



Sustainability Report 2019

BURGO
GROUP



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Letter to Stakeholders

LETTER FROM THE CHAIRMAN

“A business rooted in the circular economy: today's challenge, tomorrow's future.”

ALBERTO MARCHI
CHAIRMAN OF THE BURGO GROUP



The circular economy increasingly represents not only an opportunity for businesses to protect natural resources, but also an effective tool for economic growth.

Simply consider that record investments (+21%) were made in this sector in 2019. More than 40% of Italian businesses have already introduced packaging solutions composed entirely of recycled materials to package their products.

One in three Italian companies offers products on the market which are composed of over 70% recyclable material. This trend is not only a response to new development models, it also clearly represents the economic potential and growth possibilities offered by the circular economy, where the value of products, materials and resources can be maintained as long as possible and the production of waste is minimised.

This process is naturally beset with challenges, not least for the Burgo Group, which is ontologically committed to a green mission.

According to data from CONAI (the Italian National Packaging Consortium), the major barriers preventing the development of the circular economy are mainly the lack of adequate incentives and the high costs of investment borne by businesses.

Similarly, the transition from a linear model to a circular one requires more than simply converting production equipment. It represents a profound cultural shift.

Nor can it be dismissed as a mere passing trend.

The Group is therefore called upon to seek a new approach to co-existing with the planet and its resources—a veritable duty in the eyes of the younger, but certainly not naive, generation, aware that its riches are not infinite. This process is in clear contrast to the traditional linear economic model based on a typical extract-produce-use-dispose strategy (the so-called throw-away culture).

The Burgo Group is highly sensitive to this duty because, while we have always sought to build increasingly solid foundations for our stakeholders, in the present and future, it will be those very stakeholders who must strengthen those foundations.

Letter to Stakeholders

LETTER FROM THE CEO

“When it comes to the Environment and the Climate, we can no longer turn our backs. We must all show courage and character. We can do it, and we will do what needs to be done individually and as a Group. Today we must become part of the solution and not contribute to the problem.”

IGNAZIO CAPUANO
CEO OF THE BURGO GROUP



With these words, Mr Capuano, CEO of the Burgo Group, summarises the history of the Burgo Group's Sustainability Report and offers his personal introduction to this document. “When we talk about protecting the environment, the circular economy and climate change today, it can sometimes feel like we are merely reciting a list of slogans. There is no doubt that many of the people fighting these battles have little trust in the human ability to confront problems and solve them collectively. This is not true of Burgo. We are aware that the balance of decisions with regard to sustainability will never be perfect and a natural conservatism tends to leave behaviour unaltered. For example, we often hear that recycled paper is of poorer quality than virgin paper. This statement does not reflect the truth, particularly these days when technology and production processes have evolved so rapidly. Consequently, it is important to understand that when we talk about ecology and sustainability, several different aspects should be considered. On one hand, we have to look more at the substantive elements of a decision rather than being conditioned by the automatic responses often provoked by ideological vision. On the other hand, we have to

encourage good intentions in order to promote the technological leap required to make them truly advantageous. Fortunately, today we are faced with a developing, socially diverse culture that is aware of the risks of irresponsible and individualistic behaviour, a sensitivity that seeks to decipher and mitigate the human and social needs of technological life with the environment.

This means that, above all, market operators must undergo radical and personal change, altering lifestyles and approaches to consumption, and must seek to adapt to needs that evolve over time.

The Burgo Group has long implemented a production policy that unites the needs of our clients with the environmental commitments incumbent on us all.

The major changes we have made in the last few years are proof of this commitment, with the Group increasing its production of recycled products and thus consolidating its leadership both in its reference sector and among recycling operators.

Just as we are duty-bound to generate economic value for our stakeholders, so creating social value and protecting the future is an obligation we have voluntarily undertaken not only for our own sake, but more importantly for future generations”.

NOTE ON METHODOLOGY

With a view to ensuring maximum transparency, for many years, the Burgo Group has committed to reporting its sustainable business model and its broad commitment to the environment through the publication of ad hoc reports produced with the aim of supplementing the information contained in the traditional Financial Statements.

The tradition of supplementary corporate reporting began with Environmental Reports, which aimed to report environmental sustainability targets and the main results achieved in this regard.

In 2012, with the aim of mitigating the artificial separation of economic results and environmental performance that had developed between the environmental reports and the statutory financial statements, the Group began making Economic, Financial and Environmental Reports. In order to give increasing visibility to the value of Corporate Social Responsibility (CSR), in 2019, the Burgo Group took its environmental reporting a step further with the production of the Sustainability Report. The report considers the Burgo Group S.p.A. and its subsidiaries, in particular, Mosaico S.r.l., Burgo Ardennes S.A., Burgo Distribuzione S.r.l., Burgo Energia S.r.l., and Gever S.p.A. In addition, the following subsidiaries operating in sales and distribution in countries outside Italy are also included in the reporting scope: Burgo Factor S.p.A., S.E.F.E. S.a.r.l., Burgo Benelux Sa, Burgo France Sarl, Burgo UK Ltd, Burgo Central Europe, Burgo North America Inc., Burgo Eastern Europe Sp.z.o.o., and Burgo Ibérica Papel S.A.

In this document, the term “Group” or “Burgo Group” shall refer to all the subsidiary companies mentioned above. The reporting period of this report is generally considered as being from 1 January 2019 to 31 December 2019.

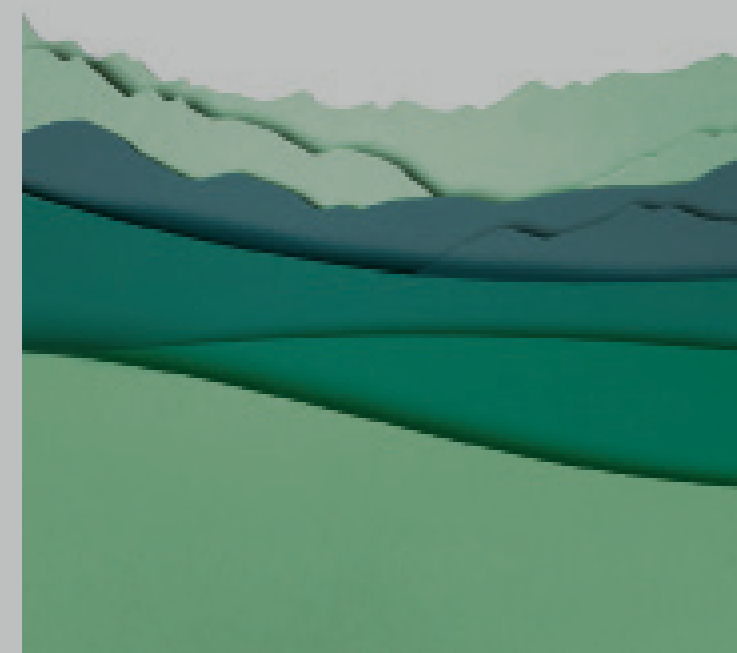
Data comparisons are provided for the four years from 2016 to 2019.

The data presented in this report refer to the Burgo Group, unless an alternative reporting scope is expressly indicated.

The 2019 Sustainability Report has been prepared according to the GRI Sustainability Reporting Standards published in 2016 by the Global Reporting Initiative. As this is the first sustainability report prepared by the Group, the GRI-referenced approach has been adopted, with the standards reported upon in the report expressly indicated. To facilitate reference to the standards and ensure the continuous improvement of our reporting process, a [GRI Content Index](#) has been produced. To guarantee the reliability of the data presented in this 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 write to the following us at bilancio.sostenibilita@burgo.com

The Sustainability Report is prepared on an annual basis.



1. Situation analysis

- 1.1 The economic and financial situation
- 1.2 The market for paper
- 1.3 The Group's strategies in response to change



1.1 The economic and financial situation

In 2019, the international situation was characterised by decelerating economic growth. In a highly uncertain climate, the economic system and global trade slowed mainly due to declining investments and lower industrial production.

The growth forecast for global GDP in 2019 was +2.9%, a significant decline compared to 2018 (+3.6%).

The international situation resulting from the imposition of new duties, geopolitical tensions and Brexit continues to have negative repercussions on future growth prospects. The emergence of the *COVID-19* pandemic in early 2020 is estimated to have a profoundly negative effect on growth which is likely to continue, driven by emerging and developing markets, albeit with lower performance than in previous years.

The trade disputes between the United States and China and the risk that protectionist stances may be taken in other geographical areas have negative repercussions on trade flows, growth prospects and investor confidence.

In the Eurozone, GDP is forecast to grow by +1.1% in 2019, a decrease on the +1.9% recorded in 2018. In Europe, a higher rate of growth was recorded in the first quarter of 2019 than in the subsequent quarters.

With regard to specific member states, economic growth in Germany slowed, mainly due to poorer performance in the car manufacturing sector.

In Italy GDP is expected to increase by 0.2% in real terms, in clear decline compared to the previous year. In the Italian economy, internal and external demand contributed positively to a +1% increase overall, while the change in stocks had a negative effect of -0.8%. Another positive component was investments, which for 2019 were estimated to continue to rise with respect to the previous year, albeit with less sustained growth (+2.2% in 2019, against +1.7% in 2020). In general, in 2019 Italy continued to suffer from the extended period of low productive growth that has become the defining characteristic of the period.

The decrease in the spread between Italian/German government securities relative to the end of 2018 has provided benefits in terms of public finance and the stability of the Italian credit system. Due to the decrease in energy prices and the weak dynamics in the Italian economy, inflation fell to relatively low levels and is estimated at +0.5% for 2019, a further decline compared to the previous year and lower than the levels of other European countries.

ITALIAN GDP
GREW LESS
RAPIDLY IN
2019.

+0.2%

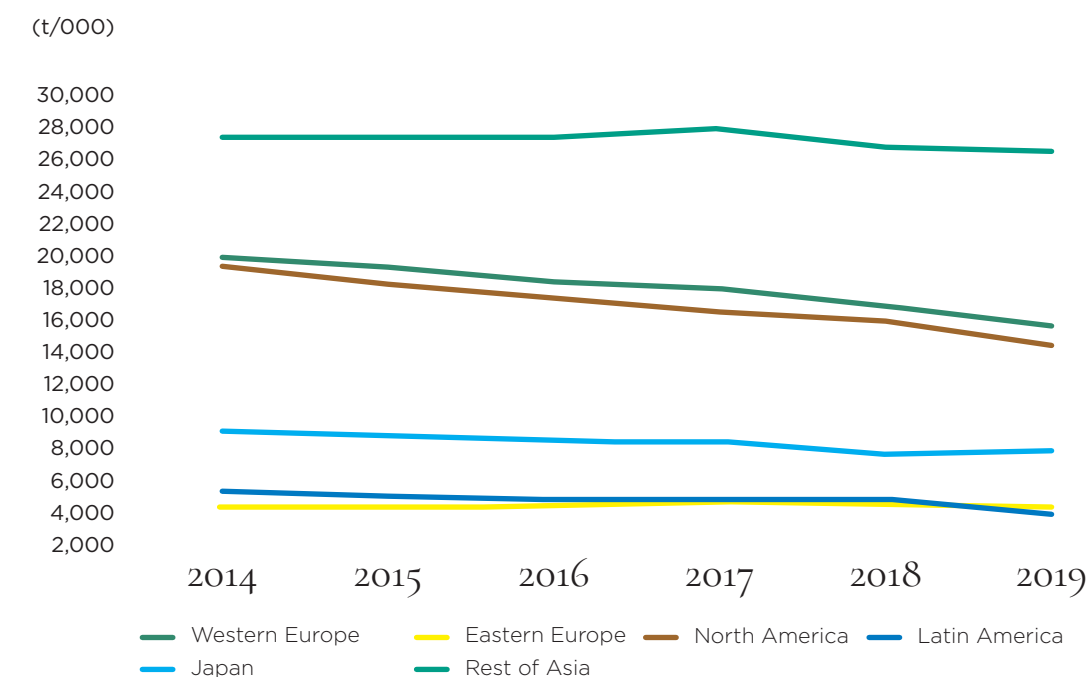
1.2 The market for paper

The persistent decline in demand has led to a further reduction in the production capacity of Western Europe. In the graphic paper segment, demand in 2019 fell by -6.1% globally, with a negative change in Western Europe of -9.2%, while current forecasts predict further reductions in the coming years. In the other main global markets, namely North America, Asia and Japan, the decreases in demand were respectively -12%, -2.7% and -0.1%.

Analysing the trend by segment, the changes at global level were -11% for CM (Coated Mechanical), -7.8% for CWF (Coated Wood Free) and -2.6% for UWF (Uncoated Wood Free).

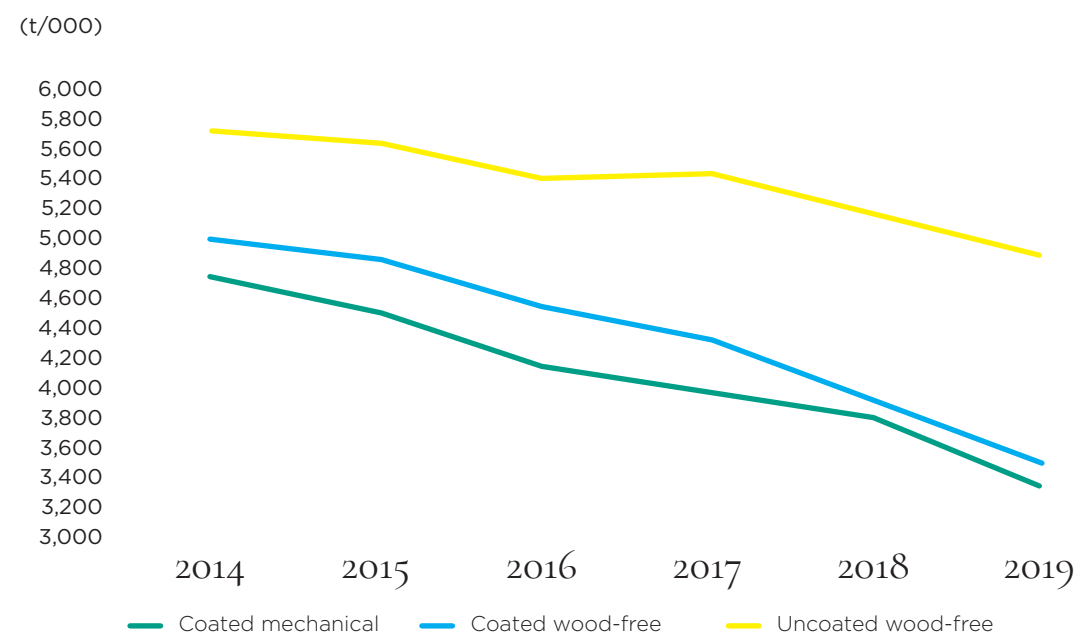
GLOBAL DEMAND FOR GRAPHIC PAPER

Source: PPPC



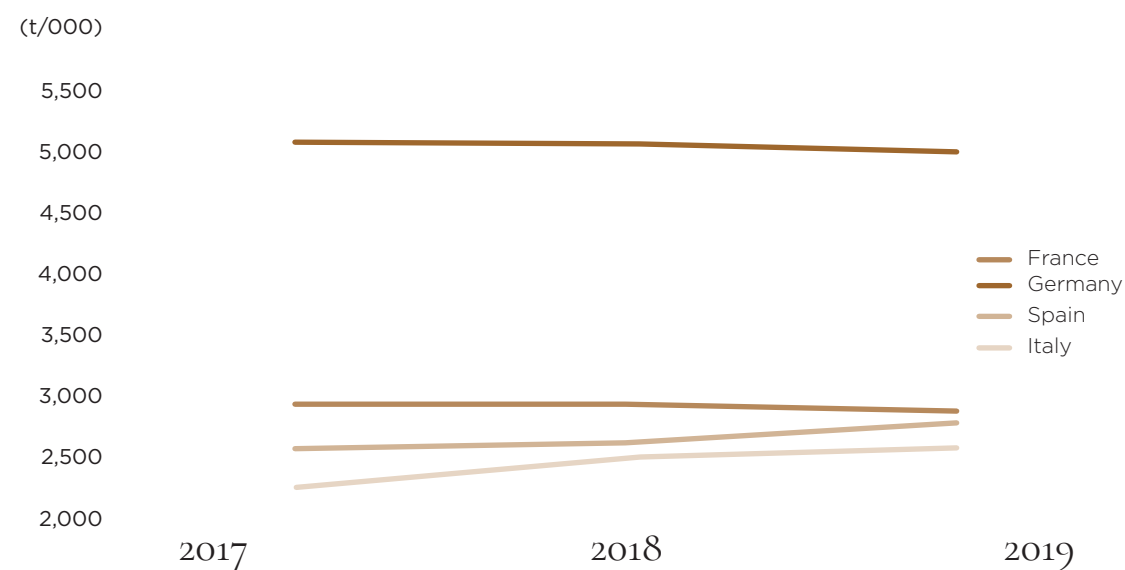
DEMAND - WESTERN EUROPE

Source: PPC



DEMAND - WESTERN EUROPE CONTAINERBOARD

Source: CEPI Containerboard



Demand for containerboard in Western Europe increased by +0.7%, with +2.3% seen in the RCCM segment in which the Group operates. In Italy, demand increased respectively by +2.1% and 4%.

1.3 The Group's strategies in response to change

The Verzuolo reconversion project and the investments in new cookers by Burgo Ardennes represented the most significant investments made by the Burgo Group in 2019, entailing a major financial commitment.

The conversion of the Verzuolo facility for the production of containerboard is a medium-term strategy aimed at reducing the production of graphic paper and shifting the focus onto market sectors currently experiencing growth.

The coated mechanical (CM) paper no longer produced in the Verzuolo facility will be partially transferred to the Duino and Villorba plants, enabling the Burgo Group to maintain a production and commercial presence on the Italian and European market through the production of roto-offset, rotogravure and medium weight coated papers and paper for school materials.

Despite the current macro-economic context, the *containerboard* sector has shown a positive rate of growth in Europe, which is predicted to increase in view of structural changes related to the demand for packaging for *e-commerce* and the gradual increase in the use of organic materials to replace oil-based products. So-called organic production is a key part of the research conducted by the Burgo Group, in particular by the subsidiary Mosaico. Despite a slight decline in consumption, the specialty papers market has proven to be resilient, thanks in part to the Group's propensity to innovate and to confront new markets, with products for the fresh and pre-packaged food delivery market and cup stock products for the hot drinks market.

To confront the evolutions of the specialty papers market in particular, in 2014 the Burgo Group established the subsidiary Mosaico, beginning with four facilities and with a fifth, Toscolano, added in 2019 and converted to produce *specialty papers*, supported in part by the Villorba facility.

In 2019, Mosaico began marketing a new family of paper for food contact use which uses an innovative blend of fibres containing a high percentage of grass, reducing the consumption of chemical cellulose and thus contributing to the reduction in CO₂ emissions.

However, Burgo remains true to its vocation in the graphic paper sector. The market is in profound decline, at an even greater scale than the historic trend seen in recent years. In particular, the global CWF market has fallen by -8.5%, while the UWF sector has declined by -1.9%. The decline is even greater at European level: -10% for CWF and -5% for UWF. Nevertheless, Burgo has invested heavily in Burgo Ardennes with new cellulose cookers,

with the aim of increasing cellulose production while significantly reducing costs and energy consumption.

The plant will enter into operation in mid-2020.

Furthermore, the Burgo Group has not suffered too significantly from the considerable decline in the CW sector, thanks in large part to the Group's ability to ready itself for production and marketing, with a wide range of paper produced in the Sarego and Sora plants, with weights ranging from 90 to 350 grams per square metre, [focusing on developing the production of lightweight paper for medication information leaflets and paper for digital printing.](#)

THE CONVERSION TO CONTAINERBOARD

THE
CONVERSION
OF THE
VERZUOLO
SITE WILL BE
COMPLETED IN
2020:
TOTAL INVEST-
MENTS ARE
APPROXIMATELY
€ 75
million

TOTAL
INVESTMENT IN
THE AVEZZANO
SITE IS
APPROXIMATELY
€ 20
million

The Verzuolo (CN) facility is one of our oldest plants and is emblematic of the Burgo Group. Founded in 1905, it combined wood pulp production machinery with hydroelectricity systems and, over the years, has hosted nine successive production lines of different types of paper: tracing paper, parcel paper, natural writing paper, paper for newspapers, and coated wood and wood-free graphic papers. In the last two decades, the plant has concentrated its production on two production lines of high-quality coated paper, based on the use of self-produced wood pulp. Line 9, the creation of which involved investments of around € 500 million in the 2000s, gained Verzuolo the position as one of the leading paper production facilities in Europe, specialising in the production of graphic papers for magazines and for high-quality printed marketing materials. Thanks to the *Paper Machine 9*, the Verzuolo facility set the world speed record for the production of coated paper twice (the second record was 1904 metres per minute, the equivalent of approximately 114 km/h).

In the 18 years since the launch of the PM9 much has changed on the global economic panorama, particularly in the paper sector.

New digital technologies and evolving consumer habits have led to a rapid decline in the consumption of graphic papers, accompanied to falling market prices and increasing raw materials costs, enforcing repositioning strategies across the Burgo Group's production units and in particular in the Avezzano (AQ) and Verzuolo (CN) facilities.

The strategic repositioning of the Group's product portfolio also included the transition to the production of corrugated cardboard materials for the packaging sector.

The project began with the post-conversion relaunch of line 2 at the Avezzano plant in 2018 and continued with the conversion of PM9 at the Verzuolo facility in 2019.

The reconversion of line 9 at Verzuolo involves a cutting-edge investment in the use of technologies aimed at optimising the use of raw materials and reducing energy consumption, placing the Verzuolo paper facility among the leading plants in the paper making sector.

This further bears witness to the Group's spirit of initiative and entrepreneurialism, which aims to develop high-quality and sustainable products in line with the circular economy.



THE REVAMPING AND REPLACEMENT OF THE ATELIER CUISSON AT BURGO ARDENNES

TOTAL
INVESTMENTS
AMOUNT TO
APPROXIMATELY
**€ 35
million**

The *Atelier Cuisson* is a complex of several machines that separate the fibres contained in wood through a chemical and thermal process known as the Kraft process. The system is composed of 10 cookers, 2 blow tanks, an MDO unit that condenses the blowing sludge, and an MODO combustion boiler powered by the residual process gas. An audit conducted in 2012 highlighted the age of the system and the limits of the now out-of-date technological model (based on Conventional Batch technology). In recent years various production inefficiencies have arisen, such as the difficulty in monitoring cellulose quality, the very high use of thermal energy and the difficulty in controlling odorous emissions during the blowing phase. As a result of its condition the plant was not being used to its full potential, and so the Group embarked on a major investment programme to update its technology and increase its efficiency.

An analysis conducted based on the best available technological practices revealed that the optimum solution was to focus on a technology known as “superbach”. The studies showed that the main advantages would be technological, with a reduction in energy consumption, and environmental, with a 3% saving in the consumption of timber and a 1.5% increase in cellulose production yield. Furthermore, it will be possible to reduce liquid effluents (with a 75% reduction in condensates) and non-condensable odorous gases. It is estimated that the improvements will also improve the mechanical performance of the cellulose (by around 20%), leading to a greater availability of fibre for use in production.

The investment will enable the gradual decommissioning of obsolete plants, such as: 7 cookers, 2 blow tanks, a blowing sludge condensation and odorous gas combustion unit, and the ERP system that was used to manage the process.

KAZAN: THE SPECIALTY PAPER BY MOSAICO WITH LOW CO₂ EMISSIONS

THE LUGO
FACTORY HAS
DEVELOPED
A NEW
SUSTAINABLE
PRODUCT
BASED ON
GRASS
FIBRES

Mosaico, the Group company dedicated to the specialty papers market, has launched a major project able to respond to the increasing demand for products with a low environmental impact.

The project consists of producing paper from grass fibres sourced from the mowing of urban green spaces.

The idea was first conceived by a German company, Crea Paper, which patented the process of obtaining grass fibre using a process to shred and dry the grass.

Grass fibre is a sustainable material that can replace some of the cellulose fibres obtained through sulphate-based chemical processes. To use the new raw material in the production process, a series of measures coordinated by the experienced of skilled paper producers are required. The technical characteristics of the new product have made it particularly suited to the food packaging and graphic paper markets.

The Lugo (VI) plant operated by Mosaico has obtained excellent results.

The combination of fibres obtained from grass with cellulose fibres has led to the creation of a new sustainable product that helps to reduce CO₂ emissions, saves water and energy and reduces the use of chemical additives.

The products obtained are suitable for food contact use and are certifiably recyclable using the “Aticelca” method. Tests to ascertain the biodegradability and compostability of these products are currently being carried out.

Applications for grass-based paper are increasing and the product is already used for shopping bags, soft drinks labels, place mats, graphic applications and envelopes. Thanks to this initiative, Mosaico has created a product that is difficult for competitors to replicate and which can vary based on the origin and cutting season of the grass.

This is a major achievement for the Lugo plant and a sign of the Group’s ability to innovate with a view to protecting the environment and contributing to the circularity of resources.



2. The Burgo Group

- 2.1 History
- 2.2 Burgo Group overview
- 2.3 Ownership structure
- 2.4 Corporate governance and organisation
- 2.5 Risk management
- 2.6 The business model
- 2.7 The products of the Burgo Group
and markets served



2.1 History

LUIGI BURGO

When Luigi Burgo, the founder of the paper manufacturing Group that bears his name, arrived in Verzuolo (Cuneo) in 1897, he was a young engineer with a good knowledge of the emerging field of electricity.

He moved to the Saluzzo region of his native Liguria after a meeting with Tommaso Toesca, a spool winder at the Thury workshop in Genoa, who told him that the Municipality of Verzuolo needed a public lighting system.

As a result of that meeting, Burgo founded Alimonda Burgo & C. in Genoa in 1899 and created the first hydroelectric plant in Verzuolo to provide public lighting in the town. The excess energy produced every day by the plant, together with the abundance of water in the area, gave Luigi Burgo the idea of building a plant to produce paper.

No sooner said than done, on 21 May 1905, he founded Cartiere di Verzuolo ing. Burgo & C. with a share capital of 300,000 lira.

The company grew year by year and by 1930 had become a European giant, just 25 years after it was founded, with 5400 employees and eight plants (in Verzuolo, Corsico, Maslianico, Pöls, Fossano, Treviso, Romagnano Sesia and Lugo di Vicenza).

In 1921 Luigi Burgo was made a Cavaliere del Lavoro and then a Senator of the Kingdom of Italy.

In 1943 the tragic events of the war caused Luigi Burgo to be imprisoned in Verona, accused by Mussolini of plotting against the Fascist State.

After months of harsh incarceration, which were to leave their mark for the rest of his life, Luigi Burgo was freed and, having lost all of his positions and all his assets confiscated, on 20 June 1946 his status of Senator was reconfirmed by the Supreme Court.

From 1947 to 1953, Luigi Burgo was represented in the companies by a trustee.

He returned on 22 July 1953 as Honorary Life Chairman of the company, a position he held until his death on 8 March 1964.



Luigi Burgo, *the founder*

ORIGINS: A COMPANY THAT SHAPED THE HISTORY OF ITALIAN INDUSTRY

The Verzuolo (Cuneo) paper mill was founded in 1905, based on Luigi Burgo's insight that excess energy from the power plant he had founded a few years earlier could be used to launch the new business. Burgo soon achieved significant results: 5,000 kilos of packaging paper produced in the first year, 315 employees by 1909, Grand Award Diploma in 1911. In 1918, Burgo was already Italy's leading paper manufacturer and was able to relieve the country of the need to import newsprint.

Unaffected by the 1929 crisis, the company continued to expand, purchasing mills and developing projects in the energy and raw materials fields. It launched production of cellulose, setting up Cellulosa d'Italia - CELDIT with IRI, and founded an experimental institute to study poplar cultivation, marking the beginning of a focus on resources and the environment that is still a distinctive feature of its production today.

GROWTH: POST WWII TO THE SIXTIES

After the war, Burgo launched a vast campaign to update its mills and made investments in other paper and associated sector companies. Furthermore, it produced new papers to respond to the latest market demands (such as packing, food wrapping and packaging papers) and increased production of coated papers for the publishing field, where more widespread affluence created an increased demand for books, magazines and newspapers.

In 1960, Burgo became the first Italian company to enter the tissue sector by setting up a joint venture with America's Scott Group to form Burgo Scott Group, with plants in Villanovetta, very near Verzuolo, Maslianico, Maraino and Romagnano Sesia, an experience that lasted for over 20 years.

THE EIGHTIES: RECONVERSION AND THE FIRST PARTNERSHIP WITH MARCHI

For Burgo, the 1980s were years of restructuring and converting production. Widespread difficulties in the market forced the company to increase its share capital by bringing in a new shareholder, a move, however, that enabled it to resume growth. The first contact between the Burgo and Marchi companies dates back to this period and, in 1989, Marchi acquired 75% of the Toscolano paper mill together with Burgo (25%). This marked the beginning of a new and fruitful synergy.

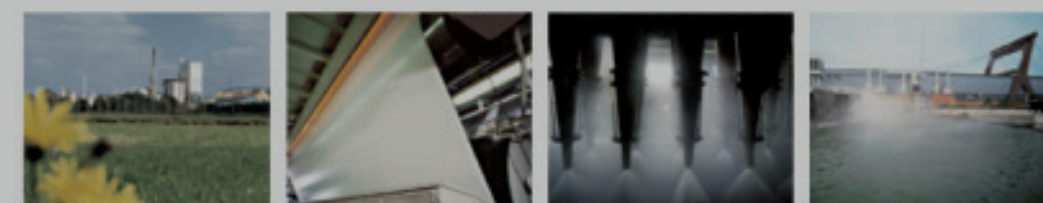
Burgo increased its output thanks to an aggressive investment plan, with new production lines (PM3 at Duino), conversion of certain lines from uncoated to coated paper production (coating unit at Avezzano, PM7 at Verzuolo) and acquisition of new mills (Tolmezzo, Chieti, Marzabotto).

The Co.Me.Cart. company was also formed in this period to develop technologies and plant for paper production.

The Marchi family had been operating in the Veneto region since the early 1900s (later expanding in the 20s and 30s) in the silk production sector. After the Second World War, Marchi entered the stationary market with the acquisition of a majority share in Tipolitografia Palladio. It made its entry into the paper sector in 1952 with the Arzignano paper mill, which is no longer operating, followed by the plants in Valchiampo and Sarego in the early 1960s and 1971 respectively. The Toscolano paper mill was acquired in 1988, followed by the Villorba mill in 1998.



From left to right: architect Oscar Niemeyer at the San Mauro Torinese site. The construction of the PM3 at Duino. External view of Tolmezzo mill. PM2 at Avezzano.



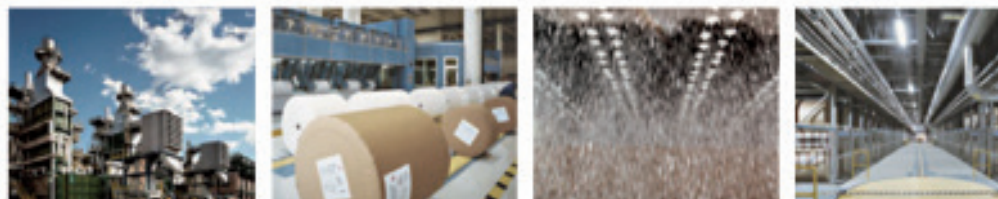
From left to right: architect Oscar Niemeyer at the San Mauro Torinese site. The construction of the PM3 at Duino. External view of Tolmezzo mill. PM2 at Avezzano.

THE NINETIES: INNOVATION

In the 1990s, Burgo confirmed its commitment to innovation by developing paper technologies (especially in the reel paper sector), specialising in environmentally sustainable solutions, creating new business opportunities by developing the electric power stations at its mills, and boosting its efforts in the raw material production field.

A prime example of this was the Burgo Ardennes production site in Belgium, which managed to combine its paper and cellulose production perfectly while minimising consumption of water. This marked the beginning of a pronounced internationalisation.

2000 TO PRESENT DAY: THE INTEGRATION YEARS



From left to right: the combined cycle power station with gas turbine at the Avezzano mill.
The rolls of Verzuolo mill. Condensed water recovery in the combined cycle.
The automated warehouse at Verzuolo.

In spring 2000, in an immensely dynamic and transformative move, Dieci S.r.l. (some of its shareholders having been long-standing investors), launched a successful take-over bid for all Burgo's shares, incorporating Burgo in 2001 and taking on its name. As a result of the take-over the company said farewell to the Italian Stock Exchange, where it had been listed since 1929.

In 2001 the new PM9 line was launched at the Verzuolo facility: one of the most modern machines in the world, it would go on to set the speed world record in the production of coated mechanical papers on multiple occasions.

Energy generation increased significantly and in 2003 an Energy Business Unit was formed with responsibility for relevant costs and revenues, its mission being to exploit the overall company energy system. That same year, with the advent of a free market, Burgo Energia was set up to handle marketing of generated and purchased energy.

Changes continued at corporate level until in 2004 the Marchi family become Burgo's majority shareholder.

In 2006, a series of factors including the decline in graphic paper consumption, new digital technologies and evolving consumer habits, falling market prices and increasing costs of raw materials led the Burgo Group to adopt a repositioning strategy aimed at its production and product portfolio, reducing its production capacity of graphic papers with the consequent painful closure of a number of factories.

In 2013 Mosaico S.r.l. was founded, with the aim of uniting all production activities in the specialty papers field under one company. To this end, on 1 January 2014, the Burgo Group transferred the Chiampo, Lugo, Treviso and Tolmezzo plants to the new company. In fact, Mosaico S.r.l. focuses on the development, production and sale of specialty papers, used for a wide range of applications that require highly specialised know-how: paper for flexible packaging, self-adhesive labels, wet glue, and special graphic papers and cardboards.

The repositioning strategy continued with the decision to transition the Avezzano and Verzuolo plants from the production of paper to that of corrugated cardboard for the packaging industry.

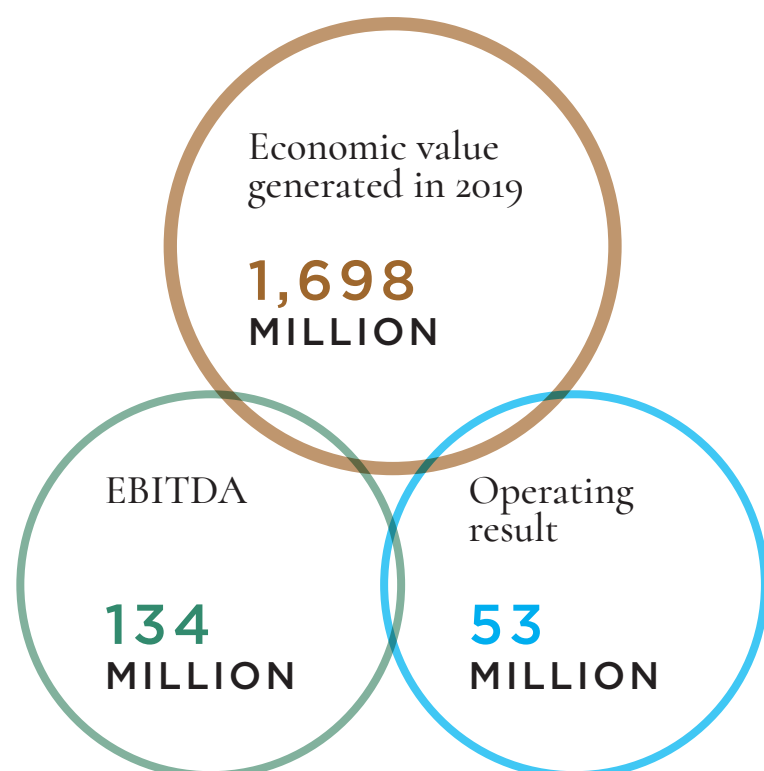
The first stage of the project involved the reconstruction and launch of line 2 at the Avezzano plant, which was completed in 2018.

The second stage was completed at the end of 2019 with the conversion of the PM9 at the Verzuolo facility, the largest paper mill in Italy.

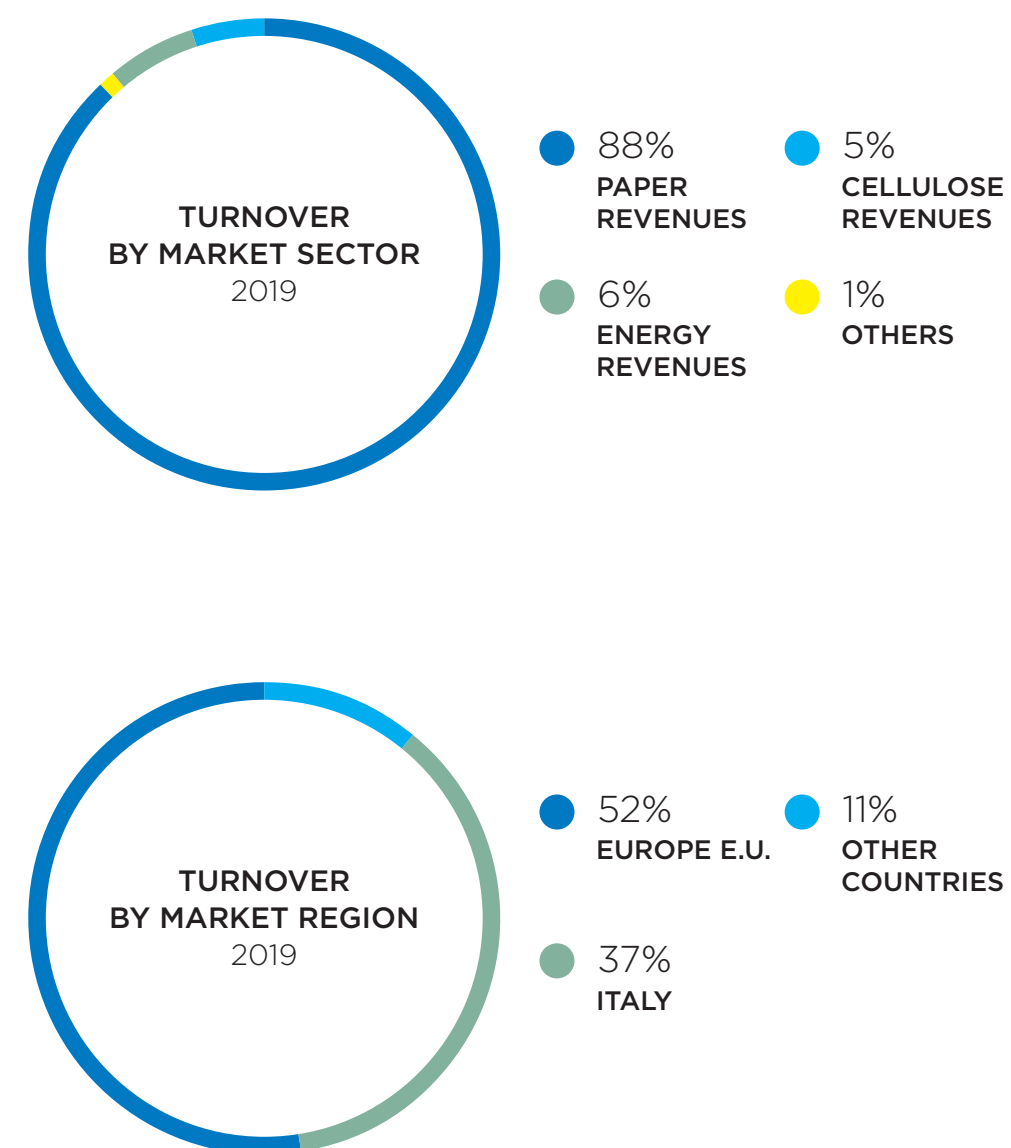
2.2 Overview of the Burgo Group

The Burgo Group is the industrial holding of a Group operating in the paper production and distribution sector, mainly in the graphic paper segment and, to a lesser extent, in the cardboard and specialty papers segments (e.g. for food use), as well as in the production and sale of fibrous raw materials (cellulose, wood pulp, de-inked pulp) and energy.

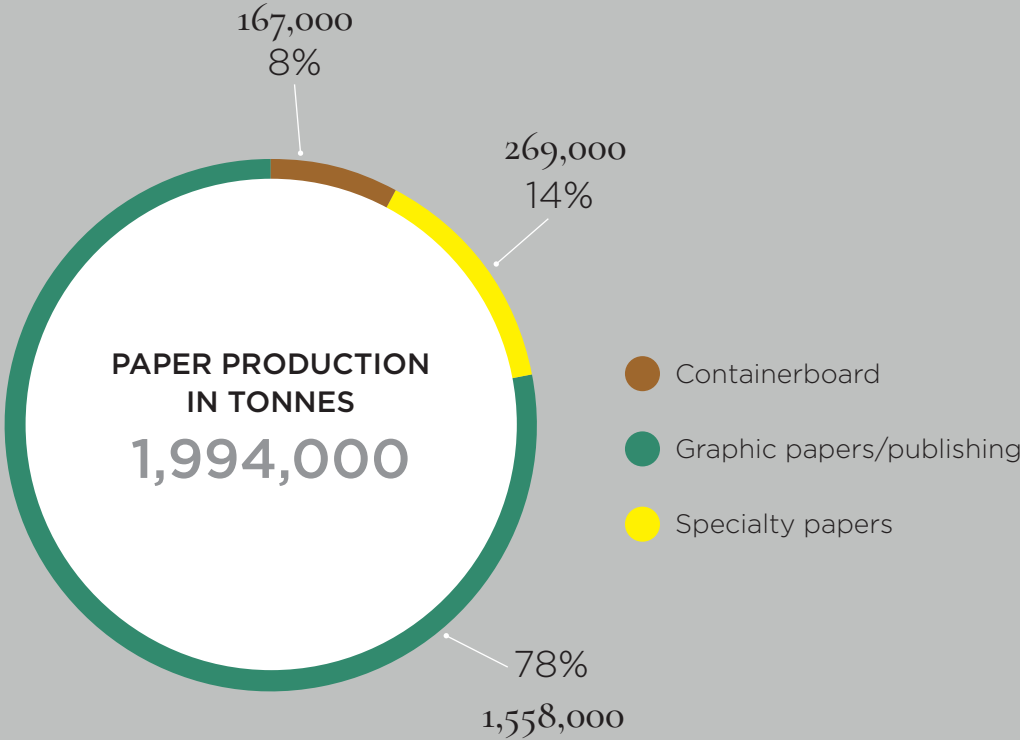
With 12 plants, 16 production lines and sales of **1.99 million** tonnes of graphic and specialty papers, the Group is a leading partner for businesses operating in the graphics, printing, publishing and packaging sectors.



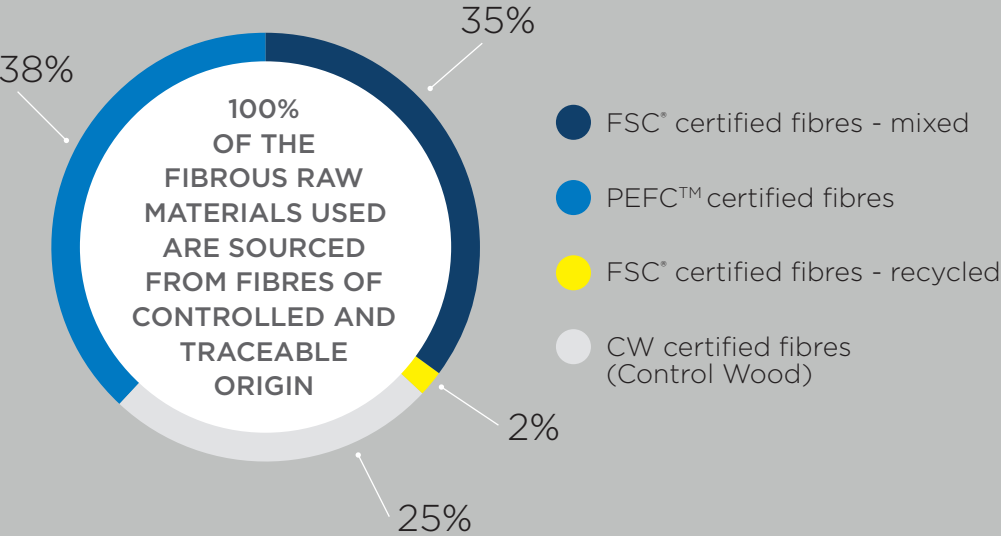
GROUP HIGHLIGHTS IN 2019



GROUP HIGHLIGHTS IN 2019



667,000 t	663,000 t	218,000 t	387,000 t	242,000 t	34,500 t	2.4112 MWh
COATED MECHANICAL	COATED WOOD-FREE	UNCOATED WOOD-FREE	CELLULOSE	WOOD PULP	LIGNIN SULPHONATE	ENERGY



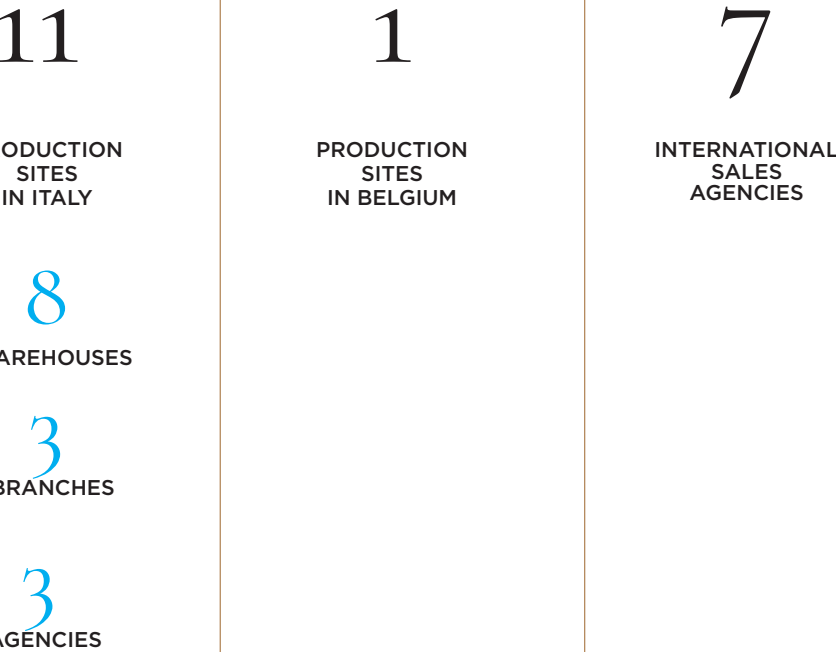
GROUP HIGHLIGHTS IN 2019

Employees

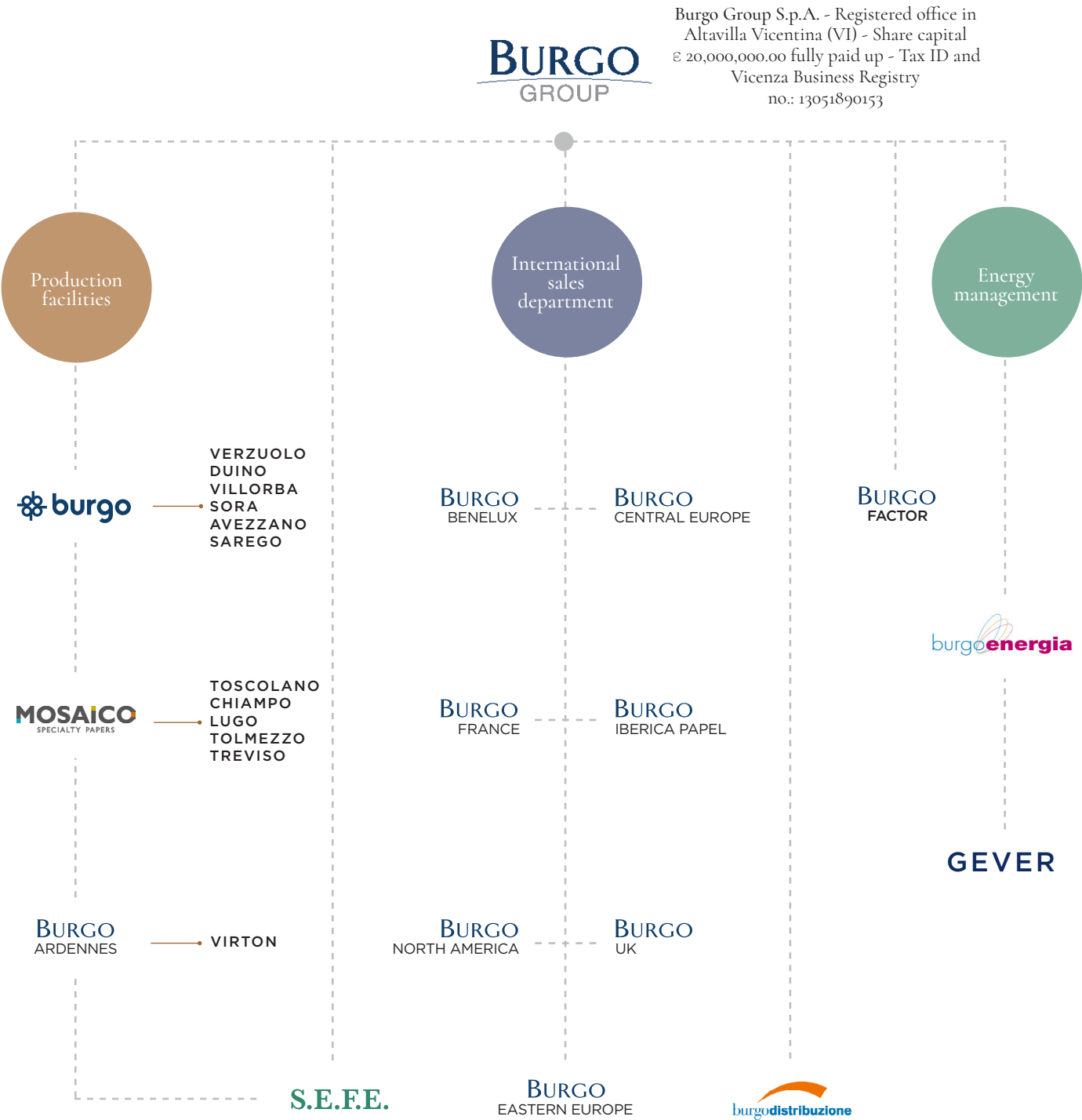
3,407



Production sites/agencies



GROUP OVERVIEW IN 2019



In 2017, Comecart S.p.A. merged with Gever S.p.A. by incorporation and took its company name. In June 2018, as part of the strategy of Burgo Energia S.r.l. to exit the direct gas and electricity sales market, the Group sold the relative business unit, after which the company redefined its scope and ended sales of gas and electricity to end consumers. In January 2019 the Toscolano business unit was transferred to the subsidiary Mosaico S.r.l. at the end of the repositioning process of the production of graphic and specialty papers.

OVERVIEW OF GROUP COMPANIES
IN 2019

BURGO GROUP S.P.A.	MOSAICO S.R.L.	BURGO ARDENNES S.A.
EMPLOYEES: 1,620 PLANTS: 6 COGENERATION POWER STATIONS: 7 ACTIVITIES: Production of Coated Mechanical, Coated Wood-free, Uncoated Wood-free, <i>containerboard</i> . PRODUCTION DATA: Paper: 1,262,717 t Wood pulp: 208,278 t Electricity: 2,093 kWh/mln Revenues: €1,155.5 million	EMPLOYEES: 1,070 PLANTS: 5 COGENERATION POWER STATIONS: 5 ACTIVITIES: paper production for graphic use, flexible packaging and specific applications PRODUCTION DATA: Paper: 398,222 t Cellulose: 34,170 t Electricity: 318 kWh/mln Revenues: €403.0 million	EMPLOYEES: 573 PLANTS: Virton (Belgium) ACTIVITIES: Paper and cellulose production PRODUCTION DATA: Paper: 333,262 t Cellulose: 352,461 t Revenues: €294.3 million
BURGO ENERGIA S.R.L.	GEVER S.P.A.	BURGO DISTRIBUZIONE S.R.L.
EMPLOYEES: 10 ACTIVITIES: management of dispatching activities for the Group's production companies and facilities PRODUCTION DATA: Revenues: €118.4 million	EMPLOYEES: 13 (WHOLLY OWNED BY BURGO GROUP S.P.A. AS OF 02/03/2017) ACTIVITIES: electricity production and management at the Verzuolo facility PRODUCTION DATA: Revenues: €47.0 million	EMPLOYEES: 46 WAREHOUSES: 8 ACTIVITIES: sale and distribution of paper for the Italian market PRODUCTION DATA: Paper sold: 238,283 t Revenues: €199.0 million
BURGO FACTOR S.P.A.	BRANCHES	S.E.F.E. S.A.R.L.
EMPLOYEES: 2 ACTIVITIES: direct factoring to suppliers of the Burgo Group RECEIVABLES MANAGED: €312.5 million NET PROFIT: €2.9 million	EMPLOYEES: 59 BUSINESSES: sale of paper TERRITORIES: Italy, Europe, America, Asia, Oceania NET PROFIT: €1.0 million	EMPLOYEES: 14 BUSINESSES: forestry product sales NET PROFIT: (value included under branch net profit)

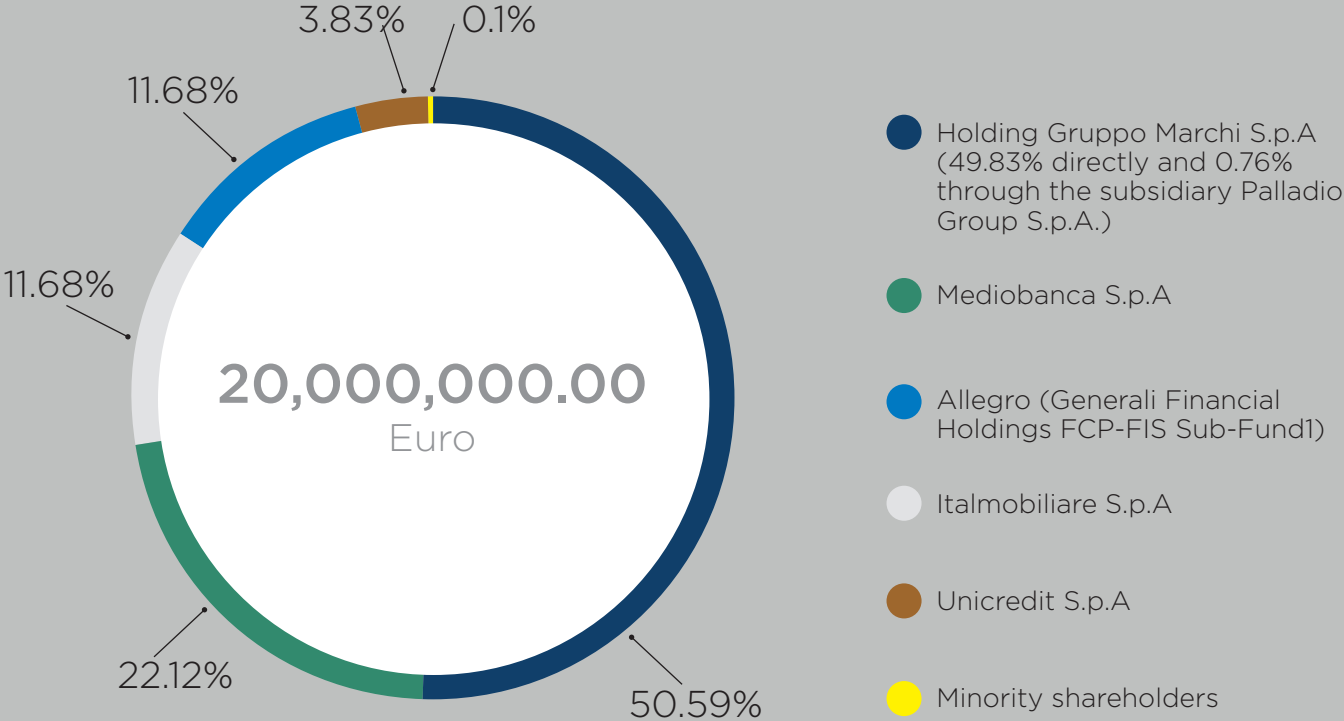
The data for the item “electricity” refers to the total amount of “self-produced” energy, including surplus production sold to the grid. Electricity acquired from the grid is not included.

2.3 Ownership structure

The share capital of the Burgo Group S.p.A. amounts to € 20,000,000.00, divided into 395,083,445 shares with no nominal value.

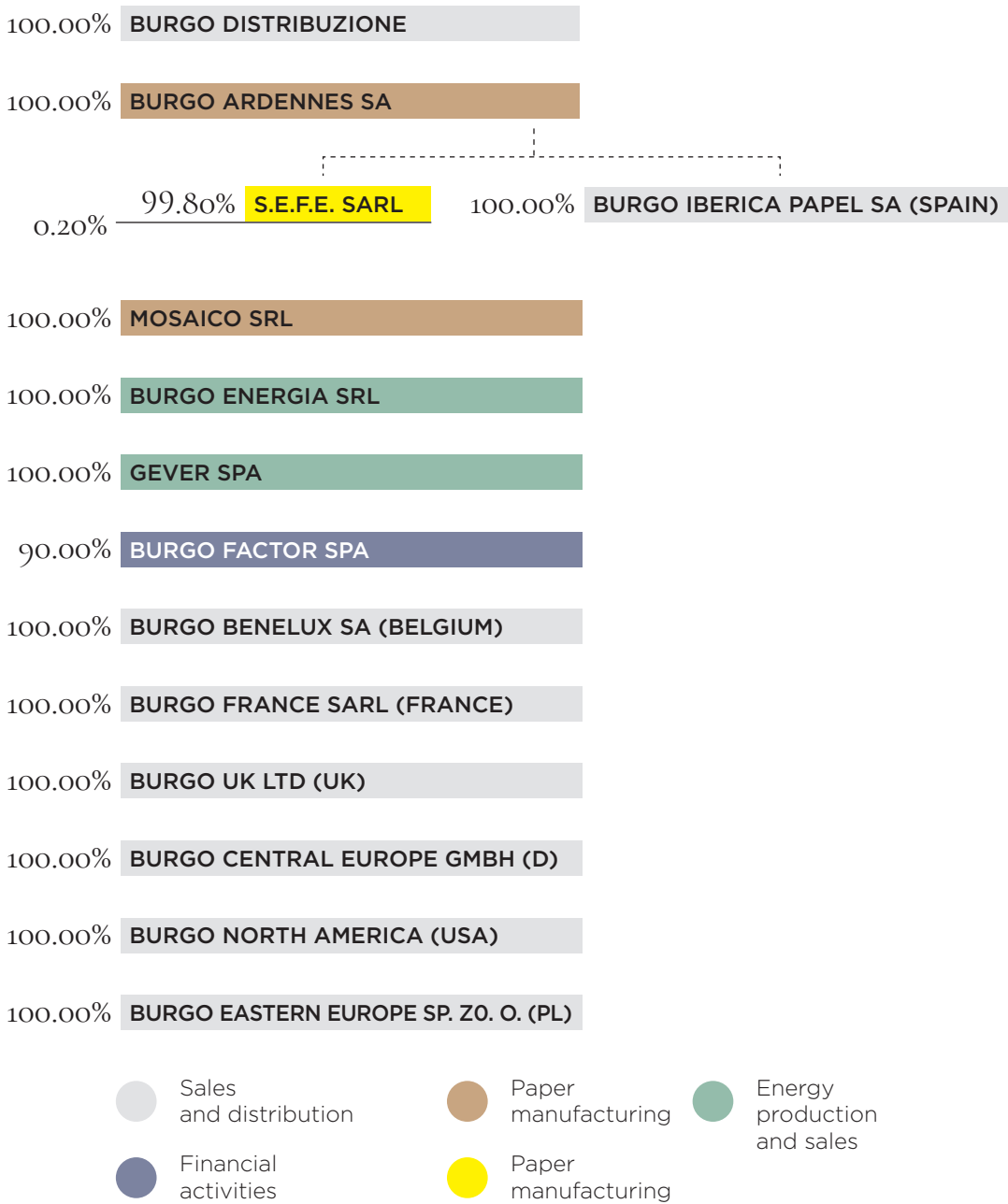
The company does not hold treasury shares nor shares in parent companies, including through trust companies or third persons.

The parent company is Burgo Group S.p.A., whose share capital as at 31/12/2019 was as follows:



GROUP COMPOSITION AND INVESTMENTS

SUSTAINABILITY REPORT



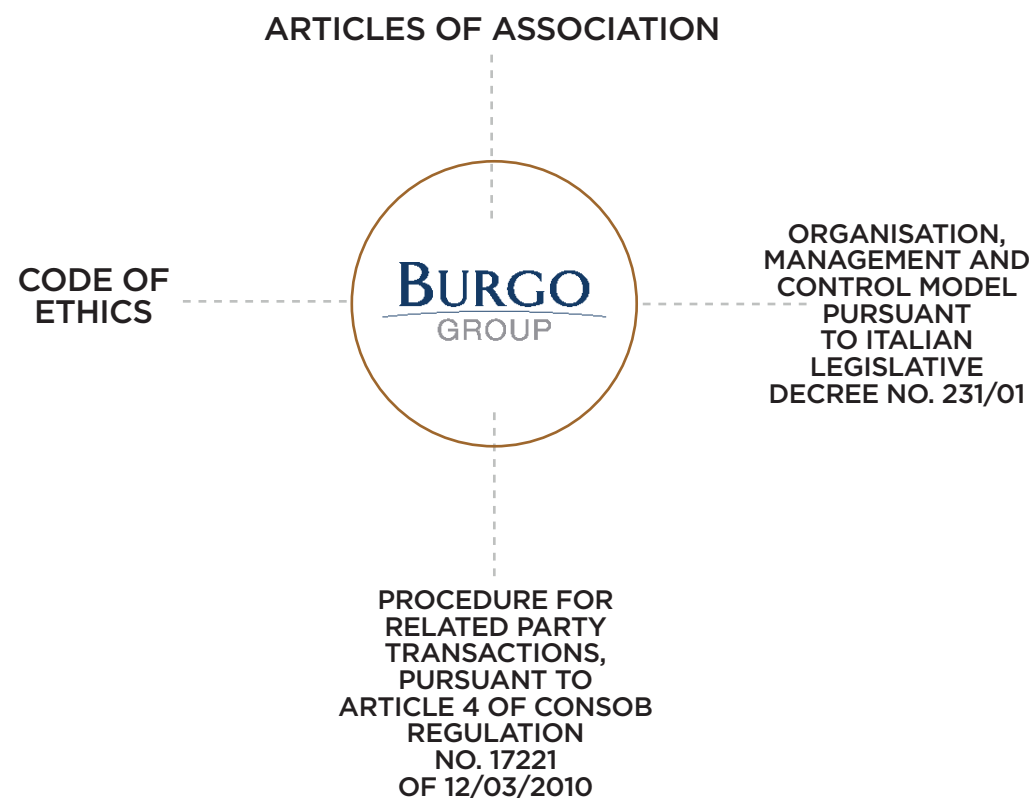
Furthermore, Burgo Group S.p.A. holds equity investments in: [Consorzio Paper Interconnector](#), with a share of 56.32%, and [Consorzio Interconnector Italia Energy](#), with a share of 6.07%, bodies appointed to provide electricity interconnection lines between Italy and neighbouring countries

¹ Data up-to-date as at 31/12/2019.

2.4 Corporate governance and organisation

The Burgo Group is constantly committed to ensuring the application of, and compliance with, rigorous ethical principles throughout the performance of its activities and in its relations with Stakeholders, recognising this as necessary to the success of its mission and the achievement of its objectives.

The main governance tools adopted by the Group, in line with the most recent legislative provisions and regulations, as well as national and international best practices, are:



Since 2003 and in application of Italian Legislative Decree no. 231 of 8 June 2001, the Company's Board of Directors adopted an "Organisation, Management and Control Model" which serves to identify and apply a collection of behavioural, organisational and control rules which constitute a control system reasonably able to identify and prevent conduct associated with corporate liability pursuant to Italian Legislative Decree 231/2001, as amended. The responsibility of monitoring the effective functioning and observance of the Model, as well as proposing updates, is assigned to a collegial Oversight Committee, which reports to the Chairperson.

With regard to its Articles of Association, the Burgo Group S.p.A. has adopted the "traditional" Corporate Governance model, comprised of the following bodies:



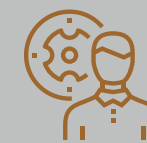
SHAREHOLDERS' MEETING

Responsible for resolving upon matters allocated to it by law and/or the Articles of Association, by way of ordinary or extraordinary meetings.



BOARD OF DIRECTORS

Responsible for company management, specifically conducting the necessary operations necessary for the implementation of the Company's purpose. The Board is composed of seven members holding the requirements of integrity and professionalism envisaged in the Corporate Governance Code applicable to listed companies. Directors hold office for three financial years and can be re-elected. The Company's Articles of Association require that four sevenths of its directors in office vote in favour for issues of particular significance in order for the resolution to be valid, including the director appointed by the holders of the Participating Equity Instruments (Strumenti Finanziari Partecipativi - SFPs) convertible to ordinary and/or privileged shares.



BOARD OF STATUTORY AUDITORS

Responsible for monitoring compliance with the law, the Articles of Association, and the principles of proper governance. Furthermore, it oversees the adequacy of the organisational structure, the internal control system and administrative accounting system.



INDEPENDENT AUDITORS²

A specialist company registered in the Register of Independent Auditors, appointed by the Shareholders' Meeting, responsible for the independent auditing of the accounts.

² The company appointed to carry out the independent audit of the accounts is Reconta Ernest Young S.p.A., appointed on 24 May 2019, which assumes this role for almost all of the members of the Burgo Group.

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 companies³. The Parent company determines the management and strategic guidelines for the Group, prepares and adjusts its internal audit model and Code of Ethics, defines the general policies for its financial management, production, human resources, procurement and communication, and sets the objectives and aims relative to occupational health and safety, quality and the environment.

Certain services are managed at a centralised level, including the treasury, corporate secretary, human resources and organisation, legal assistance and internal audit. The subsidiaries maintain operational independence and can concentrate their resources on their respective core businesses, making use of the parent company's resources for specialised activities, achieving the consequent economies of scale. The current Board of Directors, appointed by the Shareholders' Meeting, has a three-year mandate which will expire upon the approval of the Financial Statements as at 31/12/2020, and is composed as follows:

BOARD OF DIRECTORS (THREE-YEAR TERM, 2018-2021)



HONORARY CHAIRPERSONS

Giuseppe Lignana
Aldo Marchi

CHAIRPERSON

Alberto Marchi

CHIEF EXECUTIVE OFFICER

Ignazio Capuano

DIRECTORS

Alessandro Foti - Independent Director
Alberto Franzone - Independent Director (in office until 04/12/2019)
Enrico Laghi - Independent Director
Alfonso Sonato (in office until 30/09/2017)
Lorenzo Marzotto
Pietro Manzonetto (in office until 30/01/2018)

³The Burgo Group is not subject to management or coordination by any other company or entity.

BOARD OF STATUTORY AUDITORS (THREE-YEAR TERM, 2018-2021)



CHAIRPERSON

Fedele Gubitosi

REGULAR AUDITORS

Franco Corgnati
Gaetano Terrin

ALTERNATE AUDITORS

Fabio Gallio
Barbara Negri

INDEPENDENT AUDITORS

EY S.p.A. (three years 2018-2021)



The Honorary Chairperson Aldo Marchi passed away a few days prior to the printing of this report.

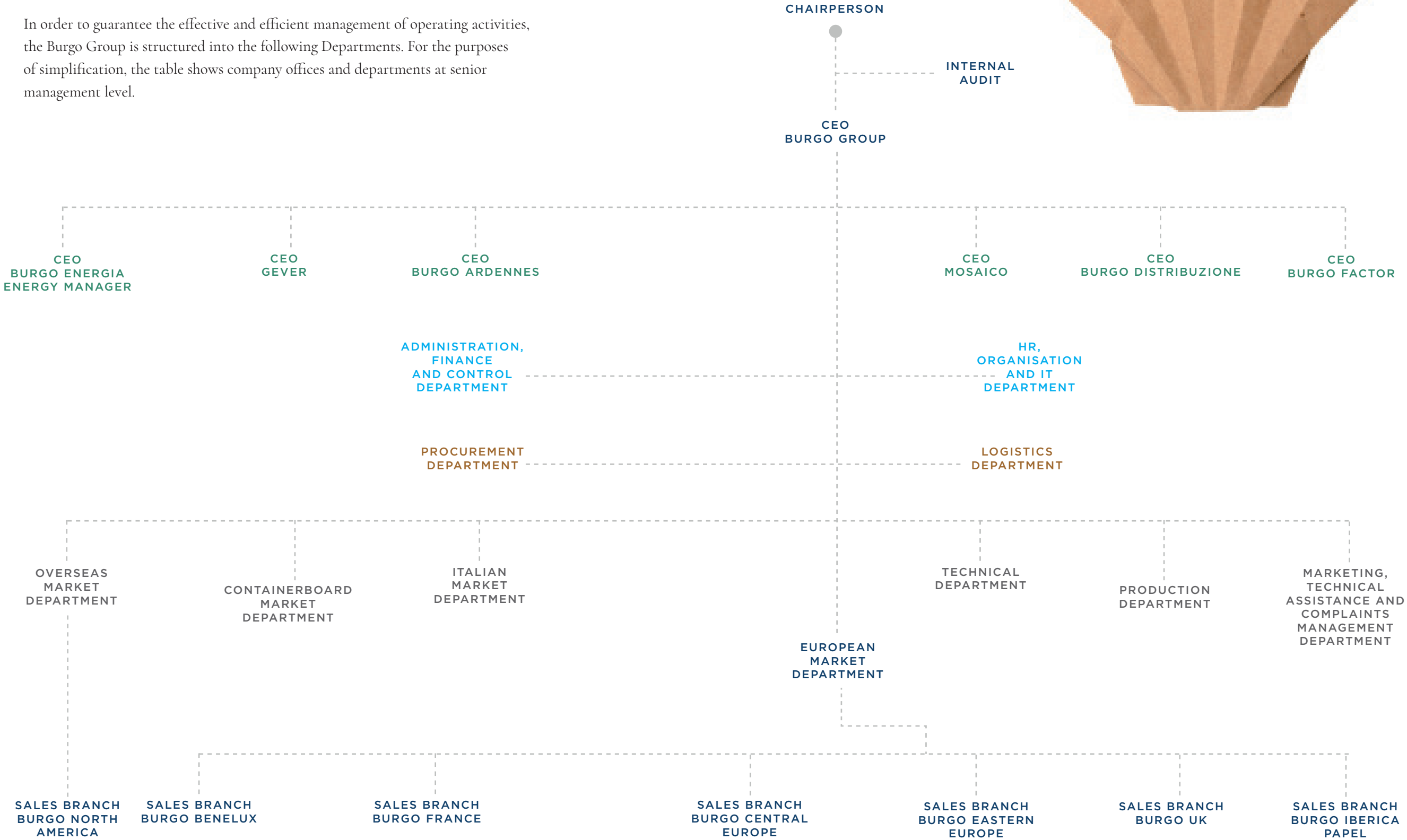
His commitment, along with that of his brothers Antonio and Guido, enabled the Group to grow and establish itself at an international level. We remember his moral, entrepreneurial and personal standing and his relationship of trust and respect with his workers, and recognise the cultural and human heritage he created that younger generations and their collaborators will have to demonstrate and put into practice each day.

ORGANISATION AND COMPANY DEPARTMENTS

In order to guarantee the effective and efficient management of operating activities, the Burgo Group is structured into the following Departments. For the purposes of simplification, the table shows company offices and departments at senior management level.



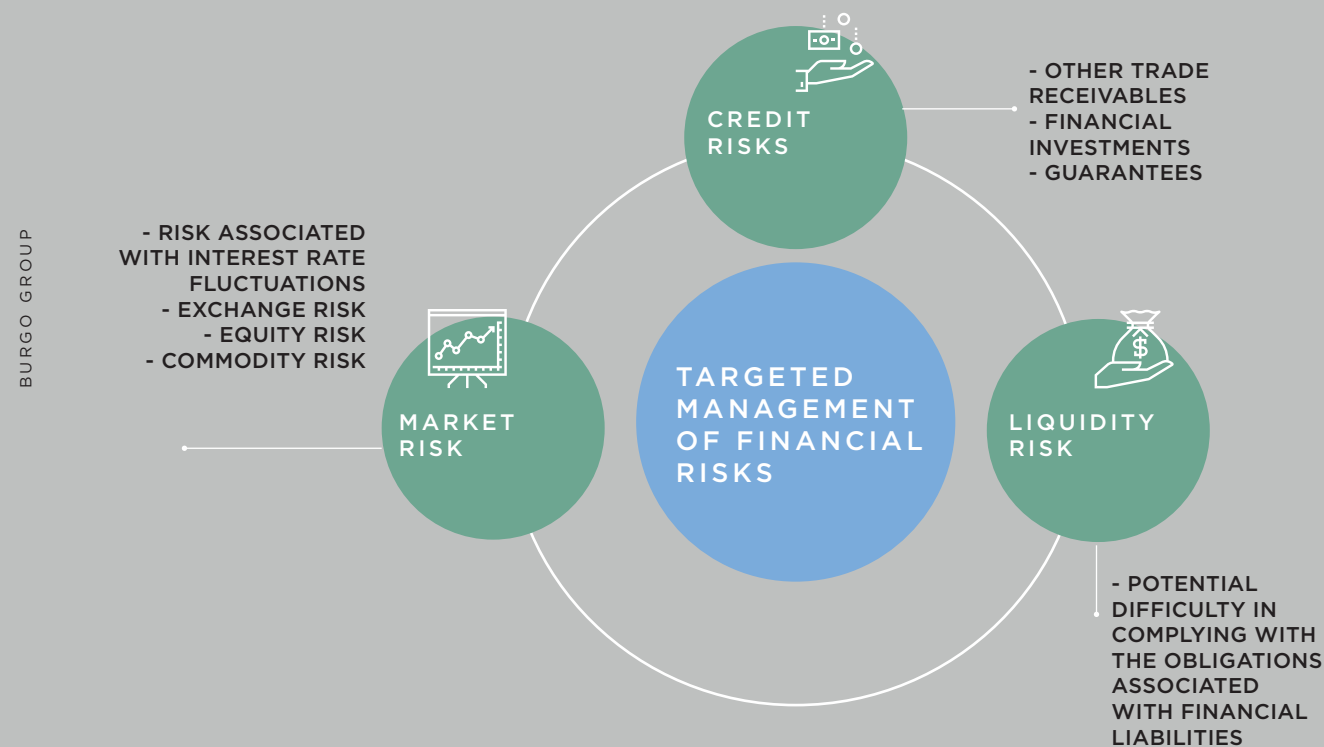
BURGO GROUP



2.5 Risk management

FINANCIAL RISK MANAGEMENT AND INSURANCE

The Group is mainly exposed to the following risks, of which the objectives, policies, management processes and methods used to assess them are provided 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.

Group policies allow for the issuing of financial guarantees only relative to associated companies. Collateral is also provided in certain cases, relative to subsidised finance operations or for medium-term financing.

In 2019, the Group concluded the certification procedure for its credit management system pursuant to standard UNI 44:2010 and standard TUV RHEINLAND CMC:2012.

TRADE RECEIVABLES AND OTHER RECEIVABLES:

Within the context of its credit management activities, delivered through a dedicated department, the Group has established an internal process with the aim of defining every customer's creditworthiness and carefully 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, which are monitored daily for the activation of corrective actions ranging from blocking orders to legal action. Internal activities are further supported by hedging instrument available on the market, including insurance policies and transfer of receivables. Sales activities are supported by insurance coverage.

FINANCIAL INVESTMENTS:

Exposure to credit risk is limited by exclusively investing in securities with high liquidity and only with counterparties recognised as reliable by the market. In 2019 the exposure to securities mainly referred to Mediobanca shares. Additionally, financial assets also include managed savings investments made with Italian banks with proven reliability.

LIQUIDITY RISK

Liquidity risk is the risk that the Group may have difficulty complying with its obligations relative to 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. Estimates are periodically reviewed to ensure there is adequate on-demand cash and cash equivalents to cover operating expenses for a period of around 3 months.

MARKET RISK

Market risk is the risk that the fair value or future financial flows associated with a financial instrument fluctuate following a change in market prices, a change in exchange

rates, interest rates or the prices of equity instruments. The objective is to manage and control exposure to this risk, keeping it within acceptable levels, while simultaneously optimising returns on investments.

RISK ASSOCIATED WITH INTEREST RATE FLUCTUATIONS:

Within the context of its capital intensive business, the Group makes investments, which are mainly technical, making use of debt. In this context, it is possible to carry out cash flow hedge transactions to neutralise or reduce the effects of an increase in the rates on the cost the Group must incur to service its debts. The general objectives of a hedging operation therefore can be summarised as transforming the cost of a variable rate debt to the cost of a fixed rate debt, or to reduce the extent to which it is variable.

EXCHANGE RISK:

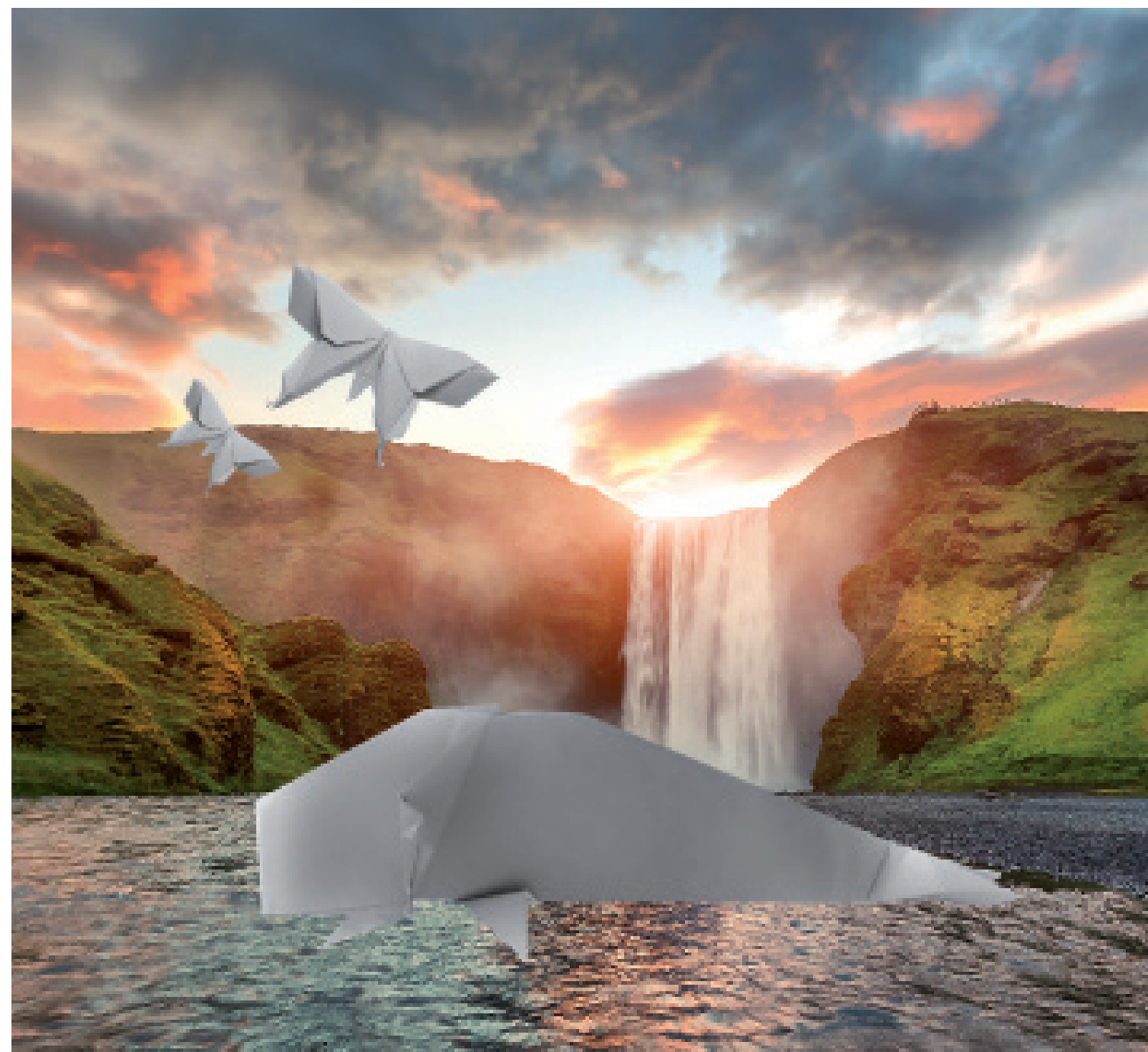
In relation to sales activities, purchases and sales are made in other currencies, at present mainly in USD and GBP. Therefore, hedging policies are mainly focused on stipulating futures contracts against the euro. Additionally, other currencies are periodically monitored, which may be used in invoices on a continuous or occasional basis. Hedges are carried out on the basis of estimates of future financial flows in currencies on the basis of invoices payable and receivable, and taking budget forecasts into account. Exchange risk hedging transactions are carried out to neutralise the effects induced by changes in the exchange rate on the value in euro of cash flows denominated in foreign currencies.

EQUITY RISK:

In the context of its investment activities, the Group purchases equity investments for investment purposes.

COMMODITY RISK:

The strategic objective is to stabilise profit margins in terms of reducing risks associated with volatility in the prices of gas and materials used in 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/assessment of risks to which the Burgo Group and each specific site is exposed, Burgo has adopted specific management systems coordinated and organised by the following figures:

- Environmental Management System Manager and EMAS representatives (if a site holds this certification), for environmental aspects;
- Quality Management System Manager for matters relating to quality;
- Analysis team composed of site-specific GMP representatives, Site Managers, Quality System Managers and the Group GMP Representative.

This management system enables the Group to consolidate company performance, ensure compliance with legal requirements, achieve objectives, define the interested parties in the given context, and assess/assign priorities for the requirements and expectations of said parties.

RISKS ASSOCIATED WITH DISPUTES AND POTENTIAL LIABILITIES

The Legal Service is managed and coordinated centrally by the Parent company. The main objective is to assess all possible risks associated with legal disputes, defining the need for eventual provisions for risks. Where necessary, consultancy services provided by external professionals may be used.

RISK COVERAGE

The Insurance Service that covers the main risks to which the Group is exposed is managed and coordinated centrally by the Parent company and aims to offer complete cover in the case of damaging events or risks.

It mainly offers cover on:

- direct and indirect damage (property - all risk); civil third-party liability (liability - service providers - product liability - manual workers liability); financial losses

associated with claims for compensation brought by third parties against Group employees (D&O); cyber risk; material and direct damage arising from the theft of insured material assets belonging to the Group; comprehensive cover for Group civil buildings; transport and movement of new and used products; hire, theft and third-party car insurance, fully comprehensive insurance of company vehicles.

PERSONAL DATA PROTECTION AND PRIVACY

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

The Burgo Group adopted the requirements established under Italian Legislative decree no. 196 of 30 June AND GDPR no. 679 of 27 April 2016 prior to its mandatory application.

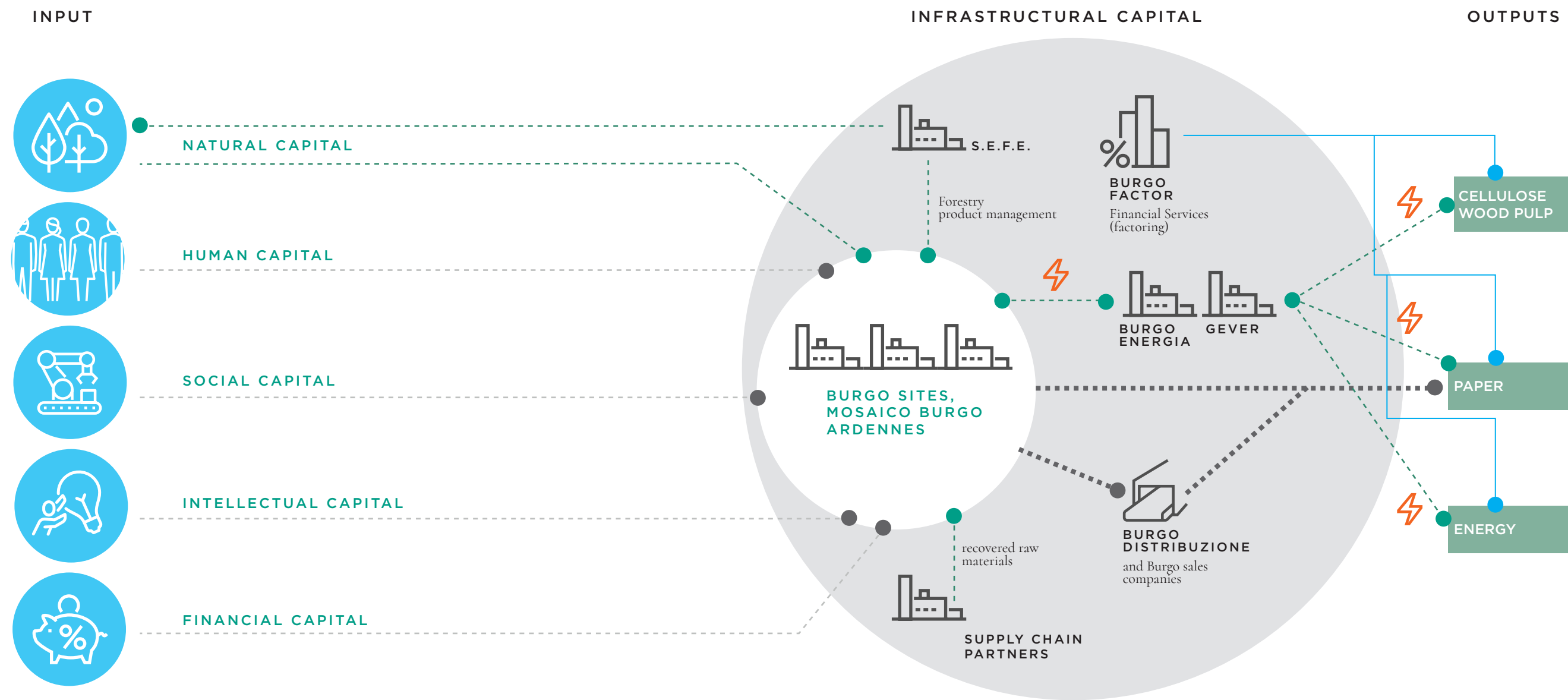
The Group has established Rules for using the IT systems which must be observed by all employees, collaborators, consultants and any persons authorised to use the IT systems of the company.

2.6 The business model

THE GROUP'S BUSINESS MODEL

The Burgo Group combines oversight of its reference market with the search for new growth opportunities, including those not related to the world of publishing, and the development of new businesses.

A targeted streamlining of its production, together with greater operational and organisational efficiency and the development of new markets, guides 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		<p>This is our planet's most important capital and affects all human activities: minimising impacts on air, water, earth, minerals, forests, biodiversity and, more generally, preserving the balance and health of ecosystems, is the main objective of Burgo's commitment to the environment.</p>	<p>In 2019 the Group's production cycle used: 1,074,042 tonnes/year of wood pulp and cellulose; 615 million cubic metres of methane; 137 Megawatt hours of energy acquired from the grid.</p>
HUMAN CAPITAL		<p>This type of capital is, by definition, "intangible", fed by the skills, abilities and experience of people, together with their sense of belonging to the Group and their motivation demonstrated in their everyday work.</p>	<p>In 2019 the Group had 3,407 employees, of which: 2,467 workers were employed at the Group's production units, including the employees of Burgo Ardennes. In 2019, a total of 69,586 hours of training were provided.</p>
SOCIAL CAPITAL		<p>This is the set of relationships developed by the Group within the supplier-producer-customer chain and in the context of the regions in which the Group's businesses are located: correctness, transparency and social partnership represent guiding values of the Group's business.</p>	<p>In 2019 the Group maintained commercial relationships with more than 12,000 suppliers, supporting the direct and indirect employment of over 100,000 people.</p>
INTELLECTUAL CAPITAL		<p>This includes all the Group's intangible assets based on Knowledge: intellectual property, patents, licences, organisational capital - including the knowledge of systems and procedures and everything that affects the Group's name and reputation.</p>	<p>In 2019 the Group consolidated and increased its intellectual capital, refining its knowledge and its organisation in order to become more responsive to the needs of a market in continuous and complex evolution. Promoting stable employment is a core company policy, and the Group considers the experience and skills developed over time to be a key asset. In 2019, 70% of employees had been employed at the company for between 10 and 40 years.</p>
FINANCIAL CAPITAL		<p>This refers to all the funds a company can use to produce goods or provide services. These can be obtained through various financing methods such as, for example, debt, equity, grants, donations, or through operations and investments.</p>	<p>Net financial debt at the end of 2019 was € 491.7 million. The Group has medium and short-term loans for a total value of € 850 million.</p>
INFRASTRUCTURAL CAPITAL		<p>This comprises the Group's production infrastructures, such as the facilities, the machinery, the plants and, more generally, anything related to the production of papers or energy or to the services offered on the market.</p>	<p>In 2019 the Group had: 12 facilities for the production of graphic and specialty papers, 2 cellulose production plants, 2 wood-pulp production plants, 1 polythene coating plant and 12 cogeneration power stations.</p>

OUTPUT 2019

1,994,202	TONNES OF GRAPHIC AND SPECIALTY PAPERS
386,631	TONNES OF CELLULOSE
34,544	TONNES OF LIGNIN SULPHONATE
1,874,710	MEGAWATT/HOURS OF ENERGY FOR INTERNAL CONSUMPTION
536,761	MEGAWATT/HOURS OF ENERGY OUTPUT TO THE GRID



BUSINESS AREAS

Designing, producing and selling graphic and specialty papers to satisfy a profoundly changing market and penetrate new businesses has been the Burgo Group's core business for over a hundred years. As part of the strategic repositioning of Burgo's product portfolio, the production of corrugated cardboard for the packaging industry has entered into the Group's core activities.

CORE BUSINESS

GRAPHIC PAPERS

The main production facilities of the Burgo Group are in Ardennes, Sora, Duino, Villorba and Sarego. Production mainly centres on coated mechanical, pure cellulose coated wood-free, paper for digital printing, paper for inkjet printing, thin papers and natural papers for publishing. The development drivers aim to obtain:

- a stable industrial structure, enabling the facilities to be more complementary thanks to the constant and complete availability of a range of products;
- greater focus on customer services, through an international sales network, customer services and logistics, with centralised management at Group level;
- the expansion of product ranges.

SPECIALTY PAPERS

The main production facilities are owned by Mosaico and are located in Tolmezzo, Toscolano, Treviso, Chiampo and Lugo. Mosaico is the Group company focused on the production of specialty papers for offset and digital printing, paperboards, papers for posters, labels, stickers and papers for shopping bags. For the packaging market, which is becomingly increasingly oriented towards environmentally-friendly solutions, it develops papers for flexible packaging and for special applications, expanding the offer of certified recyclable and compostable products. The drivers for the development of Mosaico are:

- a constant focus on the market and its evolution to meet new demands and lifestyles;
- completion of the product ranges to enhance the Company's ability to penetrate niche segments which have not yet been explored;
- consolidation of the company structure through the appointment of a Product Development Manager.

CONTAINERBOARD bcb

Burgo Containerboard (bcb) is the vast new production centre devoted entirely to paper for the packaging sector. The high-performance papers produced in Avezzano, along with the light substance papers produced at the Verzuolo plant, offer a broad range of products for all customers and markets.

The plants meet high technological standards in order to produce high-quality packaging paper. Thanks to constant quality controls, the plants achieve increasingly high standards of quality. The development drivers are mainly reliability and a commitment to partnership, which translate into the ability to work in close contact with customers to develop and produce the type of paper that perfectly suits their needs.

DISTRIBUTION AND SALE OF GRAPHIC PAPERS

With more than 7,000 active clients, Burgo Distribuzione is a well-established leader in the delivery of paper products in Italy. It was founded in 2004 with the aim of separating the Group's production and distribution activities and has been a key point of reference of printers, publishers and stationers on the Italian market for many years. The Group's sales department is divided into two sales channels: direct relations with the reference facility for major clients, while medium and small businesses are supplied by the Burgo Distribuzione sales network. As well as the exclusive distribution of all of the Group's brands, the company also develops partnerships with leading global producers.

ENERGY MANAGEMENT IN GROUP FACILITIES

Paper, steam and energy are closely connected in the production process. Activities relating to the Group's energy system are managed by Burgo Energia, which primarily aims to optimise energy consumption at the Group's facilities by optimising the plants in view of their relative specialisations and through the reduction of specific production costs. The three main areas of activity are:

- the industrial area, focusing on opportunities to increase installed power, identifying any possibilities to transport energy through its internal network, and improving industrial management;
- energy management, focusing on the centralised management of production and consumption measures, the management of the hourly balancing of grid flows, the management of the natural gas network and the hourly programming of the production schedules of the Group;
- the commercial area, focusing on the acquisition of national and international electricity and managing surplus production from the Group's power stations; sale of energy to the Group's paper mills which are not self-sufficient; trading on the electricity and natural gas markets.

The Group has adopted a sustainable business model based on the energy self-sufficiency of its facilities through the creation of hydroelectric, biomass and cogeneration plants with combined cycle, steam cycle and and endothermic natural gas systems.

OTHER PRODUCTION AREAS

CELLULOSE PRODUCTION

The production of cellulose for internal use and for sale to third parties completes the efficiency of the production system and improves overall profitability. The Burgo Group's cellulose intended for sale is produced in Virton (Belgium), in the specialised division of the Burgo Ardennes facility where it is extracted from local forests of hornbeams, beeches, birches, poplars and oaks, most of which are PEFC™ certified. Cellulose is also produced in smaller volumes at the Tolmezzo facility (around 35 tonnes per year) for internal use.

LIGNIN SULPHONATE PRODUCTION

The Tolmezzo facility produces lignin sulphonate, a versatile by-product of the production of cellulose destined for sale. The main emerging market is Italy (approximately 50%), followed by Eastern Europe, Germany, Turkey and France, as well as exports to China and Peru, reaching a total of 31 international markets.

BUSINESS AREAS

OTHER PRODUCTION AREAS	
WOOD PULP PRODUCTION	The Verzuolo and Duino plants produce wood pulp for use in its production cycles. Once its transition to containerboard is complete, the Verzuolo facility will no longer produce wood pulp.
OTHER ACTIVITIES	
FACTORING	Burgo Factor is mainly aimed at third parties outside the Group and offers financial services, specifically the purchase of debt from suppliers/assignors through the payment of a fee agreed between the parties.
FOREST MANAGEMENT	S.E.F.E. is responsible for the “forest management” of the raw materials used by the company Burgo Ardennes S.A. S.E.F.E. provides 10% of the site's supply each year, consisting of 150,000 tonnes of round timber for the production of cellulose and 5,000 cubic metres of logs for the sawmills. By controlling the local market, the company can provide accurate information on the prices of timber, hauling and transportation. Furthermore, it guarantees the regular availability of the raw materials, thus contributing to the productive stability of the facility.
ENERGY MANAGEMENT OF THE VERZUOLO PRODUCTION SITE	Gever is the Group company responsible for energy management at the Verzuolo facility. The company represents an energy hub comprising a modern cogeneration plant able to meet the electric and heating demands of the site. Furthermore, Gever produces the steam used by the Verzuolo plant in various phases of the production cycle.

THE GROUP’S FACILITIES

12 PLANTS
2 CELLULOSE PRODUCTION LINES
12 ELECTRICITY AND STEAM PRODUCTION PLANTS

The Burgo Group carries out its industrial activities through 12 facilities, 11 in Italy and 1 in Belgium, with 15 production lines.

The production and sale of cellulose are conducted by the Belgium company Burgo Ardennes, while cellulose for internal use is produced in the Tolmezzo plant owned by the company Mosaico. The production for internal use of fibrous raw material (e.g. wood pulp) takes place in the Duino, Verzuolo, Tolmezzo and Toscolano sites.

From 2020 onwards the Verzuolo facility will cease to produce wood pulp, having converted its production to containerboard.

PRODUCTION CAPACITY 2019 (t/year)						
SITE	COMPANY	PAPERS MACHINE(PM) - PULP LINE (PL) - PULP MECHANICAL LINE (PML)	PAPERS FOR PUBLISHING AND FINE PAPERS	CONTAINER-BOARD	SPECIALTY PAPERS	TOTAL PAPER
Virton (AG) - Belgium	Burgo Ardennes S.A.	1 PM + 1 PL	376,000			376,000
Verzuolo (CN)	Burgo Group S.p.A.	1 PM + 1 PML	400,000	Conversion		400,000
Avezzano (AQ)	Burgo Group S.p.A.	1 PM		200,000		200,000
Sora (FR)	Burgo Group S.p.A.	2 PM	317,000			317,000
Duino (TS)	Burgo Group S.p.A.	1 PM + 1 PML	200,000			200,000
Villorba (TV)	Burgo Group S.p.A.	1 PM	204,000			204,000
Sarego (VI)	Burgo Group S.p.A.	1 PM	152,000			152,000
Lugo (VI)	Mosaico S.r.l.	2 PM	11,000		42,000	53,000
Toscolano (BS)	Mosaico S.r.l.	1 PM	44,000		80,000	124,000
Tolmezzo (UD)	Mosaico S.r.l.	2 PM + 1 PL			172,000	172,000
Treviso	Mosaico S.r.l.	1 PM			62,000	62,000
Chiampo (VI)	Mosaico S.r.l.	1 PM			56,000	56,000
12			1,704,000	200,000	412,000	2,316,000



Paper machine (PM): production line
Pulp line (PL): cellulose production line
Pulp mechanical line (PML): wood pulp production line

THE GROUP'S FACILITIES

INTERNAL PRODUCTION (t/year)

SITE	COMPANY	PAPERS MACHINE(PM) - PULP LINE (PL) - PULP MECHANICAL LINE (PML)	CELLULOSE	LIGNIN SUL- PHONATE	WOOD PULP	TOTAL OTHER MATERIALS
Virton (AG) - Belgium	Burgo Ardennes S.A.	1 PM + 1 PL	360,000			360,000
Verzuolo (CN)	Burgo Group S.p.A.	1 PM + 1 PML			160,000	160,000
Avezzano (AQ)	Burgo Group S.p.A.	1 PM				0
Sora (FR)	Burgo Group S.p.A.	2 PM				0
Duino (TS)	Burgo Group S.p.A.	1 PM + 1 PML			110,000	110,000
Villorba (TV)	Burgo Group S.p.A.	1 PM				0
Sarego (VI)	Burgo Group S.p.A.	1 PM				0
Lugo (VI)	Mosaico S.r.l.	2 PM				0
Toscolano (BS)	Mosaico S.r.l.	1 PM				0
Tolmezzo (UD)	Mosaico S.r.l.	2 PM + 1 PL	40,000	45,000		85,000
Treviso	Mosaico S.r.l.	1 PM				0
Chiampo (VI)	Mosaico S.r.l.	1 PM				0
12			400,000	45,000	270,000	715,000



Paper machine (PM): production line
Pulp line (PL): cellulose production line
Pulp mechanical line (PML): wood pulp production line

CONVERSION

In 2019 the Verzuolo facility mainly produced graphic papers destined for printing and Light Weight Coated (LWC) paper, totalling approximately 326,000 tonnes. The project to convert production to corrugated cardboard led to the cessation of production activities in November (including the internal production of wood pulp). Once in operation, the production capacity is expected to be over 500,000 tonnes of corrugated cardboard for the packaging industry.

BURGO GROUP PLANTS AND ALTERNATIVE ENERGY SOURCES



The plants have installed power stations and plants to produce electricity, including by reusing production residues. The plants ensure the energy self-sufficiency of the entire Group. Note: * From 2020 the Verzuolo facility will convert its production from graphic papers for printing and publishing to corrugated cardboard for the packaging industry. ** The Tolmezzo and Lugo plants produce papers for the Burgo and Mosaico ranges. *** The thermal power plant installed at the Treviso facility only produces steam.

ENDOTHERMIC ENGINES

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

PLANTS THAT USE BIOMASS

- Virton (Burgo Ardennes) - The recovery boilers use the residue from the production of cellulose, paper and the wood debarking process
- Verzuolo (CN) - The bark-boiler uses the residue from the production of wood pulp, paper and the wood debarking process

HYDROELECTRIC POWER STATIONS

- Avezzano (AQ) (Canistro hydroelectric plant)
- Tolmezzo (UD)

PHOTOVOLTAIC PLANT

- Avezzano (AQ)

STEAM CYCLE COGENERATION PLANTS

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

COMBINED CYCLE COGENERATION PLANTS

- Avezzano (AQ) • Duino (TS) • Sarego (VI)
- Sora (FR) • Toscolano (BR) • Verzuolo (CN, managed by the company Gever) • Villorba (TV)

2.7 The products of the Burgo Group and markets served

THE GROUP'S PRODUCTS

Paper production represents the Group's core activity and is divided into three macro-categories of products: graphic and publishing papers, packaging papers and specialty papers.

BURGO RANGE



GRAPHIC PAPERS/
PUBLISHING

bcb - BURGO
CONTAINERBOARD

MOSAICO RANGE



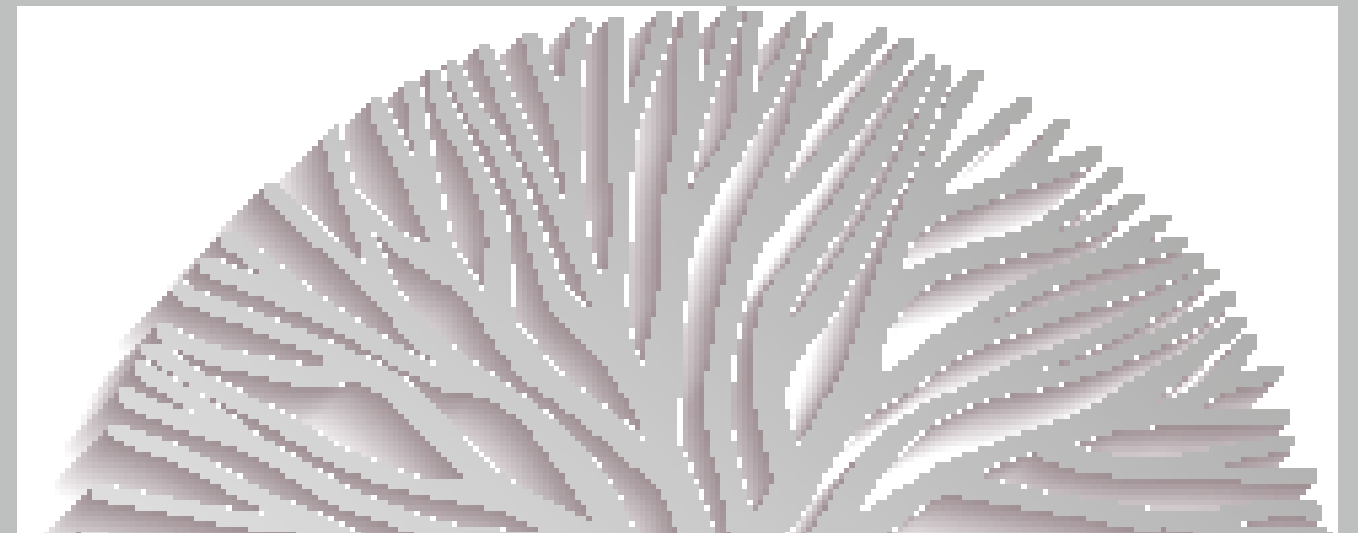
SPECIALTY
PAPERS

BURGO RANGE: GRAPHIC PAPERS AND PAPER FOR THE PUBLISHING SECTOR

The Burgo Group meets the various types of printing requirements with an extensive range of targeted products able to satisfy any specific communication need.

As a paper manufacturer, the Burgo Group is a vessel for communication and plays a fundamental role in promoting the conveyance of human thought, whether this be an idea, a story or an emotion. The Burgo Group's range of products meets the various types of printing requirements with a plethora of targeted products able to satisfy any specific communication need.

Paper is still a medium able to promote the cultural, social and economic development.





GRAPHIC PAPERS AND PAPER FOR THE PUBLISHING SECTOR

COATED PAPERS

FAMILY	SUB-FAMILY	WEIGHT (g/m²)	PRODUCTION FACILITY	PRINTABILITY	CERTIFICATIONS
COATED PAPERS	Pure cellulose wood-free paper	90 - 115	SORA - PM1	web offset sheet-fed offset	FSC* - PEFC™
		130 - 400	SORA - PM2	web offset sheet-fed offset	FSC* - PEFC™
		90-350	VIRTON - PM1	web offset sheet-fed offset rotogravure	ECOLABEL FSC* - PEFC™
		90-200	SAREGO - PM5	web offset sheet-fed offset	FSC* - PEFC™
	Post consumer recycled paper	90-130	SAREGO - PM5	web offset sheet-fed	FSC* - PEFC™
		150-350	SORA - PM2	web offset sheet-fed offset	FSC* - PEFC™
	Premium paper	40-500	LUGO - PM9	sheet-fed offset	FSC* - PEFC™
	Digital paper	90-200	SAREGO - PM5	digital print	FSC*
		90-400	SORA - PM1/PM2	digital print	FSC*
	Medium weight coated paper (MWC)	65-95	VILLORBA PM8	web offset sheet-fed offset	ECOLABEL FSC* - PEFC™
	Light weight coated paper (LWC)	70-80	VILLORBA PM8	web offset	ECOLABEL FSC* - PEFC™
		43-70	DUINO - PM3	web offset rotogravure	ECOLABEL FSC* - PEFC™
UNCOATED PAPERS	Uncoated offset print, pure cellulose wood-free	50 - 100	SORA - PM1	web offset sheet-fed offset	FSC*
		70-170	TOLMEZZO - PM3	web offset sheet-fed offset	FSC*
	Copier paper- pure cellulose wood-free	70-90	TOLMEZZO - PM3	copier	ECOLABEL FSC* - PEFC™
	Thin papers (medicine leaflets) - pure cellulose wood-free	40-55	SORA - PM1	web offset sheet-fed offset	FSC*
	Inkjet paper - pure cellulose wood-free	70-115	SORA - PM1	inkjet	FSC*
	Inkjet paper - pure cellulose wood-free	70-160	TOLMEZZO - PM3	inkjet	FSC*

* PEFC™ certified products can be used at the request of the client

BURGO RANGE: BURGO CONTAINERBOARD bcb

THE AVEZZANO
AND VERZUOLO
PLANTS MEET
HIGH TECH-
NOLOGICAL
STANDARDS
IN ORDER TO
PRODUCE
HIGH-QUALITY
PACKAGING
PAPER.

Burgo Containerboard bcb is the Group's vast new production centre devoted entirely to paper for the packaging sector. This provides the competitive advantage of being able to rely on the reliability of one of Europe's leading paper manufacturers.

The values that inspire bcb are a focus on innovative technologies and respect for the environment, with a view to obtaining products of the highest quality which are completely ecologically sustainable. The aim is to create packaging paper to suit every need and meet every standard. There is a broad range of products, with different weights and various production methods, with raw materials chosen to suit any type of application.



CONTAINERBOARD DERIVED
FROM RECYCLED FIBRES

FAMILY	SUB-FAMILY	WEIGHT (g/m²)	PRODUCTION FACILITY	PRINTABILITY	CERTIFICATIONS
CONTAINERBOARD DERIVED FROM RECYCLED FIBRES	Testliner	85-120	VERZUOLO - BM9	flexo	FSC* - PEFC™
		100-200	AVEZZANO - BM2	flexo	FSC* - PEFC™
	Fluting	70-120	VERZUOLO - BM2	flexo	FSC* - PEFC™
		100-200	AVEZZANO - BM2	flexo	FSC* - PEFC™
	HS	90-150	VERZUOLO - BM9	flexo	FSC* - PEFC™
		90-170	AVEZZANO - BM2	flexo	FSC* - PEFC™
	Water	115-170	AVEZZANO - BM2	flexo	FSC* - PEFC™



Bcb: PRODUCTS THAT SUPPORT THE CIRCULAR ECONOMY

Bcb, the Burgo Group's new production centre, uses secondary fibres such as waste paper, recovered packaging and processing offcuts. The paper is used for corrugated cardboard packaging solutions; once it has served its purpose, if it is sent for recycling it can be used again as a raw material. The end product - a cardboard box - is a natural, recyclable and reusable packaging solution: the paper is given new life as a new type of packaging thanks to this virtuous and never-ending cycle.

MOSAICO RANGE: SPECIALTY PAPERS

MOSAICO IS
SYNONYMOUS
WITH CREATIV-
ITY, VERSATIL-
ITY AND THE
DESIRE TO
INVENT.

Mosaico is the Burgo Group company devoted to the Specialty Papers market.

It designs, develops and sells specialty papers, mediums with a broad range of applications and different markets that require highly specialised skills.

“Specialty Papers” are characterised by the use of particular raw materials and production technologies, and are designed to respond to the evolution of communications systems (associated with the world of packaging and labelling) and printing techniques.



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

The research aimed at designing new products is divided into two sectors: papers and paperboards for the food & beverage industry and papers for special applications. Research & Development is concentrated on the triple aim of developing new technologies aimed at greater competitiveness, developing new products, and ensuring environmental sustainability by increasing the number of certified products.

For new technologies, the R&D activities are focused on fibrous raw materials, in particular on new compositions with a high qualitative and environmental value. The focus on products destined for food use is concentrated on developing papers treated with bio-polymers, a raw material with a high content of components derived from renewable sources which are 100% biodegradable, capable of offering an excellent level of resistance to water, fats and aromas and therefore preserving the foods contained from contaminating agents.



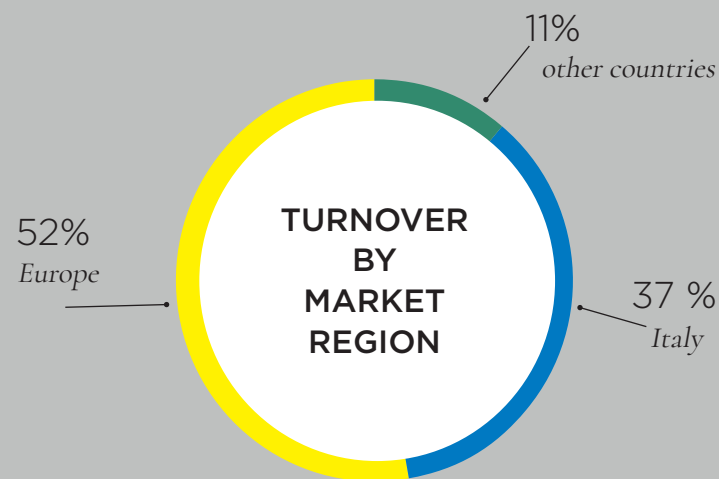
PACKAGING	FAMILY	SUB-FAMILY	SUPERFICIAL FINISH	WEIGHT (g/m²)	ROLL / FORMAT	PRODUCTION FACILITY	PRINTABILITY	CERTIFICATIONS
	FLEXIBLE PACKAGING	NATURAL	NATURAL	18 - 120	ROLL	TOLMEZZO PM3 - TREVISO - CHIAMPO	FLEXO	FSC* - PEFC™ - FOOD USE - RECYCLABLE
			IMPERMEABILITY	40 - 50	ROLL	CHIAMPO	*	FSC* - PEFC™ - FOOD USE - RECYCLABLE
			SILICON	40 - 50	ROLL / FORMAT	LUGO PM5	*	FSC* - PEFC™ FOOD CONTACT
		SINGLE COATED	SINGLE COATED	40 - 150	ROLL	LUGO PM5 - CHIAMPO - TOSCOLANO	FLEXO - ROTOGRAVURE	FSC* - PEFC™ FOOD CONTACT
			NATURAL EXTRUDED BIO	40 - 70	ROLL	TREVISO	FLEXO	FSC* - PEFC™ - FOOD CONTACT - RECYCLABLE - COMPOSTABLE
			NATURAL EXTRUDED PE/PP	40 - 120	ROLL	TREVISO	FLEXO	FSC* - PEFC™ - FOOD CONTACT
			SINGLE COATED EXTRUDED PE/PP	40 - 100	ROLL	TREVISO	FLEXO - ROTOGRAVURE	FSC* - PEFC™ - FOOD CONTACT
	RIGID PACKAGING	NATURAL	NATURAL	300	ROLL / FORMAT	LUGO PM1 - CHIAMPO	FLEXO	FSC* - PEFC™ - FOOD CONTACT
			SINGLE COATED	300	ROLL / FORMAT	LUGO	FLEXO	FSC* - PEFC™ - FOOD CONTACT
		IMPERMEABILITY		200 - 400	ROLL / FORMAT	LUGO PM1	FLEXO	FSC* - PEFC™ - FOOD CONTACT - RECYCLABLE COMPOSTABLE

Notes: * product category not generally subject to printing processes (e.g. aluminium composites, release paper for the industrial fabrication of faux leather, etc.) *** product category under development at the Toscolano and Chiampo sites, with the possibility of extending the production to other factories. The product will generally be suitable for flexo and offset printing.

SELF-ADHESIVE LABELS	FAMILY	SUB-FAMILY	SUPERFICIAL FINISH	WEIGHT (g/m²)	ROLL / FORMAT	PRODUCTION FACILITY	PRINTABILITY	CERTIFICATIONS
	STANDARD LABELS	NATURAL	NATURAL	70	ROLL	TOSCOLANO - VILLORBA	FLEXO / ROTOOFFSET / DIGITAL	FSC* - PEFC™
			SINGLE COATED	80 - 120	ROLL	TOSCOLANO - VILLORBA - LUGO PM5	FLEXO / ROTOOFFSET / DIGITAL	FSC* - PEFC™
			SINGLED COATED WITH RECYCLED FIBRES	80	ROLL	TOSCOLANO - CHIAMPO	FLEXO - ROTOOFFSET - DIGITAL	RECYCLABLE FSC*
		WATER-RESISTANT LABELS	NATURAL	80 - 90	ROLL	LUGO PM1	FLEXO - DIGITAL	FSC* - PEFC™
			SINGLE COATED	75 - 90	ROLL	CHIAMPO	FLEXO / ROTOOFFSET / DIGITAL	FSC* - PEFC™
	CCK SILICON COATING LINE	SINGLE COATED	SINGLE COATED	40 - 135	ROLL	CHIAMPO / TOSCOLANO / LUGO	*	FSC* - PEFC™
			DOUBLE COATED	120	ROLL	CHIAMPO / TOSCOLANO / LUGO	*	FSC* - PEFC™
WET GLUE LABELS	STANDARD LABELS	SINGLE COATED	SINGLE COATED	70 - 90	FORMAT	TOSCOLANO - CHIAMPO - LUGO	OFFSET	FSC* - PEFC™
			SINGLE COATED EMBOSSED	115	FORMAT	LUGO	OFFSET	FSC* - PEFC™
			DOUBLE COATED	80 - 90	FORMAT	TOSCOLANO	OFFSET	FSC* - PEFC™
	WATER-RESISTANT LABELS	SINGLE COATED	SINGLE COATED	65 - 80	ROLL / FORMAT	CHIAMPO - TOSCOLANO	OFFSET FLEXO ROTOGRAVURE	FSC* - PEFC™
			SINGLE COATED EMBOSSED	70	FORMAT	CHIAMPO - TOSCOLANO	OFFSET	FSC* - PEFC™
		SINGLE COATED RECYCLED		70 - 80	**			FSC*
GRAPHICS	PAPERBOARDS	SINGLE COATED	SINGLE COATED	170 - 500	FORMAT	LUGO PM1	OFFSET - DIGITAL	FSC* - PEFC™
			DOUBLE COATED		FORMAT	LUGO PM1	OFFSET DIGITAL	FSC* - PEFC™
SPECIALTY GRAPHIC PAPERS	BILLBOARDS	RETRO BLUE	RETRO BLUE	100 - 120	FORMAT	CHIAMPO - LUGO PM5	OFFSET DIGITAL	FSC* - PEFC™
			RETRO WHITE	100 - 120	FORMAT	CHIAMPO	OFFSET DIGITAL	FSC* - PEFC™
	PLAYING CARDS	GLOSSY	GLOSSY	3270 - 330	FORMAT	LUGO PM1	OFFSET DIGITAL	FSC* - PEFC™
			EMBOSSED	270 - 300	FORMAT	LUGO PM1	OFFSET DIGITAL	FSC* - PEFC™
	FLAME-RETARDANT	DOUBLE COATED	DOUBLE COATED	150 - 700	SHEET	CHIAMPO - LUGO PM1	OFFSET DIGITAL	FSC* - PEFC™
FUNCTIONAL	CASTING RELEASE	SILICON-TREATED	SILICON-TREATED	90 - 160	ROLL	LUGO PM1	*	FSC* - PEFC™
			SINGLE COATED	40 - 80	ROLL	CHIAMPO - TOSCOLANO	*	FSC* - PEFC™ FOOD CONTACT

MARKETS SERVED BY THE GROUP

The main markets served by the Burgo Group are the Italian and European markets, as well as a presence on international markets.



the Group sells its products in over **90** countries

ITALY

The Italian market is managed through two sales channels: firstly, through direct relations with major Italian clients, printers and publishers, and secondly through Burgo Distribuzione which, thanks to its network of sales offices and warehouses, can deliver the Group's products and other products that the Group purchases for resale (which are not in direct competition with the Group's own production) to all of its medium and small-scale clients. The use of two sales channels enables the Group to have a capillary reach to all Italian customers. The total production capacity of copier paper is provided by Burgo Distribuzione exclusively for the Italian market.

As regards the Containerboard market, in 2019 the production capacity of the Avezzano (AQ) site was predominantly focused on serving a proportion of the Italian market through direct relations with converter clients.

Mosaico operates on the Italian market through the Group's distribution channel (Burgo Distribuzione) and the direct sales network of agents specialising in the flexible packaging sector.

EUROPE

The European market is served through the Group's commercial branches and enables the Group to have a strong presence among leading European printers and editors and, for the distribution of coated paper sheets, the Group is a partner of leading continental distributors through specific supply agreements for each market. The Group is a European leader for coated wood-free paper reels or sheet and non-wood-free paper for graphic and publishing use.

The containerboard production capacity at the Avezzano (AQ) plant enabled the Group to serve a significant proportion of the Italian market in 2019. In anticipation of the increase in production capacity expected in 2020, Burgo has established relations with leading supply chain partners that will enable it to penetrate the Spanish market.

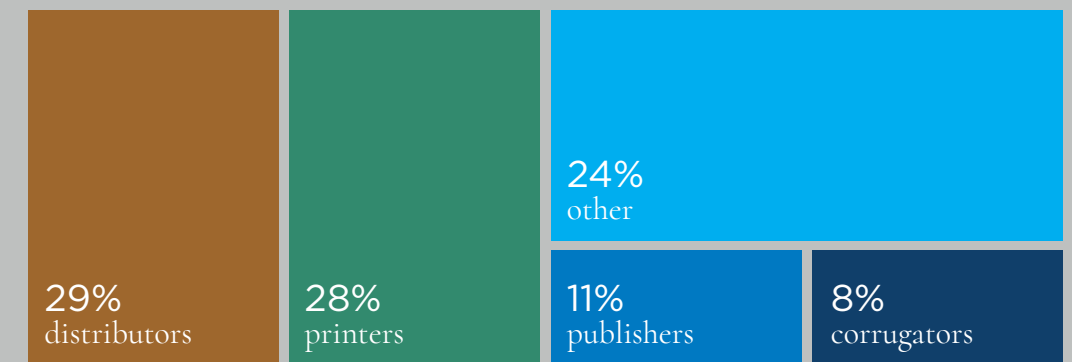
Mosaico serves the European network through the Group's commercial branches and a capillary network of specialised agents with expertise in various product categories.

OVERSEAS

The Group has several sales channels on overseas markets, including traders, agents and direct relations with clients.

Considering the marked orientation towards the development of exports by Mosaico, with regard to technical products the international market is served by the company's commercial department as well as by a network of agents specialising in various sectors, working in close collaboration with the product development team.

CUSTOMER BREAKDOWN BY CATEGORY



The Group has gradually diversified its client portfolio and has entered the corrugated cardboard sector (in 2019 this sector represented ' **8%** of sales volumes by quantity).

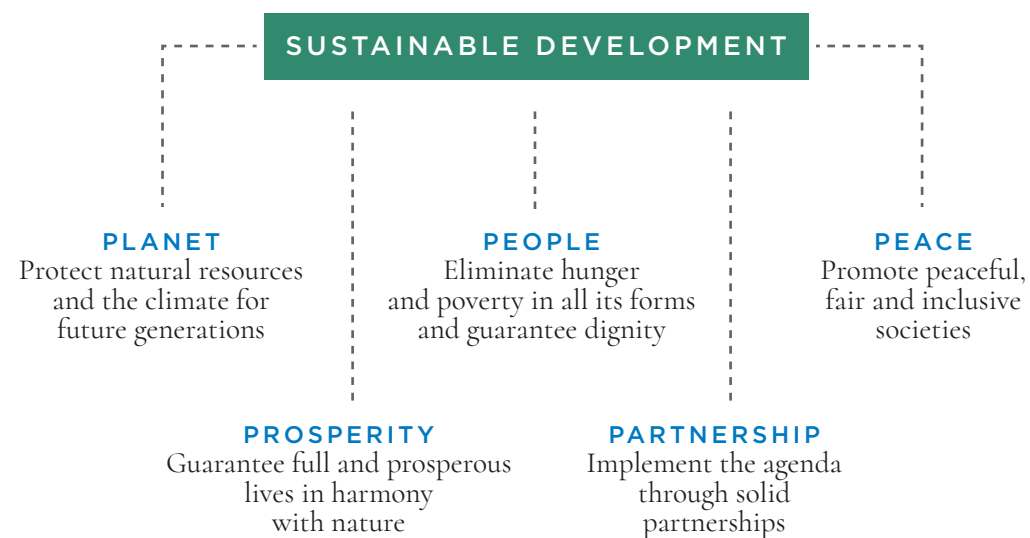
3. Sustainability according to the Burgo Group

- 3.1 Our principle commitments in response to risks and opportunities
- 3.2 Mission & Vision
- 3.3 Values and code of conduct
- 3.4 Sustainability model
- 3.5 Company policies and systems
- 3.6 Compliance with international standards and certifications
- 3.7 Materiality analysis



3.1 Our principle commitments in response to risks and opportunities

The Group's responsible approach to the environment, reinforced by policies, management systems and certifications, is consistent with the strategic guidelines and objectives set by the United Nations 2030 Agenda. Protection of the environment and, more generally, the primary issues of sustainability are at the centre of "Transforming our world: the 2030 Agenda for sustainable development", the global plan approved in September 2015 by the 193 Member States of the United Nations, including Italy. The main priorities for the human race—to remove the main causes of poverty, to pursue lasting development for everyone through a sustainable process capable of integrating economic, social and environmental aspects, and to identify new growth opportunities—are summarised in this universal pact in the 5 Ps: People, Planet, Prosperity, Peace and Partnership.





























The central nucleus of Agenda 2030 consists of 17 Sustainable Development Goals (SDGs), divided into 169 targets or objectives, aimed at abolishing poverty within the next 10 years, and at promoting economic prosperity, social development and environmental protection.

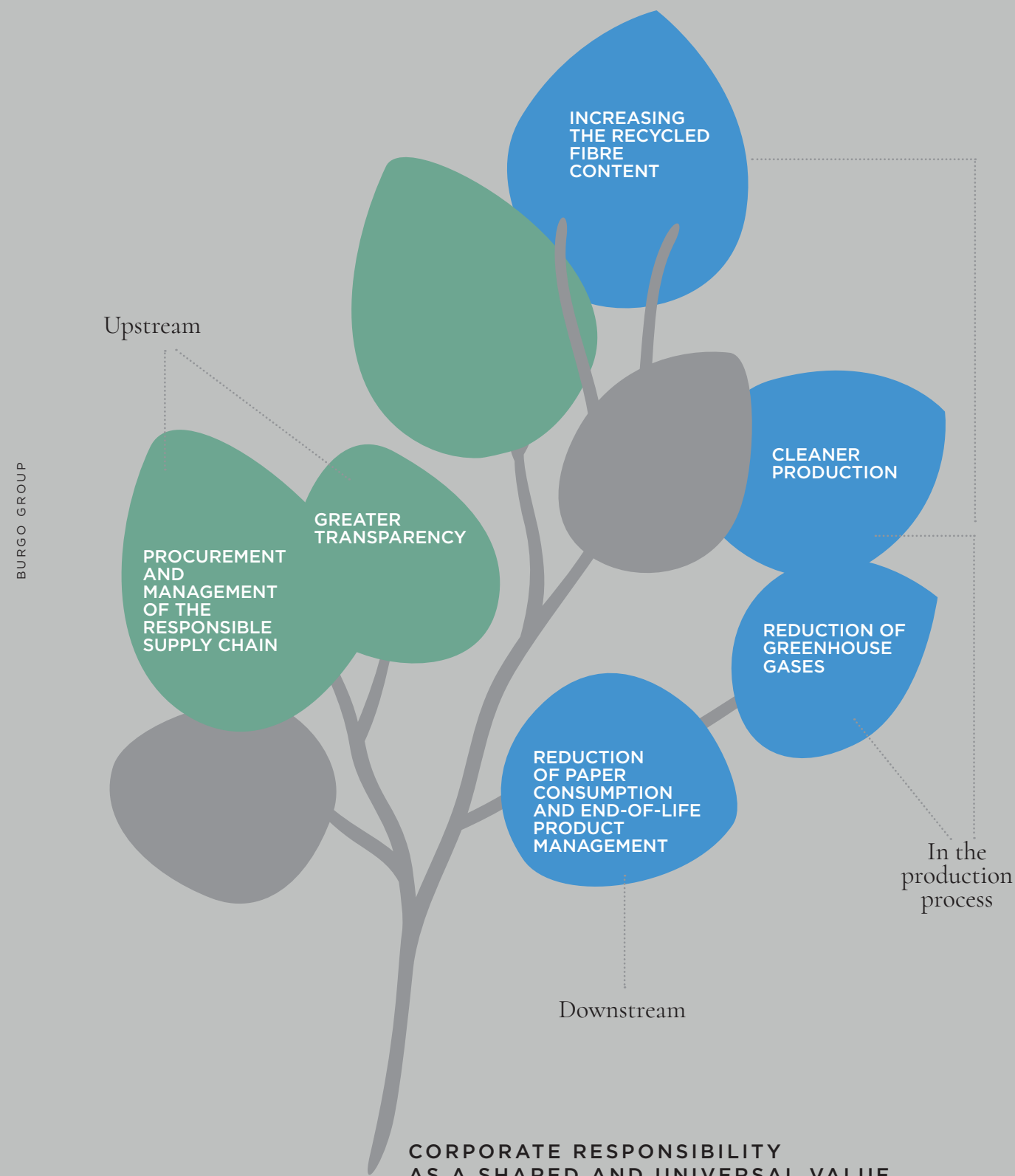
The countries that have adopted Agenda 2030 have committed themselves to formulating national strategies in support of the SDGs, including through collaborations with businesses. The clear focus on these strategic objectives is the first step towards effective operation, necessary to enable the monitoring and prompt verification of performance with regard to sustainable development.

Corporate governance, the core business and the management policies adopted by the Burgo Group are founded on the guidelines of the 2030 Agenda of the United Nations.

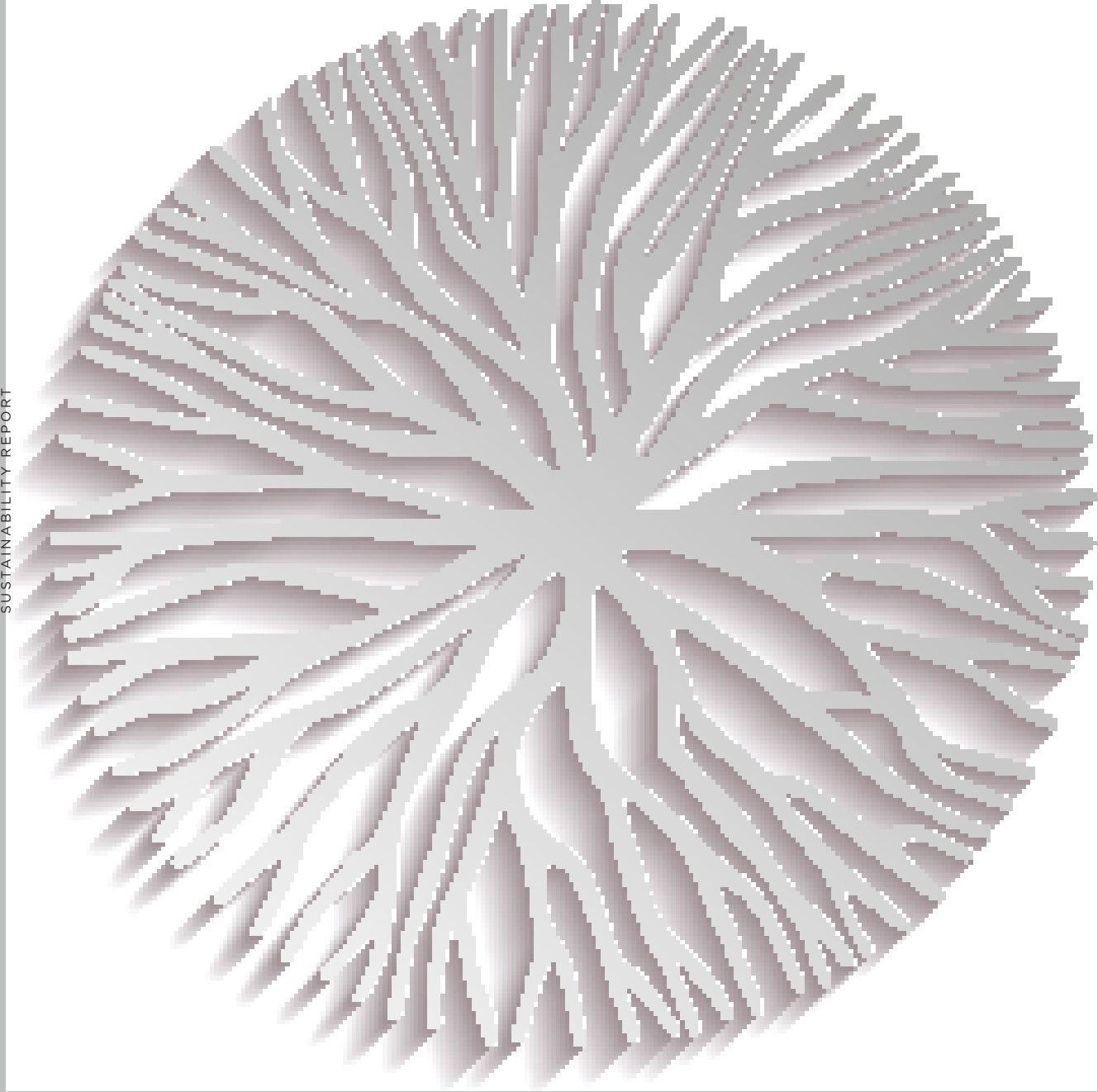
The main commitments of the Burgo Group coincide with certain SDGs.

	COMMITMENTS OF THE BURGO GROUP	REFERENCE TO THE SDGS & THE 2030 AGENDA OF THE UNITED NATIONS
CORPORATE GOVERNANCE	To guarantee good corporate governance, protecting the environment, people (managing relations within and outside the company), the company's assets and the protection of sensitive information. In this regard, the Group has adopted a Code of Ethics and a Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.	  
ENVIRONMENTAL	<p>To minimise the environmental impact of products and processes and ensure the management of resources using the best available and economically viable technologies</p> <p>To minimise the environmental impact of production sites</p> <p>To ensure the rational use of natural resources, energy and raw materials.</p>	          
SOCIAL	<p>To select suppliers committed to sustainable development (particularly suppliers of fibrous raw materials), prioritising those holding internationally recognised chain of custody certifications</p> <p>To engage and train employees with a view to increasing the culture and awareness of all collaborators on the environment, health and safety</p>	      
SOCIAL AND ENVIRONMENTAL	To adopt specific emergency and preventive environmental and safety procedures	 
SOCIAL	To provide all stakeholders with prompt and transparent information and be open to dialogue and debate	  

THE GROUP'S COMMITMENTS ARE IN LINE WITH THE
MAIN CHALLENGES FACING THE PAPER INDUSTRY
IDENTIFIED IN THE CEPI MATERIALITY REPORT



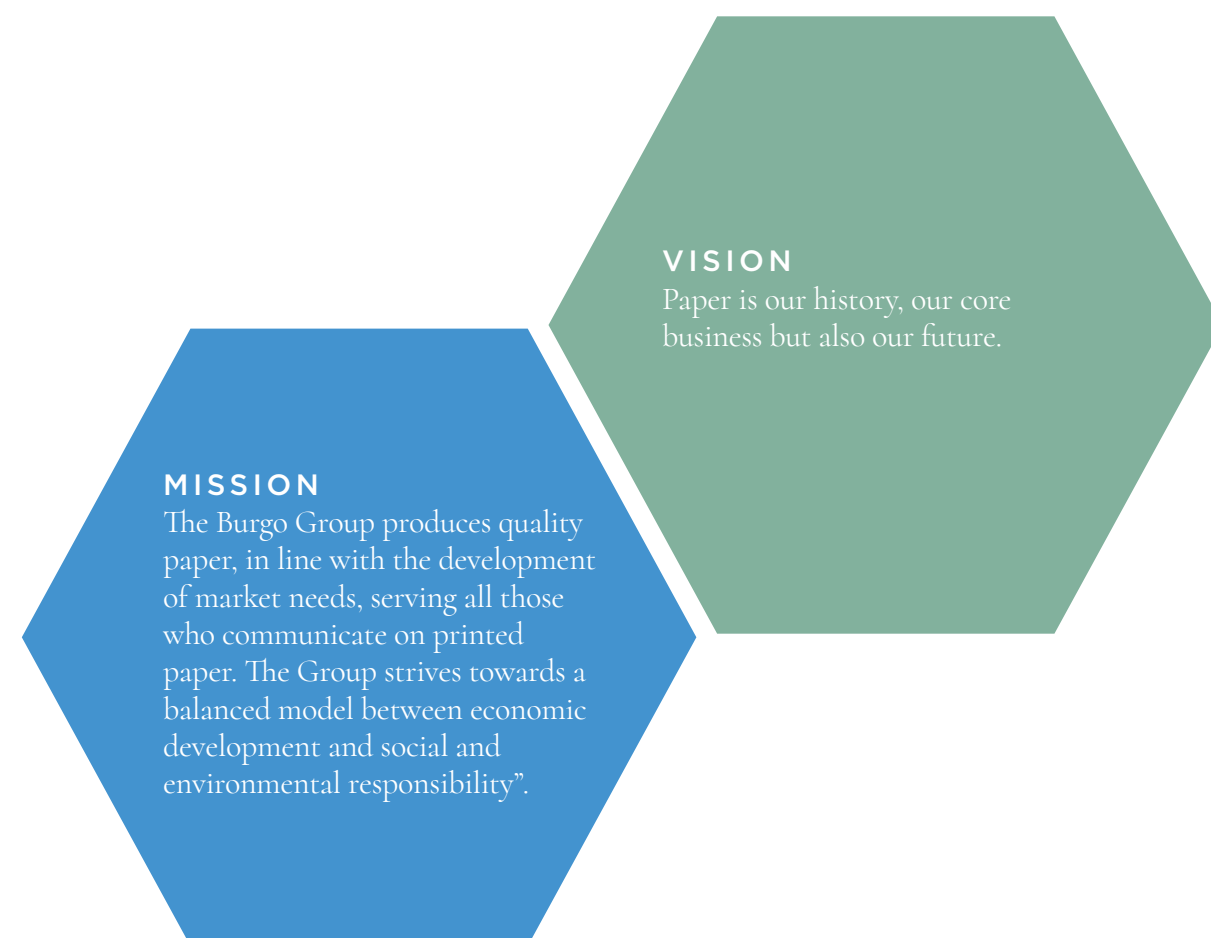
Deloitte Analysis - CEPI Materiality Report 2018



3.2 Mission & Vision

The Burgo Group is one of the leading European producers of graphic papers, specialty papers, packaging paper and paper for the packaging sector.

A complete range of high-quality papers, the development of new solutions, a focus on research and new product development, and a commitment to the environment. These values resonate through the Group's dynamic approach, reflecting its desire to continue to grow and representing a way of doing business and an understanding of how to fit into a broader system. It is no accident that sustainable development is a core principle of the Burgo Group that can be seen in all of its processes, from procurement to the use of resources, from restoring wastewater to optimising the reuse of waste materials to produce energy. The Burgo Group is committed to expanding the business and transforming its know-how in order to apply it to other strategic sectors such as the distribution of paper products, energy management, and in particular the development of new products for the paper packaging market.



Tradition and the ability to innovate coexist in the vision of Burgo Group, a large Italian industrial business that has produced high-quality paper with a focus on the environment for over 100 years.

Creating value for shareholders, serving its reference market and, at the same time, meeting its corporate and environmental responsibilities - many objectives met with a single solution: responsible innovation.

The Burgo Group expresses its mission by pursuing innovation with an ever-greater focus on the environment: from investments to improve productivity and plant efficiency and reduce their environmental impacts to preserving and enhancing the professional skills of its employees, from supporting research to expanding its business strategy to the containerboard market.

3.3 Values and code of conduct



CODE OF ETHICS

The Burgo Group pursues its commitment to good corporate governance through the top-down adoption of a set of values, codes of conduct and procedures. One of the fundamental elements of the Corporate Governance system is the Code of Ethics adopted by Group companies in 2003. The Code of Ethics is aimed at all Group employees and all those who directly or indirectly engage in business relations with the Group, without exception, and provides for - as basic principles of the Group's activities - compliance with the laws and regulations of the reference countries, as well as internal regulations, in a context of integrity, fairness and the protection of privacy. The Group is also committed to balancing its drive for competitiveness on the market with compliance with competition laws and to promoting, in the context of corporate responsibility and environmental protection, the fair and appropriate use of resources. The Code of Ethics is part of an internal control model aimed at providing all of the tools necessary to guide the Group towards the achievement of its economic and management objectives, guaranteeing the prevention of offences in line 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 centres on reaching the highest possible standards of “best practice” with regard to its corporate, ethical and social responsibilities to its shareholders, directors, employees, collaborators, clients, suppliers and partners. The Code of Ethics can be viewed on the Group's website and is provided and illustrated to all newly hired employees.

ETHICS AND CODE OF CONDUCT

GENERAL PRINCIPLE	Conduct at all levels must be characterised by compliance with the law and regulations, with the principles of honesty, fairness, integrity, transparency, reciprocity and respect, and must be open to verification and based on accurate and complete information
PRINCIPLE OF LOYALTY AND TRUST	Aimed at promoting and consolidating a relationship of trust and mutual loyalty between employees and the Group
PRINCIPLE OF IMPARTIALITY AND CONFLICT OF INTEREST:	Promoting conduct in line with ethical principles and the law, to avoid situations and/or activities that may lead to conflicts of interest with those of the Burgo Group.
PRINCIPLE OF CONFIDENTIAL INFORMATION AND THE PROTECTION OF PRIVACY	Aimed at promoting a culture of confidential data protection, relative to data or information that belong to the Group
PRINCIPLE OF EMPLOYEE PROTECTION	Establishing the importance of preventing risks and protecting the health and safety of individuals, colleagues and third parties. Relations between employees with different levels of responsibilities must be based on the principles of civil coexistence and respect for the principles of fairness and correctness, the rights and freedoms of the individual and professional secrecy. Any form of discrimination or retaliation due to nationality, religious beliefs, the membership of political parties or trade unions, language or gender is prohibited.
PRINCIPLE OF ENVIRONMENTAL PROTECTION	Helping to ensure compliance with current regulations concerning environmental protection and conservation and encouraging an approach centred on the correct use of resources and respect for the environment.
PROTECTION OF COMPANY ASSETS	Encouraging the preservation and correct use of the tangible and intangible assets and resources belonging to the Group.
PRINCIPLE OF CONTROL PROCESSES	Putting responsibility on employees to implement and monitor the correct application of controls for the operational areas entrusted to them.
PRINCIPLE OF THE PROTECTION OF FINANCIAL AND ADMINISTRATIVE INFORMATION:	Each operation/transaction must be correctly authorised and recorded, and must be traceable, legitimate, consistent and appropriate. Appropriate documentary evidence must be provided to facilitate the monitoring process and enable the identification of the person who authorised, carried out, recorded and monitored the operation. The information contained in the reports and in the accounts must adhere to the principles of clarity, transparency, correctness, completeness and accuracy.

ETHICAL PRINCIPLES TOWARDS THIRD PARTIES

CUSTOMERS	In line with internal procedures, the primary objective is to ensure maximum customer satisfaction while enabling them to make conscious choices.
SUPPLIERS	Supplier selection and the determination of procurement conditions must be done on the basis of an objective and transparent analysis, considering the price, the capacity to provide and guarantee services of an appropriate quality, and the integrity of the supplier.
POLITICAL PARTIES AND TRADE UNIONS	As a matter of principle Group companies do not make donations or contributions to political parties, committees, organisations or trade unions. Contributions, in compliance with the law, may be considered where deemed important to the public interest.
THE MEDIA	Relations between the Burgo Group and the mass media must be conducted in line with the communications policy defined by the Parent company.
RELATIONS WITH LOCAL AUTHORITIES AND PUBLIC INSTITUTIONS	Commitments are undertaken exclusively by those authorised to do so. It is prohibited to promise or offer goods and/or other benefits to promote or further the interests of the Burgo Group except in the case of gifts or services of modest value.



REFERENCE VALUES

In addition to technical expertise and professional ability, commitment and passion are required in all daily activities. It is essential to have a close relationship with clients in order to promptly understand their needs and respond in the most appropriate way. Respect for the environment and the awareness of its impacts on the community promote a sense of responsibility among all Group personnel.

The people who work with the Burgo Group recognise and uphold a number of important reference values.



THE CONFINDUSTRIA SUSTAINABILITY PRINCIPLES CHARTER

The Burgo Group has chosen to adopt the “Environmental Sustainable Principles Charter” promoted by Confindustria, which indicates the reference values for sustainable development. The Charter sets out ten General Principles, along with ten associated commitments, and represents a set of guidelines to be considered when undertaking action and a tool to assess compatibility with the sustainability criteria defined.

THE CONFEDERAL ENVIRONMENTAL SUSTAINABILITY PRINCIPLES CHARTER

10 PRINCIPLES - 10 COMMITMENTS

1. ACHIEVEMENT OF ENVIRONMENTAL SUSTAINABILITY OBJECTIVES IN THE SHORT, MEDIUM AND LONG TERM

Making environmental protection an integral part of the activity and the production growth process.

2. ADOPTION OF A PREVENTIVE APPROACH

Assessing the impact of activities, products and services, in order to manage their environmental aspects according to a preventive approach and promote the use of the best available technologies.

3. EFFICIENT USE OF NATURAL RESOURCES

Promoting the efficient use of natural resources, with particular attention to the rational management of water and energy resources.

4. CONTROL AND REDUCTION OF ENVIRONMENTAL IMPACTS

Controlling and, where possible, reducing emissions into the air, water and soil, pursuing the minimisation of the production of waste and its efficient management, giving priority to recovery and reuse instead of disposal; adopting suitable measures to limit the effects of activities on climate change; promoting the safeguarding of biodiversity and ecosystems.

5. CENTRALITY OF INNOVATIVE TECHNOLOGIES

Investing in research, development and innovation, in order to develop processes, products and services with less and less environmental impact.

6. RESPONSIBLE MANAGEMENT OF THE PRODUCT

Promoting responsible management of the product or service along the entire life cycle, in order to improve its performance and reduce its impact on the environment, also informing customers on the methods of use and management of the “end of life”.

7. RESPONSIBLE MANAGEMENT OF THE PRODUCTION CHAIN

Promoting environmental protection in the management of the production chain, involving suppliers, customers and parties involved as stakeholders of the sustainability policy.

8. RAISING AWARENESS AND TRAINING

Promoting information, awareness-raising and training initiatives, in order to involve the organisation in implementing its environmental policy.

9. TRANSPARENCY IN RELATIONS WITH PARTIES INVOLVED

Promoting relations, with the parties involved, based on transparency, in order to pursue shared environmental policies.

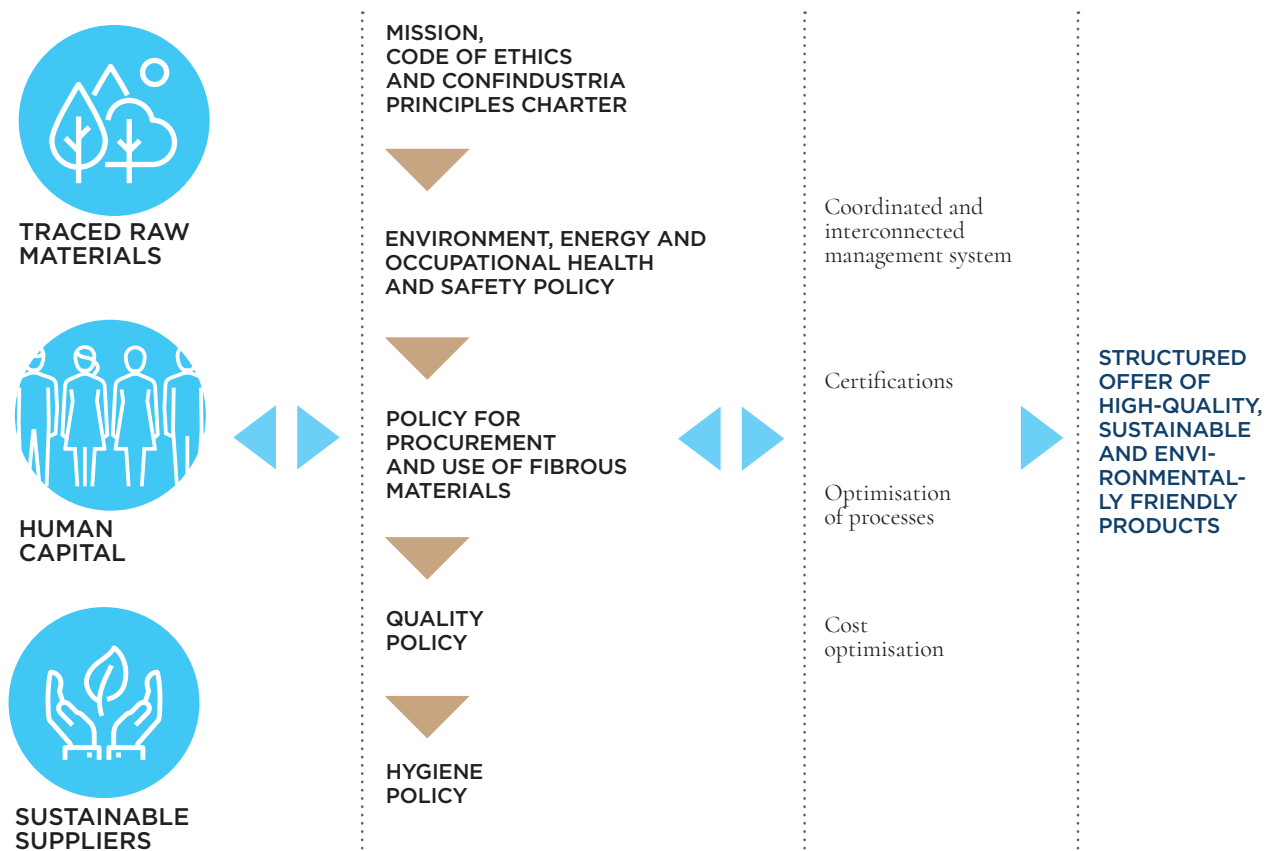
10. CONSISTENCY IN INTERNATIONAL ACTIVITIES

Operating in line with the principles subscribed to in this Charter in all countries in which we do our business.

3.4 Sustainability model

The strategies, management procedures and production processes defined by the Group's business model have a profound commitment to sustainability and aim to create value in the medium and long term.

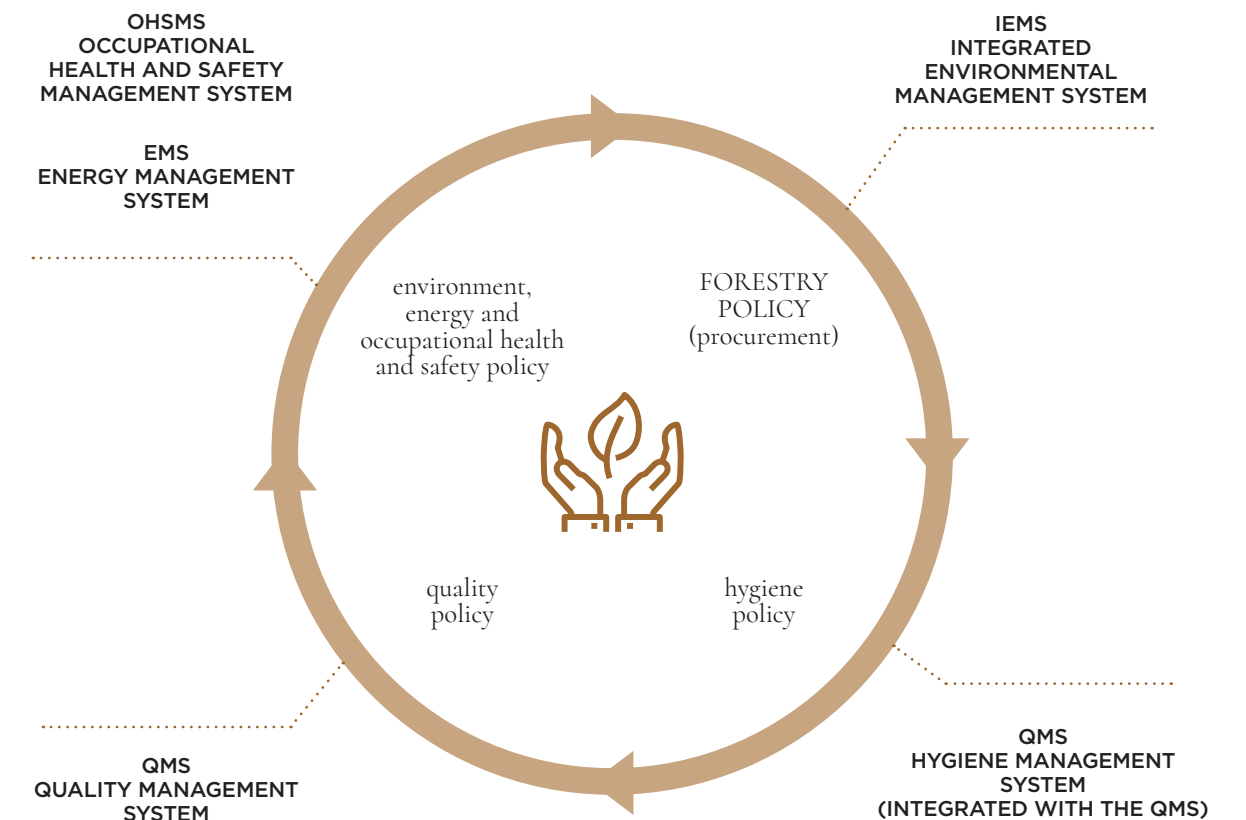
The Group is committed to adopting the best available tools to ensure objectivity and impartiality in the preventive analysis, monitoring, measurement and, finally, reporting at all stages of the production chain.



The Sustainability Model is perfectly compatible with the Business Model and serves as its guarantee. As well as pursuing the Group's mission, the Model is inspired by the Code of Ethics for more general values and the various Policies issued by Senior Management for the daily productivity of all Group sites. Furthermore, thanks to the adoption of the “Environmental Sustainability Principles Charter” promoted by Confindustria, the Group guarantees high standards of environmental performance.

3.5 Company policies and systems

Sustainability is the key element of all Group processes and is expressed through a constant commitment to improving quality, safety, and the protection of the environment. The Burgo Group has adopted Management Systems based on the achievement of international standards to be used as monitoring tools and to guarantee continuous improvement. The strategic policies issued by Senior Management are reflected in the various Management Systems adopted in the Group.



GEVER

MOSAICO
SPECIALTY PAPERSBURGO
GROUP

POLICY FOR THE ENVIRONMENT, ENERGY AND OCCUPATIONAL HEALTH AND SAFETY FOR THE RESEARCH, DEVELOPMENT AND PRODUCTION OF VARIOUS TYPES OF PAPER IN REEL AND SHEET FORMAT

The Burgo Group, conscious of its role and responsibility in relation to the community and the environment in which it operates, and to ensure a healthy and safe working environment for all its collaborators and for all other parties involved, has defined the Policy outlined in this document and is committed to making it operational, keeping it up-to-date, distributing it to all personnel and making it available to the public and to anyone who requests it.

The protection of the environment, natural resources and occupational health and safety regards the entire organisation and constitutes the foundation of the Company's operating and market strategies and its environmental commitment.

The fundamental prerequisites of our activities, products and their development are:

- Compatibility with the environment that hosts them and protection of the staff and the public from adverse environmental effects.
- Prevention and protection, for employees and other parties involved, against the risks to 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.
- The clear definition, in the context of the entire organisation, of responsibilities in the management of environmental protection and occupational health and safety;
- Drive towards the continuous improvement of preventive measures and environmental and occupational health and safety performance.
- The availability of the necessary human, technical/instrumental and economic resources.

All of the above translates into specific improvement objectives and targets established on an annual basis and managed in the context of systems compliant with the requirements of the EMAS Regulation, the ISO 14001 Standard, the ISO 50001 Standard and the BS OHSAS 18001 Standard.

GUIDING PRINCIPLES

A. PRODUCTS, PROCESSES, TECHNOLOGIES AND MANAGEMENT OF RESOURCES

We develop and manufacture products with a focus on quality in order to minimise the environmental impact, maximise energy efficiency and prevent injuries and illnesses for all parties involved. We implement new activities, processes and systems after assessing the risk factors and the associated environmental, energy-related and occupational health and safety issues. We use the best available, economically viable technologies, including the most energy efficient products and services.

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

B. MINIMISATION OF THE ENVIRONMENTAL IMPACT AND RISK TO OCCUPATIONAL HEALTH AND SAFETY

We aim to assess, control, eliminate and reduce the affects of our activities on the various components of the Environment and of Occupational Health and Safety, considering the nature and scale of the environmental impact, our energy intensity and the risk factors identified.

C. TRAINING, INVOLVEMENT AND CONSULTATION

We plan and carry out documented activities so that our employees are trained, informed and able to perform and monitor their duties in a safe and responsible manner (in order to avoid dangerous behaviour, awareness is also raised among external personnel who work for the Burgo Group at its sites).

To encourage the involvement and participation of all workers, regular information meetings are planned and held, supplemented by adequate communication. In addition, the procedures carried out ensure that employees are promptly consulted, including through their representatives.

D. SUPPLIERS

Suppliers are involved in the improvement targets for the protection of the environment and occupational health and safety associated with the products and/or services requested. As regards the fibrous raw materials procured, Suppliers who practice Sustainable Forest Management are preferred to ensure that the condition 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, emphasising the concept of prevention through risk analysis and the adoption of adequate measures to limit their effects.

These measures are re-examined and modified in response to events recorded and/or in the case of the development of new activities, products and processes.

F. INFORMATION AND COMMUNICATION

We inform our staff systematically with regard to environmental aspects, significant energy use and risks to health and safety associated with the activities carried out, so that they understand the implications as far as their role and conduct at work are concerned.

We are committed to pursuing an open and constructive dialogue with all of the parties involved, ensuring transparency and reliability of the data and information. Where applicable, the Environmental Declaration is made available together with its updates, in order to give transparent disclosure of the results obtained and of the new objectives to be achieved.

MD of Gever
Alberto Sorge

MD of Mosaico
Lorenzo Marzotto

MD of Burgo Group
Ignazio Capuano



POLICY FOR THE PROCUREMENT AND USE OF FIBROUS MATERIALS

The Burgo Group undertakes to promote forest resource management consistent with full respect for the highest ethical and environmental values in all of its activities.

In keeping with the commitment to quality, safety and the environment pursued for some time, we want to make sustainability the key element of all our processes.

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

We want, therefore, through careful assessment and selection of the suppliers of fibrous raw materials:

- to use only fibrous raw materials from certified, legal sources;
- to avoid the use of fibrous raw materials from areas where civil or traditional rights are not protected, avoiding in particular any breaches of the fundamental principles set out in the “ILO Declaration (1998)”;
- to avoid the use of raw materials originating from forest areas with high conservation value;
- to protect the forest to guarantee its functions of environmental and social benefit;
- to use raw materials originating from plantations only if managed in a way that guarantees the maintenance of biodiversity, in keeping with the characteristics of the environment and such to guarantee the development of internationally recognised forestry certifications;
- to avoid the use of fibres originating from genetically modified plants;
- to increase the use of recycled pulps in our papers.

THEREFORE, IT IS COMPANY POLICY TO:

- implement and maintain an adequate Management and Control system at Group level to ensure the correct implementation and management of the Chain of Custody of the products on sale, making reference to principles of good forest management.
- to only procure products from non-controversial sources.
- to work with Suppliers who hold or aim to hold recognised forestry certifications.

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

CEO of Burgo
Distribuzione
Matteo Samos

MD of Mosaico
Lorenzo Marzotto

MD of Burgo Group
Ignazio Capuano

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



IEMS - INTEGRATED ENVIRONMENTAL MANAGEMENT SYSTEM.

Our activities - both as an economic operator and otherwise - have an impact on the surrounding environment through the consumption of raw materials and energy and the production of waste. Through the adoption of the IEMS, regulated by Standard ISO 14001, the Group undertakes to identify, measure, monitor and reduce the environmental impact of its activities, meet compliance standards 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 of the interaction between facilities and environment to identify the legal obligations to be observed and the improvement measures to be adopted.

Implementation

Definition and implementation of Action Plans for the improvement of performance that respond to the objectives defined in the analysis and planning stage.

Auditing

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



EMS - ENERGY MANAGEMENT SYSTEM.

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



OHSMS - OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

This system defines the methods used to identify, within the Group's organisational structure, the responsibilities, processes and resources for the definition of company prevention policies in order to comply with health and safety standards, aimed at making them more efficient and integrated into general company activities with a view to continuous improvement.

Environmental topics are of primary importance to the Burgo Group, as proven by the establishment of a dedicated department, the Integrated Environmental Management System (IEMS / S.G.A.) composed of professionals selected from among the Group's employees who are responsible for developing the company's sustainability policies.



QUALITY POLICY

The policy expressed by Senior Management is received, developed and implemented by the Management of individual plants and by the Company Departments involved, according to their responsibilities and roles. Customer satisfaction is pursued through the implementation of organisational structures and processes suited to the product quality and service standards expected: the Customer plays a central role in the strategies and activities of the Burgo Group. The Group companies aim to reach their quality objectives by:

- constantly updating the range of products to meet evolving market demands;
- improving the level and consistency of product quality through the effective monitoring of production processes, the relationship with suppliers and the continuous search for advanced technological solutions;
- improving services in terms of reliability, delivery speed and reduction in market response times;
- increasing understanding of market demands by consolidating technical support;
- promoting collective commitment to quality through the training, communication, engagement and contribution of all human resources;
- defining and sharing measurable objectives aimed at the continuous improvement of quality and business performance.

CEO of Burgo
Distribuzione
Matteo Samos

MD of Mosaico
Lorenzo Marzotto

MD of Burgo Group
Ignazio Capuano



QMS - QUALITY MANAGEMENT SYSTEM.

The application of the Quality Management System involves putting a formal system in operation to govern all company processes and promote a culture of quality to achieve the best possible performance (efficacy) at the lowest cost (efficiency) while guaranteeing customer satisfaction. The continuous improvement of this system forms the basis of the Quality Management System.

Ensuring continuous improvement of performance in terms of the quality and reliability of the products and services offered, delivered through innovation, is one of the guiding principles of the Group.



HYGIENE POLICY FOR THE RESEARCH, DEVELOPMENT AND PRODUCTION OF VARIOUS TYPES OF PAPER AIMED AT THE FOOD PRODUCT PACKAGING MARKET

The policy defined by Senior Management is received, developed and implemented by the Management teams of individual plants and by the Head Office units involved, in line with their responsibilities and roles.

Therefore, it is Company policy to:

- Provide the market with safe products compliant with the hygiene standards regulated by applicable law or regulations as well as any agreed directly with the Customer in regard to the intended use.
- Guarantee food safety and compliance with regulations for the production of packaging intended for food contact use.
- Provide all parties involved with sufficient evidence of its ability to identify and control, in an appropriate manner, the dangers with regard to the hygiene of the manufactured products.
- To ensure the traceability of the materials/products used and of each stage of the production process for each batch of products manufactured and supplied.
- To pursue the continuous improvement of performance in terms of the quality and reliability of the products and services provided.

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

- Plan, establish, implement and update a risk analysis and risk assessment system (including a glass and fragile plastics policy) that ensures all products produced and supplied meet the relevant hygiene standards.
- Develop and integrate into the Group's Quality Management System an effective Hygiene Management System that meets the requirements of Standard UNI EN 15593 and applicable GMP, also considering the provisions set out by Standard EN ISO 22000.
- Implement said System at the Group's sites that produce paper for the food product packaging market.
- Make available to the relevant sites the human, technical, instrumental and economic resources necessary for the effective management of the system and for the progressive elimination of potential sources of pollution.
- Maintain a collective commitment to hygiene safety 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.

Senior Management affirms its commitment in this regard and undertakes to ensure that this policy is distributed to all relevant staff and made available to other interested parties who may request it.

MD of Mosaico
Lorenzo Marzotto

MD of Burgo Group
Ignazio Capuano



HYGIENE MANAGEMENT SYSTEM

The certification guarantees the quality of the Group's management systems in the implementation of the "Good Manufacturing Practice" (GMP) for the production of materials for food contact use. It certifies product conformity with the applicable food safety laws, contributing to protecting the image of those who supply the food products market and ensuring safety during this phase of the supply chain. The Hygiene Management System has been integrated with the Quality Management System (QMS).

With regard to the production sites that manufacture paper for the food packaging market, the main goal of the Burgo Group is to guarantee safe products that comply with the hygiene standards defined by the applicable law and regulations, or any requirements agreed with the Customer in relation to the intended use of the product. Food safety and compliance with regulations governing the production of packaging is ensured through the disclosure to all interested parties of sufficient evidence of the ability to identify and control any hygiene risks in an appropriate manner. Furthermore, customers are guaranteed the prompt traceability of the materials/products used in each stage of the production process for each batch of products produced and supplied.



G.M.P. GOOD MANUFACTURING PRACTICE

Good Manufacturing Practice regarding materials for food contact is 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".

GMP must be applied to all aspects of the relative processes, from the selection and use of chemical products and pulp for paper and recycled paper to the continuous operation of the machinery and preparation, development and transportation activities.

Currently all of the factories operated by the company Mosaico are certified according to Standard UNI EN 15593: Treviso, Tolmezzo, Lugo, Toscolano and Chiampo. These production sites have already adopted the guidelines set out by EC Regulation 2023/2006 with regard to GMP.

The Group is currently working to extend this certification to other production facilities:

- Villorba (TV) facility, for the production of single-coated paper for the labelling market.
- Avezzano (AQ) and Verzuolo (CN) facility, for the conversion of production to containerboard. The possible applications of the manufactured paper (secondary food contact) require the plants to ensure hygiene standards in line with the GMP.

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 has adopted a proactive approach that considers certain international standards and certifications to be an effective tool to providing an increasingly high level of performance.

COMPANY	PLANTS	QUALITY	HEALTH AND SAFETY	HY-GIENE GMP	ENERGY	ENVIRONMENT			
		ISO 9001	OHSAS 18001	UNI EN 15593	ISO 50001	FSC*	PEFC™	ISO 14001	EMAS
ALTAVILLA VICENTINA HEADQUARTERS		▲				▲	▲	▲	
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.R.L.	LUGO	▲		▲		▲	▲	▲	
MOSAICO S.R.L.	TOLMEZZO	▲		▲		▲	▲	▲	
MOSAICO S.R.L.	TOSCOLANO	▲		▲	▲	▲	▲	▲	▲
MOSAICO S.R.L.	TREVISO	▲		▲		▲	▲	▲	
MOSAICO S.R.L.	CHIAMPO	▲		▲		▲	▲	▲	
BURGO DISTRIBUZIONE S.R.L.		▲	▲	▲					
GEVER S.P.A.			▲*					▲	▲
Burgo Energia		This company is a certified Energy Service Company (E.S.Co.) specialising in energy efficiency and energy savings. This specialisation is certified by the external certification body SGS which verifies the expertise according to Standard UNI CEI 11352. One of the specific requirements of this standard is the appointment of an Energy Management Expert (EME). The company has two EMES.							

Notes: * Standard OHSAS 18001 was superseded by ISO 45001:2018 on 12 March 2018. The company Gever S.p.A. has already transitioned to the new standard and is certified according to ISO 45001:2018. The company Burgo Ardennes, which operates the Virton plant in Belgium, has not yet completed the transition to Standard ISO 45001:2018. Plans are underway to extend Certification ISO 50001 to all of the plants operated by the company Mosaico S.r.l. Currently only the Toscolano Maderno (BS) facility holds this certification.

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), transposed into Italian law by Italian Legislative Decree no. 59 of 18/02/2005 and then absorbed by Italian Legislative Decree no. 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.

REACH REGULATION

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





EMAS ENVIRONMENTAL REGISTRATION

The Burgo Group has adopted the Eco-Management and Audit Scheme (EMAS). The Toscolano paper mill was the first of the Group's plants to receive EMAS registration, followed by the Verzuolo and Villorba facilities and the subsidiary Gever. The registration process is currently ongoing for the Carbonera (TV) site.

EMAS is a European Union regulation through which industries can, on a voluntary basis, adopt a system of responsible environment and audit policy management. Accredited private bodies verify conformity with the requirements while registration is handled by the Ecolabel-Ecoaudit interministerial committee. Currently, the more restrictive version, EMAS III registration, is in force in Italy, providing for the introduction of new environmental indicators.



EU ECOLABEL CERTIFICATION

"Ecolabel" is the mark of environmental quality of the European Union which certifies and guarantees compliance with environmental criteria and a low environmental impact throughout the product life cycle (EC Regulation no. 1980/2000). It is a selective voluntary tool and is recognised at European level.

Burgo has obtained the Ecolabel mark for:

- Coated LWC papers for offset and rotogravure printing in the UNO range produced by the Verzuolo* and Duino plants;
- Coated wood-free CWF R4 Chorus papers produced by the Virton plant in Belgium for the company Burgo Ardennes;
- Office papers in the REPRO range produced in the Tolmezzo plant.

C.I.C CERTIFICATION

(CONSORZIO ITALIANO COMPOSTATORI - ITALIAN COMPOSTERS CONSORTIUM)

Certifying one or more products with the CIC Compostable mark enables products to be marketed and sold as "compostable"; after use, these products can be processed as organic recycling at industrial composting plants. The BioCoated, Kraft, GreenKraft, GreenBag, KMB and GP Board products manufactured at the Mosaico plant in Treviso and Lugo in Vicenza hold the C.I.C certification.

Note:

* The Verzuolo facility is currently being converted from the production of coated mechanical paper to corrugated card (so-called "containerboard"). As a result of this conversion, from 2020 the production of coating LWC paper at the Villorba (TV) plant will assume the "Ecolabel" certification from the Verzuolo (CN) plant.



MAIN FORESTRY CERTIFICATIONS

Forest Management Certifications refer to a statement issued by a third party, or an independent body, that verifies and affirms that the products, services and production systems conform to established parameters of "good and proper" management. The aim of this certification is to ensure that the forest is protected, preserving and enhancing it whenever possible, according to principles of environmental, economic and social sustainability in order to leave it in the same or better condition for future generations. Forestry certifications are voluntary and ensure that the processes and products associated with the use of forests are controlled and monitored.

A certified chain of custody is a way of proving that a business has a system to trace products sourced from forests throughout

all stages of the production process, from the certified forest to the sawmill, the factory and the consumers. In this case the certification is issued and periodically reviewed by accredited third party bodies. FSC® (Forest Stewardship Council®) and PEFC™ (Programme for the Endorsement of Forest Certification scheme™) represent the most widely recognised forest and chain of custody certifications at a global level, to which Burgo also subscribes.

The Burgo Group has obtained FSC® and PEFC™ forest certifications for all of its production facilities (Burgo and Mosaico), its head offices, and the companies Burgo Ardennes and Burgo Distribuzione.

FSC® CERTIFICATION

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



PEFC™ CERTIFICATION

The PEFC™ mark guarantees the use of fibres from legal and sustainable sources according to international standards. (www.pefc.org)



CREDIT MANAGEMENT CERTIFICATION

In 2019 Burgo Group S.p.A. conducted an audit aimed at obtaining the certification for its internal credit management policies. The process to obtain the certification began in March 2019. The process required the involvement of multiple company departments, particularly the Sales Department and the Credit Management Department. The certification will enter into force in January 2020 and will be valid for three years.

The company Lexant, in collaboration with Ask Advisory, coordinated the certification procedure according to Practice UNI 44:2018 and Standard TUV Rheinland CMC:2012, based on the specifications

for Credit Management developed by the Federal Association of Credit Management and V.

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 to ensure the best possible interaction between the credit and sales areas to certify its clients, including with regards to sales information, the payment experience and the geographic location of customers.

THE IKEA WAY: MANAGEMENT AND CERTIFICATION SYSTEMS MEAN HIGH QUALITY, ENVIRONMENTALLY FRIENDLY PRODUCTS

IWAY (The IKEA Way on Purchasing Products, Materials and Services) is the IKEA Code of Conduct and establishes the minimum requirements relative to the environment and social and working conditions, including the prevention of child labour and corruption, that all IKEA suppliers must guarantee. Compliance with the IWAY criteria is requested at contractual level in order to become an IKEA partner. The Burgo Group, which supplies IKEA with the paper for its catalogues, has adopted IWAY for some years. Compliance with the Code of Conduct is verified through an audit process that ends with a performance assessment conducted by IKEA management. The Virton (Belgium, Burgo Ardennes S.A.) and Duino plants passed the audits with compliance levels of 90.3% and 89.9% respectively. These results were made possible largely thanks to the adoption of various Management Systems.

The customer-supplier relationship is based on the mutual improvement of environmental, work-related and social performance that is advantageous to both parties involved in terms of business sustainability.

ASSOCIATIONS

The Burgo Group promotes associations and partnerships with non-profit bodies with which it has shared values and interests.



THE BURGO GROUP SUPPORTS THE COMMITMENT OF THE CEPI

Europe's transition to carbon neutrality by 2050 places a great deal of responsibility on the paper industry. The Burgo Group's approach is fully directed towards environmental sustainability.

The Burgo Group supports and shares the commitment undertaken by the CEPI (Confederation of European Paper Industries), of which it is a member, and promotes a responsible approach to the sustainable management of resources and forests and the implementation of environmental management systems.



THE BURGO GROUP SIGNS THE PAPER PROFILE

The Burgo Group has adopted the Paper Profile, the voluntary international environmental product declaration for paper mills designed to inform paper buyers.

Paper Profile is an international standards declaration that outlines the main and most significant environmental data of an individual product. It makes reference to general production parameters, to the composition of the products and to emissions, as well as to information on the corporate environmental management policy and on the procurement of wood and fibrous raw materials.

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

With a view to its commitment to environmental protection and transparency in communication, the Burgo Group makes available to its customers the paper profiles of its products.

These are available on request by writing to paperprofile@burgogroup.com



THE BURGO GROUP HAS CHOSEN TO BECOME AN ACTIVE PARTNER IN TWO MAJOR EUROPEAN SECTOR INITIATIVES AIMED AT PROMOTING THE USE OF PRINTED PAPER AS A MEANS OF EFFECTIVE AND SUSTAINABLE COMMUNICATION: PRINT POWER AND TWO SIDES

3.7 Materiality analysis

The Materiality analysis aims to identify the most significant topics for the Burgo Group and its various Stakeholders.

In the first edition of the Sustainability Report produced by the Burgo Group, the report content was identified by observing the following technical and methodological principles recommended by the Global Reporting Initiative Standards⁵ (hereinafter the "GRI Standards):

- **STAKEHOLDER INCLUSIVITY;**
- **SUSTAINABILITY CONTEXT;**
- **MATERIALITY;**
- **COMPLETENESS.**

When identifying the structure and content of the Report, Burgo therefore considered its business activities and how these impact the environment and society (Group sustainability context analysis) and the potential interests of stakeholders, as well as their potential expectations.

To be able to identify the most relevant or "material" topics to be included and developed in this Report, a documentary analysis was conducted based on the content of the GRI guidelines. This led to the definition of an initial panel of topics to be assessed and explored. Subsequently, "internal" documents representing the material topics of the Burgo Group were selected and analysed: the Code of Ethics, previous Financial, Economic and Environmental Reports, statements from Senior Management regarding Group policies, the Consolidated Financial Statements from previous years, and other available corporate reporting documents. Finally, external documents representative of the scenario and reference sector were analysed and studied in order to enable a benchmark analysis. The main documents analysed were: "*The Environmental Report of Italian Industry* (19th and 20th editions)", published by Assocarta, the "*Sustainability Report 2018*" published by CEPI - *Confederation of European Paper Industries* -, and the *sustainability reports* published by *competitors*.

The *panel* of topics identified was then subject to validation by *management*, through a collective *meeting* during which the process to conduct a future analysis of priorities for the Group and its *stakeholders* was defined, aimed at the production of a materiality matrix.

⁵ The GRI Standards represent the best practices at global level for sustainability reporting. In the preparation of this report, the 2016 edition of the standards was analysed and used.

THE MAIN PHASES OF THE MATERIALITY ANALYSIS



The materiality analysis began by identifying the main objectives of the procedure. In the first edition of the Sustainability Report, the main aim was to provide a general map of the most important material topics to report. Executive Management and the Finance and Management Control Department coordinated the activities and the accounting process and, with support from the various company departments involved, established an interdepartmental work group. In order to validate and support the drafting process from a technical and scientific standpoint, collaboration was sought with the University of Verona, specifically the “Business Administration” Department of the Scientific Training Centre in Vicenza (scientific director: Associate Professor Silvia Cantele). During phases 1 and 2, working papers were defined and distributed with the aim of collecting the necessary information and mapping the key processes. Following the distribution of the working papers, meetings were organised with relevant personnel (directors, department managers and collaborators) in order to identify the most important material topics from those deemed potentially relevant to the reporting process. Phase 3 began by sharing the analysis with department managers and, subsequently, the results obtained were subject to the approval of Senior Management in order to definitively validate the analysis. The fourth and final phase will involve the publication of the report, enabling feedback from the various stakeholders to be collected and identifying, where present, any new potentially material topics to be included in the report based on changes to the industry or significant events.

PHASE 1: MAIN STAKEHOLDERS IDENTIFIED



The main stakeholders were mapped by an analysis of the most significant direct and indirect relations that involve the Burgo Group. Subsequently the analysis concluded with the definition of the potential interests associated with the relationships that the Group establishes with its stakeholders.

PHASES 2 AND 3:
IDENTIFICATION OF MATERIAL TOPICS

In the first edition of the Sustainability Report the materiality analysis identified the most significant material topics to be reported, without measuring in detail their relevance for the Burgo Group and its stakeholders.

Allocating priorities is a complex task and requires a more detailed analysis aimed at managing the diversities between the businesses and the characteristics of the geographical areas in which the Group's companies operate. Furthermore, to support this stage it may be important to implement a stakeholder engagement system aimed at facilitating stakeholder feedback regarding the impacts caused by the Group's activities.

SUMMARY OF THE
MAIN MATERIAL TOPICS IDENTIFIED BY
THE MATERIALITY ANALYSIS

MACRO-CATEGORY	MATERIAL TOPICS	DESCRIPTION
ECONOMIC / GOVERNANCE	Economic-financial sustainability.	- Management of the Group's impacts on the financial position of its stakeholders and on local, national and global economic systems.
	Good corporate governance in line with the business' ethics and integrity.	- Adoption of a set of shared rules, values and procedures able to guarantee good corporate governance. - Distribution, training and monitoring of the effective implementation of the Code of Ethics.
	Customer satisfaction through innovation, product quality, safety and low ecological impact.	- Constant updating of the range of products to meet evolving market demands. - Product optimisation based on the circular economy model. - Product innovation and safety of products intended for food contact use. - Consolidation of technical support to increase understanding of customer demands.
ENVIRON- MENTAL	Care and protection of the environment: assessment and management of environmental impacts.	- Rational use of natural resources, energy and raw materials. - Focus on continuous improvement of environmental prevention and performance. - Assessment, control and mitigation of environmental impacts.

MACRO-CATEGORY	MATERIAL TOPICS	DESCRIPTION
ENVIRON- MENTAL	Responsible procurement of fibres and protection of forest resources.	- Selection of suppliers committed to sustainable development (particularly suppliers of fibrous raw materials), prioritising those holding internationally recognised chain of custody certifications - Progressive increase of the use of recycled pulp in production.
	Sustainable management of water resources and quality of waste water.	- Reduction of water consumption
	Climate change and management of greenhouse gas emissions.	- Control and reduction of direct and indirect greenhouse gas emissions. - Minimisation of the environmental impact of production sites. - Use of renewable energy sources. - Use of the best available technologies to reduce polluting emissions.
	Circular economy: efficient use of raw materials and disposal of process waste.	- Product optimisation based on the circular economy model, contributing to the recovery of materials and the protection of forests in commercial processes. - Efficient use of raw materials and reduction in production surplus and waste. - Promotion of separated waste collection and optimisation of recycling processes for cellulose-based materials at the end of the product lifecycle.
	Sustainable logistics.	- Use of intermodal solutions and optimisation of transport capacity to reduce CO2.
SOCIAL	Occupational health and safety.	- Effective occupational health and safety management system. - Control and monitoring of risks. - Appropriate working conditions. - Awareness-raising and promotion of a culture of safety and accident prevention programmes.
	Training and education.	- Employee engagement and training initiatives to ensure staff are trained, educated and informed.
	Management of industrial relations.	- Protection of the right to collective bargaining. - Dialogue with trade unions.
	Employment stability.	- Stable and long-lasting employment prospects.
	Enhancement of local communities and relations with the local area.	- Focus on economic, social, cultural and environmental impacts on local communities.

In the first edition of the Sustainability Report, the material topic “Customer Satisfaction”, in the macro-category “Economic/Governance” was not reported on as information on the relative performance indicators had not yet been collected.

4. Economic responsibility

4.1 Highlights of the 2019 Financial Statements

4.2 Distribution of added value



4.1 Highlights of the 2019 Financial Statements

NET
PROFIT FOR
THE YEAR:
9.7
million

The Group received generally stable results in the 2019 financial year, with a profit of **9.7 million** (in line with 2018).
The medium-term industrial focus was on increasing attention on specialty papers and cardboard and enabled the Group to maintain its overall margins.

REVENUES	€ 1,698 million (compared to € 1,883 in 2018)
PAPER REVENUES	€ 1,441 million (compared to € 1,451 in 2018)
CELLULOSE REVENUES	€ 78 million (compared to € 97 in 2018)
ENERGY REVENUES	€ 100 million (compared to € 245 in 2018)
OTHER REVENUE	€ 20 million (compared to € 18 in 2018)
OTHER INCOME*	€ 59 million (compared to € 71 in 2018)

*Note: from the sale of environmental certificates, the management of the interruptibility service and other income.

STATEMENT OF PROFIT/(LOSS) FOR THE YEAR

€/min

	2018	2019	Change
Revenues	1,812.1	1,639.2	-9.5%
Other income	70.4	59.0	
Total operating revenues and income	1,882.5	1,698.2	-9.8%
Operating costs	(1,745.9)	(1,564.1)	-10.4%
EBITDA	136.6	134.1	-1.8%
Depreciation and amortisation	(80.9)	(79.2)	
Capital gains/losses on disposal of non-current assets	2.0	(1.5)	
Operating profit/(loss) excluding operations of a non-recurring nature	57.7	53.4	
Financial expenses	(30.5)	(30.9)	
Financial income	7.3	6.1	
Share of profit/(loss) of associates	-	-	
Profit/(loss) before tax excluding operations of a non-recurring nature	34.4	28.6	
Writebacks/writedowns of non-current assets	(22.6)	(10.8)	
Net income/expenses of a non-recurring nature	(0.4)	(0.6)	
Net restructuring expenses	-	(2.1)	
Profit/(loss) of taxes	11.4	15.2	
Income taxes	(1.5)	(5.5)	
Profit/(loss) for the period	9.9	9.7	

Overall, total operating revenue and income came to **€1,698.2** million, compared to **€1,882.5** million in 2018 (-9.8%).

Revenues from ordinary operations in 2019 amounted to **€1,639.2** million, down by **€172.9** million (-9.5%) with respect to the **€1,812.5** million in 2018. The decrease was mainly part due to the reduction in sales of energy products to third parties as a result of the strategic decision to leave the market of gas and electricity sales to end consumers taken midway through financial year 2018, as well as the decrease in average sales prices seen during the year.

Paper sales fell by **€10** million following the drop in average sales prices. Other total income totalled **€59.0** million (**€70.4** million in the previous year), due in particular to environmental certificates, interruptibility agreements and sales of lignin sulphonate. Operating costs totalled **€1,564.1** million compared to **€1,745.9** million in the previous year, a decrease of 10.4%.

The gross operating margin (EBITDA) was **€134.1** million compared to **€136.6** million in 2018.

Depreciations totalled **€79.2** million (**€80.9** in 2018).

Operating income before non-recurring transactions amounted to **€53.4** million compared to **€57.7** million in the previous year (-7.3%).

Financial expenses increased from **€30.5** million in 2018 to **€30.9** million in the current year. Financial income totalled **€6.1** million compared with **€7.3** million in 2018.

Relative to net non-recurring expenses, writedowns were recorded for **€10.8** million compared to **€22.6** million in 2018.

STATEMENT OF EQUITY/FINANCIAL POSITION: ASSETS

€/mln

	31 Dec 2018	31 Dec 2019	Change
Non-current assets	828.0	844.6	16.6
Property, plant and equipment	715.3	728.1	12.9
Intangible assets	26.1	24.8	(1.2)
Other non-current assets	17.7	22.8	5.1
Deferred tax assets	69.0	68.9	(0.1)
Current assets	725.8	634.5	(91.3)
Total assets	1,553.8	1,479.1	(74.7)

STATEMENT OF EQUITY/FINANCIAL POSITION: LIABILITIES

€/MIN

	31 Dec 2018	31 Dec 2019	Change
Shareholders' equity	308.0	314.3	6.3
Shareholders' equity attributable to the Group	304.9	310.9	6.0
Shareholders' equity attributable to non-controlling interests	3.1	3.4	0.3
Non-current liabilities	660.2	669.1	8.9
Current liabilities	585.7	495.7	(89.9)
Total shareholders' equity and liabilities	1,553.8	1,479.1	(74.7)

The most significant data of the Burgo Group's capital and financial structure are: net property, plant and equipment and intangible assets increased from **€741.4** million to **€753.0** million, in particular due to the effect of increases in property, plant and equipment in the year for **€94.4** million, the registration of rights of use following the application of IFRS 16 which, at the end of the year, totalled **€7.8** million, depreciations for **€79.2** million, and writedowns for **€10.8** million. Warehouse inventories and trade receivables fell by **€10.8** million and **€61.0** million respectively, while trade payables to suppliers fell by **€53.4** million, resulting in a positive cash flow of **€18.4** million. Working capital fell overall by **€8.8** million, while net financial debt rose from **€486.9** million to **€491.7** at the end of 2019, with an increase of **€4.8** million. Shareholders' equity rose from **€308** million to **€314.3** million.

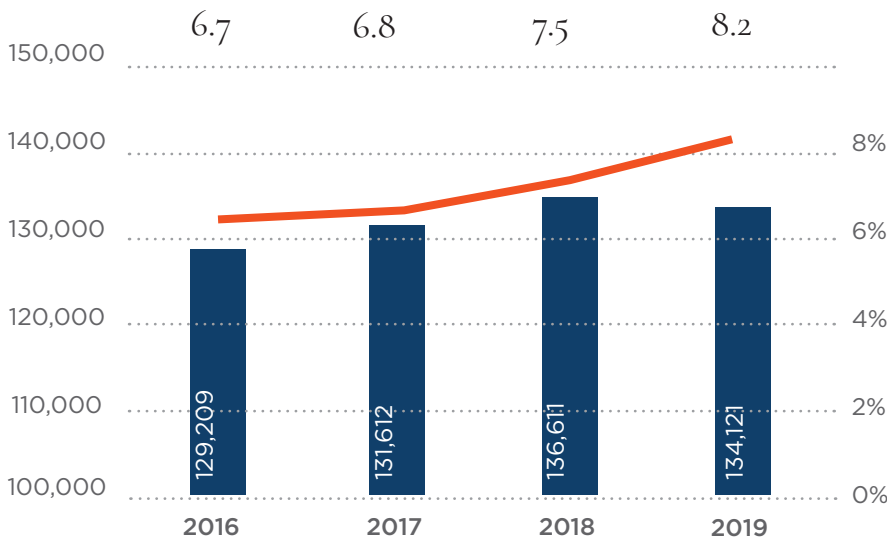
INVESTMENTS

In 2019 the Group recorded its most significant investments for over five years.

In the current year the investment programme implemented in the 2016-2018 three-year period came into effect, totalling around **20** million euro, at the Avezzano plant. Thanks to the reactivation and conversion of line 2 to the production of containerboard, it was possible to reintegrate 132 jobs, beginning in 2018. 2019 was also characterised by the conversion of the Verzuolo plant from graphic papers to containerboard, representing the most significant investment of the Group after those made in the early 2000s. The project began in 2018 and is due to conclude in 2020, involving a total investment of around **75** million euro. The works at the Avezzano and Verzuolo sites will facilitate the Group's entry in a productive sector of the paper industry featuring a high usage rate of recycled raw materials, thus increasing the Group's contribution to the circular use of resources. Finally, in 2019 the redevelopment of the cellulose cooking plant at the Ardennes site in Belgium was continued and is due to be completed in mid-2020. The investment totals approximately **35** million euro and will enable the more efficient use of virgin fibres and a reduction in energy consumption.

2019 was characterised by an increase in the gross operating margin (EBITDA) compared to overall turnover. The reduction in the Group's turnover and the general stability of the margin in absolute terms have led to an improvement in overall performance. This trend is the result of the maintenance of activities in the paper sector with production that fell by 2.2 and a reduction in turnover for the resale of energy products.

GROSS OPERATING MARGIN (EBITDA - ABSOLUTE VALUE) €/000 E % OF REVENUES)



DISTRIBUTION OF SALES IN DEVELOPING NATIONS

	2016	2017	2018	2019
Africa	0.9%	1.3%	1.2%	1.4%
Latin America	0.7%	1.0%	0.6%	0.6%
Asia	2.4%	3.6%	3.2%	4.7%
Central America	0.7%	0.8%	1.0%	0.8%
Europe	57.4%	57.1%	53.6%	53.2%
North America	4.0%	3.1%	2.6%	1.9%
Oceania	2.1%	1.4%	1.6%	0.6%
Italy	31.8%	31.7%	36.2%	36.8%
TOTAL	100.0%	100.0%	100.0%	100.0%

In the four-year reporting period the Group increased its presence in developing continents characterised by high growth potential. In certain areas, particularly Asia and Africa, sales have recorded a more significant increase. The development of emerging markets is an important factor in the pursuit of sustainable development in terms of future growth in areas where economic and social disparity are more pronounced. The Group's paper sales are mainly aimed at the European market and represent approximately 89% of the total.

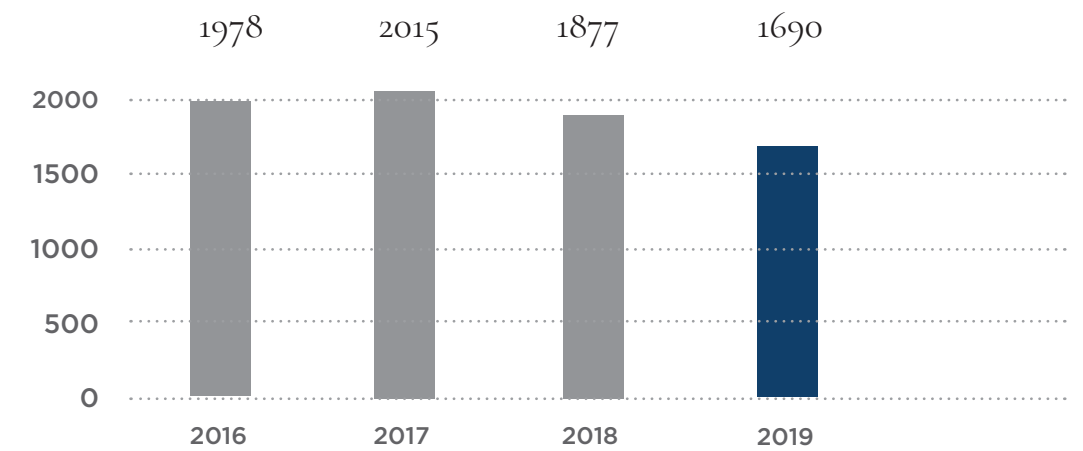
4.2 Distribution of added value

The Burgo Group believes an economy to be a system of relations founded in trust and transparency and an integrated and dynamic network of diverse communities constructed over time to create and exchange value. In this context, the distribution of Economic Value, determined by the indicator “directly generated and distributed economic value (201-1)” set out by the GRI Sustainability Reporting Standards (2016), represents the economic impact of the Group's activities on the main stakeholder categories.

ECONOMIC VALUE DIRECTLY GENERATED AND DISTRIBUTED (GRI 201-1)

ITEMS	2016	2017	2018	2019
Net sales revenues	1,921,091	1,919,095	1,797,622	1,624,247
Other income	46,429	81,266	70,423	59,027
Revenues from financial investments	8,637	14,659	7,284	6,142
Sales of goods	1,472	171	2,041	187
GENERATED ECONOMIC VALUE (TOTAL REVENUES)	1,977,630	2,015,191	1,877,370	1,689,603
Operating costs	(1,665,909)	(1,673,396)	(1,545,214)	(1,369,734)
Employee salaries and benefits	(190,192)	(194,505)	(190,759)	(188,298)
Payments to equity providers	(19,480)	(17,275)	(15,515)	(15,051)
Payments to local authorities	(17,473)	(19,456)	(19,160)	(16,506)
Investments in the community	(96)	(81)	(142)	(83)
DISTRIBUTED ECONOMIC VALUE (TOTAL COSTS)	(1,893,151)	(1,904,714)	(1,770,790)	(1,589,672)
WITHHELD ECONOMIC VALUE)	84,479	110,478	106,580	99,931
of which: Amortisation, depreciation and writedowns	(83,516)	(100,337)	(103,519)	(90,360)
Remuneration withheld in the company (Profit/(loss) for the year and deferred taxes)	(963)	(10,141)	(3,061)	(9,571)

ECONOMIC VALUE GENERATED (€/MLN)



The Economic Value Generated (EVG) by the Group in 2019 amounted to **€1,690** million. The decrease in economic value generated is mainly due to the sale of the business unit of the subsidiary company Burgo Energia S.r.l. Net of this extraordinary operation, the general trend of Economic Value Generated is stable.

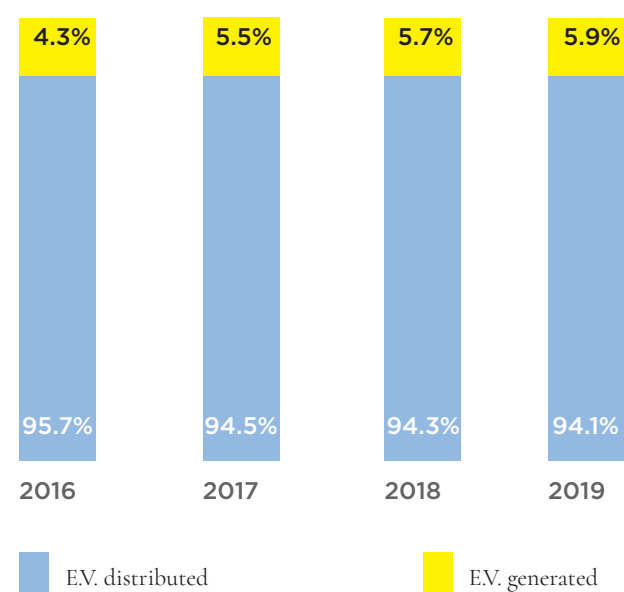
ECONOMIC VALUE DISTRIBUTED

ITEMS	2016	2017	2018	2019
Operating costs	84.2%	83.0%	82.3%	81.1%
Employee salaries and benefits	9.6%	9.7%	10.2%	11.1%
Payments to equity providers	1.0%	0.9%	0.8%	0.9%
Payments to local authorities	0.9%	1.0%	1.0%	1.0%
ECONOMIC VALUE DISTRIBUTED (TOTAL COSTS)	95.7%	94.5%	94.3%	94.1%
ECONOMIC VALUE WITHHELD	4.3%	5.5%	5.7%	5.9%
of which: Amortisation, depreciation and writedowns	4.2%	5.0%	5.5%	5.3%
Remuneration withheld in the company (Profit/(loss) for the year and deferred taxes)	0.0%	0.5%	0.2%	0.6%

The distribution of Economic Value is still mainly linked to the regions in which the Group's production facilities are located (Italy and Belgium). This mainly refers to payments to suppliers of goods and services, accounting for 82.6% of the total on average, and - to a lesser extent - the payment of employee salaries and benefits, for an average of 10.1%.

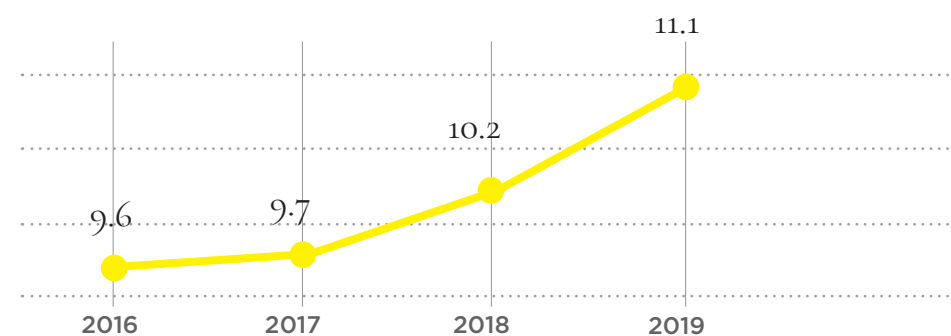
THE DIVISION OF ECONOMIC VALUE

In 2019, the percentage of Economic Value Distributed (EVD) fell in the categories of operating costs and payments to equity providers, while profit distributed to employees and withheld in the company increased. The amount allocated to payments to local authorities remained unchanged.

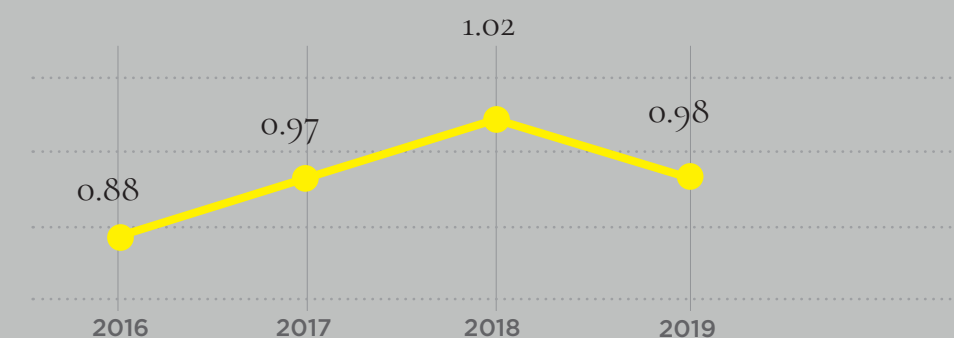


EVD TO EMPLOYEES

Economic Value Distributed (EVD) to employees through salaries and benefits, as a percentage of Value Generated, has risen steadily in the 2016-2019 period (the value is expressed as a % of EVG). This increase is due to a reduction in Economic Value Generated without a corresponding proportional change to the number of employees.



PAYMENTS TO LOCAL AUTHORITIES



Payments to local authorities came in at around 1% in 2019, in line with previous years. In absolute values, in 2019 payments to local authorities were lower than in previous years, mainly due to decreased payments of corporation tax. Payments for property tax remained unchanged.

TAXES BY CATEGORY

The main tax categories identified for the purposes of reporting are:

- Corporation taxes: mainly referring to taxes on revenues (e.g. IRES in Italy) and, where provided for, taxes of production activities (e.g. IRAP in Italy), applicable in the various countries where the Group operates
- Property taxes: mainly referring to the Single Municipal Tax (Imposta Municipale Unica - IMU) applicable in Italy, and the Real Estate Tax (Precompte immobilier) applicable in Belgium
- Others taxes: these mainly refer to taxes on motive power, water rates, use of public soil, and other less significant categories, applicable in the countries where the Group's companies operate. As shown in the table, the main tax categories - corporation taxes and property taxes - have the most significant impact on payments to local authorities.

	2016	2017	2018	2019
Corporation taxes	6,724	7,358	8,188	5,577
Property taxes	6,793	7,192	7,141	7,162
Other taxes	3,956	4,906	3,831	3,767
TOTAL	17,473	19,456	19,160	16,506

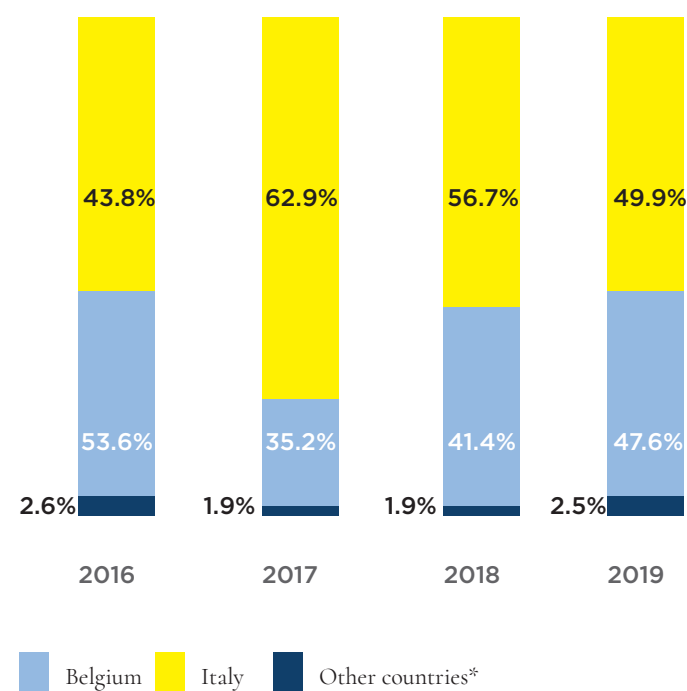
Note: values are expressed in €/1000

TAXES BY COUNTRY

The figure shows the breakdown of the countries where Burgo Group companies pay corporation and property taxes.

The figure demonstrates that Belgium and Italy are the countries in which the Group is most exposed to tax payments to local authorities (on average, over 97% of taxes are paid in these countries).

The Burgo Group pays taxes in the countries in which its production facilities are located (Italy and Belgium), and therefore in the countries in which it has helped to distribute value to local economies, such as through the payment of suppliers of goods and services or salaries to employees.

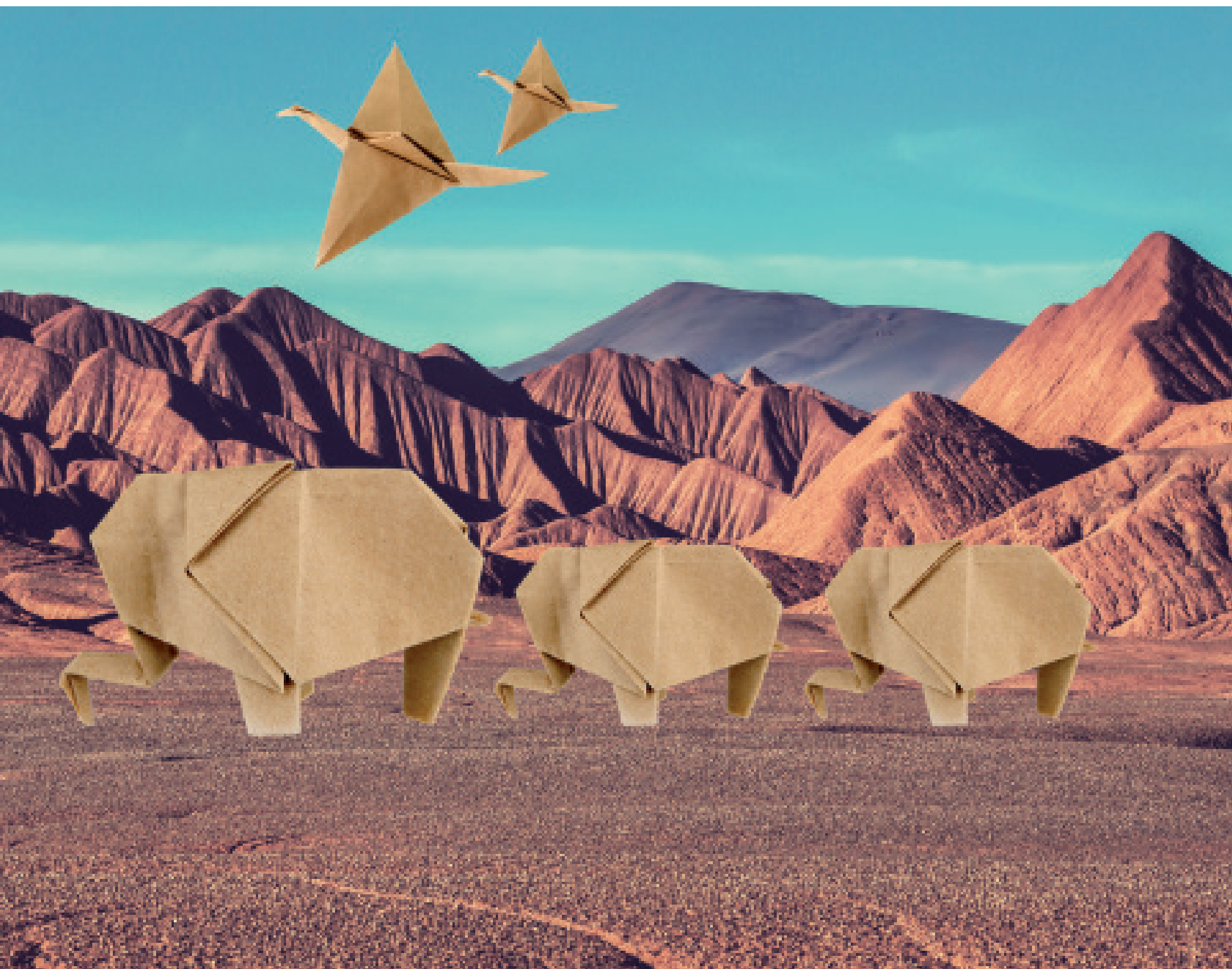


*Note: The countries listed under the item "Other Countries" include: France, Germany, Spain, Poland, United Kingdom and United States.

TAXATION SYSTEM: THE EU LIST OF NON-COOPERATIVE JURISDICTIONS

In order to promote good fiscal governance at a global level, the European Union publishes a list of non-cooperative jurisdictions for tax purposes. The main aim is to help member states to respond actively to countries that promote abusive tax practices. In December 2017 the Council of the European Union published the first list of non-cooperative jurisdictions for tax purposes, which included 17 countries or states not belonging to the European Union that have not made sufficient commitments in response to the EU's concerns. The list published by the European Union is updated constantly through a dynamic monitoring and review process.

The Burgo Group does not invest in production activities or services in the jurisdictions present on the list published by the EU, or in other similar jurisdictions. The geographic location of the headquarters of the Group's companies is identified according to the commercial and business requirements of the paper industry.



5. Environmental Responsibility

- 5.1 The environmental sustainability of the Burgo Group: circularity of resources
- 5.2 Responsible procurement and commitment to biodiversity
- 5.3 Waste disposal
- 5.4 Consumption and efficient energy management
- 5.5 Climate change and emissions
- 5.6 Water resource management and waste water quality
- 5.7 Sustainable logistics

5.1 The Group's environmental sustainability: circularity of resources

The industrial nature and product category of the Burgo Group necessitate a business approach characterised by a firm focus on environmental sustainability; with this in mind, the Group considers it a core company value in all aspects which is now represented in all of its production and distribution cycles, from the procurement and use of resources and raw materials to logistical decisions regarding sales and the placement of products on the market. As described in chapter 3, the various internal policies adopted by the Group are a testament to the Group's commitment to environmental sustainability, as is the Environmental Management System which guarantees the achievement of its environmental sustainability objectives. Sustainability does not only apply to nature and ecosystems. It also extends to the safety of a clean and protected workplace for collaborators and third parties, and the guarantee of paper that is 100% safe for all consumers. The natural capital of the planet most impacted by the Group's operating activities consists of forests, air and water. The constant monitoring of the possible effects on these ecosystems, the timely adoption of solutions capable of reducing them to zero or minimising them and Research & Development activities represent Burgo's concrete contribution to the protection and conservation of the environment.

Year after year, environmental sustainability has become an increasingly integral part of a wider responsibility to the reference community.

The Group's commitment can be seen in the following actions:

- continually updating and extending its system of official certifications;
- implementing and updating its Statement on Group Policies for the Environment and Occupational Health and Safety and distributing them to all stakeholders;
- pursuing development objectives to improve its environmental performance, as envisaged by the Charter of Principles for Environmental Sustainability promoted by Confindustria (the Group adopted these principles in 2012).

The actions aimed at guaranteeing environmental sustainability implemented by the Group are aimed at all activities:

- selection and treatment of raw materials: a historic area of focus for the Group, which was the first company in Italy to launch an FSC® Mix Credit-certified coated wood-free paper. The Group is committed to combating illegal deforestation and has adopted a responsible forest management policy aimed at avoiding the use of wood of controversial origin.
- production processes, with constant improvements in terms of optimising the use of water and energy resources and limiting and reducing emissions;
- waste disposal, increasing the use of separated waste collection systems and reducing the amount of waste sent to landfill;
- logistics, with a distribution system that, by increasing the multimodal system, aims to reduce road haulage pollution.

THE CONCEPT OF THE CIRCULAR ECONOMY

The 2030 Agenda for Sustainable Development of the United Nations and the Paris Climate Change Agreement, both adopted in 2015, represent two fundamental contributions designed to guide the transition towards a sustainable economic model whose focus is not solely profitability and profit, but also social progress and environmental protection.

The traditional linear production model adopted by many companies in the most diverse production sectors has been brought into debate by recent developments on the topic of “sustainable production processes” and, in particular, by factors such as:

- the scarcity of natural resources;
- the increasing attention on the environment as a result of climate change;
- the difficulties of waste disposal.

While continuous research into efficiency and innovation helps to reduce the use of natural resources and lower environmental impacts, the problem remains of how to make a production process based on the principle of “buy, produce, dispose” sustainable over time, given that it centres on the use of virgin resources and the inevitable production of waste.

The concept of the circular economy aims to offer a solution to this problem through the identification of new production systems where the useful life of goods, materials and resources is extended beyond their use by the consumer and subsequent disposal.

The aim of the circular economy is twofold:

- upstream, it aims to manage resources in a

more efficient way, increasing productivity in production and consumption processes, reducing waste and maintaining as much as possible the value of products and materials.

- downstream, it aims to avoid the disposal into landfill of anything that still intrinsically has a residual value, instead encouraging its recovery and introduction into the economic system.

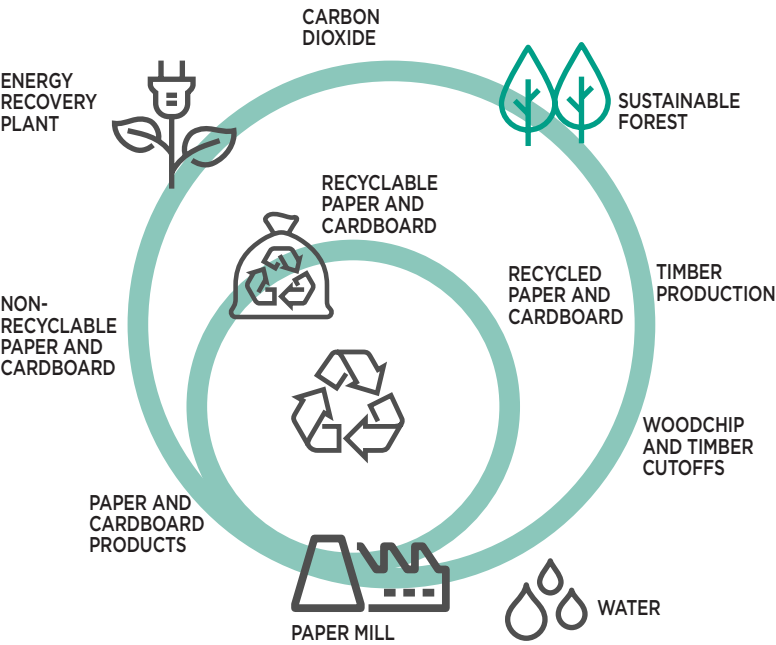
These aspects form the essence of the circular economy, aiming to use technological innovation and good management to make economic activities more efficient and less damaging to the environment.

THE CIRCULAR ECONOMY AT THE BURGO GROUP

It is essential to consider redesigning complete products and processes with a view to adopting a business model able to identify opportunities to recover and/or reduce waste from the very first stage of the lifecycle of the product or service. With this in mind, the Group has fundamentally redesigned its business model, converting a significant part of its paper production from graphic use to containerboard packaging.

PLANT	MAIN ACTIONS UNDERTAKEN	FULL PRODUCTION CAPACITY (T/YEAR)	NEW PRODUCTION START DATE
AVEZZANO (AQ) PAPER MILL	REVAMPING AND CONVERSION OF THE PM2 MACHINE	200,000 TONNES APPROX.	JANUARY 2019
VERZUOLO (CN) PAPER MILL	CONVERSION OF "LINE 9" AND NEW WASTE PAPER PULPING MACHINE	500,000 TONNES APPROX.	JANUARY 2020

The benefits in terms of the circularity of resources are significant: the raw materials used to produce paper for packaging are mainly waste and recycled paper, mainly sourced from Italy. The use of recovered raw materials from Italy rather than “virgin” raw materials from other countries is another aspect of the Group's commitment to a greener economy.



THE VERZUOLO FACILITY AND THE CIRCULAR ECONOMY

The conversion of line 9 at the Verzuolo facility required a very substantial investment in technologies aimed at optimising the use of raw materials and reducing energy consumption. To limit the amount of land use, the project required certain existing buildings that were no longer in use to be demolished, freeing up space for the construction of a new building to house a new pulping department to pulp waste paper from selected Italian sources. The aim is to streamline the processing and selection of waste paper in order to recover the fibrous component and minimise the amount of waste produced during the process. This will reduce dependency on foreign supplies of raw materials and will provide a significant saving in energy consumption. Compared to the plant's historical production based on cellulose and wood, the new production facility will use waste paper balls sourced from separated waste collection. To minimise the environmental impact, production waste (represented by waste materials not suitable for the production of paper for packaging) will remain in the production cycle and processed to recover the fibre within the cycle itself, cleaning and selecting the various waste components from products containing iron, metal materials and plastic. The innovative fibre recovery and selection process will mean that the amounts of waste produced each year with the new operating system will be lower than those generated previously.

SUSTAINABILITY REPORT

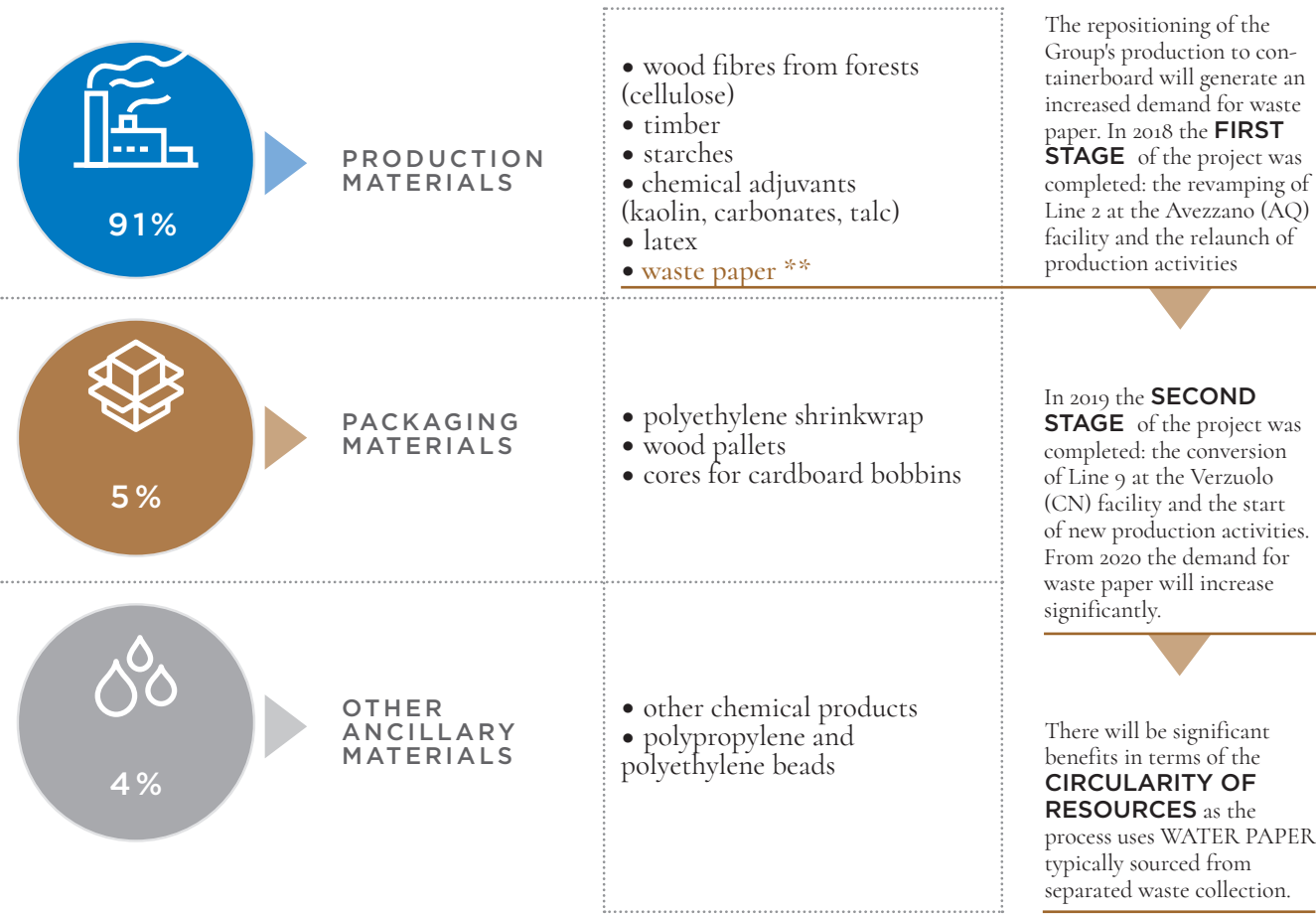


The reconversion project is an expression of the Group's desire to confront the challenge of the circular economy and to view environmental sustainability and respect for the local region as a positive lever for the growth of local communities. Overcoming the linear economy paradigm in favour of a more circular system will enable fewer virgin raw materials to be used and promote the development of local supply chains for the reuse of production process waste, thus reducing the amount of waste no longer able to be recovered. Finally, the company has chosen to continue its investments in the province of Cuneo, pursuing innovation and economic growth in view of the significant potential and professional expertise offered by the region.

5.2 Responsible procurement and commitment to biodiversity

THE MAIN RAW MATERIALS USED IN GROUP PRODUCTS

GRAPHIC/PUBLISHING PAPERS, CONTAINERBOARD AND SPECIALTY PAPERS



The graph applies to all Group companies with production facilities. It represents the percentage of the various categories of materials used compared to total materials used for the production of the main product categories produced by the Group: graphic papers and papers for publishing, corrugated cardboard for packaging and specialty papers.

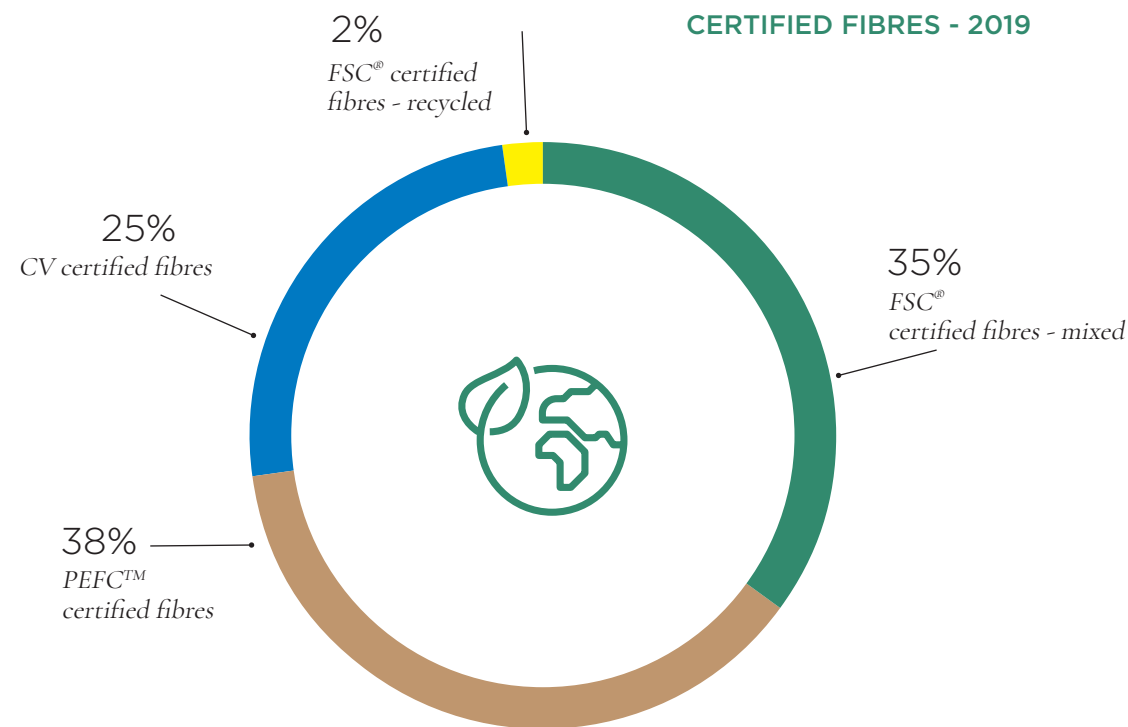
SUSTAINABILITY REPORT



RESPONSIBLE PROCUREMENT POLICY

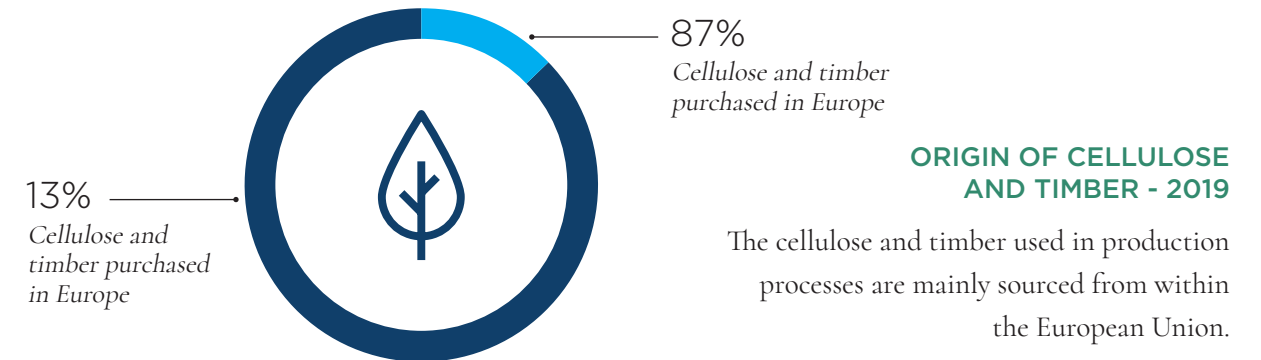
IN 2019 THE GROUP USED 1,074,042 t OF FIBRE (CELLULOSE AND PULP) OF WHICH 380,682 t WAS SELF-PRODUCED, APPROXIMATELY 34.4% OF THE TOTAL ELECTRICITY AND STEAM

The “Policy for the Procurement and Use of Fibrous Materials” is a planning document produced by the Group which establishes scopes, responsibilities and aims for improvement, as well as representing an important tool to discourage and prevent the cutting and use of timber from controversial or illegal origins. Through its Procurement Policy, the Burgo Group aims to promote the procurement of fibrous raw material sourced from responsibly and sustainably managed forests to guarantee the renewability of resources, to protect biodiversity and to maintain habitats. The procurement of fibrous raw materials to supplement self-produced materials is the first process to be monitored and controlled. The Group has set out an internal procedure and prioritises the procurement of wood and fibrous raw materials sourced from FSC® (Forest Stewardship Council®) and PEFC™ (Program for the Endorsement of Forest Certification Scheme™) forests. It also aims to procure timber and controlled wood raw materials from controlled sources.

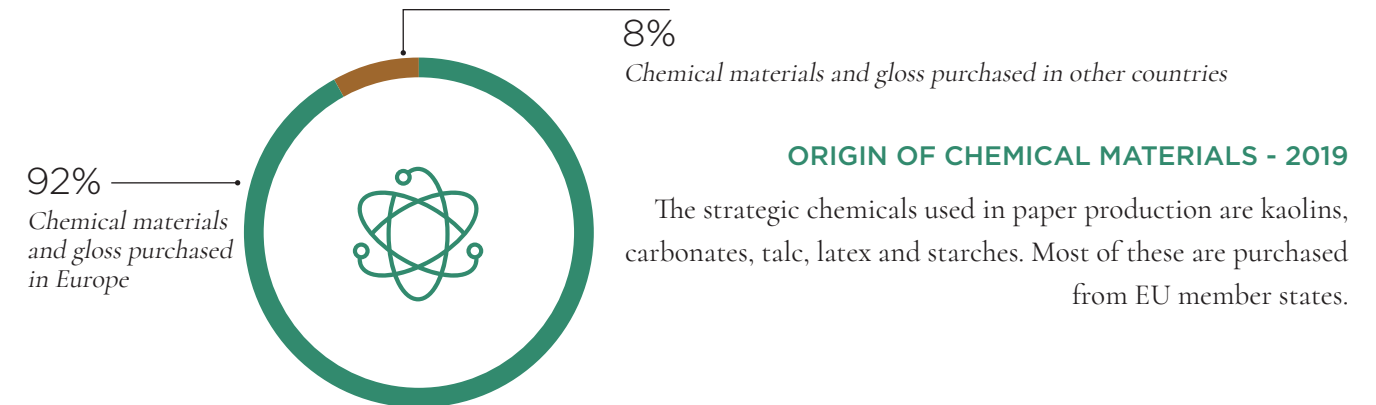


	2016	2017	2018	2019
FSC® certified fibres - mixed	39%	32%	39%	35%
PEFC™ certified fibres	32%	40%	37%	38%
Control Wood (CW) certified fibres	28%	27%	23%	25%
FSC® certified fibres - Recycled	1%	1%	1%	2%

ORIGIN OF MATERIALS USED IN PRODUCTION PROCESSES



Procured materials destined for production	2016	2017	2018	2019
Cellulose and timber purchased in Europe	90%	89%	88%	87%
Cellulose and timber purchased in other countries	10%	11%	12%	13%



Procured materials destined for production	2016	2017	2018	2019
Chemical materials and gloss purchased in Europe	89%	91%	91%	92%
Chemical materials and gloss purchased in other countries	11%	9%	9%	8%



100 %
Waste paper
purchased in
Europe

ORIGIN OF WASTE PAPER - 2019

Waste paper is bought in balls and sourced mainly from Italian separated waste collection. It is used to produce corrugated cardboard used for the packaging industry (containerboard).

Procured materials destined for production	2016	2017	2018	2019
Waste paper purchased in Europe	-	-	100%	100%
Waste paper purchased in other countries	-	-	0%	0%

USE OF RENEWABLE AND RECYCLABLE MATERIALS
[GRI STANDARDS 301-1]

In line with the recommendations of GRI Standard 301-1, the main strategic materials used in production processes can be divided into the following categories.

**STRATEGIC MATERIALS
USED IN PRODUCTION**

RECYCLED MATERIAL

Material that replaces virgin materials bought or obtained from internal or external sources and which are not sub-products, and production surplus/waste generated by the organisation.

WASTE PAPER

**NON-RENEWABLE
MATERIAL**

Resources that do not regenerate in a short space of time.
Note: Examples of non-renewable resources include minerals, metals, oil, gas and coal.

**KAOLIN
CARBONATES
TALC
LATEX**

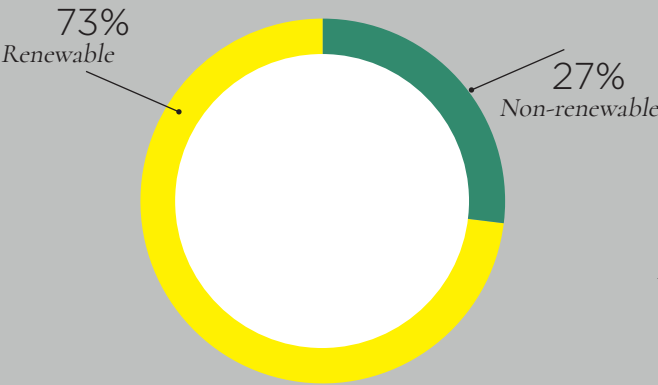
RENEWABLE MATERIAL

Materials deriving from abundant sources that rapidly regenerate through ecological cycles or agricultural processes so that the services provided by these and other related resources are not compromised and remain available for future generations. Note: The following documentary references were consulted for the definition of “renewable material”

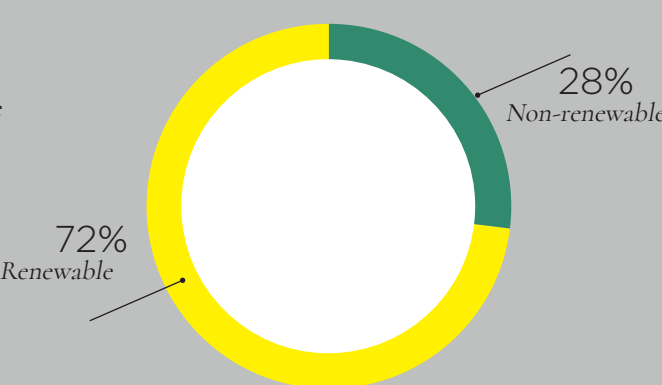
- European Environment Information and Observation Network (EIONET), GEMET Thesaurus – Renewable Raw Material, www.eionet.europa.eu/gemet/concept?ns=1&cp=7084, access 01 September 2016.
- NNFCC (National Non-Food Crops Centre) Document, Glossary - Renewable Materials, www.nnfcc.co.uk/glossary, access 01 September 2016.
- Organisation for Economic Co-operation and Development (OECD) document: Resource Productivity in the G8 and the OECD – A report in the Framework of the Kobe 3R Action Plan, www.oecd.org/env/waste/47944428.pdf, access 01 September 2016.

**CELLULOSE
TIMBER
STARCHES**

**RENEWABLE AND RECYCLABLE
MATERIALS USED IN 2016**

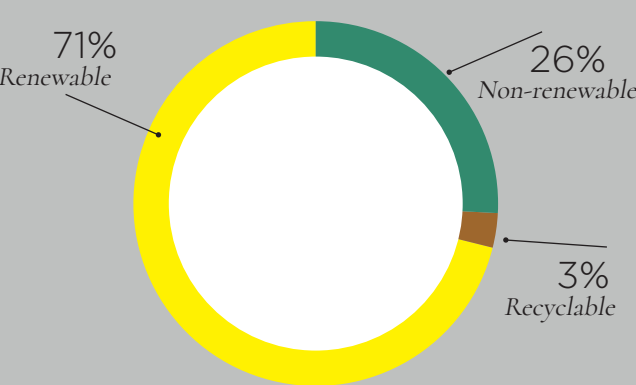


**RENEWABLE AND RECYCLABLE
MATERIALS USED IN 2017**

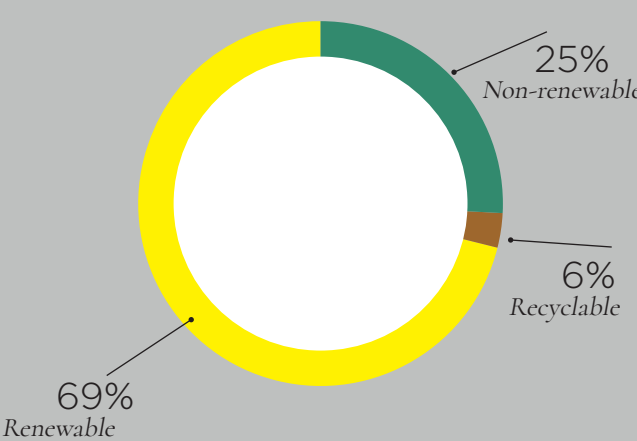


Since 2018, as part of the project to reposition the Group's production towards containerboard, consumption of waste paper - a material sourced from recycling and separated waste collection in Italy - has increased.
The new business model aims to promote sustainability through the use of local recyclable resources.

**RENEWABLE AND RECYCLABLE
MATERIALS USED IN 2018**



**RENEWABLE AND RECYCLABLE
MATERIALS USED IN 2019**



In the 2018-2019 two-year period, the Avezzano site used around 344,000 tonnes of “post-consumer” waste paper for the production of packaging paper.

THE RECONVERSION TO CONTAINERBOARD

The strategic repositioning of the Group's product portfolio also included the transition to the production of corrugated cardboard materials for the packaging sector. The project began with the relaunch of line 2 at the Avezzano plant in 2018 and continued with the conversion of Line 9 (PM9) at the Verzuolo facility in 2019. This project bears witness to the Group's spirit of initiative and entrepreneurialism, which aims to develop sustainable products in line with the circular economy. An important aspect of the project at the Verzuolo facility was the innovative system designed to process and select waste materials, recovering the fibrous component and minimising the amount of waste produced. The Verzuolo facility will feature a complex and advanced selection and optimisation system to process waste produced from waste paper pulping.

This will also have a significant positive impact in terms of sustainable and responsible procurement:

- it aims to increase the amount of materials sourced from Italy, with resulting positive effects for the local economy (waste paper will be sourced mainly from Italian sources);
- it will increase the use of waste paper, thus contributing positively to the circular use of resources within the Group.



FOCUS ON SOURCES OF FIBROUS RAW MATERIALS

Cellulose is a natural polymer that when mixed with other glue-like, encrusting components is the main element of wood: it is also found in its purest state in cotton, or rather the pure fibre that covers the plant's seeds. Until the first half of the last century, the natural fibrous raw materials used to manufacture paper came from cotton, linen and hemp.

The increasing demand for paper fibre led to the chemical extraction of cellulose fibres from wood, the composition of which contains approximately 50% cellulose. Industrial processes to produce fibrous materials break down the plant fibres into their elementary state, separating one from the other and partially or totally eliminating the layer of encrusting substances. Depending on the processes used, the end result is “chemical pulp”, “mechanical pulp” or “semi-mechanical pulp”.

Wood can also be used in paper manufacturing processes without chemical treatments that separate the cellulose fibres as the material remains suitable for paper pulp even when processed mechanically. Deciding which wood to extract the cellulose wood from depends on various criteria, including cost, ease of procurement (of the wood and the chemical agents used to process it) and finally the type of cellulose required. The wood used comes from different plants which can be broken into three categories: conifers, broadleaves and annual plants.

CONIFERS

There are various species of conifer with the most common being pines and firs. The cellulose extracted from conifers is “long-fibre” cellulose, with fibres measuring over 2 mm in length. The long fibres give excellent mechanical properties to the sheet of paper but decrease formation uniformity (how pure a sheet of paper is when held up to the light).

BROADLEAVES

These are mainly eucalyptus, poplar, birch, beech and chestnut. In Italy poplars are widely used and are grown particularly in the Po basin for the production of plywood. The cellulose fibres extracted from broadleaves are known as short-fibre cellulose. Short fibres offer less mechanical resistance than long fibres but provide greater formation uniformity, equating to better printing qualities and opacity.

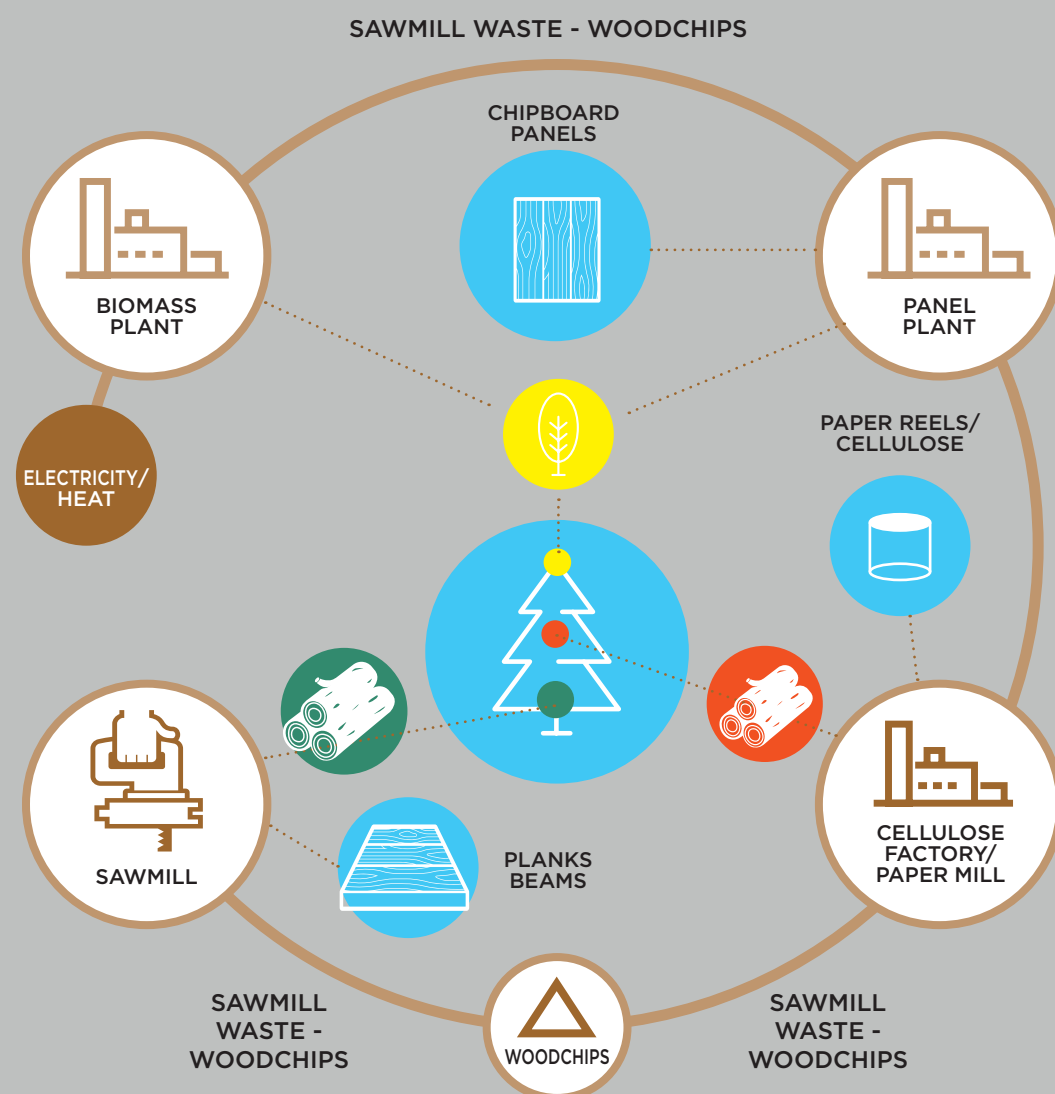
ANNUAL PLANTS

These are considered inferior substitutes for conifers and broadleaves: the most commonly used are straw from cereals (wheat and rice), Manila hemp, and hemp and jute fibres.

SUSTAINABLE FOREST MANAGEMENT

Sustainable forest management means using forests in ways and cycles that protect their biodiversity, productivity, capacity for regeneration, vitality and potential to fulfil, now and in the future, ecological, economic and social functions at local, national and global level in a way that does not cause harm to other ecosystems.

Although Italy is a well-forested country, only a very small proportion of its forests are used for timber and a pronounced dependency on imports has led the Italian paper manufacturing industry to be one of the first to develop a significant production capacity based on the use of waste paper and responsible procurement from certified foreign producers.



FOCUS ON SOURCES OF FIBROUS RAW MATERIALS

FROM 2016-2019, APPROXIMATELY **780,000 T** OF WOOD-CHIPS WERE USED AT THE TOLMEZZO AND VIRTON (BELGIUM) PLANTS

Most of the fibrous materials used by the Burgo Group come from selective thinning, namely the targeted and planned felling of plants in a pre-established area of forest. Contrary to what one might believe, paper mills only use a small part of the plant in their production activities. In fact, only the upper part of trees is used to produce wood pulp and cellulose. The trunk, which is the most prized part of the plant, is usually used in sawmills to produce high-quality beams and planks. The tops and branches end their life cycle in biomass plants to produce green energy. Processing waste from sawmills, composed of wood fragments in particles or flakes (known as woodchips) are reintroduced into the production cycle as raw material to produce cellulose and mechanical pulp for paper mills.

EUCALYPTUS FOREST MANAGEMENT

Eucalyptus is one of the main production sources of cellulose pulp on the planet and is mainly found in South America. The timber used to produce eucalyptus cellulose comes from rapid-growing renewable plantations, with the trees maturing every six to seven years. Eucalyptus cellulose producers have “nurseries” where they grow and select the saplings, which are planted continuously and felled only when they reach maturity.

The plantations are often established on leached terrain, thus helping to refresh the soil and help to preserve natural forests.

The producers are committed to the sustainable use of natural resources and seek to preserve local biodiversity. Eucalyptus forests meet all the requirements of sustainable management, aim to preserve local biodiversity and help to prevent global warming. In fact, as they grow the forests capture large quantities of carbon from the atmosphere and thus help to reduce the greenhouse effect. Eucalyptus growers in South America use indicators to measure the satisfaction of the local communities in which they operate. Based on feedback from local communities, they aim to play an active role in promoting improvements in terms of local infrastructure and socio-economic factors. Aware of the importance of engaging with stakeholders who are directly or indirectly involved in their activities, they forge partnerships with schools, universities and other local organisations.

THE PAPER INDUSTRY - COMMON MISCONCEPTIONS

When we talk about the sustainability of paper and printed materials, it is important to debunk certain common misconceptions. The European paper industry is a global leader in sustainable procurement, renewable energy and recycling.

A study by independent market research company Toluna commissioned by Two Sides surveyed 6,000 people from eight different countries (Austria, France, Germany, Italy, Finland, Norway, Sweden and the United Kingdom) and revealed that there are several commonly-held beliefs that tend to lead to misunderstandings or spread misleading information about the paper industry.



FACT

- European forests have been growing by over 1,500 football pitches every day (UN Food and Agriculture Organization, 2015. Global Forest Resources Assessment 2015.).
- These forests provide over 90% of the wood used by the European paper industry (Two Sides analysis of data published by the FSC® and PEFC™, 2017)

COMMON MISCONCEPTION

59%
of people believe
that the surface area
of Europe's forests is
decreasing

- Because cellulose fibre degrades over time, virgin fibre is essential to Europe's paper industry.
- 53% of the fibre used by the European paper industry comes from recyclable paper (CEPI Statistics, 2018).

63%
of people believe that
only recycled paper
should be used.

- The TLC industry represents approximately 2.5-3% of global greenhouse gas emissions and this percentage is expected to rise to 14% by 2040 (Belkhir L. and Elmeligi A., 2018. Journal of Cleaner Production. Evaluation of the global impact of ICT emissions: trends to 2040 and recommendations.)
- In 2016 telephones generated 435,000 tonnes of electronic waste (Ellen MacArthur Foundation, 2018).

53%
of people believe that
digital communication
is more environmentally
friendly.

FACT

- Most paper production occurs in places with low water stress.
- 93% of water is treated and later returned to the environment (CEPI, Water profile in 2015).

COMMON MISCONCEPTION

53%
of people believe that
excessive quantities
of water are used to
produce paper

- In European the paper recycling rate was 72.3%, not far off the theoretical maximum recycling rate of 78% (European Paper Recycling Council, 2018. Monitoring Report 2017).
- In Europe, paper fibres are reused an average of 3.6 times (European Paper Recycling Council, 2018. Monitoring Report 2017).

33%
of people believe that
paper is disposable
waste.

- The cellulose and paper industry is the largest single industrial user and producer of renewable energy in the EU (CEPI, Sustainability Report, 2018).
- CO₂ emissions in the sector fell by 25% between 2005 and 2017 (CEPI Statistics, 2018)

25%
of people believe that
the paper industry
is the main cause of
global greenhouse
gas emissions

5.3 Waste disposal

BURGO
DISPOSES
OF 95% OF
RESIDUAL
SLUDGE
PRODUCED BY
ELECTRICITY
AND STEAM
PRODUCTION
PROCESSES

WASTE MANAGEMENT

The decrease in the amount of waste generated and its correct recovery represent a crucial aspect of good environmental management with a view to preserving the ecosystem. The Burgo Group is constantly committed on both of these fronts.

Part of its Research & Development activities have been specifically aimed at the development of strategies and technologies aimed at the achievement of the following objectives:

- optimising production processes to reduce waste
- identifying raw materials with high production yields and lower environmental impacts
- developing systems that promote closed cycles and better production yields
- finding effective solutions for the recovery and reuse of sludge and bark.

Paper is a typical organic material, comprised of 90% renewable raw materials and natural resources. The paper industry is therefore constantly committed to prolonging the product lifecycle by integrating reuse and recycling systems into its production processes.

In this regard the Group has sent 95% 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 and plastic waste, waste oils, and waste deriving from plant maintenance are instead regularly passed on to authorised service companies for their correct disposal.

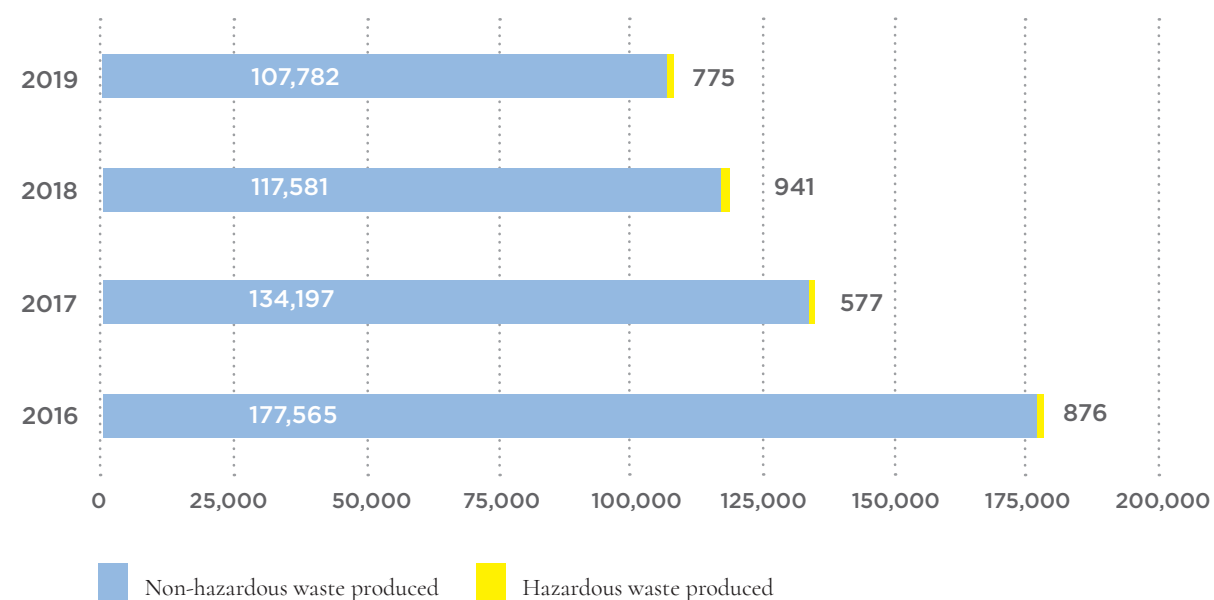
At all of the Group's plants the management of waste is governed by rigorous procedures defined by the Environmental Management System. Furthermore, these processes are duly verified with planned internal audits. These procedures are applied across the Group and particularly at the companies that operate the production facilities.

The production process and related processes generate waste, mainly of a non-hazardous nature, in volumes that necessitate a controlled approach to waste management.

Waste is analysed and classified by type, stored in duly identified/equipped areas and finally collected regularly and sent for recovery or disposal by specialist authorised Service Companies.

WASTE PRODUCED

TONNES OF WASTE PRODUCED BY CATEGORY



The total amount of waste produced has been declining steadily in the four-year period in question. This is mainly due to the constant optimisation of production cycles present in the various factories and the management of certain types of production waste as “sub-products”. For example, since 2017 the bark generated by the Verzuolo facility during the cutting and debarking of timber logs has been managed as “sub-products”. The bark is added to the purification sludge as fuel in the adjacent cogeneration power station operated by Gever.

THE DEFINITION OF “SUB-PRODUCT” PURSUANT TO ARTICLE 184-BIS OF ITALIAN LEGISLATIVE DECREE 152/06

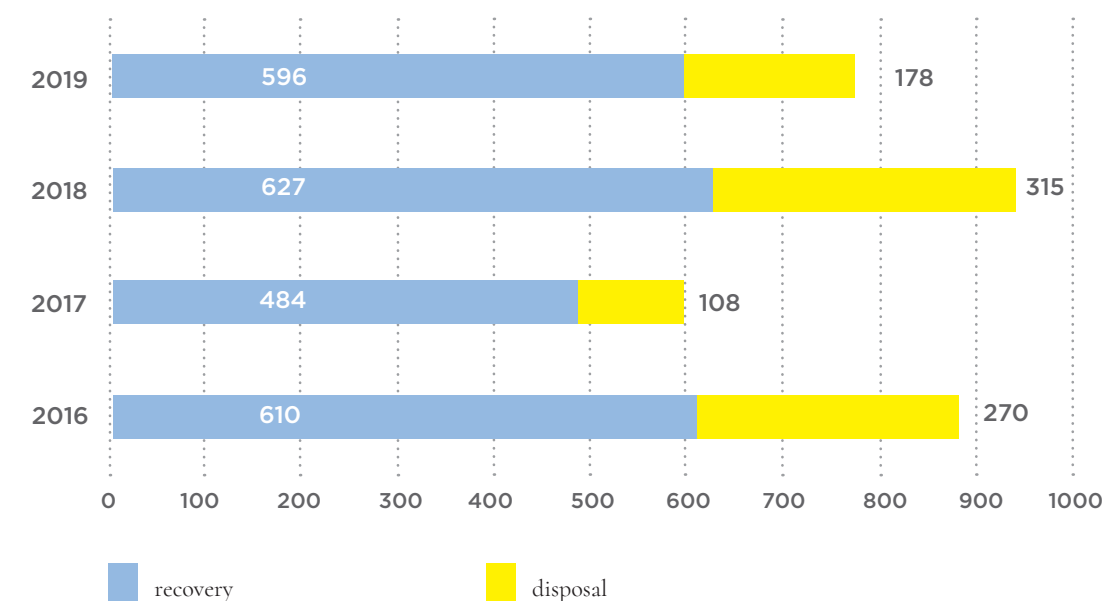
The term “Sub-product” refers to production waste that can be managed as goods rather than waste if all the criteria established by law (Article 184-bis of Italian Legislative Decree 152/2006) are met, resulting in significant economic and management advantages. Finally, economic activities that use “sub-products” instead of conventional raw materials don’t need to acquire the authorisations necessary to manage waste.

To be classed as “sub-products” the following conditions must be met:

- A)** the substance or object originates from a production process, of which it forms an integral part, and whose primary purpose is not the production of said substance or object.
- B)** it is certain that the substance or object will be used, in the course of the same or a subsequent production process or use, by the producer or by a third party.
- C)** the substance or object can be used directly without any further treatment other than those carried out as part of standard industrial practice.
- D)** the subsequent use is legal, or rather the substance or object meets, for the specific use in question, all of the requirements regarding product safety/quality and the protection of health, safety and the environment, and does not cause solely negative impacts to the environment or human health.

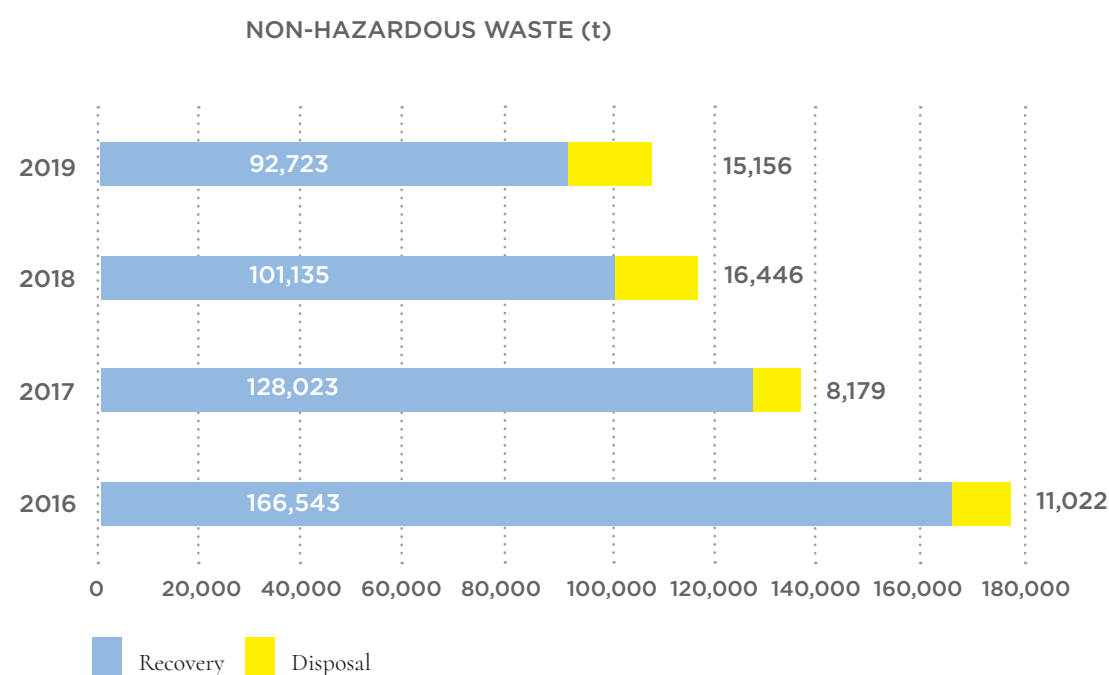
HAZARDOUS WASTE MANAGEMENT

HAZARDOUS WASTE (t)



Production waste classed as “hazardous waste” is mainly suitable for recovery. Some of this waste is regularly transferred to authorised waste disposal companies. The amount of hazardous waste produced has remained stable, mainly due to the regular maintenance of production plants. The percentage of recovered hazardous waste is nonetheless high, averaging around 70%.

NON-HAZARDOUS WASTE PRODUCED



The most significant categories of non-hazardous waste are:

- Purification sludge: generated by the effluent treatment process.
- Paper and cardboard generated by offcuts of bobbin cores and cardboard packaging from various inbound products. These are collected separated and sent for recovery.
- Mixed packaging: essentially packaging from auxiliary materials entering the plant.

This type of waste is also sent for recovery.

Production waste classified as “**non-hazardous waste**” is mainly sent for recovery (around **89%** of the amount generated), while the rest is sent to authorised service companies for correct disposal.

The amount of non-hazardous waste produced and sent for disposal has remained stable, mainly due to the increasing difficulties in locating recovery plants.

5.4 Consumption and efficient management of energy

FROM 2018
FUEL OIL WILL
NO LONGER BE
USED BY THE
COMPANY

ENERGY RESOURCES AND CONSUMPTION

The Burgo Group has been committed to the self-generation of energy since its foundation, when in the early twentieth century its founder Luigi Burgo constructed a hydroelectric power station and a paper mill to use the power it produced.

The Burgo Group now has a generation system with an installed power of just below 500MW. In 2019, its plants produced nearly 1% of Italy's total electricity production. Energy is produced by cogeneration plants, a well-established technology that rates highly as a best practice within the industry. Most of the Group's plants are classed as “high yield co-generation”, synonymous with high efficiency and low environmental impact thanks to the efficient use of fuel.

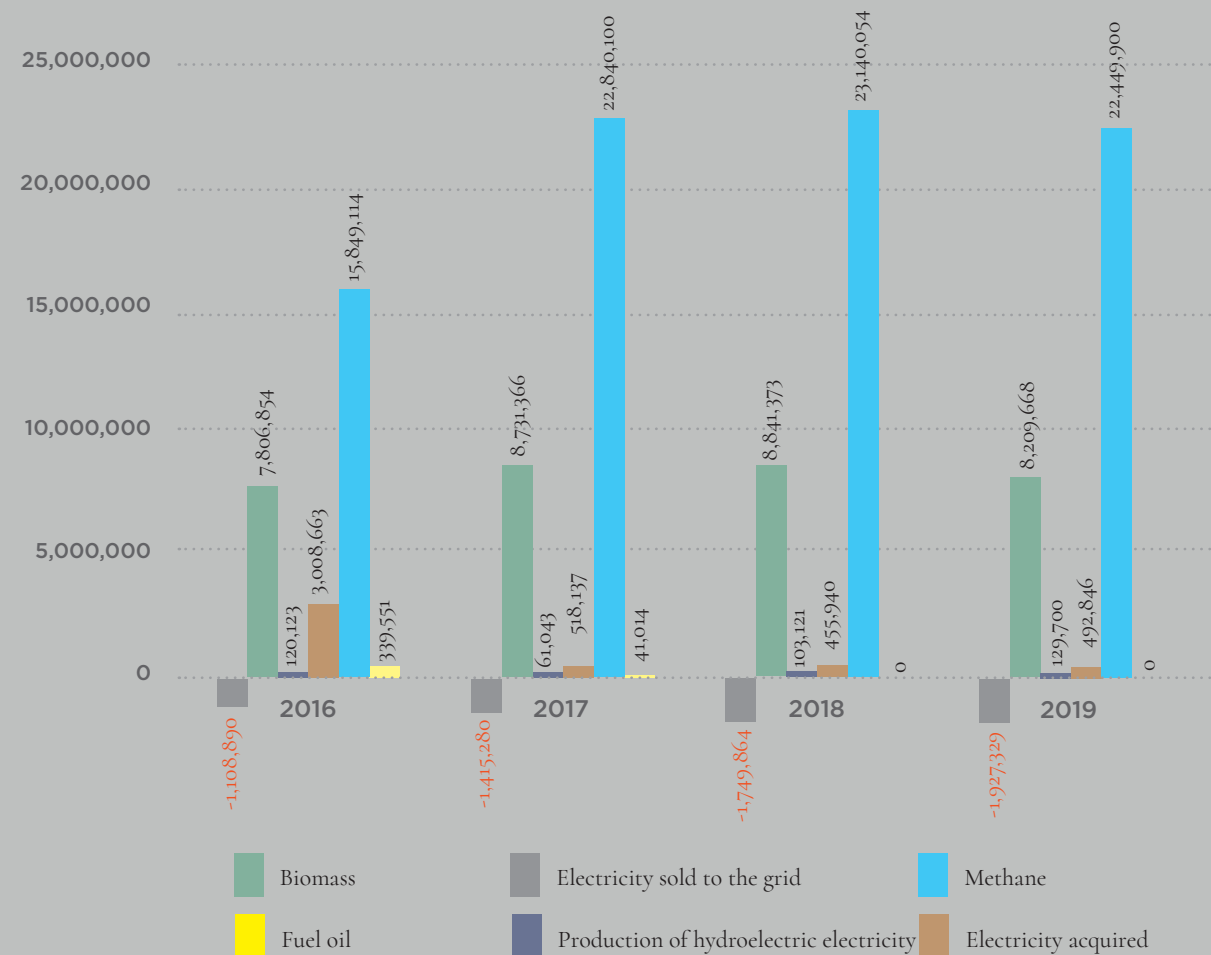
The fuel used is predominantly methane gas, although biomass is also used thanks to the systems at Verzuolo and especially in Belgium. In these two plants, energy is produced using a mix of sludge and bark (at the Verzuolo facility) and black liqueur and bark (at the Virton facility in Belgium). Furthermore, to a lesser extent the Group also produces some of its energy from hydroelectric plants.

In 2018 the Group reached its objective of ceasing the use of fuel oil thanks to its plant gasification project. The project involved the conversion to natural gas of all formerly fuel oil-based systems, and generated substantial technical benefits and a lower environmental impact.

Nearly 30% of the total energy used by the Group is renewable.

		2016	2017	2018	2019
Methane	GJ	15,849,114	22,840,100	23,140,054	22,449,900
Fuel oil	GJ	339,551	41,014	-	-
Biomass	GJ	7,806,854	8,731,366	8,841,373	8,209,668
Electricity bought from the grid	GJ	3,008,663	518,137	455,940	492,846
Hydroelectric energy	GJ	120,123	61,043	103,121	129,700
Electricity sold to the grid	GJ	-1,108,890	-1,415,280	-1,749,864	-1,927,329
TOTAL ENERGY USED	GJ	26,015,416	30,776,381	30,790,623	29,354,786

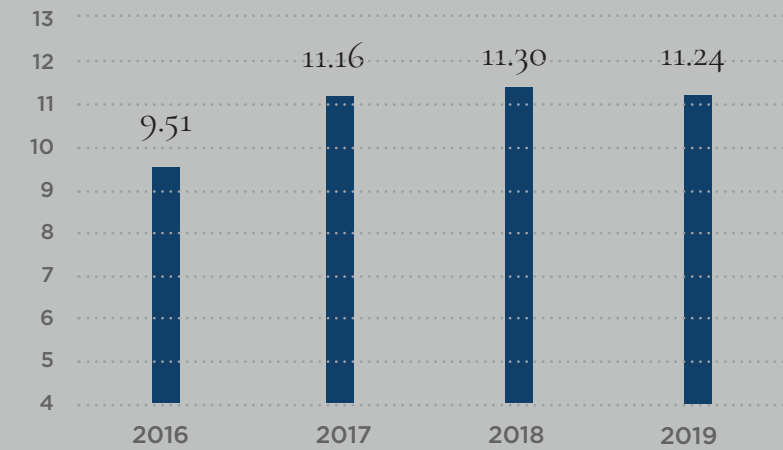
Note: in 2017 the Burgo Group acquired Gever S.p.A., the company that produces and manages the energy at the Verzuolo facility; this acquisition explains the significant variation between the data from 2016 and 2017.



Energy consumption is closely linked to the types and quantities of product produced. Various strategic events have influenced the trends: the acquisition of Gever S.p.A. in 2017; in 2018 the Avezzano plant relaunched its production activities after making investments to convert its production to paper for packaging; at the same time, at the Verzuolo facility the production of wood pulp and coated papers was reduced and the plant was converted to produce paper for packaging from early 2020. In different ways, these factors have also impacted the Group's energy performance. Nonetheless, total energy consumption, and the use of methane in particular, fell in 2019 compared to the 2018 and 2017. Specific energy consumption provides a brief indication as to the use of energy per unit of production, considered as the total of paper, wood pulp and cellulose production. The trend in the last three years has been generally stable, with only minor fluctuations from the average value.

CO₂ EMISSIONS
IN THE LAST
4 YEARS:
-16,000 t

ENERGY INTENSITY GJ/t



ENERGY EFFICIENCY

The Burgo Group is constantly committed to improving its energy performance, with its results in this regard proven by the continuous award of energy efficiency certificates to several projects carried out over the years with the aim of reducing the energy intensity of its plants.

The projects carried out previously led to savings of over 7000 TOE in the last four years, corresponding to over 16,000 t of CO₂ avoided. These projects include improvements to compressed air production systems, modifications to the continuous system at the Tolmezzo plant and the constant fine-tuning of the defibering grinder at the Verzuolo facility.

Of the investment projects carried out, the revamping and optimisation of the cellulose cooking department at the Burgo Ardennes plant is particularly worthy of note, with positive impacts in the second half of 2020 in terms of the self-generation of electricity from biomass thanks to a reduction in steam consumption. This represents another step forwards in terms of the plant's circular economy, as 85% of the fuel used derives from its own process waste.

As well as constantly improving energy consumption, the energy efficiency strategy also aims to increase the efficiency of the Group's cogeneration plants, producing the energy needed with methods and returns that prioritise the more efficient use of primary resources.

5.5 Climate change and emissions

EMISSIONS

The strategic decision of the Group to pursue energy self-sufficiency has directed investments towards energy production through cogeneration. This decision has helped to progressively reduce the use of fossil fuels and, therefore, CO₂ emissions.

The use of methane for combustion to produce electricity generates emissions that do not contain sulphur-containing substances (SO₂ and H₂S), dusts or particulates, and result in lower greenhouse gas emissions. Cogeneration is one of the most efficient systems with a lower environmental impact able to meet the consistent demand for electricity and steam at the Group's various production facilities.

Currently the main source of CO₂ emissions, as well as nitrogen oxide (NO_x) and carbon monoxide (CO) emissions, is the production of energy at cogeneration plants for the production of paper.

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

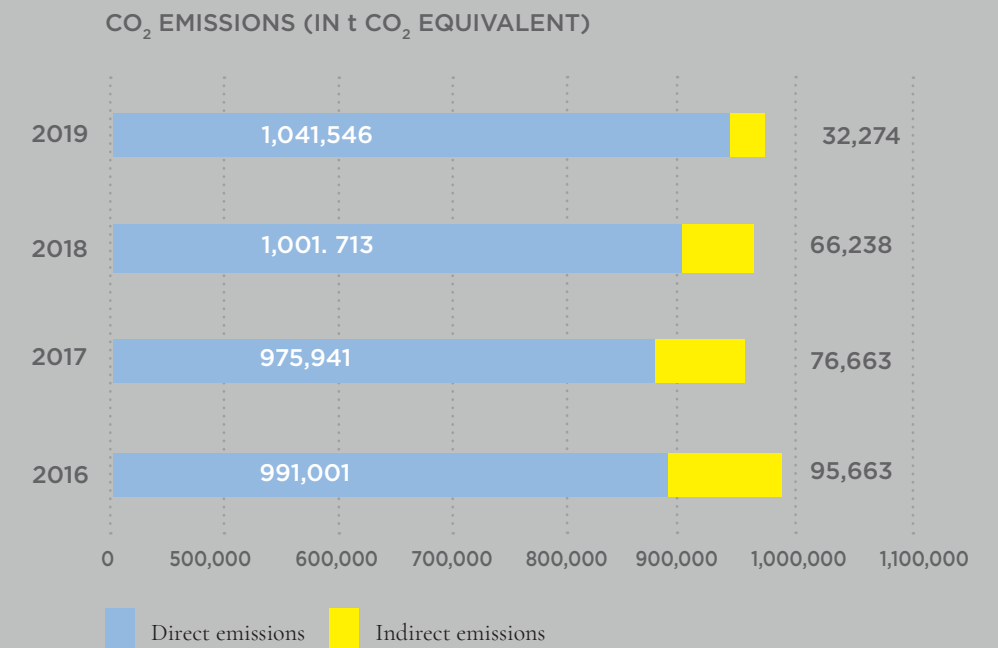
- the selection of raw materials with a low energy impact;
- the adoption of technologies that minimise energy consumption;
- the adoption of combined energy and heat generation systems ("cogeneration");
- the implementation of an integrated and coordinated strategy across all of the Group's plants;
- compliance with international directives (primarily the Kyoto Protocol);
- control of usage levels at all plants to monitor their energy efficiency.

GREENHOUSE GAS EMISSIONS (EMISSION TRADING)

Emission trading is an environmental policy tool established by the Kyoto Protocol to reduce greenhouse gas emissions in a measurable, long-lasting and economically sustainable way through a cap and trade system for emission credits.

The agreement establishes the total quantity of energy permitted (cap), divides it into quotas and distributes them among the participants (each system - country and company). The quotas can then be exchanged (traded) between the participants so that at the end of the verification period, each participant retains a quota that matches their own emissions produced in that same period.

CO₂ EMISSIONS



The data on direct CO₂ emissions was validated and certified by an external control body according to the provisions of the Emission Trading Scheme (ETS).

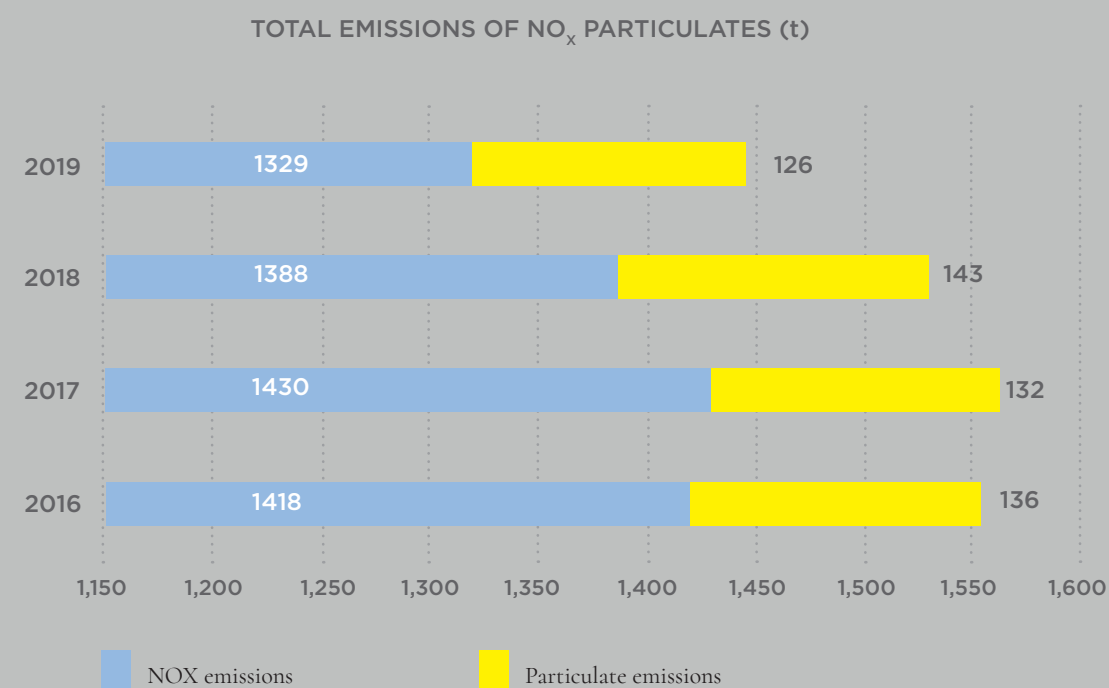
The slight increase in direct emissions recorded in 2018 and 2019 is mainly due to the recommencement of production activities at the Avezzano plant following the conversion and revamping of Production Line 2.

Indirect CO₂ emissions mainly derive from energy acquired from the grid.

The calculation was based on the conversion coefficient of 523 g of CO₂/kWh as recommended by TERNA in 2016.

The progressive reduction in the amount of CO₂ from indirect emissions has been achieved mainly through the reduced amount of electricity acquired from the grid following the entry into operation of cogeneration systems in certain plants.

NOX EMISSIONS AND PARTICULATES



The term NO_x refers to all of the nitrous oxides that contribute to atmospheric pollution, namely NO (nitrogen oxide) and NO₂ (nitrogen dioxide) which are normally generated during any combustion process that uses air.

Even with the entry into operation of the Avezzano production line, it should be noted that in the 2018-2019 two-year period there was a reduction in total emissions of nitrogen oxide and particulates.

5.6 Water resource management and waste water quality

ALMOST 90% OF TOTAL WATER DEMAND IS MET BY RECYCLED WATER

Water is an essential resource for paper production. It is also a precious asset in all ecosystems, and with this in mind the Burgo Group has implemented policies to reduce its water consumption through water recycling, and has made investments to optimise its processes.

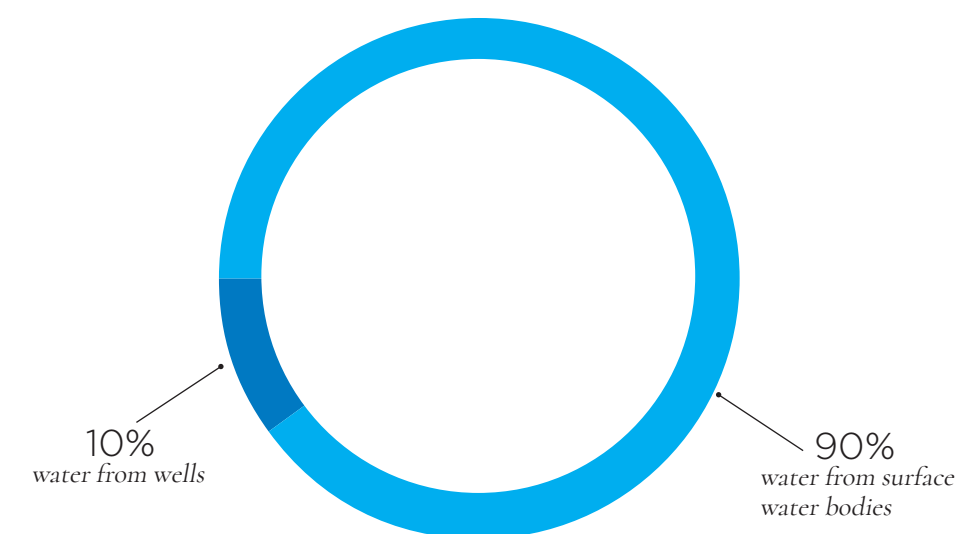
The supply of water is permitted by the Competent Authorities through the allocation of specific permits.

The Group's Management System monitors the entire water management system, minimising waste and the risk of contamination. The cycle concludes with the management the waste water so that water which has already been used multiple times in the systems is sent for purification, initially by chemical and physical processes and then by biological treatments.

THE PURIFICATION PROCESS IS DIVIDED INTO THREE STAGES:

1. The preliminary treatment process to eliminate coarse materials;
2. the chemical-physical system to separate and eliminate the finer particles by sedimentation or floatation;
3. the activated sludge biological system, within which the micro-organisms metabolise the substances.

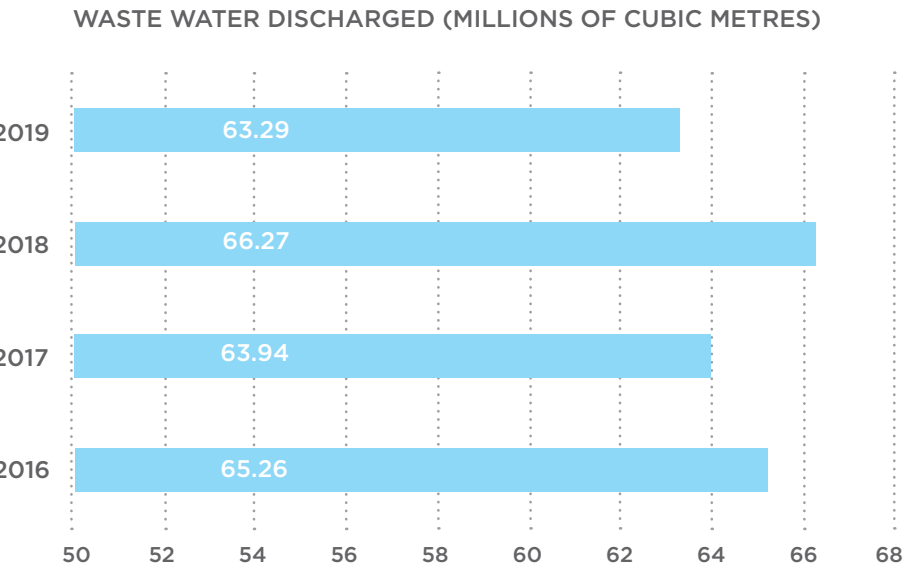
WATER SUPPLY FOR INDUSTRIAL USE



OPTIMISATION

The Group has pursued two main pathways with a view to optimising its processes:
A) increasing the amount of water reused in the production process through recycling, and
B) reducing the demand in the production process.

In this sense the management strategies adopted, which have led to improvements in technology and plant efficiency, have been particularly decisive.
Most of the Group's plants, including those where there is no direct discharge to surface water (due to connections with consortium facilities), feature a waste water treatment system aimed at recovering the water used in the paper mill. The purification phase enables water used in the paper production process to be reused while still meeting the purity and quality levels required by current regulations.
The table shows the volumes of water (in millions of cubic metres) discharged for all of the Group's production units.
The quality levels for waste water discharge are determined according to the provisions set out by national and local regulations.



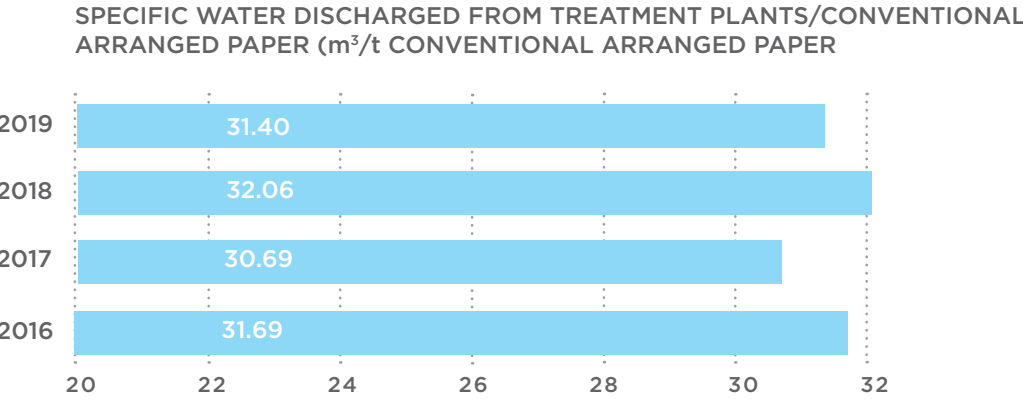
The volumes recorded a reduction in 2019 and 2017. The countertrend seen in 2018 was mainly linked to the launch of the production line at the Avezzano plant following its conversion.

RECYCLING OF WASTE WATER

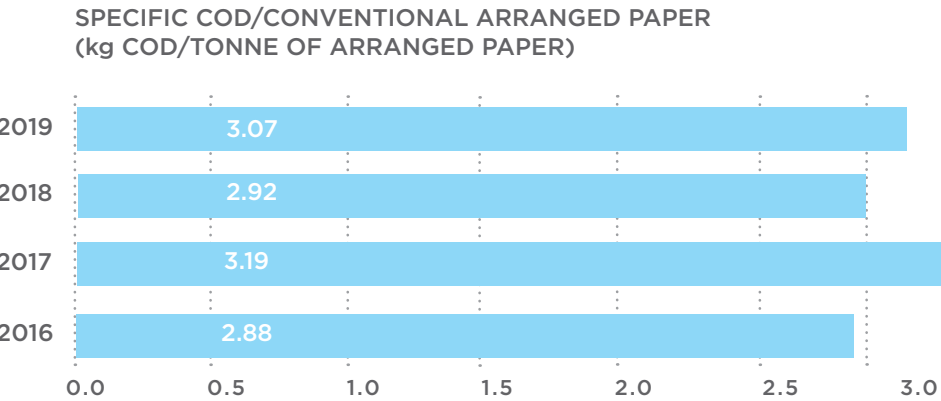
Reusing water contributes to ensuring a lower environmental impact and, in particular:

- reduction in water withdrawn from aquifers;
- reduction in water withdrawn from surface water;
- consistency and reliability of resources thanks to the continuous availability of treated water;
- reduction in waste of natural resources.

SPECIFIC WATER CONSUMPTION



By comparing the volumes of discharged water with production volumes a downwards trend can be observed, with the exception of 2018 due to the re-entry into service of the Avezzano plant; these figures are indicative of the Group's constant efforts to optimise its plants.

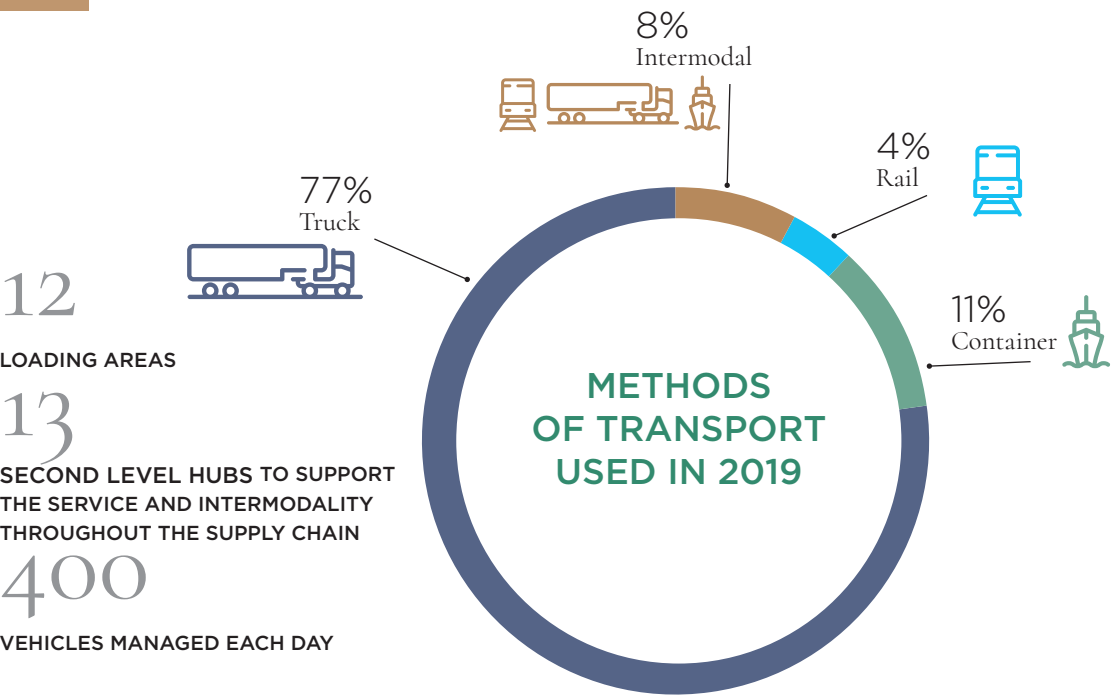


COD (Chemical Oxygen Demand) is an indicator used to measure pollutants and analyse natural surface water and discharged water and urban and industrial waste water treatment plants. It offers a precise indication of the effectiveness of the treatment process. Fluctuations in the levels of COD emissions are negligible in the period in question: the average value recorded in the four-year period was 3.17 kg/t of arranged paper. The concentrations of pollutants in the treated waters are kept constantly within the legal limits and are subject to monitoring programmes in line with the best practices of the industry.

5.7 Sustainable logistics

THE MAIN OBJECTIVE IS TO IMPROVE THE EFFICIENCY OF INTERMODAL TRANSPORT AND REDUCE CO₂ EMISSIONS

Respect for the environment is one of the main drivers guiding the Group's supply chain and its operating decisions. Environmental responsibility is not only extended to production activities but is also integrated both up and downstream of those processes. Careful monitoring of goods entering and leaving the facilities has enabled the Group to optimise the logistics process, helping to reduce atmospheric emissions. The “Sustainable logistics” policy plays a decisive role in the Group's decisions and, for its implementation, cross-departmental coordination between Logistics, Customer Services and the Group's sales branches across Europe is essential.



METHODS OF TRANSPORT	2016	2017	2018	2019
Rail	6%	6%	5%	4%
Intermodal	9%	9%	9%	8%
Container (via ship)	13%	13%	11%	11%
Truck	72%	72%	75%	77%

The transition to containerboard production resulted in an increased use of truck haulage for national deliveries in 2019, while international deliveries by rail and intermodal methods fell slightly.

In 2019, the Group's distribution strategy was based on the use, for 100% of the volumes destined for the Iberian peninsula, of the RO/RO (Roll-On Roll-Off) method, which uses ferries equipped with ramps that enable the wagons to board (Roll-on) and disembark (Roll-off) without the use of any external mechanical equipment such as cranes. As regards rail freight, the Group continued its commitment to distribute LWC (Light Weight Coated) and RTC paper in Europe using logistics based on the use of second-level warehouses for the final mile. Environmental protection is a commitment shared by the Logistics department and Supply & Procurement department. With regard to the procurement of raw materials, the Group asks its transport service providers for an assessment of the amount of CO₂ saved. This analysis concludes with the issue of “CO₂ Reduction Certificates” by the suppliers, attesting to the annual reduction in CO emissions (in tonnes) achieved thanks to an efficient distribution strategy. An example CO₂ Reduction Certificate, in this case issued by the provider Ambrogio Trasporti S.p.A., is given below.



ECO-CERTIFICATE ISSUED BY AMBROGIO TRASPORTI S.P.A.

The transport provider Ambrogio Trasporti S.p.A. has issued a certificate declaring that the Burgo Group S.p.A. has contributed to the reduction of CO₂ through the use of its intermodal services. The results achieved are:

241 tonnes of CO₂ saved
-81% compared to haulage by truck

In the context of “Sustainable logistics”, the reduction in “empty” miles travelled has been the key driver in the organisation of the collection of raw materials (pulp balls) and the delivery of the end product.

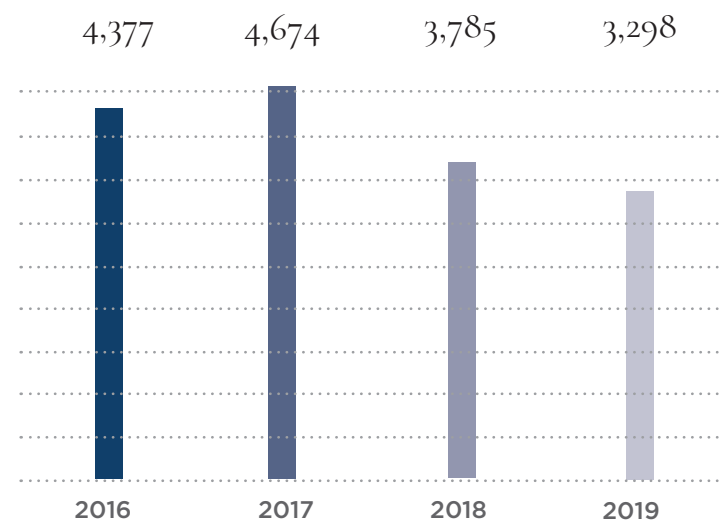
The sites where this logic has been applied are the Verzuolo and Avezzano plants, which need to receive raw materials (pulp balls) to produce containerboard. With a view to optimising the supply chain and reducing the number of “empty runs”, a central hub was established for the vehicles collecting the finished products and the vehicles delivering the finished products.

ECOTRANSIT WORLD INITIATIVE (EWI): CALCULATION OF CO₂ SAVINGS

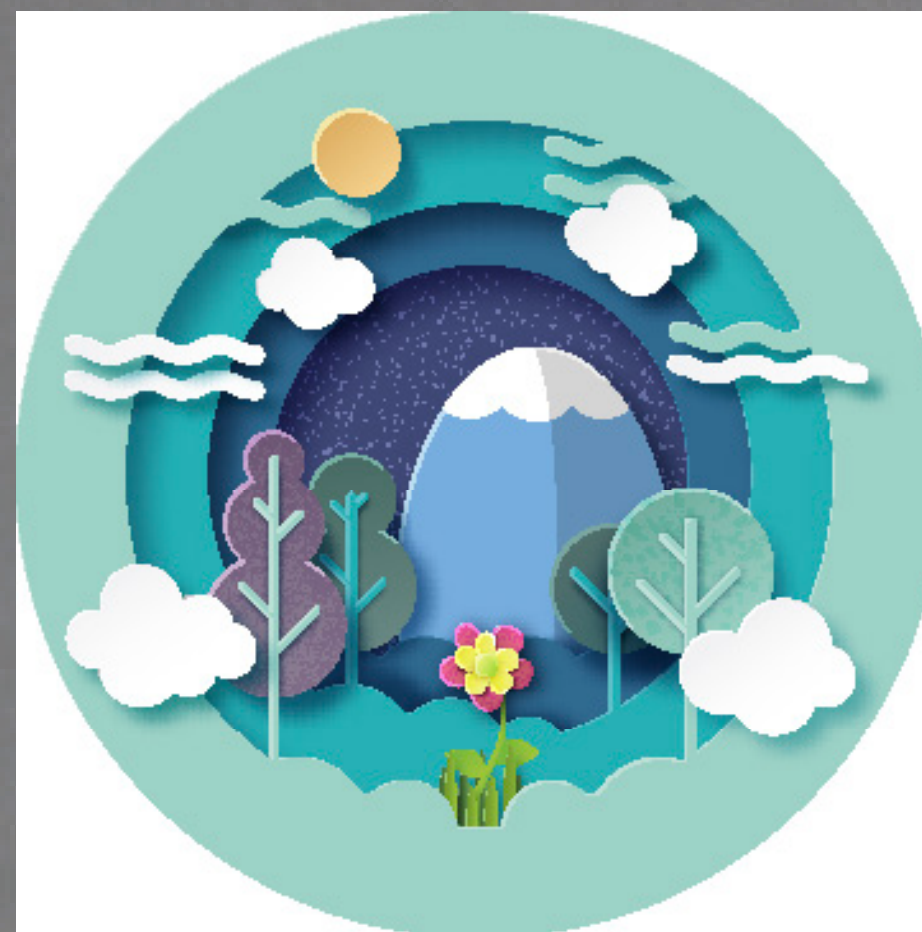
Some of the production at the Verzuolo (CN) and Duino (TS) plants is sent to German customers by rail. Thanks to the tools and features of the ETW technology made available by EcoTransIT World Initiative (EWI), it has been possible to calculate the amount of CO₂ saved thanks to the use of rail transportation. The value of CO₂ emissions saved is derived by comparing those actually produced using rail freight with an estimate of those that would have been produced using road haulage.

RESULTS IN THE 2016-2019 FOUR-YEAR PERIOD: APPROX. 16,000 TONNES OF CO₂ AVOIDED

SAVING OF CO₂ EMISSIONS



The ETW method was developed and validated by independent scientific institutes including IFEU, INFRAS and Fraunhofer IML. More than eight scientists, each with their own specialist expertise, regularly contribute to ETW. Furthermore, the IVE mbH team translate the specific methods into programme codes and provide assistance to clients. The results are significant: ETW calculates the distance travelled, the energy consumed and the amounts of CO₂, CO₂ equivalent and SO_x, NO_x, NMHC and PM₁₀ emissions for each global transport chain.



6. Corporate responsibility

- 6.1 Human resource management
- 6.2 Training and education
- 6.3 Industrial relations
- 6.4 Occupational health and safety
- 6.5 Communications and local relations



6.1 Management of human resources

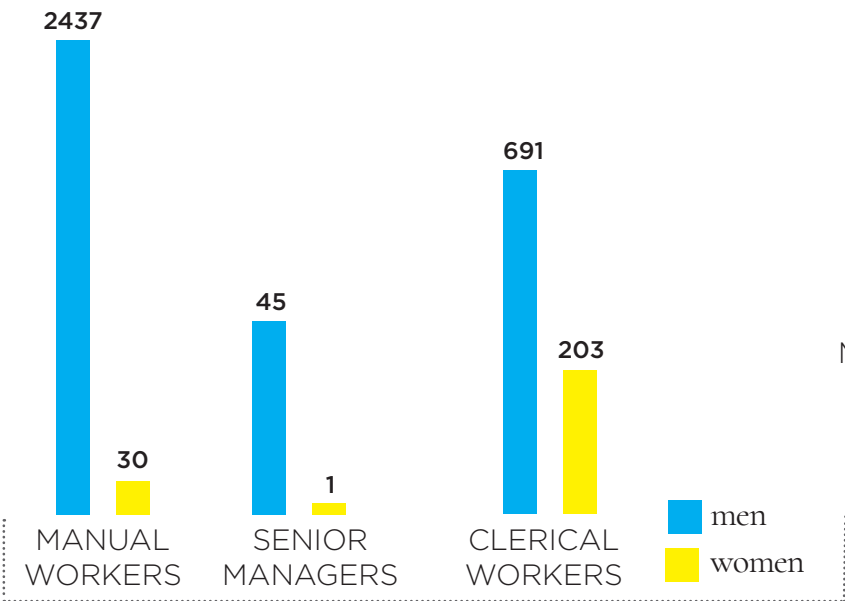
Human capital has always been the Burgo Group's most important asset, where the value in terms of the experience and knowledge acquired by employees after many years of collaboration is a fundamental aspect of the Group's business and of vital importance.

The adoption of adequate working practices and the protection of human rights, both in the workplace and in all areas where it carries out its activities, are at the core of the Burgo's Group's corporate culture.

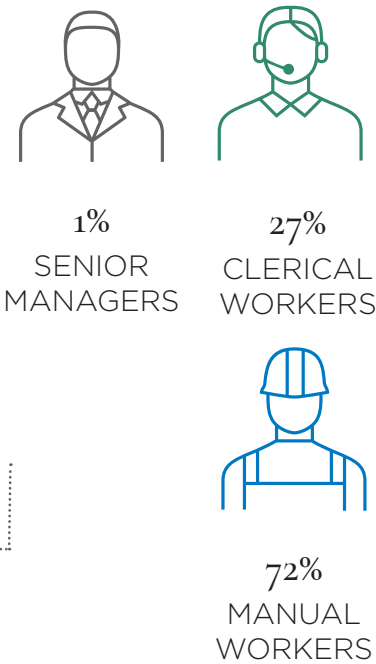
There are two main employment categories at the Group: production activities and clerical work. Generally, there is a more pronounced male presence within the Group while female employees, although fewer in number, have a significant presence in clerical positions.

The Group is committed to constantly bringing new specialist technicians or new graduates into the company, with the aim of stimulating and cultivating potential to enable them to take on leading roles within the organisation.

The Group offers numerous benefits to its employees and their families; the Christmas gifts given to young children and the chance for older children to experience summer trips to well-known tourist destinations are of particular note.



3,407 EMPLOYEES



WORKFORCE OVERVIEW
BY QUALIFICATION AND LOCATION



	2017	2018	2019
Senior managers	50	46	46
Clerical workers	919	891	894
Manual workers	2.694	2.600	2.467
TOTAL	3.663	3.537	3.407



Headquarters (Italy)	183	182	183
Administrative offices (Italy)	96	84	71
Plants (Italy)	2,738	2,631	2,507
Plants (Abroad)	581	578	587
Commercial branches (Abroad)	65	62	59
TOTAL	3.663	3.537	3.407

On average,
82%
of the workforce
is located
in Italy

Note: The item "Companies in Italy" includes employees of the subsidiaries Burgo Energia, Burgo Distribuzione, Burgo Factor and Gever.

In line with the Group's position in the manufacturing sector, the most representative professional category is manual workers, who account for around 72% of the total workforce. Clerical workers are present at the Group Headquarters, the plant offices, the sales offices and the Group's commercial branches outside Italy, representing an average of 27% of the workforce. Women are mainly employed in clerical roles, where they account for around 26% of workers in this category. Around 48% of employees at the Group's administrative offices are women. In the sales branches of the company Burgo Distribuzione, women represent around 84% of the workforce.

EMPLOYEE BREAKDOWN BY SENIORITY,
QUALIFICATION AND GENDER

Promoting stable and secure employment is one of the Group's core values, recognising the importance of the experience and expertise developed by employees after many years of collaboration. The low turnover rate confirms that the Group's employees are the beneficiaries of opportunities for growth and internal mobility, motivation, good relationships and a comfortable working environment.

In testament to the stability of employment offered by the Group, the company rewards employees who have accrued a certain level of seniority with a celebration ceremony and a special recognition.

2017

CATEGORY	0-10 YEARS SENIORITY		11-20 YEARS SENIORITY		21-30 YEARS SENIORITY		31-40 YEARS SENIORITY		41-50 YEARS SENIORITY		TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
CLERICAL WORKERS	70	128	61	217	64	272	23	127	1	6	969
MANUAL WORKERS	7	555	17	981	14	822	1	289	1	7	2,694
TOTAL BY CATEGORY	77	683	78	1,198	78	1,094	24	416	2	13	3,663
TOTAL	760		1,276		1,172		440		15		3,663
% SENIORITY COM- PARED TO THE TOTAL	21%		35%		32%		12%		0%		100%

In 2017 around 44% of employees had worked at the company for over 20 years. 35% of employees had worked at the company for between 11 and 20 years. 21% of employees had been at the company for less than 10 years.

2018

CATEGORY	0-10 YEARS SENIORITY		11-20 YEARS SENIORITY		21-30 YEARS SENIORITY		31-40 YEARS SENIORITY		41-50 YEARS SENIORITY		TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
CLERICAL WORKERS	62	116	62	214	58	277	22	117	2	7	937
MANUAL WORKERS	5	586	16	892	13	811	1	269		7	2,600
TOTAL BY CATEGORY	67	702	78	1,106	71	1,088	23	386	2	14	3,537
TOTAL	769		1,184		1,159		409		16		3,537
% SENIORITY COM- PARED TO THE TOTAL	22%		33%		33%		12%		0%		100%

In 2018 around 45% of employees had worked at the company for over 20 years. 33% of employees had worked at the company for between 11 and 20 years. 22% of employees had been at the company for less than 10 years.

2019

CATEGORY	0-10 YEARS SENIORITY		11-20 YEARS SENIORITY		21-30 YEARS SENIORITY		31-40 YEARS SENIORITY		41-50 YEARS SENIORITY		TOTAL
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	
CLERICAL WORKERS	67	158	59	200	56	265	21	105	1	8	940
MANUAL WORKERS	12	806	6	698	11	667	1	262		4	2,467
TOTAL BY CATEGORY	79	964	65	898	67	932	22	367	1	12	3,407
TOTAL	1,043		963		999		389		13		3,407
% SENIORITY COM- PARED TO THE TOTAL	31%		28%		29%		12%		0%		100%

In 2019 around 41% of employees had worked at the company for over 20 years. 28% of employees had worked at the company for between 11 and 20 years. 31% of employees had been at the company for less than 10 years.

ALLOCATION OF
PERMANENT CONTRACTS

With a view to ensuring stable and safe employment for its employees, the companies Burgo Group S.p.A. and Mosaico S.r.l. use fixed term contracts with a view to consolidating them into permanent contracts.

Although the use of fixed term contracts has increased in the three-year period in question, the percentage of these transformed into permanent contracts - 81% in 2019 - remains high.

2017

COMPANY	EXPIRING CONTRACTS			CONFIRMED CONTRACTS			% CONFIRMED
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
BURGO GROUP S.P.A.	1	6	7	1	4	5	71%
CLERICAL WORKERS	1		1	1		1	100%
MANUAL WORKERS		6	6		4	4	67%
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
MOSAICO SRL		41	41		33	33	80%
CLERICAL WORKERS							
MANUAL WORKERS		41	41		33	33	80%
TOTAL	1	47	48	1	37	38	79%

2018

COMPANY	EXPIRING CONTRACTS			CONFIRMED CONTRACTS			% CONFIRMED
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
BURGO GROUP S.P.A.		27	27		18	18	67%
CLERICAL WORKERS		8	8		5	5	63%
MANUAL WORKERS		19	19		13	13	68%
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
MOSAICO SRL	1	38	39	1	30	31	79%
CLERICAL WORKERS	1	4	5	1	1	2	40%
MANUAL WORKERS		34	34		29	29	85%
TOTAL	1	65	66	1	48	49	74%

2019

COMPANY	EXPIRING CONTRACTS			CONFIRMED CONTRACTS			% CONFIRMED
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
BURGO GROUP S.P.A.	1	62	63	1	53	54	86%
CLERICAL WORKERS	1	4	5	1	2	3	60%
MANUAL WORKERS		58	58		51	51	88%
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL	
MOSAICO SRL		39	39		29	29	74%
CLERICAL WORKERS							
MANUAL WORKERS		39	39		29	29	74%
TOTAL	1	101	102	1	82	83	81%

EMPLOYMENT GUARANTEE FUND AND SOLIDARITY FUND

As shown in the table below, the number of hours that used the employment guarantee and solidarity fund reduced considerably in 2019.

In 2018, the return to production at the Avezzano (AQ) plant, which since 2017 had been active only for paper cutting with an average of 40 employees, led to a progressive increase in the number of employees to a total of 132.

No. of hours	2017	2018	2019
CIGO	12,612	30,822	32,621
CIGS	-	132,254	4,895
SOLIDARITY	180,463	112,109	12,011
TOTAL	193,075	275,185	49,527

Notes: **CIGO (Cassa Integrazione Ordinaria)**: Ordinary Employment Guarantee Fund; **CIGS (Cassa Integrazione Straordinaria)**: Extraordinary Employment Guarantee Fund; **SOLIDARITY**: solidarity contracts, social safety net for employees.
The data refers to Italian companies only and does not include data from foreign companies.

The Group also uses temporary staff, usually at the Belgium subsidiary Burgo Ardennes:

	2017	2018	2019
temporary staff (full-time equivalent)	94	106	124

6.2 Employment, training and education

IN 2019 A
TOTAL OF
69,586 HOURS
OF TRAINING
WERE
DELIVERED

TRAINING AND EDUCATION

To accept and overcome the challenges of a continuously evolving market it is fundamental to know how to change, and to do so effectively requires new skills, awareness and motivation. These are the main characteristics sought after by the Burgo Group.

To compete on the market it is important to constantly update its human capital through a training programme that reflects the most up-to-date trends.

One of the Group's priorities is to protect the health and safety of its workers through a constant training process suited to the task carried out and able to make a significant contribution to prevention.

To reach these ambitious objectives the Group is committed to promoting and increasing employee engagement in preventive actions, pursued theoretically during classroom-based sessions and put into practice within their place of work through "on the job" training.

The Group's policy is to provide suitable training to its employees and document their attendance with a view to developing the culture, raising awareness and promoting active participation on topics and issues such as quality, occupational health and safety, the environment and energy.

AVERAGE TOTAL HOURS OF TRAINING PER EMPLOYEE (REF. GRI STANDARDS 401-1)

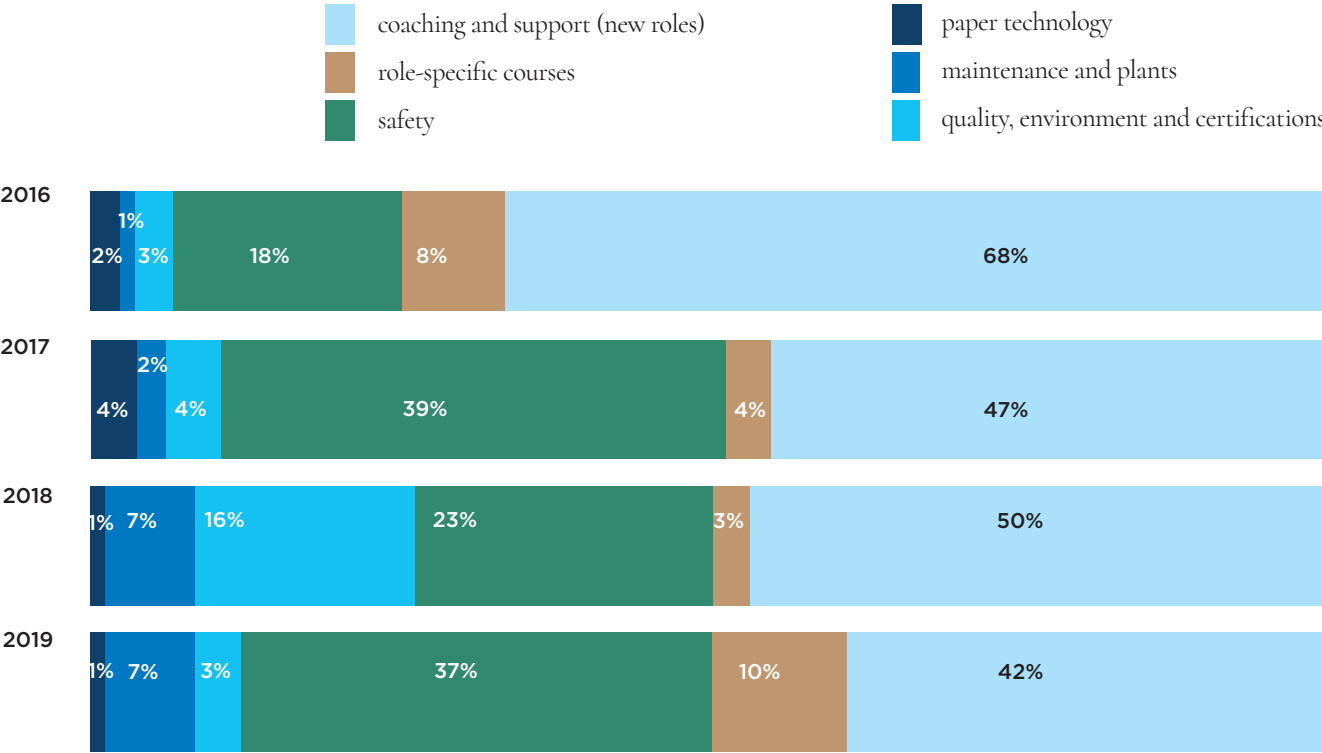
METHODS OF TRANSPORT	2016	2017	2018	2019
Total hour of training provided	85,448	66,416	113,908	69,586
Total no. of employees	3,670	3,663	3,537	3,407
AVERAGE TOTAL HOURS PROVIDED	23.3	18.1	32.2	20.4

The trend of average hours of training delivered showed a considerable increase in 2018, due mainly to mandatory refresher courses provided in addition to the ordinary training plans. Except for 2018, during the period an average of around 20 hours of training were provided per employee, highlighting the Group's commitment to ensuring that its human capital remains constantly up-to-date.

TOTAL HOURS OF TRAINING BY TOPIC

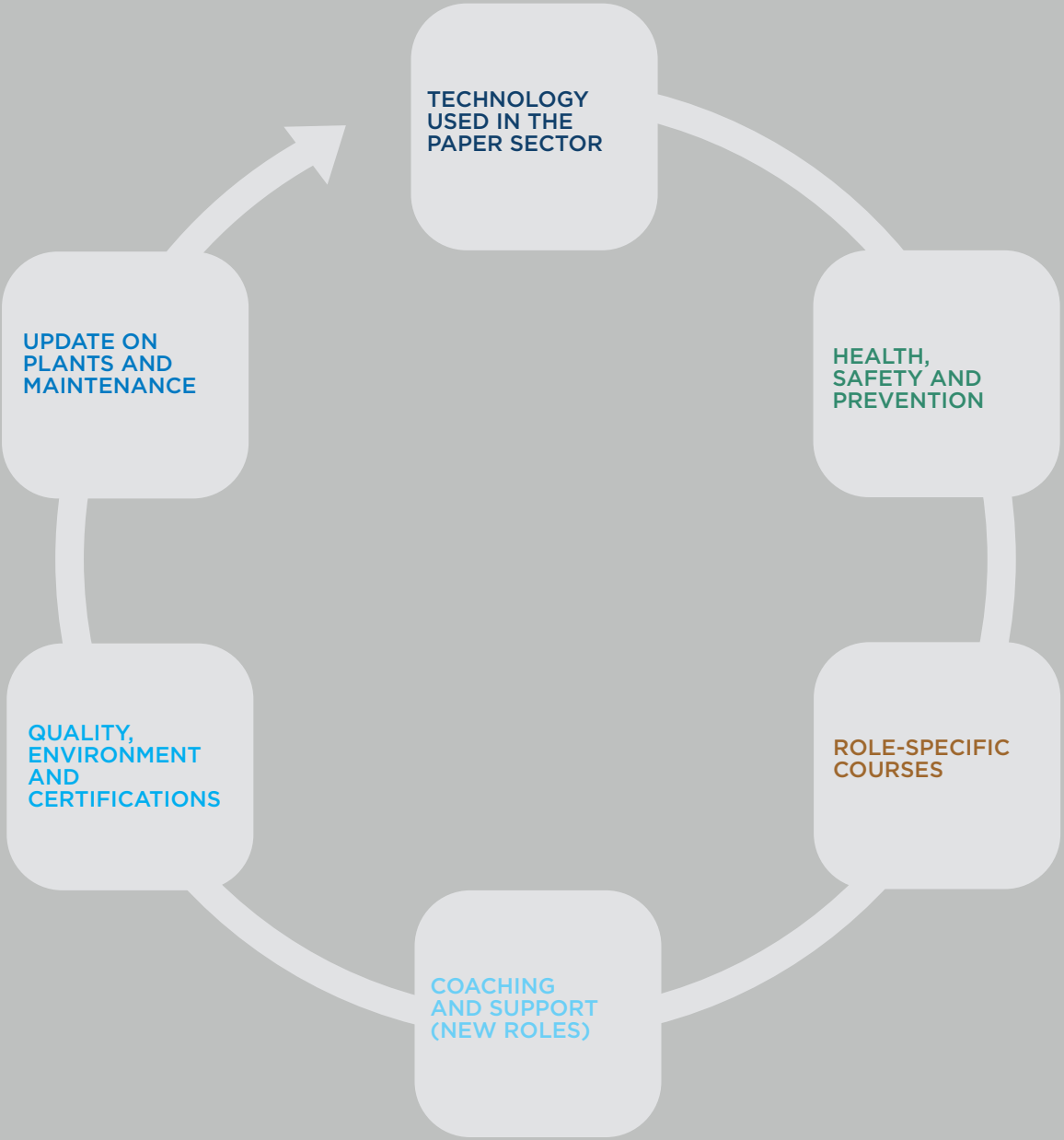
TRAINING TOPICS	2016	2017	2018	2019
Paper Technology	2,068	2,700	500	130
Maintenance and Plants	974	1,357	7,867	5,015
Quality, Environment and Certifications	2,432	2,730	19,050	2,400
Safety	15,246	26,070	26,462	25,634
Role-Specific Courses	6,737	2,179	3,013	7,083
Coaching and Support (New Roles)	57,991	31,380	57,017	29,324
TOTAL HOURS OF TRAINING	85,448	66,416	113,909	69,586

% TRAINING, PER TOPIC



The figure shows the percentage trend of the main training topics in relation to the total hours of training provided each year.

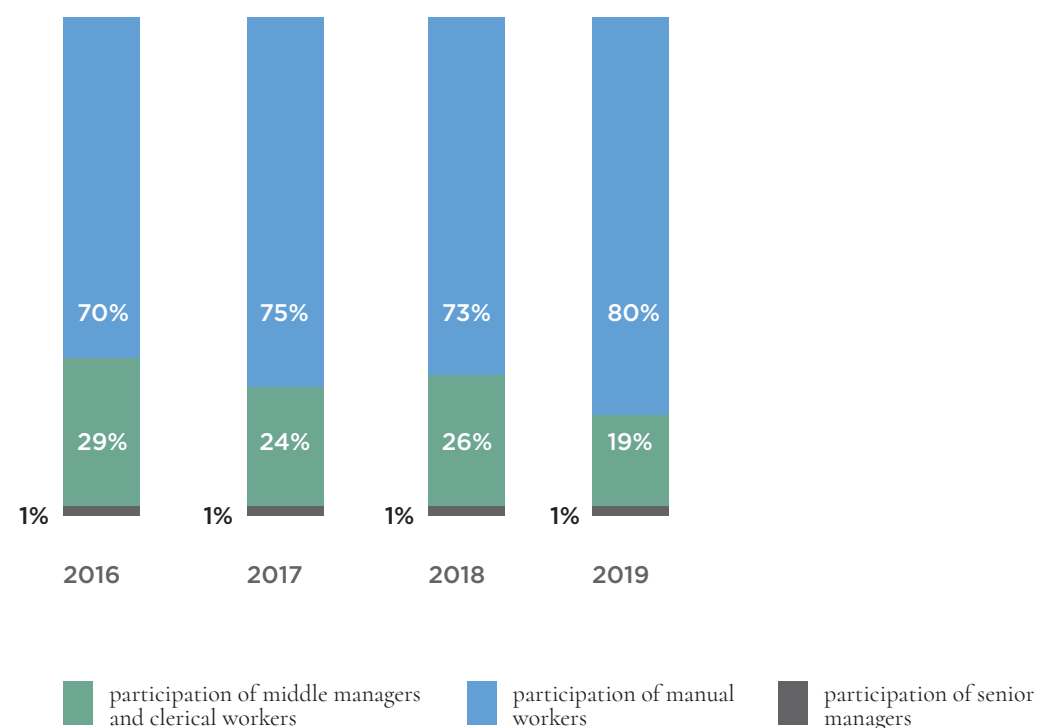
SUSTAINABILITY REPORT



Training is mainly focused on coaching and support for new roles (particularly with regard to new hires, changes to duties or activities, and “on-the-job” training) and health, safety and prevention (mandatory and voluntary). Alongside these activities, other topics such as new paper technologies and plant maintenance also play a major role in regularly updating the skills and expertise of technical personnel.

% OF TRAINING ACTIVITIES BY QUALIFICATION

PARTICIPATION BY EMPLOYMENT CATEGORY



Note: % participation = (number of participants per qualification level/total participants) x 100

The figure shows the percentage participation in training activities by employment category. Manual workers and technicians are most exposed to environmental and safety risks; consequently, the Burgo Group takes particular care to provide in-depth training to this category, which therefore has the highest levels of participation.

6.3 Industrial relations

UNION MEMBERSHIP IN 2019 (% EMPLOYEES WHO ARE MEMBERS OF THE UNION) WAS 43.24%

The changes to the Group's organisation and the evolving economic conditions of the paper sector have led to the need to closely monitor and continually update the Group's approach to industrial relations.

Working with Trade Unions, the Burgo Group has developed a proven system of industrial relations, raising the value and level of debate, based on the following principles:

- seeking dialogue through mutual listening and feedback phases;
- pursuing shared decisions;
- searching for new approaches that enable the identification of solutions that help to overcome the various difficulties.

The model described above was formalised by a Group Trade Union Agreement (signed at Confindustria Vicenza on 08/10/2013), which consolidates the structure of the "Executive" body, to whom the Parties allocated a senior management role both with regard to the areas of expertise assigned to it and as the main vehicle of collective information. The Executive body is responsible for the Group's system of industrial relations and is governed by the representatives appointed by the Burgo Group S.p.A. and the representatives appointed by the Trade Union signatories of the Collective Labour Agreement (CCNL for Companies operating in the paper and cardboard industry).

8,934 HOURS OF TRADE UNION LEAVE USED IN 2019

3773	1953	280	72	222	2634
hours of leave for meetings with trade union representatives (R.S.U.):	hours of leave for union management	hours of leave for Group executive meetings	hours of leave for meetings with the European Works Council (C.A.E.)	hours of leave for activities with the Workers' Health and Safety Representative	other hours of trade union leave

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



GROUP INDUSTRIAL RELATIONS GUIDELINES



SECOND-LEVEL COLLECTIVE BARGAINING GUIDELINES

based on the provisions of the relevant Collective Labour Agreement (CCNL) in force and the interconfederal agreements adopted over time



DEFINITION OF GROUP PERFORMANCE-LINKED VARIABLE BONUS SCHEMES



MANAGEMENT OF BUSINESS, RESTRUCTURING AND LABOUR REORGANISATION PLANS

that involve multiple plants belonging to the same “industrial/commercial division”



FUNDED TRAINING PROGRAMMES

that in order to take place require specific agreements



THE ORGANISATIONAL FLEXIBILITY SYSTEM AND THE GROUP'S FLEXIBLE WORKING HOURS SYSTEM



THE STANDARDISATION OF CONDUCT, REGULATIONS AND TREATMENT AT GROUP LEVEL



THE ADOPTION/ADJUSTMENT OF COMPANY CONTRACTS

based on any new regulations/changes to contracts, including problems regarding the interpretation and application of Group agreements



THE STANDARDISED APPLICATION OF FRAMEWORKS BASED ON CONTRACTUAL DECLARATIONS



PERIODIC MONITORING

with regard to industrial developments and market dynamics; other topics that involve or affect the Group

At a local and regional level, negotiations regarding topics pertinent to individual business units are handled as defined by the Collective Labour Agreement in place and by the Group Agreements.

The Burgo Group, in agreement with the Trade Union, has reaffirmed the importance of maintaining civil and constructive dialogue at all levels and has stated that a positive solution to possible disputes must be sought by placing respect for the rules and active engagement with the arguments presented by others at the centre of the debate.

The Parties in question, in view of the provisions of the Consolidated Law on Representation of 20 January 2014, have agreed upon the need to define the procedures aimed at preventing and managing conflicts through the Agreement of 08/10/2013.

In this regard, a Group procedure was defined aimed at managing and positively resolving disputes on a local level. The procedure includes a system of sanctions that can be adopted in the event of non-compliance with the rules, principles and values described in the agreements.

In addition to the above, a European Works Council has been active within the Burgo Group for many years, with participation from the National Secretaries for the sector and the Italian and Belgium trade union representatives belonging to the committee.

6.4 Occupational health and safety

A CLEAN AND SAFE PLACE OF WORK IS ONE OF THE BURGO GROUP'S TOP PRIORITIES

The Burgo Group is committed to preventing work-related injuries and ill health by guaranteeing that its employees have access to a clean and safe working environment.

This commitment, enshrined in the Group's "Environmental and Occupational Health and Safety Policy", corresponds to general rules for preventing and precisely defining safety requirements for each department and service.

The Group undertakes to:

- control potential risks in order to achieve the end objective of "zero injuries";
- promote the integrated management of actions for safety and health in the workplace;
- comply with the international standards according to the best available technologies and procedures;
- develop coaching, information and training plans on workplace safety and health to promote a culture of safety and prevention.

To reach these objectives the Company has adopted integrated and structured systems, within which the "Company Safety Policy" is defined, implemented and monitored.

Safety meetings are held periodically between the Employer, the Prevention and Protection Service Manager (RSPP) and other key persons involved. The aim of these periodic meetings is to define future strategies by analysing and comparing the results obtained and the goals to be achieved.

Accidents are regularly monitored and controlled at all of the Group's plants. The main indicators for monitoring accidents are the "number of accidents in a given period" and the "frequency index" and "severity index".

Particular attention is given to monitoring and analysing near misses, defined as events that did not actually occur but that could potentially lead to an injury or present a danger to health. The aim is to try to prevent near misses through the planning and implementation of preventive corrective measures.

Monitoring, analysis and prevention activities are carried out in close collaboration with the Supervisory Body, pursuant to Italian Legislative Decree 231/2011.

The indicators used consider employees at the Group's production facilities as well as those at its administrative and commercial offices. The calculation of accident indexes by gender was not deemed significant as women are mainly employed at the Group's offices and are therefore less subject to accidents.

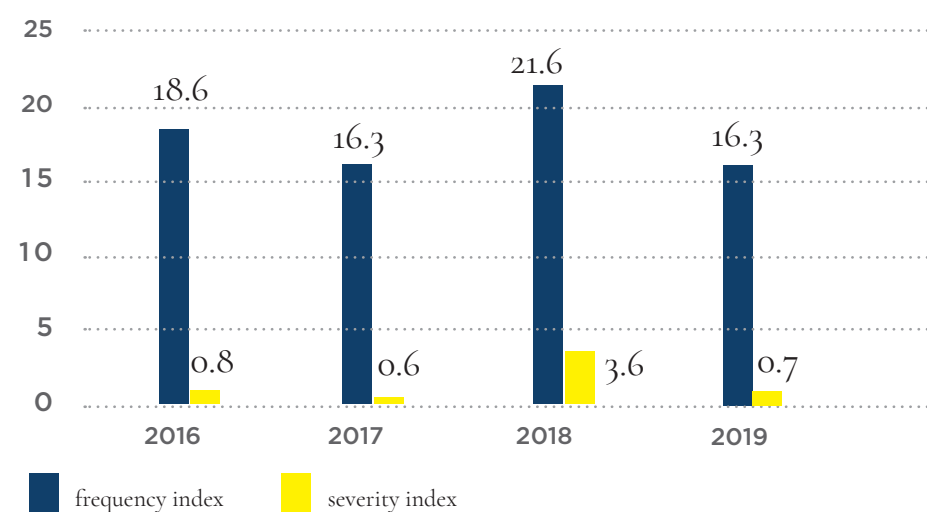
Frequency index: number of accidents/hours worked x 1,000,000
Severity index: days of absence due to injury/hours worked x 1,000

FREQUENCY INDEX AND SEVERITY INDEX IN 2019

	Frequency index	Severity index
VIRTON (BURGO ARDENNES)	18.80	0.89
AVEZZANO	3.96	0.25
CHIAMPO	12.26	0.48
DUINO	30.83	1.81
LUGO	10.79	0.98
SAREGO	23.53	0.55
SORA	14.27	0.57
TOLMEZZO	13.7	0.35
TOSCOLANO	14.06	1.30
TREVISO	19.18	0.38
VERZUOLO	12.46	0.37
VILLORBA	33.16	1.5
Group total (including administrative offices)	16.26	0.72

In 2019 a total of 89 accidents were recorded, compared to 120 in 2018. The Group's frequency index in 2019 was 16.3 compared with 21.6 of 2018, while the severity index was 0.7 (3.6 in 2018).

FREQUENCY INDEX AND SEVERITY INDEX



The general trend of the Severity Index has been relatively stable over the years considered; there was a slight increase in 2018, due to the events relating to the launch of the Avezzano production line, followed by a fall in 2019, demonstrating the Group's constant commitment to the application of defined improvement plans and the development and implementation of coaching, information and training programmes on occupational health and safety with a view to promoting a culture of safety and prevention.

6.5 Communications and local relations

COMMUNICATION ACTIVITIES

The Burgo Group seeks to actively reduce its environmental impact, to support a stable future and to improve people's lives. It communicates its actions through various channels, in recognition of the importance of continuous collaboration with stakeholders and a unified approach to business.

SOCIAL COMMUNICATION

The Burgo Group uses the main social networks to increase brand reputation. The main channels used are Facebook, Instagram, LinkedIn and Twitter, and the number of views and engagements is constantly increasing. As regards the topics covered on social media, ample space is given to the environment and the circular economy, aimed at increasing awareness of the paper and cardboard manufacturing industry's green credentials, while events and initiatives in which the Group has acted as partner are the subject of dedicated posts on social networks. Recently, new formats have been introduced to present products, with the aim of increasing visibility.

THE BURGO WEBSITE

A new Group website is currently being designed, with fresh graphics, content and potential for communication aimed at guaranteeing users a more complete and effective experience. The new optimised service will guarantee an intuitive and rapid user experience accessible from any device.

HOUSE ORGAN MAGAZINE

GoMagazine, the informative internal magazine that updates stakeholders on all of the news relative to Burgo's business, continues to be published, covering topics such as activities, products, new technologies and services, projects, events, collaborations and partnerships. It is an indispensable tool in promoting Burgo's culture both within the Group and beyond.

NATIONAL AND INTERNATIONAL TRADE FAIRS

The Burgo Group has participated in leading industry trade fairs, events that offer unique opportunities to present innovative products, consolidate relations with existing customers and meet with sales representatives, agents and printers. Furthermore, it is a chance to gather information about the strategic decisions of the Group's competitors, which can then be used for analysis purposes.

MOSAICO AND PAPERWORLD 2019, FRANKFURT

Mosaico, a Burgo Group subsidiary specialising in the manufacture of specialty papers, took part in the 2019 edition of Paperworld, the largest trade show of office products, retail and stationary in the world. The event was held in Frankfurt, in collaboration with FEPE (European Federation of Envelope Manufacturers) and VDBF (German Association of Envelope Producers).

The “Envelope Meeting Point”, the exhibition area organised by FEPE and VDBF that hosted Mosaico, provided the members of its association with an excellent platform to meet customers and generate new contacts.

In the dynamic and diverse world of mailing and envelopes, Mosaico presented its Splash collection, a range of uncoated wood-free papers with a high level of purity and opacity, available in two shades. Designed for offset printing, the paper is also suitable for laser, inkjet and flexographic printing. Splash, Splash Mail, Splash Ivory and Splash cards have different characteristics to respond to specific needs: from printing for everyday use to transnational and trans-promotional printing, from personalised stationary to compatibility with high-speed folding machines, to cards and their different applications. The embossed cards of the Temptation range were also presented: pleasant to the touch and eye, they are available in three different textures: orange peel, woven linen and eggshell (Temptation Cedar, Linen and Egg Shell). In addition, the Hollywoodfree Linen line is perfect for customers who want single-embossed paper weighing less than 100 grams. Finally, Mosaico presented its newest product: Kazan. An uncoated paper made from grass, with a unique tactile sensation, appealing aesthetics and a pleasant scent of grass (without the allergic reactions!). It is a very interesting product aimed at customers who wish to convey creativity while effectively communicating a commitment to environmental sustainability: in fact, it contains up to 40% sun-dried virgin grass fibres and reduces CO₂ emissions by around 75%. Suitable for food contact, this paper is completely recyclable and FSC® certified.



BURGO AT HUNKELER INNOVATION DAYS 2019

In 2019 the Group made its début at the Hunkeler Innovation Days, held in Lucerne, Switzerland from 25 to 28 February 2019. The stand attracted international visitors from around the globe and during the exhibition four different printing jobs were carried out using Evo paper by the OEM (original equipment manufacturers) who were at the fair to exhibit their machines. In particular, Burgo Evo Jet Satin paper was used by HP on its HP T240-HD printer, a significant result that consolidates awareness of the Burgo brand among High-Speed Inkjet clients. The HP team, along with those of Xerox, Canon and Screen, appreciated the quality of Burgo's products, an important recognition given the Group's strategic desire to compete on the global High-Speed Inkjet market and become a trusted partner on this platform. The Group's first participation at the Hunkeler Innovation Days event generated interest in Burgo products from over 85 companies, and provided an opportunity to collect information for the strategic analysis of the inkjet printer market.

BURGO DISTRIBUZIONE AND BIG BUYER 2019

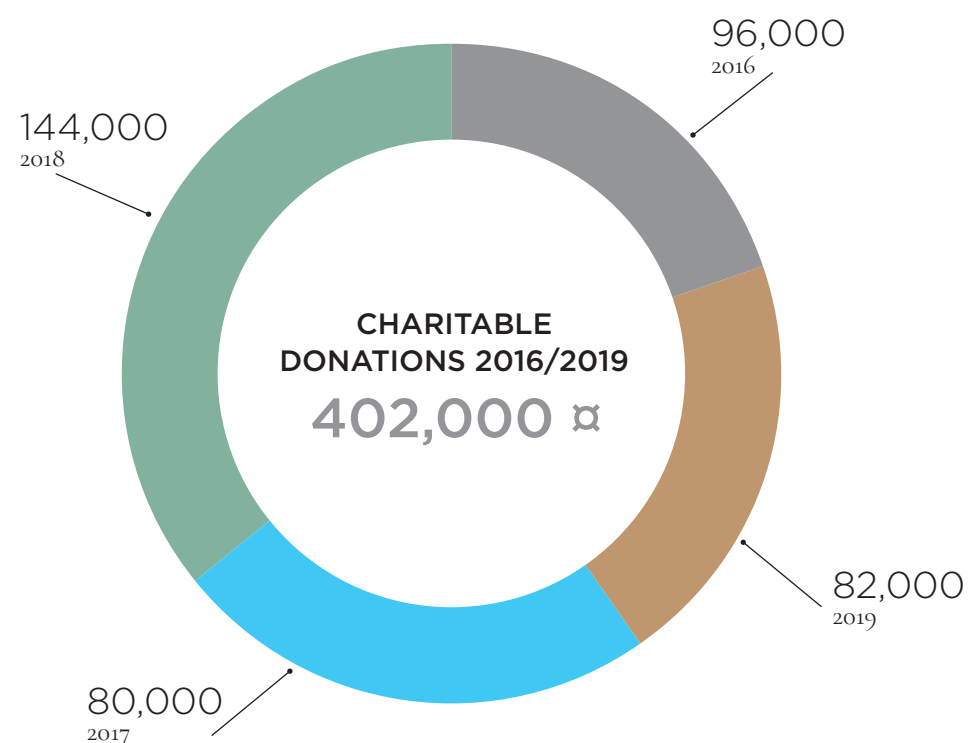
In 2019 Burgo Distribuzione concluded its usual B2B campaign with the most important Italian event in the industry: Big Buyer in Bologna. The event was characterised by passion, professionalism and some new developments: the main focus was naturally the wide range of office papers by Burgo Distribuzione under the brands Disco, Genius and particularly the recently rebranded Repro. In fact, in line with such an important event, the new Repro packaging lines for Blurepro, Fucsiarepro, Verderepro, Rossarepro, Ciclorepro were also presented. The new products have a professional and elegant visual impact thanks to the clean and colourful design and the visual elements evoking the office world. The product logos and colour schemes were retained in order to promote the brand identity, which is now easily recognisable and appreciated by the market for its reduced environmental impact and recyclable packaging.

At this year's event, a new entry in the Disco range was presented: Disco₂ UP, a 75 g premium paper that is thicker (110 microns) and has an excellent white grade. Only three years since the company's return to Big Buyer, this product enabled Burgo Distribuzione to consolidate its position as a key player in the copy market, receiving numerous positive reviews from colleagues, customers and even competitors.

PARTNERSHIPS, EVENTS AND LOCAL RELATIONS

The Burgo Group aims to respond to the needs of its local community and support social causes promoted internally by its employees. The Group assesses which associations to support on a case by case basis, offering sponsorships and the free use of its facilities for community activities.

In the four-year period in question, the Group disbursed more than **€400,000** to support social promotion associations, parishes and parish associations, recognised foundations and associations whose statutory purpose is the protection, promotion and enhancement of assets of artistic, historical and landscape interest, and recognised foundations and associations whose statutory purpose is to conduct or promote scientific research.



MATESPACK CHOOSES MOSAICO

In January, the Industrial Engineering Department of the University of Salerno began the first year of the First Level Masters Programme in “Sustainable Materials and Technologies for Polymer and Cellulose-based packaging” (MATESPACK), aimed at training highly qualified professionals specialising in the packaging sector.

The Masters is dedicated to first and second level graduates in technical/scientific subjects and aims to provide all of the technical and practical knowledge necessary to train experts and prepare them to work in the sector in the fields of plastic and cellulose materials.

Aware that the packaging sector is constantly evolving, the Scientific Committee behind the programme decided to involve key representatives from the industry to provide students with information, technical details and up-to-date case studies. With reference to the paper sector in particular, a specialist company such as Mosaico Specialty Papers, a Group company that specialises in the production, development and sale of special papers for the packaging sector, was a natural choice. On 4, 5 and 6 February, teaching was given on the module relative to the production and transformation of paper and Mosaico invited Enzo Filippetto and Fabio Pollon to the University of Salerno to illustrate the main technical aspects of paper technology (from the production of cellulose from wood or other cellulose materials to the processing phase and finally, to the finished product).

Some of the other topics covered referred to technological additives and adjuvants used to optimise the various types of paper, depending on the intended use. An important aspect considered regarded paper processing for various packaging uses, from polythene coating and superficial chemical and mechanical treatments to uncoated or coated paper for printing. The final part of the module focused on an intensely important topic: the characteristics that cellulose products must possess in order to be classified as recyclable or compostable.

Considering the interest shown by the course participants, the Masters programme may be continued in future years.

BURGO SUPPORTS THE “BAMBINI CARDIOPATICI” ASSOCIATION

The “Bambini Cardiopatici nel Mondo” association is a secular and independent non-profit organisation which, through the voluntary collaboration of more than 150 surgeons, doctors, nurses and technicians from leading cardiology departments, works in countries in need to provide a chance of life for children with serious heart conditions. Founded in Milan in 1993, each month it organises missions of hope in various countries (currently 19), trains medical professionals and establishes paediatric heart surgery centres in the most deprived areas, developing the local health system and reducing the infant mortality rate. The Burgo Group has supported and worked with the association since 2014.



THE BURGO GROUP IS A PARTNER OF “VIVERE SANI”

The 2019 edition of Vivere sani, Vivere bene “Gli Orizzonti della Salute”, an event organised by the Zoè Foundation in Vicenza and of which Burgo is a partner, was held from 20 to 27 October. This year, the event welcomed some of world’s leading experts from the fields of medicine, science, psychology and philosophy, with over 20 events free to attend which focused on personal well-being and quality of life as key aspects to human welfare.

The events were held in prestigious and evocative locations across Vicenza, including Palazzo Bissari, the Foundation's head offices on Corso Palladio, the Basilica Palladiana and Palazzo Leoni Montanari.

RICICLOAPERTO

March is Italy's paper and cardboard recycling month, a national initiative promoted by the Comieco Consortium to raise awareness about the value of paper and card, their lifecycle and how they are reused through recycling.

Thanks to RicicloAperto, an event organised with the support of ANCI and the Italian Ministry for the Environment and the Protection of the Land and Sea, paper and cardboard recycling plants open their doors to schools, the public, institutions and the media to give them a first-hand look at the various phases of the industrial process, helping them to understand what really happens to paper and cardboard after it is consigned to the recycling bin. Over 100 selection platforms, paper mills, stationers and museums signed up to the 2019 edition, involving around 18,000 students. For the first time this year, Burgo also hosted a number of school groups at its Avezzano plant on 27 and 28 March. The Director Marco Pietro Errani welcomed students from the 1st A-C-D classes of the Bellisario Arts School in Avezzano and the 1st A-B classes of the grade one IC secondary school Balsorano di San Vincenzo Valle Roveto (AQ).

Two of the plant’s employees guided the students around the facility, describing the containerboard manufacturing process which begins with the use of recycled materials. The guides responded to the students’ inquisitive and intelligent questions, helped by the technical recycling representative.

In between activities, the Marketing department and representatives from the AISA (Italian Environmental Sciences Association) took the opportunity to present the Group to the students and describe the reconversion project at the Avezzano plant. It was an important opportunity to raise awareness among the students about the importance of small, everyday actions aimed at promoting the responsible, sustainable and circular use of resources: paper and cardboard, if properly recycled, can be used as raw materials multiple times. Considering the interest shown and the importance of raising awareness among local communities, the event has also been planned for 2020.



CIRCOECONOMIA 2019

From 25 May to 05 June 2019 in the Langhe (Alba, Bra, Pollenzo and Novello), Cuneo and Turin, the fourth edition of Circonomia was held, a festival dedicated to the circular economy and energy held in Piedmont since 2016. The event is aimed at a broad audience, not simply industry workers, and aims to promote ideas, entrepreneurial and administrative practices, social and cultural change with a focus on ecology, and the relationship between human actions and healthy ecosystems.

Pietro Alasia represented the Group during the press training event “The circular economy as a new paradigm of production and consumption”.

During his talk, he described the progress made in exchanging the traditional linear economy model in favour of a circular system aimed at increasing the use of recyclable paper made from local and national separated waste collection, and at developing local systems to reuse production process waste. In general, this progressive transition helps to reduce the amount of non-recyclable waste.

BOOKCITY MILANO

Burgo participated in BookCity Milano for the second year with its Cartaceo project, an initiative conceived to celebrate paper as a meeting point between words and images.



CARTACEO #01 PAPER: A NEVERENDING MATERIAL - EXCLUSIVELY FOR BOOKCITY

From 18 May to 23 June the fourth “Illustri Festival 2019” was held in Vicenza in collaboration with the Burgo Group. This year the Group presented its project “Cartaceo#01, Paper: a neverending material”. The installation inside Basilica Palladiana (Sala degli Zavatteri) was curated by Francesco Poroli, and replicated the folds of the iconic Leporello leaflet created through the collaboration between Ponzi and Greison, while a screen displayed animations by Emiliano Ponzi accompanied by a reading of the story “Paper: a neverending material”.



CARTACEO #02 A BOOKCITY MILANO

The collaboration between the writer Alessandro Bergonzoni and Manuele Fior, two of Italy’s most respected and best known designers, gave rise to a leaflet with a limited print run that was given to attendees of the event held on 17 November 2019 at Salone d’Onore as part of the Triennale di Milano. The project was carried out by Associazione Illustri and ArtsFor and paid tribute to the Group’s over 20-year commitment to establishing partnerships with Italian and international artists (such as the Burgo illustrated calendar), confirming the symbiotic link between paper, art, words, culture and beauty. This melding of cultures was the source of a veritable ode to the sheet of white paper. Home to our most profound inspiration. Inspiring creation. Privileged access to our most intimate selves, made of dreams and fears. A tool for sharing emotions and visions. The words and images of two masters such as Alessandro Bergonzoni and Manuele Fior take us on a poetic journey, where paper is a white sea from which, with a little imagination and a lot of talent, the most amazing worlds are created.

COMMUNITY INTEGRATION PROJECTS

As well as its commitment to environmental topics, the Burgo Group is also aware of the importance of projects aimed at promoting concrete integration with the local communities in which its facilities operate. The most significant initiatives in this regard are:

TOSCOLANO:

- organisation of “guided open days” aimed at schoolchildren, exploring topics such as production and manufacturing processes and their environmental impact;
- founding member, along with the Municipality of Toscolano Maderno and the “Gruppo Lavoratori anziani della Cartiera” of the Maina Inferiore Museum. Located in the valley of the Toscolano river, the museum organises educational workshops, conferences and exhibitions, temporary exhibitions and events, and collaborates with Istituto San Zano di Verona, the interregional school of technology for paper manufacturers.

As white as a sheet? Pale, natural, our very nature?
You, shut up and push paper,
a silent paper chase.

A sheet of paper, parchment, papyrus, fibres woven into a plot plaited in deft hands, on the one hand palmed off, on the other ever faithful to the life lines, sketched, scripted, sculpted, all angles or curves, or signs or designs of an almost insignificant beauty, inconclusive yet final in its sense of infinity.

- research and study of paper manufacturing techniques (dating to the mid-14th century) and reporting of findings in prestigious publications;
- support for various local non-profit associations.

VERZUOLO:

- organisation of “guided open days” for school groups, covering topics relating to production and manufacturing processes and their impact on the environment;
- collaboration with Turin Polytechnic University (Engineering Department) for the organisation of work experience and undergraduate dissertations on the site’s environmental aspects, with particular focus on the purification of waste water;
- collaboration with the Istituto San Zano di Verona, the interregional school of technology for paper manufacturers.

VILLORBA:

- organisation of “guided open days” for school groups, covering topics relating to production and manufacturing processes and their impact on the environment;
- collaboration with Società Contarina S.p.A. (associated with the Consorzio Pubblico Priula and the Consorzio Treviso TRE for waste management and collection services) to arrange guided visits to the company to illustrate the production process and its relative environmental impacts;
- collaboration with the Istituto San Zano di Verona, the interregional school of technology for paper manufacturers;
- active collaboration with external laboratories for the organisation of practical tests in the paper mill aimed at training lab technicians on correct waste sampling techniques.

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