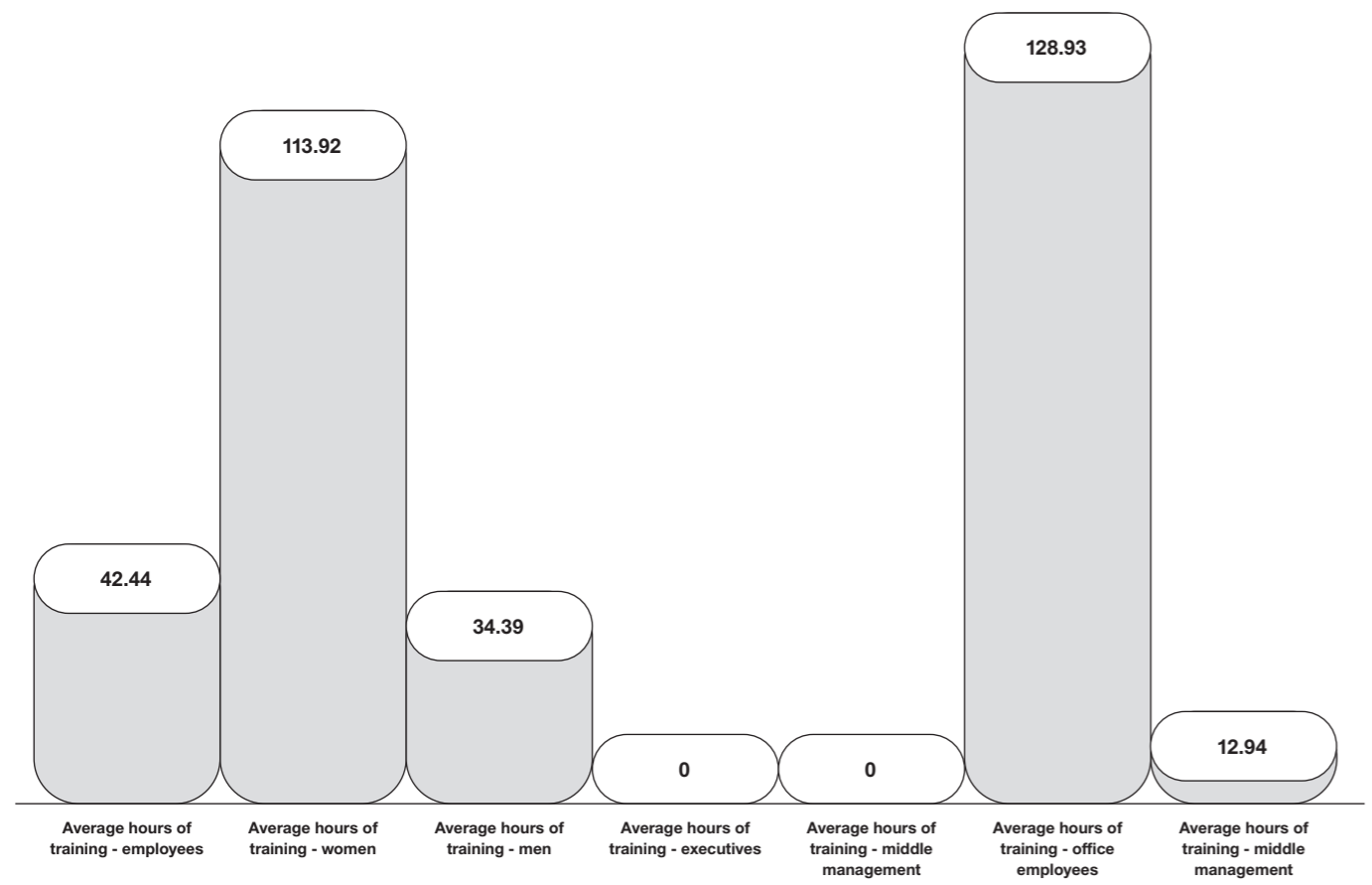
The hours are divided as follows: mandatory training under articles 36 and 37 of Italian Legislative Decree 81/08 continuing education updates and continuing education under Industry 4.0.

In 2021 the economic value of training provided at PEBO amounted to €4,445.00, while in 2022 it was € 32,753.19.

	2021	2022
Economic commitment to training	€ 4,445.00	€ 32,753.19

7	Pebo
7.4	The care of our people
7.4.1	Professional development and growth

Average hours of total training and by category and gender



The company carried out the Training 4.0 activity to acquire and/or consolidate knowledge of the technologies provided for in the National 4.0 Industry Plan applied to the business areas set out in Annex A to Italian Law 205/2017, more information on the activity, the costs incurred and the quantification of the related Tax Credit are provided in the chapter of the Notes to the Financial Statements titled “National 4.0 Industry Plan - Training 4.0.”

PEBO does not operate transition assistance programs for any employee to facilitate continuity of employment and management of the end of employment after retirement or termination of employment.

PEBO does not adopt periodic performance and professional development assessment systems for any employee.

7	Pebo
7.4	The care of our people

7.4.2 Non-discrimination and equal opportunity

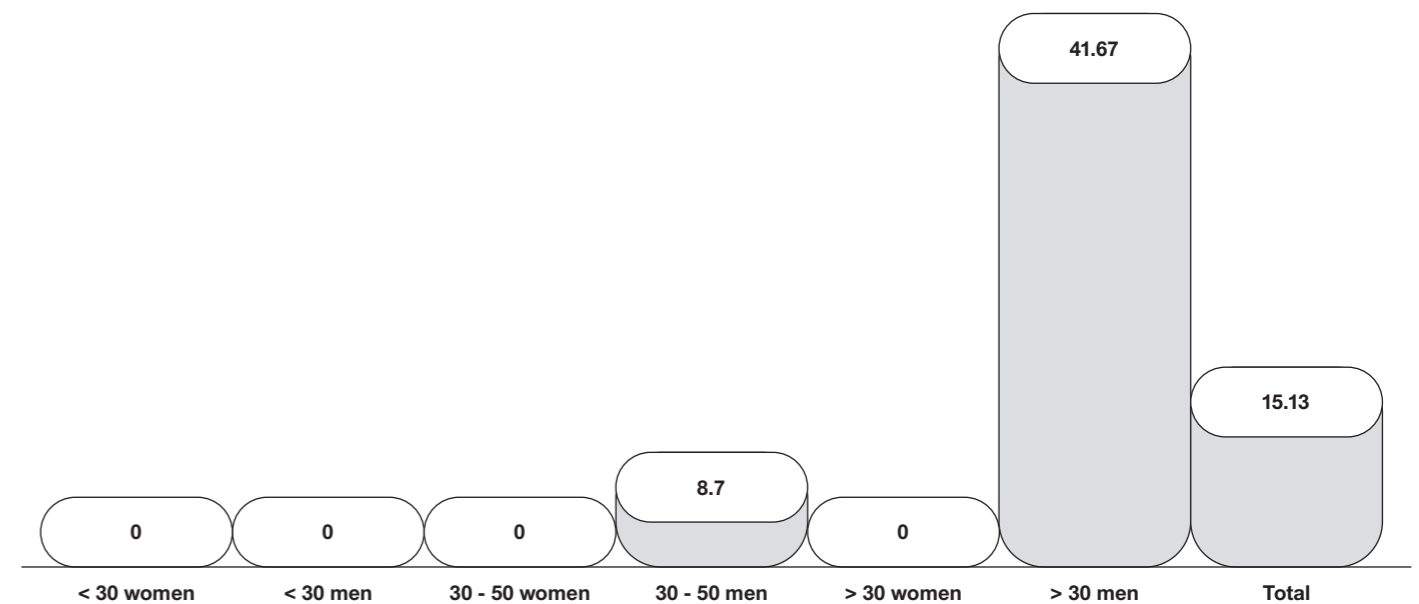
Turnover

Turnover refers to all people who join or leave the company for a number of reasons (retirement, layoffs, decisions to change, etc.).

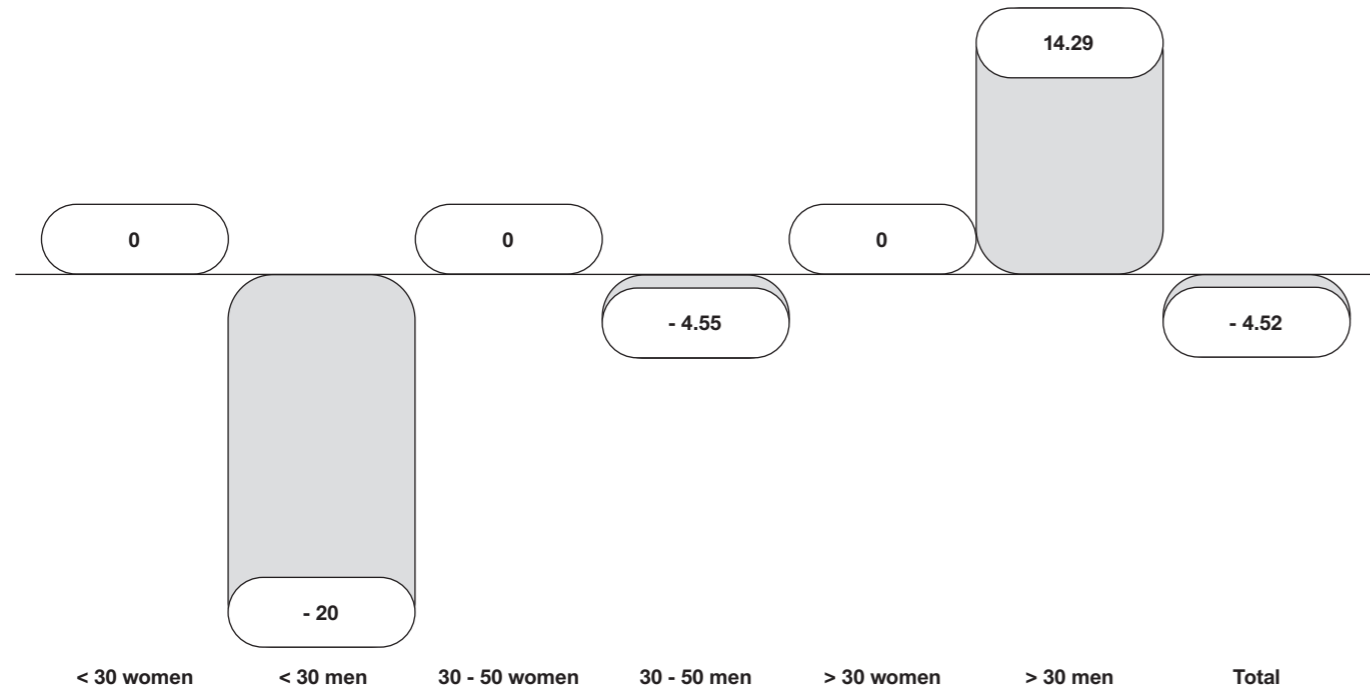
The table shows the inflow and outflow of employees by age group and gender.

	Number at beginning of period (FTE)	Average number over the period (FTE)	Number new hires (FTE)	Number of exits (FTE)	1 Hiring rate (% positive turnover)	2 Rate Overall turnover (% new hires - exits)	3 Rate Overall turnover (% new hires + exits)
< 30 women	2.000	0	0.000	2.000	0.00	100.00	0.00
< 30 men	6.000	5	0.000	1.000	0.00	16.67	- 20.00
30 - 50 women	2.750	2.750	0.000	0.000	0.00	0.00	0.00
30 - 50 men	23.000	22	2.000	3.000	8.70	13.04	- 4.55
> 50 women	0.525	0.525	0.000	0.000	0.00	0.00	0.00
> 50 men	12.000	14	5.000	3.000	41.67	25.00	14.29
Total	46.275	44.275	7	9	15.13	19.45	- 4.52

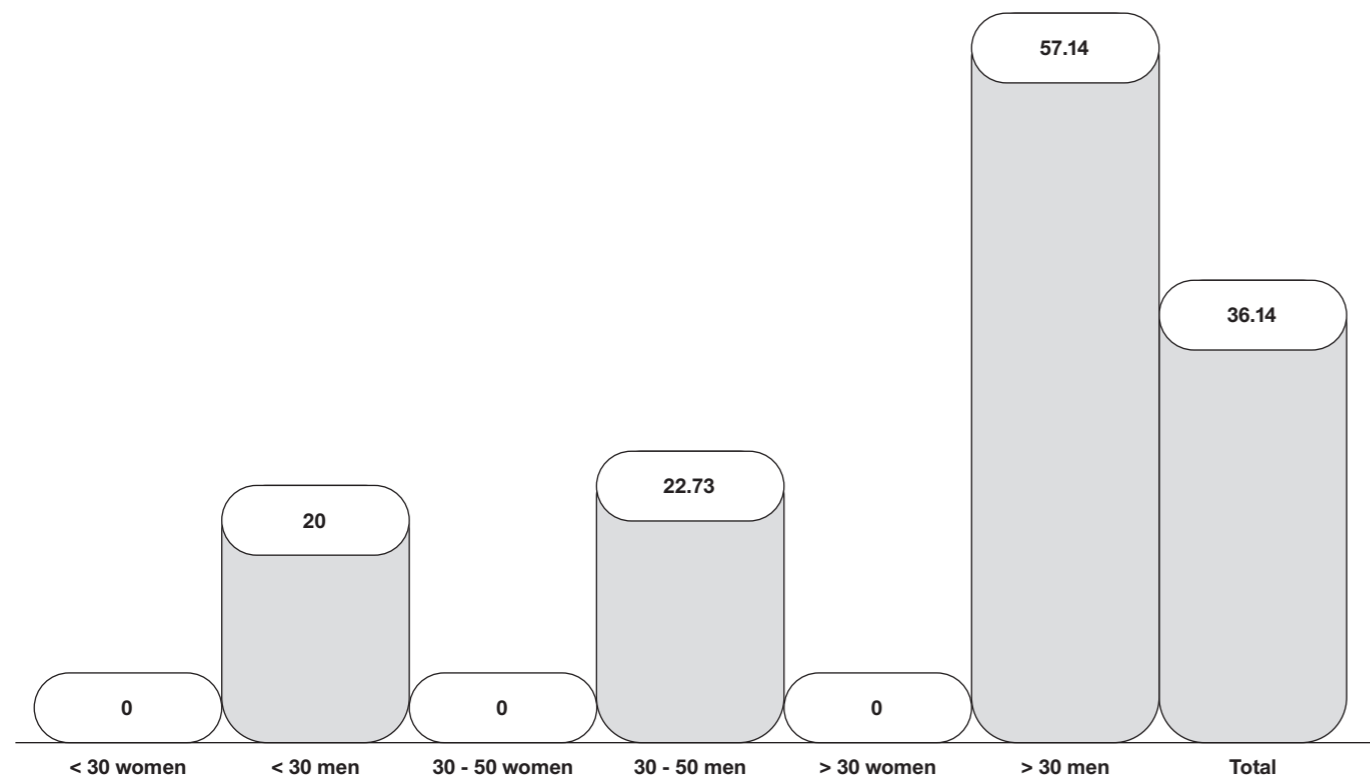
1 Hiring rate



2 Overall turnover rate (new hires - exits)



3 Overall turnover rate (new hires + exits)



Hiring rate is calculated as staff entering the Company/staff at the beginning of the period x 100.
 The overall turnover rate is calculated either by the formula new hires - exits/average number of employees in the period x 100 or by the formula new hires + exits/average number of employees in the period x 100.

All people working at the company are hired under National Collective Labor Agreements; salaries, therefore, are not affected by gender or other parameters not provided for in the regulations.

The criteria for assigning or granting benefits to staff do not concern the type of contract (fixed-term/no-term, full-time/part-time and other parameters such as gender and age).

Parental leave

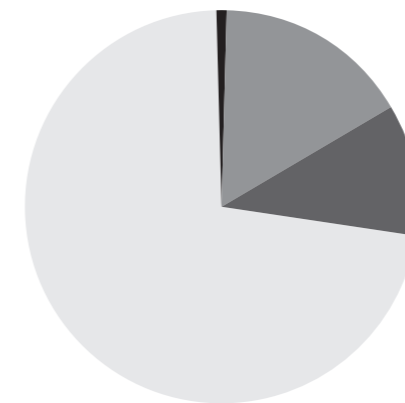
In 2022, at PEBO no employee was entitled to parental leave.

Equal opportunity

The term "equal opportunity" is used to refer to the legal principle, enshrined in the Italian Constitution, which aims to remove all sorts of "discriminatory" obstacles from the participation of individuals in social, economic, political and labor life. It is therefore a condition of substantive equality and parity introduced to ensure "equal treatment" for all people and to prevent forms of discrimination on the basis of certain aspects (gender, age, sexual orientation, ethnicity, disability, religious and political orientation, etc.).

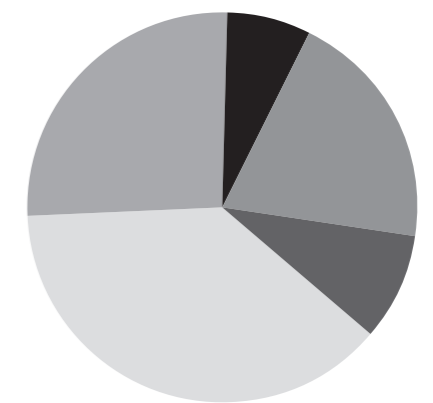
PEBO recognises "equal opportunity" and eliminates all kinds of discriminatory differences in access to and participation in the social, economic and political dimensions of company life.

Staff by qualification and gender in percent



Female workers	0.525 / 1%
Office employees - women	4.75 / 11%
Office employees - men	7 / 16%
Male workers	32 / 72%

Staff by qualification and age group



Office employees < 30 y/o	3 / 7%
Workers < 30 y/o	4 / 9%
Office employees - 30 - 50 y/o	8.75 / 20%
Workers > 50 y/o	11.525 / 26%
Workers - 30 - 50 y/o	17 / 38%

7	Pebo
7.4	The care of our people

Remuneration of all people hired at the Company refers to national collective bargaining agreements (Rubber Plastic Industry). Any other forms of remuneration are not defined on the basis of criteria such as gender or age.

Composition of the PEBO Board of Directors			
Emiliano Boscarini	30 - 50	M	Chair of the Board of Directors and CEO
Marina Boscarini	> 50	F	Deputy Chair of the Board of Directors and CEO
Emiliano Boscarini	30 - 50	M	Director

Equal opportunity - board members by gender



■ Board members - women 30 - 50 y/o	1 / 33%
■ Board members - men > 50	2 / 67%

PEBO's Board of Directors consists of one woman and two men.

Non-discrimination

No incidents of discrimination of any kind have occurred or have been reported at PEBO.

7.4.3 Occupational health and safety

System Group places great emphasis on management systems related to the protection of occupational health and safety (OSH) and pursues the goal of adopting systems in accordance with ISO 45001.

The objective that the Group pursues by adopting these systems, along with due compliance with the requirements of Italian Legislative Decree

7	Pebo
7.4	The care of our people
7.4.3	Health and safety at work

81/08, is substantial: utmost protection of the health and safety of employees must be ensured, with special attention to those employed in the production process.

The adoption of the 231 Model (pursuant to Italian Legislative Decree 231/2001) has further emphasized the attention and care in monitoring the procedures provided for by the current regulations on health and safety of workers. Thanks to the periodic checks by the certifying bodies and the Supervisory Board, the systems are constantly monitored and updated.

The occupational health and safety system makes reference to the so-called "Consolidated Occupational Safety Act," i.e., Italian Legislative Decree 81/2008, which establishes the ways through which preventive actions must be mandatorily put in place and, more generally, how and what measures need to be taken to improve these aspects of working life.

Risk assessment

The methods of hazard identification, risk assessment, and the safety measures adopted to minimize workers' exposure to various hazards are addressed within the company's Risk Assessment Document (DVR). This document considers work activities, work organization, human resources, work areas, equipment and machinery used, and materials employed. The analysis methodology involves several stages of data acquisition, evaluation and processing leading to the assignment of a single risk value (severity by frequency) for each risk. Based on this value and the acceptance criteria, preventive and protective measures are established to reduce the risk to a tolerable acceptance level.

Health surveillance

The health protocol is the fundamental tool through which the company implements health surveillance, contributing to the prevention of occupational diseases and injuries that may occur in the workplace. It is defined by the Company Physician based on the results obtained from the risk assessment and aims to keep the health of workers under control. The health protocol contains the clinical/instrumental exams that workers should do at specific intervals, based on the type of work carried out and the risks involved, and is continuously updated, when changes occur or when the risk assessment in the company is updated.

Periodic meetings as per article 35 of Italian legislative decree 81/08

In accordance with article 35 of Italian Legislative Decree 81/08, the meeting for sharing safety aspects and issues is organized once a year. The Employer or his delegate, the H&SO, the company physician and the workers' safety representative (RLS) are invited to attend the meeting.

The following issues are considered at the plenary meeting:

- risk assessment document
- trends in injuries, occupational diseases and health surveillance, technical characteristics and effectiveness of personal protective equipment
- worker information and training programs for safety purposes.

At the end, behaviors and best practices for risk prevention and improvement goals are identified.

Other consultations among safety contact persons are carried out during the company physician's inspection of workplaces.

Injuries and near misses

The company collects data on injuries and "near misses" to analyze their causes and assess the possibility of making corrections and improvements. Incident analysis is routinely carried out for injuries occurring to workers with more than 30 days of first prognosis or whose dynamics are in need of further investigation. The analysis stages consist of:

- Collection of all elements necessary for defining the event (data, statements, documents, photos, etc.).
- Analysis of elements and identification of causes
- Final description of the dynamics of the incident and analysis of the causes
- Conclusions and identification of actions to be taken.

These actions may include technical measures such as structural works on plant, machinery and/or equipment, organisational measures, procedural measures to regulate workers' behavior, training and information measures, and review of the risk assessment.

Education, information and training

The company implements and maintains a procedure in place so that the people who work for it directly, or on its behalf, are aware and competent at all times.

The DVR identifies the main tasks within the company; these tasks are also the basis for identifying training needs in relation to its occupational health and safety risks and its management system. Education, information and training are provided by taking all necessary actions to meet these needs, and documented information is kept.

System Group has adopted a new computerized system for managing health and safety-related compliance.

By availing itself of collaboration and partnership with qualified training institutions, the main objectives of preserving the quality of lessons, ensuring participants' full involvement and effective interactivity with teachers are achieved, to continue to increase internal expertise and foster its human resources.

For all newly hired employees, induction paths are defined, both theoretical and practical with on-the-job mentoring, tailored to the role, on issues concerning safety, the environment, workers' rights, and the code of ethics, in accordance with legal requirements and the integrated management system. The management system provides for mandatory training and education upon hiring and job change.

In addition to mandatory training, additional training is established, following events such as injuries and near misses, nonconformities found by field checks, new activities to be carried out, and evaluation of workers' skills. Training is not only delivered during the induction of staff into the company, but also covers continuing education in order to foster professional growth and individual motivation.

The occupational health and safety management system covers all people who happen to work within its scope.

In 2022, there were 74,120 hours worked at PEBO compared to 79,192 in the previous year. There were 3 injuries, one more than in 2021.

	2021	2022
Hours Worked	79,192	74,120
Total injury days	14	413
No. of total injuries	2	3
No. of injuries with serious consequences	0	1
1 Frequency Rate - GRI / UNI 7249	25.3	40.5
2 Severity Rate - UNI 7249	0,18	5.57
Severity Rate - GRI	0	13.5
Rate of Fatalities	0	0

The **Frequency Rate** is calculated in the same way according to both **GRI Standards** and in accordance with **ISO Standard 7249:2007** (used by INAIL) and refers to recordable injuries, excluding fatalities, that have occurred. Commuting incidents occurring on the journey to and from work are not counted as they are not managed by the organization. The calculation involves the following formula: **no. of injuries x 1,000,000/hours worked**.

In accordance with standard ISO 7249:2007 (used by INAIL in Italy), the **Severity Rate** relates the days not worked due to injury to the

number of hours worked. The calculation involves the following formula: **no. of days not worked due to injury x 1,000/hours worked**. **In accordance with the GRI Standard**, the **Severity Rate** relates the number of serious injuries (with prognosis greater than 180 days) to hours worked. The calculation involves the following formula: **no. of serious injuries x 1,000,000/hours worked**.

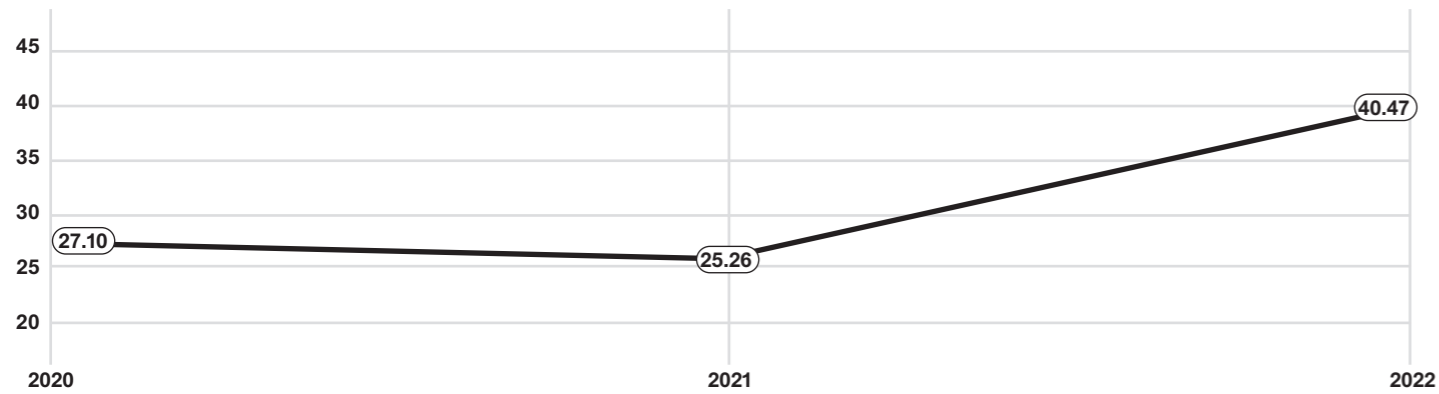
In accordance with the GRI Standard, the **Rate of Fatalities** relates the number of fatalities to hours worked. The calculation involves the following formula: **no. of fatalities x 1,000,000/hours worked**.

In 2022, injuries occurred in production; two were identified as - *low severity* - (B), mostly caused by carelessness, inappropriate behavior or chance events. It does not appear possible to determine a common reason or context for these. A more serious injury resulted in a fractured left ankle of an employee who was hit by a forklift during a reversing manoeuvre. The company has initiated actions to improve the safety level of employees through a specific safety procedure with proper traffic rules in the areas mixed with pedestrians and forklifts and for the use of forklifts as well as the remaking of horizontal safety signs.

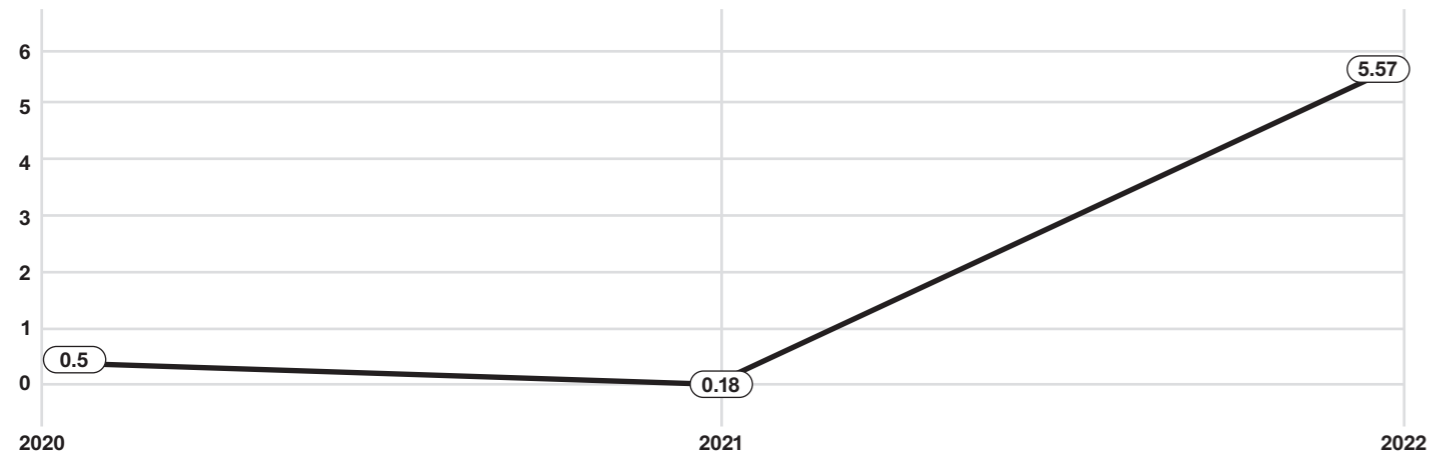
The Company is continuing its commitment to ensure safety; in particular, there has been an update to the General Risk Assessment Document, which involves the ongoing renewal of workplace safety measures, the assessment of risks from physical and chemical agents, fire risk, health surveillance, assistance of a company physician, updating of the emergency and evacuation plan, the declaration of conformity of the electrical and grounding system, the inspection of the first aid kit, work equipment, plants, and machinery, the adoption of personal protective equipment, horizontal and vertical signage, periodic checks of fire extinguishers and hoses, fine dust measurements, establishment of internal regulations, training, and information (Workers' Safety Representative refresher course, forklift operator refresher course, and the first aid and fire safety course and update).

7	Pebo
7.4	The care of our people
7.4.3	Health and safety at work

1 Frequency Rate Calculation - GRI / UNI 7249



2 Severity Rate Calculation - UNI 7249



In 2022, 1 injury with a prognosis of more than 180 days occurred at PEBO.

In the years 2020, 2021 and 2022, there were no fatalities due to injury.

No cases of occupational diseases occurred or were reported.

7	Pebo
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7.5 GRI Context index with reference

GRI Standard 1 - 7

PEBO S.p.A. reports about its sustainability in accordance with GRI Standard 2021 for the period 01.01.2022 - 31.12.2022. GRI 1: Foundation 2021 is used.

GRI Standard / other source	Disclosure	Chapters	Page
GRI 2 General Disclosures 2021	2-1 Organizational details	1	147
	2-2 Entities included in the organization's sustainability reporting	1	147
	2-3 Reporting Period, Frequency and Contact Point	5	189
	2-4 Restatements of information	6	189
	2-5 External assurance	7	189
	2-6 Activities, value chain and other business relationships	1	147
	2-7 Employees	4	175
	2-8 Workers who are not employees	4	175
	2-9 Governance structure and composition	1	147
	2-10 Nomination and selection of the highest governance body	1	147
	2-11 Chair of the highest governance body	1	147
	2-12 Role of the highest governance body in overseeing the management of impacts	1	147
	2-13 Delegation of responsibility for managing impacts	1	147
	2-14 Role of the highest governance body in sustainability reporting	1	147
	2-15 Conflicts of Interest	6	
	2-16 Communication of critical concerns	1	147
	2-17 Collective knowledge of the highest governance body	1	147
	2-18 Evaluation of the performance of the highest governance body	1	147
	2-19 Remuneration policies	Omitted	
	2-20 Process to determine remuneration	Omitted	
	2-21 Annual total compensation ratio	Omitted	
	2-22 Statement on sustainable development strategy	Letter from the Chair and 1.4	143, 147
	2-23 Policy commitments	Letter from the Chair and 1.4	143, 147
	2-24 Embedding policy commitments	1	147
	2-25 Processes to remediate negative impacts	2, 3 and 4	162, 166, 175
	2-26 Mechanisms for seeking advice and raising concerns	1	147
	2-27 Compliance with laws and regulations	1	147
	2-28 Membership associations	1	147
	2-29 Approach to stakeholder engagement	1	147, 160
	2-30 Collective bargaining agreements	4	175
GRI 3 Material Topics 2021	3-1 Process to determine material topics	1, 6	147, 160
	3-2 List of material topics	1	147, 160
	3-3 Management of material topics	2, 3 and 4	162, 166, 175

Requirements omitted	Reasons	Explanation
2-19 Remuneration policies	Confidentiality	
2-20 Process to determine remuneration	Confidentiality	
2-21 Annual total compensation ratio	Confidentiality	
201-2 Financial Implications and Other Risks and Opportunities Resulting from Climate Change	Information not available / incomplete	Pebo did not conduct any "SWOT" analysis for climate change in 2022

GRI standards with an asterisk () have been dealt with for applicable disclosures.*

Relevant topic	GRI Standard / other sources	Disclosures covered	Chapter	Page
Economic performance and anti-corruption	GRI 201 - Economic Performance 2016*	1 / 2 / 4	Chap. 2	162
	GRI 205 Anti-Corruption 2016	All	Chap. 1	147
Energy and emissions - Fight against climate change	GRI 302 Energy - 2016*	302-1 / 2 / 3 / 4	Chap. 3	166
	GRI 303 Water and Effluents - 2018	All	Chap. 3	166
	GRI 305 Emissions - 2016	All	Chap. 3	166
Materials and waste management - Circular economy	GRI 301 Materials - 2016	All	Chap. 3	166
	GRI 306 Waste - 2020	All	Chap. 3	166
Health and safety at work	GRI 403 Occupational Health and Safety - 2018	All	Chap. 4	175
Knowledge management	GRI 404 Training and Education - 2016*	404-1 / 2a	Chap. 4	175
Employment, non-discrimination, equal opportunity and welfare	GRI 401 Employment - 2016	All	Chap. 4	175
	GRI 405 Diversity and Equal Opportunity - 2016	All	Chap. 4	175
	GRI 406 Non-discrimination - 2016	All	Chap. 4	175

Not applicable

Disclosures	Explanation
Disclosure 201-3 Obligations Concerning Defined Benefit and Other Pension Plans	The Company does not prepare pension plans because such treatment is paid for by national institutions
Disclosure 302-5 Reductions in energy requirements of products and services	The Company's products have no energy requirements
Disclosure 404-2 404-2 Programs for upgrading employee skills and transition assistance programs b) Transition assistance programs to facilitate employability and management of the end of employment due to retirement or termination	These activities are not implemented at the Company
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	At the company, employees do not receive periodic performance evaluations

7.6

Methodological Note

GRI Standard 1
GRI Standard 2 - 3 / 4 / 5

This Sustainability Report, version dated 30/08/2023, covering the reporting year 2022, is the second published by PEBO S.p.A. It was prepared and drafted in accordance with the **Consolidated Set of the GRI Standards 2021**.

The Sustainability Report 2022 has undergone third-party assurance by the certification body Istituto Italiano dei Plastici.

Compared with previous reporting, some revisions in disclosures, described below, have been made against an improved calculation process and revised sources for a number of coefficients/factors.

The reporting **scope** of qualitative and quantitative data and information, including economic and financial data and information, contained in the Sustainability Report specifically refers to the performance of PEBO S.p.A. for the **reporting period 2022 (01.01.2022 - 31.12.2022)**. For comparative purposes, figures for the period 2021 are presented where available.

The preparation, drafting and publication of the Sustainability Report represent voluntary activities and have regular **annual intervals**. The **reporting period** is the year, defined as the **“calendar year.”**

For all **material topics**, as defined by due diligence, the Organization defines objectives within the framework of its sustainability strategy, as well as risks and opportunities for its declination and application.

All information provides a consistent picture inherent in “impacts”; *both positive and negative effects* are considered and reported. The emphasis on various report topics reflects their relative priority.

This Sustainability Report describes in detail the data with their respective units of measurement, defining their basis and the possibilities for consultation and verification; it also establishes what the data described are intended to demonstrate.

This document contains a summary index of information related to the different areas covered (GRI Content Index) and reported according to GRI Standard 2021 in such a way as to allow traceability of indicators and other quantitative and qualitative information presented within the Sustainability Report.

Any specific techniques and tools used are also explained.

Other paper or digital documents may also report the data, information and contents of the Sustainability Report in summary form. Each document above provides the information to use the full version.

For the *GRI Standard - 305 Emissions - 2016*, the Sustainability Report combines, in part, Disclosures 305 - 1 and 305 - 2.

The description of positive and negative impacts, such as information on their management, is included at the beginning of Chapters 2, 3 and 4 devoted to the economic and governance, environmental and social areas, respectively.

The Organization's highest governance body is responsible for reviews and approval of reported information, including relevant topics.

The terms “Boscarini Group” and “System Group,” referred to in the Sustainability Report 2022, are not legal entities, but are designations used to identify the shareholding and business identity, respectively.

Boscarini Group refers to all the companies whose shares are held directly or indirectly by members of the Boscarini Family. The representation of the Group and shareholding is documented in the introductory part of the Sustainability Report.

7	Pebo
7.6	Methodological Note

System Group is the brand including, on a commercial and marketing level, the companies of the Boscarini Group. This name allows for the unambiguous recognition of the Companies and strengthens their image in the market as it characterizes their identity and belonging.

The **Strategic Management Committee (CDS)** is a corporate governance body composed of members of the Boscarini Family currently involved in the management of the companies and in which they hold shares, as well as a number of employees who occupy key roles within the various companies.

Said CDS meets at least weekly and where necessary, more frequently.

The CDS guides the choices and activities for sustainability of both System Group and the individual companies. Therefore, conflicts of interest are prevented.

The **Sustainability Team** consists of employees and external consultants. Employees belong to the Technical area, Marketing area, and Administration and Control. One consultant takes care of regulatory compliance aspects, while the other follows environmental topics. The Team meets periodically for the purpose of drafting the Sustainability Report. Throughout the year, the Team and Corporate Management analyze the progress of projects related to the ESG areas and set guidelines for future investments.

Information was reported by assessing relevant impacts that can currently be measured with some degree of accuracy (or estimated) and that may fall under the responsibility or influence, even partial, of the company.

Assumptions and methodologies underlying the calculations made

The company's economic position

Economic information is represented according to the matrix of the Financial Reporting Working Group (GBS Standard 2013).

Opportunities and topics related to environmental aspects

With regard to information pertaining to environmental topics, emission factors for calculating direct emissions (scope 1) from the Company's stationary combustion and factors for calculating energy consumption (PCI) were acquired from the Italian National Standard Parameter Table for the year 2022 "...UNFCCC National Inventory," which can be found at the link:

<https://www.ets.minambiente.it/News#272-pubblicazione-parametri-standard-nazionali-anno-2022>.

For automotive diesel fuel, the emission factor given by the UK Government GHG Conversion Factors for Company Reporting 2021 and 2022 was considered, as for heavy fuel oil.

This information can be found at the links:

2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049333/conversion-factors-2021-full-set-advanced-users.xlsm

7	Pebo
7.6	Methodological Note

2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083855/ghg-conversion-factors-2022-full-set.xls

Fuel	Emission factor		Unit of measurement
	2021	2022	
Natural gas (methane)	1.983	1.991	tCO2 / 1000 Stdm ³
Diesel fuel (100% mineral diesel)	2.70553	2.6988	kgCO ₂ eq / l
Fuel oil for ships	3.10669	3.10669	kgCO ₂ eq / l

In calculating transportation emissions, in the absence of further details on the fleet of vehicles used for product delivery, the reference considered is the articulated vehicle for heavy loads in the > 33-ton load range (Articulated > 33 ton - diesel) with a medium load class, according to the UK Government GHG Conversion Factors for Company Reporting reference table.

GHG emissions for road transport (Business Travel Land) 2021	916.48 gCO ₂ eq/km
GHG emissions for road transport (Business Travel Land) 2022	930.04 gCO ₂ eq/km

Similarly, for the vehicles used by employees, a generalization was made in defining the reference emissions. Specifically, considering the UK Government GHG Conversion Factors for Company Reporting 2022 reference table, a diesel-powered upper-medium category car was taken as the reference:

Category	Passenger cars
Fuel	Diesel
Segment	D
GHG emission factor 2021	159.55 gCO ₂ eq/km
GHG emission factor 2022	161.97 gCO ₂ eq/km

The following reference values taken from 2021 Global Ocean Container Greenhouse Gas Emissions Intensity Clean Cargo October 2021 and in collaboration with BSR (<https://www.bsr.org/>) found at the following link were considered in calculating emissions for ship transport:

<https://smartfreightcentre.org/en/our-programs/clean-cargo-1/clean-cargo/>

The reference document in the link above, containing data for the year 2022, was published after the report was prepared, so the coefficients available at that time were used.

Average and aggregate Clean Cargo emission factors by trade routes - year 2019		
Route	CO ₂ emissions by trade route (gCO ₂ eq / TEU* / km)	
	Utilization Factor 70%	
	2021 (2020 figure)	2022 (2021 figure)
Intra Mediterranean	134.3	148.2

TEU: "Twenty Foot Equivalent Unit": Unit equivalent to 20ft container, length 6m usable volume 33 m³, maximum load capacity 21600 kg

As a precaution, the calculation was carried out using the minimum utilization factor also considering the low weight/volume ratio of plastic pipe loads by taking the emissions for the Intra Mediterranean route as the reference value.

Calculation assumptions should be explored in depth with cargo service providers and possible insights into transport improvement and optimization should be verified.

In general, due to the intrinsic characteristics of the activity, the calculation, although performed to the best of our ability, can only be considered an estimate

Verification of the impact of indirect emissions is performed by analyzing the supply documents (Codes: CF, CL, CR, CT) for upstream transportation and distribution activities and delivery documents (Codes BE, BF, BI, BT); based on the origin/destination of the goods a distance in kilometres is associated with each document to determine the emissions according to the indicated coefficients. The calculation results in an overestimate because it does not consider the actual volume or weight transported, but only the distance in kilometres of the origin or destination of the goods handled with the same transport document.

Total Scope 2 "market based" indirect emissions were calculated for 2021 and 2022 by applying the emission factor given by European Residual Mixes, Association of Issuing Bodies. Below are the links.

2021	2022
European Residual Mixes 2021, Association of Issuing Bodies	European Residual Mixes 2022, Association of Issuing Bodies
https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf	https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf
Table 2	Table 2
456.57 gCO ₂ eq/kWh	457.15 gCO ₂ eq/kWh

For the location-based calculation of emissions from electricity consumption, the emission factor provided by ISPRA - Atmospheric Emission Factors of Greenhouse Gases in the Domestic Electricity Sector and Major European Countries, Report 386/2023, Table 1.13 was used (gross electricity generation)

www.isprambiente.gov.it/files2023/pubblicazioni/rapporti/r386-2023.pdf :

2021	2022*
267.90 gCO ₂ eq/kWh	308.9 gCO ₂ eq/kWh
*Preliminary estimate	

For the purpose of calculating the emission factor of refrigerant gas R407C, it is composed of the following mixture of hydrofluorocarbons (HFCs): HFC-32 at 23%, HFC-125 at 25% and HFC134a at 52%. The global warming potential (GWP) of the constituent gases of the mixture according to EU Regulation No. 517/2014 results in 675, 3,500 and 1,430, respectively, with a GWP of the weighted average of 1,773.85, rounded to 1774.

Water: Pebo

The operator of the Integrated Water Service is Nuove Acque SpA. Sources of supply for the Monterone Piego waterworks: springs and local wells. Water risk: Low. Source: Autorità Idrica Toscana.

The estimation of wastewater assimilated to domestic sewage discharged by System Group companies is done by applying environmental engineering criteria considering an average consumption for production and office staff. Specifically, a water supply per worker of 40 l/day was considered, 60 l/day for companies with bathrooms equipped with showers. While for office employees, an average daily sanitary consumption of 20 l/day of drinking water was considered. Average working days for each category are calculated by considering 252 working days for 2022, recalculated taking into account type of contract (full time or part time) and any breaks in the employee's employment in the year in question. The coefficient of reduction of the share of discharged water to the per-capita water supply is assumed to be 0.8.

The care of our people

Regarding Chapter 4 on human resources, it is clarified that additional indicators were used to report on injury trends. Said indicators are described in detail in the text.

Two formulas have been presented for the overall turnover rate: one formula is calculated as follows: *entries + exits / average staff units over the period*, the other: *entries - exits / average staff units over the period*.

These two methods are used to distinguish a simple turnover of a certain number of personnel, for example, 7.5% entries and 7.5% exits, from an event considered 'in literature' as critical, such as the exit, in close succession, of 15% of the people employed in an organization.

Injury and parental leave trends were described by explaining the real influence of the information on reporting, considering that the reporting standards require information that does not necessarily have to cover a one-year period.

Stakeholder Engagement

Also in line with the guidelines of the new directive on corporate sustainability reporting, thanks to the parameters described in the table presented in Section 1.5, stakeholder management starts from the observation of what happened in the previous reporting period.

Examining the above table, each stakeholder category was defined according to three parameters described below.

Influencers/influenced parties

The relationship with the Company is marked by mutual influences; however, it may be that the levers of influence are not equally distributed between the two parties. Government agencies decisively influence corporate activity to the extent that they generate (sometimes even force) systemic transitions. The individual company, conversely, may have little or no influence on the policies of the governance body. Similarly, lending institutions can exert pressure for the Company to become resilient.

Speaking of lending institutions, it should be borne in mind that they “impose” forms of dialogue and content of the relationship with the Company through surveys and questionnaires, which in themselves represent a flow of information that this type of stakeholder assesses as adequate. Therefore, this assessment was made for each stakeholder category.

Outside-in / inside-out impacts

Staying with the example of credit institutions, it is evident from the documents sent to the companies that their interests are focused on aspects that, if poorly managed, could cause reputational damage to the company, and on resilience, that is the Company’s ability to cope with impacts from the socioeconomic context. In this period, the second topic is gaining increasing importance because wars and pandemics have made the context much more volatile and unpredictable. Therefore, the most important question today is “...has the company done everything necessary to successfully stay in the market?” Therefore, it can be said that the most relevant impacts for lending institutions concern, precisely, the reaction and what happens “outside” the company, influencing it.

Conversely, local government bodies may be affected by “inside - out” impacts such as care for the environment or value distributed throughout the territory (an aspect that has also been underestimated in past surveys). Therefore, this assessment was made for each stakeholder category.

Social/environmental/economic impacts

Each stakeholder focuses on one or more sustainability areas: employees on “health and safety,” lending institutions on the economic and governance spheres. Therefore, this assessment was made for each stakeholder category.

The general situation of the existing forms of communication and those that can be activated has also been evaluated.

We have already covered the surveys of credit institutions. Then some forms/opportunities for dialogue should also be considered.

- ISO 9001 requires customer satisfaction surveys; these surveys may also cover some sustainability aspects.
- Supplier selection activities, again provided for in ISO 9001, may involve exchanging information and establishing criteria for approval that relate to certain sustainability aspects.

Mandatory Health and Safety regulations provide the opportunity to ask questions or make comments in relation to this topic, which is certainly among—if not—the most important of the “social” issues.

Based on all these inputs, the forms of dialogue to be initiated in 2023 were identified and described for each type of stakeholder.

A positive escalation was also assumed in the dialogue. For example, with credit institutions, it is reasonable that the dialogue matures and moves from responding to surveys to a form of sharing strategic plans for sustainability (co-design).

Stakeholders consulted through interviews implicitly and explicitly confirmed the adequacy of the adopted indicators.

Assessments for the definition of material topics

This analysis deals with the context in which Centraltubi S.p.A., Italiana Corrugati S.p.A., Pebo S.p.A. and Rototec S.p.A., operate, and their actual and potential negative impacts and positive impacts.

It also takes into account the opinions of stakeholders in its relationship with the companies mentioned above.

To determine the material topics, in the absence of a *sector standard*, the following was done:

1. the specifics of business activities and processes were assessed;
2. feedback was sought on the importance of a number of issues in national binding legislation;
3. a benchmark survey of other companies that use plastics in their operations was conducted.

The material topics were determined by reviewing the information collected.

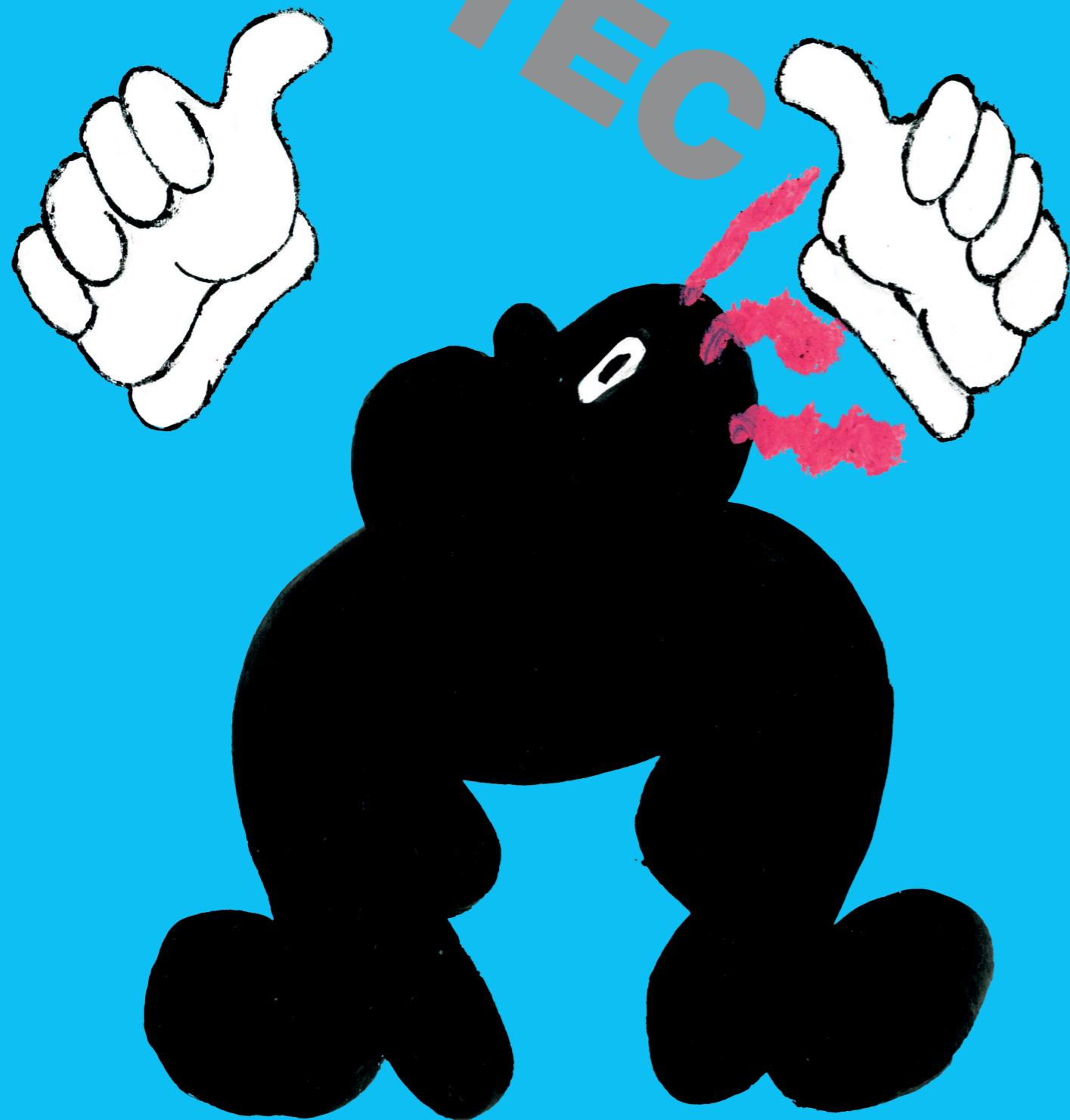
Processes, activities and value chain

For manufacturing companies, the management of company processes involves significant energy consumption with consequent emissions (especially CO_2eq), while impacts on water resources are not particularly significant. This is because the water used for cooling in production activities is in a closed circuit.

From the perspective of impacts, the management of waste, the recovery of production residues, and the use of recycled materials are significant topics

The activities carried out by the different companies in the Group are integrated. In fact, there is an entity that deals specifically with the recycling of materials for Group companies, as well as for third parties. Transportation is also entrusted to a Group company, whose sole purpose is this activity. This structure should be seen as a strength, both because this way the Organisations can “specialize,” and because this model brings specific organisational advantages: for example, the vehicles involved in transportation and deliveries carry “mixed” loads, this allows for optimization of both load and route management.

ROTOTEC



Letter from the Chair to Stakeholders

GRI Standard 2 - 22 / 23

My first thought goes to my brother Alvaro, who passed away in early 2022, founder and enlightened genius, capable of creating a Group that year after year has confirmed its solid and strong roots in the local community.

The year that has just ended therefore opened with a deep sense of sadness and bewilderment, and prompted all of us, from the family, to all of our employees, to commit ourselves and continue on the path that Alvaro traced over these more than 40 years.

The legacy he left us is impressive and full of expectations and hope for the future.

The commitments we are making today follow the course of continuity and the guidelines that my brother consistently set out for us over all these years.

At the helm of the Group companies today are all members of the family, and in the various Management Committees, the employees who have contributed to the growth and success of our Group over the years.

The path we have taken on sustainability issues, is in its second year of reporting, but initiatives aimed at compliance with ESG issues have been in place for several years and are part of our daily activities.

We have always placed our employees and the surrounding economic, social and cultural landscape at the centre of attention in the hope of being an active and positive part of its evolution.

The responsibility we have and feel toward all our stakeholders is great and drives us to continuously improve ourselves in our daily practices, so that nothing is left to chance along our path of growth and development and our way of doing business is a source of balance and well-being for people and the territory.

Rototec is the fourth company for which we have drawn up the Sustainability Report, and it is in its first year of reporting.

Together with the others already examined, we thus have the opportunity to represent most of the business models into which our Group is organized, and which range from the production of specific manufactured goods for the transport of fluids, to their storage, to the recovery and recycling of production materials, to services supporting the entire supply chain.

The Group also operates in other sectors, e.g.,

transportation, engineering, services, which are presented in this Report, and over the next few years will become an active and integral part of it for reporting sustainability impacts.

As announced last year, we formally adopted for Rototec S.p.A., a compliance program, i.e., 231 Model (as per Italian Legislative Decree 231/2001), providing us with a collegial Supervisory Board.

This project, which we have voluntarily joined, despite it not being a current obligation, has been implemented to bring greater consistency and relevance to our way of doing business. It encompasses initiatives aimed at protecting workers and their safety, the environment and its healthiness, our institutional stakeholders, and our partners, including both customers and suppliers.

Returning to the general issues, what happened in 2022 on the international scene is, unfortunately, still part of our everyday life.

The immense disaster of war, which is still ongoing, the sharp price increases in the commodity and energy markets, which have seen us on the front lines to counter and mitigate their effects on our companies, the social tensions and problems caused by soaring inflation, have marked 2022 as a period, yet another after the pandemic, that cannot be fit into known patterns and therefore must be approached with great attention, day after day.

Last but not least, returning to environmental issues, 2022 has been confirmed as one of the hottest and driest years ever, forcing everyone to think deeply about the management of water reserves and imposing an increasingly concrete commitment to the issues of the UN 2030 Agenda.

Most of our companies belong to the electricity-intensive and gas-intensive category, which makes us doubly involved in the issues of energy saving, production efficiency and emission reduction.

We have long since activated, and have been reinforcing our commitment to, internal teams, collaborations with universities, and external consultants, all engaged in working on energy and environmental issues. Their role is to define future strategies and increasingly reconcile the growth of the Group with respect for everything outside of it that we encounter daily.

Commitments made over the years to our employees, in terms of professional growth and enhancement of skills, training and welfare, are confirmed and supported by Management.

The large investments that we have also made in 2022 have always been evaluated from the perspective of curbing consumption and reducing waste, and have seen the launch of an innovative project on the use of our products to transport hydrogen.

In the following pages, we will try to detail our projects and investments already completed and those in the pipeline, with particular attention to those that have greater affinity with ESG issues.

I can only wish a good read to all those who have the curiosity and desire to learn about the contents of this first Sustainability Report of Rototec. While certainly capable of improvement, we hope it can represent and account for our commitments and the results achieved.

In conclusion, my most dutiful thanks, also on behalf of the other members of the Management, go to all our employees and external partners, for their consistently positive commitment exerted every day in the management of activities. We are confident they will continue the project of my brother Alvaro, whose teachings we will never abandon.

Marina Boscarini



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8.1.1

Company profile

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Rototec was established in 1999. It is the company of the Boscarini Group, on the market better known as "System Group" specializing in the production of polyethylene containers made with rotational molding technology.

The registered office and production site are located in Lunano, in the province of Pesaro Urbino, at Via dell'Artigianato, 6 (production and offices) and Via Foglia 11 (warehouse); at the end of 2022, the company's second production site was went into operation at Via Attilio Romanini 2, 8, 10, in Sant'Angelo in Vado (PU).

The workforce consists of 91.4 employees (full time equivalent) and the total value of production amounts to more than € 30 million.

The Board of Directors consists of: Marina Boscarini (Chair), Mario Falconi (Deputy Chair and CEO), Emiliano Boscarini (CEO).

The Board of Statutory Auditors consists of: Simone Spinaci (Chair), Decio Amedeo Raggi (Standing Auditor) and Alessandro Cicolella (Standing Auditor).

Following the adoption of the compliance program pursuant to Italian Legislative Decree 231/2001, a collegial Supervisory Board was established, composed of Giovanni Orciani (chair), Giovanni Curzi (member) and Antonio Mazza (member).

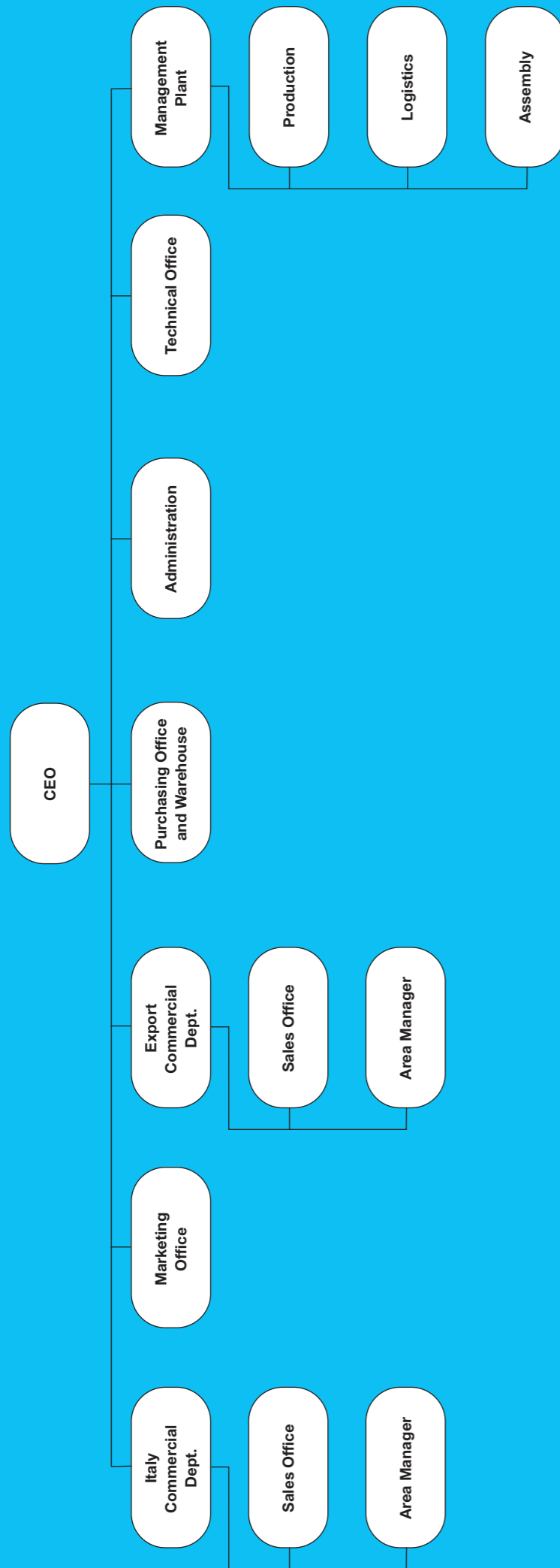
Rototec makes decisions pertaining to sustainability independently.

Rototec Today

The Company is constantly growing; it is present throughout Italy and in some foreign countries (France, Spain, Hungary, etc.). Over the years, it has felt the need to distinguish itself in markets by investing its own resources in research and adapting its production to European standards in order to offer its customers reliable quality products.

Specifically, the product lines cover treatment (degreasers, Imhoff tanks, purification filters, etc.), water resource management (tanks, rainwater recovery systems, sumps, etc.) and building systems (chemical toilets, containers and tanks, deterrent systems, etc.).

The company provides a free library of BIM objects for system design and management, and also provides on-site assistance upon request. It also makes available applications such as one, for example, dedicated to sizing the storage volume for rainwater.



Organisational chart as at 31/12/22

Rotational molding, or roto-molding, is a low-pressure, high-temperature production method for the manufacture of hollow items that do not require subsequent welding and assembly steps and are virtually stress-free. The process can be used to make bodies of simple shapes (cylindrical containers or tanks) or more complex ones with wall thicknesses ranging from 2 to 15 millimeters. In this type of application, the technology is a viable alternative to blow molding, thermoforming, and injection molding, allowing for cost-effective production of even very

large objects in small and medium series. Modern machines equipped with multiple arms, which allow molds of different shapes and sizes to be installed simultaneously, make it possible to produce different items simultaneously and thus optimize productivity. An important advantage of rotational molding is the low percentage of by-products generated by polyethylene processing; about 96% of the plastic loaded into the molds is, in fact, used to manufacture quality products.

Rototec is a modern company devoted to “change that works.” It believes that people are the real strength of an organization and that change is one of the signs of modernity, and therefore adaptability is one of the key skills. Therefore, the company values are as follows.

- Professionalism, Innovation, and novelty (striving to do things best, always finding something new).
- Very high propensity for change and continuous improvement (constantly questioning procedures, methods, etc.).
- Focus on aligning all employees and all processes from sales (customers) to suppliers.
- High flexibility and adaptability to a continuously evolving context.
- A vocation to create strong teams with cross-functional skills and a continuous inclination towards sharing;
- Striving to enhance people’s skills.
- Awareness of the need for continuous growth: whoever hesitates is lost.
- Understanding that Rototec in the System Group represents a significant opportunity.

Rototec has collaborations with the Carlo Bo University of Urbino. During the reporting period, it promoted a “brand identity” project at the Faculty of Business Marketing and Communication, aimed at a particular product that needed to stand out from the rest of the range to highlight its special features. As part of the same collaboration, students were tasked with developing a proposal aimed at how to effectively communicate the importance of Rototec’s Mission and Vision.

Corporate governance

Rototec S.p.A. has adopted the traditional administration and control system as set forth in Articles 2380-bis et seq. of the Italian Civil Code under which the Board of Directors is entrusted with corporate management and the Board of Statutory Auditors with the functions of control and supervision, including with regard to sustainability and for the management of impacts (especially negative impacts) and with regard to their reporting, including supervision over due diligence for the determination of material topics and for the proper identification of stakeholders.

The adoption of 231 Model (as per Italian Legislative Decree 231/2001) introduces an element of novelty, leading to more accurate risk analysis and effective compliance management. The governance system ensures constant discussion between management and shareholders, according to the following

B

Rototec

B.1.2

Corporate governance

principles: the Shareholders' Meeting is a body with exclusively deliberative functions whose powers are by law limited to the most important decisions of corporate life; the Board of Directors plays a central role in guiding and managing the Company and the Group. In addition to the powers vested in it under the law and the Articles of Association, the Board has exclusive jurisdiction in relation to the most important decisions from an economic and strategic perspective as well as functional to the exercise of business monitoring and direction as well as on issues of sustainability. Indeed, the Board also plays a central role in approving corporate strategies with respect to environmental management, including climate change, and social issues. The Board of Directors is renewed each time the annual financial statements is approved.

The Board of Statutory Auditors serves until the approval of the annual financial statements for the year 2022. The Board of Statutory Auditors supervises, inter alia, (i) compliance with the law and the Articles of Association as well as observance of the principles of proper administration; (ii) to the extent of its remit, the adequacy of the Company's organisational structure, internal control system and administrative and accounting system, as well as the reliability of the latter in correctly representing operating events; (iii) the manner in which the rules of corporate governance provided for in codes of conduct to which the Company adheres are actually implemented; and (iv) the effectiveness of the internal audit and risk management system.

The Supervisory Board, on the other hand, is responsible for verifying the effectiveness and adequacy of the compliance program, its effective implementation, and proposals for updating and implementation. The Board meets at least quarterly. The first meetings were used to learn more about current company management systems.

The performance of the Board of Directors related to sustainability policy, is evaluated by the Strategic Steering Committee (hereinafter also CDS), which on a weekly basis, collegially analyses the progress of projects, including those related to ESG issues on which the Group has focused, assessing the evolution and achievement of the strategic objectives set.

Performance analyses and evaluations are conducted by involving the internal control and organisational units responsible for auditing the management systems adopted by the Group, with a view to compliance with current regulations. External structures that are involved in the auditing of management and quality systems also participate in this process.

Based on the outcomes and conclusions from the CDS assessments, project progress is updated and, with a view to continuous improvement, new goals and objectives are set for the future.

The Sustainability team is currently made up of diverse professionals, both internal and external, with also the goal of drafting the Sustainability Report.

The working group dedicated to overseeing and managing ESG issues has been given the responsibility to participate in the definition of the Group's sustainability strategy, as well as to identify, report to top management and manage, in cooperation with the relevant functions, risks related to sustainability issues, including those concerning climate change, and finally to identify areas and projects for improvement, thus contributing to long-term value creation.

This reporting is subjected to external assurance by independent certification body accredited for management system and product certification.

By a resolution of the Board of Directors, Rototec S.p.A. adopted its compliance program - 231 Model - pursuant to Italian Legislative Decree 231/2001 with the aim of reducing the risks of offenses being committed by senior figures and subordinates.

B

Rototec

However, adoption in itself is not sufficient to ensure the legal validity of the 231 Model. It is imperative that it be effectively implemented and constantly updated. For this reason, all company functions and individual Employees, are informed, trained and involved in the issues concerning the 231 Model.

A management system in accordance with the 231 Model requires profoundly correct behavior by all parties who, in any capacity, engage in dealings with the company, and who are called upon to conduct themselves in line with the Code of Ethics adopted by the company.

The adoption and effective implementation of a management system that complies with the 231/01 Model will also make a strong contribution to the proper implementation of corporate anti-corruption practices.

The Group's Code of Ethics has already been published, applied in all its member Organisations and can be found at the link:

<https://tubi.net/codice-etico/>.

In relation to the application of the Code of Ethics, information activities, including external, and planned internal training activities have been implemented.

Legislative Decree No. 231 of 8.06.2001 introduced the provision of direct personal liability of the collective entity (entities provided with legal personality and companies and associations, including those without legal personality) for a series of crimes committed by individuals related to it, who acted in the interest or to the advantage of the entity, into the Italian legal system.

In such cases, the entity can protect itself from legal action if it can

demonstrate that it has adopted and effectively implemented an organisational, management and control model suitable for preventing crimes of the kind that occurred.

In order to avoid the involvement of the company or entity by invoking the exclusion or limitation of its liability arising from one of the offenses stipulated by law, it needs to adopt an adequate compliance program and relies on a Supervisory Board to monitor its implementation.

Rototec S.p.A. has not faced any incidents of corruption and has not been sanctioned for conduct contrary to the current regulations of any sector or area with regard to "sustainability"-related objectives.

Rototec does not belong to associations that can influence its activities and choices, in general and specifically with regard to sustainability.

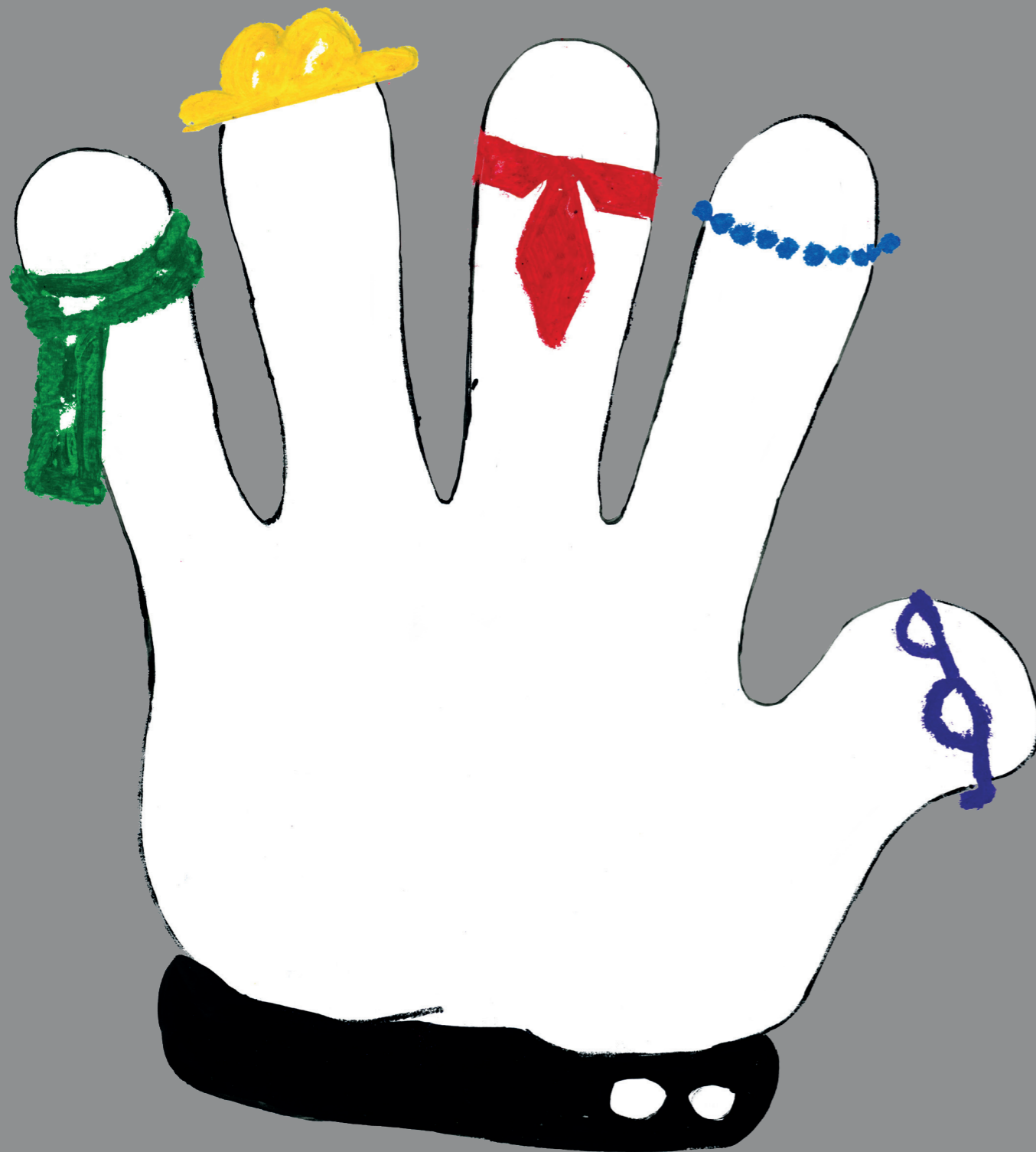
B.1.3

Quality Management and Certifications

All activities carried out by Rototec, from design, through production, to installation, sales and after-sales services, are conducted in accordance with an ISO 9001:2015 certified Management System. Products are tested and certified with respect to each of their functional characteristics: from resistance to physical and chemical agents, to durability, ergonomics and safety, in accordance with applicable international standards, as specified below.

Products intended for wastewater treatment are tested and certified:

- The sand and grease separators according to standard UNI EN 1825-1
- Septic tanks according to standard UNI EN 12566-1
- Purification plants of the "Depuro" range according to standard EN 12566-3



Dialogue and relationship with Stakeholders

Rototec has defined its criteria for relations with stakeholders, which are banking institutions, suppliers, customers, local authorities, national and European government agencies, universities and employees.

From 2023, different ways of managing stakeholder dialogue will be implemented.

Their needs in terms of information will be assessed based on considerations regarding the type of relationship that the stakeholders have with the company and the impacts generated by the company.

Concerning the relationship, stakeholders are distinguished between influencers and influenced parties. For example, suppliers are required to implement what the Company requires in general and for sustainability; compliance with requirements can influence their rating. Conversely, customers, with their requests, may demand specific behaviors from the Company in both operational and information management terms. Therefore, suppliers are mostly influenced parties, and customers are influencers.

The interests of different stakeholders may relate to impacts generated by the Company or that Company may have to face. For example, local administrators are interested in “inside-out” impacts: well-managed waste, value distributed across the territory. Banks are reasonably interested in how the company makes itself resilient to impacts that come from outside, such as possible increases in energy costs.

Continuing with this example, it can be seen that some stakeholders are interested in economic content, such as banks, while others are interested in content in the “social” area, such as employees who are obviously particularly concerned with Occupational Health and Safety.

Over time, the relationship will become increasingly in-depth and personalised so that stakeholder engagement activities bring added value to both the Company and its stakeholders.

A questionnaire was administered to all identified stakeholders in 2022.

The graphical and table representations of the aforementioned, the defined guidelines for stakeholder relations, the items and results of the survey administered can be found in this document.

Inform Dialogue Collaborate, co-design Transpose requirements

Stakeholder type	Influencers/influenced parties	Outside-in/Inside-out impacts	Social/ environmental/ economic impacts	Type of relationship
Customers	Influencers	Inside-out	Environmental	Outgoing information and survey
Suppliers	Influenced parties	Outside-in	ESG	Information and assessment (rating)
Credit and financial institutions	Influencers - influenced parties	Outside-in	Economic	Information exchange and engagement, rating
Employees	Influenced parties	Inside-out	Social	Outgoing information and survey
Local authorities	Influencers	Inside-out	ESG	Outgoing information (institutional)
National and European government agencies	Influencers (prescriptive)	Inside-out	ESG	Transpose requirements
University		All	Environmental	Information exchange and engagement

Customers

They will be informed about the inherent path to sustainability taken at the company, both in relation to products and processes. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Suppliers

They will be subject to rating in relation to parameters pertaining to sustainability. Collaborative relationships will also be established in light of the information received.

Credit and financial institutions

Information exchange and engagement will be maintained regarding the company's goals and results and its resilience to impacts, specifically outside-in impacts. The dialogue will then cover the assessment tools that this stakeholder category brings to bear in relation to business activity. A targeted survey with a very small number of items may be administered to receive feedback and convey information.

Employees

Through the Sustainability Report, they will be informed of initiatives, goals and results related to human resource management. Through function managers and representatives provided for in national mandatory regulations, employees can seek clarification and present their concerns regarding labor rights.

Local authorities

They will receive communications related to the Sustainability Report.

A short questionnaire on the company's presence in the area will be prepared and administered to the mayors of three municipalities, Sant'Angelo in Vado, Lunano and Piandimeleto.

Governance bodies

Information from governance bodies is monitored regarding the enactment of mandatory regulations.

University

In this case, these are mutually chosen relationships. Information is exchanged through institutional channels and in connection with specific projects.

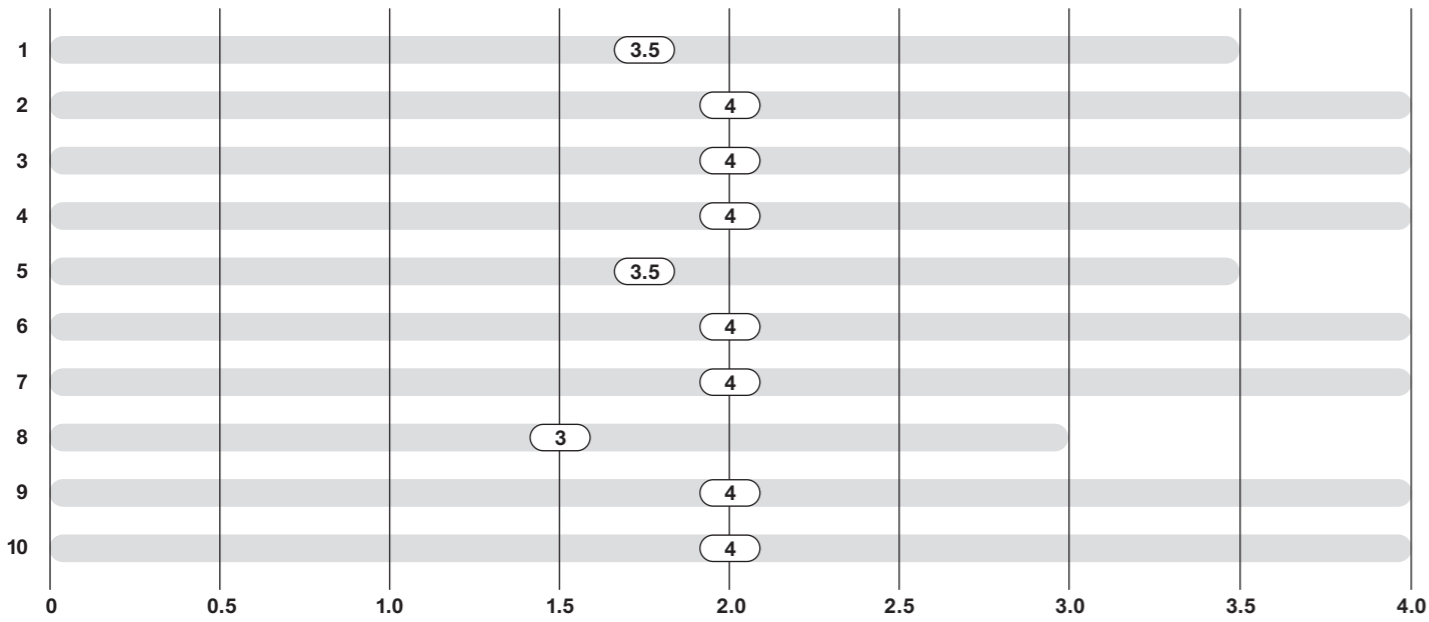
For the current year, a questionnaire was administered to all stakeholders. The items and results are described below. The practice for the various companies has been standardised by referring to a single "System Group" standard.

Items

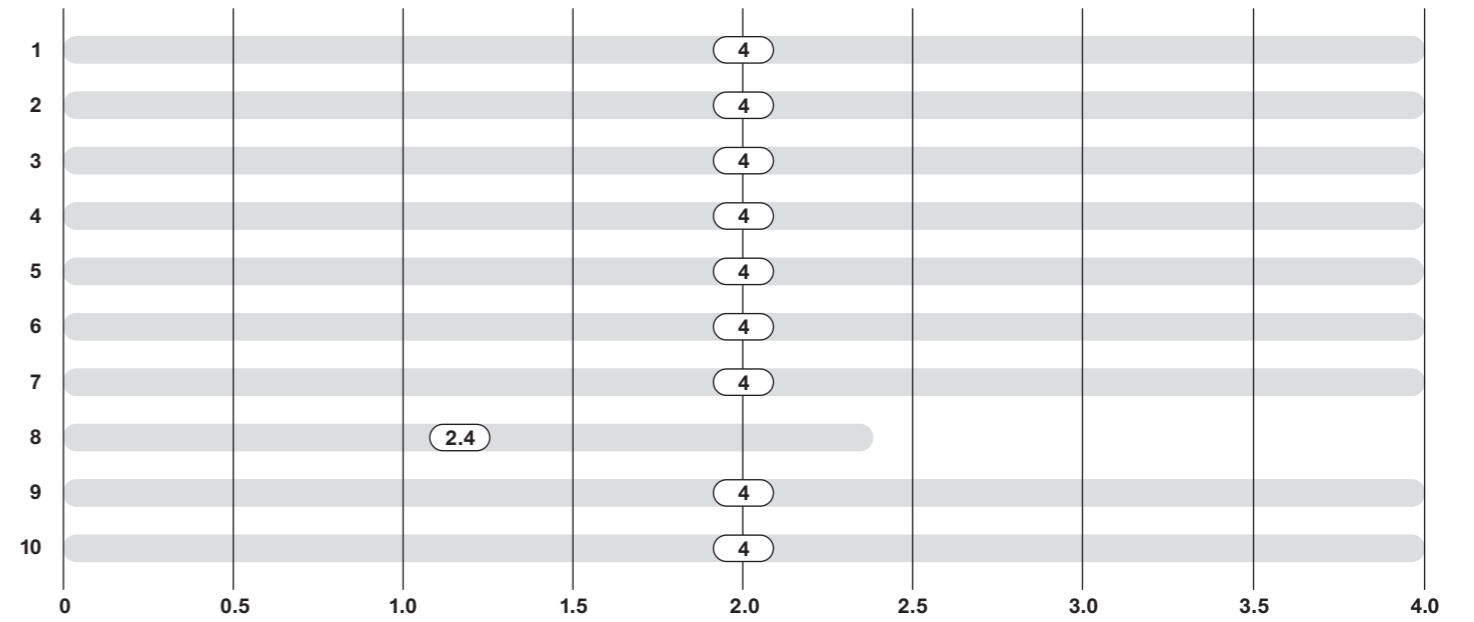
1. **System Group has drawn up, for the second consecutive year, the Sustainability Report. Do you think this document could be an interesting and useful tool for assessing the company's commitment to sustainability issues?**
2. **Does the Company use products from non-polluting and recyclable materials for its business and where possible, do you appreciate this choice also because it is in line with the new European regulations to protect the user and the environment?**
3. **Do you think it is important for System Group to make efforts to control energy and curb emissions that are harmful to humans and the environment?**
4. **Do you think it is important that System Group also seeks to engage its suppliers on ESG (Environmental, Social, and Governance) issues, including through the example of sustainable management of its operations?**
5. **Do you appreciate that the Company is extremely attentive to fostering the well-being and personal development of employees in order to protect their Health and Safety?**
6. **Do you think it is important for System Group to be attentive to and adequately protect gender equality within the Company, including in relation to professional training development policies?**
7. **Do you think it is important for the Company to be able to identify, through careful analysis, the types of risks associated with its activities (e.g., climate change risks) in order to adopt appropriate policies and strategies through the application of a resilience model and, consequently, maintain its market positioning?**
8. **Do you believe that the younger generation is sufficiently interested and involved in relation to the transformations taking place in our country with regard to sustainability issues and in particular in relation to the use and disposal of plastics?**
9. **How do you assess your relationship with System Group?**
10. **Do you think it is important for the company to communicate to its Stakeholders (customers, suppliers, employees, associations, mayors, etc.) about initiatives, implemented or planned, on sustainability?**

RESULTS

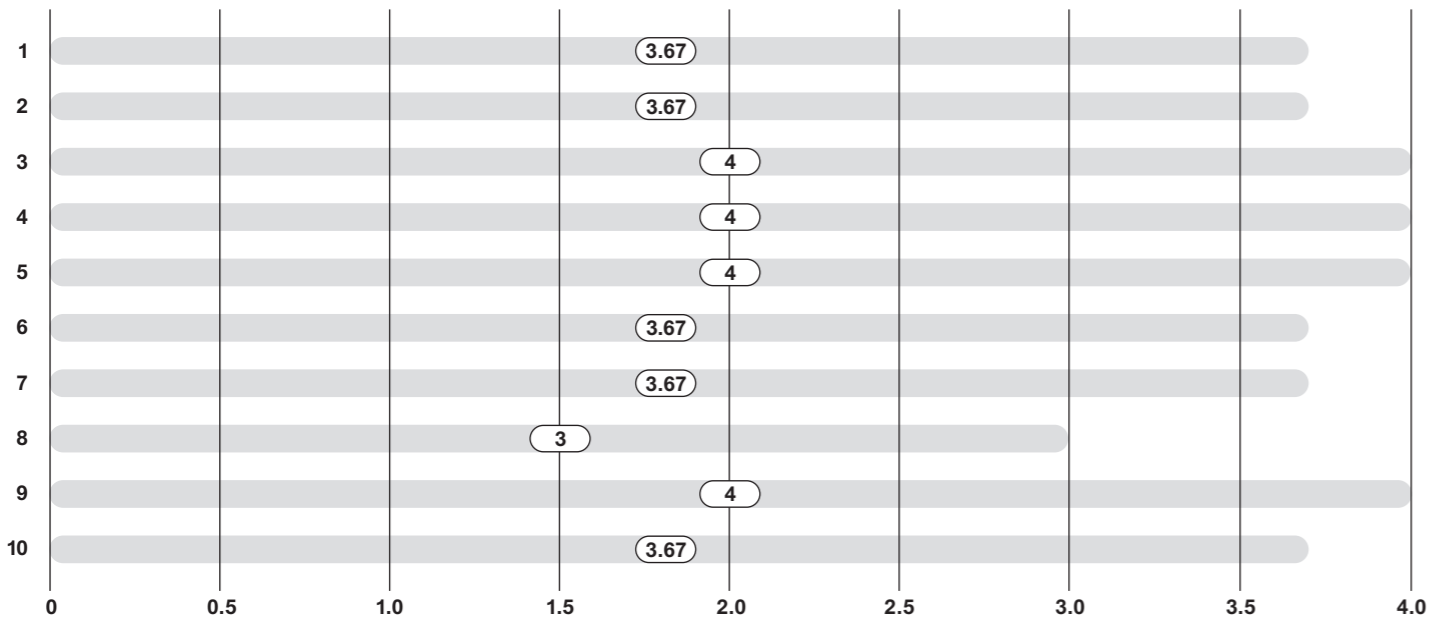
Credit Institution



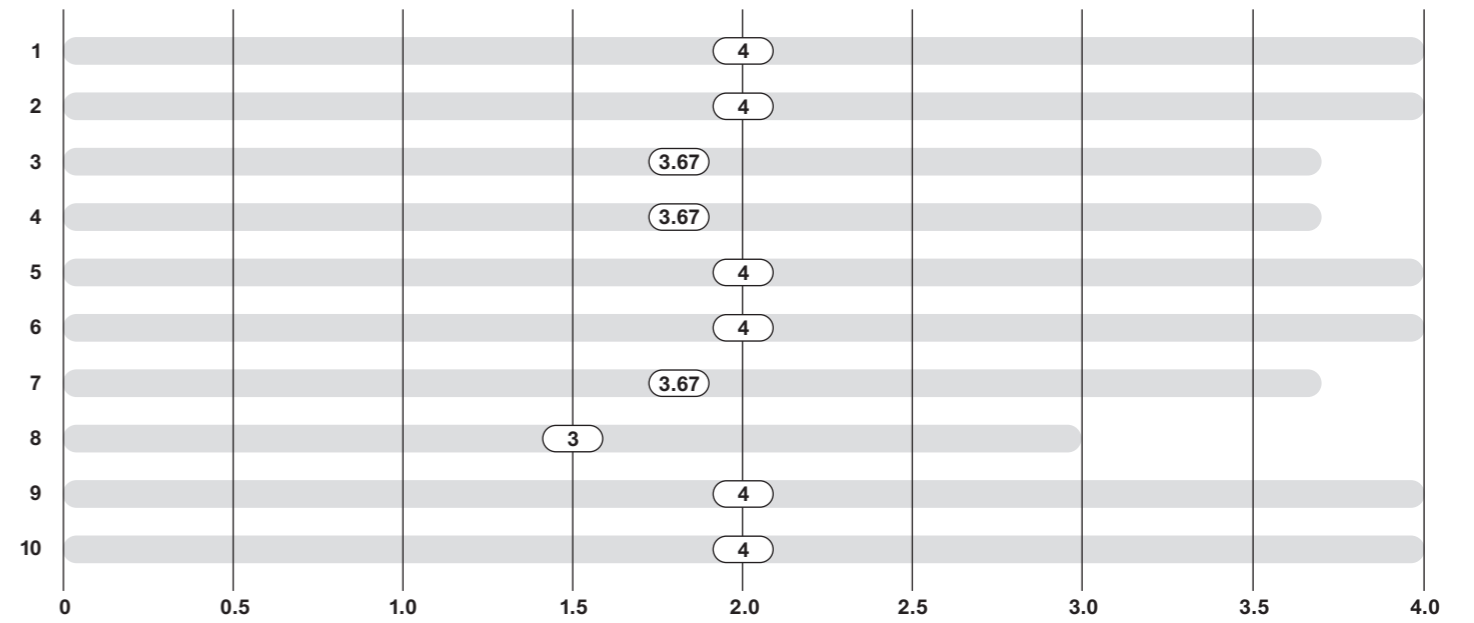
Customers



Associations

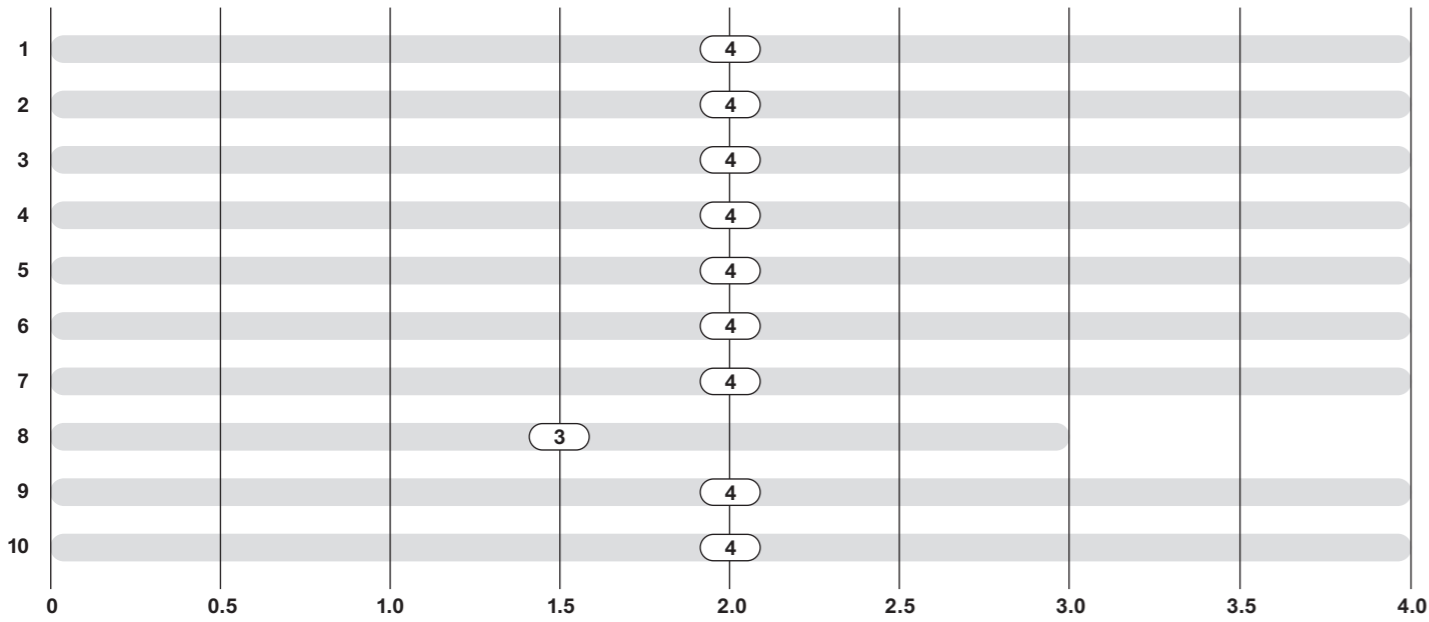


Municipalities

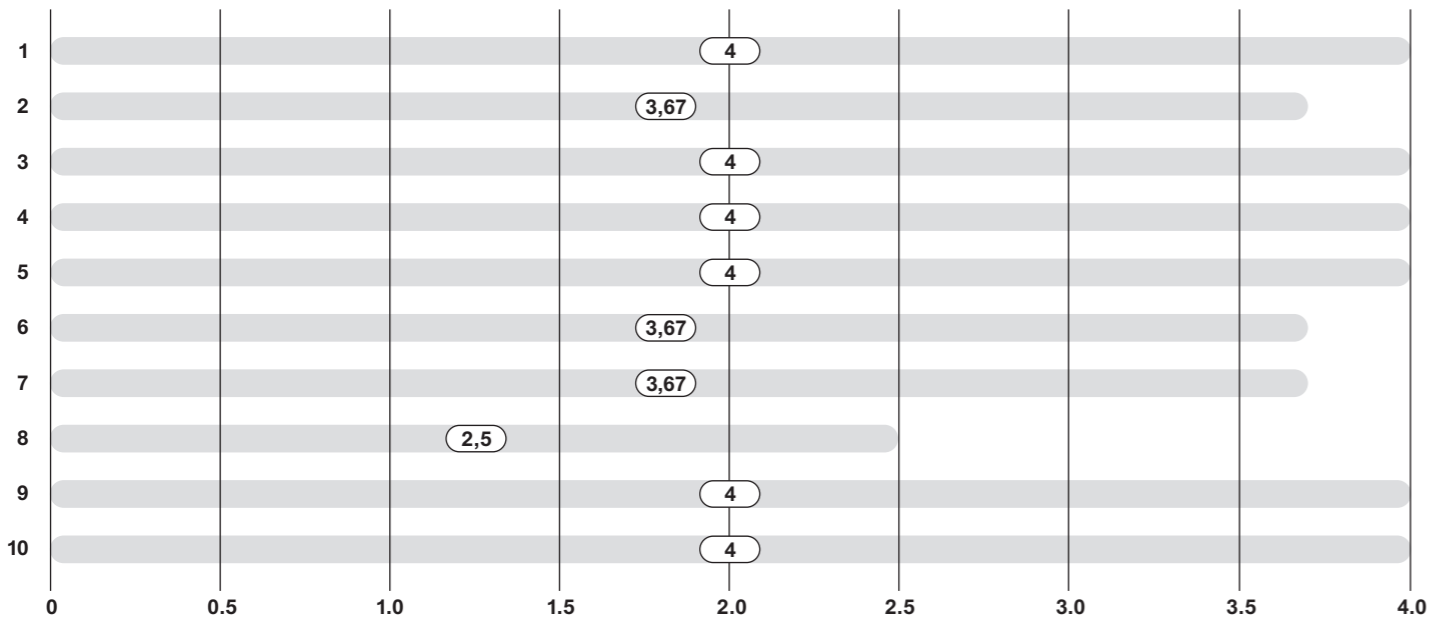


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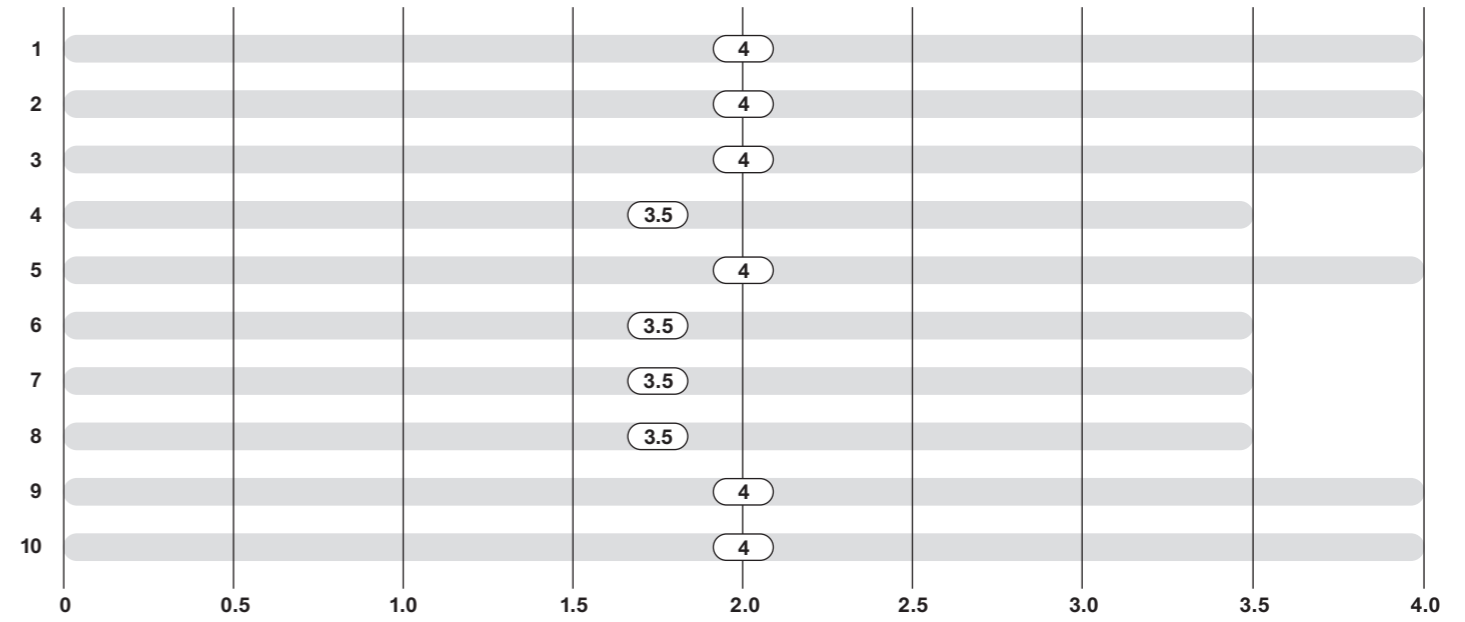
Suppliers



Employees



University



8.1.6 Due Diligence

GRI Standard 2 - 29
GRI Standard 3 - 1 / 2

Rototec, in this sustainability report, carried out due diligence to verify its list of stakeholders and to identify relevant issues in terms of current or potential impacts, both positive and negative.

Material topics are those that have a significant impact on the economic, social, and environmental performance of the organization and can influence stakeholder evaluations. The Company's commitment is strongly oriented toward paths, programs and perspectives that primarily take into account the needs of its stakeholders, both inside and outside its organization.

The latter have been classified in order to define dedicated and efficient ways of relating to their specific needs.

Methodology

For the 2022 sustainability report, in order to verify its list of stakeholders and determine its material topics and in the absence of a *sector standard*, Rototec:

1. conducted a benchmark survey of other companies involved in plastics processing by considering the set of reported standards;
2. assessed the specifics of business activities and

8	Rototec
8.1.6	Due Diligence

- processes;
- 3. considered the outcome of prior dialogue with stakeholders;
- 4. evaluated feedback on the importance of a number of issues in national binding legislation.

Conclusions

Among the issues to be covered, in terms of risks, those related to energy management are considered very important. Opportunities refer to the process of recycling materials.

Energy consumption mainly concerns industrial production processes. Regarding these activities, emissions should be kept under control and reduced to the extent possible through energy consumption.

Especially in assessing the benchmark, it was deemed necessary to also report in relation to the management of water resources, a topic that was not addressed in the previous Sustainability Report

In the current report, therefore, all the most relevant standards for all three areas are covered: economic and governance, social and environmental.

As regards "social sustainability," Occupational Health and Safety is at the forefront along with training.

Other issues identified as material are "anti-corruption" and "non-discrimination" safeguards.

In economic terms, Value Distributed and investment are the main highlights.

Economic and financial management will be an increasingly important issue, especially in terms of resilience in the face of ongoing socioeconomic and environmental changes.

For this reason, and taking into account the outcome of the benchmark analysis, for topics considered material, the relevant topic standards and disclosures reported are those defined in the GRI Content Index with Reference for Reporting 2022.

List of the main areas to which the main impacts pertain

- Economic governance, objectives and results
- Anti-corruption policies
- Non-discrimination policies and actions
- Health and Safety management
- Knowledge management
- Recycling and materials management
- Waste Management
- Water resource management
- Reduction in energy consumption
- Emission containment and reduction

8	Rototec
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8.2 The company's economic position

GRI Standard	201 - 1 / 4
GRI Standard	2 - 25
GRI Standard	3 - 3

In 2022, Rototec S.p.A. recorded a total value of production of € 33,819,543. As at 31/12/2022, Rototec's balance sheet showed a net profit for the year of € 2,693,977.

The company is engaged in the business of manufacturing, designing and marketing plastic products for civil stormwater and wastewater storage and treatment, sewage, aquaculture and marine applications.

Rototec uses high-density polyethylene (HDPE), low-density polyethylene (LDPE) and linear-low-density polyethylene (LLDPE), polypropylene and PVC (polyvinyl chloride) in its production cycle; the raw material used is a petroleum derivative and, therefore, its purchase price is strongly influenced by the fluctuation of quotations in international markets.

Good inventory management is crucial, to keep the incidence of material cost on product sold within the budgeted range. When one considers that the value of consumption fluctuates, depending on the products for which they are used, from 60% to 70% of the volume of net sales, the importance of the impact that fluctuations, even those that are not significant in absolute value in the price of the raw material, can have on the company's profit and loss accounts is obvious.

In terms of market positioning, the company holds a stake in Lucania Resine S.r.l., a production plant located in Basilicata in the province of Potenza that allows it to operate commercially and achieve significant savings in transportation costs to supply southern Italy and the major islands.

About 15% of sales were directed to foreign markets, up from the previous year, and the remaining 85% to the domestic market. Rototec's growth toward foreign markets, especially in Northern and Eastern Europe, remains steady. The company is also considering development policies to develop non-EU markets. Promotional activities aimed at technical studies, (engineers, surveyors, geologists etc.) is continuing and is originating a significant increase in sales and an important recognition of "Rototec" as a Company attentive to design and service concerning *environmental issues*.

**8.2.1 Value Generated
Value Distributed
Value Retained**

In its classical meaning, Value Added is a measure of the wealth an economic entity realizes through the use of production factors and how it is distributed among key stakeholders.

This document does not include the income statements and balance sheets that have already been prepared and are included in the file attached to the 2022 Financial Statements. Economic Value Generated (Gross Value Added generated by the entity) and Economic Value Distributed (Value Added Distributed) to stakeholders are also described.

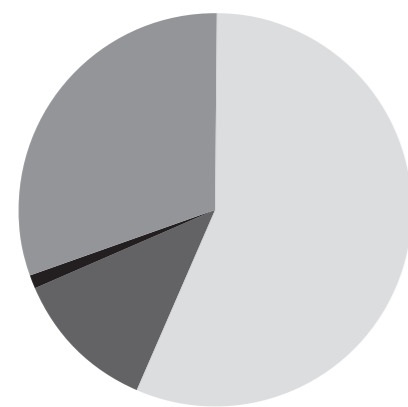
The Value Retained is calculated by subtracting the Value Distributed from the Value Generated.

8 The company's economic position
 8.2 Value Generated Value Distributed Value Retained

Determination of Net Overall Value Added	2022	%	2021	%
Overall value of production	€ 33,819,543		€ 29,777,150	
Intermediate costs of production	- € 24,769,745		- € 21,719,423	
Gross value added from ordinary operations	€ 9,049,798		€ 8,057,727	
Ancillary operations	- € 81,375		- € 125,185	
Overall gross value added	€ 8,968,423		€ 7,932,542	
Depreciation	- € 677,558		- € 606,014	
Overall net value added	€ 8,290,865	100.00%	€ 7,326,528	100.00%

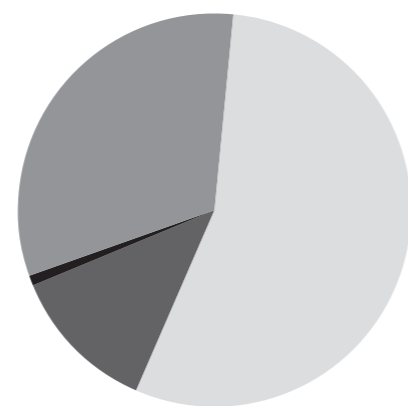
Breakdown of Overall Net Value Added	2022	%	2021	%
Staff remuneration	- € 4,564,333	55.05%	- € 4,149,073	56.63%
Public Administration Remuneration	- € 970,102	11.70%	- € 851,253	11.62%
Return on loan capital	- € 62,453	0.75%	- € 49,850	0.68%
Company remuneration	€ 2,693,977	32.49%	€ 2,276,352	31.07%

Distribution of value added 2022



■	Lenders/Credit Institutions	0.68%
■	Public Administration	11.62%
■	Company	31.07%
■	Workers	56.63%

Distribution of value added 2021



■	Lenders/Credit Institutions	0.75%
■	Public Administration	11.70%
■	Company	32.49%
■	Workers	55.05%

8 The company's economic position
 8.2 Costs, subsidies and grants

8.2.2 Costs, subsidies and grants

During 2022, Rototec received the following government grants.

Title of measure	Title of project	Amount
Aid Scheme - Identifier 18852 SA 59255	Exemption from the payment of social security contributions for companies that do not apply for redundancy payments (Article3, Italian Decree-Law 104/2020)	€ 7,419.44
		€ 7,419.44

8.2.3 Investments

Rototec's production cycle differs substantially from the rest of the Group in that it predominantly adopts rotational molding instead of extrusion. The raw material is always plastic material, in the form, in this case, of powders that, when loaded into the processing mould, are melted to obtain the desired shape for the product.

Below follows the list of the main actions put in place in 2022.

Production and warehouses

The energy Rototec uses to mold its products is mainly methane gas. Improvements were focused on the purchase of new rotational molding machines for the new plant.

Concerning the water used in the production cycle, it is delivered to a closed-loop system that feeds it back into the production cycle, reducing its consumption and dispersion.

The company is working to obtain certification by the year 2024 for its Environmental Management System according to UNI EN ISO 14001.

Occupational safety

Also in the area of occupational health and safety, the company is organizing itself to obtain UNI ISO 45001 certification.

Energy consumption

In the last months of 2022 in the plant and outdoor yards, incandescent lamps were replaced with more modern energy-efficient lighting systems.

In the same year, a photovoltaic system was installed on the entire available roof surface in the new production facility. Also at the new site, both a lamination plant and a yard runoff treatment plant were included.

Main investments 2022

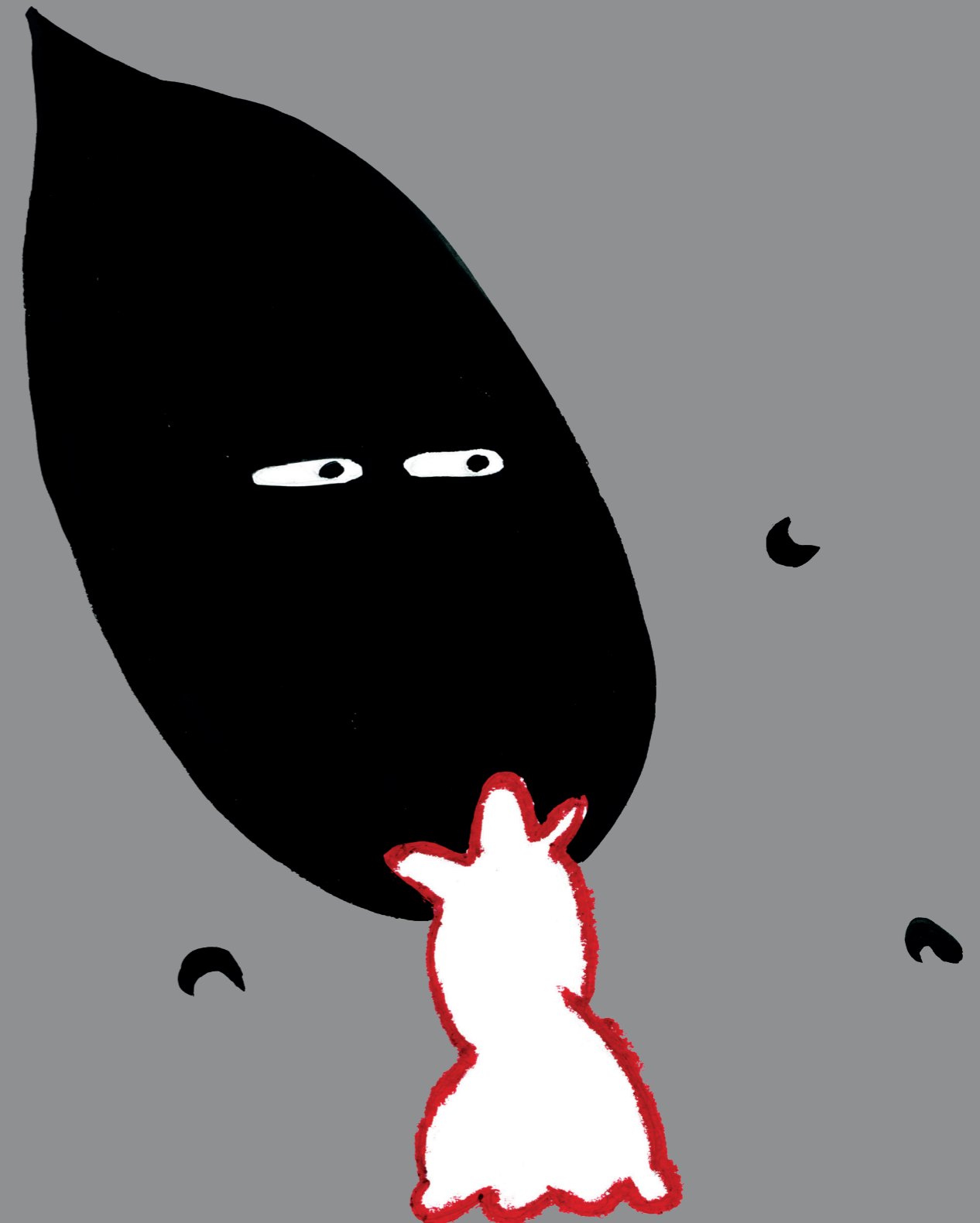
Area	Amount	Description of investments
Economic and governance	€ 31,795.00	New electronic office equipment
	€ 158,880.00	Restyling molds and templates and new products
Social	€ 43,107.00	Equipment and shelving, sweeper for warehouse, winder, extruders
	€ 1,177,180.00	New industrial building
	€ 4,100.00	Rotational system installation (multi-year cost)
	€ 473,014.00	Rotational molding system
Social	€ 67,850.00	Software development for semi-automated management of production scheduling, warehouse movements and inventory, application development and renewal. Purchase of the new server for email management and improvements to the Arca Evolution management system
	€ 120,350.00	Goods lifting system
Environmental	€ 58,788.00	Cooling systems
	€ 21,630.00	New vacuum system for the Sant'Angelo in Vado site

B.3

Opportunities and topics related to environmental aspects

GRI Standard 2 - 25
 GRI Standard 3 - 3
 GRI Standard 301
 GRI Standard 302 - 1 / 2 / 3 / 4
 GRI Standard 303
 GRI Standard 305
 GRI Standard 306

Rototec's environmental impacts include the consumption of natural gas needed to heat the molds to obtain polyethylene powder melt and the electrical consumption to operate the rotational molding machines, the resulting emissions, the use of plastic materials, water resource management, and waste management.



8	Rototec
8.3	Opportunities and topics related to environmental aspects

The Company has embarked on a path to improve the monitoring and outcome of actions taken to minimize negative impacts and increase positive ones by adopting the sustainability report as a tool for reporting and continuous improvement of environmental performance.

It operates in the field of civil wastewater treatment and proper stormwater management, and also offers solutions for the nautical sector and manufactures products in the field of hydraulic, construction and civil engineering applications, including in the maritime field.

A large amount of electricity is consumed to run production processes, but the main source of consumption is natural gas, because processing plastics by rotational molding requires that molds be heated and, therefore, cooled by air and water.

This energy commitment also has economic significance.

One of the most relevant initiatives in the area of environmental policies concerns the management of the Group company's transportation vehicles that are tasked with this activity. By managing deliveries for all the companies, transportation is optimized. A delivery monitoring and optimization project has been put in place at company level with a view to better reporting and reducing the impact of emissions from fuel used outside the company.

In terms of materials, Rototec is committed to using the maximum amount of recycled plastic by entering into stable agreements with its suppliers, but the type of process and product do not allow the large-scale use of powdered recycled materials.

Water consumption is optimized and kept under control to the extent that water resource management does not pertain to a major impact.

Waste is managed in compliance with mandatory regulations and with the utmost commitment to encouraging the recycling of materials.

Control activities are managed in accordance with the standards described in chap. 1.3 of this document.

The Company does not produce, import or export ODS, CFC-11 (trichlorofluoromethane) or other equivalent substances.

ODS
(Ozone Depleting Substances)
It is the definition of those substances that contribute to the depletion of the ozone layer in the atmosphere. They include, for example, chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs) and halon.

Rototec states that it has no litigation in progress and has not incurred any significant fines or other penalties for non-compliance with environmental laws and regulations.

8.3.1 **Energy and emissions management**

The manufacture of Rototec's products is particularly energy intensive, especially the thermal component.

As for electricity, 88% of consumption is determined by the absorption of rotational molding machines powered by the medium-voltage line; general consumption at the Lunano and Sant'Angelo in Vado plants each accounts for about 6% of total consumption. The electrical energy used comes solely from grid withdrawals, and the purchased electrical energy covers all the electrical energy consumed. This envisages the national energy mix as partitioning in the absence of certification of origin, without any contribution from self-production by

8	Rototec
8.3	Opportunities and topics related to environmental aspects
8.3.1	Energy and emissions management

the solar power installation in 2022.

Diesel fuel is used to refuel the heat-powered forklifts.

Natural gas is taken from the network to serve the space heating system and domestic hot water production (about 2%, estimated) and to heat the molds used for forming polyethylene products (98%, estimated).

Below is an overview of Rototec's energy consumption.

Energy consumption in MJ	2022
Diesel fuel	323,996.40
Methane	32,394,912.05
Total energy from fuels (all fossil fuels) - Scope 1	32,718,908.45
Electricity - Scope 2	3,017,682.00
Total energy from fuel external to the company (all fossil) - Scope 3	80,859,372.52
Total energy consumption	116,595,962.98

J (joule) e MJ (megajoule)
MJ è un multiplo del Joule ed è l'unità di misura del lavoro e del calore, vale 106 Joule.

GHG emissions from Centraletubi come from the use of fossil fuels inside and outside the company, electricity consumption, and minor gas leaks from refrigeration equipment. We present the framework below.

GHG (Greenhouse Gas)
They are gaseous constituents of the atmosphere, both anthropogenic and natural, that absorb and emit radiation at specific wavelengths within the spectrum of infrared radiation emitted from the Earth's surface, atmosphere and clouds. These include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs), the full list of which can be found in the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report.

Emissions	Quantity in t CO ₂ eq
	2022
From domestic fossil fuels - Scope 1	1,849.52
From abroad, location based - Scope 2	258.93
From abroad, market based - Scope 2	383.20
From fossil fuels externally (Scope 3)	6,094.41
Other emissions (refrigerant gases)	0.00
Total emissions, location-based method	8,202.87
Total emissions, market-based method	8,327.14

8	Rototec
8.3	Opportunities and topics related to environmental aspects

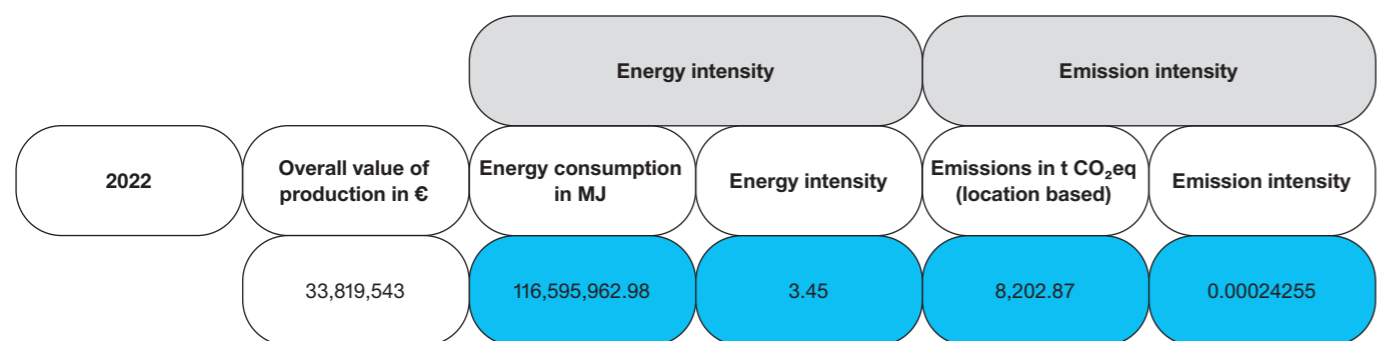
Emissions from fossil fuels outside the Organization (Scope 3) are estimated by considering:

- The transportation of raw materials from the production site to the processing company;
- The transportation of finished products to the destination site;
- employees' home-work commutes.

Criteria for the calculation are given in the methodological note.

At the Rototec production site at Via dell'Artigianato 6, in Lunano (PU), there are eight active and authorized atmospheric emission points subject to periodic analysis; analyses conducted annually at the localized sources show compliance with the limits set by mandatory legislation for TOC and NO_x. There are no other fugitive and diffuse emissions subject to measurement. For the production site in Sant'Angelo in Vado in 2022, the procedure for issuing the Single Environmental Permit was initiated.

For Rototec, considering the complexity of the products and the diversity in their range, it was decided to provide data on energy and emission intensity by relating consumption and emissions to the value of production.



8.3.2 Water as a resource

The Marche region has always been rich in water; however, this condition in recent periods is changing: the steady advance of climate change requires great care be taken in the use of this resource.

The municipality of Lunano is served by the former Piandimeleto consortium waterworks, which delivers water from springs located mainly in the Frontino municipality and the Carpegna municipality, with local springs and wells tapping the underground water table as supplementary sources (source: Arpam).

The municipality of Sant'Angelo in Vado is served by the Alto Metauro waterworks, which draw their water supply for the area from local springs.

The territory of AATO1 Marche in which the municipality of Lunano falls is classified as low water severity (source: Marche Region).

Rototec manufactures systems for the recovery and reuse of stormwater and for the protection of the environment; therefore, it invests in economic, design and organisational terms by adopting a company policy focused on saving water, minimizing waste and maximizing reuse, through a closed cycle for the management of the resource.

8	Rototec
8.3	Opportunities and topics related to environmental aspects

The company uses water mainly for civilian purposes since mold cooling is mostly by air with minimal amounts of water, which is however recovered and reused for subsequent cycles. For production activities, water circulates in closed circuits. The consumption of water, therefore, pertains to topping up only. Water consumption is split between the Lunano plants (56.3%) and mainly for construction activities at the new Sant'Angelo in Vado site (43.7%).

Rototec discharges only domestic civil wastewater into the municipal sewage system.

Stormwater is always discharged into the sewer system as storm sewage.

* Estimate
According to GRI standards, the quantity of water should be calculated in megalitres (Ml). One Ml is equal to 1,000,000 litres or 1,000 m³.

Operation	Quantity in m ³
Water taken from water supply network*	826
Water taken from underground source	0
Discharge of domestic civil wastewater into surface waters after treatment by a municipal treatment plant*	675
Water consumption*	151

8.3.3 Materials and waste management

In respecting the environment, Rototec attaches great importance to the quality of the materials chosen for its production and to the recovery of processing waste and other material that has reached the end of its life cycle.

Rototec manufactures water storage and treatment systems, as well as manufactured goods for the marine and garden furniture sectors, primarily for the building and plumbing retail sector. It pursues good practices for minimizing paper waste related to advertising materials, technical and commercial documentation through a process of educating customers and users of its products, and a project for digitizing information that is made available and constantly updated on its own corporate website

Rototec recovers waste from production processes, sorts it and gives it as by-products to third-party companies to obtain high-performance materials.

The following is the framework related to materials management >

8	Rototec
8.3	Opportunities and topics related to environmental aspects
8.3.3	Materials and waste management

Plastics (all non-renewable materials)	in kg
Virgin polyethylene	4,463,000
Virgin polypropylene	50,000
Recycled polyethylene	848,000
Total polyethylene used	5,311,000
Total plastic used	5,361,000
Percentage of recycled product out of total	15.82%

Rototec does not engage in significant product and packaging material recovery activities.

Wood materials should be considered renewable, otherwise the materials used for packaging Rototec products are non-renewable.

Packaging - other	UoM	Quantity
Complete molds for new products	number	3
Pumps and pressurization units	number	1,479
Electrical control and/or alarm panels	number	1,636
PP filling-up chambers for biological purifiers	m³	4,317
Air blowers for biological purifiers	number	2,254
Stainless steel components for oil separators	number	1,037
Filters and filtration units	number	2,363
Chemical toilets, toilet bowls, tanks, wash basins, shower trays	number	12,138
Rubber gaskets	number	82,189
Rubber diffusers for biological purifiers	number	2,763
Pallets	pieces	2,184
Polyethylene packing caps	pieces	21,601
PE stretch film	kg	13,196
Plastic cable ties (PP, Nylon)	number	18,062
Galvanized cable ties	number	21,400
Cardboard boxes	number	1,754
Catalogues, price lists and printed manuals	number	88,087

8	Rototec
8.3	Opportunities and topics related to environmental aspects
8.3.3	Materials and waste management

The Organization has a procedure in place to determine data on materials used in weight/volume, where expressed in other units of measurement.

The following is the situation related to waste management.

The organization has a waste recording and monitoring system through load and unload registers, and support programs for managing movements and inventories. Annually, the Single Environmental Declaration Form (MUD) is submitted.

Lunano site:

Non-hazardous waste sent for recycling or recovery (EWC code)	Quantity in kg	Destination
15 01 01 paper and cardboard packaging	16,080	R13
15 01 02 plastic packaging	53,240	R13
15 01 03 wooden packaging	15,790	R13
15 01 06 mixed packaging	40,205	R3
16 02 14 discarded equipment other than those mentioned in 16 02 09 to 16 02 13	118	R13
17 04 05 iron and steel	9,360	R13
Total waste (all to recovery)	134,793	

Sant'Angelo in Vado site:

Non-hazardous waste sent for recycling or recovery (EWC code)	Quantity in kg	Destination
15 01 01 paper and cardboard packaging	5,660	R13
15 01 02 plastic packaging	3,860	R13
15 01 06 mixed packaging	15,300	R13
17 04 05 iron and steel	720	R3
Total waste (all to recovery)	25,540	

Total Rototec waste (all to recovery): 160,333 kg

According to GRI standards, the quantity of waste should be calculated in tons. One ton is equal to 1,000 kg.

8.4

The care of our people

GRI Standard	3 - 3
GRI Standard	2 - 7 / 8 / 25 / 30
GRI Standard	401
GRI Standard	403
GRI Standard	404 - 1 / 2a
GRI Standard	405
GRI Standard	406

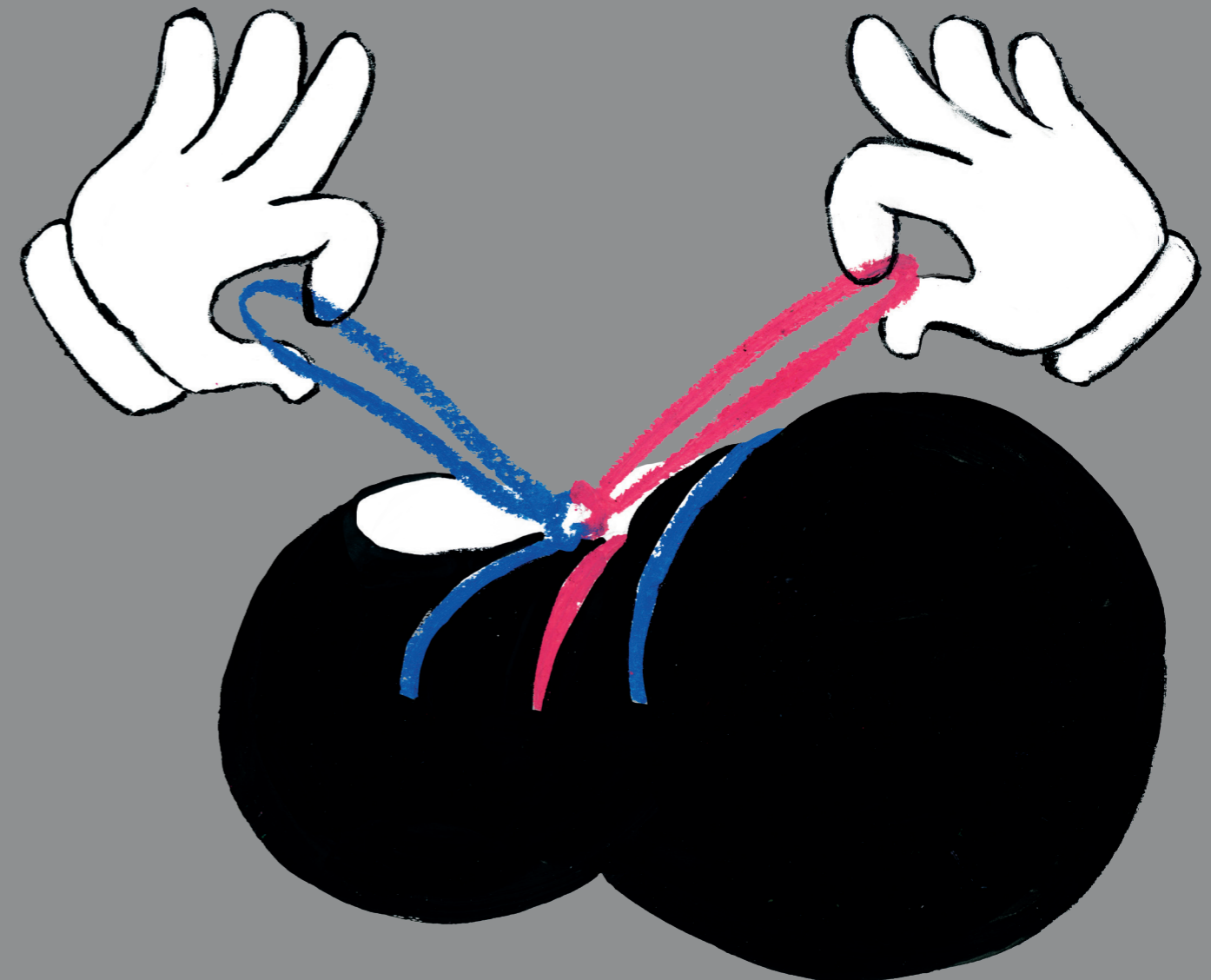
The number of employees of Rototec S.p.A. amounts to 91.4 FTE. For the company, since this is the first sustainability report, only data for 2022 has been reported.

FTE (Full Time Equivalent) defines the total workforce described in terms of "people employed full time" (e.g., 2 people working 50% part time = 1 FTE).

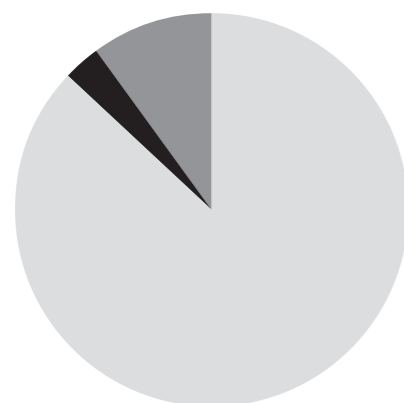
Information about employees (their number is calculated as "full time equivalent" people)

	2022		
	Men	Women	Total
Total employees - FTE	82.4	9	91.4
Fixed-term employees - FTE	11.625	2	13.625
No-term employees - FTE	70.775	7	77.775
Total employees - FTE	82.4	9	91.4
Full-time employees	80	9	89
Part-time employees	2.4	0	2.4

Rototec also ensures freedom of association for all staff by informing its employees on legally recognized forms of representation and maintaining open and transparent relations with key trade union representatives.

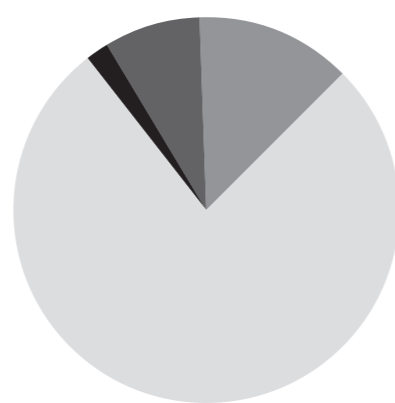


Part time - full time



Part-time female workers	0%
Part-time male workers	2.4 / 3%
Full-time female workers	9 / 10%
Full-time male workers	80 / 87%

Type of contract



Temporary agency workers - men	0%
Temporary agency workers - women	0%
Fixed-term employees - women	2 / 2%
No-term female employees	7 / 8%
Fixed-term male employees	11.625 / 13%
No-term male employees	70.775 / 77%

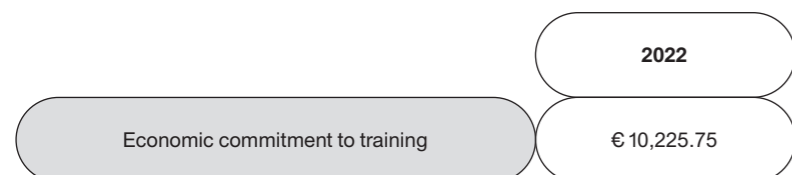
All workers at the company are employed and have either a fixed-term or no-term contract. In 2022 Rototec did not sign any contracts for temporary agency workers.

All people working at the company are hired under National Collective Labor Agreements; salaries, therefore, are not affected by gender or other parameters not provided for in the regulations.

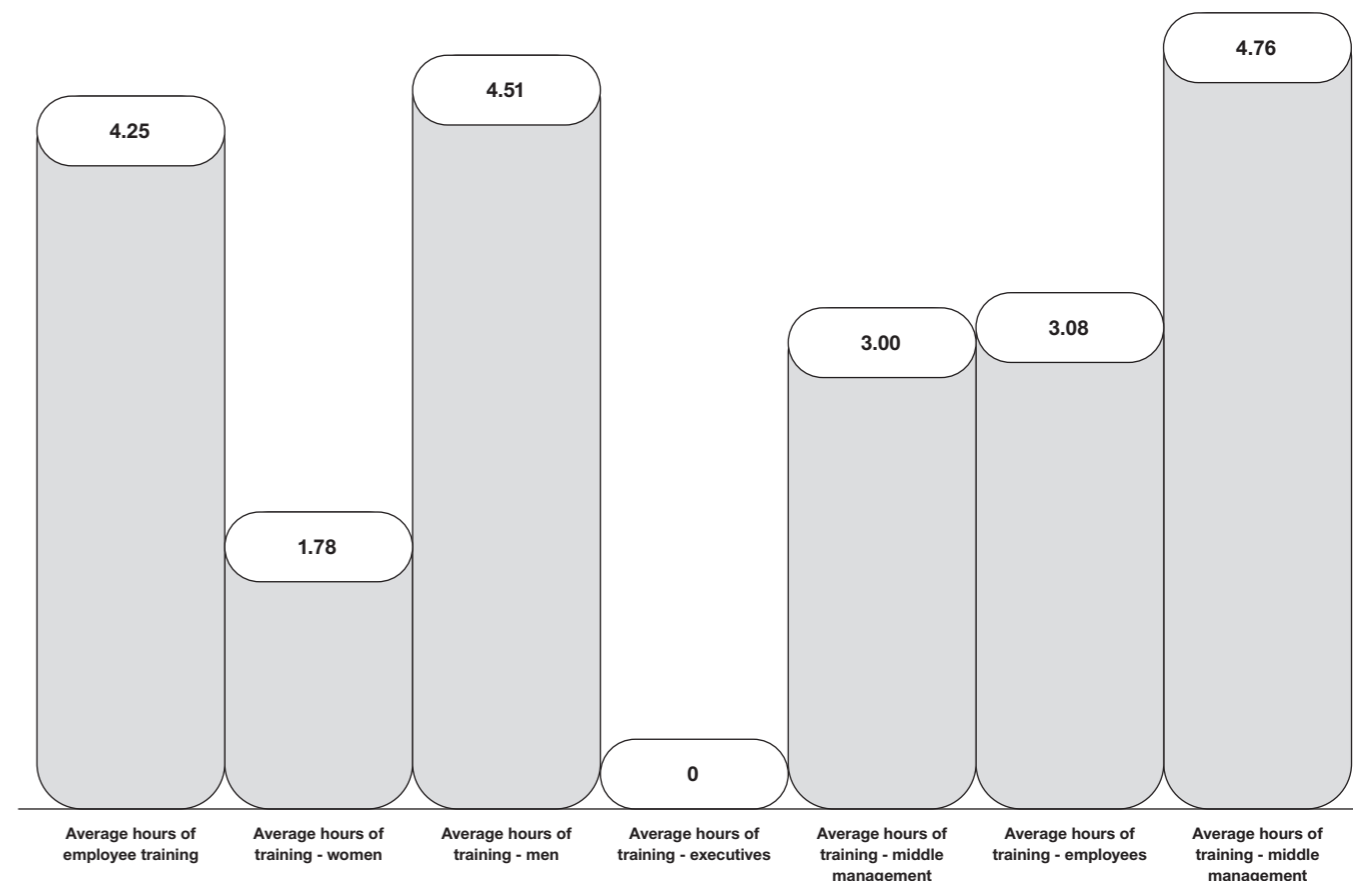
8.4.1 Professional development and growth

In 2022, Rototec provided a total of 388 hours of training. The hours are related to mandatory training under articles 36 and 37 of Italian Legislative Decree 81/08.

In 2022, the economic value of the training provided at Rototec was €10,225.75



Average hours of total training and by category and gender



Rototec does not operate transition assistance programs for any employee to facilitate continuity of employment and management of the end of employment after retirement or termination of employment.

Rototec does not adopt periodic performance evaluation and professional development systems.

8.4.2 Non-discrimination and equal opportunity

Turnover

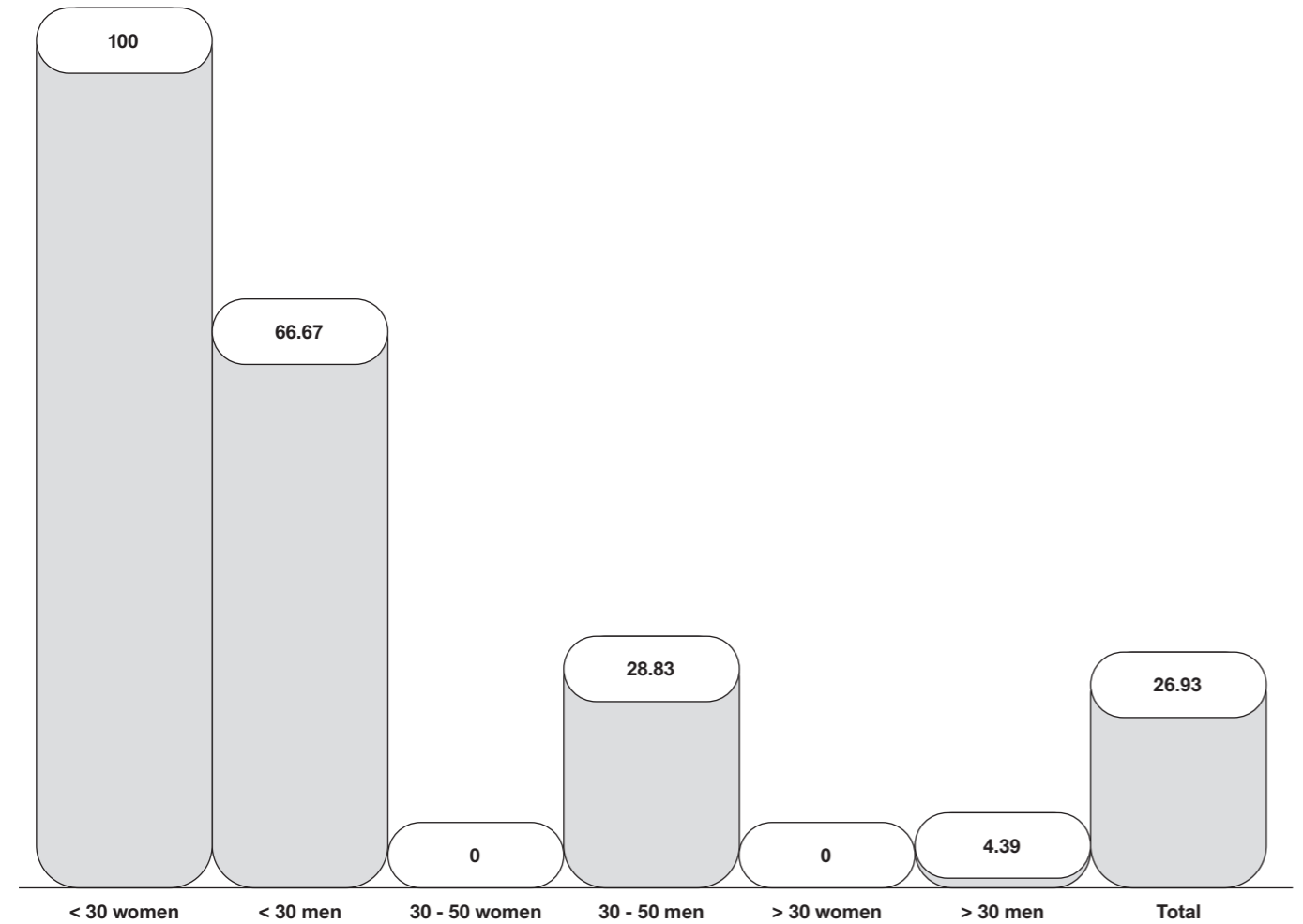
Turnover refers to all people who join or leave the company for a number of reasons (retirement, layoffs, decisions to change, etc.).

The table shows the inflow and outflow of employees by age group and gender.

8	8.4	Rototec
		The care of our people
	8.4.2	Non-discrimination and equal opportunity

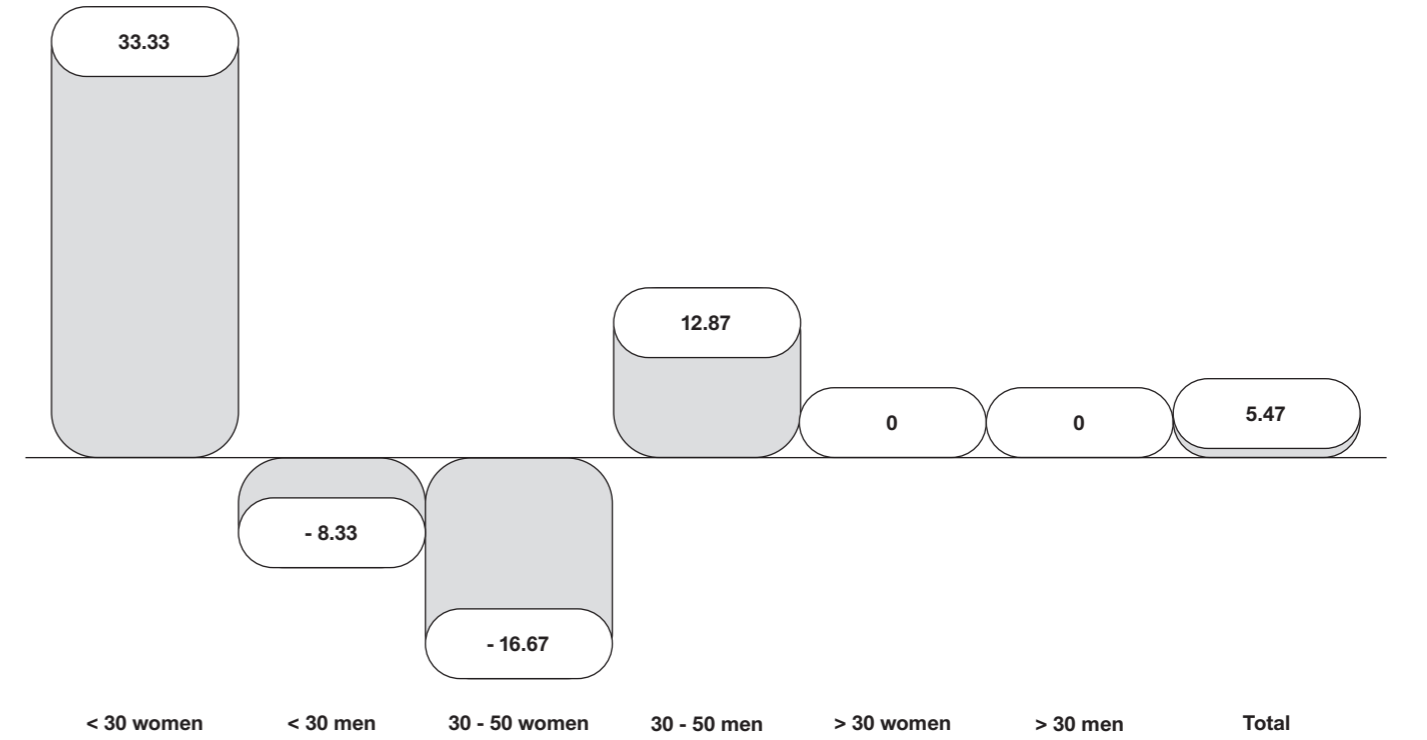
	Number at beginning of period (FTE)	Average number over the period (FTE)	Number new hires (FTE)	Number of exits (FTE)	1 Hiring rate (% positive turnover)	2 Overall turnover rate (% new hires - exits)	3 Overall turnover rate (% new hires + exits)
< 30 women	2	3	2	1	100.00	33.33	100.00
< 30 men	13	12	8	9	61.54	- 8.33	141.67
30 - 50 women	7	6	0	1	0.00	- 16.67	16.67
30 - 50 men	40.625	46.625	12	6	29.54	12.87	38.61
> 50 women	0	0	0	0	0	0	0.00
> 50 men	23.775	23.775	1	1	4.21	0.00	8.41
Total	85.4	91.4	23	17	26.62	5.47	44.86

1 Hiring rate

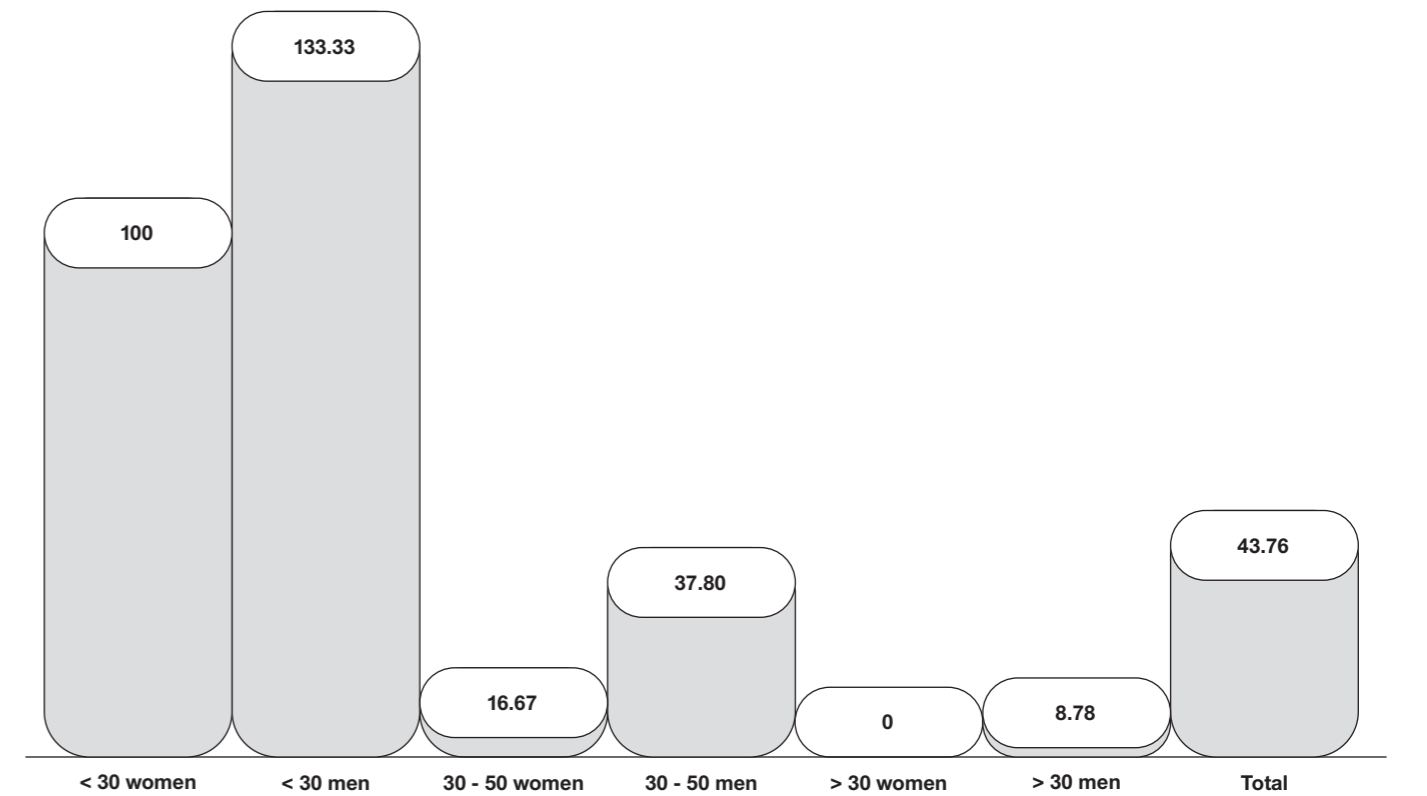


8	8.4	Rototec
		The care of our people
	8.4.2	Non-discrimination and equal opportunity

2 Overall turnover rate (new hires - exits)



3 Overall turnover rate (new hires + exits)



8	Rototec
8.4	The care of our people
8.4.2	Non-discrimination and equal opportunity

Hiring rate is calculated as staff entering the Company/staff at the beginning of the period x 100.
 The overall turnover rate is calculated either by the formula new hires - exits/average number of employees in the period x 100 or by the formula new hires + exits/average number of employees in the period x 100.

The criteria for assigning or granting benefits to staff do not concern the type of contract (fixed-term/no-term, full-time/part-time and other parameters such as gender and age).

Parental leave

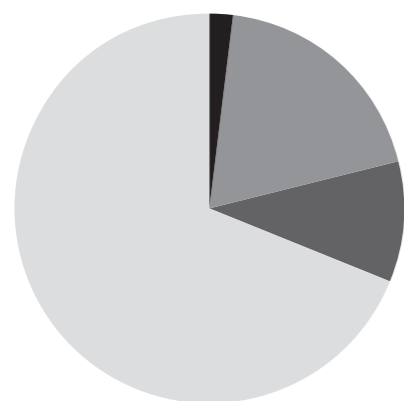
In 2022 in Rototec, a female worker took parental leave, after which she returned to work regularly.

Equal opportunity

Rototec is a company with limited female presence due to the type of work predominantly directed to male staff.

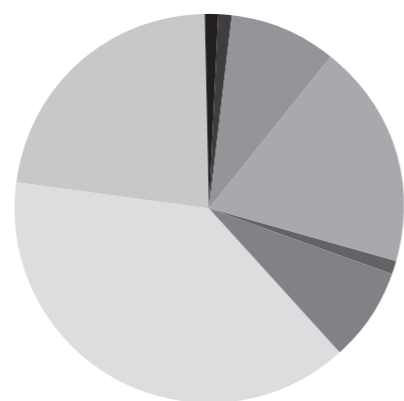
The percentage of men and women in the Company's workforce is consistent with the percentage of men and women who applied during recruitment.

Staff by qualification and gender in percent



■ Middle management - men	2 / 2%
■ Office employees - women	9 / 10%
■ Office employees - men	17 / 19%
■ Male workers	63.4 / 69%

Staff by qualification and age group



■ Middle management - 30 - 50 y/o	1 / 1%
■ Middle management > 50 y/o	1 / 1%
■ Office employees > 50 y/o	1 / 1%
■ Workers < 30 y/o	7 / 8%
■ Office employees < 30 y/o	8 / 9%
■ Workers > 50 y/o	20.775 / 23%
■ Workers 30 - 50 y/o	36 / 39%

Remuneration of all people hired at the Company refers to national collective bargaining agreements (Rubber Plastic Industry). Any other forms of remuneration are not defined on the basis of criteria such as gender or age.

8	Rototec
8.4	The care of our people

Composition of the Centraltubi Board of Directors			
Marina Boscarini	> 50	F	Chair of the Board of Directors and CEO
Mario Falconi	> 50	M	Deputy Chair of the Board of Directors and CEO
Emiliano Boscarini	30 - 50	M	CEO

Equal opportunity - board members by gender



■ Board members - men 30 - 50 y/o	1 / 33%
■ Board members - women > 50 y/o	1 / 34%
■ Board members - men > 50 y/o	1 / 33%

PEBO's Board of Directors consists of one woman and two men.

Non-discrimination

No incidents of discrimination of any kind have occurred or have been reported at Rototec.

8.4.3 Occupational health and safety

System Group places great emphasis on management systems related to the protection of occupational health and safety (OSH) and pursues the goal of adopting systems in accordance with ISO 45001.

The objective that the Group pursues by adopting these systems, along with due compliance with the requirements of Italian Legislative Decree 81/08, is substantial: utmost protection of the health and safety of employees must be ensured, with special attention to those employed in the production process.

The adoption of the 231 Model (pursuant to Italian Legislative Decree 231/2001) has further emphasized the attention and care in monitoring the procedures provided for by the current regulations on health and safety of workers.

8	Rototec
8.4	The care of our people
8.4.3	Health and safety at work

Thanks to the periodic checks by the certifying bodies and the Supervisory Board, the systems are constantly monitored and updated.

The occupational health and safety system makes reference to the so-called “Consolidated Occupational Safety Act,” i.e., Italian Legislative Decree 81/2008, which establishes the ways through which preventive actions must be mandatorily put in place and, more generally, how and what measures need to be taken to improve these aspects of working life.

Risk assessment

The methods of hazard identification, risk assessment, and the safety measures adopted to minimize workers’ exposure to various hazards are addressed within the company’s Risk Assessment Document (DVR). This document considers work activities, work organization, human resources, work areas, equipment and machinery used, and materials employed. The analysis methodology involves several stages of data acquisition, evaluation and processing leading to the assignment of a single risk value (severity by frequency) for each risk. Based on this value and the acceptance criteria, preventive and protective measures are established to reduce the risk to a tolerable acceptance level.

Health surveillance

The health protocol is the fundamental tool through which the company implements health surveillance, contributing to the prevention of occupational diseases and injuries that may occur in the workplace. It is defined by the Company Physician based on the results obtained from the risk assessment and aims to keep the health of workers under control. The health protocol contains the clinical/instrumental exams that workers should do at specific intervals, based on the type of work carried out and the risks involved, and is continuously updated, when changes occur or when the risk assessment in the company is updated.

Periodic meetings as per article 35 of Italian legislative decree 81/08

In accordance with article 35 of Italian Legislative Decree 81/08, the meeting for sharing safety aspects and issues is organized once a year. The Employer or his delegate, the H&SO, the company physician and the workers’ safety representative (RLS) are invited to attend the meeting.

The following issues are considered at the plenary meeting:

- risk assessment document
- trends in injuries, occupational diseases and health surveillance, technical characteristics and effectiveness of personal protective equipment
- worker information and training programs for safety purposes.

At the end, behaviors and best practices for risk prevention and improvement goals are identified.

Other consultations among safety contact persons are carried out during the company physician’s inspection of workplaces.

8	Rototec
8.4	The care of our people
8.4.3	Health and safety at work

Injuries and near misses

The company collects data on injuries and “near misses” to analyze their causes and assess the possibility of making corrections and improvements. Incident analysis is routinely carried out for injuries occurring to workers with more than 30 days of first prognosis or whose dynamics are in need of further investigation.

The analysis stages consist of:

- Collection of all elements necessary for defining the event (data, statements, documents, photos, etc.).
- Analysis of elements and identification of causes
- Final description of the dynamics of the incident and analysis of the causes
- Conclusions and identification of actions to be taken.

These actions may include technical measures such as structural works on plant, machinery and/or equipment, organisational measures, procedural measures to regulate workers’ behavior, training and information measures, and review of the risk assessment.

Education, information and training

The company implements and maintains a procedure in place so that the people who work for it directly, or on its behalf, are aware and competent at all times.

The DVR identifies the main tasks within the company; these tasks are also the basis for identifying training needs in relation to its occupational health and safety risks and its management system. Education, information and training are provided by taking all necessary actions to meet these needs, and documented information is kept.

System Group has adopted a new computerized system for managing health and safety-related compliance.

By availing itself of collaboration and partnership with qualified training institutions, the main objectives of preserving the quality of lessons, ensuring participants’ full involvement and effective interactivity with teachers are achieved, to continue to increase internal expertise and foster its human resources.

For all newly hired employees, induction paths are defined, both theoretical and practical with on-the-job mentoring, tailored to the role, on issues concerning safety, the environment, workers’ rights, and the code of ethics, in accordance with legal requirements and the integrated management system. The management system provides for mandatory training and education upon hiring and job change.

In addition to mandatory training, additional training is established, following events such as injuries and near misses, nonconformities found by field checks, new activities to be carried out, and evaluation of workers’ skills. Training is not only delivered during the induction of staff into the company, but also covers continuing education in order to foster professional growth and individual motivation.

The occupational health and safety management system covers all people who happen to work within its scope.

B	Rototec
B.4	The care of our people
B.4.3	Health and safety at work

	2021	2022
Hours Worked	152,269	158,311
Total injury days	61	88
No. of total injuries	6	5
1 Frequency Rate - GRI / UNI 7249	39,4	31,6
2 Severity Rate - UNI 7249	0,40	0,56
Severity Rate - GRI	0	0
Rate of Fatalities	0	0

In 2022, there were 158,311 hours worked at Rototec compared to 152,269 in the previous year. There were 5 injuries, one less than in 2021.

The Frequency Rate is calculated in the same way according to both GRI Standards and in accordance with ISO Standard 7249:2007 (used by INAIL) and refers to recordable injuries, excluding fatalities, that have occurred. Commuting incidents occurring on the journey to and from work are not counted as they are not managed by the organization. The calculation involves the following formula: no. of injuries x 1,000,000/ hours worked.

hours worked. The calculation involves the following formula: no. of days not worked due to injury x 1,000/hours worked. In accordance with GRI Standards, the Severity Rate relates the number of serious injuries (with prognosis greater than 180 days) to hours worked. The calculation involves the following formula: no. of serious injuries x 1,000,000/hours worked.

In accordance with ISO 7249:2007 standards (used by INAIL in Italy), the Severity Rate relates the days not worked due to injury to the number of

In accordance with GRI Standards, the Rate of Fatalities relates the number of fatalities to hours worked. The calculation involves the following formula: no. of fatalities x 1,000,000/hours worked.

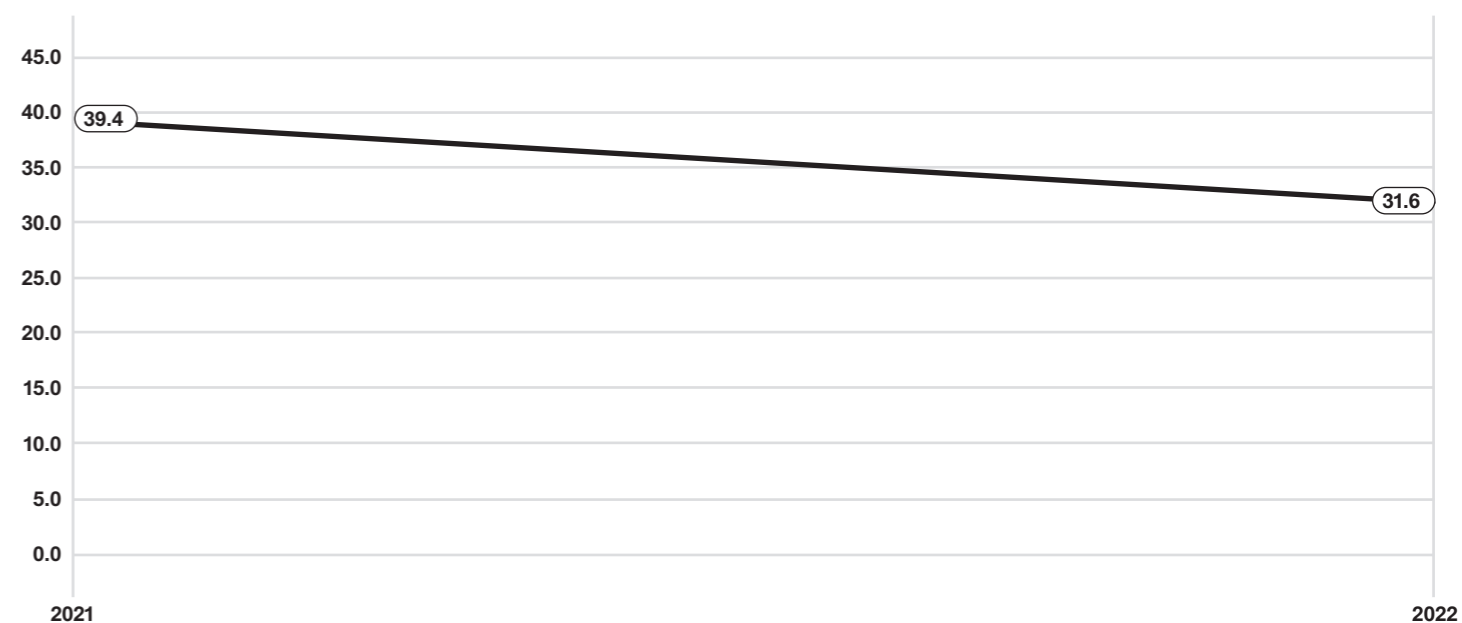
Also in 2022, as in the previous year, incidents occurred in production and were identified as - low severity - (B), were mostly caused by carelessness, inappropriate behavior or chance events. It does not appear possible to determine a common reason or context.

The increase in the severity rate is related to an injury that lasted 25 days.

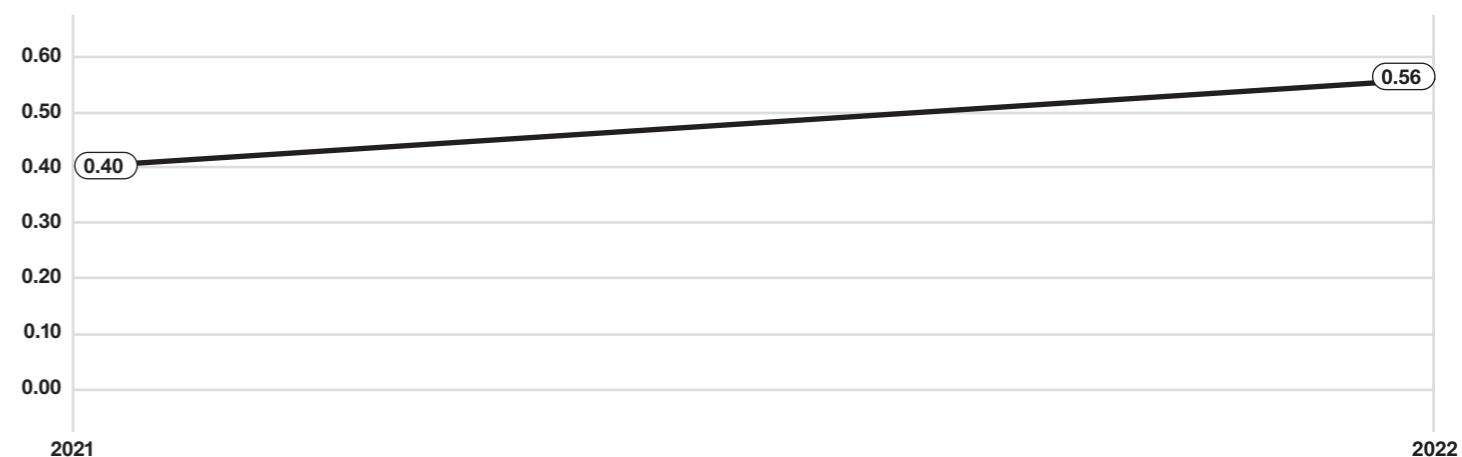
The Company has, in any case, initiated actions to improve the safety level of employees through awareness raising of employees, with new training and more in-depth training in the use of work tools (on cutting tools); took steps to update the General Risk Assessment Document, which provides for the constant renewal of the safety of the workplace with the assessment of risks from physical and chemical agents, fire risk, health surveillance, confirmation of the competent doctor, updating the emergency and evacuation plan, declaration of conformity of electrical system and grounding, verification of the first aid/medical package, work equipment, plant and machinery, the adoption of personal protective equipment, horizontal and vertical signage, periodic checks of fire extinguishers and hoses, fine dust measurements, establishment of internal regulations, training and information (RLS refresher course, Forklift Driver refresher course, First Aid and Fire Fighting course and update, Welders course).

B	Rototec
B.4	The care of our people
B.4.3	Health and safety at work

1 Frequency Rate Calculation - GRI / UNI 7249



2 Severity Rate Calculation - UNI 7249



The frequency rate decreased, while the severity rate increased slightly.

In 2021 and 2022, no injuries with prognosis of more than 180 days occurred at Rototec.

In the years 2021 and 2022, there were no fatalities due to injury.

No cases of occupational diseases occurred or were reported.

B.5

GRI Context index with reference

GRI Standard I - 7

Rototec S.p.A. reports about its sustainability in accordance with GRI Standard 2021 for the period 01.01.2022 - 31.12.2022. GRI 1: Foundation 2021 is used.

GRI Standard / other source	Disclosure	Chapters	Page
GRI 2 General Disclosures 2021	2-1 Organizational details	1	203
	2-2 Entities included in the organization's sustainability reporting	1	203
	2-3 Reporting Period, Frequency and Contact Point	5	244
	2-4 Restatements of information	6	244
	2-5 External assurance	7	244
	2-6 Activities, value chain and other business relationships	1	203
	2-7 Employees	4	230
	2-8 Workers who are not employees	4	230
	2-9 Governance structure and composition	1	203
	2-10 Nomination and selection of the highest governance body	1	203
	2-11 Chair of the highest governance body	1	203
	2-12 Role of the highest governance body in overseeing the management of impacts	1	203
	2-13 Delegation of responsibility for managing impacts	1	203
	2-14 Role of the highest governance body in sustainability reporting	1	203
	2-15 Conflicts of Interest	6	
	2-16 Communication of critical concerns	1	203
	2-17 Collective knowledge of the highest governance body	1	203
	2-18 Evaluation of the performance of the highest governance body	1	203
	2-19 Remuneration policies	Omitted	
	2-20 Process to determine remuneration	Omitted	
	2-21 Annual total compensation ratio	Omitted	
	2-22 Statement on sustainable development strategy	Letter from the Chair and 1.4	203
	2-23 Policy commitments	Letter from the Chair and 1.4	203
	2-24 Embedding policy commitments	1	203
	2-25 Processes to remediate negative impacts	2, 3 and 4	219, 222, 230
2-26 Mechanisms for seeking advice and raising concerns	1	203	
2-27 Compliance with laws and regulations	1	203	
2-28 Membership associations	1	203, 217	
2-29 Approach to stakeholder engagement	1	203	
2-30 Collective bargaining agreements	4	230	
GRI 3 Material Topics 2021	3-1 Process to determine material topics	1, 6	203, 217
	3-2 List of material topics	1	203, 217
	3-3 Management of material topics	2, 3 and 4	219, 222, 230

Omissions

Requirements omitted	Reasons	Explanation
2-19 Remuneration policies	Confidentiality	
2-20 Process to determine remuneration	Confidentiality	
2-21 Annual total compensation ratio	Confidentiality	
201-2 Financial Implications and Other Risks and Opportunities Resulting from Climate Change	Information not available / incomplete	Rototec did not conduct any "SWOT" analysis for climate change in 2022

GRI standards with an asterisk (*) have been dealt with for applicable disclosures.

Relevant topic	GRI Standard / other sources	Disclosures covered	Chapter	Page
Economic performance and anti-corruption	GRI 201 - Economic Performance 2016*	1 / 4	Chap. 2	219
	GRI 205 Anti-Corruption 2016	All	Chap. 1	203
Energy and Emissions - Fighting Climate Change	GRI 302 Energy - 2016*	302-1 / 2 / 3 / 4	Chap. 3	222
	GRI 303 Water and Effluents - 2018	All	Chap. 3	222
	GRI 305 Emissions - 2016	All	Chap. 3	222
Materials and waste management - Circular economy	GRI 301 Materials - 2016	All	Chap. 3	222
	GRI 306 Waste - 2020	All	Chap. 3	222
Health and safety at work	GRI 403 Occupational Health and Safety - 2018	All	Chap. 4	230
Knowledge management	GRI 404 Training and Education - 2016*	404-1 / 2a	Chap. 4	230
Employment, non-discrimination equal opportunity and welfare	GRI 401 Employment - 2016	All	Chap. 4	230
	GRI 405 Diversity and Equal Opportunity - 2016	All	Chap. 4	230
	GRI 406 Non-discrimination - 2016	All	Chap. 4	230

Not applicable

Disclosures	Explanation
Disclosure 201-3 Obligations Concerning Defined Benefit and Other Pension Plans	The Company does not prepare pension plans because such treatment is paid for by national institutions
Disclosure 302-5 Reductions in energy requirements of products and services	The Company's products have no energy requirements
Disclosure 404-2 404-2 Programs for upgrading employee skills and transition assistance programs	These activities are not implemented at the Company
b) Transition assistance programs to facilitate employability and management of the end of employment due to retirement or termination	
Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	At the company, employees do not receive periodic performance evaluations

8.6

Methodological Note

GRI Standard	1
GRI Standard	2 - 3 / 4 / 5

This Sustainability Report, version dated 30/08/2023, covering the reporting year 2022, is the first published by Rototec S.p.A. It was prepared and drafted in accordance with the Consolidated Set of the GRI Standards 2021.

The Sustainability Report 2022 has undergone third-party assurance by the certification body Istituto Italiano dei Plastici.

The reporting scope of qualitative and quantitative data and information, including economic and financial data and information, contained in the Sustainability Report specifically refers to the performance of Centrotubi S.p.A. for the reporting period 2022 (01.01.2022 - 31.12.2022). For comparative purposes, figures for the period 2021 are presented where available.

The preparation, drafting and publication of the Sustainability Report represent voluntary activities and have regular annual intervals. The reporting period is the year, defined as the “calendar year.”

For all material topics, as defined by due diligence, the Organization defines objectives within the framework of its sustainability strategy, as well as risks and opportunities for its declination and application.

All information provides a consistent picture inherent in “impacts”; *both positive and negative effects* are considered and reported. The emphasis on various report topics reflects their relative priority.

This Sustainability Report describes in detail the data with their respective units of measurement, defining their basis and the possibilities for consultation and verification; it also establishes what the data described are intended to demonstrate.

This document contains a summary index of information related to the different areas covered (GRI Content Index) and reported according to GRI Standard 2021 in such a way as to allow traceability of indicators and other quantitative and qualitative information presented within the Sustainability Report.

Any specific techniques and tools used are also explained.

Other paper or digital documents may also report the data, information and contents of the Sustainability Report in summary form. Each document above provides the information to use the full version.

For the *GRI Standard - 305 Emissions - 2016*, the Sustainability Report combines, in part, Disclosures 305 - 1 and 305 - 2.

The description of positive and negative impacts, such as information on their management, is included at the beginning of Chapters 2, 3 and 4 devoted to the economic and governance, environmental and social areas, respectively.

The Organization’s highest governance body is responsible for reviews and approval of reported information, including relevant topics.

The terms “Boscarini Group” and “System Group,” referred to in the Sustainability Report 2022, are not legal entities, but are designations used to identify the shareholding and business identity, respectively.

Boscarini Group refers to all the companies whose shares are held directly or indirectly by members of the Boscarini Family. The representation of the Group and shareholding is documented in the introductory part of the Sustainability Report.

System Group is the brand including, on a commercial and marketing level, the companies of the Boscarini Group. This name allows for the unambiguous recognition of the Companies and strengthens their image in the market as it characterizes their identity and belonging.

The Strategic Management Committee (CDS) is a corporate governance body composed of members of the Boscarini Family currently involved in the management of the companies and in which they hold shares, as well as a number of employees who occupy key roles within the various companies.

Said CDS meets at least weekly and where necessary, more frequently.

The CDS guides the choices and activities for sustainability of both System Group and the individual companies. Therefore, conflicts of interest are prevented.

The Sustainability Team consists of employees and external consultants. Employees belong to the Technical area, Marketing area, and Administration and Control. One consultant takes care of regulatory compliance aspects, while the other follows environmental topics. The Team meets periodically for the purpose of drafting the Sustainability Report. Throughout the year, the Team and Corporate Management analyze the progress of projects related to the ESG areas and set guidelines for future investments.

Information was reported by assessing relevant impacts that can currently be measured with some degree of accuracy (or estimated) and that may fall under the responsibility or influence, even partial, of the company.

Assumptions and methodologies underlying the calculations made

The company's economic position

Economic information is represented according to the matrix of the Financial Reporting Working Group (GBS Standard 2013).

Opportunities and topics related to environmental aspects

With regard to information pertaining to environmental topics, emission factors for calculating direct emissions (scope 1) from the Company’s stationary combustion and factors for calculating energy consumption (PCI) were acquired from the Italian National Standard Parameter Table for the year 2022 “...UNFCCC National Inventory,” which can be found at the link:

<https://www.ets.minambiente.it/News#272-pubblicazione-parametri-standard-nazionali-anno-2022>.

For automotive diesel fuel, the emission factor given by the UK Government GHG Conversion Factors for Company Reporting 2021 and 2022 was considered, as for heavy fuel oil.

This information can be found at the links:

2021

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1049333/conversion-factors-2021-full-set-advanced-users.xlsm

2022

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083855/ghg-conversion-factors-2022-full-set.xls

Fuel	Emission factor		Unit of measurement
	2021	2022	
Natural gas (methane)	1.983	1.991	tCO ₂ / 1000 Stdm ³
Diesel fuel (100% mineral diesel)	2.70553	2.6988	kgCO ₂ eq / l
Fuel oil for ships	3.10669	3.10669	kgCO ₂ eq / l

In calculating transportation emissions, in the absence of further details on the fleet of vehicles used for product delivery, the reference considered is the articulated vehicle for heavy loads in the > 33-ton load range (Articulated > 33 ton - diesel) with a medium load class, according to the UK Government GHG Conversion Factors for Company Reporting reference table

GHG emissions for road transport (Business Travel Land) 2021	916.48 gCO ₂ eq/km
GHG emissions for road transport (Business Travel Land) 2022	930.04 gCO ₂ eq/km

Similarly, for the vehicles used by employees, a generalization was made in defining the reference emissions. Specifically, considering the UK Government GHG Conversion Factors for Company Reporting 2022 reference table, a diesel-powered upper-medium category car was taken as the reference:

Category	Passenger cars
Fuel	Diesel
Segment	D
GHG emission factor 2021	159.55 gCO ₂ eq/km
GHG emission factor 2022	161.97 gCO ₂ eq/km

The following reference values taken from 2021 Global Ocean Container Greenhouse Gas Emissions Intensity Clean Cargo October 2021 and in collaboration with BSR (<https://www.bsr.org/>) found at the following link were considered in calculating emissions for ship transport:

<https://smartfreightcentre.org/en/our-programs/clean-cargo-1/clean-cargo/>

The reference document in the link above, containing data for the year 2022, was published after the report was prepared, so the coefficients available at that time were used.

Average and aggregate Clean Cargo emission factors by trade routes - year 2019		
Route	CO ₂ emissions by trade route (gCO ₂ eq / TEU* / km)	
	Utilization Factor 70%	
	2021	2022
Intra Mediterranean	134.3	148.2
TEU: "Twenty Foot Equivalent Unit": Unit equivalent to 20ft container, length 6m usable volume 33 m³, maximum load capacity 21600 kg		

As a precaution, the calculation was carried out using the minimum utilization factor also considering the low weight/volume ratio of plastic pipe loads by taking the emissions for the Intra Mediterranean route as the reference value.

Calculation assumptions should be explored in depth with cargo service providers and possible insights into transport improvement and optimization should be verified.

In general, due to the intrinsic characteristics of the activity, the calculation, although performed to the best of our ability, can only be considered an estimate

Verification of the impact of indirect emissions is performed by analyzing the supply documents (Codes: BC, BF) for upstream transportation and distribution activities and delivery documents (Codes BE, BE3, BO, BEM, BS, BS3); for those downstream of the organization, based on the origin/destination of the goods, a distance in kilometres is associated with each document to determine the emissions according to the indicated coefficients. The calculation results in an overestimate because it does not consider the actual volume or weight transported, but only the distance in kilometres of the origin or destination of the goods indicated by the transport document.

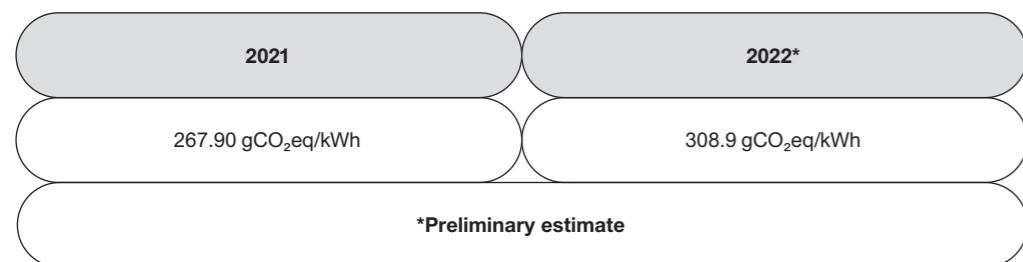
Total Scope 2 "market based" indirect emissions were calculated for 2021 and 2022 by applying the emission factor given by European Residual Mixes, Association of Issuing Bodies. Below are the links.

2021	2022
European Residual Mixes 2021, Association of Issuing Bodies	European Residual Mixes 2022, Association of Issuing Bodies
https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2021/AIB_2021_Residual_Mix_Results_1_1.pdf	https://www.aib-net.org/sites/default/files/assets/facts/residual-mix/2022/AIB_2022_Residual_Mix_Results_.pdf
Table 2	Table 2
456.57 gCO ₂ eq/kWh	457.15 gCO ₂ eq/kWh

8	Rototec
8.6	Methodological Note

For the location-based calculation of emissions from electricity consumption, the emission factor provided by ISPRA - Atmospheric Emission Factors of Greenhouse Gases in the Domestic Electricity Sector and Major European Countries, Report 386/2023, Table 1.13 was used (gross electricity generation)

www.isprambiente.gov.it/files2023/pubblicazioni/rapporti/r386-2023.pdf :



For the purpose of calculating the emission factor of refrigerant gas R407C, it is composed of the following mixture of hydrofluorocarbons (HFCs): HFC-32 at 23%, HFC-125 at 25% and HFC134a at 52%. The global warming potential (GWP) of the constituent gases of the mixture according to EU Regulation No. 517/2014 results in 675, 3,500 and 1,430, respectively, with a GWP of the weighted average of 1,773.85, rounded to 1774.

Water: Rototec

The manager of the integrated water service is Marche Multiservizi. Sources of supply to the municipalities of Lunano and Piandimeleto: spring (Carpegna) and wells (Lunano). Source: General Regulatory Plan of Waterworks of the Marche Region and AATO1.

Water Stress Marche 2022: The territory of AATO1 in which the municipalities of Lunano and Piandimeleto fall is classified as at low water severity.

The estimation of wastewater assimilated to domestic sewage discharged by System Group companies is done by applying environmental engineering criteria considering an average consumption for production and office staff. Specifically, a water supply per worker of 40 l/day was considered, 60 l/day for companies with bathrooms equipped with showers. While for office employees, an average daily sanitary consumption of 20 l/day of drinking water was considered. Average working days for each category are calculated by considering 252 working days for 2022, recalculated taking into account type of contract (full time or part time) and any breaks in the employee's employment in the year in question. The coefficient of reduction of the share of discharged water to the per-capita water supply is assumed to be 0.8.

The care of our people

Regarding Chapter 4 on human resources, it is clarified that additional indicators were used to report on injury trends. Said indicators are described in detail in the text.

Two formulas have been presented for the overall turnover rate: one formula is calculated as follows: *entries + exits / average staff units over the period*, the other: *entries - exits / average staff units over the period*.

These two methods are used to distinguish a simple turnover of a certain number of personnel, for example, 7.5% entries and 7.5% exits, from an event considered 'in literature' as critical, such as the exit, in close succession, of 15% of the people employed in an organization.

8	Rototec
8.6	Methodological Note

Injury and parental leave trends were described by explaining the real influence of the information on reporting, considering that the reporting standards require information that does not necessarily have to cover a one-year period.

Stakeholder Engagement

Also in line with the guidelines of the new directive on corporate sustainability reporting, thanks to the parameters described in the table presented in Section 1.5, stakeholder management starts from the observation of what happened in the previous reporting period.

Examining the above table, each stakeholder category was defined according to three parameters described below.

Influencers/influenced parties

The relationship with the Company is marked by mutual influences; however, it may be that the levers of influence are not equally distributed between the two parties. Government agencies decisively influence corporate activity to the extent that they generate (sometimes even force) systemic transitions. The individual company, conversely, may have little or no influence on the policies of the governance body. Similarly, lending institutions can exert pressure for the Company to become resilient.

Speaking of lending institutions, it should be borne in mind that they "impose" forms of dialogue and content of the relationship with the Company through surveys and questionnaires, which in themselves represent a flow of information that this type of stakeholder assesses as adequate. Therefore, this assessment was made for each stakeholder category.

Outside-in / inside-out impacts

Staying with the example of credit institutions, it is evident from the documents sent to the companies that their interests are focused on aspects that, if poorly managed, could cause reputational damage to the company, and on resilience, that is the Company's ability to cope with impacts from the socioeconomic context. In this period, the second topic is gaining increasing importance because wars and pandemics have made the context much more volatile and unpredictable. Therefore, the most important question today is "...has the company done everything necessary to successfully stay in the market?" Therefore, it can be said that the most relevant impacts for lending institutions concern, precisely, the reaction and what happens "outside" the company, influencing it.

Conversely, local government bodies may be affected by "inside - out" impacts such as care for the environment or value distributed throughout the territory (an aspect that has also been underestimated in past surveys). Therefore, this assessment was made for each stakeholder category.

Social/environmental/economic impacts

Each stakeholder focuses on one or more sustainability areas: employees on "health and safety," lending institutions on the economic and governance spheres. Therefore, this assessment was made for each stakeholder category.

The general situation of the existing forms of communication and those that can be activated has also been evaluated.

We have already covered the surveys of credit institutions. Then some forms/opportunities for dialogue should also be considered.

- ISO 9001 requires customer satisfaction surveys; these surveys may also cover some sustainability aspects.

8	Rototec
8.6	Methodological Note

- Supplier selection activities, again provided for in ISO 9001, may involve exchanging information and establishing criteria for approval that relate to certain sustainability aspects.

Mandatory Health and Safety regulations provide the opportunity to ask questions or make comments in relation to this topic, which is certainly among—if not—the most important of the “social” issues.

Based on all these inputs, the forms of dialogue to be initiated in 2023 were identified and described for each type of stakeholder.

A positive escalation was also assumed in the dialogue. For example, with credit institutions, it is reasonable that the dialogue matures and moves from responding to surveys to a form of sharing strategic plans for sustainability (co-design).

Stakeholders consulted through interviews implicitly and explicitly confirmed the adequacy of the adopted indicators.

Assessments for the definition of material topics

This analysis deals with the context in which Centrotubi S.p.A., Italiana Corrugati S.p.A., Pebo S.p.A. and Rototec S.p.A., operate, and their actual and potential negative impacts and positive impacts.

It also takes into account the opinions of stakeholders in its relationship with the companies mentioned above.

To determine the material topics, in the absence of a *sector standard*, the following was done:

- the specifics of business activities and processes were assessed;
- feedback was sought on the importance of a number of issues in national binding legislation;
- a benchmark survey of other companies that use plastics in their operations was conducted.

The material topics were determined by reviewing the information collected.

Processes, activities and value chain

For manufacturing companies, the management of company processes involves significant energy consumption with consequent emissions (especially CO₂eq), while impacts on water resources are not particularly significant. This is because the water used for cooling in production activities is in a closed circuit.

From the perspective of impacts, the management of waste, the recovery of production residues, and the use of recycled materials are significant topics

The activities carried out by the different companies in the Group are integrated. In fact, there is an entity that deals specifically with the recycling of materials for Group companies, as well as for third parties. Transportation is also entrusted to a Group company, whose sole purpose is this activity. This structure should be seen as a strength, both because this way the Organisations can “specialize,” and because this model brings specific organisational advantages: for example, the vehicles involved in transportation and deliveries carry “mixed” loads, this allows for optimization of both load and route management.

8	Rototec
8.6	Methodological Note

Sustainability indicators in regulations, both mandatory and non-mandatory, and for regulatory authorities

In general, in Italy, both mandatory and non-mandatory regulations are applied that deal with environmental and social issues and, therefore, should be considered relevant (“material”) in any case. Group organizations also voluntarily comply with non-statutory regulations.

Topics subject to these regulations include:

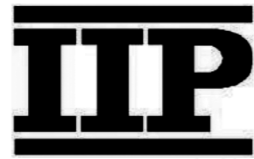
- communications pertaining to economic aspects
- anticorruption
- GHG and hazardous substance emissions
- water resource management
- waste management
- energy management
- non-discrimination
- workers’ rights
- health and safety.

Benchmarking with other similar realities

The examination of the above table shows that the framework of topics that the companies of System Group have intended to address, in comparison to the benchmark, is comprehensive and thoroughly exhaustive.

Activities dedicated to customer health and social and environmental assessment of suppliers are yet to be initiated. Another possibility concerns the involvement of local communities.

(*) the topic is covered but does not pertain to GRI Standards.



**VERIFICA DEL BILANCIO DI SOSTENIBILITÀ
DICHIARAZIONE DI VERIFICA
VERIFICATION OF SUSTAINABILITY REPORT
VERIFICATION STATEMENT**

I.I.P. Srl, sulla base dei risultati della verifica del Bilancio di Sostenibilità, che è stata condotta attraverso:

- ✓ il riesame documentale preliminare in data 19 e 26 luglio 2023,
 - ✓ la verifica nel sito in data 30 e 31 agosto 2023, 5 e 6 settembre 2023,
- dichiara, sulla base degli elementi pervenuti alla propria attenzione, che il Bilancio di Sostenibilità, relativo all'anno 2022, dal titolo:

***Bilancio di Sostenibilità 2022 System Group
(Reporting in accordance with the GRI Standards)***

predisposto dalle seguenti organizzazioni appartenenti a **SYSTEM GROUP**:

- **Centraltubi S.p.A.**, via Foglia 11 – 61026 Lunano (PU).
- **Italiana Corrugati S.p.A.**, Località Fonte Doglio 22/E – 61026 Piandimeleto (PU).
- **Pebo S.p.A.**, Località Piengo – Frazione Monterone 52038 Sestino (AR).
- **Rototec S.p.A.**, via Foglia 11 e via dell'Artigianato 6 – 61026 Lunano (PU),
via Romanini 2, 6-8 Sant'Angelo in Vado – 61048.

è stato redatto, in tutti gli aspetti significativi, in maniera coerente e rispondente agli standards "GRI Sustainability Reporting Standards" definiti nel 2021 dal GRI – Global Reporting Initiative.

La verifica del rapporto di sostenibilità è stata effettuata secondo le modalità descritte nel "Regolamento generale I.I.P. di verifica dei Rapporti di Sostenibilità e delle Asserzioni Etiche" nella versione in vigore alla data della verifica, disponibile sul sito web I.I.P. www.iip.it.

Nel Rapporto di verifica del 06/09/2023 sono riportate una sintesi delle attività svolte e delle evidenze oggettive acquisite nonché le risultanze e le conclusioni della verifica.

Data di rilascio: 14/09/2023

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GRI Standard 2 – 1/3



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GRI Standard 1

This report can be accessed in digital form at the link:
<https://tubi.net/en/sustainability-report/>

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The **Boscarini Family** at the opening of the new Uniline plant

Cover design created by System Group's internal graphic studio



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An integral part of the Group's identity is represented by the symbol of the Owl.

This image was initially adopted by the first company of the Group (Centraltubi since 1979), along with the phrase "I will bring you luck".

Alvaro Boscarini, the founder of System Group, was particularly closed to this symbol due to a personal event, in which a real Owl played a key role in a unique encounter at the start of his entrepreneurial career (a story narrated in a video published on YouTube).

The Owl has been a part of the history and growth of System Group.

