



Sustainability Report 2021

BURGO
GROUP



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100% recyclable



Sustainability Report 2021

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Letters to Stakeholders

Letter from the Chairman

(GRI 102-14)

This Sustainability Report 2021 is the third document that the Group has drawn up after the decision taken in 2019 to resume reporting on ESG issues. The belief that it is increasingly important to pursue a strategy of responsible approach to environmental, social and governance issues was strongly consolidated during the past year, which proved to be even more unpredictable than the year before. The pandemic reached its peak of global spread, but at the same time the economies have rebounded in a decisive and unexpected way with respect to 2020. In this difficult context - characterised by a first part of the year that recorded a reduced availability of raw materials and prices at levels never reached before, followed by a second part of the year in which significant tensions on the energy front began to emerge, with unexpected and sharp increases in natural gas - it is even more apparent that pursuing sustainability as a primary strategic guideline is essential.





For a reality like that of the Burgo Group, being a circular economy company is a challenge for the present, but it is a certainty for a future in which to be protagonists, and sustainability becomes a topic to be integrated into all business processes. In this context, the conscious decision to sell the Verzuolo site, albeit in some ways tough, is the result of the desire to continue the gradual path in order to transition from graphic papers to specialty papers.

In order to do this, a solid financial structure and the ability to make investments are needed, which we can now plan more effectively, even regardless of the economic difficulties that could have influenced some choices. The recovered financial equilibrium, a consequence of the strong reduction of the debt, and the subsequent financial solidity, allow us to embark on a sustainable path of growth and development with positive repercussions for all stakeholders. The solidity and financial stability achieved in 2021 allows us to continue on that path of sustainability, responsibility and drive towards the generation of value with the aim of benefiting of all the people who are part of the Group and who are a fundamental part of it, as well as for the local communities in which the Group has the opportunity to develop.

Lastly, I would like to express my gratitude to all the women and men employed by the Group who in the past year, despite all of the challenges, have allowed Burgo to reach a result that constitutes the starting point for a future full of great challenges.

Alberto Marchi

Chairman of the Burgo Group

Letter from the CEO

(GRI 102-14)

The conversion of the Verzuolo plant, as well as the Avezzano one, was a fundamental step for the strategic repositioning of the Group, thanks to which we are among the first independent containerboard producers in Europe, making our presence in the European panorama of the large producers of the paper sector sustainable, through greater production diversification. During 2021, it was equally important to take the opportunity to exploit and enhance the conversion of the plant through its sale, thus confirming and rewarding the effectiveness of the Group's strategic choice. Thanks to this enhancement, the Group has now the opportunity to give greater impetus to its strategic development plan.

The Group's development path is based on the opportunities offered by a greater awareness and attention of consumers to environmental issues and by the new regulations that favour the use of environmentally sustainable products, since they are based on natural and recyclable fibres and replace other fossil derivatives. In the Villorba and Sora plants we have already started the production of paper and cardboard for the packaging sector, while at the Duino plant we are examining the technical possibility of producing other types of packaging papers without neglecting our presence in the graphic paper sector, of which we are and we want to continue to be one of the main European players.

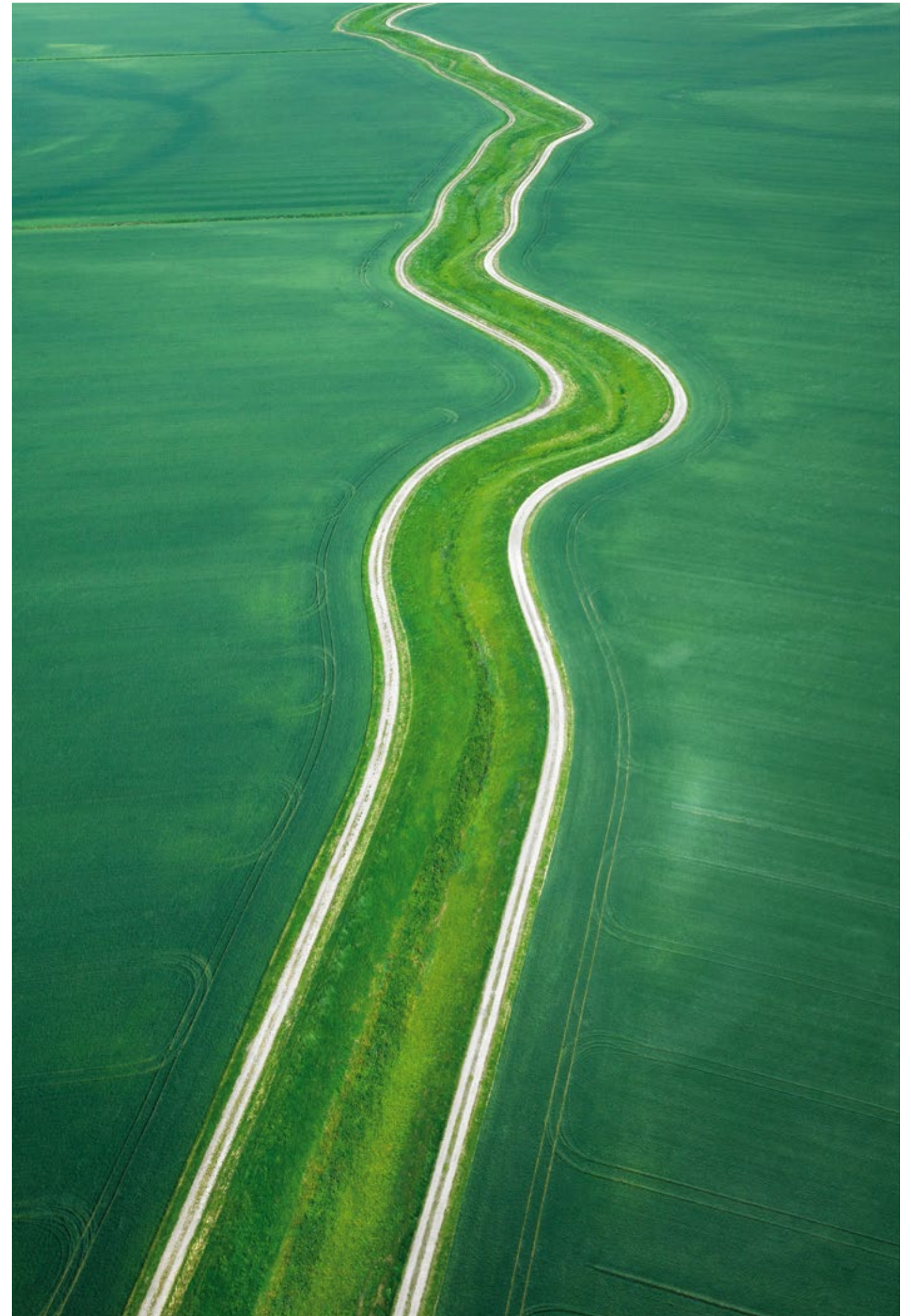




Furthermore, the development projects, also in collaboration with partners, of sustainable products in environmental terms are continuing. The strategic priorities of environmental, social and governance sustainability are clearly present in the future development plan. The industrial nature and the product sector of the Burgo Group require a business approach that is strongly oriented towards environmental sustainability, so much so that it has been taken on as the core of the company in all respects and is now present in all production and distribution cycles: from the procurement and use of resources and raw materials up to the logistical choices for the sale and placement of products on the territory. The Group's commitments are confirmed as follows: maintenance and expansion of the certification system, control of the selection and origin of raw materials, optimisation of the use of water resources, increase of the multi-modal logistics management system with a view to reducing road transport, promotion of waste reduction and enhancement of by-products, energy efficiency and monitoring of emissions. Investments in the energy sector will continue; these constitute a fundamental area of responsibility of the Group as an energy-consuming company in which we invest many of our improvement objectives through a plan that sees energy efficiency and the reduction of CO2 emissions. During 2021, investments were made in the Tolmezzo and Toscolano plants, in order to improve performance in the usage of energy resources. In this context, in 2021 the Group launched a series of initiatives, including the assessment of Scope III emissions that derive from the entire value chain of the company. Reducing the Group's environmental impact is a particularly challenging goal. Although there is currently no real alternative available to the use of gas in the paper sector, Burgo is aware of the importance of decarbonising its production process. This process must necessarily entail a mix of technical and managerial solutions, with the collaboration of institutions. We can no longer turn our heads on the Environment and Climate issue. We all need to show courage and character. We can do it and we will do what needs to be done, both as single persons and as a Group.

This is the spirit with which we must face the future, in order to create an increasingly sustainable and socially responsible company in the same process of continuous improvement that occurred in 2021, for which I thank all my colleagues.

Mr. Ignazio Capuano
CEO of the Burgo Group



Note on Methodology

(GRI 102-1/3/45/46/50/51/52/53/54)

For years, the Burgo Group has undertaken to report its environmental and business objectives through drafting and the publication of environmental reports aimed at providing supplementary information to support the data published in the financial statements report.

With this objective, in 2011 the Group began to disclose its environmental sustainability targets and the performance achieved, in the so-called “Environmental Reports”. Since 2012, the Group has gradually produced Reports on economic, financial and environmental data, thus trying to reducing the gap between economic and environmental data that had gradually begun to appear. Since 2019, the Group, with a view to ensuring maximum transparency and to bring its reports in line with those of its competitors, has been drafting its Sustainability Report by applying the GRI Standards.

The report takes into consideration Burgo Group S.p.A. and all of its subsidiaries, in particular: Mosaico S.p.A., Burgo Ardennes S.A., Burgo Distribuzione S.r.l., Burgo Energia S.r.l., Gever S.p.A. in Liquidation, Burgo Factor S.p.A., Consorzio Energy Paper S.c.a.r.l. and S.E.F.E. S.a.r.l. In addition, subsidiaries that carry out commercial and distribution activities in foreign countries are also included: Burgo Benelux Sa, Burgo France Sarl, Burgo UK Ltd, Burgo Central Europe, Burgo North America Inc., Burgo Eastern Europe Sp.z.o.o., Burgo Ibérica Papel S.A. In the second half of 2021, the Burgo Recycling JV also entered the Burgo scope.

Hereinafter, the word “Group” or “Burgo Group” will refer to all the aforementioned subsidiaries. The reporting period of the report is generally considered as between 1 January 2021 and 31 December 2021.

A comparison of the data referring to the three-year period 2019 - 2021 is therefore provided. The data presented in the report always refers to the Burgo Group, except in cases where a different reporting scope is expressly indicated.

The 2021 Sustainability Report has been produced in accordance with the “GRI Sustainability Reporting Standards” published in 2016 by the Global Reporting Initiative; in line with the report of last year, the “GRI-referenced” method has been adopted, i.e. to expressly indicate which information of the standards are reported in the report. A GRI Content Index has been included, with a view to continuous improvement of the reporting process, to facilitate reference to the standards.

On 07/10/2021, the Group sold the Verzuolo and Gever S.p.A. Plant, in liquidation, to Smurfit Kappa Italia; for the purposes of reporting, for greater comparability of the data, the values of the Verzuolo plant were taken into consideration until 07/10/2021. For the period between 07/10/2021 and 31/12/2021, the data shown do not consider the Verzuolo plant and the Gever company. In the event that the absence of the assets sold is remarkable and their impact does not allow adequate comparability of the information, an explanatory note has been added in order to allow an adequate understanding of the information.

In order to ensure the reliability of the data in the report, the use of estimates has been kept to a minimum. Any estimates provided are duly indicated as such.

For more information on the data contained in this report, please send us an e-mail at: bilancio.sostenibilità@burgo.com.

The Sustainability Report is drawn up on an annual basis.



An aerial photograph of a large, turquoise-colored lake or reservoir. The water has a textured, slightly rippled surface. The lake is bordered by a dense, lush green forest. The forest appears to be a mix of different types of trees, with some areas showing more vibrant green and others showing slightly different shades, possibly due to sunlight or tree species. The shoreline is irregular, with the forest meeting the water in various places.

PAPER POWER PASSION

Context analysis

1

| 1.1 | The economic and financial context

2021 was characterised by a good recovery of the world economy, supported by a recovery in consumption and international trade. In the final part of the year, the worsening of the COVID-19 pandemic, following the spread of the Omicron variant, had an effect on the economic recovery, fortunately mitigated by the massive vaccination campaigns carried out in the previous months. The recovery manifested itself in different ways, depending on the different Countries and sectors, showing fairly uneven growth trends.

One of the factors that characterised 2021 was the increase in the prices of raw materials and energy, which led to the return of generalised inflation in many economies.

Based on initial estimates, the recovery led to an annual increase in world GDP equal to +5.9%. This recovery was much faster than any other recovery in the past - it affected both advanced and emerging economies.

Among larger countries, China - the only one to have registered a positive growth in 2020 - in the current year recorded a change of +8.1%. In the rest of the world, with reference to the individual geographic areas, the USA recorded an increase in GDP of +5.6%, Japan of +1.6%, while in the Euro Zone the increase amounted to +5.1 %. At annual level, Germany recorded the lowest increase in GDP among the main economies of the Euro Zone, with +2.5% compared to +6.7% in France and +4.5% in Spain.



In Italy, the annual increase in GDP is estimated at around +6.3%, with a dynamic that saw moderate growth in the first quarter of +0.3%, a more sustained recovery the second and third quarters, respectively equal to +2.7% and +2.6%, and a sharp slowdown in the fourth quarter, reflecting the new wave of the pandemic in addition to persistent supply difficulties for businesses. The Italian recovery was driven by the increase in industrial production and by a sharp rise in domestic consumption. The dynamics were particularly positive starting from the second quarter in the sectors of expenditure for

trade services, transport, accommodation and in general the entire tertiary sector, which benefited from the relaxation of restrictive measures. The contribution of the construction sector is always a positive factor, thanks to the support of incentives.

The international trade, which was affected by the protectionist pressures developed in previous years, has regained vigour and started to grow again.

Political regulators and central banks keep implementing policies for managing the macroeconomic scenario that must be continuously adapted to the evolution of the situation. Governments continued to apply expansionary tax and investment policies. In this context, the ECB has pursued the application of an accommodating monetary policy, pending a stabilisation of the economy, aimed at maintaining favourable financing conditions. The FED has applied a more cautious policy, already starting at the end of the summer following the inflationary pressures present in the US market, with a faster return from the faster expansionary policy with respect to the ECB.



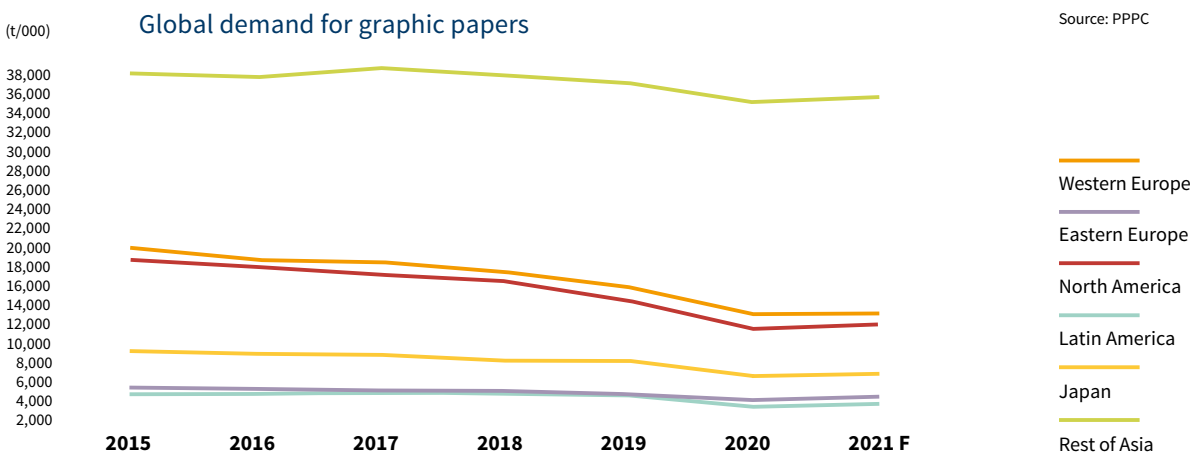
Note:

The sources used for the drafting of this paragraph are: Economic Bulletins of the Bank of Italy, National Report of the Bank of Belgium, GME Newsletter, Centro Studi Confindustria, Istat.

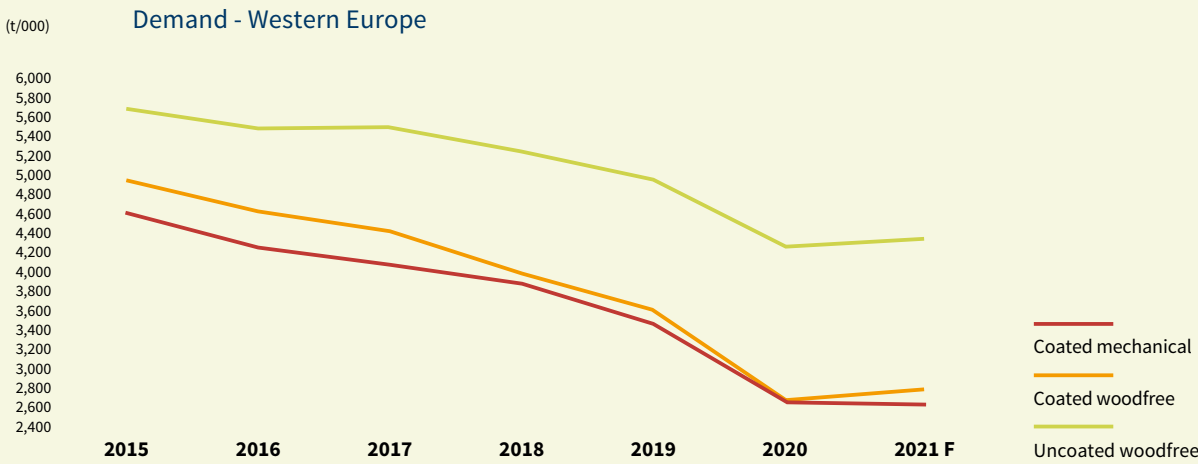
| 1.2 | The market for paper

In 2021, the Group benefited from a strong recovery in demand, in particular for specially and container-board; however, also the graphic paper sector recorded a positive rebound on quantities sold. Overall, total sales volumes increased by +16% compared to last year.

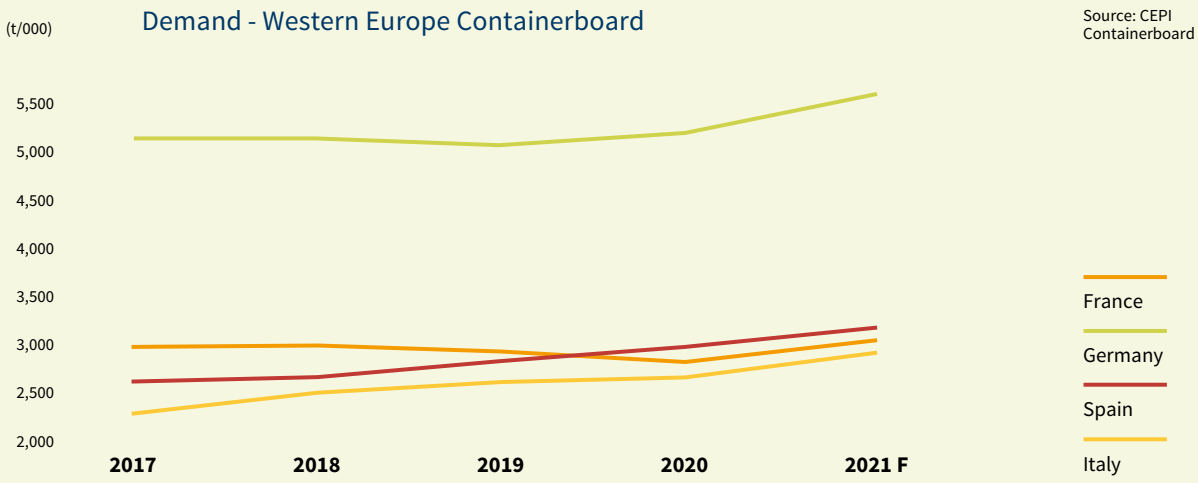
In the graphic papers segment, demand in 2021 increased by +2.6% globally, with a positive change in western Europe of +0.6%. This trend was also confirmed in the other main world markets, with a more pronounced increase in North America (+3.9%), Latin America (+9.7%) and Japan (+2.7%) and Eastern Europe (+5.4%) while the variation was more contained in Asia (1.5%) which was the region with the smallest decrease in 2020. Within the graphic papers segment, the market in Western Europe, which is the Group’s main market, experienced a decrease of -0.5% for CM, and an increase of +4.7% for CWF and +2.6% for UWF.



Source PPC: Pulp and Paper Products Council



In the containerboard segment, demand confirmed a growth trend of +5.7%, with a +6.6% increase for RCCM, the segment in which the Group operates. In Italy, demand followed the general trend of the market, with a continuous positive development (+9.6%).



| 1.3 | Burgo Recycling, a new reality

BURGO RECYCLING: THE STRENGTH OF TWO LARGE COMPANIES

Burgo Recycling srl was born from the idea of Burgo Group and Lamacart to enter the market for the management of recyclable materials and waste.

Lamacart's mission is to collect and recycle waste paper destined for the paper industry as a secondary raw material (end of waste).

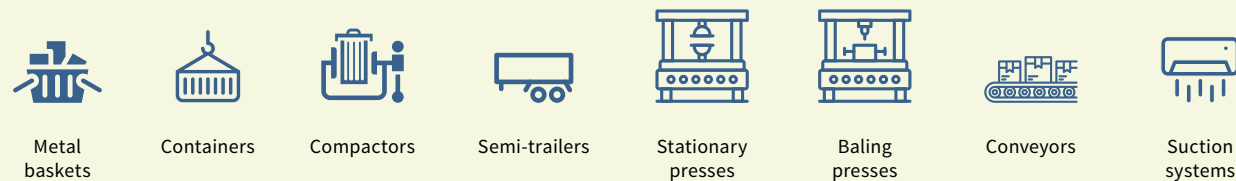
Burgo Group and Lamacart, combining their skills and professionalism, offer all companies state-of-the-art services capable of satisfying every need in the sector. Integrated management of recyclable materials and waste ensures maximum efficiency in full compliance with Legislation and the Environment. Burgo Recycling guarantees the best recycling of materials, ensured by the complete tracking of the supply chain: "From harvest to finished product".



EQUIPMENT AND SERVICES

Burgo Recycling provides cutting-edge services which make use of over 50 vehicles authorised to transport and trade non-hazardous and hazardous special waste, which it does not hold, regularly registered in category 8 of the Register of Environmental Managers, also on behalf of third parties, for all types of materials.

BURGO RECYCLING MAKES AVAILABLE PLANTS AND EQUIPMENT SUITABLE FOR THE COLLECTION OF MATERIAL SUCH AS:



BURGO RECYCLING OFFERS:



DEVELOPMENT AREAS

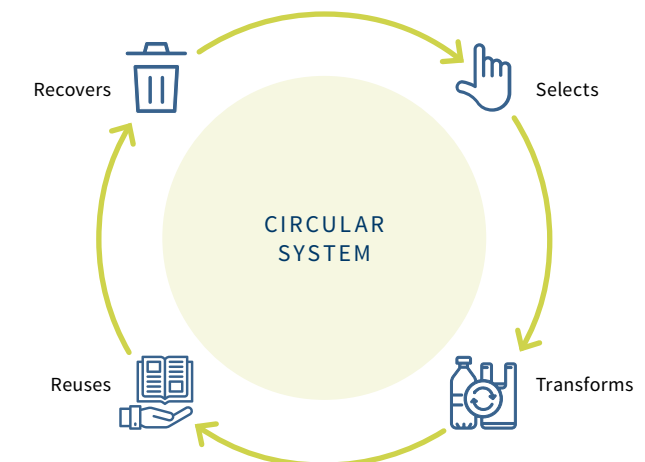
Burgo Recycling presents itself as a Strategic Partner for the collection and recovery of special non-hazardous waste, throughout the country, developing large projects related to:



CIRCULARITY

- Recovery: from the cardboard packaging of everyday products, to the storage system.
- Selection: to return to being a precious raw material at our coordinated and integrated collection plants.
- Transformation: to go in the paper mill and to become, once again, paper and cardboard for production processes.
- Reuse: from the paper mill to the box factory to become the packaging we had disposed of at the beginning.

LESS TREES CUT - LESS CO₂ - LESS MATERIAL IN THE LANDFILL



| 1.4 | Burgo Group's commitment

THE COMMITMENT OF THE BURGO GROUP TO REDUCE DISPOSABLE PLASTICS AND PRODUCTS OF FOSSIL ORIGIN

The recent European Directive on Single Use Plastic has identified a series of disposable plastic objects whose marketing has been prohibited and others whose marketing will be monitored and progressively reduced in the years to come. This has created a strong push towards innovation, looking for alternative materials in which plastic films are reduced or eliminated as well as materials whose performance is obtained from non-fossil sources.

In particular, fibrous packaging constitutes, due to its characteristics of recyclability and compostability, a peculiar resource to meet the changed needs and awareness.

During the year, products relating to the rigid cardboard and flexible packaging sector were developed and then fine-tuned.

For rigid cartons, the focus was on the food & beverage sector, such as trays for quick consumption and glasses for drinks.

In the flexible packaging sector, products have been developed that are able to guarantee the usual performances normally obtained with plastic films, also with alternative surface treatments from renewable and non-fossil sources that enhance the performance of heat sealability, water resistance and resistance to fat.

**RIGID AND FLEXIBLE
PACKAGING FOR
ENVIRONMENTALLY-
FRIENDLY FIBROUS
PACKAGING**

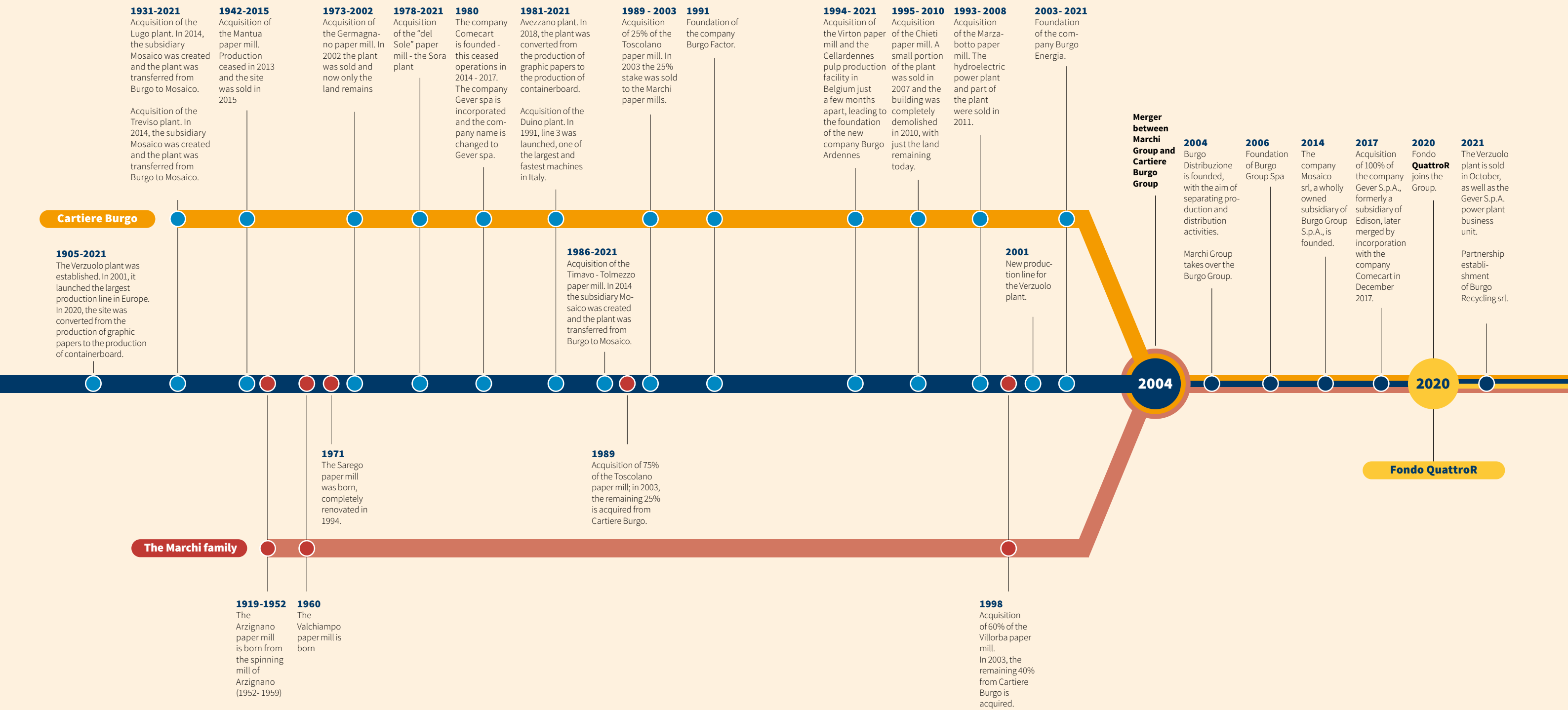


The background of the entire slide is a close-up, high-resolution image of a wood grain. It features prominent concentric growth rings that create a circular, target-like pattern. The wood has a rich, dark brown color with visible texture and some fine cracks running through the rings.

PAPER
POWER
PASSION

The Group
2

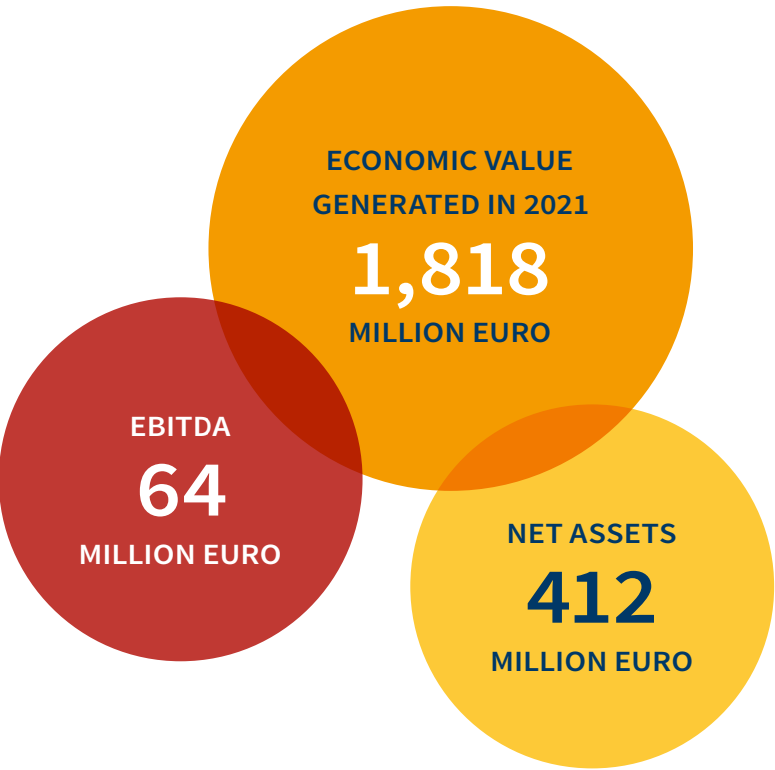
2.1 | From Luigi Burgo to Today



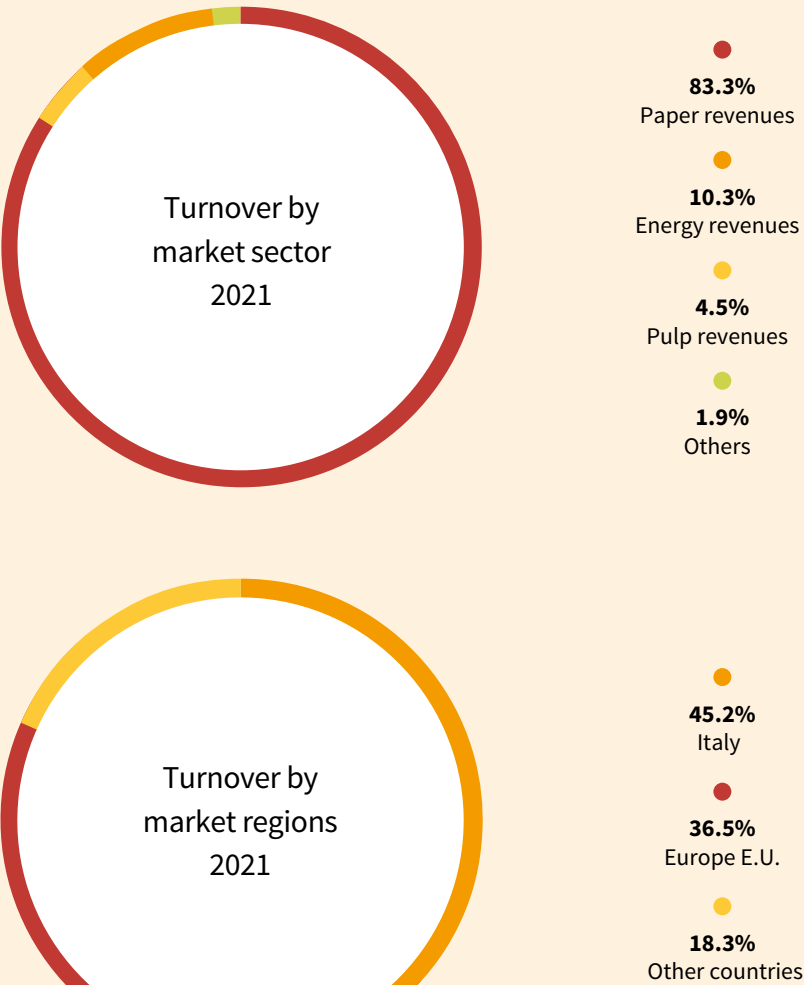
| 2.2 | The Burgo Group in figures
(GRI 102-7/8/45)

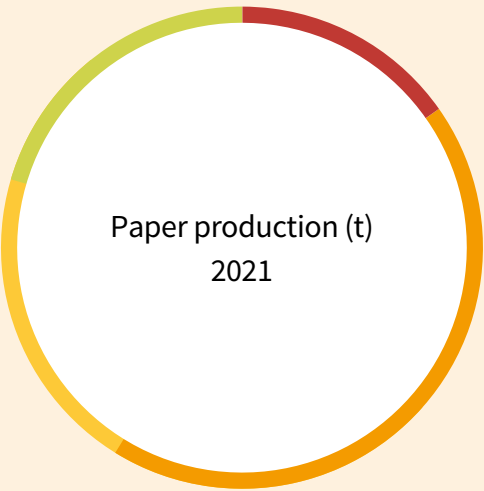
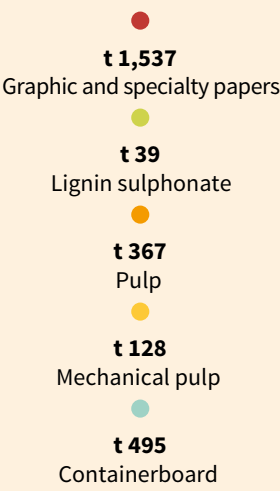
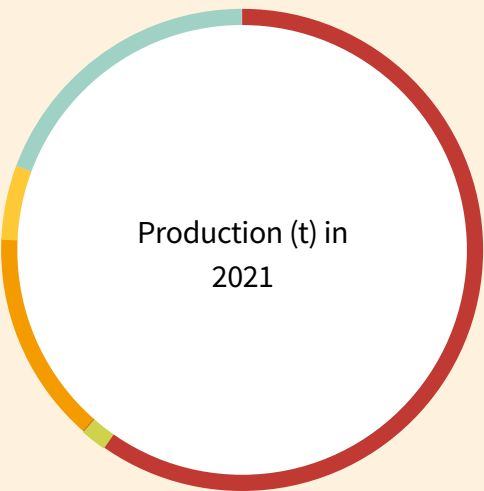
Burgo Group S.p.A. is the industrial holding of a Group operating in the paper production and distribution sector, mainly in the graphic paper segment and the cardboard and specialty papers segments (e.g. for food use), as well as in the production and sale of fibrous raw materials (pulp, mechanical pulp) and energy.

With over 3,125 employees operating in 11 plants (one less than last year, following the sale of the plant located in Verzuolo in October 2021) across 15 production lines and 7 international sales companies, the Group is a leading partner for businesses operating in the graphics, printing, publishing and packaging sectors.



HIGHLIGHTS OF THE BURGO GROUP 2021





EMPLOYEES: 3,125



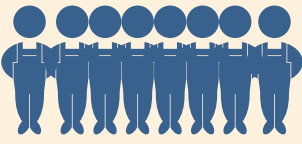
1%

Senior managers



26%

Clerical workers



73%

Manual workers

PRODUCTION SITES/AGENCIES



11

Production sites in Italy (10 factories from 7 October 2021, following the sale of the plant located in Verzuolo)



8

Warehouses



7

Commercial offices



1

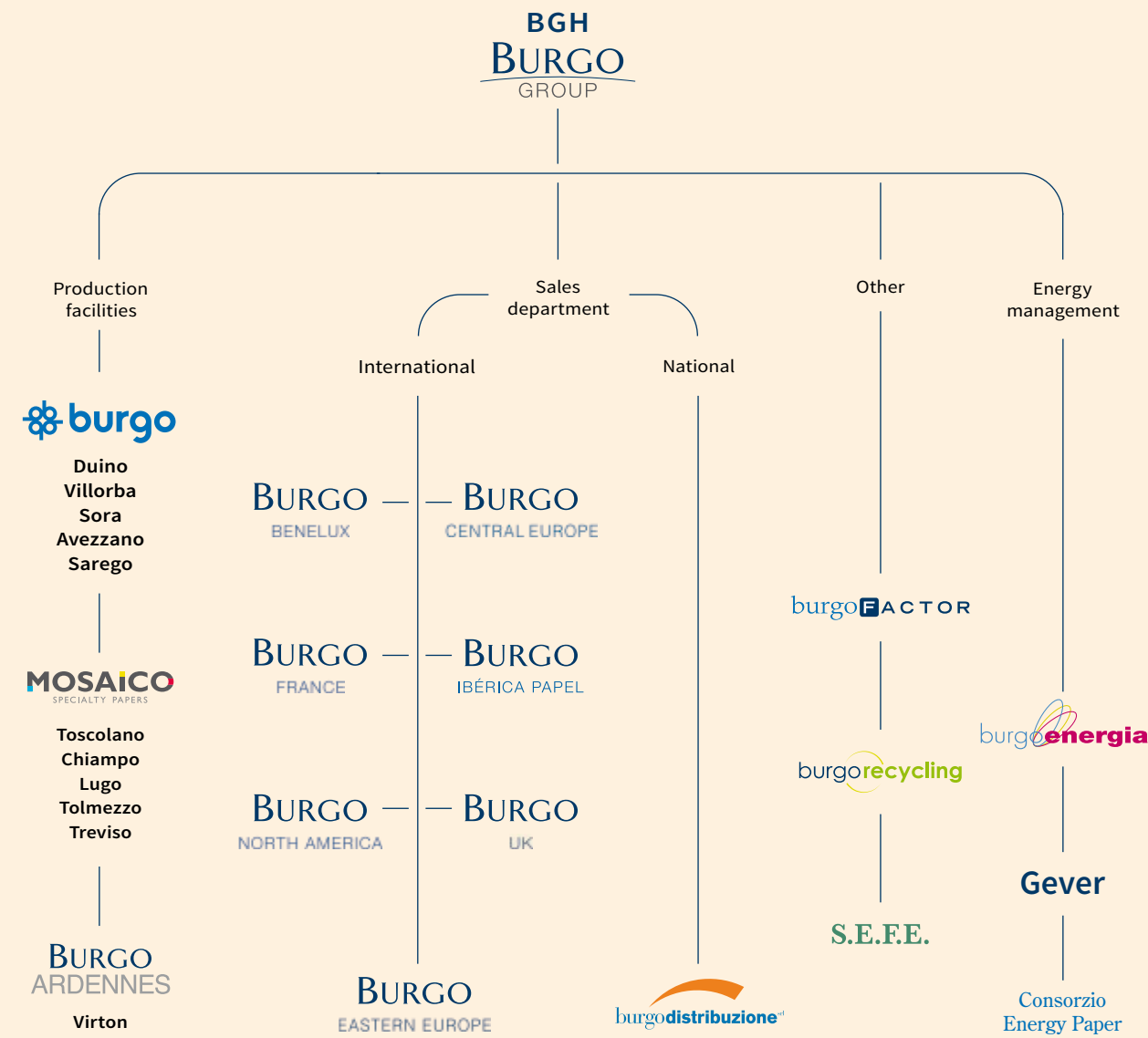
Production site in Belgium



7

International sales companies

GROUP OVERVIEW



In January 2019, the Toscolano business unit was transferred to the subsidiary Mosaico S.p.A. at the end of the repositioning process of the production of graphic and specialty papers.

In February 2020, the company and another partner established the Consorzio Energy Paper (CEP), together with another partner. During the year other members joined the consortium, making CEP one of the largest interruptibility management consortia in Italy.

In the month of April 2021, the Group, as part of a partnership with an operator in the sector, founded Burgo Recycling srl, a company specialising in the management of paper recycling.

In October 2021, the Verzuolo plant and the connected power plant (Gever S.p.A) were sold.



THE GROUP IN A NUTSHELL

Burgo Group S.p.A.

Employees: 1,346 Plants: 6 (5 from October 2021) Cogeneration power stations: 7	Activities: Production of Coated Mechanical, Coated Woodfree, Uncoated Woodfree, Containerboard	Production data: Paper: t 1,292,178 Mechanical pulp: t 88,875 Electricity*: 1,423 kWh/mln Revenues: € 1,018 million
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Mosaico S.p.A.

Employees: 1,085 Plants: 5 Cogeneration power stations: 5	Activities: paper production for graphic use, flexible packaging and specific applications	Production data: Paper: t 399,634 Pulp: t 38.2 Electricity*: 286 kWh/mln Revenues: € 466 million
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Burgo Ardennes S.A.

Employees: 575 Plants: 1 Virton (Belgium)	Activities: pulp and paper production	Production data: Paper: t 340,234 Pulp: t 329,123 Electricity: 355 kWh/mln Revenues: € 339.5 million
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Burgo Energia S.r.l.

Employees: 10	Activities: management of dispatching activities for the Group's production companies and facilities	Revenues: € 234.6 million
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Burgo Distribuzione S.r.l.

Employees: 44 Commercial offices: 9	Activities: sale and distribution of paper for the Italian market	Paper sold: t 239,799 Revenues: € 180.7 million
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Gever S.p.A. in Liquidation

Employees: 0 (100% control of Burgo Group S.p.A. from 02/03/2017 to 07/10/2022, date of sale of the plant).	Activities: production and management of electricity at the Verzuolo facility
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Burgo Factor S.p.A.

Employees: 2	Activity: direct factoring to suppliers of the Burgo Group	Total receivables managed: € 289.1 million Net profit: € 2.3 million
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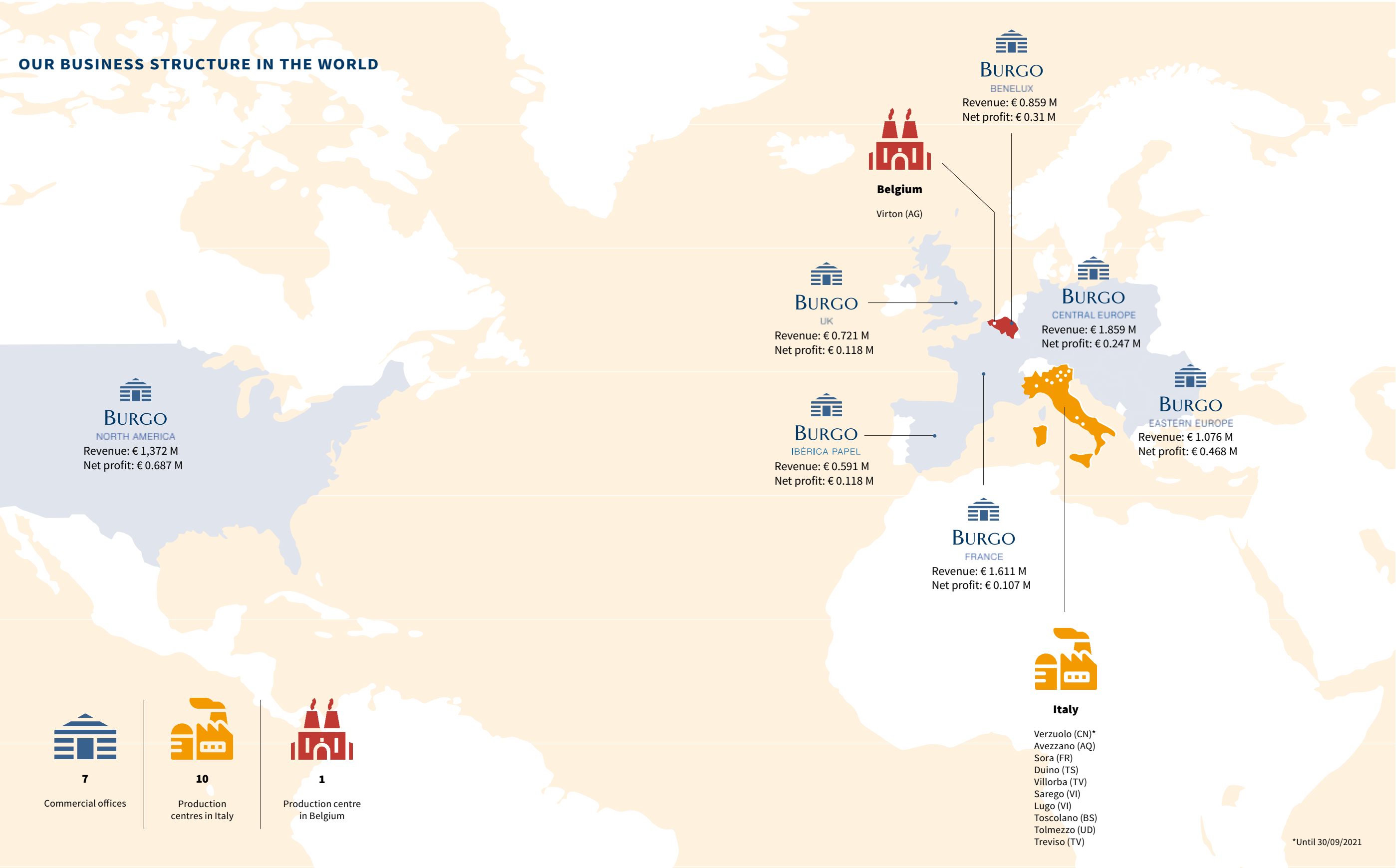
S.E.F.E S.a.r.l.

Employees: 14	Activity: sales of forestry products	Net profit: € 54,207 Revenues: € 8.192 million
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*Note:
The data for the item “electricity” refers to the total amount of self-produced” energy, including surplus production sold to the grid. Electricity acquired from the grid is not included.



OUR BUSINESS STRUCTURE IN THE WORLD



| 2.3 | Ownership structure

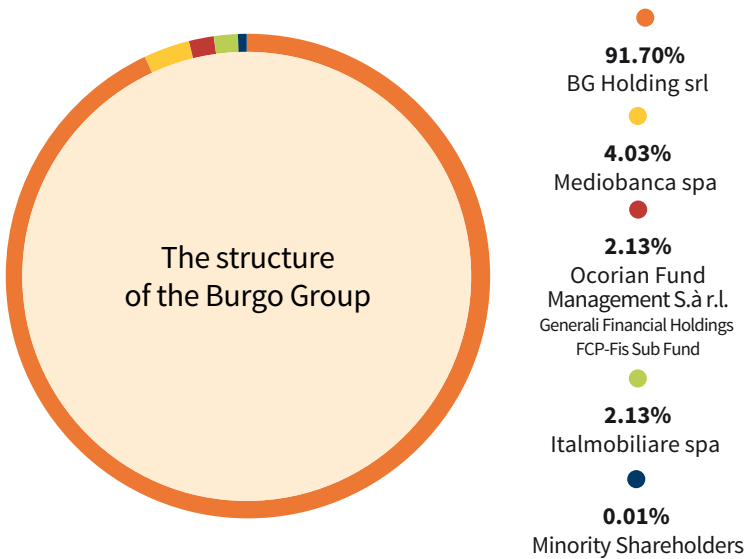
(GRI 102-5/45)

THE COMPANY STRUCTURE

As highlighted in the section on the Group’s history, following the Extraordinary Share Capital Increase Operation and the conclusion of the Agreement in compliance with art. 67 of the Law on Finance, which took place in 2020, the company’s capital is equal to € 90,000,000 divided into 2,168,857,500 shares with no nominal value and subdivided as follows:

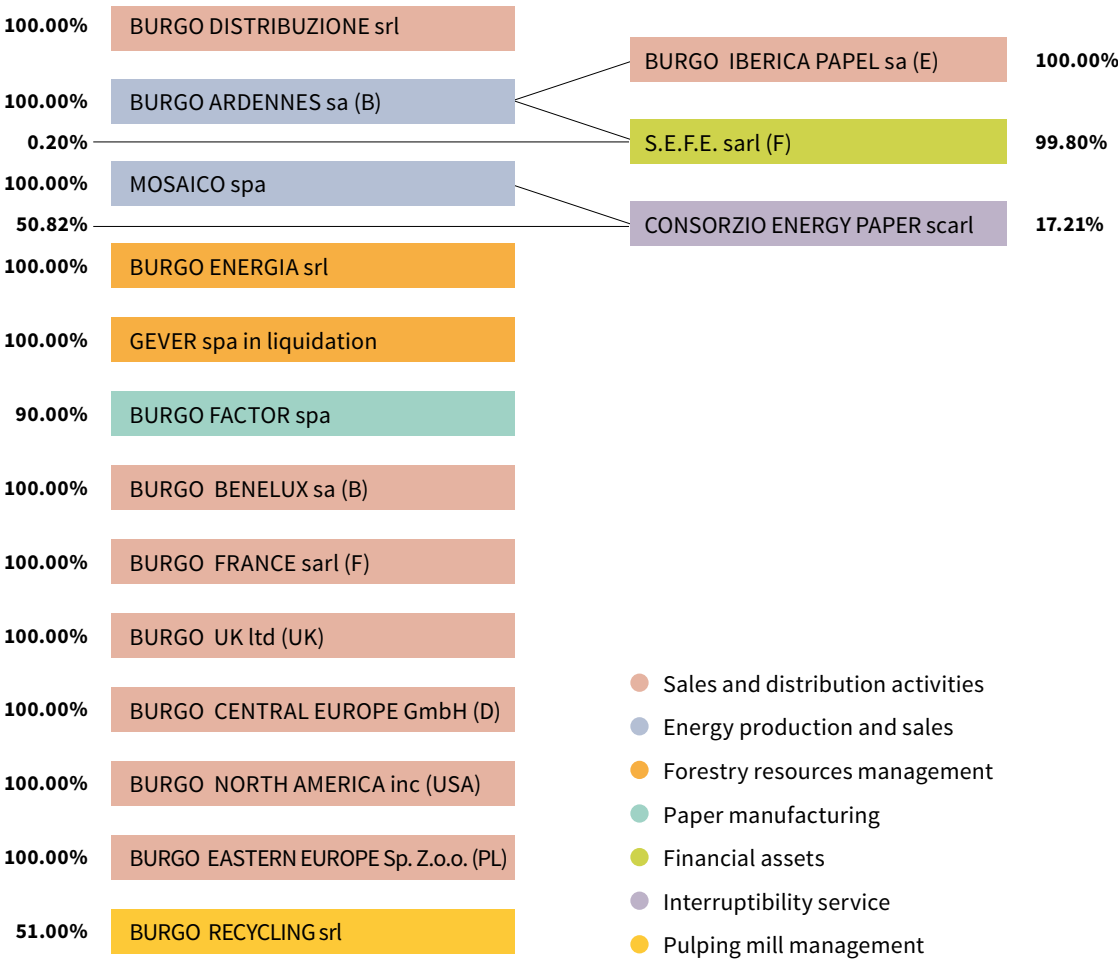
- BG Holding S.r.l. **91.7%**; (including a 0.7% share purchased in January 2021 from Unicredit S.p.A.)
- Mediobanca **4.03%**
- Italmobiliare S.p.A. **2.13%**
- Ocorian Fund Management S.à r.l. – Generali Financial Holdings FCP-FIS Sub-Fund **2.13%**;
- Minority shareholders **0.01%**

THE STRUCTURE OF THE BURGO GROUP



GROUP COMPOSITION AND EQUITY INVESTMENTS

INVESTMENTS



Furthermore, Burgo Group S.p.A. holds stakes:

- in the Consorzio Paper Interconnector consortium, with a stake of 56.32%,
- in the Consorzio Interconnector Italia Energy consortium, with a stake of 6.07%, with the aim of building electricity interconnection lines between Italy and neighbouring countries.

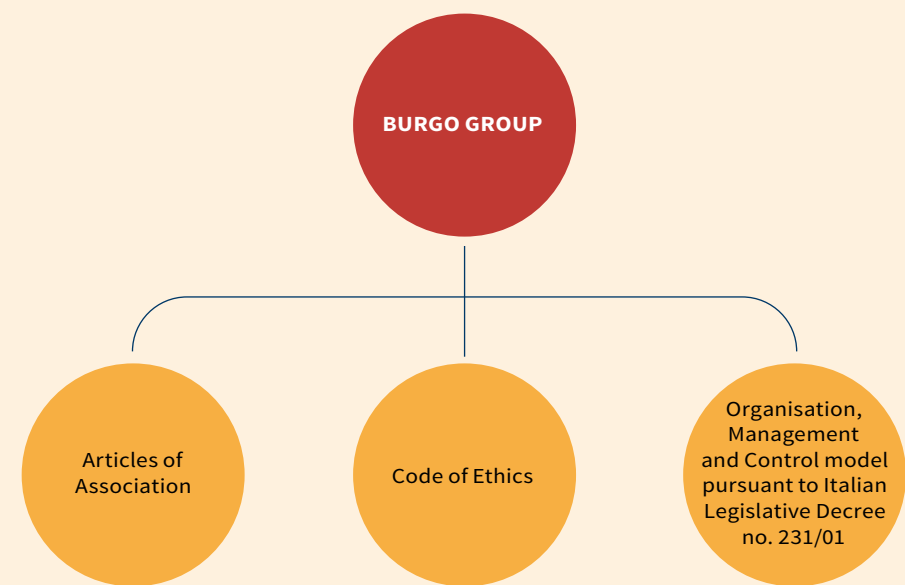
| 2.4 | Organisation of the Group

(GRI 102-18)

In order to ensure the effective and efficient performance of all its activities, which aim at the success of its mission and the achievement of its objectives, the Group has adopted governance tools in line with the most recent regulatory provisions.

The tools adopted by the Group are:

- Code of Ethics;
- Articles of Association;
- Organisation, Management and Control model pursuant to Italian Legislative Decree no. 231/01.



The Articles of Association of Burgo Group S.p.A. has adopted the “traditional” Corporate Governance model, which is made up of the following bodies:

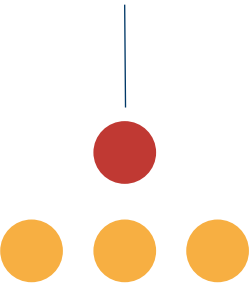
- **Shareholders’ Meeting:** responsible for resolving upon matters assigned to it by law and/or the Articles of Association, by way of ordinary or extraordinary meetings;
- **Board of Directors:** appointed by the shareholders’ meeting, it is composed of seven members who have a three-year mandate and may be reappointed;
- **Board of Statutory Auditors:** responsible for monitoring compliance with the law, the Articles of Association, and the principles of proper governance;
- **Independent Auditing Firm:** appointed by the Shareholders’ Meeting and responsible for the independent auditing of the accounts.

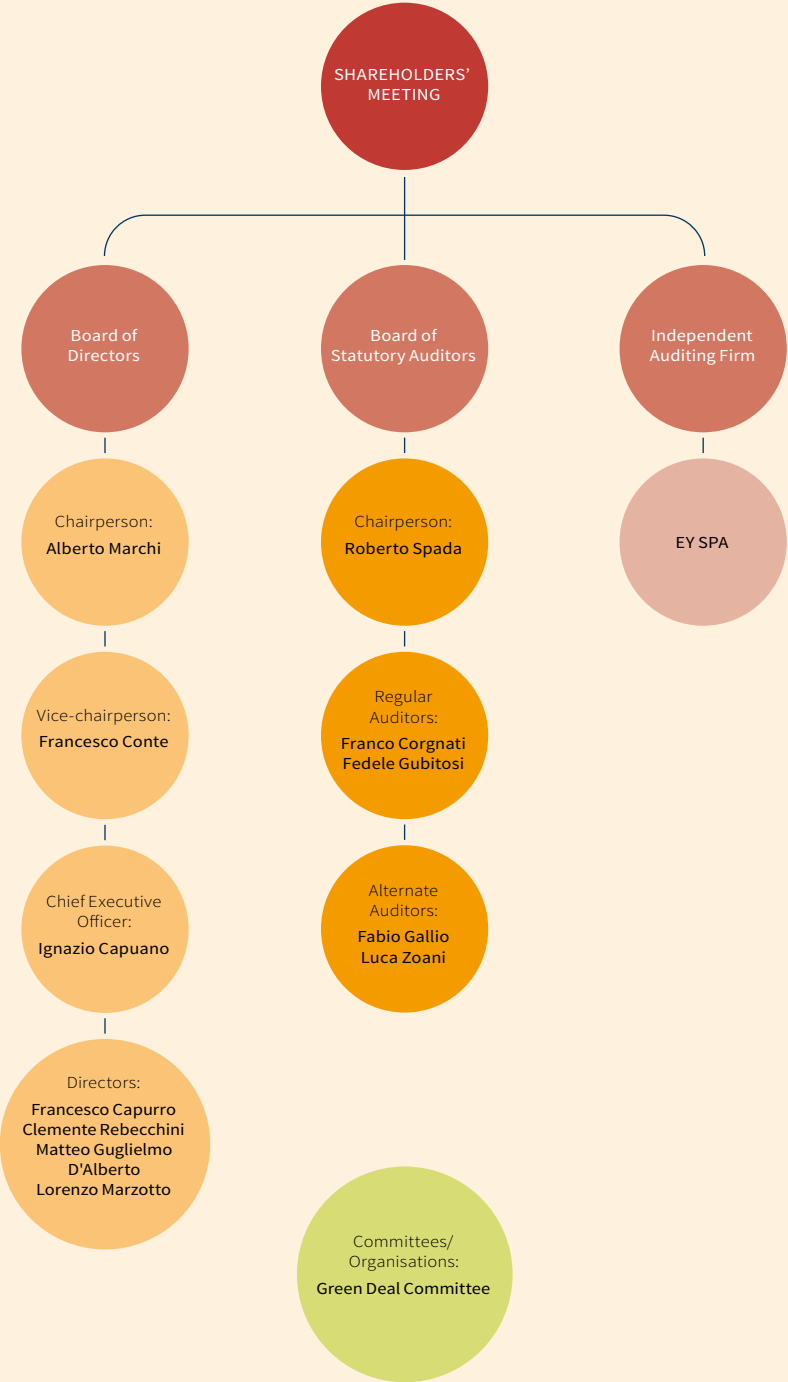
Burgo Group S.p.A. carries out the management and coordination activities pursuant to Article 2497 bis of the Italian Civil Code for all subsidiary companies.

The Parent Company determines the management and strategic guidelines of the Group, draws up and adjusts the internal control model and the Code of Ethics, and defines the general policies of financial and production management, human resources, procurement and communication. In addition, the parent company sets the targets regarding safety and occupational health and safety, quality, and the environment.

Certain services are managed at varying degrees of centralisation, including administrative services, treasury, the corporate secretary, human resources and organisation, information systems, legal and fiscal assistance and internal audits.

Subsidiary companies maintain their operational independence and can concentrate their resources on their respective core business, making use of the Parent Company’s resources for specialised activities, achieving the consequent economies of scale.





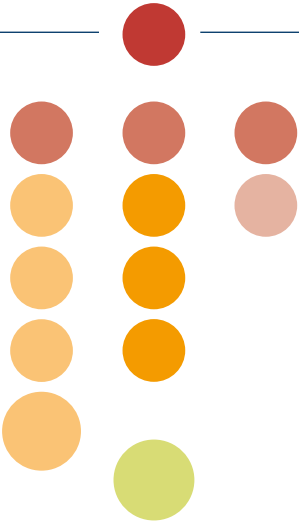
THE “GREEN DEAL” COMMITTEE OF THE BURGO GROUP

Inspired by the Green Deal programme launched by the European Commission, in 2020, a specific interdepartmental committee called the “Burgo Group Comitato Green Deal” (“Burgo Group Green Deal Committee”) was launched at Group level.

The committee, chaired by the CEO of the Burgo Group, engages with the Energy, T&I (Technology & Investments), HSE (Health, Safety and Environment), Production, Quality and Product Sustainability departments.

The committee meets quarterly and its main objectives are the definition of a Road Map for the reduction of carbon dioxide emissions in line with the European programme, as well as the improvement of energy efficiency and the promotion of circular economy issues.

Many projects and initiatives to study issues relating to energy efficiency, use of new fuels and use of new energy sources, technological innovation, have been pursued, also through participation in research projects.



ORGANISATION AND COMPANY DEPARTMENTS:

In order to ensure effective and efficient management of operating activities, the Burgo Group is structured into the following Departments. In this organisation chart, for the sake of simplicity, only the company departments at senior management level are shown.

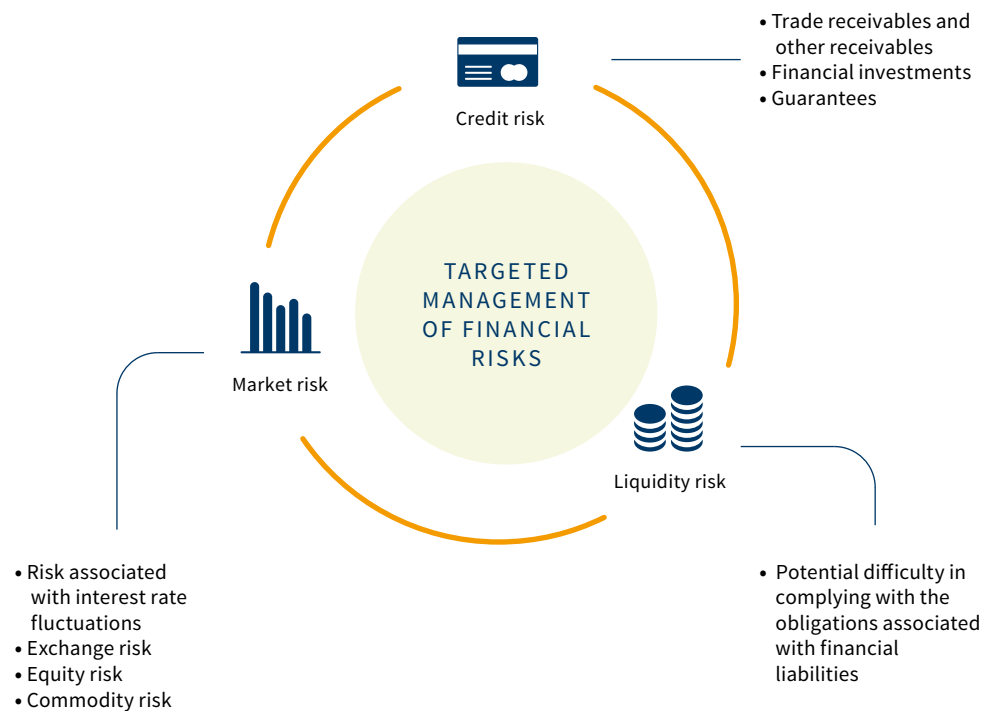


| 2.5 | Risk management

(GRI 102-3/4)

FINANCIAL RISK MANAGEMENT AND INSURANCE

The Group is exposed to the following risks whose objectives, policies, management processes and methods used for their assessment are set out below:



CREDIT RISK

This represents the risk that a customer or a counterparty to a financial instrument causes a financial loss by not complying with an obligation, and mainly derives from trade receivables and financial investments. The Group's policies allow for the issue of financial guarantees only towards associated companies. In some cases, collateral is provided in the context of subsidised finance operations or for medium-term financing.

CREDIT MANAGEMENT CERTIFICATION

In 2019, the GROUP completed the certification procedure for its credit management system, in compliance with the UNI 44:2010 standard and the TUV RHEINLAND CMC:2012 standard. This certification was also awarded 2021.

The audit highlighted the extent to which the Group has invested in the training of its entire Credit Management team involved in the process, working on ensuring the best integration between the credit and sales areas in order to certify its customers, not only on the matter of business information, but also on experience of payments and their geographic location.

TRADE RECEIVABLES AND OTHER RECEIVABLES

As part of its credit management activity, the Group performs, through a dedicated structure, an internal process with the aim of defining the creditworthiness of each customer and monitoring credit limits and overdue items. Risk control is based on constant analysis of customers with overdue items or who have exceeded their credit limits, monitored daily for the implementation of corrective actions, which range from blocking orders to legal action. Internal activities are supported by the use of hedging instrument available on the market, such as insurance policies and transfer of receivables. Sales activities are supported by primary and supplementary insurance policies entered into with leading credit insurance companies (top up).

FINANCIAL INVESTMENTS

Exposure to credit risk is limited by investing exclusively in highly liquid securities and only with counterparties recognised as reliable by the market. Financial assets also include investments made with Italian banking counterparties with proven reliability.

GUARANTEES

The Group's policies allow for the issue of financial guarantees only towards associated companies. In some cases, collateral is provided in the context of subsidised finance operations or for medium-term financing.

LIQUIDITY RISK

Liquidity risk is the risk that the Group may encounter difficulties in fulfilling its obligations related to with financial liabilities.

The approach to liquidity management is aimed at guaranteeing, as much as possible, that there are always sufficient funds available to comply with obligations when maturity dates are reached. The Group performs liquidity analysis as a function of budget forecasts, determining short, medium and long-term cash flows.

The estimates are periodically reviewed to ensure that there is sufficient on-demand cash and cash equivalents to cover the expected operating costs for a period of approximately 3 months.

MARKET RISK

Market risk is the risk that fair value or the future financial flows associated with a financial instrument may fluctuate following changes in market prices, due to changes in exchange rates, interest rates or the prices of equity instruments. The goal is the management and control of exposure to this risk within acceptable levels, optimising, at the same time, the return on investments.

RISK ASSOCIATED WITH INTEREST RATE FLUCTUATIONS

As part of its capital intensive business, the Group makes mainly technical investments, making use of debt. In this context, financial hedging transactions can be carried out following the cash flow hedge principle, which consists in neutralising or reducing the effects induced by an increase in rates on the cost that the Group must incur for the purposes of servicing its debt. The general objectives of a hedging operation therefore respond to the management purpose of transforming a cost of variable rate debt into a fixed rate cost, or to reduce the extent to which it is variable.

EXCHANGE RISK

In relation to sales activities, purchases and sales are made in other currencies, at present mainly in USD and GBP. Hedging policies are therefore mainly focused on the stipulation of futures contracts against the EURO. Furthermore, other currencies are also periodically monitored, which can be used as in invoices on an ongoing or occasional basis. Hedges are made on the basis of the estimate of future financial flows in currencies on the basis of invoicing payables and receivables and taking into account the budget forecasts. Exchange rate risk hedging operations are carried out to neutralise the effects induced by a change in the exchange rate on the value in EURO of a cash flow denominated in a foreign currency. The hedging policies allow the use of forward contracts (forward sales/purchase of currency) and options on foreign exchange (right to purchase/sell forward currency) to ensure more flexible hedging. Currently, exposure to foreign exchange derivatives falls within the forward type.

EQUITY RISK

As part of its investment activities, the Group purchases equity investments for investment purposes.

COMMODITY RISK

The strategic objective concerns the stabilisation of profit margins in terms of reducing the risk associated with the volatility of the purchase price of gas as well as the materials used in the production processes, in order to minimise exposure to risk and possible associated losses.

CONTEXT ANALYSIS AND RISKS OF ENVIRONMENTAL AND QUALITY MANAGEMENT

With a view to continuous improvement and to ensure the correct analysis of the context/ risk assessment of the Burgo Group and each specific Site, the Group has implemented a specific management system, coordinated and organised by the following figures:

- RSGA (Environmental Management System Manager) and EMAS contacts (if a site owns this certification), for environmental aspects;
- RSGQ, (Quality Management System Manager), for matters related to quality;
- Analysis team made up of site-specific GMP representatives, Site Managers, the QSM (Quality System Manager) and the Group GMP Representative.

This management system allows the Group to strengthen Company performance, comply with regulatory requirements, achieve the set objectives, define the stakeholders in the context, and assess/assign priorities to the needs and expectations of the stakeholders.

RISK ASSOCIATED WITH AND POTENTIAL LIABILITIES

The Legal Service is coordinated and managed centrally by the Parent Company. The main objective is to assess all possible risks associated with legal disputes and to protect the companies of the Group. If necessary, consultancy services provided by external professionals may be also used.

RISK COVERAGE

The Insurance Service on the main risks to which the Group is exposed is managed and coordinated centrally by the Parent Company, and its main objective is offering complete coverage against possible incidents.

It offers coverage of the main risks summarised below:

- direct and indirect damage (property - all risk);
- civil third-party liability (liability - service providers - product liability - manual workers liability);
- civil liability from Pollution;
- financial losses associated with claims for compensation brought by third parties against Group employees (D&O);
- cyber risk;
- material and direct damage deriving from the theft of the insured material assets belonging to the Group;
- comprehensive coverage for the civil buildings of the Group;
- transport and handling of new and used products;
- replacement vehicle cover;
- fire, theft and comprehensive insurance of the company's vehicles.

PERSONAL DATA PROTECTION AND PRIVACY

Confidentiality and the protection of privacy are among the founding principles of the Code of Ethics implemented by the Group.

Burgo Group has adopted, within the terms of the law, to the obligations established under Italian Legislative Decree no. 196 of 30 June AND GDPR no. 679 of 27 April 2016.

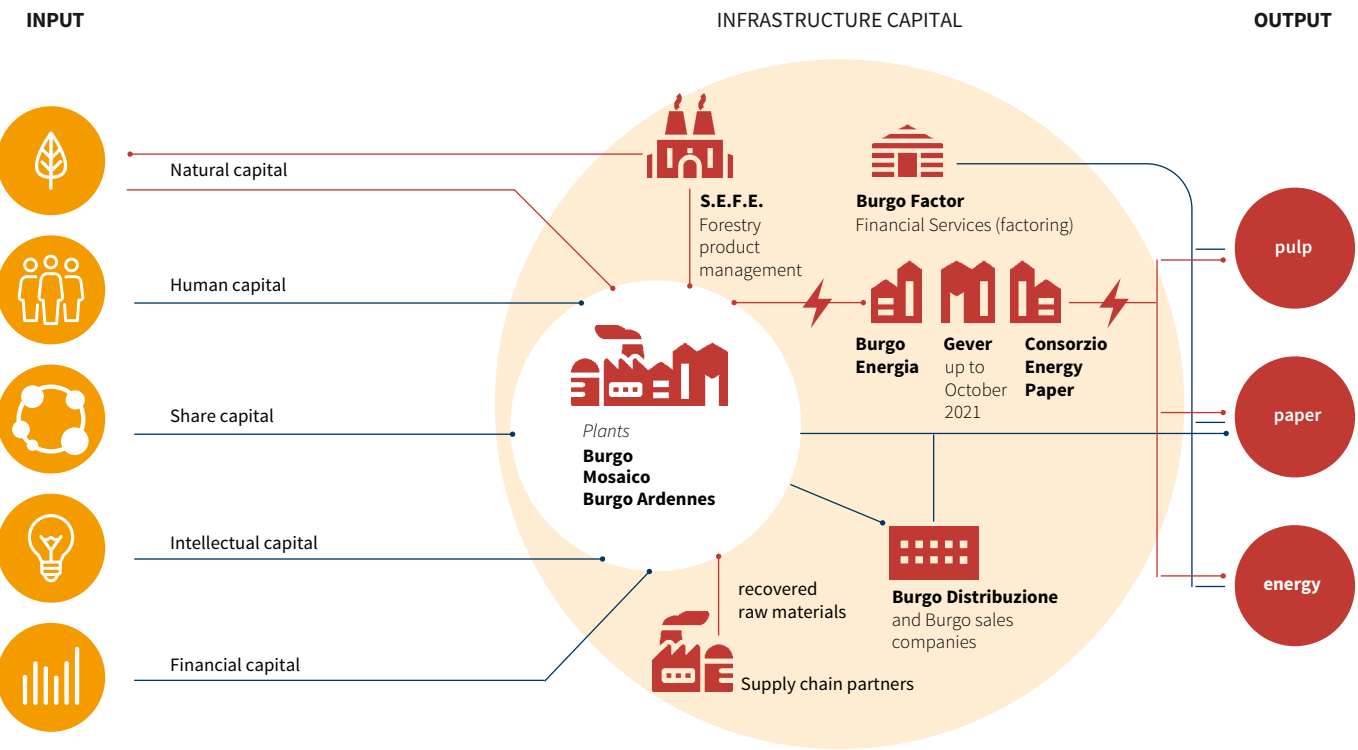
The Group has implemented a Regulation for the use of IT systems with which all employees, collaborators, consultants and anyone else authorised to make use of the Company's IT systems are required to comply.

| 2.6 | The Business Model

THE GROUP’S BUSINESS MODEL

In addition to its business activities, the Group constantly seeks new growth opportunities, even in sectors other than publishing, always paying great attention to sustainability.

A targeted rationalisation of production, combined with greater operational and organisational efficiency as well as the development of new markets, directs the use of the Group’s financial, infrastructural, intellectual, human and relational capital towards results capable of combining profitability and sustainability.



THE GROUP’S CAPITAL

- **Natural Capital:** 577 million cubic meters of methane used; 158,161 Megawatt hour of energy withdrawn from the grid;
- **Human capital:** 3,125 people of which 2,263 employed in the production units. 70,678 hours of training activity, of which about 25,616 related to issues relating to Workers’ Health and Safety;
- **Social capital:** relations with over 3,618 suppliers;
- **Financial capital:** € 53.8 million of net financial debt. It should also be noted that, at the end of the 2021 financial year, credit lines are available for a total of approximately € 207 million for short-term financial needs;
- **Infrastructural Capital:** it has 11 production plants, 2 pulp production plants, 1 mechanical pulp production plant, 1 pulp production plant, 11 cogeneration power stations.

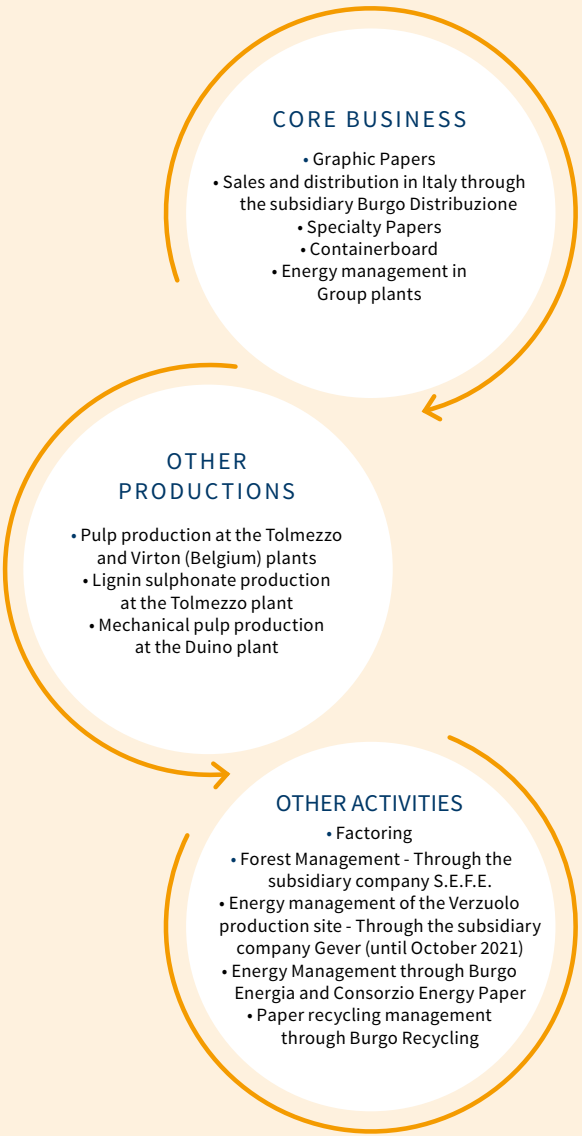
OUTPUT 2021

- 2,032,046 t of paper produced
- 367,307 t of pulp
- 39,381 t of lignin sulphonate
- 1,789,440 MWh of energy for internal consumption
- 435,709 MWh of energy output to the grid



BUSINESS AREAS

Designing, producing and selling graphic and specialty papers, capable of satisfying a market that is undergoing a deep change and penetrating new businesses, has been the core business of the Burgo Group for over a century. As part of its strategic repositioning, the Burgo Group has expanded its core business, paving the way for the production of materials for corrugated cardboard for the packaging industry.



THE GROUP’S FACILITIES

The Group conducts its manufacturing activities at its 11 production facilities.

The production and sale of pulp takes place through the Belgian company Burgo Ardennes, while in the Tolmezzo and Duino plants, pulp and mechanical pulp are produced respectively for internal use. Containerboard is produced in the Avezzano plant.

The production capacities for the individual plants are reported below.

Production capacity 2021 (t/year)

Site	Company	Papers machine (PM) Pulp line (PL) Pulp mechanical line (PML) Board machine (BM)	Papers for publishing and Fine papers	Containerboard	Speciality papers	Total paper
Virton (AG) - Belgium (BE)	Burgo Ardennes S.A.	1 PM + 1 PL	376,000	-	-	376,000
Verzuolo (CN) (*)	Burgo Group S.p.A.	1 BM	-	400,000	-	400,000
Avezzano (AQ)	Burgo Group S.p.A.	1 BM	-	200,000	-	200,000
Sora (FR)	Burgo Group S.p.A.	2 PM	305,000	-	10,000	315,000
Duino (TS)	Burgo Group S.p.A.	1 PM + 1 PML	215,000	-	-	215,000
Villorba (TV)	Burgo Group S.p.A.	1 PM	143,000	-	52,000	195,000
Sarego (VI)	Burgo Group S.p.A.	1 PM	152,000	-	-	152,000
Lugo (VI)	Mosaico S.p.A.	2 PM	11,000	-	42,000	53,000
Toscolano (BS)	Mosaico S.p.A.	1 PM	10,000	-	110,000	120,000
Tolmezzo (UD)	Mosaico S.p.A.	2 PM + 1 PL	150,000	-	22,000	172,000
Treviso (TV)	Mosaico S.p.A.	1 PM	-	-	62,000	62,000
Chiampo (VI)	Mosaico S.p.A.	1 PM	-	-	56,000	56,000
12			1,362,000	600,000	354,000	2,316,000

Internal production capacity 2021 (t/year)

Pulp	Lignin sulphonate	Mechanical pulp	Total other materials
375,000	-	-	375,000
-	-	-	0
-	-	-	0
-	-	-	0
-	-	110,000	110,000
-	-	-	0
-	-	-	0
-	-	-	0
40,000	45,000	-	85,000
-	-	-	0
-	-	-	0
415,000	45,000	110,000	570,000

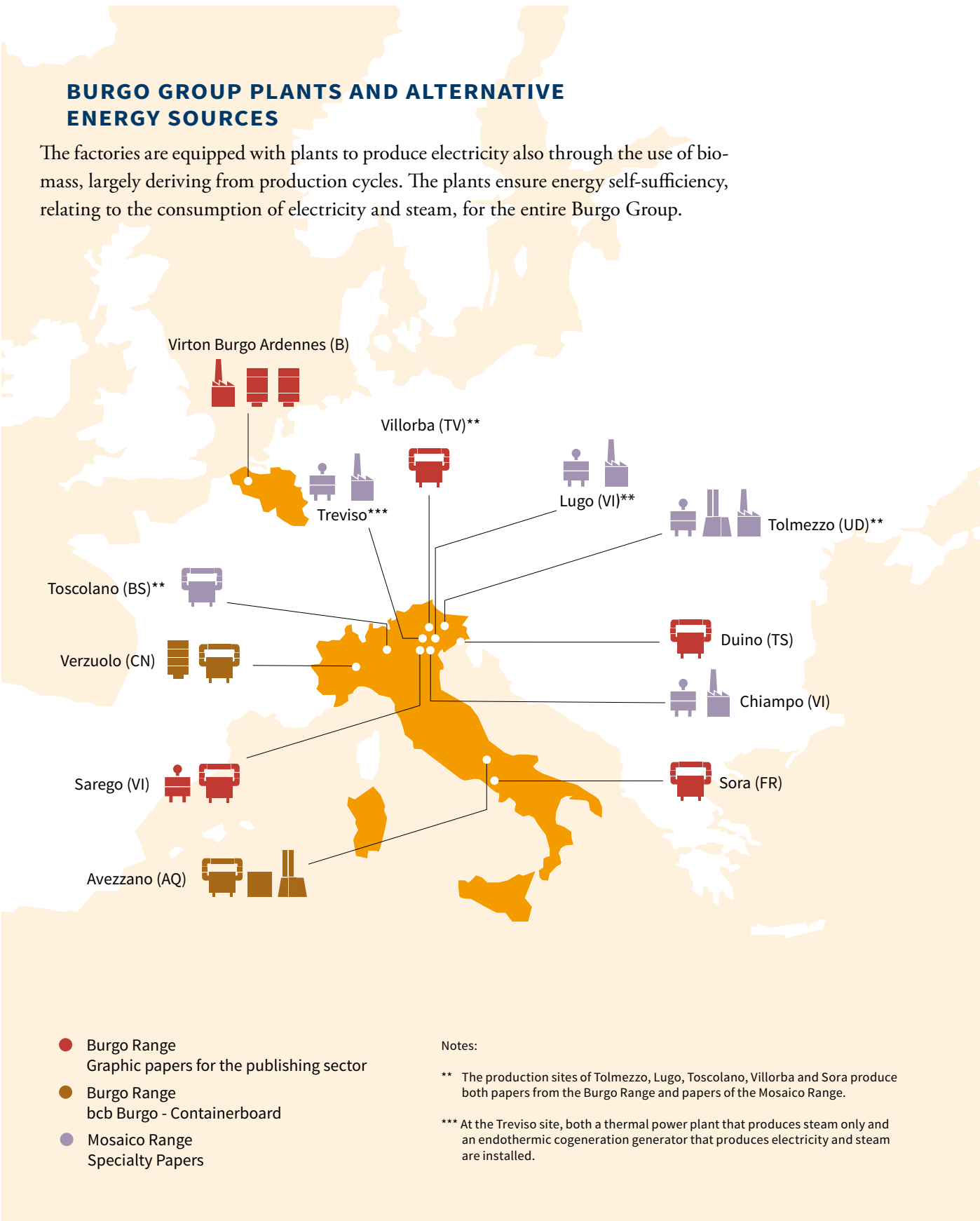
(*) Capacity referred to year (Verzuolo sold on 8/10/2021)

Paper machine (PM): production line
Pulp line (PL): pulp production line
Pulp mechanical line (PML): mechanical pulp production line
Board Machine (BM): production line



BURGO GROUP PLANTS AND ALTERNATIVE ENERGY SOURCES

The factories are equipped with plants to produce electricity also through the use of biomass, largely deriving from production cycles. The plants ensure energy self-sufficiency, relating to the consumption of electricity and steam, for the entire Burgo Group.



PLANTS THAT USE BIOMASS



- **Virton** (Burgo Ardennes) - The recovery boilers use the production residues of pulp, paper and the wood debarking phase.
- **Verzuolo** (CN) - The bark-boiler uses the production residues of the paper production process (sludge) together with wood chips. The Verzuolo site was sold in October 2021.

HYDROELECTRIC POWER STATIONS



- **Avezzano** (AQ) (Canistro hydroelectric power station)
- **Tolmezzo** (UD) (Ambiesta hydroelectric power station)

PHOTOVOLTAIC SYSTEM



- **Avezzano** (AQ)

COMBINED-CYCLE COGENERATION PLANTS



- **Avezzano** (AQ)
- **Duino** (TS)
- **Sarego** (VI)
- **Sora** (FR)
- **Toscolano** (BR)
- **Verzuolo** (CN, plant managed by Gever until October 2021)
- **Villorba** (TV)

STEAM CYCLE COGENERATION PLANTS



- **Virton**, Burgo Ardennes (BE)
- **Chiampo** (VI)
- **Lugo di Vicenza** (VI)
- **Tolmezzo** (UD)
- **Treviso** (production of steam only)

ENDOTHERMIC ENGINES



- **Chiampo** (VI)
- **Lugo di Vicenza** (VI)
- **Sarego** (VI)
- **Treviso** (TV)
- **Tolmezzo** (UD)

| 2.7 | The products of the Burgo Group

(GRI 102-2/6 - 203-1)

Paper production represents the core business of the Group and is divided into three macro-categories of products: graphic and publication papers, packaging papers and specialty papers.

Burgo Range: Graphic papers and publishing papers
Containerboard

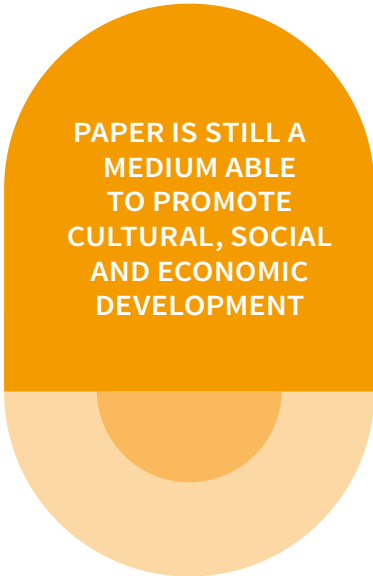
Mosaico Range: Specialty papers

BURGO RANGE:

GRAPHIC PAPERS AND PUBLISHING PAPERS

The Burgo Group satisfies all different types of printing with as many targeted products, therefore it is able to satisfy every specific communication need, guaranteeing the best print quality.

As a paper manufacturer, Burgo is at the service of communication and therefore plays a fundamental role in promoting the conveyance of human thought, be it an idea, a story, or an emotion.



Burgo range - Graphic papers for the publishing sector

Family	Sub-family	Certifications
Coated papers	Coated and uncoated woodfree paper	PEFC, FSC®
	Coated and uncoated woodfree paper (Burgo Ardennes production)	Ecolabel, PEFC, FSC®
	Post-consumer recycled papers	PEFC, FSC®
	Premium paper	PEFC, FSC®
	Digital paper	FSC®
	Medium weight coated paper (MWC)	Ecolabel, PEFC, FSC®
	Light weight coated paper (LWC)	Ecolabel, PEFC, FSC®
Uncoated papers	Uncoated woodfree offset print, pure pulp	FSC®*
	Copier paper, pure cellulose woodfree	Ecolabel, PEFC, FSC®
	Thin papers (medicine leaflets), pure cellulose woodfree	FSC®*
	Inkjet paper, pure cellulose woodfree	FSC®*

Find our FSC® certified products

Note:
* The production of PEFC certified products is also available upon customer's request.

BURGO RANGE: CONTAINERBOARD

The production of containerboard reflects the Group's commitment to meeting high quality standards, obtained with innovative production technologies, and to respecting the environment with a completely eco-friendly production.

The Avezzano paper mill offers a wide range of products based on high-performing recycled fibres that allow a substantial improvement of the packaging that our customers can develop, such as the reduction of the weight, resulting in a lighter packaging, therefore greater sustainability.

The Avezzano paper mill will obtain the GMP (good manufacturing product) certification in 2022.



Burgo Range - Containerboard

Family	Sub-family		Certifications
Containerboard made from recycled fibre	BCB Testliner	Brown	FSC®, PEFC
		Kraft Top	FSC®, PEFC
		White	FSC®, PEFC
	BCB Wellenstoff	Wellenstoff	FSC®, PEFC
		Medium HP	FSC®, PEFC
		HP Frost	FSC®, PEFC
		Dual	FSC®, PEFC

Find our FSC® certified products

BCB: PRODUCTS THAT SUPPORT THE CIRCULAR ECONOMY

BCB, Burgo Group's new production centre, uses recycled fibres deriving from waste paper from separate collection, coming from the recovery of packaging and from processing scraps.

This paper is used for corrugated cardboard packaging solutions which, once their function is exhausted, if sent for recycling, can be used again as raw material. The cardboard box, the end product of the supply chain, is a natural, recyclable and renewable packaging solution: paper is given a new life and becomes a new packaging, thanks to a virtuous and inexhaustible cycle summarised by the famous three Rs: Reduce, Reuse, Recycle.



MOSAICO RANGE: SPECIALTY PAPERS

Mosaico is the Burgo Group company that oversees the Specialty Papers market.

It designs, develops and markets specialty papers, which are mediums intended for a broad range of applications and different markets, that require highly specialised skills.

“Specialty papers” can be distinguished by the use of particular raw materials and production technologies, and are designed to respond to the evolution of communication systems (related to the world of packaging and labelling) and printing techniques.



MOSAICO: DEVELOPMENT OF SAFE AND ENVIRONMENTALLY FRIENDLY PRODUCTS SUITABLE FOR FOOD CONTACT USE

Research for the design of new products mainly focuses on two sectors: paper and cardboard for the food & beverage industry and papers for special applications.

Research & Development is focused on the triple objective of developing new technologies aimed at greater competitiveness, new product development and environmental sustainability by increasing the number of certified products. For new technologies, R&D activities are focused on fibrous raw materials, in particular on new compositions with high qualitative and environmental value. The attention for products intended for food use focuses on the development of papers treated with bio-polymers, a raw material with a high content of components derived from renewable resources and entirely biodegradable, capable of giving excellent resistance to water, fats and aromas, thus allowing to preserve the food contained from contaminants.



MOSAICO
SPECIALTY PAPERS

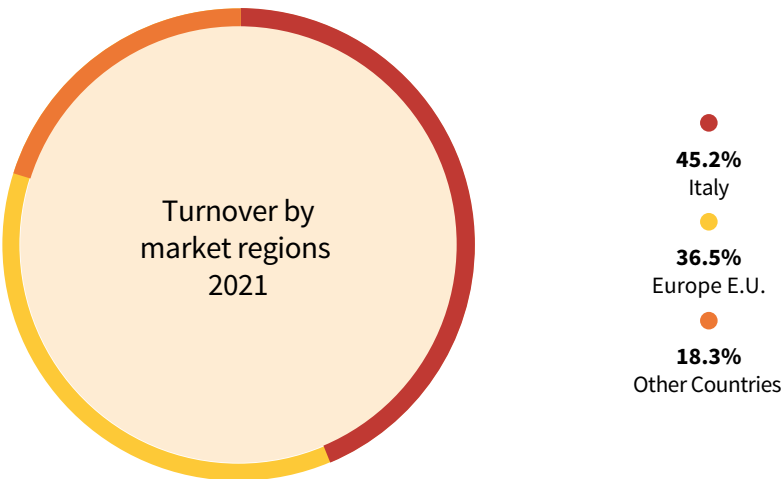
Mosaico range - Specialty papers

Family	Sub-family	Superficial finish	Certifications
Packaging	Flexible packaging	Uncoated woodfree	FSC®, PEFC, Food contact, Recyclability
		Impermeability	FSC®, PEFC, Food contact, Recyclability
		Silicone	FSC®, PEFC, Food Contact
		Single coated	FSC®, PEFC, Food Contact
		Natural extruded bio	FSC®, PEFC, Food contact, Recyclability, Compostability
		Natural extruded pe/pp	FSC®, PEFC, Food Contact
		Single coated extruded pe/pp	FSC®, PEFC, Food Contact
Self-adhesive labels	Rigid packaging	Uncoated woodfree	FSC®, PEFC, Food Contact
		Single coated	FSC®, PEFC, Food Contact
		Impermeability	FSC®, PEFC, Food contact, Recyclability, Compostability
	Standard labels	Uncoated woodfree	FSC®, PEFC
		Single coated	FSC®, PEFC
		Single coated with recycled fibres	Recyclability, FSC®
	Wet-resistant labels	Uncoated woodfree	FSC®, PEFC
		Single coated	FSC®, PEFC
	CCK silicon coating liner	Single coated	FSC®, PEFC
		Double coated	FSC®, PEFC
Wg (wet glue) labels	Standard labels	Single coated	FSC®, PEFC
		Single coated embossed	FSC®, PEFC
		Double coated	FSC®, PEFC
	Wet-resistant labels	Single coated	FSC®, PEFC
		Single coated embossed	FSC®, PEFC
		Single coated recycled	FSC®
Graphic papers	Paperboards	Single coated	FSC®, PEFC
		Double coated	FSC®, PEFC
Specialty graphic papers	Billboards	Retro blue	FSC®, PEFC
		Retro white	FSC®, PEFC
	Playing cards	Glossy	FSC®, PEFC
		Embossed	FSC®, PEFC
	Flame-retardant papers	Double coated	FSC®, PEFC
Functional papers	Casting release	Silicon-treated	FSC®, PEFC
	Metallisation	Single coated	FSC®, PEFC, Food contact

Find our FSC® certified products

MARKETS SERVED BY THE GROUP

The main reference markets of the Burgo Group are the Italian and European ones, but the Group is also present in overseas markets.



ITALY

The Italian market is managed through two sales channels:

- the first one encompasses a direct relations with the major Italian clients, printers and publishers;
- the second one goes through Burgo Distribuzione which, with its network of sales offices and warehouses, can deliver the Group’s and complementary products, which Burgo Distribuzione purchases for resale, to all its clients. These two sales channels allows the Group to extend its presence into the national territory. As far as the Containerboard market is concerned, in 2021, the production capacity of the Avezzano (AQ) and Verzuolo (CN) sites (until 7 October 2021) was mainly focused on serving the Italian market, through direct relationships with clients.

Mosaico operates in the Italian market through the Group’s distribution channel (Burgo Distribuzione) and the direct sales network, made up of agents specialised in the flexible packaging sector.



EUROPE

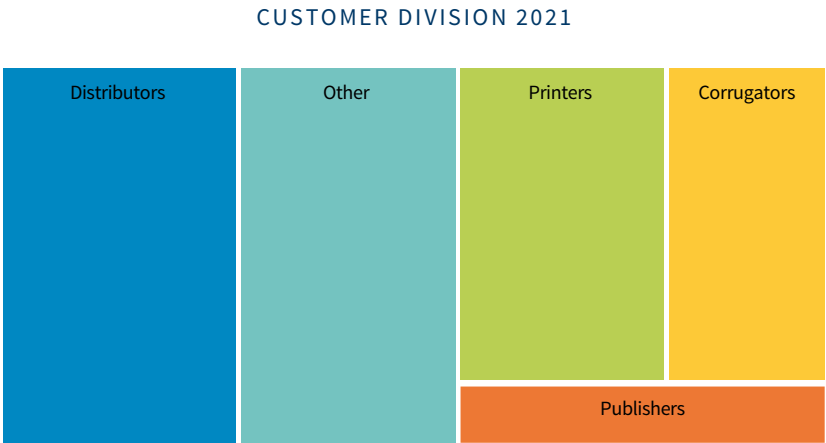
The European market is served through the Group’s commercial branches of and allows for a strong introduction to the main European printers and publishers. For the distribution of coated paper sheets, the Group is a partner of the leading continental distributors through specific supply agreements for each individual market. The Group is one of the main European leaders for coated woodfree papers in reels or sheets, as well as wood-containing papers for graphics/publishing. Mosaico oversees the European market both through the Group’s commercial branches and through a widespread network of specialised agents and experts in the various product categories.

OVERSEAS

The Group has several sales channels on overseas markets, including the Burgo North America branch, traders, independent agents, and direct relationships with clients. Considering the strong orientation towards development of exports of the Mosaico company, regarding technical products, the overseas market is controlled by the commercial function of the company and a network of agents specialised in the various sectors and who work in continuous collaboration with the product development team.

CUSTOMER BREAKDOWN BY CATEGORY

The Group has progressively diversified its client portfolio by introducing the category of “corrugators” (in 2020, they constituted 16% of sales volumes in quantity and in 2021 they constituted 17%).





PAPER
POWER
PASSION

The Group's approach to
Sustainability

3

| 3.1 | Commitments and responsibilities

In pursuing its objectives, the Group increasingly aims at reconciling its strategic choices with the commitment to achieve the goals for Sustainable Development (SDGs) defined by the United Nations.

The corporate governance, the core business, and the management policies adopted by the Burgo Group are focused on achieving the main objectives, many of which correspond with the SDGs. The Group is aware that its environmental and social impact goes beyond the scope of its business. Below are the objectives for which we can directly make an impact and give our contribution.

 3 GOOD HEALTH AND WELL-BEING	 4 QUALITY EDUCATION	 6 CLEAN WATER AND SANITATION	 7 AFFORDABLE AND CLEAN ENERGY	 8 DECENT WORK AND ECONOMIC GROWTH
Protect people's occupational health and safety in the workplace We engage with and train our personnel to improve health, safety and environmental conditions	Promote inclusive and quality education and learning opportunities We invest in training, promoting skills development	Sustainable water management We use water resources responsibly and monitor waste water quality	Sustainable energy management We use energy resources responsibly and pursue a consumption reduction policy	Employment and opportunities We employ more than 3,000 people, adopting contractual policies in line with national collective bargaining agreements
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	 15 LIFE ON LAND	
Investments in the production cycle We have invested over € 47 million in our production sites to improve and modernise our facilities with a view to improving sustainability	Consumption and production We pursue the rational use of natural resources and raw materials	Climate change We invest in energy efficiency programmes with a view to reducing gas emissions. Over 20 million were invested for the improvement of our “power plants”	Sustainable management of resources We pursue a policy to procure certified fibres, and around 73% of all fibres acquired are FSC® mix and PEFC certified	

| 3.2 | Mission, Vision & Values
(GRI 102-16)

The Burgo Group is one of the leading European producers of graphic, specialty, packaging papers and papers for the packaging sector. Its dynamic approach and strong growth strategy are reflected in the broad range of high-quality graphic papers, in the development of new solutions, in the strive towards research and innovation with the creation of new products. The Group implements a production policy that combines the needs of the client with environmental ones, innovation with sustainability, rejecting the traditional “throw-away” linear economic model in favour of a circular model. This sustainable core principle is present in all processes: from the procurement to the use of resources, from restoring wastewater to the optimisation and reuse of waste for energy production. The Burgo Group is committed to expanding its business and transforming its know-how in order to apply it to other strategic sectors such as the development of new products for the packaging paper market, the distribution of paper products and the energy management.



The Group expresses its Mission by pursuing innovation that focuses on environmental needs, reducing the impact on the environment and supporting research towards more sustainable solutions.

The creation of value for the stakeholders, serving its own reference market and, at the same time, meeting its corporate and environmental responsibilities; many goals, only one way to achieve them: responsible innovation.

| 3.3 | Values and rules of conduct
(GRI 102-16)

CODE OF ETHICS

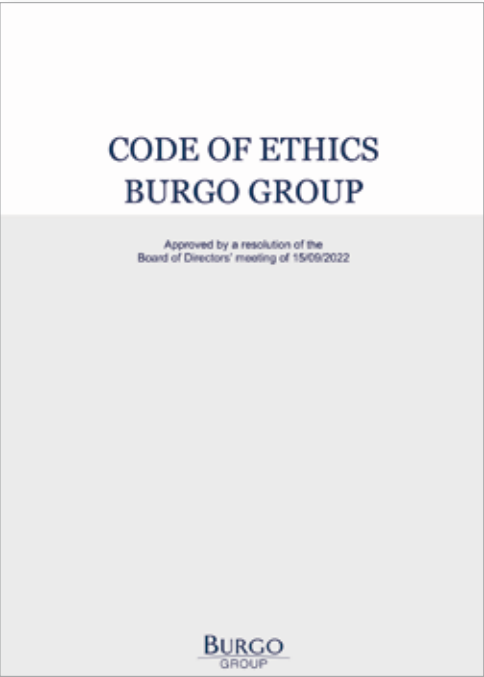
The Burgo Group pursues the commitment to good corporate governance through the top-down adoption of a set of values, codes of conduct and procedures. A fundamental element of the Corporate Governance system is the Code of Ethics, implemented by the Group companies in 2003 and last updated in 2020.

The Code of Ethics is aimed without exception at all employees of the Group and to all those who, directly or indirectly, engage in relations with the Group, and assumes - as inspiring principles - compliance with the law and regulations of the countries of reference, as well as internal regulations, within a framework of integrity, fairness and confidentiality.

The group also aims at reconciling its drive for competitiveness on the market with compliance with competition regulations and to promote, from a perspective of social responsibility and environmental protection, the fair and functional use of resources.

The Code of Ethics is part of an internal control model aimed at providing all the tools deemed necessary to guide the Group towards the achievement of its economic and management objectives, ensuring the prevention of offences, in compliance with the provisions of Italian Legislative Decree no. 231/01 concerning the corporate responsibility of legal persons, companies and associations, as amended.

The commitment of the Burgo Group is focused on achieving the highest standards of “best practice” in relation to its business, ethical and social responsibilities towards its shareholders, directors, employees, collaborators, customers, suppliers and partners. The Code of Ethics is available on the Group’s website and is provided and illustrated to all newly hired employees.



THE PRINCIPLES OF THE GROUP’S CODE OF ETHICS

Ethics and Code of Conduct:

- General principle
- Principle of loyalty and trust
- Principle of impartiality and conflict of interest
- Principle of confidential information and protection of privacy
- Principle of employee protection
- Principle of environmental protection
- Protection of company assets
- Principle of control processes

ETHICAL PRINCIPLES TOWARDS THIRD PARTIES

Customers	Suppliers	Political parties and trade unions	The Media	Relations with local authorities and public institutions
in compliance with internal procedures, the primary objective is to promote maximum customer satisfaction, enabling them to make conscious choices.	the selection of suppliers and the determination of the procurement conditions must be carried out on the basis of an objective and transparent evaluation, which takes into account the price and the ability to provide and guarantee services of adequate quality and also the integrity of the supplier.	the Group companies do not make contributions to political parties, committees and organisations or trade unions. Contributions, in compliance with the law, may be considered where deemed important to the public interest.	relations between the Burgo Group and mass media must be conducted in compliance with the communication policy defined by the Parent Company.	commitments can be undertaken exclusively for the offices authorised. It is forbidden to promise and offer goods or other benefits, to promote and further the interests of the Burgo Group, except in the case of gifts or services of modest value.

REFERENCE VALUES

In daily activities, in addition to technical expertise and professional skills, commitment and passion are required elements. A close relationship with clients is essential in order to promptly understand all their needs and respond in the best possible way.

Respect for the environment and awareness of the impacts of one’s work on the community increase a sense of responsibility in all the employees of the Group.

The people who work with the Burgo Group recognise and uphold some important reference values.



3.4 | Sustainability model

The Group’s strategies, management and production processes aim at creating value in the medium and long term, ensuring full respect for the environment and a strong focus on sustainability.

The Group’s Sustainability model is based on the Business model. The foundations of the model refer to the Group’s Mission, the Code of Ethics and the various policies provided by the top management for the productivity of all plants. One of the characteristics of the Group is to be inspired by the criteria of objectivity and impartiality in the preventive analysis, monitoring and reporting of the entire production chain.



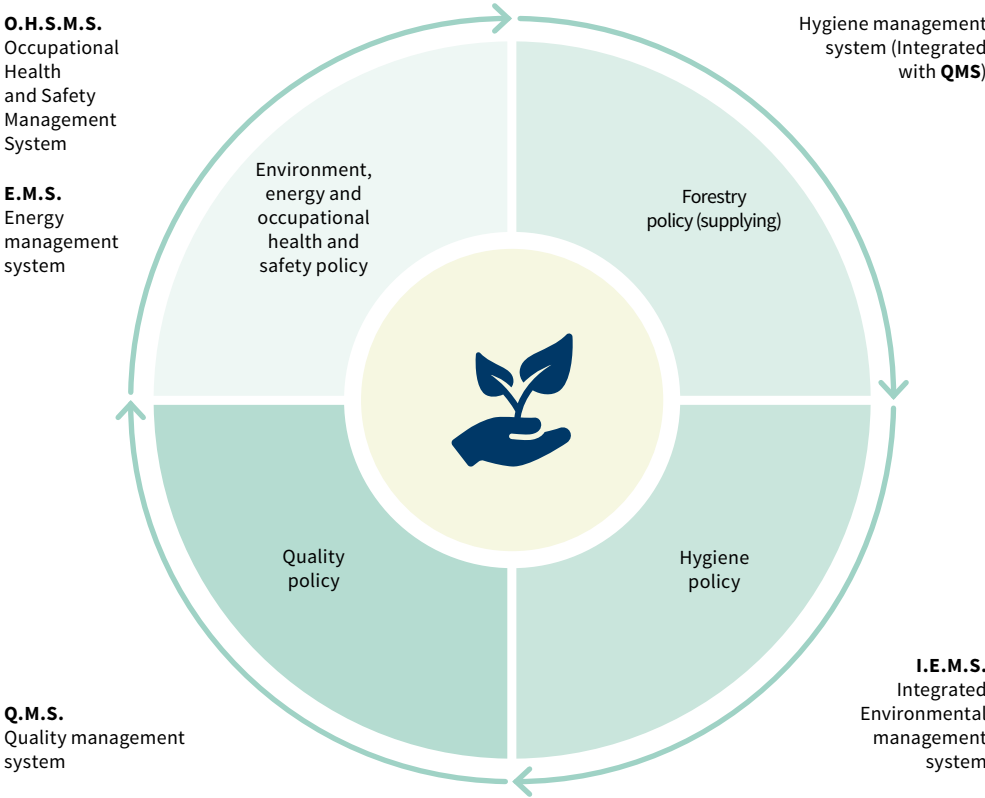
Our goal of offering quality, sustainable and environmentally-friendly products is pursued by following a sustainability model which is focused on:

- a select group of Suppliers that pursue increasingly sustainable objectives, with whom we establish a continuous collaboration in order to develop increasingly innovative and circular solutions;
- procurement policies that promote the purchase of certified fibrous raw materials (FSC®, PEFC);
- minimisation of waste, adopting methods to reuse production waste and minimising the production of non-recyclable waste;
- reduction of energy consumption to protect the environment and implementation of occupational safety policies;
- an approach of process and cost optimisation, and certification of the production process and products;
- promoting awareness of sustainable conduct among its human capital.

| 3.5 | Company policies and management systems

Sustainability is the key element of all Group processes, which is expressed in a constant commitment to improving quality, safety and respect for the environment.

The Burgo Group has implemented Management Systems, which derive from the attainment of international certifications, to be used as monitoring tools and guarantee of improvement. The strategic policies issued by the Senior Management converge in the various Management Systems present in the Group.



ENVIRONMENT, ENERGY, OCCUPATIONAL HEALTH AND SAFETY POLICY FOR RESEARCH, DEVELOPMENT AND TECHNOLOGICAL INNOVATION

The Burgo Group, aware of its role and responsibility towards the community and the environment in which it operates, as well as ensuring a healthy and safe working environment for all its Collaborators and other Stakeholders, has defined this Policy undertaking to make it operational, keeping it up-to-date, and to make it available to all personnel as well as to the public and to anyone else who requests it.

The protection of the Environment, natural resources and occupational health and safety concern the entire organisation and constitute the foundation of the operating and market strategies and its environmental commitment.

Fundamental prerequisites for activities, products and related development are:

- Compatibility with the environment that hosts them and the protection of personnel and the population from adverse environmental effects;
- Prevention and protection, for employees and other Stakeholders, from the risks of occupational health and safety to which they may be exposed;
- Compliance with current legislation and with any other provisions laid down in relation to environmental impact factors and/or to dangers to occupational health and safety identified, as well as to voluntary regulations adopted by the organisation;
- Clear definition, within the entire organisation, of the responsibilities in managing the protection of the environment, energy resources and occupational health and safety;
- Orientation towards continuous improvement of prevention and environmental, energy and occupational health and safety performance;
- Availability of necessary human, technical-instrumental and economic resources.

The above translates, annually, into specific objectives and improvement goals managed within the systems that comply with the requirements of the EMAS regulation, the ISO 14001 standard, the ISO 50001 standard and the ISO 45001 standard.

GUIDING PRINCIPLES

A Products, Processes, Technologies and Management of Resources

We develop and manufacture products paying special attention to quality, in order to minimise our environmental impact, maximise energy efficiency and prevent injuries and diseases for all parties involved.

We implement new activities, processes and plants after evaluating the risk factors and related environmental, energy, occupational health and safety issues.

We use the best available technologies, including the most energy-efficient, affordable products and services.

We are committed to careful energy management and optimisation of the use of natural resources and raw materials.

B Minimisation of the environmental impact and the risk of occupational health and safety

We are committed to assessing, controlling, eliminating and reducing the impact of our activities on the various components of environment, occupational health and safety, taking into account the nature and extent of environmental impact factors, our significant energy uses and risk factors identified.

C Training, Involvement and Consultation

We plan and carry out documented activities; in this way, our personnel is trained and aware to carry out and check what is assigned to them in a safe and responsible way (awareness, in order to avoid dangerous behaviour, is also addressed to external personnel who work for the Burgo Group inside its Sites).

To encourage the involvement and participation of all Workers, periodic information meetings are planned and held, supplemented by adequate communication supports. In addition, procedures are carried out, which that ensure prompt consultation of the Workers, including through their representatives.

D Suppliers

They are involved in relation to the objectives of improving protection of the environment, energy resources, occupational health and safety related to the products and/or services requested.

For the procurement of fibrous raw materials, we prefer Suppliers who adhere to forest sustainability certifications; in this way, the health of the forest ecosystem is maintained and enhanced.

E Emergencies

To respond to potential accidents and other unforeseen events, appropriate emergency procedures have been established which emphasise the concept of prevention through a risk analysis and the implementation of adequate measures to contain the effects. These measures are re-examined and modified in the event of recorded events and/or in the event of the development of new activities, products and processes.

G Information and Communication

We systematically inform our personnel about environmental aspects, significant uses of energy and health and safety risks related to the activities carried out, so that they understand the implications of their role and behaviour at work.

We are committed to pursuing an open and constructive dialogue with all our Stakeholders, ensuring transparency and reliability of data and information.

Where applicable, the Environmental Declaration and its updates are made available, in order to provide transparent communication on the results obtained and on the new objectives to be achieved.

POLICY ON THE PROCUREMENT AND USE OF FIBROUS MATERIALS

The Burgo Group undertakes to promote consistent management of forest resources in all its activities in full compliance with the highest ethical and environmental values. Consistent with the long-pursued commitment to quality, safety and the environment, we want to make sustainability the key element of all our processes.

With this in mind, we choose fibrous raw materials and direct our suppliers towards full ecological and social responsibility, safeguarding and conserving the biodiversity of the forestry assets of the planet.

Therefore, through a careful evaluation and selection of suppliers of fibrous raw materials, we aim at:

- using only fibrous raw materials of a certified and legal source;
- not using fibrous raw materials from areas where civil or traditional rights are denied, in particular avoiding violating the fundamental principles set out in the "ILO Declaration (1998)";
- avoiding raw materials from forest areas with a high conservation value;
- protecting the forest to ensure its environmental and social benefit functions;
- using raw materials originating from plantations only if managed in such a way as to ensure the maintenance of biodiversity, in line with the characteristics of the environment and such as to ensure the development of internationally recognised forestry certifications;
- avoiding the use of fibres from genetically modified plants;
- increasing the use of recycled pulps in our papers.

It is therefore the Company's policy to:

- implement and maintain an adequate Management and Control System within the Organisation, in order to ensure the correct implementation and management of the Chain of Custody inherent in the products on sale with reference to good forest management schemes;
- procure only products that come from non-controversial sources;
- entertain business relations with suppliers who have obtained or intend to obtain recognised forestry certifications.

We are committed to sharing and disseminating this vision to all personnel, to our customers and to all other parties involved: information, training and control are the key elements of our systems.

THE MAIN MANAGEMENT SYSTEMS INVOLVED
IN THE IMPLEMENTATION OF HEALTH,
SAFETY AND THE ENVIRONMENT POLICIES



**I.E.M.S. Integrated
Environmental
Management System**

Our activities, both economic and otherwise, have an impact on the surrounding environment, that is, they consume raw materials and energy and produce waste. Through the adoption of the IEMS, governed by the ISO 14001 standard, the Group undertakes to identify, measure, monitor and reduce the environmental impact of its activities, fulfil its compliance obligations and define risks and opportunities.

The IEMS is implemented through a procedure structured into a number of stages:

Analysis and Planning: Periodic analysis of the activities and the interaction between the plants and the environment to identify the legal obligations to be complied with and the improvement actions to be implemented;

Implementation: Definition and implementation of action plans to improve performances that meet the objectives defined in the analysis and planning phase;

Auditing: Periodic audits on the compliance of the planned actions with the legal prescriptions, with the obligations and with the agreed corporate objectives.

Environmental issues play a role of primary importance for Burgo Group: this is demonstrated by the establishment of a dedicated structure, the Integrated Environmental Management System (IEMS/S.G.A.), made up of professionals chosen by and among the Group's employees, who are responsible for developing the company's sustainability policies.



**E.M.S. Energy
Management System**

Through a structured set of rules and actions set out by the UNI EN ISO 50001 standard, the Energy Management System enables the rational management of one's own energy needs and consumption, while at the same time implementing the continuous improvement of energy performance. This system requires the company to quantify and monitor its energy consumption (energy analysis). Furthermore, it requires the definition of a medium-term energy policy, with defined objectives of energy efficiency targets. The system promotes continuous improvement under the direction of the Energy Manager.



**O.H.S.M.S. Occupational
Health and Safety
Management System**

This system defines the methods for identifying, within the corporate organisational structure, the responsibilities, procedures, processes and resources for the implementation of the company prevention policy, in compliance with the health and safety regulations in force, in order to make them more efficient and more integrated into general business operations, with a view to continuous improvement.

QUALITY POLICY

The Quality Policy expressed by the Management is acknowledged, developed and implemented by the management departments of the individual plants and by the Company Departments involved in terms of responsibilities and roles.

Customer satisfaction is pursued through organisational structures and processes appropriate to the product quality and service standards expected: the customer plays a central role in the strategies and activities of the Burgo Group.

The companies of the Group aim at achieving their quality objectives through:

- The constant adaptation of the product range to evolving market demands;
- The improvement of the quality level and consistency of the product obtained through an effective monitoring of the production processes, of the relationship with the Suppliers and a continuous search for advanced technological solutions;
- The improvement of services in terms of reliability, delivery speed and reduction of market response times;
- The development of a better knowledge of customer needs through the consolidation of technical support;
- The collective commitment to quality through training, communication, engagement and contribution of all human resources;
- The definition and dissemination of measurable objectives for the continuous improvement of the quality and business performance.



Q.M.S. Quality System

The implementation of Quality Management consists in making operational a formalised system that allows to govern the processes and promote the culture of quality to obtain maximum results (effectiveness) with minimum costs (efficiency), guaranteeing customer satisfaction. The ongoing improvement of this system is the basis of Quality Management.

HYGIENE POLICY

for the research, development and production of various types of paper for the food product packaging market

The Policy expressed by the Management is acknowledged, developed and implemented by the Departments of the individual Plants in which it is applied and by the Head Office units involved, in line with their competence and role.

It is the Company's policy to:

- Ensure safe products on the market that comply with the hygiene requirements regulated by the applicable legal/regulatory requirements and those that may be agreed directly with the Customer in relation to the intended use of the same;
- Ensure food safety and compliance with regulations for the production of packaging intended for food contact;
- Provide all Stakeholders with sufficient evidence of their ability to identify and control, in an appropriate manner, the dangers related to the hygiene of the products manufactured;
- Ensure the prompt traceability of the materials/products used and the phases of the process of making each batch of product manufactured and supplied;
- Pursue the continuous improvement of its performance in terms of quality and reliability of the products and services provided.

To affirm and support this Policy, the Management undertakes to:

- Design, implement, and keep updated a hazard analysis and risk assessment system (including policy on glass and fragile plastics) that ensures the production and delivery of products compliant with the expected hygiene standards;
- Develop, by integrating into the Group's Quality Management System, an effective Hygiene Management System that meets the requirements of the UNI EN 15593 standard and the applicable GMP ones, also taking into account what is defined by the EN ISO 22000 standard;
- Implement the aforementioned System within the Group's Sites that produce paper for the food packaging market;
- Make available to the sites involved the human, technical-instrumental and economic resources necessary both for the effective management of the implemented system and for the progressive elimination of potential sources of pollution;

- Maintain a collective commitment internally for the hygiene and safety of the products made through the training, communication, engagement and contribution of all human resources;
- Obtain and maintain the certification of the Group's Hygiene Management System by a certified external body.

The Top Management confirms its commitment and provides that this policy is distributed to the personnel involved and is made available to the interested parties who may request it.

As part of the factories that produce paper for the food packaging market, the main objective of the Burgo Group is to ensure products that are safe and compliant with hygiene requirements, regulated by legal and regulatory requirements, or with those that may be agreed with Customers in relation to their intended use. Food safety and compliance with regulations for the production of packaging is also guaranteed through the provision, to all interested parties, of sufficient evidence regarding the ability to appropriately identify and control any hygiene risks in an appropriate manner.

Furthermore, the Customers are guaranteed the prompt traceability of the products and materials used in the phases of the production process of each batch of manufactured and supplied product.



E.M.S. Hygiene Management System

The certification is a guarantee of the quality of the Group's management systems in the implementation of "Good Manufacturing Practices" (G.M.P.) for the production of materials meant for food contact. It certifies the compliance of products with the applicable legal food safety laws, contributing to protecting the image of those who place food products on the market, ensuring their safety even at this stage of the supply chain. The Hygiene Management System has been integrated into the Quality Management System (SGQ).

G.M.P. GOOD MANUFACTURING PRACTICES

Good Manufacturing Practices (GMP) related to materials intended for food contact are defined as: “those aspects of quality assurance which ensure that materials and articles are consistently produced and controlled to ensure conformity with the rules applicable to them and with the quality standards appropriate to their intended use by not endangering human health or causing an unacceptable change in the composition of the food or causing a deterioration in the organoleptic characteristics thereof”.

GMPs must be applied to all aspects of the relative processes, starting from the selection and use of chemicals, pulp and recycled paper to the continuous operation of the machinery and preparation, development and transportation activities.

At the moment, all the factories of the Mosaico Company are certified in compliance with the UNI EN 15593 standard, relating to the safety of food packaging: Treviso, Tolmezzo, Lugo, Toscolano and Chiampo. In 2021, the Villorba plant, belonging to the Burgo company, was also certified in compliance with the UNI EN 15593 standard. These production sites already follow the rules envisaged by Regulation 2023/2006, relating to GMPs.

The Group is carrying out some projects to extend the certification to other production facilities:

- the Sora (FR) plant, as regards the production of one-side coated papers intended for contact with food;
- the Avezzano (AQ) plant, as regards the conversion of production to containerboard. The possible uses of the papers produced (secondary contact with food) require that the plants guarantee the level of cleanliness required by the GMPs.



| 3.6 | Compliance with international standards and certifications

OVERVIEW OF CERTIFICATIONS HELD BY THE BURGO GROUP

With a view to continuous improvement, the Burgo Group adopts a proactive profile that finds in some international standards and certifications the tool to providing an increasingly high level of performance.

Certifications planned for the year 2021

Company	Plants	Quality	Health and Safety	Hygiene GMP	Energy	Environmental			
		ISO 9001	ISO 45001: 2018	UNI EN 15593	ISO 50001	FSC®	PFEC	ISO 14001	EMAS
Altavilla Vicentina headquarter		•				•	•	•	
Burgo Ardennes S.A.	Ardennes	•	•			•	•	•	
Burgo Group S.p.A.	Sarego	•			•	•	•	•	
Burgo Group S.p.A.	Sora	•			•	•	•	•	
Burgo Group S.p.A.	Avezzano	•				•	•	•	
Burgo Group S.p.A.	Verzuolo**	•			•	•	•	•	•
Burgo Group S.p.A.	Duino	•			•	•	•	•	
Burgo Group S.p.A.	Villorba	•	•	•	•	•	•	•	•
Mosaico S.p.A.	Lugo	•		•		•	•	•	
Mosaico S.p.A.	Tolmezzo	•		•		•	•	•	
Mosaico S.p.A.	Toscolano	•		•	•	•	•	•	•
Mosaico S.p.A.	Treviso	•		•		•	•	•	•
Mosaico S.p.A.	Chiampo	•		•		•	•	•	
Burgo Distribuzione S.r.l.		•				•	•		
Gever S.p.A.**			•					•	•

"It is qualified as **E.S.Co. (Energy Service Company)** that is, as a company specialising in energy efficiency and in the search for energy savings. This specialisation is certified by an external SGS body, which verifies the skills according to the UNI CEI 11352 standard. One of the specific requirements of this standard is the appointment of an Energy Management Expert (EME). The company has two EMÉs."

Find our FSC® certified products

Note:
* for the Virton plant (Belgium), Burgo Ardennes has not yet completed the transition to the ISO 45001:2018 standard. The ISO 50001 certification is currently being extended to all the factories of the Mosaico S.p.a. company; currently, only the Toscolano Maderno plant has attained this certification.
** As of 01/10/2021, they are no longer part of the Burgo Group.

MAIN ENVIRONMENTAL CERTIFICATIONS

INTEGRATED POLLUTION PREVENTION AND CONTROL

At all of its sites, the Burgo Group complies with the I.P.P.C. (Integrated Pollution Prevention and Control) Directive (EC), for integrated pollution prevention and reduction implemented in Italy by Legislative Decree no. 59 of 18/02/2005, incorporated by Legislative Decree 152/2006 regulating the issue, control and review of the Integrated Environmental Authorisation (IEA), which supersedes any other permit, opinion or authorisation on environmental matters.

EMAS ENVIRONMENTAL REGISTRATION

Burgo Group has chosen to join the Eco-Management and Audit Scheme (EMAS); the Toscolano paper mill was the first to obtain EMAS registration, which was later extended to the Verzuolo* and Villorba plants as well as to the subsidiary company Gever*. During 2021, the Treviso site successfully completed the registration process, thus adding to the plants listed above.

EMAS is a European Union regulation through which industries can, on a voluntary basis, support a responsible management system for the environment and audit policies. Accredited private bodies verify compliance with the requirements, while registration is carried out by the Ecolabel-Ecoaudit interministerial committee. The version currently in force in Italy is the most restrictive one, the EMAS III registration, which provides for the introduction of new environmental indicators.

* Starting from October 2021, these sites are no longer part of the Burgo Group

REACH REGULATION

As a paper producer, the Burgo Group is subject to the REACH (Registration, Evaluation, Authorisation of Chemicals) regulation, only as a “downstream” user of chemicals; Burgo has implemented procedures and management systems with the suppliers of these substances to ensure full compliance with legal requirements.

ECOLABEL EU CERTIFICATION

“Ecolabel” is the environmental quality mark of the European Union that certifies and guarantees compliance with environmental criteria and low environmental impact throughout the life cycle of the product (EC Regulation No. 1980/2000). It is a selective voluntary instrument and it is spread in all Europe.

Burgo has obtained the Ecolabel mark for:

- Coated LWC papers for offset and rotogravure printing of the UNO range produced in the Duino factories;
- Coated woodfree CWF R4 Chorus papers produced at the Virton plant in Belgium by Burgo Ardennes;
- Office papers of the REPRO range produced in the Tolmezzo plant;
- Cartons of the Prisma/Temptation line produced in the Lugo di Vicenza plant.

OK COMPOST CERTIFICATION

Ok Compost certification is divided into 2 branches:

- **Ok Compost Industrial**
- **Ok Compost Home**



OK COMPOST INDUSTRIAL

Packaging or products bearing the OK compost INDUSTRIAL mark are guaranteed as biodegradable in an industrial composting plant. This applies to all of their components, inks and additives. The only reference for the certification programme is the EN 13432:2000 harmonised standard. In any case, any product bearing the OK compost INDUSTRIAL logo complies with the requirements of the European Packaging Directive (94/62/EC).

The Burgo - Mosaico papers holding this certification are the following:

- Trayboard (Lugo di Vicenza).

OK COMPOST HOME

The OK compost HOME certification system, on the other hand, guarantees complete biodegradability, in view of specific needs, in the garden composter which, considering the relatively small volume of waste, acts at a much lower and less constant temperature than that of an industrial composting environment, making domestic composting a slower and more difficult process.

The Burgo - Mosaico papers holding this certification are the following:

- GreenKraft (Treviso);
- Kazan-Kazan Bar (Lugo di Vicenza);
- KBM Greenkraft - Superilex AC - Superilex AC Green - Superilex AC M Superilex SV Velina CF (Tolmezzo).

MAIN FORESTRY CERTIFICATIONS

Forest Management Certifications means a declaration from a third party, i.e. an independent body, which verifies and certifies that products, services and production systems comply with certain parameters of “good and proper” management.

The goal of this certification is to ensure that the forest is protected, preserving it and if possible improving it, following the principles of environmental, economic and social sustainability, in order to leave it to future generations in the same or even better conditions.


Forestry certifications are voluntary and therefore ensure that processes and products related to the use of forests are controlled and monitored. A certified chain of custody is a way of proving that a company has a system to “trace” forest products in all stages of the production process, from the certified forest to the saw-mill, from the factory to the consumers. Also in this case, the certification is issued and periodically reviewed by accredited third-party bodies.

Burgo is a member of FSC® (Forest Stewardship Council®) and PEFC (Programme for the Endorsement of Forest Certification scheme), which represent the most widely recognised forest and chain of custody certifications at a global level.

The Burgo Group has obtained FSC® and PEFC forest certifications for all the plants (Burgo and Mosaico), the head offices, as well as Burgo Ardennes and Burgo Distribuzione.

FSC® certification


The FSC® mark identifies products containing wood from responsibly managed forests and controlled sources.
(www.fsc.org)



The mark of responsible forestry

PEFC certification

The PEFC mark guarantees the use of fibres from legal and sustainable sources in compliance with international standards.
(www.pefc.org)



ASSOCIATIONS

Burgo Group favours associations and partnerships with profit and non-profit organisations in the sector, with which it shares common values and interests.



THE BURGO GROUP JOINS PAPER PROFILE

The Burgo Group has adopted the Paper Profile, the international voluntary environmental impact declaration for the products of a paper mill, designed to guide paper purchasers.

Paper Profile is an international environmental product declaration that contains the main and most significant environmental data of a single product; it refers to general production parameters, product composition and emissions, as well as information on the company’s environmental management policy and the procurement of wood and fibrous raw materials.

The Paper Profile of a type of paper is therefore its “ecological identity card” and is based on parameters shared by the main international producers.

With a view to commitment to environmental protection and transparency in communication, Burgo Group makes the paper profiles of its products available to its customers. These are available upon request by writing to paperprofile@burgogroup.com



Burgo Group has chosen to become an active partner in two major European category initiatives, aimed at promoting the use of printed paper as an effective and sustainable means of communication.



3.7 | Materiality Analysis

(GRI 102-40/42/46/47 - 103-1)

As part of the revision of its 2021 Sustainability Report, the Burgo Group has carried out a new Materiality Analysis in order to detect which are the most relevant Sustainability aspects for the company and its stakeholders. This is a survey to detect the significance of a set of thematic areas of economic, social and environmental governance sustainability for the company and its most significant stakeholders.

Therefore, the activity made it possible to “listen” to internal and external stakeholders of the Burgo Group, starting the stakeholder engagement process. By comparing with some international non-financial reporting standards (for example the GRI 101 standard: reporting principles) and with other international entities, we have identified the stakeholders and some sustainability issues.

The process of defining the materiality analysis included the following phases:

- definition of an online survey to be submitted to key stakeholders reporting potentially relevant issues in the sustainability field;
- identification of key stakeholders by involving internal and external stakeholders;
- sending of the questionnaire to key stakeholders;
- collection and analysis of responses;
- creation of a materiality matrix.

OUR STAKEHOLDERS

Stakeholders are individuals, realities or groups who have expectations, interests or rights towards the company and its activities, whose contribution is important for the company to achieve its objectives. Our stakeholders identified and subsequently involved in the survey carried out to define the materiality matrix were:

- Shareholders
- Management
- Employees
- Customers
- Suppliers
- Banks and insurance companies
- Collaborators

In particular, 14 material topics were identified, divided between the three typical ESG areas: Environmental, Social, Governance.

Social Responsibility Topics

- Occupational health and safety
- Training and education
- Employment support
- Relationship with the territory
- Diversity and equal opportunities

Environmental Responsibility Topics

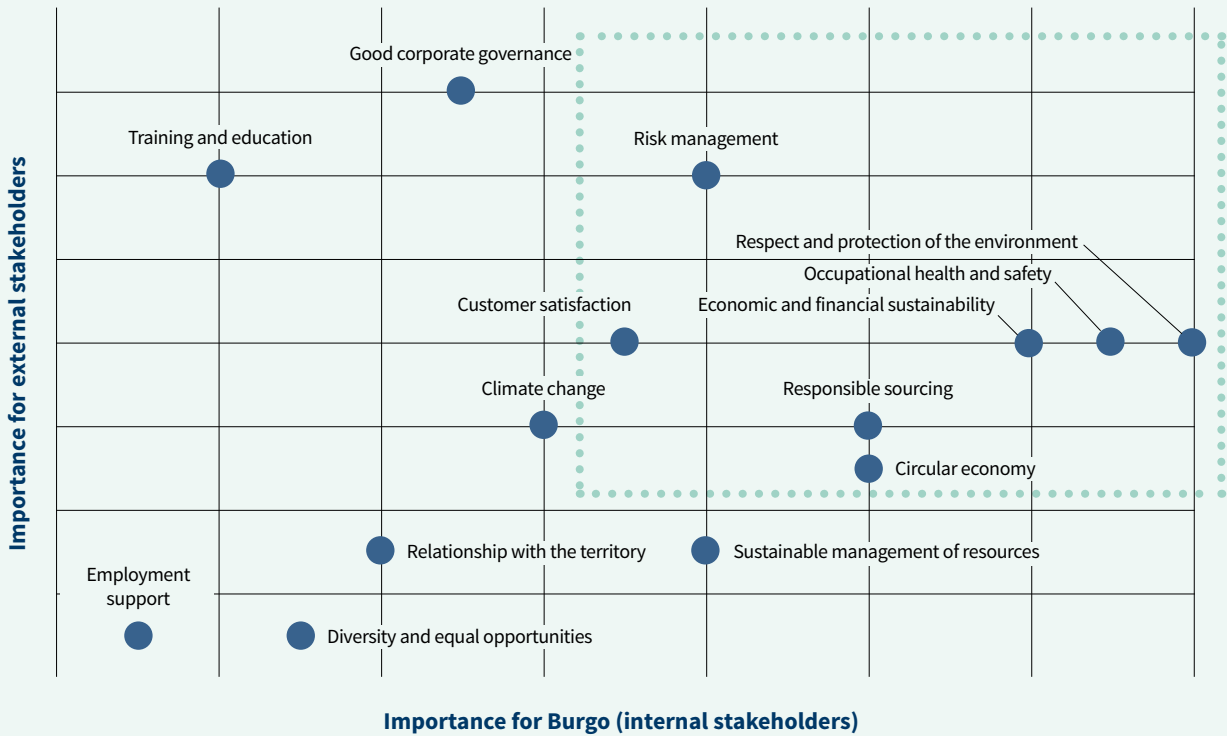
- Respect and protection of the environment
 - Management of water resources
 - Waste management
 - Energy efficiency
- Responsible sourcing (supply chain control)
- Sustainable management of resources
 - Conscious use of resources
 - Reduction of waste
- Climate Change
- Circular economy

Economic Responsibility and Governance Topics

- Economic and financial sustainability
- Good corporate governance
- Customer satisfaction
- Risk management

This method of involvement has allowed almost direct contact with stakeholders, which gave new interesting opinions emerged with respect to the perception of Burgo Group’s work in the field of sustainability; the ideas that emerged were integrated into this Sustainability Report.

The joint consideration of internal and external significance has led to the identification of priority and materiality areas. The materiality matrix was validated by company management.



THE IMPACT OF MATERIAL ISSUES

The table below highlights, for each material topic identified, the importance for internal and external stakeholders and where the impact of the topic is most relevant.

Material issues	Matrix of materiality		Impact	
	Importance			
	Internal Stakeholders	External Stakeholders		
Occupational health and safety	High	High	Internal	
Training and education	Low	High	Internal	
Employment support	Low	Low		External
Relationship with the territory	Low	Low	Internal	External
Diversity and equal opportunities	Low	Low	Internal	
Respect and protection of the environment	High	High	Internal	External
Responsible sourcing	High	High	Internal	External
Sustainable management of resources	Medium	Low	Internal	
Climate Change	Medium	Medium		External
Circular economy	High	Medium	Internal	External
Economic and financial sustainability	High	High	Internal	
Good corporate governance	Medium	High	Internal	
Customer satisfaction	Medium	Medium	Internal	External
Risk management	Medium	High	Internal	



MAIN TYPES AND COMMUNICATION CHANNELS

The communication channels with the various stakeholders have different frequency which can be continuous for the social networks and website, quarterly or yearly for the economic and financial reports. Specific dedicated meetings or direct contacts have a variable frequency.

Stakeholders	Potential Interests	Method of communication	Frequency
Shareholders	Management of changes, remuneration, transparency of investments	Website	Continuous
		Dedicated meetings	Varied/Quarterly
		Financial statements	Quarterly
		Sustainability report	Yearly
		Social Network	Continuous
Institutions (Provincial and regional bodies, national and European governmental administrations, public administration)	Compliance with laws, regulatory and sector rules, transparency in action and communication, socially responsible management, contributions and social security contributions	Website	Continuous
		Dedicated meetings	Varied
		Direct contacts	Varied
Customers and suppliers	Continuity of relations, negotiation conditions, product and business sustainability, partnership development	Sustainability report	Yearly
		Financial statements	Quarterly
		Website	Continuous
		Dedicated meetings	Varied
		Social Network	Continuous
The community (Territory, Associations and Environmental Institutions)	Protection of the territory, collaborations with associations and universities, protection and safety of local communities, innovation and opportunities for the community, support for social initiatives, attention to environmental impacts, management of waste and industrial waste, reduction of the consumption of natural resources	Sustainability report	Yearly
		Financial statements	Quarterly
		Website	Continuous
		Dedicated meetings	Varied
		Social Network	Continuous
People of the Burgo Group (Employees, external collaborators, representatives and corporate organisations)	Identity and values, motivation, development, contractual stability, training, protection and safety, quality of life and equal opportunities, reduction of the consumption of natural resources	Sustainability report	Yearly
		Website	Continuous
		Dedicated meetings	Varied
		Walls	Varied
		Newsletters	Varied
Financial community	Transparency towards the market, financial solidity and sustainability, corporate governance, relations with investors	Social network	Continuous
		Sustainability report	Yearly
		Website	Continuous
		Social Network	Continuous

An aerial photograph of a vast vineyard. The rows of grapevines are tightly packed and stretch across the landscape, showing a mix of green and yellowish-green foliage. A light-colored, unpaved path or road winds through the center of the vineyard, starting from the bottom and curving towards the top. The overall scene is a high-angle, wide shot of an agricultural landscape.

PAPER
POWER
PASSION

Economic Responsibility

4

| 4.1 | Financial data 2021
(GRI 103-2)

The 2021 financial year, which saw an increase in operating revenues and income from € 1,331.6 million to € 1,817.7 million, reported a decrease in the Group’s results with a gross operating margin (EBITDA Adjusted) of € 64.2 million against € 71.7 million reported in 2020. The year saw a strong recovery in demand in all segments served by the Group and a significant increase in production costs.

In particular, compared to 2020, the increase in the prices of raw materials led to an increase in pulp costs equal to approximately € 70 million, while natural gas costs increased by € 130 million compared to 2020, and the cost of emission rights increased by approximately € 20 million. Another element characterising the year was the sale of the Verzuolo plant for approximately € 360 million, which allowed for a capital gain of approximately € 118 million.

Business sectors €/mln	2020	2021	Change %
Paper revenues	1,127	1,454	29.0%
% of total revenues	88.4%	83.3%	
Pulp revenues	56	78	38.8%
% of total revenues	4.4%	4.5%	
Energy revenues	68	180	164.7%
% of total revenues	5.3%	10.3%	
Other revenues	24	33	37.5%
% of total revenues	1.9%	1.9%	
	1,275	1,745	36.8%

Statement of profit/(loss) for the year €/000	31 Dec 2020	31 Dec 2021	Change %
Revenues	1,274,717	1,744,748	36.95
Other income	56,915	72,951	
Total operating revenues and income	1,331,631	1,817,700	36.5%
Costs for materials and external services	(1,006,737)	(1,523,055)	
Staff costs	(176,424)	(191,868)	
Other operating costs	(34,208)	(57,008)	
Changes to surplus stock	(43,513)	15,394	-135.4%
Costs for capitalised internal works	1,910	3,015	57.9%
Total operating costs	(1,258,971)	(1,753,521)	
EBITDA Adjusted	72,660	64,179	
Depreciation and amortisation	(72,246)	(72,161)	
Capital gains/losses on disposal of non-current assets	(664)	227	
Operating profit before non-recurring expenses	(250)	(7,755)	
Writebacks/writedowns of non-current assets	-	(19,102)	
Income/expenses of a non-recurring nature/ for restructuring	(22,399)	109,249	
Operating profit (EBIT)	(22,649)	82,392	
Financial expenses	(27,553)	(28,810)	
Financial income	3,225	4,306	
Profit/(loss) before taxes	(46,977)	57,888	
Income taxes	(4,050)	831	
Profit/(loss) for the period	(51,027)	58,719	

Overall, total operating revenue and income reached € 1,817.7 million, compared to € 1,331.6 million in 2020 (+36.5%).

Revenues from ordinary operations achieved in 2021 amounted to € 1,744.7 million, an increase of € 470.0 million (+36.9%) compared to € 1,274.7 million in 2020. The increase was mainly due to the increase in both volumes and sales prices of paper products and energy.

Paper turnover increased by € 327.0 million and energy turnover increased by € 112 million.

Other income amounted to € 73.0 million (€ 57.0 million in the previous year) due, in particular, to environmental certificates and electricity and gas interruptibility agreements.

Operating costs amounted to € 1,753.5 million against € 1,259.0 million in the previous year, showing an increase of +39.3%. Among operating costs, staff costs amount to € 191.9 million compared to € 176.4 million in the previous year.

EBITDA Adjusted was € 64.2 million, against € 72.7 million in 2020. Amortisation and depreciation came to € 72.2 million (€ 72.2 in 2020).

Operating profit, before non-recurring transactions, amounted to € -7.7 million compared to € -0.3 million in the previous year.

Writedowns of non-current assets were made for € -19.1 million. During 2021, a strong improvement in non-recurring income and expenses which last year stood at € -22.4 million compared to a positive result in 2021 of € 109.2 million, significantly influenced by the capital gain obtained following the sale of the Verzuolo plant.

Financial expenses increased from € 27.5 million in 2020 to € 28.8 million in 2021. Financial income also increased over the course of 2021, reaching € 4.3 million with respect to € 3.2 million in 2020.

As a result of all the above, the net result, after tax payables for the year amounting to € 0.8 million, shows a profit of € 58.7 million against a loss of € -51.0 million in the previous year.

Statement of equity/financial position: Assets €/mln	31 Dec 2020	31 Dec 2021	Change
Non-current assets	833.3	558.0	(275.3)
Property, plant and equipment	711.8	439.1	(272.8)
Intangible assets	30.9	31.3	0.5
Other non-current assets	23.8	23.9	0.1
Deferred tax assets	66.8	63.7	(3.1)
Current assets	529.2	791.5	262.2
Total assets	1,362.5	1,349.5	(13.1)

Statement of equity/financial position: Liabilities €/mln	31 Dec 2020	31 Dec 2021	Change
Shareholders' equity	334.4	411.8	77.4
Shareholders' equity attributable to the Group	330.7	408.1	77.3
Shareholders' equity attributable to non-controlling interests	3.6	3.7	0.1
Non-current liabilities	494.6	315.4	(179.2)
Current liabilities	533.5	622.2	88.7
Total shareholders' equity and liabilities	1,362.5	1,349.5	(13.1)

The most significant data of the Group's capital and financial structure are:

Net tangible and intangible fixed assets decreased from € 742.7 million to € 470.4, due in particular to the sale of the Verzuolo plant and the Geveer business for € 231.6 million. In addition to the extraordinary transaction mentioned above, the change derives from the difference between investments and other intangible capitalisations for € 64.9 million, divestitures for € 15.4 million, write-downs for € 18.4 million and amortisation for € 72.2 million.

Warehouse inventories and trade receivables due from customers increased by € 0.7 million and € 112.9 million respectively, trade payables due to suppliers increased by € 196.5 million, helping to generate an overall reduction in operating working capital equal to € 82.9 million.

Net financial debt decreased from € 454.3 million to € 53.8 million at the end of 2021 with a decrease of € 400.5 million.

Shareholders' equity increased by € 77.4 million from € 334.4 million to € 411.8 million due to the result for the year and the overall positive changes, in particular those resulting from the positive adjustment of the CFH reserve.

INVESTMENTS

During 2021, investments in property, plant and equipment totalled € 47.8 million (€ 56.0 million in 2020). The investment plan, in line with the approved Business Plan, continued in all facilities with projects aimed at creating new products, improving production and energy efficiency, quality, safety, the environment as well as plant maintenance.

The new Paper Pulp Preparation line was launched at the Avezzano plant for the production of a new cardboard with a white cover. Moreover, the design for the installation of a new shoe press with the aim of increasing production and reducing energy consumption at the same time, has started.

At the Sora site, activities for the separation of water cycles aimed at producing food papers have begun and a study has also started for the possible production of FBB and FSB products.

The commitment to technological renewal, especially in the automation sector, has continued and will continue in the next year, by introducing new automation and control systems or updating existing ones. The programme will allow to overcome the main problems of obsolescence, allowing at the same time the maintenance of quality levels and the improvement of efficiency.

During 2021, the modernisation works of the cogeneration plants in Tolmezzo and Toscolano began: their development was slowed down by the difficulties of this period linked to the pandemic, the crisis of raw materials and the difficulties in the world of logistics and transport.

GLOBAL DISTRIBUTION OF SALES

During the three-year reporting period, the Group implemented a policy aimed at increasing its presence in developing continents characterised by a greater potential for growth. In some areas, particularly in Europe and Central and North America, sales have recorded a more significant increase.

The Group's paper sales are mainly aimed at the European market: on average, they represent 91% of the total.

	2019	2020	2021
Africa	1.4%	1.2%	0.9%
Latin America	0.6%	0.5%	0.7%
Asia	4.7%	6.2%	3.2%
Central America	0.8%	0.6%	0.9%
Europe	53.2%	48.5%	62.6%
North America	1.9%	1.9%	2.5%
Oceania	0.6%	0.2%	0.2%
Italy	36.8%	40.8%	29.2%
Total	100.0%	100.0%	100.0%

| 4.2 | Distribution of added value

(GRI 103-2/3 - 201-1)

ECONOMIC VALUE GENERATED AND DISTRIBUTED

Generated and distributed economic value			
Items:	2019	2020	2021
Net sales revenues	1,624,247	1,263,504	1,731,271
Other revenues	59,027	56,915	72,951
Revenues from financial investments	6,142	3,225	4,306
Sales of goods	187	67	403
Generated economic value (total revenues)	1,689,603	1,323,711	1,808,931
Operating costs	(1,369,734)	(1,094,097)	(1,455,567)
Employee salaries and benefits	(188,298)	(176,481)	(177,965)
Payments to equity providers	(15,051)	(16,283)	(12,170)
Payments to local authorities	(16,506)	(14,310)	(16,407)
Investments in the community	(83)	(200)	(106)
Distributed economic value (total costs)	(1,589,672)	(1,301,372)	(1,662,215)
Economic value withheld	99,931	22,339	146,716
of which:			
Amortisation, depreciation and writedowns	(90,360)	(72,606)	(94,323)
Remuneration withheld in the company			
(Profit/(loss) for the year and deferred taxes)	(9,571)	50,268	(52,393)

The Group's Economic Value Generated (EVG) in 2021 amounted to € 1,809 million. The increase in value compared to 2020 was mainly due to the increase in revenues. The generated economic value is divided into distributed economic value and withheld economic value. Below is the detail for the three-year reference period, broken down by the various sub-components.

Economic value generated							
	Economic value withheld		Economic value distributed				
			Operating costs	Employee salaries and benefits	Payments to equity providers	Payments to local authorities	Investments in the community
2019	100	1.690	1.370	188	15	17	0,08
	6%		46%	12%	1%	1%	-
2020	22	1.324	1.094	176	16	14	0,2
	2%		84%	14%	1%	1%	-
2021	147	1.809	1.456	178	12	16	0,1
	8%		81%	10%	1%	1%	-

PAYMENTS TO LOCAL AUTHORITIES BY COUNTRY

The main macro-categories of taxes identified for reporting purposes are:

- **Corporate taxes:** they refer mainly to taxes on income revenues (e.g. IRES in Italy) and, where present, to taxes of production activities (e.g. IRAP in Italy), in force in the various countries where the Group's companies operate;
- **Property taxes:** they refer mainly to the Single Municipal Tax (mposta Municipale Unica - IMU), applicable in Italy, and to the Real Estate Tax (Precompte immobilier) applicable in Belgium;
- **Other taxes:** they refer mainly to taxes on motive power, water rates, the tax for the use of public soil, and other categories of lesser impact, applicable in the various countries where the companies of the Group's companies operate.

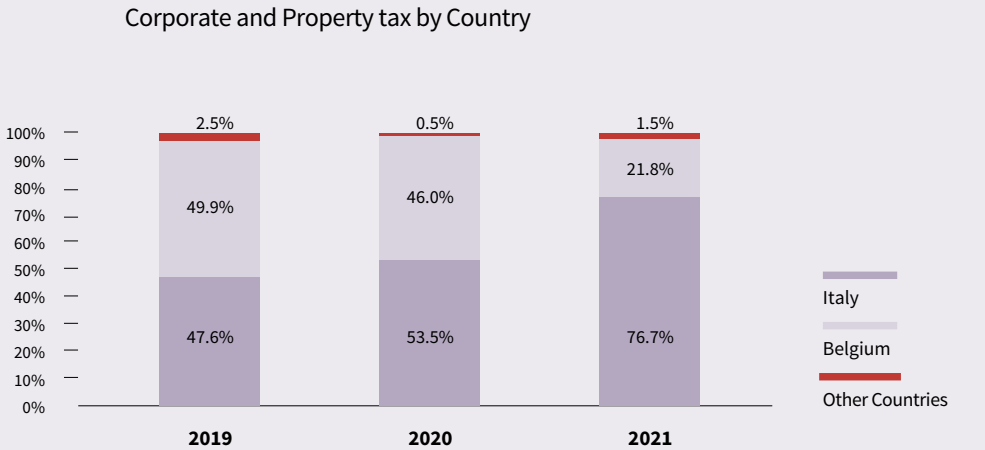
Taxes by category			
Items:	2019	2020	2021
Corporate taxes	5,577	3,290	5,495
Property taxes	7,162	7,348	6,796
Others taxes	3,767	3,672	4,116
Total	16,506	14,310	16,407

The chart shows the breakdown of the countries where Burgo Group’s companies pay corporate and property taxes.

The chart shows that Belgium and Italy are the countries where the Group is most exposed to tax payments to local authorities (on average more than 99% of these are paid in these countries).

The Burgo Group pays taxes in the countries where its production facilities are present (Italy and Belgium), and therefore in the countries where it has contributed to distribute value to local economies, for example through the payment of suppliers of goods and services, or salaries to employees.

Note: The countries included in the item “Other Countries” are: France, Germany, Spain, Poland, Great Britain and the United States.



| 4.3 | State financial subsidies

(GRI 201-4)

In line with the accounting principles adopted, the Group has indicated any financial subsidies received from local authorities during the reporting period.

The contributions received in the years 2019 and 2021 are divided into:

- grants for € 476 thousand;
- subsidised rate loans for € 4,933 thousand.

Below are details of subsidies reached each year.

All contributions were received thanks to participation in tenders and research and development projects promoted by both regional and national bodies.

Company	Plant	Granting body	Grant amount
2021			
Burgo Mosaico	Sora	Italian Ministry of Economic Development	329,000 €
	Tolmezzo	FVG Region through Mediocredito	3,359,132 €
2020			
Burgo Mosaico	Sora	Italian Ministry of Economic Development	366,000 €
	Tolmezzo	FVG Region through Mediocredito	1,462,456 €
2019			
Burgo	Verzuolo	FinPiemonte	110,000 €
Burgo	Sora	Italian Ministry of Economic Development	2,963,000 €
Burgo	Sora	Italian Ministry of Economic Development	329,000 €

An aerial photograph of a calm pond with dark blue water, surrounded by a lush green forest and grassy areas. The text "PAPER POWER PASSION" is overlaid in the top left corner in a white serif font.

PAPER POWER PASSION

Environmental Responsibility

5

| 5.1 | Raw materials and Procurement
(GRI 102-9 - 103-2/3 -204-1 - 301-1)

The Group’s approach has become increasingly oriented towards environmental sustainability, which is present in all production and distribution cycles. The various internal policies adopted, the environmental management systems implemented and the occupational health and safety policies towards collaborators and third parties are a clear demonstration of this.

The constant commitment of the group to guarantee environmental sustainability is aimed at all sectors of activity and year after year it has become an integral part of the Group’s commitments.

OUR COMMITMENTS:

- We select and process certified raw materials;
- We adopt production processes aimed at optimising the water and energy resources consumed;
- We invest in projects to limit and reduce emissions;
- We implement a waste disposal system in order to reduce the quantity sent to landfill;
- Attention to a more sustainable logistics, preferring a multimodal transport system.



FOCUS ON PROCUREMENT

The group favours the purchase of fibrous raw materials from responsibly and sustainably managed forests to ensure renewability, the protection of biodiversity and the maintenance of habitats. The purchase of wood and fibrous raw materials from FSC® and PEFC certified forests is prioritised; in addition, purchases of wood as well as control wood and control source raw materials are envisaged.

CERTIFIED FIBRES YEAR 2021



STRATEGIC MATERIALS

Different types of materials are used in the production cycle; in addition to the raw materials already mentioned (wood and fibrous materials), different types of materials are used that can be grouped into 3 large families:

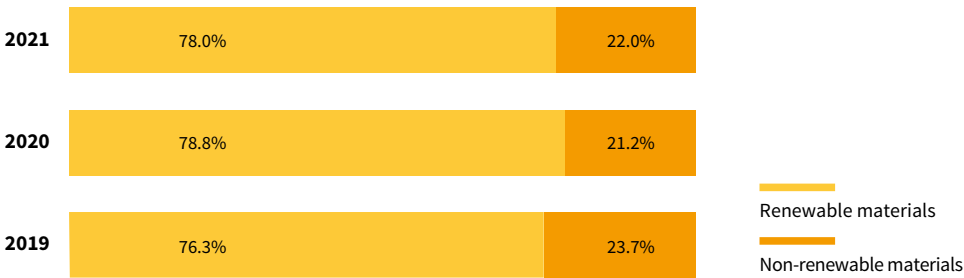
- Renewable material, which also includes recycled material
- Non-Renewable Material

The quantities used for the main raw materials grouped by family are shown below.

Materials used in production processes

Category	2019		2020		2021	
	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable
Pulp	691,978	-	541,867		641,589	
*of which Virgin fibre Cellulose	637,939		499,378		599,775	
**of which self-produced Virgin fibre Cellulose (Burgo Ardennes plant)	54,039		42,489		41,814	
Timber	1,937,353	-	1,417,623		1,775,856	
Kaolin	-	127,778		71,564		74,236
Carbonates	-	746,902		531,996		652,368
Other chemicals	-	159,950		178,725		166,341
Latex	-	74,018		53,090		60,035
Starches	45,304	-	59,296			62,926
Recycled pulp (de-inked pastes, recycled raw material)	4,568		6,325		10,825	
Waste paper (recycled raw material)	204,033	-	544,578		535,850	
Total by category	3,575,214	1,108,648	3,111,556	835,375	3,605,709	1,015,905
Total	4,683,862		3,946,931		4,621,614	
% of total	76.3%	23.7%	78.8%	21.2%	78.0%	22.0%

Materials used in production processes



FOCUS: THE SUPPLY CHAIN

The Burgo Group manages an articulated network of suppliers, with which over time it has built relationships based on trust, loyalty and professionalism, encouraging stable and lasting relationships.

The centralised management of the procurement of goods, services and works for the Group entails, as a consequence, the definition of standardised supply policies. The group annually applies a supplier qualification and selection policy. Currently, the selection of suppliers takes place through impartial evaluations; we try to rely on suppliers as close as possible to our production centres, to reduce where possible the environmental impact of the transport of goods. The Group seeks to improve its supply change also by reducing its number of suppliers, in order to be able to stabilise and consolidate relationships.

In the choice of suppliers, the Group is increasingly inclined to favour suppliers who:

- guarantee ethical and sustainable behaviour, monitoring their economic and financial structure;
- adopt a more sustainable transport (more intermodal - less on the road).

The main suppliers are assessed each year through a questionnaire that summarises the most sensitive issues that the Group considers important. The main topics in the survey are:

- Product and service quality;
- Reliability;
- Documentation provided;
- Competitiveness;
- Sustainable reporting (in particular certifications)

| 5.2 | Waste management
(GRI 103-2/3 - 306-1/2/3)

WASTE MANAGEMENT

Paper is a typical “bio-material”, comprised of 90% renewable raw materials and natural resources. The paper industry is therefore constantly striving to extend its life cycle by integrating reuse and recycling in its production process.
In this regard, the Burgo Group has sent 90% of the sludge generated by the paper production process for recovery.

Other types of residues such as inert mineral fillers (carbonates and kaolins) as well as metal, wood, plastic waste, used oils, waste deriving from plant maintenance are instead regularly delivered to authorised service companies for their correct disposal.

In all the Burgo Group plants, the management of waste follows rigorous procedures defined by the integrated environmental management system and suitably verified with internal audits according to scheduled frequencies.
These procedures are applied throughout all companies of the Group.

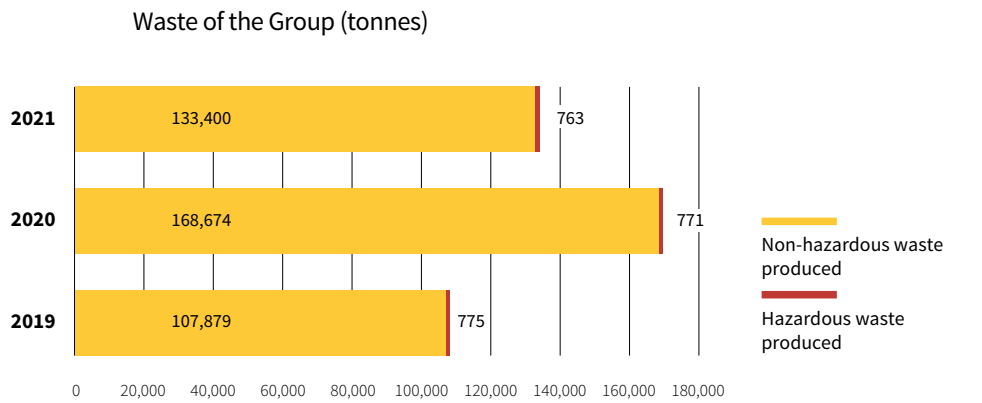
THE CIRCULAR ECONOMY

As far as circular economy is concerned, following the conversion of the production lines of Avezzano and Verzuolo (site sold in October 2021), which were converted from graphic paper to containerboard, over 400,000 tonnes of waste paper were used in 2021 as SRM (Secondary raw material) / EoW (End of Waste).

With a view to promoting circular economy, since 2018 the re-use of certain by-products of some process waste deriving from the production of pulp, mechanical pulp and paper have been constantly developed. Among the successful projects is the white krofta of the Tolmezzo plant, regularly sold as a by-product to a paper mill in the area.

Waste produced

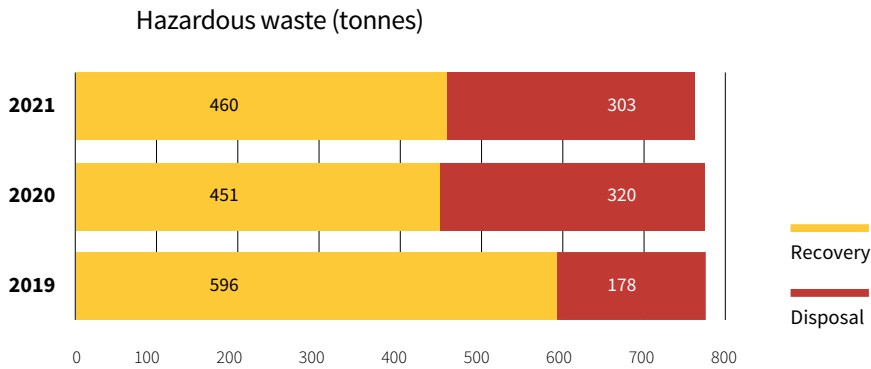
	UM	2019	2020	2021
Non-hazardous waste produced	tonnes	107,879	168,674	133,400
Hazardous waste produced	tonnes	775	771	763
Waste of the Group	tonnes	108,654	169,445	134,163



HAZARDOUS WASTE PRODUCED

Hazardous waste

	UM	2019	2020	2021
Recovery	tonnes	596	451	460
Disposal	tonnes	178	320	303



The fluctuating trend in the amount of hazardous waste generated can be attributed to the periodic maintenance of production facilities.

NON-HAZARDOUS WASTE PRODUCED

Non-hazardous waste

	UM	2019	2020	2021
Recovery	tonnes	92,723	129,044	118,459
Disposal	tonnes	15,156	39,630	14,941



The fluctuating trend in the amount of non-hazardous waste sent for disposal is back in line with the values before the Covid19 pandemic.

The percentage of hazardous and non-hazardous waste sent for recovery is 88% of the total. The Group undertakes to increase this percentage with the aim of reducing the amount of waste destined for disposal.

| 5.3 | Energy consumption and efficiency
(GRI 103-2/3 - 302-1/3)

ENERGY RESOURCES AND CONSUMPTIONS

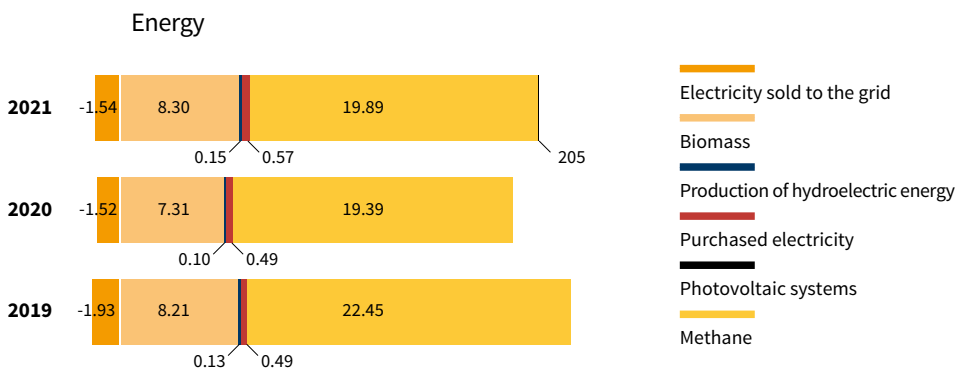
The energy mix of the Group did not undergo significant changes in 2021, compared to 2020.

The Verzuolo plant is considered in the total until the end of September 2021.

The primary source of energy is natural gas, whose consumption remains at the levels of the previous year, despite the fact that the Group’s production of paper and pulp increased by more than 10%. An increase in the use of biomass was noted, thanks to the greater production of pulp in Burgo Ardennes and the implementation of the Verzuolo plant, resulting in better exploitation of the waste-to-energy plant, fed with paper mill sludge and wood chips.

The increased rainfall has improved hydroelectric production compared to previous years.

Items		2019	2020	2021
Methane	GJ	22,449,900	19,385,620	19,888,732
Fossil sources		22,449,900	19,385,620	19,888,732
Biomass	GJ	8,209,668	7,307,664	8,296,924
Photovoltaic systems	GJ			205
Production of hydroelectric energy	GJ	129,700	95,198	146,140
Renewable energy		8,339,368	7,402,863	8,443,269
Purchased electricity	GJ	492,846	494,012	569,690
Electricity sold to the grid	GJ	(1,927,329)	(1,524,671)	(1,568,556)
Total energy used	GJ	29,354,786	25,757,824	27,336,764

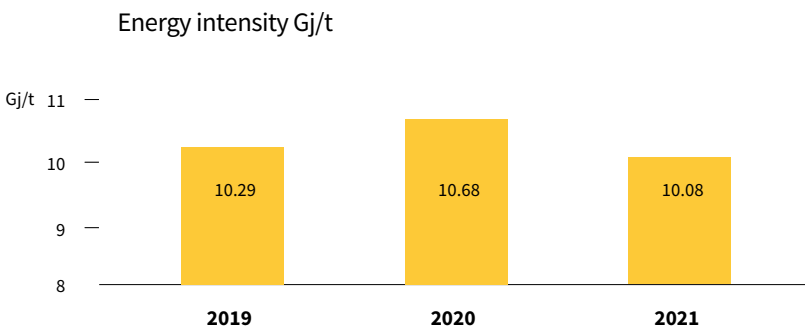


The comparison with 2020 is conditioned by the exceptional events linked to the pandemic which, in 2021, had a lower impact; in fact, the overall increase in consumption is mainly due to a better production continuity, although slightly lower than the levels of 2019 in terms of paper volumes, but with a significant reduction in energy requirements.

The energy intensity of the Group not only decreased compared to 2020, but kept a gradually improving trend compared to the years prior to the pandemic. The explanation for this trend is both the running of the Verzuolo and Avezzano lines and in a general improvement in energy efficiency; all this led to an overall improvement of 2% in energy intensity compared to 2019.

Energy intensity is calculated as the ratio between the total energy used, expressed in GJ, and the sum of the productions of the Group; more in detail:

- the energy used is given by the sum of the energy contents of the fuels used (methane and biomass), the hydroelectric and photovoltaic energy produced and the electricity purchased; the electricity produced in excess and sold to the grid is subtracted;
- the total production of the Group is given by the sum of the productions of paper, pulp and mechanical pulp; the gross paper production is considered.



ENERGY EFFICIENCY

In the last four years, Burgo has made energy savings equivalent to 20,000 tonnes of CO2, thanks to projects carried out in previous years and whose effects continue to be monitored.

In terms of efficiency in energy production, 20,000 t CO2/year have been avoided, related to the TEEs for high-efficiency cogeneration.

Projects for the construction and modernisation of new high-efficiency cogeneration plants are underway, which are expected to cause further performance improvements in terms of environmental and energy sustainability.



NOTES
(1) Conversion factors used:
• net calorific value of methane: 8,250 kcal/Smc (source: Annex A of AEEG Resolution 103/03)
• net calorific value of biomass - paper mill sludge: 2.27 GJ/ttq (analytical sources)
• net calorific value of biomass - woodchips: 5.56 GJ/ttq (analytical sources)
• net calorific value of biomass - black liquor: 12.14 GJ/ttq (analytical sources)
• net calorific value of biomass - bark: 7.95 GJ/ttq (analytical sources)

5.4 | Emissions and climate change

(GRI 103-2/3 - 305-1/2/5/7)

EMISSIONS IN THE ATMOSPHERE

The strategic choice of the Burgo Group to pursue “high efficiency” energy self-sufficiency (electricity and thermal energy) has directed investments towards the production of energy from cogeneration systems, gradually reducing the use of fossil fuels and CO2 emissions into the atmosphere.

Moreover, the use of natural gas (methane) allows for emissions that are practically free from compounds containing sulphur (SO2 and H2S), dust and particulate matter and a reduced emission of greenhouse gases (CO2 is released exclusively from combustion). In addition, cogeneration represents one of the most efficient systems with a lower environmental impact able to meet the substantial demand for electricity and steam at the paper mills.

Currently, the main source of carbon dioxide emissions, in addition to nitrogen oxides (NOX) and carbon monoxide (CO), is given by the production of energy in cogeneration plants for the production of paper.

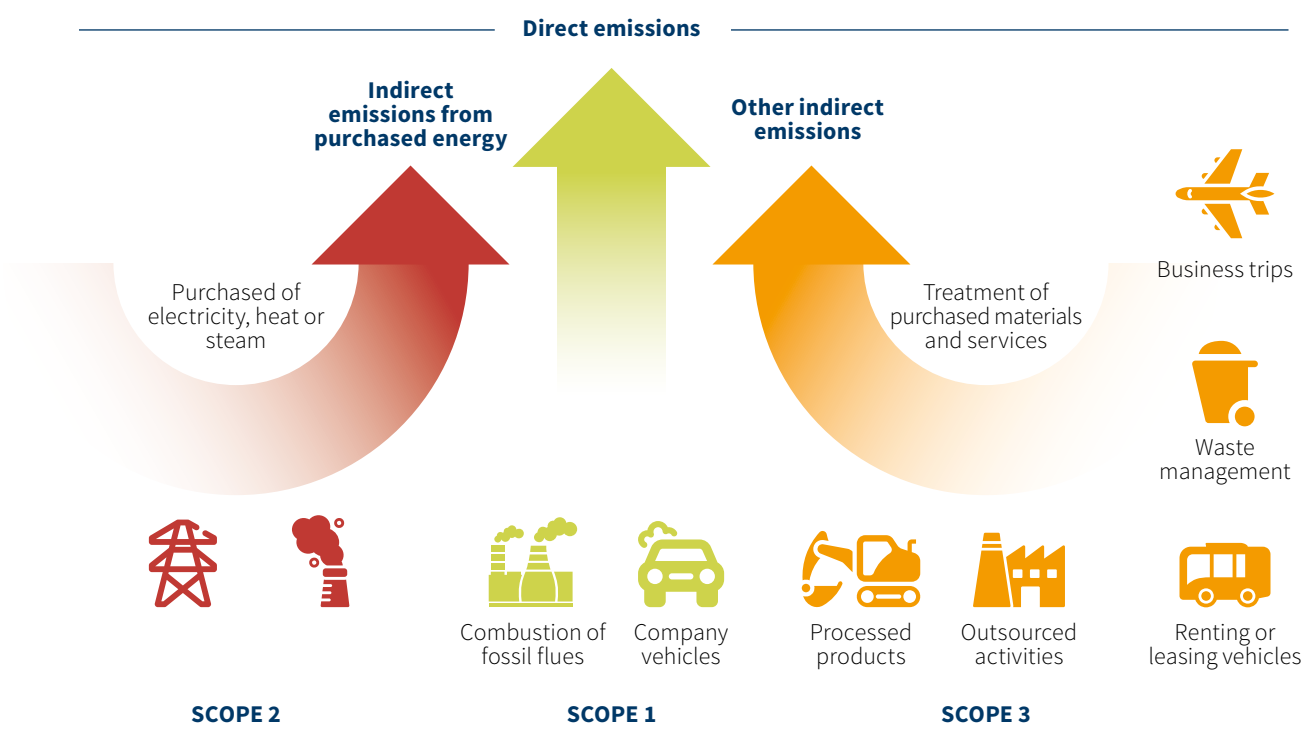
The actions introduced by the Group to keep CO2 emissions under control and, more generally, to improve its energy efficiency include:

- The use of raw materials with low energy impact;
- The adoption of technologies that minimise energy consumption;
- The adoption of combined power + heat generation systems (“cogeneration”);
- The implementation of an integrated and coordinated strategy among all the Group’s Facilities;
- Compliance with international directives (the main one being the Kyoto Protocol);
- The monitoring of usage levels at all plants to monitor their energy efficiency.

GREENHOUSE GAS (GHG) EMISSIONS:

The greenhouse gas inventory was developed using the classification criteria (Scope) proposed by the Greenhouse Gas Protocol:

- Scope 1:** includes emissions associated with fuel combustion (in our case, natural gas);
- Scope 2:** includes emissions associated with the purchased energy (therefore, fuels burned by third parties);
- Scope 3:** includes all emissions related to the company’s activities that do not fall under Scope 1 and Scope 2 (e.g. emissions related to employee mobility, supply chain, use of goods produced, etc.).



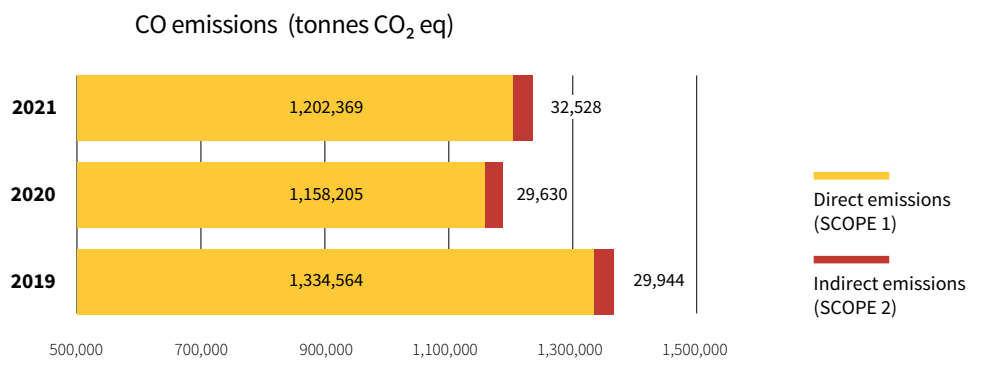
Source: <https://www.savemoneycutcarbon.com/>

In particular, the Group monitors direct (scope 1) and indirect (scope 2) CO2 emissions.

In 2021, a project was launched to also map its scope 3 emissions in order to define an effective corporate strategy on climate change that requires a detailed understanding of greenhouse gas emissions. This assessment will be performed in compliance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (called Scope 3 Standard) which offers an internationally accepted method to allow the management of GHGs of the value chains of companies.

Scope 2 emissions are reported according to the Location based method criteria set out in the Scope 2 guideline of the GHG Protocol (https://ghgprotocol.org/scope_2_guidance).

	UM	2019	2020	2021
Direct emissions (Scope 1)	tonnes CO ₂ eq	1,334,564	1,158,205	1,202,369
Indirect emissions (Scope 2)	tonnes CO ₂ eq	29,944	29,630	32,528
Total emissions	tonnes CO ₂ eq	1,364,508	1,187,835	1,234,897
Direct emissions	%	97.8%	97.5%	97.4%
Indirect emissions	%	2.2%	2.5%	2.6%
Direct emissions of biogenic origin Gever	tonnes CO₂ eq	28,308	33,923	27,456
Direct emissions of biogenic origin Ardennes	tonnes CO₂ eq	973,332	831,857	976,174



The overall figure for 2021 highlights a substantial stability of total CO2 emissions, thus bringing the values back to data comparable with the values registered before the Covid-19 pandemic (e.g. year 2020, in which production stops affected the values).

The overall data of direct CO2 emissions was validated by an external control body in compliance with the provisions of the Emission Trading Scheme (ETS). The Group is working on the definition of various projects aimed at reducing its GHG emissions to achieve carbon neutrality; for example research is currently underway on the possible use of new fuels (e.g. biomethane, hydrogen) and new energy sources and innovation projects technology (e.g. Carbon Capture & Storage). The quantity of CO2 from indirect emissions, attributable to the quantity of electricity purchased from the grid, increased slightly in 2021 in relation to some activities and technical interventions on some of the Group’s power plants.

Italy

Year 2019: CO2 emissions associated with gross electric production: 278.1 g CO2/kWh Coefficient taken from Report no. 363/2022 ISPRA “Indicators of efficiency and decarbonisation of the national energy system and of the electricity sector”, Table 2.25 - Emission factors of national electricity production and electricity consumption (g CO2/kWh) p. 80.

Year 2020: CO2 emissions associated with gross electric production: 259.8 g CO2/kWh Coefficient taken from Report no. 363/2022 ISPRA “Indicators of efficiency and decarbonisation of the national energy system and of the electricity sector”, Table 2.25 - Emission factors of national electricity production and electricity consumption (g CO2/kWh) p. 80.

Year 2021: CO2 emissions associated with gross electric production: 260.5 g CO2/kWh Coefficient taken from Report no. 363/2022 ISPRA “Indicators of efficiency and decarbonisation of the national energy system and of the electricity sector”, Table 2.25 - Emission factors of national electricity production and electricity consumption (g CO2/kWh) p. 80.

Belgium

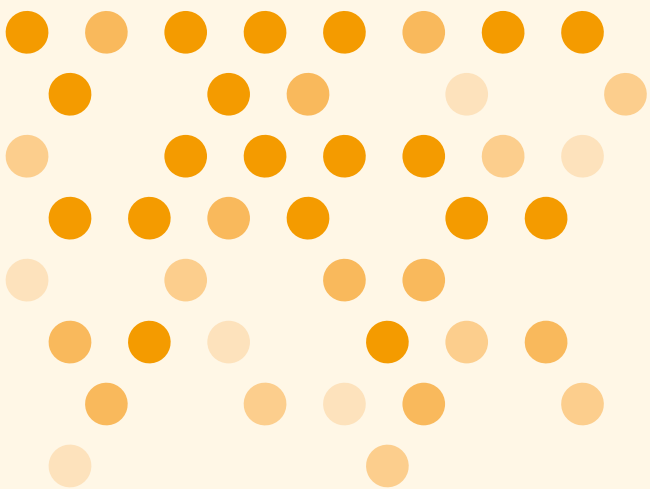
Year 2019: CO2 emissions associated with gross thermoelectric production: 170 g CO2/kWh. The coefficient for the year 2019 taken from the link <https://www.eea.europa.eu/data-and-maps/daviz/sds/co2-emission-intensity-from-electricity-generation-6/download.table> was used.

Year 2020: CO2 emissions associated with gross thermoelectric production: 167 g CO2/kWh. The 2020 coefficient taken from the link <https://www.eea.europa.eu/data-and-maps/daviz/sds/co2-emission-intensity-from-electricity-generation-6/download.table> was used.

Year 2021: CO2 emissions associated with gross thermoelectric production: 167 g CO2/kWh. The 2020 coefficient taken from the link <https://www.eea.europa.eu/data-and-maps/daviz/sds/co2-emission-intensity-from-electricity-generation-6/download.table> was used.
NOTE: the 2020 data was used because the 2021 data is not available.

EMISSIONS OF NOX AND PARTICULATES FROM ELECTRIC POWER STATIONS

	UM	2019	2020	2021
NOX emissions	tonnes	1,342	1,362	1,391
Particulates emissions	tonnes	126	111	143



| 5.5 | Water resources
(GRI 103-2/3 - 303-1/2/3)

Water is an essential element for the production of paper and cardboard: it acts as a binder for the fibres and, in the production process, is necessary for transport, cleaning, as a solvent, provides energy in the form of steam and is used in cooling processes.

Over the years, the Burgo Group has invested in optimising its water usage process, gradually reducing the withdrawal of fresh water and favouring recycled water. It is estimated that clean water, returned to the environment after treatment, is more than 90% (estimated figure) of the total withdrawn.

The amount of water required essentially depends on the type of final product and the raw material used.

Water is used:

- **in chemical processes:** paper mills use water to prepare and dilute chemicals;
- **as a cooling method:** it is used in various parts of the paper mill;
- **as a means of transport:** the fibres are transported along the production process in water. When it arrives at the machine for the production of cardboard, pulp is made up of 99% water and most of this water is then reused;
- **to produce steam:** the steam is used to heat the process equipment, including the drying cylinders of the cardboard production machine;
- **to clean and seal:** a great amount of the fresh water needed is used for these operations.

90% of water withdrawal comes from surface waters (rivers, lakes, canals) while the remaining 10% comes from groundwater.

The total water withdrawal of the Burgo Group in 2021, amounting to 96,005 Megalitres, is performed in water-stressed areas (source Water Risk Atlas of the WRI); for this reason, the Group is committed to a rational and efficient usage of water, thus seeking to contrast the ever increasing level of exploitation both at the level of the territories in which the Group operates, and at a global level.

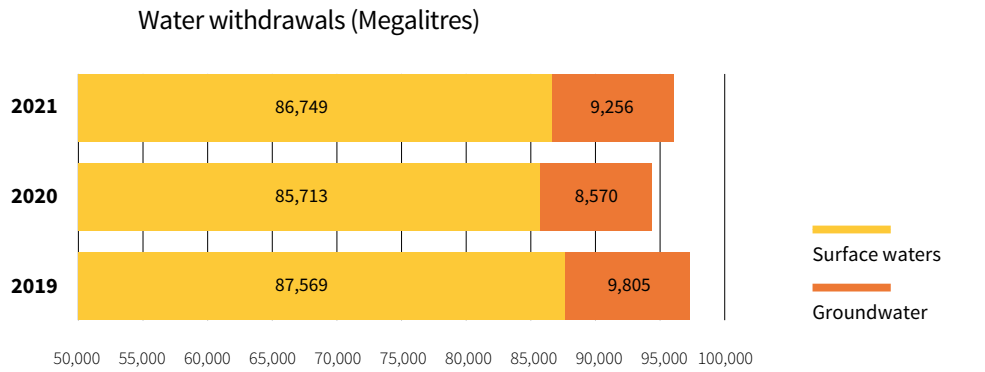
The Burgo Group operates in line with the BAT conclusions of the paper sector, in particular for the monitoring of emissions into water, constantly monitoring the performance parameters.

SUPPLY

The water supply is authorised by the Competent Authorities with specific authorisation documents. The Group draws exclusively from surface water (rivers and lakes) and groundwater (wells).

All waters have a total dissolved solids concentration of less than 1,000 mg/L.

	UM	2019	2020	2021
Surface waters	Megalitres	87,569	85,713	86,749
Groundwater	Megalitres	9,805	8,570	9,256
Sea waters	Megalitres	0	0	0
Water produced	Megalitres	0	0	0
Third-party water resources	Megalitres	0	0	0
Total water withdrawal	Megalitres	97,375	94,284	96,005



The Group has identified, on the basis of the data available on the WATER RISK ATLAS, the category of water stress associated with the areas in which it operates. Baseline water stress measures the ratio of total water withdrawals to available renewable ground-water supplies.

The company has identified the water stress situation; 87% of the water supplied comes from areas with medium-high water stress (20%-40%).

2019	2020	2021	Water stress categories
9.60%	8.65%	9.62%	extremely high (>80%)
86.59%	87.45%	86.76%	medium-high (20-40%)
3.81%	3.90%	3.62%	low-medium (10-20%)

The Burgo Group Management System monitors the entire water cycle, minimising the risk of waste or possible contamination. The cycle ends with the management of waste water, so that the water recycled several times inside the plants is sent for purification, carried out with chemical-physical procedures followed by biological treatments.

- The purification process is divided into three phases:
- Preliminary treatment, to eliminate coarse materials;
 - Chemical-physical plant, to separate and eliminate the finest particles by sedimentation or flotation;
 - Activated sludge biological plant, within which the microorganisms metabolise the substances.

OPTIMISATION

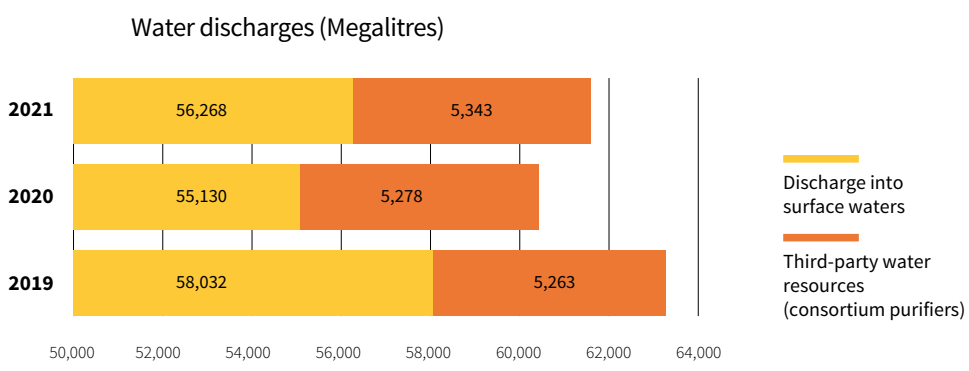
- Over the years, two optimisation projects have been followed:
- increase in the amount of water reused in the production process,
 - reduction of requirements for the production process itself, thanks to more efficient technological-plant choices and through management measures.

Most of the plants, including those where there is no direct discharge into surface water but are connected to consortium facilities, are equipped with a waste water treatment plant intended for the recovery of water used in the paper mill. The purification phase allows to reuse the water in the paper production process and allows to comply with the degree of purity and quality required by current regulations.

The chart shows the overall data of the volumes of water (in millions of m³) discharged for all production units.

The quality parameters of water discharges are determined in compliance with the prescriptions set out by national and local regulations.

		UM	2019	2020	2021
Discharge into surface waters	Megalitres		58,032	55,130	56,268
Discharge into groundwater	Megalitres		0	0	0
Discharge into sea waters	Megalitres		0	0	0
Third-party water resources (consortium purifiers)	Megalitres		5,263	5,278	5,343
Total water discharges	Megalitres		63,295	60,408	61,611



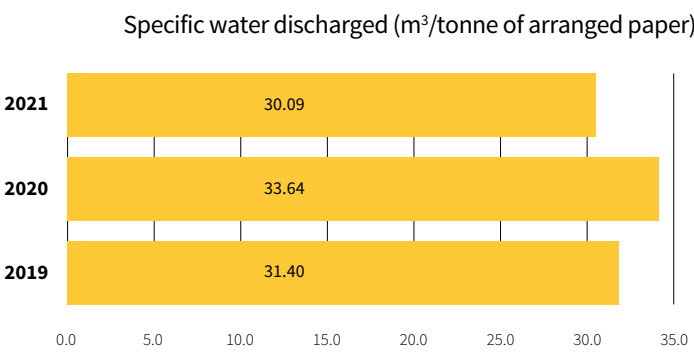
With the exception of 2020, whose data is influenced by production stops related to the COVID-19 emergency, a slightly decreasing trend in wastewater volumes is confirmed, by comparing data from the years 2021 and 2019.

WATER REUSE

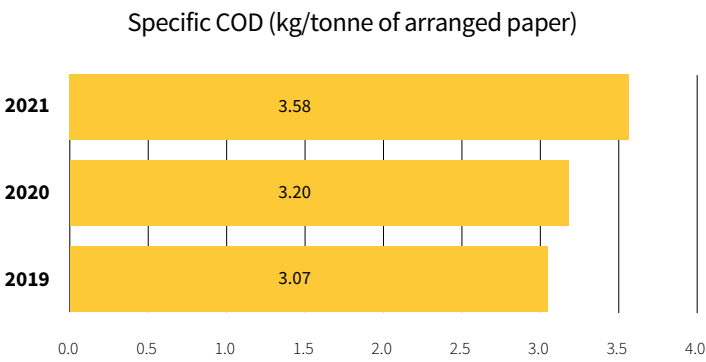
Reusing water generates a lower environmental impact, in particular:

- reduction of the withdrawal of water resources from aquifers;
- reduction of the withdrawal of surface water resources;
- consistency and reliability of the resource thanks to treated water produced continuously;
- reduction of waste of natural resources.

SPECIFIC WATER CONSUMPTION



If we compare the production of the three-year period 2019-2021 with the volumes discharged in the same period, a substantial stability of the specific data is recorded, with a slight decline, which confirm the constant search for optimisation of the plants.



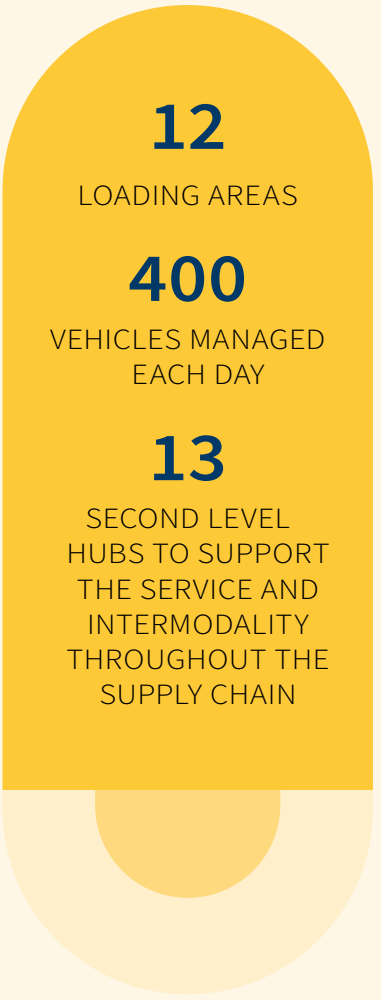
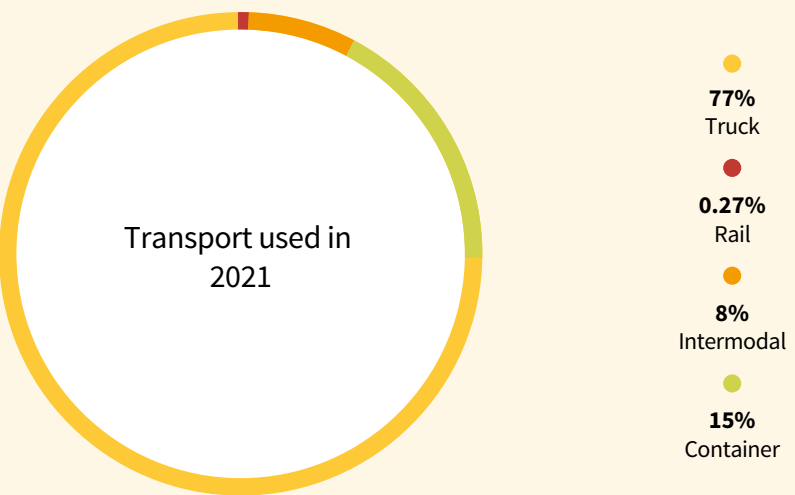
A substantial constancy of the COD specification with slight fluctuations is reported.

| 5.6 | Sustainable logistics

Respect for the environment is a common goal driving the logistics as well as the purchasing and procurement departments. With regard to the transport of purchased raw materials, the Group requires suppliers of logistics services to assess the tonnes of CO2 saved, which involves the issue of certificates attesting to the annual reduction of CO2 emissions in tonnes, which has been obtained thanks to an efficient distribution strategy.

Careful monitoring of the flow of goods into and out of the plants has enabled the Group to optimise the logistics process, thus contributing to the mitigation of the associated environmental impacts.

The “Sustainable Logistics” policy plays a decisive role in the Group’s operational choices, and, for its implementation, coordination of several corporate functions, such as Logistics, Customer Service and the Group’s sales branches located throughout Europe is important.



Also in 2021, the Group’s distribution strategy was based on the use, for almost all the volumes destined for the Iberian peninsula, of the RO/RO (ROLL-ON ROLL-OFF) mode, which involves the use of ferries equipped of slides that allow the wheeled vehicles to board (ROLL-ON) and disembark (ROLL-OFF), avoiding the use of external mechanical means (such as mechanical cranes).

With regard to rail transport, the Group continues its commitment to distribute LWC (Light Weight Coated) and RTC papers in Europe, thanks to a logistics that uses second-level warehouses used for the final mile.

Attention to the environment is a common goal of the Logistics as well as the Purchasing and procurement departments. Regarding the purchase of raw materials, the Group requires transport service providers to assess the tonnes of CO saved. This analysis ends with the issue of “CO2 Reduction Certificates” by the suppliers, which certify the annual reduction of CO2 emissions in tonnes, obtained thanks to an efficient distribution strategy.

A concrete example of the CO2 Certificate Reduction is the one proposed below, issued by Transitalia and LWW Walter suppliers. In the context of “Sustainable Logistics”, the reduction of “empty” miles travelled by means of transport has been the key driver for the operational management of raw material collection (pulp balls) and shipment of outgoing material (end product).



The operational area is represented by the Verzuolo (until October 2021) and Avezzano factories; they need to receive raw material (waste bales) for the production of the containerboard.

In order to optimise the logistics chain and reduce the “empty miles” driven by the vehicles, a single central hub has been created for both the vehicles that collect the finished products and the vehicles that ship the finished products.

An aerial photograph of a lush green field. A series of dark, elongated shadows of people are cast across the grass, suggesting a group of people walking in a line. The shadows are positioned on the left side of the frame, moving towards the right. The grass is a vibrant green with some lighter patches.

PAPER
POWER
PASSION

Corporate Responsibility

6

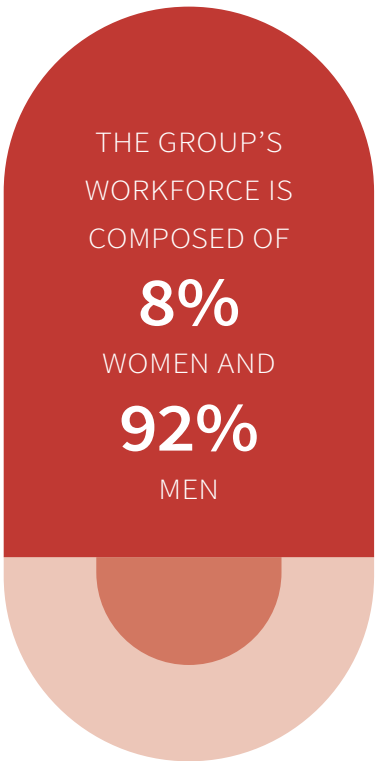
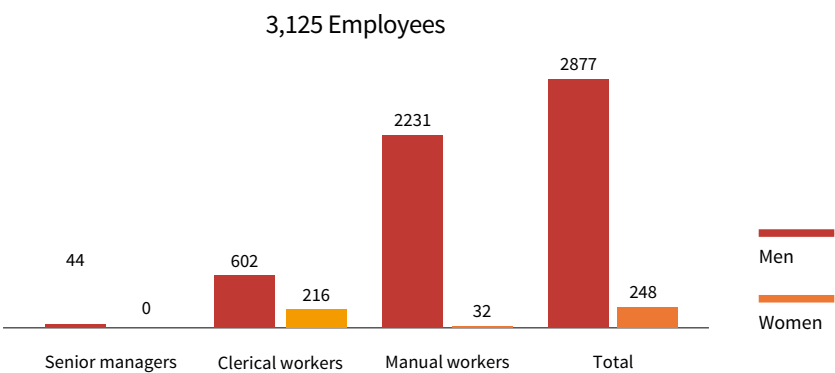
| 6.1 | Human resource management

(GRI 103-2/3)

The optimal management of the Group’s human resources has always been an essential company value. Our people represent a precious resource, and the group works every day to ensure personal respect and a work environment that is inclusive and free from prejudices.

In fact, one of the fundamental aspects for the Group is the involvement of people and the integration of different skills and professional backgrounds. At the same time, the Group’s commitment aims at the constant inclusion of young specialised technicians or new graduates with the purpose of stimulating and cultivating their potential so that they can take on leading roles within our organisations.

Another primary aspect is the promotion of a work environment that protects the health of employees and that complies with all necessary safety standards.



Employees are mainly divided into tasks related to production activities and clerical work. In general, a greater male presence is evident, while female employment, albeit a minority, is more significant in clerical roles.

The most representative professional category is that of manual workers, who represent 72% of the total workforce.

Clerical workers represent about 26% of the total workforce and are present at the Headquarters, in the plants’ offices, in the Group’s commercial offices and in commercial branches located overseas.

The Group’s female workers are generally concentrated in this category, representing 26% of the total.

		2019	2020	2021
Workforce by qualification	Senior managers	46	45	44
	Clerical workers	894	869	818
	Manual workers	2,467	2,422	2,263
	Total	3,407	3,336	3,125
Workforce by location	Headquarter (Italy)	183	176	181
	Administrative offices (Italy)	71	53	56
	Plants (Italy)	2,507	2,476	2,250
	Plants (Abroad)	587	577	589
	Commercial branches (Abroad)	59	54	49
	Total	3,407	3,336	3,125

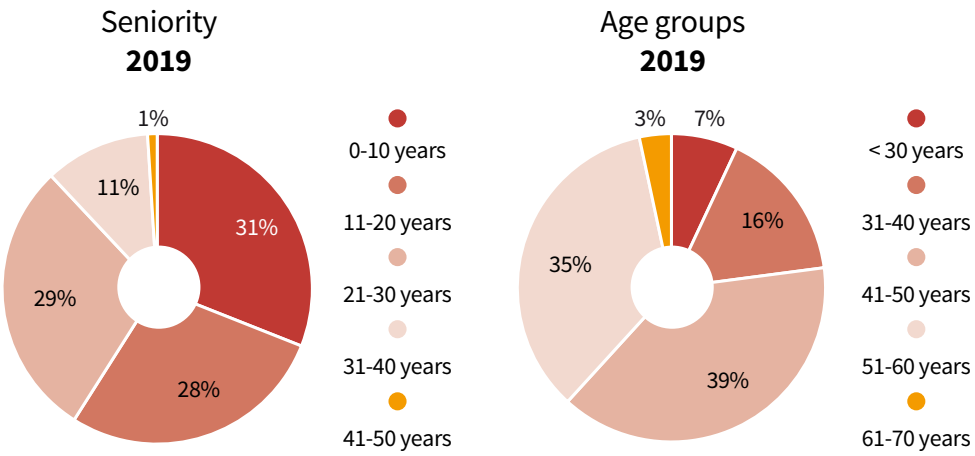


EMPLOYEE BREAKDOWN BY QUALIFICATION, GENDER, AGE AND SENIORITY IN THE COMPANY

2019											
Seniority	0-10 years		11-20 years		21-30 years		31-40 years		41-50 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	80	160	66	180	62	255	21	106	1	9	940
Manual workers	15	808	6	696	11	664	1	262	0	4	2,467
Total by category	95	968	72	876	73	919	22	368	1	13	3,407
Total	1,063		948		992		390		14		3,407

Age groups	< 30 years		31-40 years		41-50 years		51-60 years		61-70 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	9	24	51	62	77	254	90	314	5	55	941
Manual workers	3	204	4	437	8	960	15	778	1	56	2,466
Total by category	12	228	55	499	85	1,214	105	1,092	6	111	3,407
Total	240		554		1,299		1,197		117		3,407

In 2019, 41% had worked at the company for over 20 years, while 28% of employees were included in the range between 11 and 20 years of work in Burgo. 31% of employees had been in the company for less than 10 years. 74% of employees were included in the age group between 41 and 60 years. The number of employed persons under the age of 30 grew to 7%, +1% compared to 2018.



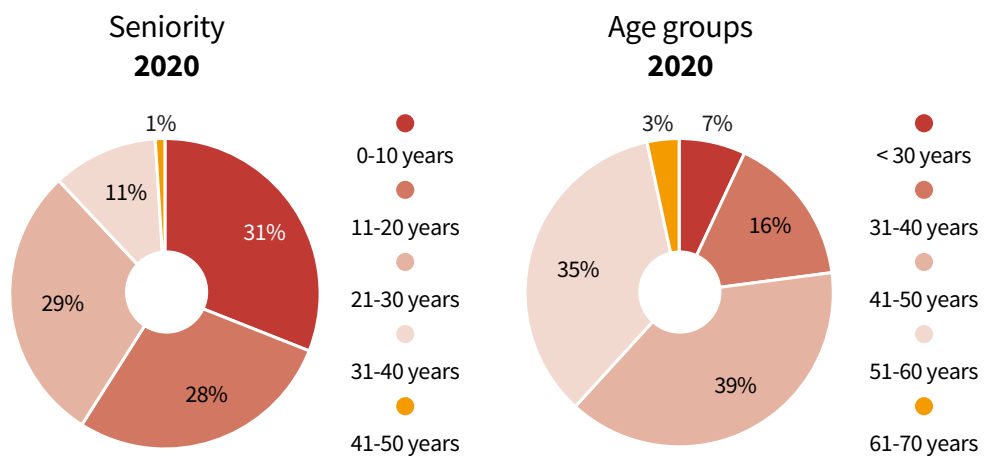
2020

Seniority	0-10 years		11-20 years		21-30 years		31-40 years		41-50 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	76	164	66	158	56	233	27	123	0	11	914
Manual workers	12	832	7	590	10	685	1	279	0	6	2,422
Total by category	88	996	73	748	66	918	28	402	0	17	3,336
Total	1,084		821		984		430		17		3,336

Age groups	< 30 years		31-40 years		41-50 years		51-60 years		61-70 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	13	26	41	56	77	230	88	310	6	67	914
Manual workers	3	200	1	402	8	929	18	810	0	51	2,422
Total by category	16	226	42	458	85	1,159	106	1,120	6	118	3,336
Total	242		500		1,244		1,226		124		3,336

As for the year 2020, about 43% of workers had worked in the company for over 20 years. The same growth trend applies to workers with less than 10 years of seniority (32%).

Employees under the age of 30 remain stable at 7%, while workers aged between 41 and 60 rise to 74%.



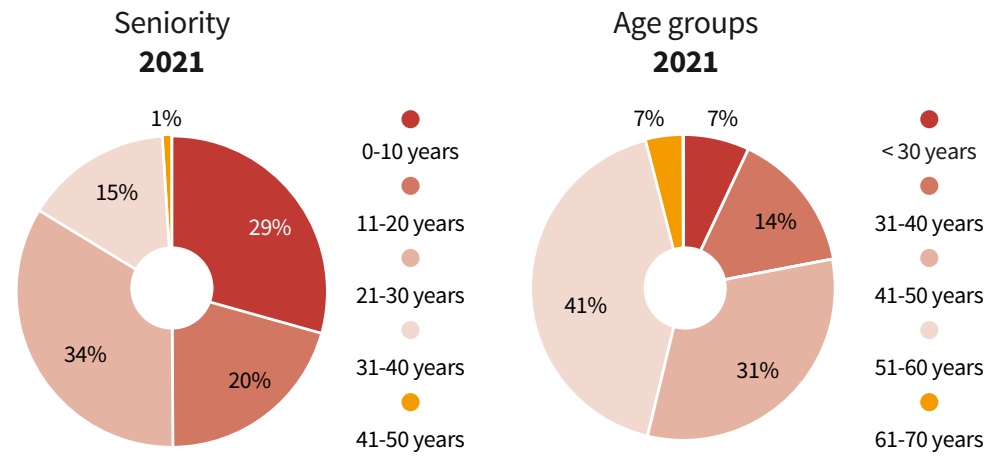
2021

Seniority	0-10 years		11-20 years		21-30 years		31-40 years		41-50 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	67	135	51	117	59	254	38	128	2	11	862
Manual workers	8	704	8	458	9	753	5	310	1	7	2,263
Total by category	75	839	59	575	68	1,007	43	438	3	18	3,125
Total	914		634		1,075		481		21		3,125

Age groups	< 30 years		31-40 years		41-50 years		51-60 years		61-70 years		Total
	F	M	F	M	F	M	F	M	F	M	
Clerical workers	12	20	29	59	53	175	103	296	20	95	862
Manual workers	3	183	4	352	7	736	14	862	3	99	2,263
Total by category	15	203	33	411	60	911	117	1,158	23	194	3,125
Total	218		444		971		1,275		217		3,125

As for the year 2021, about 44% of workers had worked in the company for over 20 years. Workers with less than 10 years of seniority (29%) are slightly reduced compared to previous years.

Employees under the age of 30 remain stable at 7%, as do workers aged between 41 and 60 (72%).



BREAKDOWN OF EMPLOYEES BY TYPE OF CONTRACT

Work contract		Permanent	Fixed term	Full time	Part time	Total	% Permanent	% Part time
Contract type by gender	Men	2,753	124	2,872	5	2,877	95.7%	0.17%
	Women	244	4	241	7	248	98.4%	2.82%
	Total	2,997	128	3,113	12	3,125	95.9%	0.4%
Contract type by area	Headquarter (Italy)	180	1	179	2	181	99.4%	1.10%
	Administrative offices (Italy)	55	1	56	0	56	98.2%	0.00%
	Plants (Italy)	2,166	84	2,246	4	2,250	96.3%	0.18%
	Plants (abroad)	547	42	584	5	589	92.9%	0.85%
	Commercial branches (Abroad)	49	0	48	1	49	100.0%	2.04%
Total		2,997	128	3,113	12	3,125	95.9%	0.4%

The main type of contract present and preferred by the Group is the permanent contract which, as can be seen, applies to more than 95% of the total.

Part-time employment contracts are not very used in the company. This approach is largely due to the needs of production shifts. They are mainly used in clerical areas and administrative offices, with a slight majority of female personnel.

Turnover by gender			Balance	Turnover by area			Balance	Turnover by age group			Balance			
Employed	Terminated	Employed		Terminated	Employed	Terminated								
Men	228	432		-204	Headquarter (Italy)	18		13	5	<30 years		100	29	71
Women	16	23		-7	Administrative offices (Italy)	4		1	3	31-40 years		54	49	5
Total	244	455		-211	Plants (Italy)	182		408	-226	41-50 years		61	151	-90
					Plants (abroad)	39		27	12	51-60 years		25	166	-141
					Commercial branches (Abroad)	1		6	-5	61-70 years		4	60	-56
					Total	244		455	-211	>70 years		0	0	0

The table shows the data of new hires and terminations for the year 2021. The relationship between new hires and terminated employees remains stable over the year. The negative balance is due to the sale of the Verzuolo plant. The main events that led to the termination of contracts are linked to the natural phenomenon of retirement and the physiological presence of voluntary resignations.

6.2 | Training and education

(GRI 103-2/3 - 403-1/5 - 404-1/2)

One of our constant and fundamental objectives is linked to the preparation of all the necessary measures to protect the health and safety of workers who carry out any activity, operating in every area within the company.

Through training, we want to adequately educate our employees to recognise, prevent and manage accidents, providing them with that complex system of notions and procedures essential to the achievement of those skills that allow them to work safely while reducing risks and protecting the personal safety of all employees.

The training courses that we organise and deliver are part of a process that enables each worker to acquire greater awareness of their role and accept behaviours in which safety becomes an integral part of their working experience.

- Among some particularly significant projects, we mention:
- **Avezzano plant:** all workers participated in an emotional workshop on the culture of safety in the company.
- It was a 4-hour training course lasting with the aim of focusing attention on the awareness of perceptual limits on safety.
- All this was achieved through the sharing of emotional videos and team games that made it possible to relive moments experienced in the factory during which one of the protagonists performs actions that identify them as a safety leader (actions which then become the subject of study in the classroom).
- Finally, each participant left a message on a paper giving the answer to the following question: why is safety important to me?
- Everyone received a gadget, a “personalised” Burgo work t-shirt, which bears a safety slogan on the back, a slogan that was inspired by the answers left by the participants to the aforementioned question.

- **Altavilla Headquarters:**
- The safety managers of both the Plant and the central structures participated in an innovative training with indoor experiential methodology on the subject of the analysis of the root causes of events (RCA root cause analysis). The goal of the training activity is to promote a detailed root cause analysis in order to develop effective improvement actions, encourage communication and feedback on events and what has been implemented in terms of improvement. The didactic methodologies used have favoured constant interactivity and focus on involvement of the participants, who become real protagonists of the training process. RCA is an investigation technique on events of interest, in particular accidents, which examines what happened in search of why it happened.



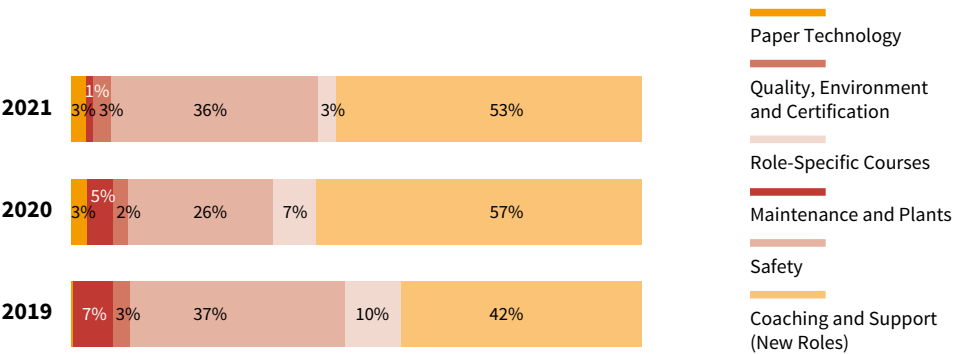
Compared to traditional investigations, therefore, the objective is focused not so much on seeking responsibility (who did it), but on identifying improvement actions (in this way, what happened will not happen again). Following training, the participants worked together to define a participatory method for the analysis of accidents (e.g. root cause analysis - RCA, tree of causes) and the new procedure was introduced in the company health and safety management system.

At a more technical/productive level, we develop the skills of workers through their participation in refresher courses so that the level of professionalism is constantly improved and adapted to new business areas. In 2021, we still saw had some difficulty in being able to implement a regular planning of face-to-face training activities, but many activities were still resumed and the updates relating to compulsory training were almost all completed.

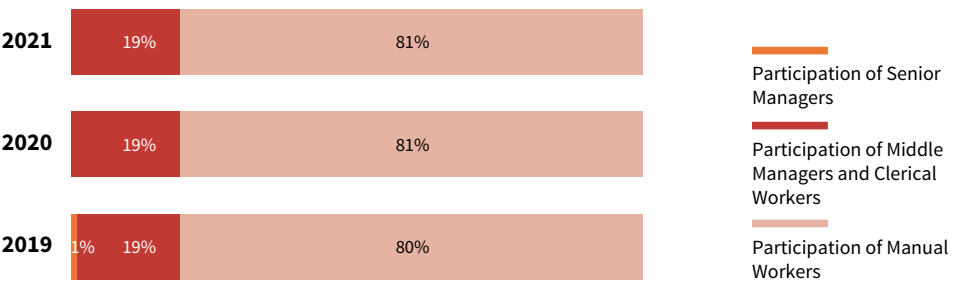
A very important role is played by the considerable commitment to on-the-job training activities aimed at increasing the personnel employed within the organisation, both by improving skills already acquired but, above all, by developing others that are useful for filling new roles.

Average hours of training	2019	2020	2021
Total hours of training delivered	69,586	71,059	70,678
Number of employees	3,407	3,336	3,125
Total average hours	20.4	21.3	22.6
Hours by topic	2019	2020	2021
Paper Technology	130	2,060	2,108
Maintenance and Plants	5,015	3,276	604
Quality, Environment and Certification	2,400	1,762	2,321
Safety	25,634	18,141	25,616
Role-Specific Courses	7,083	5,260	2,184
Coaching and Support (New Roles)	29,324	40,560	37,845
Total hours	69,589	71,059	70,678

PERCENTAGE TREND OF TOPIC



PERCENTAGE TREND BY PROFESSIONAL LEVEL



6.3 | Industrial relations

The changes that have affected the structure of the company and the evolving economic conditions of the paper sector have required continuous monitoring and constant updating of the Group’s approach to industrial relations.

The model to which the Group Trade Union Relations System relates is contemplated in the Trade Union Agreement signed at Confindustria Vicenza on 8/10/2013.

Thanks to the agreement reached, the structure of the “Executive” Body has been strengthened, to whom the Parties have assigned a top position both for the competences attributed to it and for its function of main vehicle for collective information.

The Executive Body is entrusted with the Group trade union relations system.

This body is chaired by the identified and appointed representatives of the parent company Burgo Group S.p.A. and by the representatives identified and appointed by the trade union organisations that signed the National Collective Labour Agreement (C.C.N.L.) for companies operating in the paper and cardboard industry.

The topics brought into debate and discussion at this level include, but are not limited to:

- the Group’s trade union relations system guidelines;
- the second-level of Collective Company bargaining guidelines, on the basis of the provisions of the current National Collective Labour Agreement, by the multi-industry agreements that have occurred over time;
- the definition of variable bonus systems linked to company results;
- the management of industrial, restructuring and work reorganisation plans that simultaneously involve several plants belonging to the same “industrial/commercial division”;
- the financed training processes which, for their pursuit, require the definition of specific agreements;
- the organisational flexibility system and the Group’s flexible working hours system;
- the system for the standardisation of the Group’s behaviours, rules and treatments;
- the implementation/adaptation of company contracts on the basis of any new regulation/contractual amendment, including problems of interpretation and application of Group agreements;
- the homogeneous implementation of the frameworks on the basis of contractual declarations;
- periodic check of industrial trends and market dynamics;
- other matters concerning or having effects throughout the Group.

At local-territorial level, there is negotiating competence, relative to the matters relating to the individual business units, as defined by the current National Collective Labour Agreement and the Group Agreements.

The Trade Union Representative (R.S.U.) is the first negotiating subject as well as the main body to encourage the broadest involvement and participation of workers in the corporate environment.

Burgo Group, in agreement with the Trade Union, reaffirmed the importance of maintaining forms of civil and constructive dialogue at all levels and confirmed that the positive solution of any disputes must be sought by putting compliance with rules and active listening to the arguments of others at the centre of the debate.

The Parties, preceding the provisions of the Consolidated Law on Representation of 20 January 2014, determined the procedures aimed at preventing and managing disputes.

In connection with the above, a Group procedure has been defined aimed at managing and positively resolving disputes and conflicts that have arisen locally. The procedure also provides for a system of sanctions that can be adopted if the regulations, principles and values envisaged in the signed agreements are not complied with.

The European Works Council (C.A.E.) has also been active in Burgo for many years, in which Italian and Belgian trade union delegates belonging to the same body participate, as well as the National Secretariats of the sector.

Thanks to the consolidated tradition linked to the respect of roles and the search for a constructive dialogue, the Plant/Headquarters Management together with the local Trade Union Representatives shared the actions and updated the Protocols for regulating and containing the spread of the Covid-19 virus in the workplace.

| 6.4 | Health and safety

(GRI 103-2/3 - 403-1/2/3/4/5/10)

Burgo Group's will is to prevent accidents at work and occupational diseases by guaranteeing its employees and all those who work in the factories a healthy and safe working environment.

HEALTH AND SAFETY MANAGEMENT SYSTEM AT WORK

To achieve its goals, the Company has equipped itself with integrated and structured systems, within which the Company Safety Policy is defined, implemented and monitored. All workers are “covered” by an occupational health and safety management system that has been implemented and improved over the years.

During 2021:

- Burgo Ardennes SA achieved the transition from the certification of its occupational health and safety management system (OHS) from the OHSAS 18001 standard to the new ISO 45001;
- the Health and Safety Management system, in compliance with the ISO 45001 name, was also implemented and certified in the plant located in Burgo di Villorba.

The Group's goal is to obtain certification according to ISO 45001 in all sites by 2025. Working in compliance with the requirements of an international standard will facilitate the Group in achieving the following results:

- a) continuous improvement of OSH performance;
- b) fulfilment of legal and other requirements;
- c) achievement of occupational health and safety goals.

HAZARDS IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

A specific procedure has been defined to clarify the responsibilities and methods of identifying and analysing the risks for the health and safety of workers employed at the Burgo Group's factories and offices; the same defines the minimum contents, preparation methods and frequency of revision of the Risk Assessment Document.

The Code of Ethics and the Company Policy on Health and Safety have the purpose of ensuring a safe working environment and promoting work behaviours and procedures that safeguard the health and safety of anyone working on the company website.

The activities to be pursued are:

- identify and assess the risks for the safety and health of employees connected with the performance of their duties in order to pursue the reduction of accidents to a minimum;
- use processes and technologies for the prevention and reduction of risks;
- promote awareness-raising, promotion and continuous training of personnel, such as to ensure the performance of the role and responsibilities envisaged;
- implement an improvement programme based on risk analysis, promoting the continuous improvement of company performance with regard to Health and Safety.

The process of identifying and assessing the risks associated with operating activities is a crucial element so that company personnel, at all levels:

- acquires awareness of the risks themselves;
- operates in compliance with the roles and responsibilities assigned, in order to prevent and control them by following the established procedures.

The company is promoting systematic methodologies to deal with accidents, in particular:

- Collecting and analysing all dangerous events (not only accidents but also near-misses etc.);
- Analysing the causes from a systemic point of view;
- Promoting the exchange of lessons learned between the various sites;
- Managing behaviours;
- Promoting Safety Leadership at All Levels;
- Involving personnel.

On the topic of root cause analysis, training workshops were held for Health and Safety Officers in order to improve the activity carried out and the search for effective solutions.

OCCUPATIONAL MEDICINE SERVICES AND WORKER HEALTH PROMOTION

The Burgo Group has implemented specific procedures in all its sites to manage the obligations associated with health surveillance, identifying adequate resources in each site (e.g. Occupational Physician).

The occupational health service collaborates with risk assessment, drafts the health protocol, carries out inspections in the workplace and periodic medical examinations to certify the suitability of personnel and promote health and safety. As well as health surveillance obligations, the Group promotes policies for the adoption of healthy lifestyles, using health surveillance data also to promote correct behaviour.

ACCIDENTS AT WORK

Over the years, the number of accidents and the frequency rate have recorded significant decreases, but this is not enough: the only goal to be pursued is that of “zero” accidents at work.

Accidents are periodically monitored at all of the Group’s plants, by recording the reference indicators, such as the NUMBER of INJURIES in the period, the FREQUENCY and SEVERITY INDICES.

During the three-year period 2019-2021 there were no fatal injuries in the group’s plants.

The trends in the number of accidents and the FI (frequency index) and SI (severity index) indicators for all the Group’s production plants are shown below. Please note that FI and SI indicators refer to injuries lasting more than 3 days.

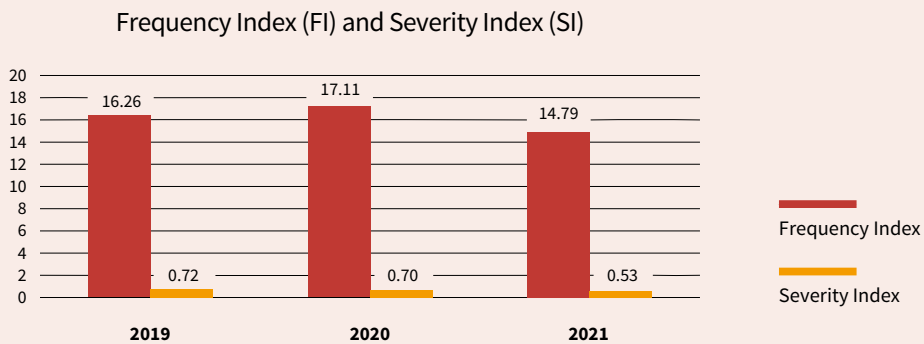
Site	2019					2020					2021				
	FI	SI	No. accidents > 3 days	No. accidents <3 days	No. accidents while travelling	FI	SI	No. accidents > 3 days	No. accidents <3 days	No. accident while travelling	FI	SI	No. accidents > 3 days	No. accidents <3 days	No. accident while travelling
Ardennes	18.80	0.89	16	3	3	12.21	0.94	10	2	1	13.17	0.55	11	2	0
Avezzano	3.96	0.25	1	0	1	4.11	0.19	1	0	0	8.33	0.26	2	0	0
Chiampo	12.26	0.48	2	0	0	41.38	0.79	7	0	0	23.20	0.66	4	1	1
Duino	30.83	1.81	12	5	0	21.92	1.26	8	0	0	24.72	1.72	9	1	0
Lugo	10.79	0.98	4	2	0	10.71	0.43	4	1	0	17.09	0.25	7	1	1
Sarego	23.53	0.55	10	6	0	16.34	0.80	6	5	0	24.36	0.29	10	0	0
Sora	14.27	0.57	10	0	2	12.10	0.41	7	1	0	11.65	0.61	8	0	1
Tolmezzo	13.70	0.35	7	0	0	27.28	0.53	13	0	0	12.19	0.85	6	0	2
Toscolano	14.06	1.30	5	2	0	19.87	0.28	7	0	2	20.40	0.45	7	1	1
Treviso	19.18	0.38	6	1	1	27.85	1.85	9	4	1	24.01	0.37	8	1	0
Verzuolo	12.46	0.37	5	1	0	26.12	1.11	9	1	0	7.82	0.41	2	3	0
Villorba	33.16	1.50	9	0	1	19.32	0.48	5	4	0	14.02	0.25	4	1	1
Group Total (including Head Offices)	16.26	0.72	89	20	9	17.11	0.70	87	19	5	14.79	0.53	78	11	7

In 2021, 108 injuries were recorded at work against 106 in 2020 and 109 in 2019.

The frequency index of the Group in 2021 was 14.79, against 17.11 in 2020 and 16.26 in 2019, while the severity index was 0.53 against 0.70 in 2020 and 0.72 of 2019.

GROUP TOTAL (including Head Offices)

	2019	2020	2021
Frequency Index	16.26	17.11	14.79
Severity Index	0.72	0.70	0.53



Overall, the indicators for 2021 show an improvement compared to the previous two years, confirming the constant commitment of the company in applying the defined improvement plans and to developing and implementing coaching, training, information and programmes on occupational health and safety, in order to promote a culture of safety and prevention.

In 2021, 227 events without accidents were also recorded (e.g. near-misses, accidents). Particular attention is paid to the recording and analysis of such events in order to design and implement the corrective actions necessary to prevent the occurrence of accident situations according to the principle of prevention.

OCCUPATIONAL DISORDERS

No occupational disorders were recognised in the reporting period of this sustainability report.

SAFETY TRAINING

As fully described in point 6.2 Training and education, the Group also undertakes to develop and implement training and information programmes on occupational health and safety, with the purpose of promoting the culture of safety and prevention.

PARTICIPATION AND CONSULTATION OF WORKERS AND COMMUNICATION REGARDING HEALTH AND SAFETY AT WORK

Safety Meetings are periodically organised, in which all the main stakeholders participate, starting with the Employer and the Health and Safety Officers. During these meetings, the results are examined by comparing them with the objectives, and the necessary strategic and operational actions are defined.

The Burgo Group wants to create a spontaneous reporting system for near misses that involves all company employees, because each employee should be seen as a bearer of specific individual knowledge and experience.

Reporting near misses allows the obtaining the following results:

- favour the development of a safety culture;
- provide help to build real “risk profiles”, based on company operations;
- support learning and the development of solutions by identifying the root causes of errors;
- help to use precious resources rationally;
- encourage worker participation.

GO SAFETY: FOCUS ON BEHAVIOUR

The management of people's behaviour is essential to achieve the real objective of workers who deal with safety at work, that is to prevent accidents and occupational diseases. According to some studies, safety is primarily a behavioural problem, because about 80% of injuries are of this nature. Finally, some people state that safety is a problem of a cultural nature and therefore it can be solved with correct information and training at all levels. Since April 2021, a programme called GO SAFETY has been launched at the Burgo Group sites, which provides for interactive safety tours focused on detecting unsafe actions and behaviours and taking action to correct them. These analyses are at the basis of the creation and development of a preventative culture in our organisation, in which we encourage everyone to participate and identify with the goal of running our operations without accidents. Behaviour can be measured through observation and it is possible to intervene to correct unwanted behaviours. This programme enables us to activate an effective observation and feedback process, through behavioural checklists, conducted by colleagues on fellow colleagues. This is the process that, if carried out frequently, will determine the cultural change and the involvement of all. It is a sort of training to "see" the risks on the part of the workers, to make them "active" with respect to their colleagues. Another absolutely central element is positive reinforcement, i.e. the acknowledgement of correct behaviours, which allows the increase of the frequency of safe behaviour and generates safe habits. This is a tool that can promote active participation as required by the new ISO 45001 standard. The programme was launched in the Treviso, Sarego and Sora plants and over the next few months it will be extended to the other sites as well.

1

| 6.5 | Relations with the territory

(GRI 102-12/13)

VISION

"Paper represents our history, our core business, but also our future"

CHARITABLE DONATIONS

The Group has always particularly conscious of the realities of the territory in which it operates.

Therefore, charitable donations are made to support foundations, associations of social promotion and entities with the aim of protecting and enhancing cultural, artistic, historical and landscape assets as well as recognised foundations and associations with the purpose of performing or promoting scientific research.

MARKETING AND COMMUNICATION ACTIVITIES

Burgo Group produces quality papers, in step with the evolution of market needs, at the service of those who communicate through graphic papers, use containerboard to produce corrugated cardboard and choose specialty papers to customise, package and create new products. Therefore, Burgo Group pursues a business model whose aim is reaching a balance between economic development and social and environmental responsibility.

This is why Burgo works tenaciously and at the same time for a business diversification on the one hand and the reduction of its environmental impact on the other and communicates it promptly, since it considers this activity a priority as well as a fundamental tool to support policies that follow the market in compliance with the theme of sustainability and people's well-being. In addition to classic communication through print media, it uses an integrated digital communication which, with its website as its centre, promotes its strategies through the various social channels, newsletters, stories; in fact, the Group believes in continuous sharing with all stakeholders and in the uniqueness of its way of doing business.

2

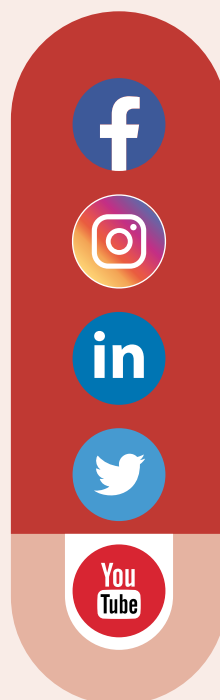
RELATIONS WITH THE TERRITORY

SOCIAL COMMUNICATION

One of the main purposes relating to the Group's digital communication strategy on the main social networks (Facebook, Instagram, LinkedIn, Twitter, Youtube) is to increase of Group's online reputation. This means positioning the business to increase its visibility and consolidate a image of the Group's constant evolving business. Another important element of strategic communication is to promote greater brand awareness at an international level, with a consequent increase in engagement and fanbase. As evidence, we would like to highlight that in the course of 2021 we have reached and surpassed 10,000 followers on LinkedIn, increasing our fanbase by over 50% in just over a year of our new activity. This is a relevant figure, as LinkedIn is naturally the most important social network for our B2B business. In any case, significant percentage increases in fanbase were also achieved on the other channels, which constitute a sort of positive and perceptive sounding board of the Group in a contemporary key. The editorial plan (PED) is therefore designed to develop information streams differentiated by type of channel and transform the Group's payoff "Paper, Power, Passion" into a driver to promote the Group and its products. The main areas covered are the entire range of product segments; ample space is then devoted to the topic of eco-friendliness and the circular economy, aiming at increasing awareness of the environmental focus present in the paper manufacturing sector, as well as promoting events and initiatives in which the Group participated as a partner.

THE BURGO GROUP WEBSITE

On 25 January 2021, Burgo Group officially announced the release of its new website, completely renewed in content and layout. The site was born with a double and integrated mission at the same time, that is to briefly and exhaustively describe the values and the business model and at the same time promote the product catalogue and related services, offering easy access to product data sheets and the main channels of business contact. It has a streamlined and intentionally market-oriented corporate graphic design, renewing in particular the setting of the products selector to guarantee users a more immediate and effective experience. The new release therefore offers an updated photograph of the Group and guarantees an intuitive and fast user experience, accessible from any device.



The home page only has five simple menus:

- Languages (IT/EN)
- Products: Burgo Papers - Burgo Containerboard - Mosaico Specialty Papers
- Sustainability (in all its aspects)
- Certifications (all, both site and product ones)
- Finally, the general drop-down menu (which includes corporate content)

The design of the site stands out for its minimal style and the dynamic use of colours, with particular attention to the balanced distribution of content and the constant integration of texts, infographics and other visual and multimedia elements, in order to give a strong character to the communication. When scrolling through the virtual pages of the site, it is clear that Burgo Group's activity and communication style are inspired by the three keywords contained in the Group's payoff: Paper Power & Passion, which also are the three boxes in the footer of the home page where the "Stories" of the life of the Group are archived. News on the developments of the commercial offer alternate with in-depth information on the technological evolution of factories and articles that explain the Burgo Group's involvement in social and cultural initiatives such as events, exhibitions and publications of prestigious editorial projects. www.burgo.com

In the course of 2021 also Burgo Containerboard was given visibility; this is the production centre dedicated to the production of paper for corrugated cardboard for the packaging industry, which adheres to a clear choice in favour of circular economy and sustainability. <https://www.burgo.com/it/burgo-containerboard>

Last but not least, on 1 December 2021 Mosaico, the company dedicated to the production of specialty papers, announced the release of its new website, which is also an easily accessible and usable web space. The backbone of the site is the presentation of the eight product categories, which is punctual, detailed and concise at the same time thanks to a new paper selector. <https://www.mosaicopapers.com/>



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RELATIONS WITH THE TERRITORY

HOUSE ORGAN – GOMAGAZINE

It is the Group's informative internal quarterly magazine; it is a paper and digital information tool to update stakeholders on the most relevant activities relating to the Burgo world: products, new technologies and services, projects, events, collaborations and partnerships. It is an essential tool to promote the Burgo culture to all its 3125 workers. For 2021, the chosen editorial line is to present a particular in-depth analysis of some strategic areas of the Group at each appointment, starting with purchases (March), administration and finance (June), marketing and communication (September) and the HSE (December).



CIRCONOMIA 2021

For years Burgo Group has been supporting the initiatives of CIRCONOMIA, a Festival that in 2021 ran from 12 May to 28 July, which featured a series of conferences, webinars and insights to debate the economy of the future, even more so in the aftermath of the coronavirus emergency. The event is aimed at a wider audience, not only “insiders”, and aims at promoting ideas, business and administrative practices, social and cultural changes that have in common the attention to ecology and relationship between human actions and healthy ecosystems.

This year, thanks to the Burgo HSE management, we participated in the EoW (End of Waste) conference “Where are we now?”, which aimed to reaffirm the sharing of the concept also exposed by the Ellen MacArthur Foundation of an economy designed to be able to regenerate itself. This can make our economy more sustainable by giving a boost to innovation and sustainable development.

CIRCULAR ECONOMY NETWORK (CEN)

For the third consecutive year, Burgo Group is among the main promoters of the Report on the Circular Economy in Italy, an initiative that evaluates the progress towards a circular economy.

The 3rd National Conference on Circular Economy was held on 23 March 2021, during which the 2021 Report on Circular Economy was presented. Italy has attained a leadership role in Europe on the issue and confirms itself at the top of the rankings reported in the report. The highest ratings in: resource productivity, share of renewable energy, waste recycling, circular material use rate. Investments, employment and patents to be improved. Circular economy is essential to support the ecological transition. The

Burgo Group HSE management participated by speaking at the conference, and they drew some interesting ideas to start the transition to a new development model.

Circular economy represents a challenge of strategic importance for the future of our country and the manufacturing industries and can help support ambitious Carbon



THE PAPER INDUSTRY AND ITS CIRCULARITY



Promoters

The core of the promoters is made of companies and organisations that represent important realities in different sectors of the Italian economy. Their shared belief is that the development of the circular economy represents a challenge of strategic importance for the future of our Country. They collaborate with the Foundation for Sustainable Development to define objectives and strategies for the development of the circular economy in Italy, help coordinate the work of the Network, and implement the work programme.



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RELATIONS WITH THE TERRITORY

Neutrality projects and at the same time minimise environmental impacts. On 30 April 2021, Italy sent the National Plan for Recovery and Resilience to Brussels as part of the European funds of the Next Generation EU, a historic opportunity also for companies in the paper sector that will be able to optimise recycling flows of materials and take specific actions on the decarbonisation of production cycles.

COMMUNITY INTEGRATION PROJECTS

The Burgo Group not only focuses on environmental issues: it is in fact particularly sensitive in supporting projects of concrete integration with the local community in which its factories operate.

The most significant initiatives in this regard are:

Toscolano:

- founding member, along with the Municipality of Toscolano Maderno and with the “Group of elderly workers” (Gruppo Lavoratori anziani della Cartiera), of the Foundation’s Paper Mill, it is in charge of the Museum Centre of Excellence in Maina Inferiore. Located in the valley of the Toscolano river, the Centre organises educational workshops, organisation of conferences and exhibitions, temporary exhibitions and events, and collaborates with the interregional school of technology for paper technicians, the Istituto San Zeno di Verona;
- research and study of Toscolano’s paper manufacturing techniques (dating to the mid-fourteenth century) and reporting of findings in prestigious publications;
- support of various local non-profit associations.

Museo della Carta – Valle delle Cartiere – Toscolano Maderno (BS)

The Museo della Carta (Paper Museum) is an exhibition space devoted to the Burgo Group and Mosaico, redesigned as one large room.

For those who have not yet discovered the Valle delle Cartiere in Toscolano Maderno, it is a magical place where nature melds seamlessly with human history. Since the 14th century, the valley has been home of a renowned and very flourishing paper industry that has endured throughout history to present day.

The museum guides visitors on an authentic journey through time to discover the history of paper. From the centuries-old traditional craft, when paper was made using rags turned to pulp using hammers powered by hydraulic wheels, to the industrial

area, which led to the development of new technology and the gradual and inevitable abandonment of the paper mills in the valley. And yet, the history of paper in Toscolano did not end with the closure of the last paper mill in the Valley: it still continues to this day.

At its seasonal reopening on 1 June 2021, the new museum introduced a renewed section that tells this contemporary story dedicated to Burgo Group, founding member of the Fondazione Valle delle Cartiere and supporter of the initiative. The paper machine and the narration of the modern paper-making method thus find space within the museum itinerary, in the great hall, all accompanied by explanatory panels, videos, period documents and current products to describe its history from its origins in the 1906 until the modern era under the protection of the Marchi family and Burgo Group. The result comes from a collaboration work between the Museum and the Burgo Group Marketing Office.

On 15 October 2021, on the other hand, a ceremony was held for the naming of the Centro di Eccellenza after Mr. Aldo Marchi and of the Exhibition Hall after Mr. Franco Sanesi, following a proposal born spontaneously in the city council of Toscolano Maderno. On this occasion, the new exhibition dedicated to Burgo Group was officially inaugurated in the presence of local authorities as well as the Marchi and Sanesi family.



5

RELATIONS WITH THE TERRITORY

BURGO SUPPORTS THE “BAMBINI CARDIOPATICI” ASSOCIATION

The Burgo Group's has supported the Bambini Cardiopatici nel Mondo association since 2014. It is a non-profit, secular and independent organisation which, thanks to the voluntary collaboration of more than 150 surgeons, physicians, nurses and technicians of the most important Italian and foreign cardiac surgery centres, works in countries in difficulty to give life expectancy to children suffering from serious heart conditions.

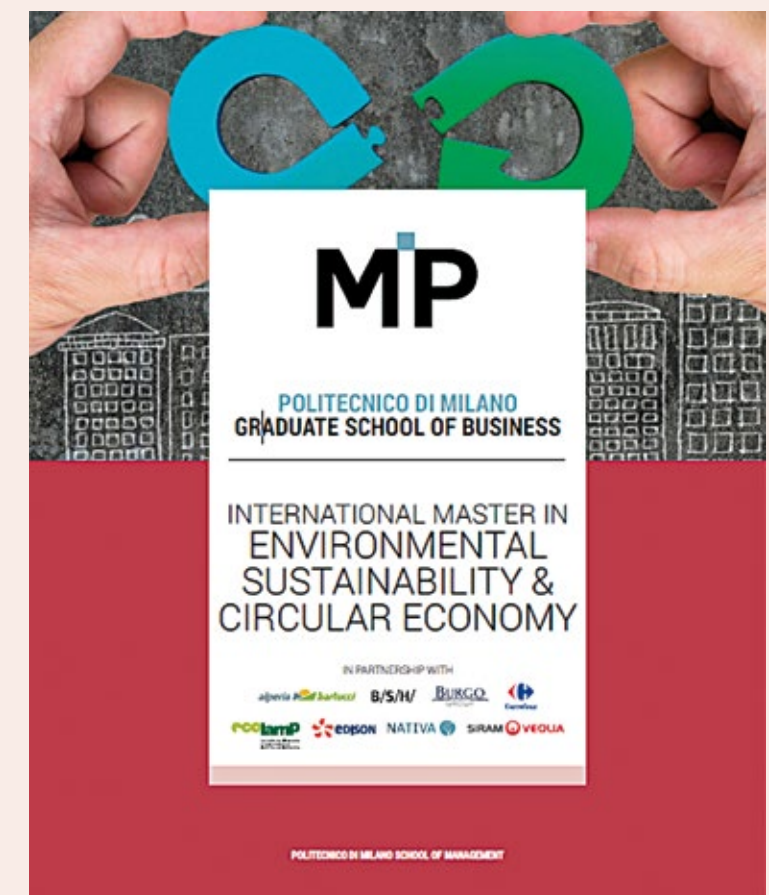
Founded in 1993 in Milan by Prof. Alessandro Frigiola and Prof. Silvia Cirri, each month it organises missions of hope in different countries (27 to date), trains medical professionals and establishes paediatric heart surgery centres in the most underdeveloped areas of the world, in order to develop the local health system and reduce the infant mortality rate linked to congenital heart diseases, which constitutes a dramatic social emergency. In fact, every year 2 million children are born with heart diseases and unfortunately 1 million and a half have no hope of surviving.

Among the inspiring principles that guide BCM emerge sustainability, concreteness and participation. Therefore, creating projects together means sharing the same ethical values without giving up corporate ones, in order to contribute to the construction of a more equitable world.



COLLABORATION WITH MIP POLITECNICO DI MILANO

In 2021, a partnership was undertaken with the MIP Politecnico di Milano in support of an “International Master in Environmental, Sustainability & Circular Economy”. The Politecnico di Milano, as we all know, is considered one of the best universities in the world. It was founded in 1863 and is currently the largest school of Architecture, Design and Engineering in Italy. It enjoys a strong political internationalisation, so much so that many courses of study are taught entirely in English and therefore attract a growing number of international students, who currently form a diverse community from more than 100 countries. Teaching is closely related to research in order to achieve results that comply with high international standards.



COLLABORATION WITH THE CORRIERE DELLA SERA FOUNDATION - LA LETTURA

The collaboration launched in 2018 between Burgo and Fondazione Corriere della Sera continues.

For the year 2021, the collaboration between the Corriere della Sera Foundation and La Lettura restarts from its own history. In fact, 2021 commemorates three important anniversaries as evidence of traditions and values, namely the 120th anniversary of the birth of the magazine “Lettura”, founded in 1901 by the will of Luigi Albertini (then director of the newspaper Il Corriere della Sera), the 20th anniversary of the birth of the Corriere della Sera Foundation and the tenth anniversary of the creation of the new cultural supplement of the newspaper that keeps the first name given to it by Albertini, “La Lettura”.

To celebrate these important milestones, Burgo has collaborated as a technical partner for the creation of a precious collector's book entitled “1901-2021 A history of Italian culture”.

The extreme care of the graphic and editorial project honours the Burgo papers with which the volume was created: for the internal pages of the volume, Selena paper of 140 g/m², while for the cover R4 Next Satin of 350 g/m² were used, special papers for quality editions that enhance the beauty of the artistic images and the legibility of the text, ensuring lasting value for such a prestigious publication.



THE BURGO 2022 CALENDAR IS A PROJECT CARRIED OUT BY BURGO GROUP MARKETING DEPARTMENT IN COLLABORATION WITH THE ASSOCIAZIONE ILLUSTRI AND THE ARTISTIC DIRECTION OF FRANCESCO POROLI.

THE CALENDAR IS PRINTED ON FSC® CERTIFIED PAPERS: RESPECTA 100 SATIN 250 G/M² FOR THE INTERNAL PAGES AND PRISMA UP SILK 2SC 400 G/M² FOR THE COVER.

BURGO CALENDAR 2022

For over 20 years, Burgo Group has been collaborating with Italian and international artists through its historic illustrated calendar, sealing the link between paper, art, words, culture and beauty.

After a long time, this year saw a change in the technique for the creation of the illustrations. Six watercolour plates that celebrate paper, as a link between the present and its fantastic representation. These are surreal images with which the artist Marina Marcolin invites us to imagine the new year. Marina Marcolin was born in Vicenza in 1975. Painter and illustrator, she collaborates with national and international publishing houses and galleries. Her works have been published in Italy, France, Germany, Switzerland, Spain, Portugal, Holland, Greece, Taiwan, Korea, Ireland, England, United States and exhibited at the Museum of American Illustration in New York, at the Bologna Children's Book Fair International Exhibition, at the Itabashi Art Museum and at the Italian Cultural Institute in Tokyo, at the Athens Concert Hall, at the Palazzo delle Esposizioni in Rome, at the Fabriano Paper Museum and in the Basilica Palladiana in Vicenza. She lives and works in Arcugnano (Vicenza), between a lake and the woods.



(GRI 102-55)

GRI standard number	Disclosure title	Page references and notes
GRI 102 General disclosures		
102-1	Name of the organisation	Note on Methodology
102-2	Activities, brands, products and services	2.7
102-3	Location of headquarters	Note on Methodology/ 2.6
102-4	Location of operations	2.6
102-5	Ownership and legal form	2.3
102-6	Markets served	2.7
102-7	Scale of the organisation	2.2
102-8	Information on employees and other workers	2.2/6.1
102-9	Supply chain	5.1
102-12	External initiatives	6.5
102-13	Membership of associations	6.5/3.6
102-14	Statement from senior decision-maker	Letter from the CEO / Letter from the Chairman
102-16	Values, principles, standards and norms of behaviour	3.2/3.3
102-18	Governance structure	Governance 24, 25, 26
102-40	List of stakeholder groups	3.7
102-42	Identifying and selecting stakeholders	3.7
102-45	Entities included in the consolidated financial statements	Note on Methodology/2.2/2.3
102-46	Defining report content and topic boundaries	Note on Methodology/3.7
102-47	List of material topics	3.7
102-50	Reporting period	Note on Methodology
102-51	Date of most recent report	Note on Methodology
102-52	Reporting cycle	Note on Methodology
102-53	Contact point for questions regarding the report	Note on Methodology
102-54	Claims of reporting in accordance with the GRI Standards	Note on Methodology
102-55	GRI content index	GRI indicator
102-56	External assurance	Assurance Statement
GRI 201 Economic performance		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	4.1/4.2
103_3	Evaluation of management methods	4.2
201-1	Economic value generated and distributed	4.2
201-4	Financial assistance received from government	4.3
GRI 203 Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	2.7
GRI 204 Procurement Practices		
204-1	Proportion of spending on local suppliers	5.1
GRI 301 Materials		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	5.1
103_3	Evaluation of management methods	5.1
301-1	Materials used by weight or volume	5.1

GRI standard number	Disclosure title	Page references and notes
GRI 301 Energy		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	5.3
103_3	Evaluation of management methods	5.3
302-1	Energy consumption within the organisation	5.3
302-3	Energy intensity	5.3
GRI 303 Water		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	5.5
103_3	Evaluation of management methods	5.5
303-1	Interaction with water as a shared resource	5.5
303-2	Management of impacts related to water discharge	5.5
303-3	Water consumption	5.5
GRI 305 Emissions		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	5.4
103_3	Evaluation of management methods	5.4
305-1	Direct (Scope 1) GHG emissions	5.4
305-2	Energy indirect (Scope 2) GHG emissions	5.4
305-5	Reduction of GHG emissions	5.4
305-7	Nitrogen oxides (Nox), sulphur oxides (Sox) and other significant emissions	5.4
GRI 306 Waste		
103_1	Explanation of the material topic and its scope	3.7
103_2	The management method and its components	5.2
103_3	Evaluation of management methods	5.2
306-1	Production of waste and significant impacts related to waste	5.2
306-2	Management of the significant impacts related to waste	5.2
306-3	Waste produced	5.2
GRI 403 Occupational Health and Safety		
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403-1	Occupational health and safety management system	6.2
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Glossary

Containerboard: a type of paper produced specifically for the production of corrugated cardboard, predominantly for use in the packaging sector.

BCB (Burgo containerboard): the Group's new production centre devoted entirely to paper for the packaging sector.

UWF (Uncoated WoodFree): Uncoated woodfree papers.

CWF (Coated WoodFree): Coated woodfree papers.

LWC (Light Weighted coated): Lightweight coated papers.

RCCM (Recycled containerboard): Paper for recycled packaging.

RTC: Coated wood-free papers with high printing performance.

White top liner: Double-layer paper comprising a paperboard back and a white top, ideal for printing.

Waste paper: formed of used card or cardboard which can be recycled to create new paper as an end product.

High yield cogeneration system: A cogeneration system is classified as high yield when the PES (primary energy saving) is at least 10%.

Carbon footprint: quantification of greenhouse gas emissions of an activity or product.

Interruptibility: The interruptibility service is an electricity management method offered by electricity providers that enables the user to modify electricity supply through the deliberate disconnection of certain grid connections.

EMAS (Eco-Management and Audit Scheme): a voluntary system open to EU and non-EU private and public businesses and organisations, under which subscribing members commit to assessing and improving their environmental performance.

Specialty papers: type of paper ideal for offset and digital printing, greetings cards, poster paper, self-adhesive labels and shopping bags.

White certificates: introduced in 2005, these are the main tools used to promote energy efficiency in Italy. These certificates are tradeable documents that certify the achievement of savings in end energy use through interventions and projects to increase energy efficiency. One certificate equates to a saving on one Tonne of Oil Equivalent (TOE).

European Union Emissions Trading System (EU ETS): the European greenhouse gas emissions trading system. It is the main tool adopted by the EU to achieve its CO₂ targets in the main industrial sectors.



Assurance Statement

SGS Italia S.p.A. has been commissioned by Burgo Group Management to conduct an independent assurance review of the Burgo Group Sustainability Report 2021 ('Report'), with the objective of providing conclusions regarding the accuracy and quality of the information disclosed about its performance.

Our responsibility in carrying out the work commissioned to us, in accordance with the terms agreed with the organization, is solely to Burgo Group management.

This Independent Assurance Statement is intended solely for the Group's stakeholders and is not intended to be and should not be used by anyone other than them.

DIRECTORS' RESPONSIBILITY FOR THE SUSTAINABILITY REPORT

Burgo Group directors are responsible for preparing the Sustainability Report and for defining objectives in relation to sustainability performance and reporting on the results achieved.

Burgo Group directors are also responsible for identifying stakeholders and significant aspects to be reported, and for implementing and maintaining adequate management and internal control processes for the data and information presented in the Report.

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

SGS Italia S.p.A. affirms its independence from Burgo Group and believes that no conflict of interest exists with the Organization, its subsidiaries and Interested Parties.

SGS Italia S.p.A. maintains a quality control system that includes guidelines and documented procedures on compliance with ethical principles and professional principles.

AUDITOR'S RESPONSIBILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements contained in the 2021 Sustainability Report.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000), issued by the IAASB (International Auditing and Assurance Standards Board) for limited assurance engagements. The standard requires that we comply with applicable ethical requirements, including professional independence, and that we plan and perform our work to obtain limited assurance that the Report is free from material misstatement.

The audit of the activities and data relating to the period January to December 2021 (as reported in the Report), was conducted as a Limited Assurance under ISAE 3000.



ASSURANCE METHODOLOGY

The assessment was conducted through the random application of audit techniques, including:

- review of policies, mission, values, commitments;
- review of documents, data, and information collection methods;
- interviews with members of the working group for the drafting of the Report;
- interviews with company representatives from various functions and services, as well as members of senior management;
- overall verification of information and general review of the contents of the Report.

The audit team was assembled based on their technical know-how, experience and qualification of each member in relation to the various dimensions assessed.

The audit activities took place in June and July 2022 at both the company's headquarters in Via Piave, 1 Altavilla Vicentina (VI) Italy, as well as through desktop review activities.

We believe that we have obtained sufficient and adequate evidence to support our conclusions.

The audit covered the entire Sustainability Report, with the following clarifications: for information of an economic-financial nature, SGS Italia limited itself to verifying consistency with the Annual Report and the Consolidated Financial Statements as at 31/12/2021, which were not subject to audit.

CONCLUSIONS

As a result of the audit activities conducted and described above, no negative indications emerged regarding the reliability, accuracy and correctness of the information and data reported in the Sustainability Report 2021.

In our opinion, the Report provides a reliable representation of the activities carried out by Burgo Group during the year and the main results achieved. The information is presented in a generally clear, comprehensible, and balanced manner.

Milano, 13th July 2022

SGS Italia S.p.A.

Paola Santarelli
Knowledge
Business Manager

Nicolò Cristoni
Knowledge
Project Leader

SGS Italia S.p.A.

Via Caldera, 21, 20153 Milano (MI) – Italy - t +39 02 73931 f +39 02 70124630 e sgs.italy@sgs.com www.sgs.com
Membri del Gruppo SGS (Société Générale de Surveillance) - Sede Legale Milano Via Caldera, 21 - Capitale sociale € 2.500.000 i.v. C.F./N. Iscriz. Reg. Imprese di Milano 04112680376 - P. IVA n. 11370520154 - Cod. Mecc. n. MI223913 - Società unipersonale soggetta a direzione e coordinamento di SGS European Subholding BV

An aerial photograph of a lush green forest. A river, with a slightly milky or turquoise hue, winds through the dense canopy of trees. The trees are a vibrant green, and the river's path creates a natural, organic shape that meanders across the landscape.

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Burgo Group SpA
Via Piave 1 - 36077
Altavilla Vicentina (VI) Italy
www.burgo.com