



Sustainability Report 2022

BURGO
GROUP



Sustainability Report 2022

BURGO
GROUP

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The Burgo Group in numbers

2022 Results

Silver medal in the
ECOVADIS
sustainability
rating

20.43
Accident
frequency index

67,777
hours of training

909,484
tonnes Scope 1
CO₂ emitted

90%
clean water
returned to the
environment after
treatment

94.6%
waste sent for
recovery

2030 Targets - Highlights

Environment

-44%
CO₂/ tonnes paper
produced

40%
of energy produced
from renewable
sources

100%
sustainable
suppliers, chosen
based on ESG
drivers

Increased
waste recovery
from **94%** to
99%

Social and Governance

-50%
reduction in
work-related
injuries

20%
female representation
at management
level

100%
of workers involved
in individual
performance
reviews

Accident
frequency index
<8 and accident
severity index
<0.5

Platinum medal
in the **ECOVADIS**
sustainability
rating

Letter to Stakeholders

Letter from the Chairman

(GRI 2 - 22)

After the first Sustainability Report published in 2019, in 2022 the Group published the fourth edition of this document, which is becoming an increasingly important component of the reports that the organisation makes available to all its stakeholders. In 2022, the Group made a significant leap forward in Sustainability management, which, in its various facets, has become the guiding principle of Burgo's economic-business development plan, an example of which is the establishment of the ESG Committee, among others. The committee, which brings together the top managers of the Group, has launched a series of initiatives involving a variety of actors that have been leading new projects and investments in all Burgo entities. To have reached the stage where we are drawing inspiration for our actions from a sustainable model signifies a considerable commencement point for our journey of responsible growth. The strategy outlined fits into a context, namely the year just ended, 2022, for which we were able to report positive news in many respects: the year ended with a positive net financial position, an achievement that only a few years ago might have seemed unattainable. The economic result, which was also positive, made up for the modest profitability of the previous two years. The financial solidity and stability achieved by the Group over the last few years is a prerequisite for allowing it to continue





on the path of sustainability, responsibility and focus towards the generation of value for the benefit of all those people who are part of the Group but also for the communities and entities around which Burgo revolves, with a strong focus on environmental, social and Governance issues. Finally, I would like to express my deepest gratitude to all those who, being part of the Group, in the past year have made it possible for Burgo to achieve a particularly positive result that bodes well for a successful future.

Alberto Marchi
Chairman of the Burgo Group

Letter from the CEO

(GRI 2 - 22)

Today, we are faced with an expanding culture that cuts across social strata, striving to harmonise the human and social requirements of technological existence with those of the environment. 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.

Even before the gas crisis, the Group's business plan was focused on reducing the carbon footprint of its processes and products, with a 2030 target of reducing CO₂ emissions by 44% compared to 2021. The unexpected surge in gas prices has intensified the need to achieve these environmental and market goals to ensure the future competitiveness of the plants, underlining the relationship between the economic, environmental, and social dimensions essential for sustainable growth.

It is precisely with this in mind that the main interventions in all plants involve energy consumption reduction and efficiency. Specifically, projects already underway include the plant in Virton (Belgium), which will become a carbon neutral site through the optimisation of the energy cycle, the replacement of the current biomass boiler with a more efficient one, the replacement of the lime kiln burner, and the construction of a 12 MW photovoltaic plant. Avezzano will reduce CO₂ emissions with the planned investments of 2 photovoltaic plants of 8 and 6 MW each, a new shoe press, a new pre-drying hood, new heat recovery systems, and a new anaerobic wastewater treatment plant. In Sora and Villorba, there are plans for two new steam turbines to be installed for gas savings, and in Tolmezzo and Toscolano, new cogeneration plants have already been commissioned this year. In Chiampo, the installation of a new turbogas facility with associated recovery boiler is being considered.

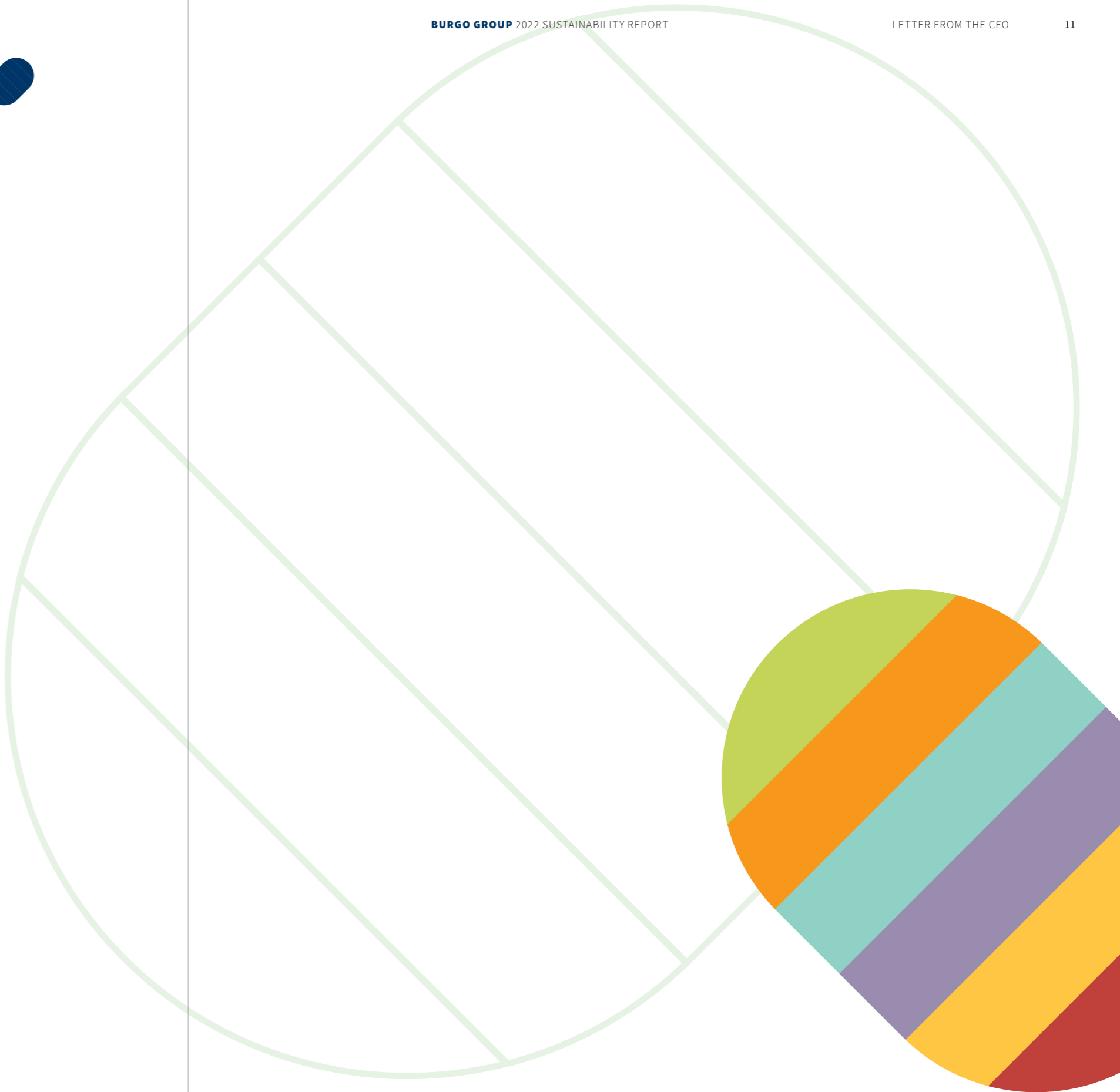




These brief notes outline how vital it is for our Group to achieve tangible results in this area, without neglecting our commitment to producing graphic, specialty and packaging papers that can meet the needs of our customers.

Our programmes are not changing, they are in fact strengthened by the excellent financial economic performance in 2022 and push us forward in that direction, which in the context of the ESG acronym means reducing direct carbon impact, developing new products that replace fossil-based ones, and improving the focus on social and governance issues within the Group.

Ignazio Capuano
CEO of the Burgo Group



Note on Methodology

(GRI 2-1/2/3/4/5)

Through the preparation and publication of environmental reports, the Burgo Group aims to complement the figures contained within the financial statements.

In this regard, in 2011 the Group began to disclose its environmental sustainability targets and performance in its “Environmental Reports”. Since 2012 the Group has produced reports on economical, financial and environmental data, aiming to close the gap between economic and environmental data that had begun to appear. In 2019, with a view to ensuring the maximum level of transparency and to bring its reports in line with those of its competitors, the Group began to produce its Sustainability Report in accordance with GRI Standards.

The report takes into consideration the Burgo Group S.p.A. and all of its subsidiaries, including: Mosaico S.p.A., Burgo Ardennes S.A., Burgo Distribuzione S.r.l., Burgo Energia S.r.l., Gever S.p.A. in Liquidation, Burgo Factor S.p.A. and Consorzio Energy Paper S.c.a.r.l., Burgo Recycling S.r.l. and S.E.F.E. S.à r.l. It also includes subsidiary companies involved in sales and distribution outside Italy: Burgo Benelux S.A., Burgo France S.à r.l., Burgo UK Ltd, Burgo Central Europe GmbH, Burgo North America Inc., Burgo Eastern Europe Sp. z o.o., Burgo Ibérica Papel S.A.

In this document, the term “Group” or “Burgo Group” refers to all the subsidiary companies mentioned above. The reporting period of this report is considered as being

from 1 January 2022 to 31 December 2022. Data comparisons are provided for the three years from 2020 to 2022. The data presented in this report refer to the Burgo Group, unless an alternative reporting scope is expressly indicated.

The 2022 Sustainability Report was prepared in accordance with the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative in 2021.

In line with last year's report, the “GRI-referenced” method has been adopted for consistency, with all references to the standards clearly indicated in the report. A GRI content index has been produced to clearly demonstrate which standards are referenced with a view to continually improving the reporting process.

In the 2022 Sustainability Report, in order to ensure greater comparability of the figures presented over the three-year reporting period, figures and assets related to the Verzuolo plant and Gever S.p.A, which were sold on 07/10/2021, were excluded for 2020 and 2021.

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 us at bilancio.sostenibilita@burgo.com

The Sustainability Report is prepared on an annual basis.

Context analysis

1

PAPER
POWER
PASSION

1.1

The economic and financial situation¹

The past year was marked by global challenges related to the geopolitical uncertainty generated as a result of the conflict between Russia and Ukraine. The war has negatively affected the growth of the global economy, which the latest assessments put at 3.1% for 2022, with a downward forecast for 2023.

Another distinguishing feature of 2022 was the upswing in inflation, which, after many years at levels in line with what are central bank targets, escalated to extremely high levels.

Rising prices, particularly energy prices, were only one factor in the inflationary dynamics, as others such as the reorganisation of global supply chains and the reshoring of several manufacturing activities as a result of the pandemic should be taken into account when explaining the inflationary peaks reached in 2022. It should be noted that rising prices have taken effect in many other commodities (wheat, palm oil, starch, etc.).

Turning to an analysis of the macroeconomic phenomena that influenced the Group's main markets in 2022, it should be noted that in the European and Italian markets, inflation was influenced not only by the increase in the aforementioned energy and other commodity prices, but also by the dynamics of the services component,

Global GDP
increase
+3.1%

¹ Sources consulted in drafting the section include: Bank of Italy Economic Bulletins, Bank of Belgium National Report, GME Newsletter, Confindustria Research Centre, Istat.

which had a more stable trend. The outlook for lower inflation that materialised in the latter part of the year is partly limited by the impact of these two components, which leads to the assumption that overall inflation should nevertheless remain at significantly higher levels than in previous years. However, a noteworthy sign, at the Italian level, was the performance of the Industrial Production Index, which - although it has not yet reached pre-pandemic levels - showed clear signs during 2022 that the industrial structure, with all its inherent diversity, is withstanding the consequences of geopolitical and macroeconomic turmoil. Lastly, a note on consumer confidence, which over the course of 2022, as a result of the Russia-Ukraine War and the exacerbation of price tensions, has declined significantly, with hints of a recovery in the latter part of the year, as the first signs of lower inflation for the coming months emerge.

Increase in
national
+3.8%

Focusing on Italy, GDP growth for 2022 is currently estimated at +3.8%, with very strong growth in the first two quarters of the year and a gradual slowdown in the third and fourth quarters. Providing a strong positive impetus was the increase in domestic household demand and investment demand, continuing the positive post-pandemic trend. Conversely, exports - which typically contribute positively - were more than offset by import growth in 2022.

1.2

The market for paper

In the first part of the year, the Group benefited from very robust demand, which was also supported by a temporary drop in supply from several northern European producers due to strikes in the early part of the year, as well as lower paper inflows from eastern competitors, partly due to general problems in the global supply chain. However, in the second half of the year, there was a slowdown due to destocking by many customers. Against this backdrop, total volumes sold by the Group, on a like-for-like basis, declined by 9.9% from the previous year, mainly due to the decline in the graphic papers segment, which dropped significantly after the summer period.

Within the latter segment, in which the Burgo Group is gradually reducing its presence but which continues to be its main business segment, demand in 2022 decreased by 1.3% worldwide (+2.9% in 2021) and by 6% in Western Europe (+3.4% in 2021). In other major global markets, the performance is varied with the following trends: North America +2.3% (compared to +2.9% in 2021), Latin America +16.5% (compared to +12.3% in 2021), Japan -3.1% (compared to +1.7% in 2021), Eastern Europe -10.8% (compared to +7.2% in 2021), China -7.5% (compared to +0.7% in the previous year). For graphic papers, the Western European market, which is the Group's main market, experienced a decline in all segments: CM -13.8%, CWF -0.2% and UWF -3.0%.

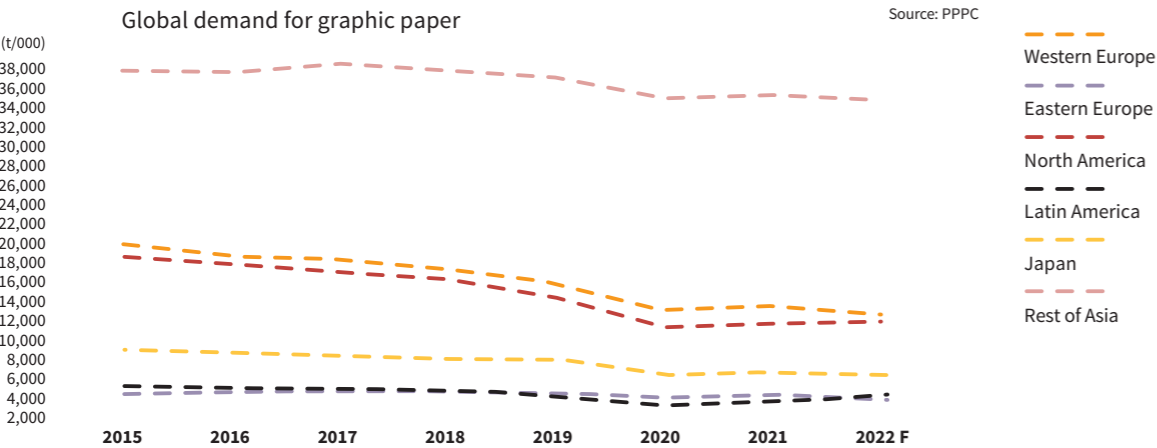


Chart 1.1: Global demand for graphic paper

1

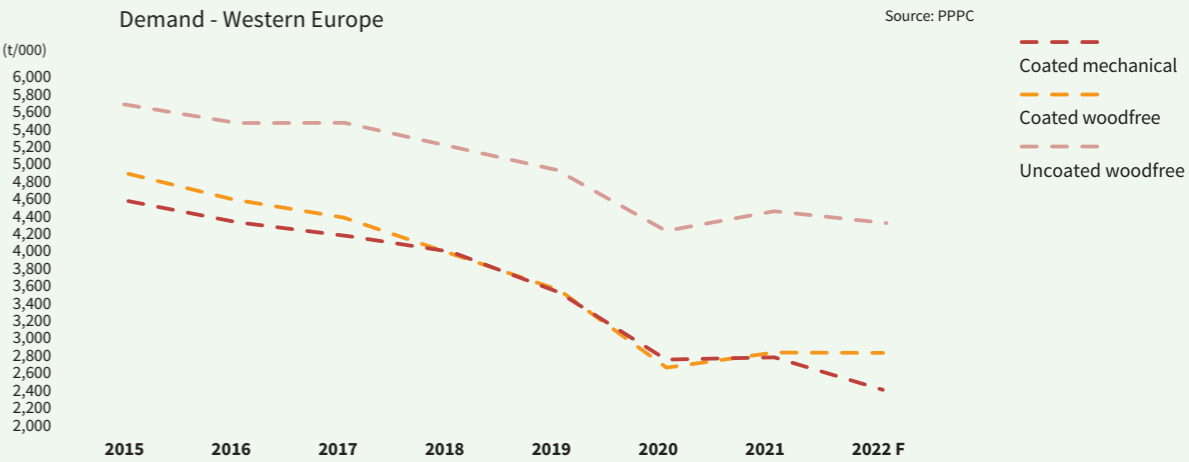


Chart 1.2: Demand - Western Europe

In the containerboard segment, demand in 2022 compared to the previous year, after years of unremitting growth, showed signs of slowdown, related to the macroeconomic environment, with -3.7% (compared to +5.4% in the previous year).

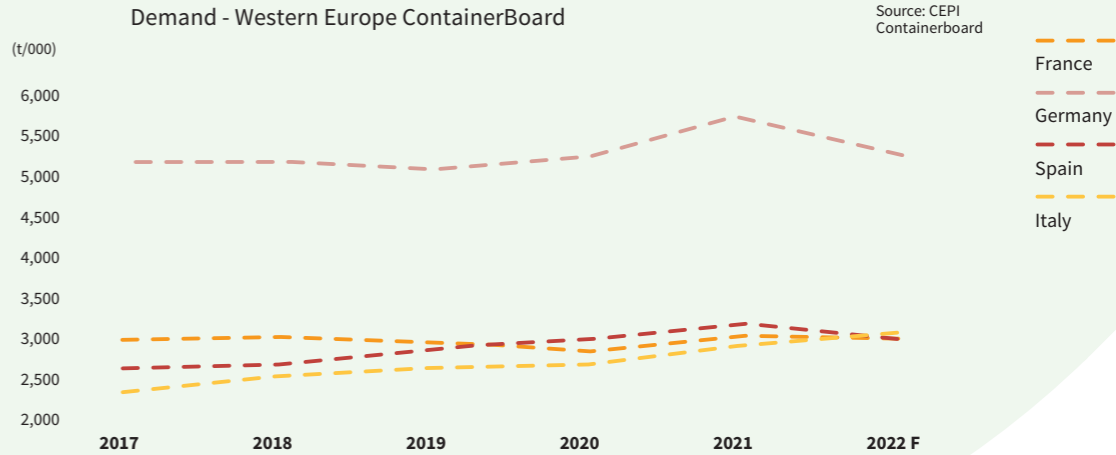


Chart 1.3: Demand - Western Europe Containerboard

The Group

2



PAPER
POWER
PASSION

2.1

From Luigi Burgo to Today

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.

It was in the Piedmontese city that he met Tommaso Toesca, a spool winder at the Thury workshop in Genoa, who told him of the Verzuolo municipality's desire to have a public lighting network in the city.

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. L. 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).

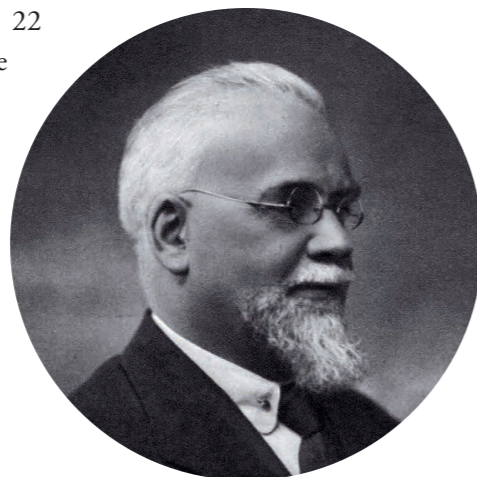
In 1921 Luigi Burgo was made a Cavaliere del Lavoro and then a Senator of the Kingdom of Italy.

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

18 97

19 05

19 18

19 29

2



The Verzuolo plant

ORIGINS:

a company that shaped the history of Italian industry

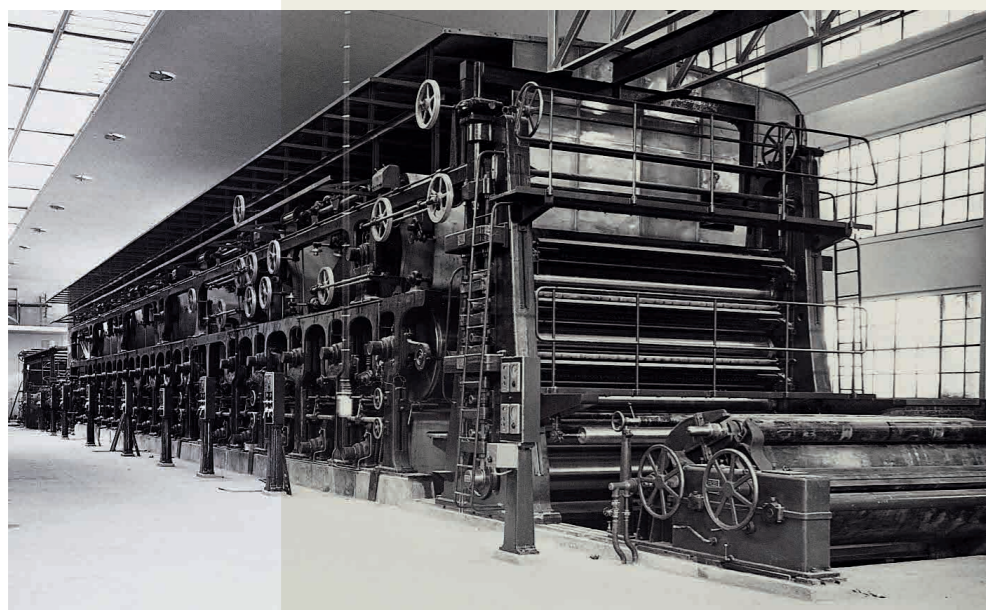
The Verzuolo (Cuneo) paper mill was founded in 1905, based on Luigi Burgo's insight that excess energy from the power plant he had founded a few years earlier could be used to launch the new business. Burgo soon achieved significant results: 5,000 kilos of packaging paper produced in the first year, 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.



Verzuolo, continuous machine 6a

1960
1980

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.



1

The Marchi company had established itself in the Veneto region in the early 1900s - later expanding in the 20s and 30s - in the silk production sector. After World War II, the Marchi family entered the paper market with the acquisition of a share in Tipolitografia Palladio, in the 1960s it had established the Valchiampo Paper Mill, and in 1971 the Sarego Paper Mill was set up.

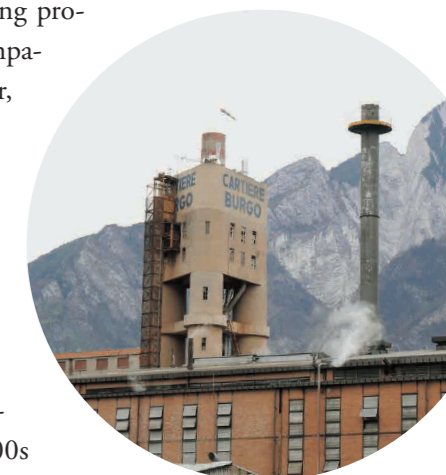
Burgo increased its output thanks to an aggressive investment plan, with new production lines (PM3 at Duino), conversion of certain lines from uncoated to coated paper production (coating unit at Avezzano, PM7 at Verzuolo) and acquisition of new mills (Tolmezzo, Chieti, Marzabotto). The Co.Me.Cart. company was also formed in this period to develop technologies and plant for paper production.



3

- 1 Oscar Niemeyer, the architect at the San Mauro Torinese site.
- 2 External view of Tolmezzo mill.
- 3 PM2 at Avezzano.
- 4 PM3 at Duino.

2



2



4

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.



6



7



8

- 5 The cellulose refining phase at the Tolmezzo plant.
- 6 Burgo Ardennes, general view.
- 7 Detail phase of paper coating.
- 8 Mantua: the inbound water treatment tank.



5

2000 TO PRESENT DAY: the integration years

The Company is currently undergoing a period of profound dynamism and transformation, including at the corporate level. In the spring of 2000, 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.

The new resources were immediately harnessed for major investments. One example is in Verzuolo, where, with an investment exceeding 500 million euro, the new PM9 was started up in 2001: this is among the most state-of-the-art machines worldwide, setting the global speed record in coated papers on several occasions.

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

Corporate changes followed one another, developing comprehensive resources capable of growing the company. Relations between Burgo and Marchi were consolidated: after acquiring the Villorba paper mill in a joint venture, in 2002 the Marchi Group (since the late 1990s the second-largest paper operator in the country) purchased several share packages held by shareholders of Burgo S.p.A. In 2004, the aggregation of Burgo with Marchi became operational: it was the consolidation of a relationship that had already been capable of great synergies in the past and led to the founding of the Group.

In fact, in January 2007, the new company Burgo Group S.p.A. was founded, born from the merger by incorporation of Cartiere Marchi S.p.A. into Cartiere Burgo S.p.A. This brings to fruition the integration of strengths, know-how, and business, and lays the foundations for Burgo Group to establish itself as a leader capable of continuous evolution.

In 2015, the Group entered a recovery phase after several years during which it experienced a period of difficulty that limited its growth.



9



10



11



12

- 9 The rolls of Verzuolo mill.
- 10 The combined cycle power station with gas turbine at the Avezzano mill.
- 11 The automated warehouse at Verzuolo.
- 12 Condensed water recovery in the combined cycle.



2020:
Fondo QuattroR SGR S.p.A. joins the Group

In 2020, QuattroR SGR S.p.A., an independent private equity fund founded with the aim of promoting the revitalisation and development of medium to large-sized Italian companies, finalised agreements to acquire, in partnership with the Marchi family, already a shareholder, a majority stake in the Burgo Group.

The investment was made through the creation of a Newco, which is equally owned by QuattroR SGR S.p.A. and Holding Gruppo Marchi S.p.A.

The transaction took place in agreement with a number of minority shareholders, including Mediobanca, Generali, and Italmobiliare, who have continued to participate in the capital of Burgo Group, along with the historical financing banking institutions and two new institutions that have provided the Group with a new package of financing.

The capital increase financed by QuattroR SGR S.p.A. enabled a significant reduction in existing debt, resulting in the Group's withdrawal from the recovery plan.

The support of QuattroR SGR S.p.A. made it possible to accelerate Burgo Group S.p.A.'s strategic repositioning in new segments with high growth potential, such as the production of paper for packaging, consolidating its leadership in the traditional graphic and specialty paper segments.

20 20

20 21

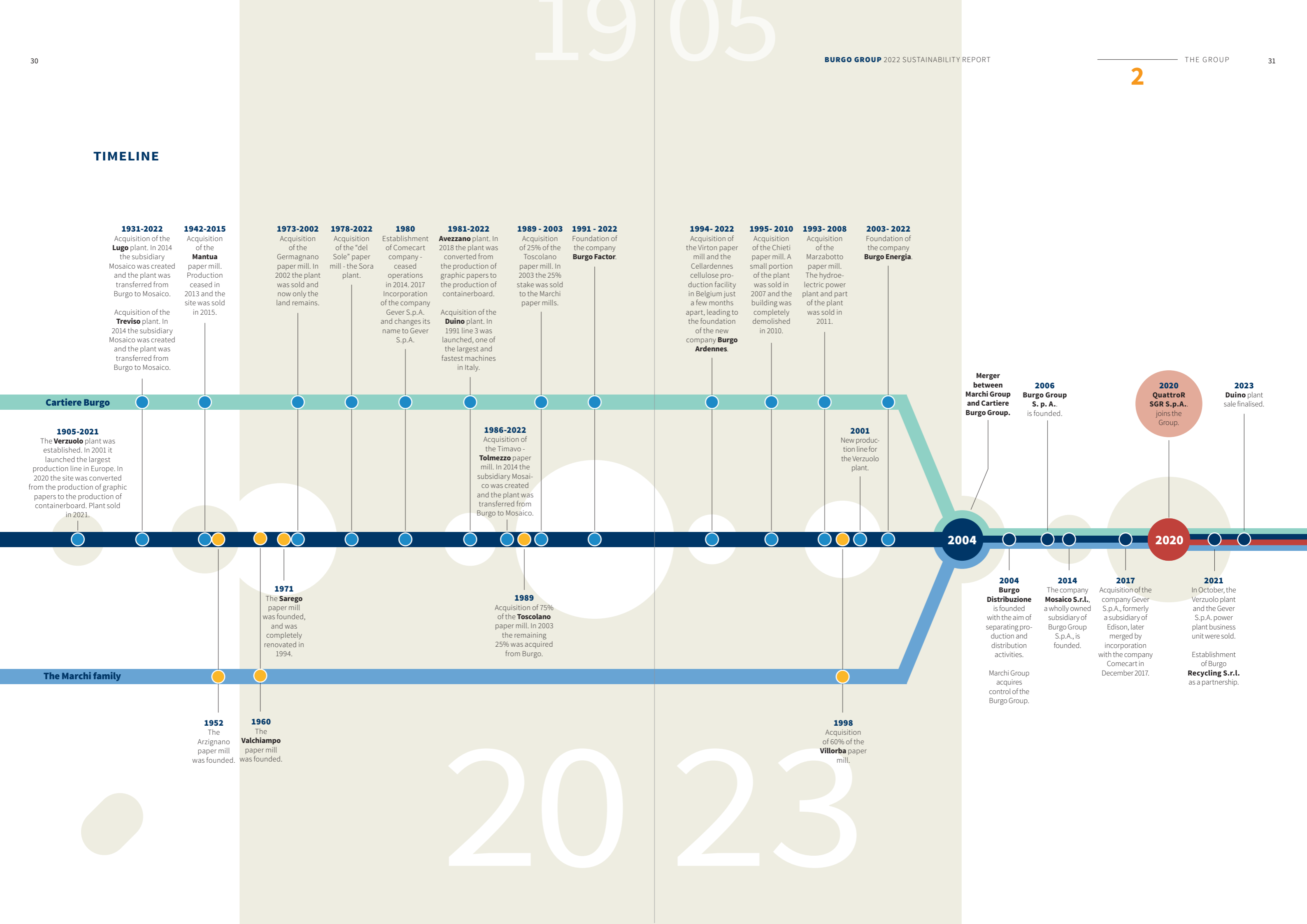
2021:
sale of the Verzuolo plant

The sale of the historic Verzuolo plant to the Smurfit Kappa Group was completed in October 2021.

The conclusion of the agreement enabled Burgo Group S.p.A. to more speedily implement the industrial restructuring project undertaken in 2020 with the entry of QuattroR SGR S.p.A. into the shareholding structure alongside Holding Gruppo Marchi S.p.A.

The increased financial balance secured by the sale provided the resources to be used to continue the already outlined plan to expand the range of products offered to customers (graphic papers, specialty papers, and containerboard).

TIMELINE



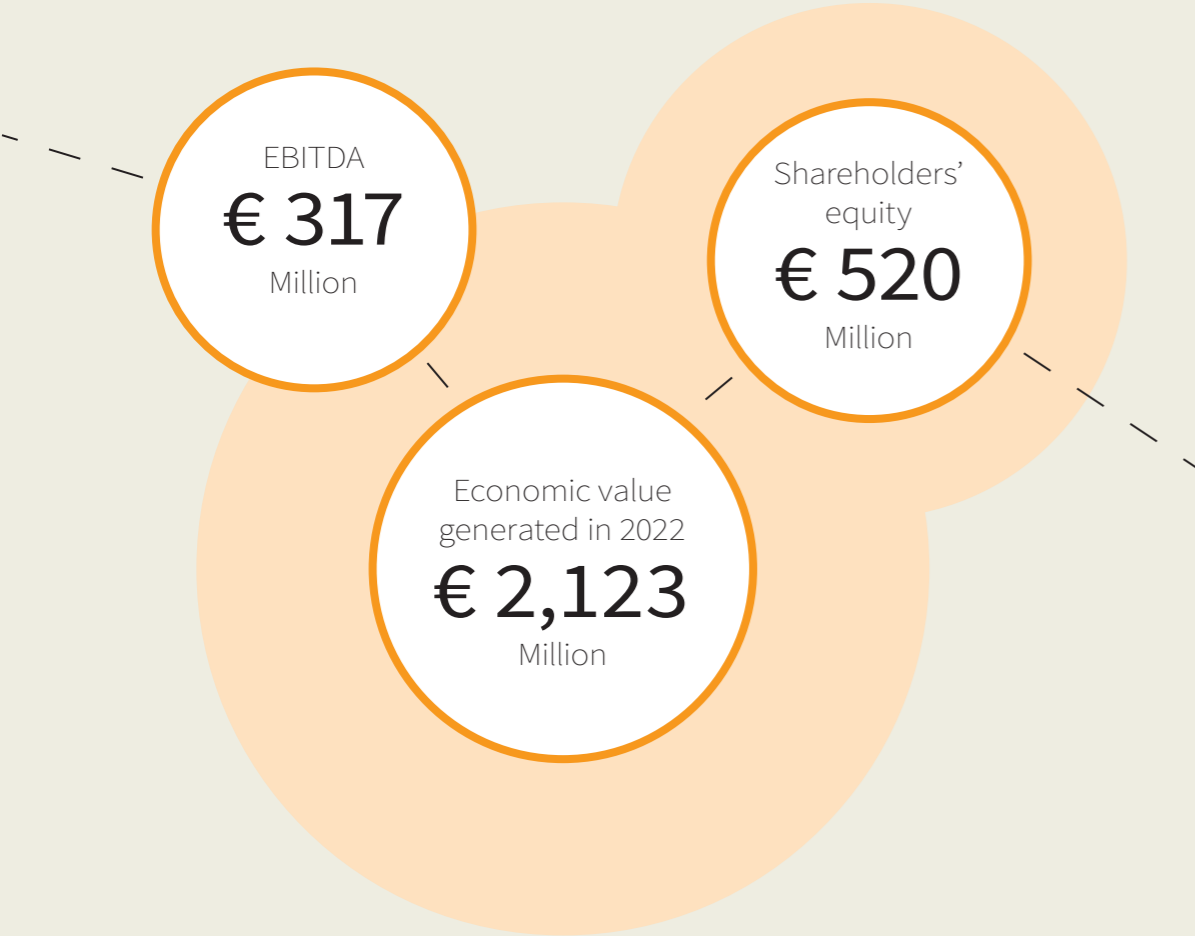
2.2

The Burgo Group in figures

(GRI 2 - 2/6/7)

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

With over 3,096 employees operating in 11 plants across 16 production lines and 7 international sales companies at the end of the year, the Group is a leading partner for businesses operating in the graphics, printing, publishing and packaging sectors.



2

BURGO GROUP HIGHLIGHTS IN 2022

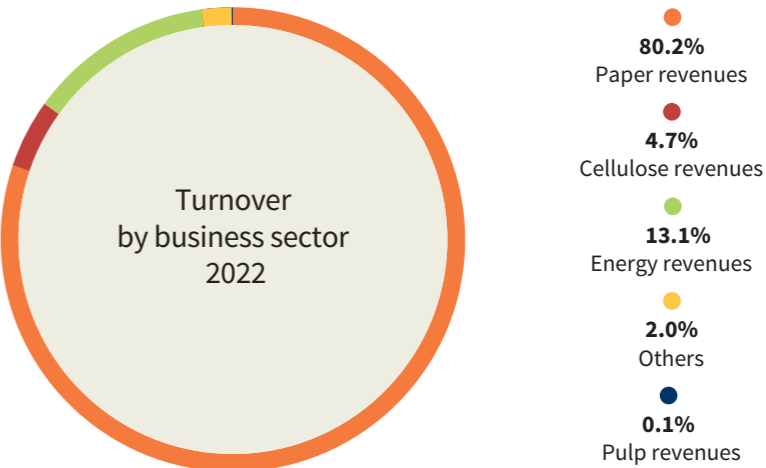


Chart 2.1: Turnover by business sector - 2022

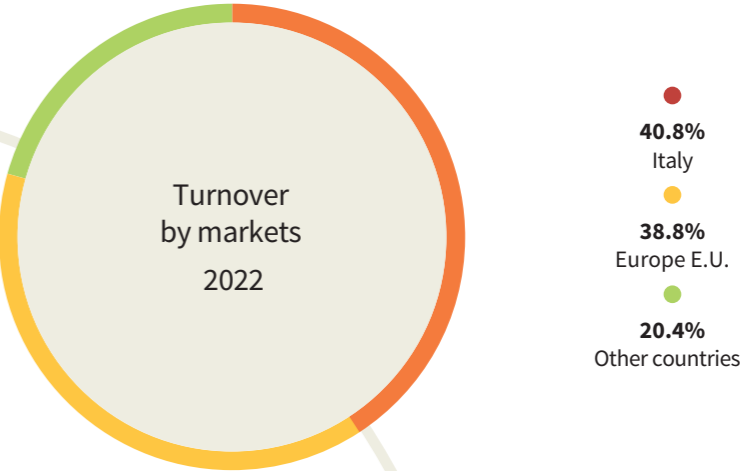


Chart 2.2: Turnover by markets - 2022

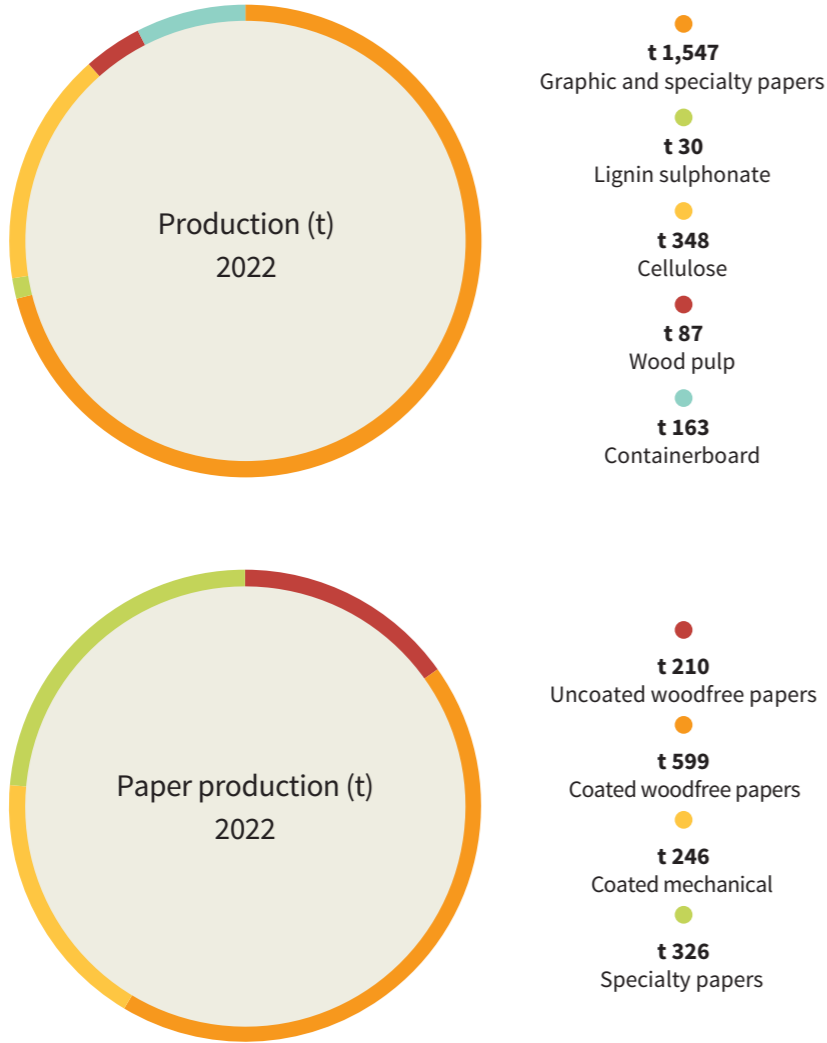


Chart 2.3: Production - Paper Production 2022

THE NUMBERS IN A NUTSHELL

EMPLOYEES AT THE END OF 2022: 3,096



1%

Senior managers



26%

Clerical workers



73%

Manual workers

PRODUCTION SITES/AGENCIES



10

Production sites
in Italy



8

Distribution
centres



8

Commercial
offices



1

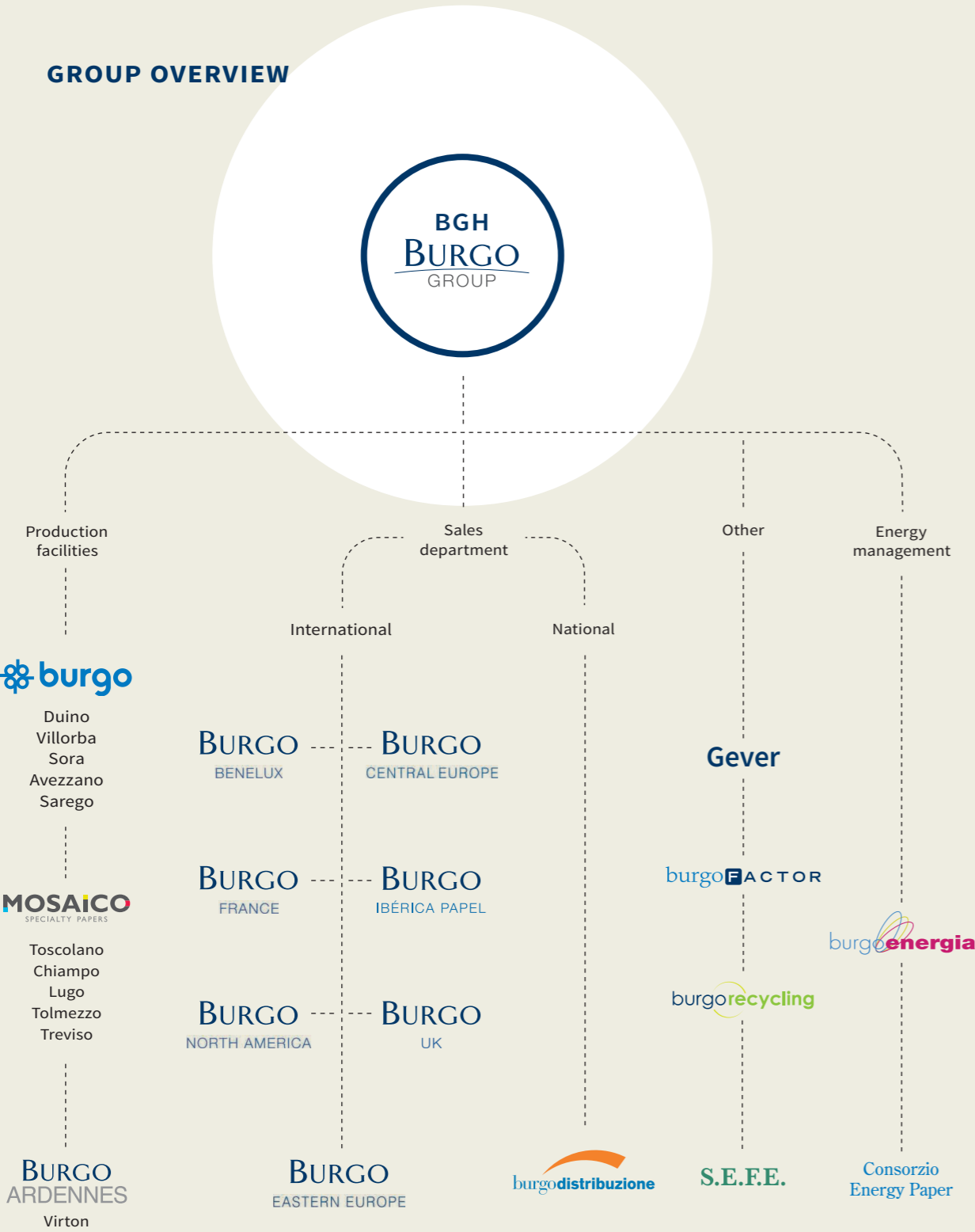
Production site
in Belgium



7

International
sales
companies

GROUP OVERVIEW



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

In February 2020 the Group and another partner established the Consorzio Energy Paper S.c.a.r.l. (CEP). During the year other members were added to the consortium, making CEP one of the largest interruptibility management consortia in Italy.

In April 2021, the Group, under a partnership with an industry operator established **Burgo Recycling S.r.l.**, a company specialising in paper recycling management.

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

In January 2023, the sale of the Duino plant was completed.



THE GROUP IN A NUTSHELL

Burgo Group S.p.A. Employees: 1,316 Plants: 5 Cogeneration power stations: 5	Activities: Production of Coated Mechanical, Coated woodfree, Uncoated woodfree, Containerboard	Production data: Paper: 863,019 t Wood pulp: 56,768 t Electricity*: 941 kWh/mln Revenues: € 1,260 million
Mosaico S.p.A. Employees: 1,092 Plants: 5 Cogeneration power stations: 5	Activities: Paper production for graphic use, flexible packaging and specific applications	Production data: Paper: 362,747 t Cellulose: 30,457 t Electricity*: 277 kWh/mln Revenues: € 697 million
Burgo Ardennes S.A. Employees: 594 Plants: 1 Virton (Belgio) Cogeneration power stations: 1	Activities: Paper and cellulose production	Production data: Paper: 321,758 t Cellulose: 317,684 t Electricity: 335 kWh/mln Revenues: € 440 million
Burgo Energia S.r.l. Employees: 8	Activities: Management of dispatching activities for the Group's production companies and facilities	Revenues: € 408 million
Burgo Distribuzione S.r.l. Employees: 43 Uffici commerciali: 8	Activities: Sale and distribution of paper for the Italian market	Paper sold: 239,799 t Revenues: € 246 million
Burgo Factor S.p.A. Employees: 2	Activities: Direct factoring to suppliers of the Burgo Group	Net profit: € 3.1 million
S.E.F.E S.à r.l. Employees: 14	Activities: Forestry product sales	Revenues: € 10.591 million Net profit: € 0.355 million

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



OUR GLOBAL BUSINESS STRUCTURE


BURGO
NORTH AMERICA
Turnover: € 0.972 M
Net result: € 0.052 M



7

Commercial
offices



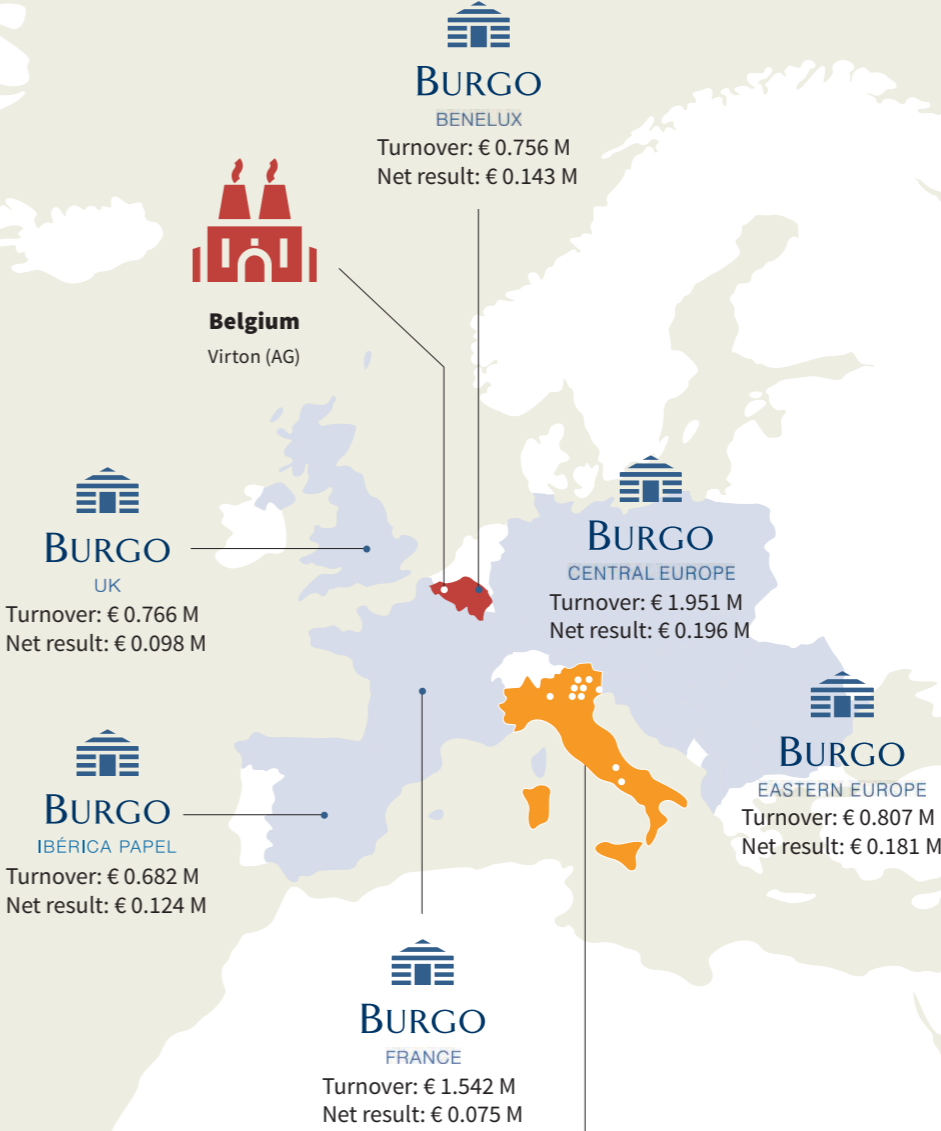
10

Production
Centres in Italy



1

Production centre
in Belgium



Italy

Avezzano (AQ)
Sora (FR)
Duino (TS)
Villorba (TV)
Sarego (VI)
Lugo (VI)
Toscolano (BS)
Tolmezzo (UD)
Treviso (TV)
Chiampo (VI)

2.3

Ownership structure

(GRI 2 - 1/2)

THE CORPORATE STRUCTURE

As noted in the section on the Group's history, following the extraordinary share capital increase and the conclusion of the agreement pursuant to Article 67 of the Law on Finance, which took place in 2020, the company's share capital is equal to € 90,000,000, divided into 2,168,857,500 shares with no nominal value, subdivided as follows:

- BG Holding S.r.l. **91.7%**;
- Mediobanca S.p.A. **4.03%**
- Italmobiliare S.p.A. **2.13%**
- Ocorian Fund Management S.à r.l. – Generali Financial Holdings FCP-FIS SUB **2.13%**;
- Minority shareholders **0.01%**

BURGO GROUP STRUCTURE

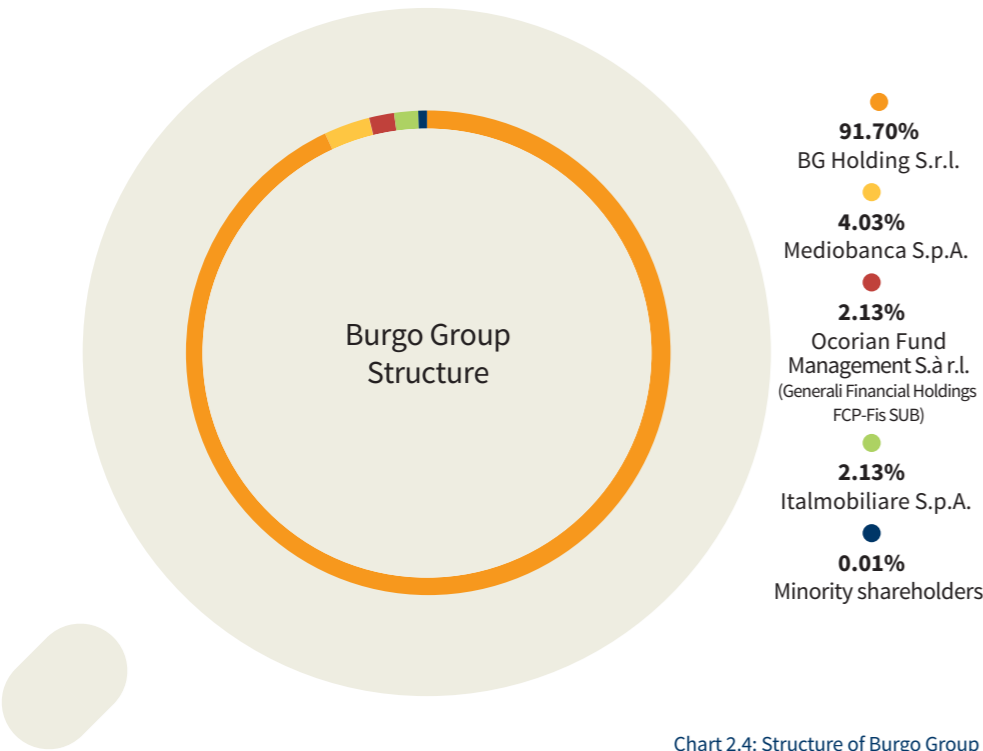
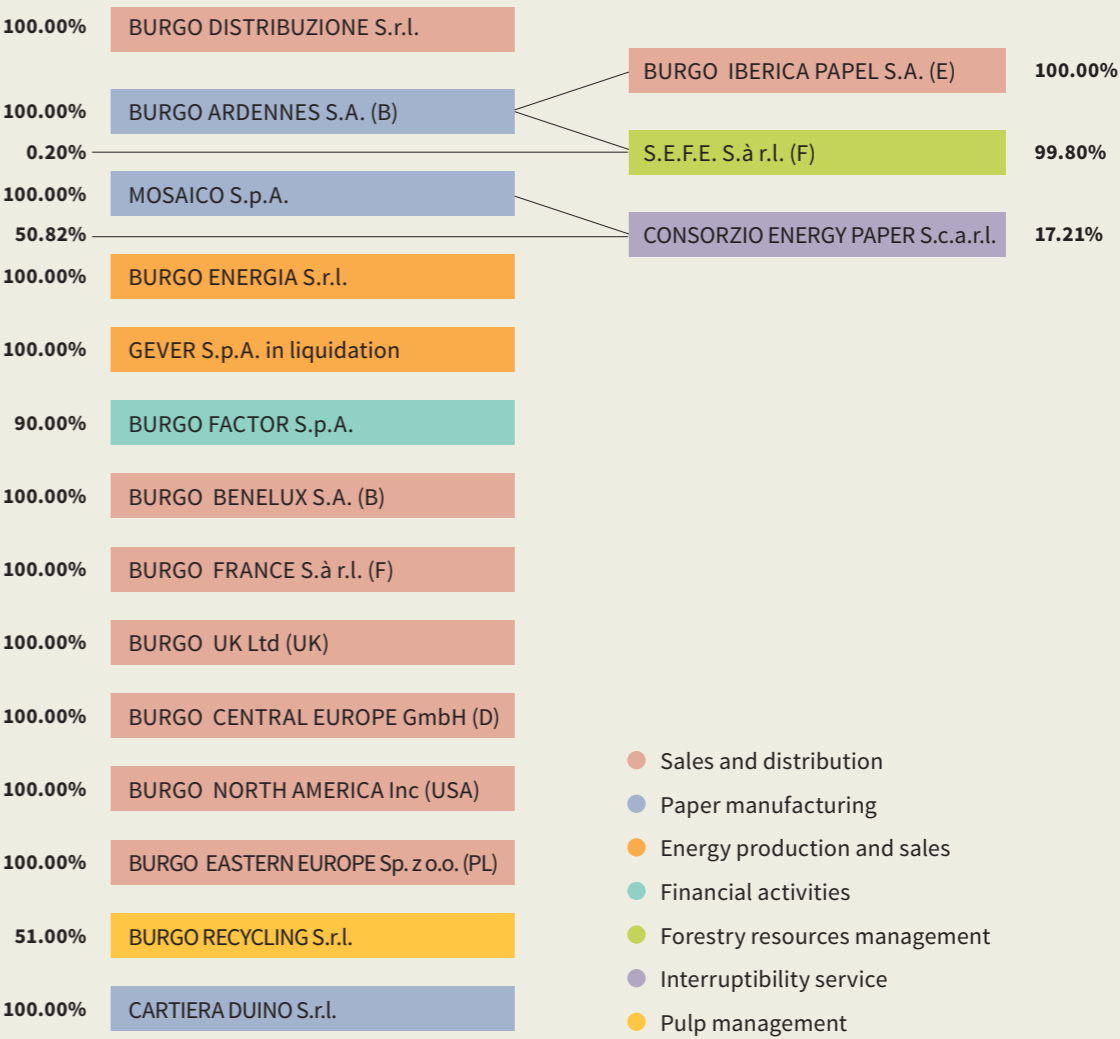


Chart 2.4: Structure of Burgo Group

2

GROUP COMPOSITION AND EQUITY INVESTMENTS



Furthermore, Burgo Group S.p.A. holds equity investments in:

- Consorzio Paper Interconnector, with a share of **50.82%**,
- Consorzio Interconnector Italia Energy, with a share of **6.07%**, with the aim of building interconnecting power lines between Italy and neighbouring countries.

2.4

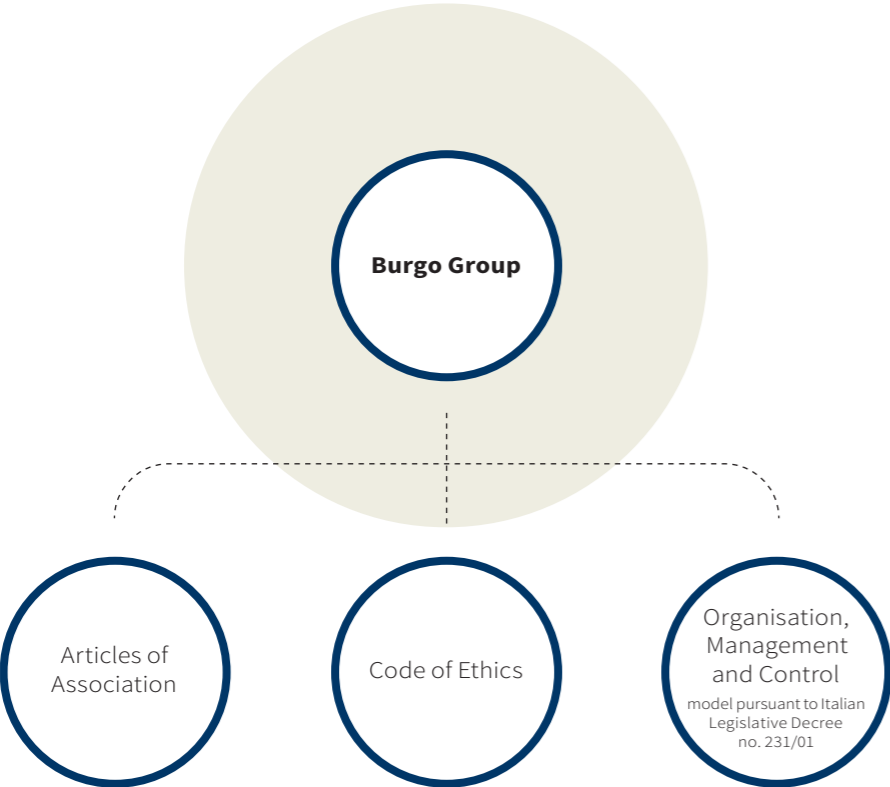
Group organisation

(GRI 2 - 9/10)

To ensure the effective and efficient performance of its activities, the Group has equipped itself with governance tools in line with the latest regulatory requirements.

Specifically:

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



2

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:

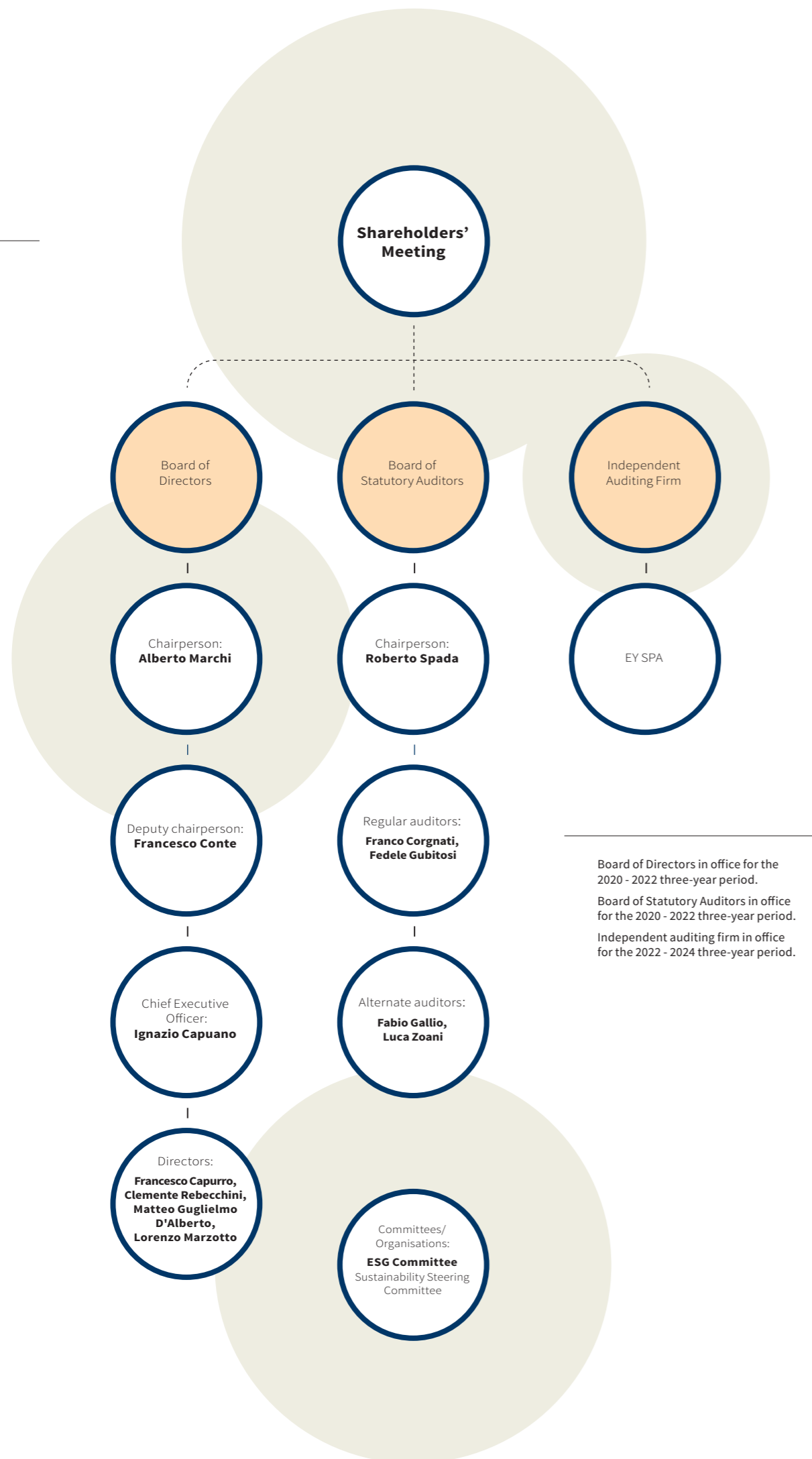
- **Shareholders’ Meeting:** responsible for resolving upon matters assigned to it by law and/or the Articles of Association, by way of ordinary or extraordinary meetings;
- **Board of Directors:** appointed by the shareholders’ meeting, the BoD is composed of seven members who have a three-year mandate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

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

The Parent Company determines the Group's strategic and operating guidelines, prepares and adjusts the internal control model and the Code of Ethics, and defines general policies for the management of financial aspects, production, human resources, procurement and communication. The Parent Company also sets the targets on the subject of occupational health and safety, quality and the environment.

Certain services are managed with various levels of centralisation, including administration, the treasury, the corporate secretary, human resources and organisation, legal assistance and internal audits.

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.



ESG & SUSTAINABILITY STEERING COMMITTEE OF BURGO GROUP

Paper and cardboard companies, such as those that are part of the Burgo Group, play a significant role in the modern economy. Besides being creators of an indispensable material, paper, they are also forerunners in change and innovation. In fact, they are pioneers in addressing current environmental challenges and adopting sustainable policies with a view to ESG best practices.

ESG is an acronym; it stands for Environment, Social and Governance, or the 3 pillars of sustainability, the three fundamental factors for monitoring, measuring and sustaining an organisation's sustainability efforts. Specifically, the definition of an ESG approach takes the form of a set of criteria by which operational and management activities must be guided.

Incorporating ESG values into business dynamics not only contributes to environmental protection, but also promotes the safety and well-being of employees and the communities in which the company operates, and is a response to the expectations of customers, who are increasingly attentive to the environmental impact of the companies they turn to.

The Burgo Group has chosen to use the ESG criterion as an inclusive approach for defining a corporate sustainability strategy. To support the effective implementation of what is required, a specific Governance structure, based on three levels, has been defined to ensure proper organisation and management of initiatives.

The three levels include:

- an "ESG & Sustainability Steering Committee" where all Burgo Group top managers meet monthly for the purpose of defining strategic objectives and investments and validating KPIs and targets;
- a PMO (Project Management Office) structure for reporting and monitoring progress and coordinating sub project teams;
- 7 sub project teams to conduct detailed analysis and develop initiatives on material topics. The seven multidisciplinary groups are working on the challenges of decarbonisation, energy efficiency, water resource optimisation, waste reduction, promotion of the circular economy, and the development of increasingly sustainable products, all in a context where attention to people and safety remain the main pillar and basis for all change.

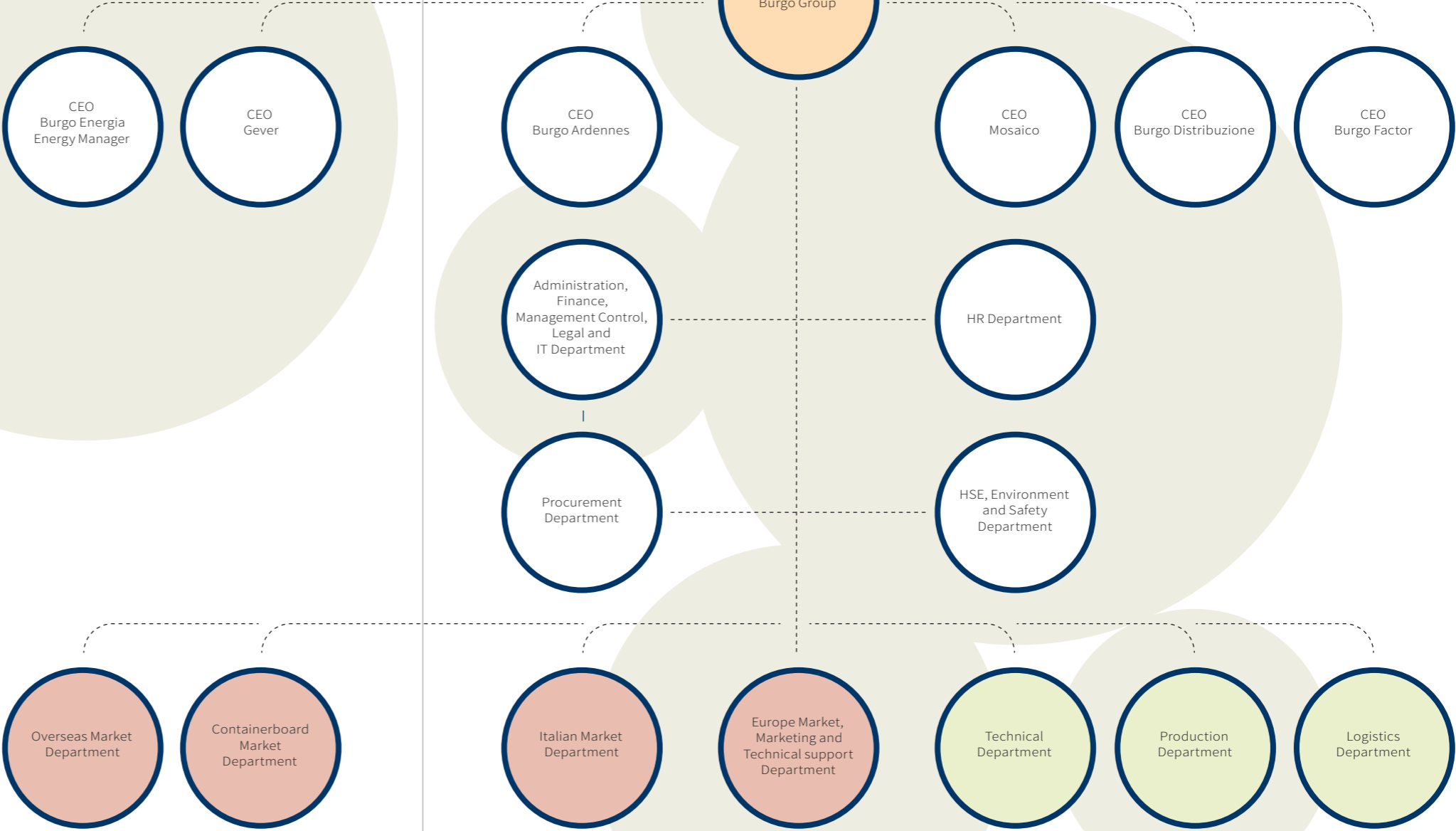
The seven sub project teams are:

- **Decarbonisation:** focusing on reducing the environmental impact of the Group and its CO₂ emissions. The priorities are to reduce emissions through the use of renewable energy sources, the introduction of biofuels and energy efficiency in production plants.
- **Circulation, waste and water recycling:** commitment to reducing waste disposal, promoting the recovery of process waste and reducing water consumption.
- **Sustainable products:** focusing on enhancing the environmental sustainability aspects of the Burgo Group's products and developing increasingly innovative and sustainable solutions.
- **Human Resources:** the focus is on the well-being of the company's employees and social sustainability. This is a commitment to finding and attracting an increasing number of talents, introducing novel working procedures, enhancing equality and inclusion, and upgrading the personnel development system.
- **Health and Safety:** focusing on continuous improvement of safety and working conditions throughout the Group. Its goals are to increase certifications, strengthen security measures, and consult and participate with all staff, including through dedicated workshops and days.
- **Sustainable procurement:** focusing on improving Burgo's entire supply chain. Specifically, its goals include optimising suppliers on a more sustainable basis, reducing emissions related to logistics flows, and paying more attention to the origin of raw materials.
- **Communication:** commitment to internally and externally promoting all the initiatives and efforts being made by Burgo, serving as a model for the entire industry.



ORGANISATION AND COMPANY DEPARTMENTS:

In order to guarantee the effective and efficient management of operating activities, the Burgo Group was structured into the following Departments at the end of 2022. For the purposes of simplification, the table only shows company offices and departments at senior management level.



2.5

Risk management

FINANCIAL RISK MANAGEMENT AND INSURANCE

The Group is exposed to the following risks, of which the goals, policies, management processes and methods used to assess them are provided below:

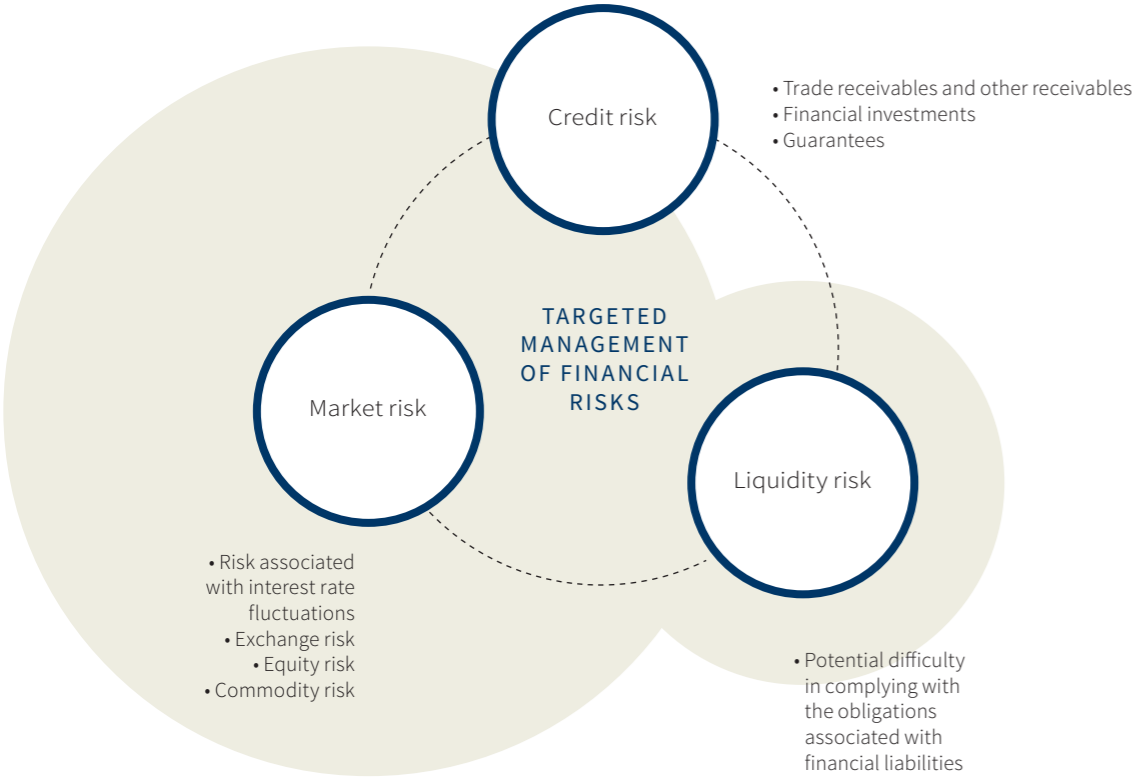


Chart 2.5: Financial risk management

2

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.

CREDIT MANAGEMENT CERTIFICATION

Also in 2022, the Group obtained confirmation of the certification of its credit management system, which was obtained for the first time in 2019 according to UNI 44:2010 and the TUV RHEINLAND CMC:2012 standard. At the end of 2022, the Burgo Group also obtained certification of the credit management system for its subsidiary Burgo Distribuzione S.r.l.

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.

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 primary and supplementary insurance policies with leading credit insurance companies.

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. Additionally, financial assets also include investments made with Italian banks with proven reliability.

GUARANTEES

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.

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 12 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. Hedging policies allow for the use of forward contracts (forward currency sales/purchases) and foreign exchange options (right to buy/sell forward currency) to provide more flexible hedges. Currently, exposure on foreign exchange derivatives falls under the forward type.

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, electricity, CO₂ emission certificates and materials used in production processes, in order to minimise exposure to risk and possible associated losses. In a framework of ongoing loss risk reduction, the Group also aims to minimise the costs associated with procuring production factors.

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, the Group 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 dispute and to protect Group companies. 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 against possible incidents.

It covers the main risks listed below:

- direct and indirect damage (property - all risk);
- civil third-party liability (liability - service providers - product liability - manual workers liability);
- civil liability for pollution;
- 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;
- replacement vehicle cover;
- fully comprehensive (kasko), fire and theft 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.

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.

CYBER SECURITY RISK

To protect its digital assets and mitigate risks from Cyber Threats, Burgo Group has strengthened and intensified its Cyber Security strategies with the introduction, development and implementation of effective and targeted security policies.

There were numerous activities during 2022 that focused on identifying, detecting and preventing the main Cyber Threats that exist in the international landscape, in particular:

- Cyber Security awareness: we promoted training and awareness for employees regarding Cyber Threats through a Cybersecurity Pills course, delivery of training sessions, and subsequent phishing campaigns aimed at measuring the level of learning and effectiveness of the proposed content.
- Enforcement Security Operation Centre: we extended the scope of coverage from 24/7 Cyber monitoring services by the SOC and introduced new use cases that can promptly detect and report any suspicious activities.
- Incident Response Policy: we reviewed and redefined the management plan that defines procedures and guidelines for dealing with and responding to cyber security incidents with the goal of minimising the impact of any cyber attack.
- Cyber Strategy: definition of a multi-year plan to improve the Group's cyber posture, which includes the introduction of new security safeguards aimed at increasing the security of IT & OT networks, identity and access management, and, in general, the progressive reduction of Cyber risks.



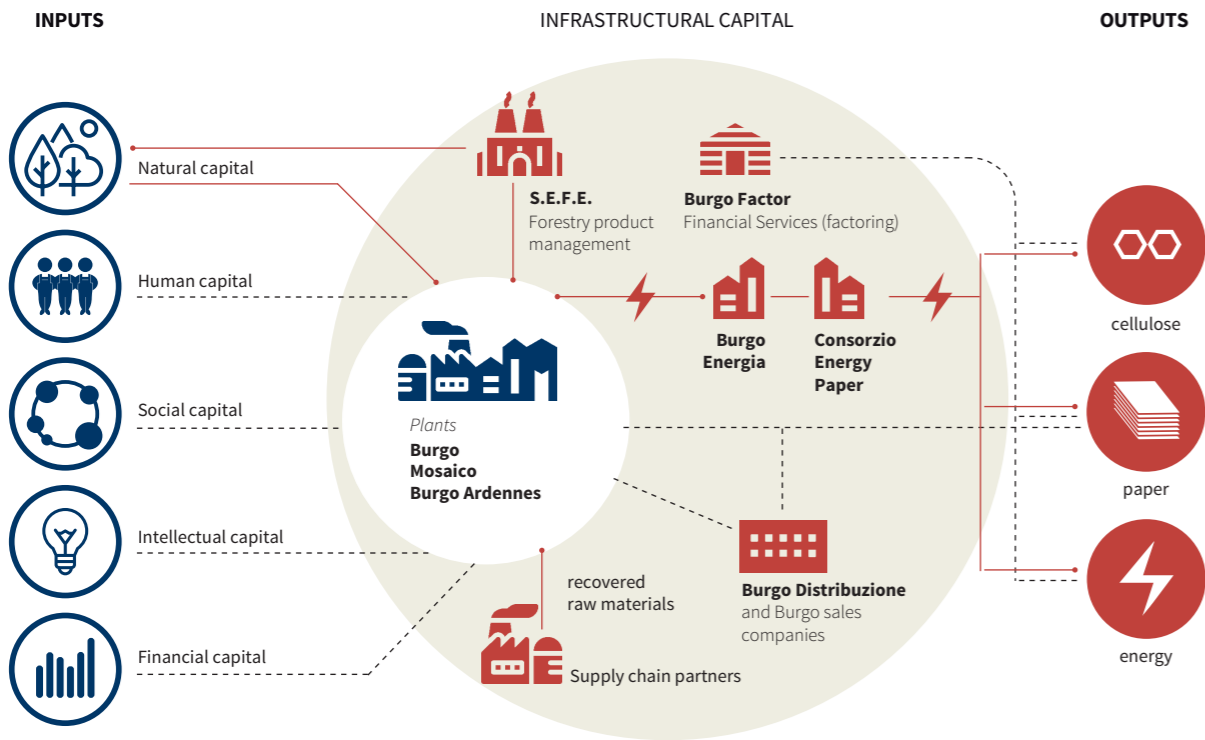
2.6

The business model

(GRI 2 - 1)

THE GROUP'S BUSINESS MODEL

In addition to its business activities, the Group constantly seeks new growth opportunities, including outside the publishing sector, and always with a focus on sustainability. 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.








2

THE GROUP'S CAPITAL

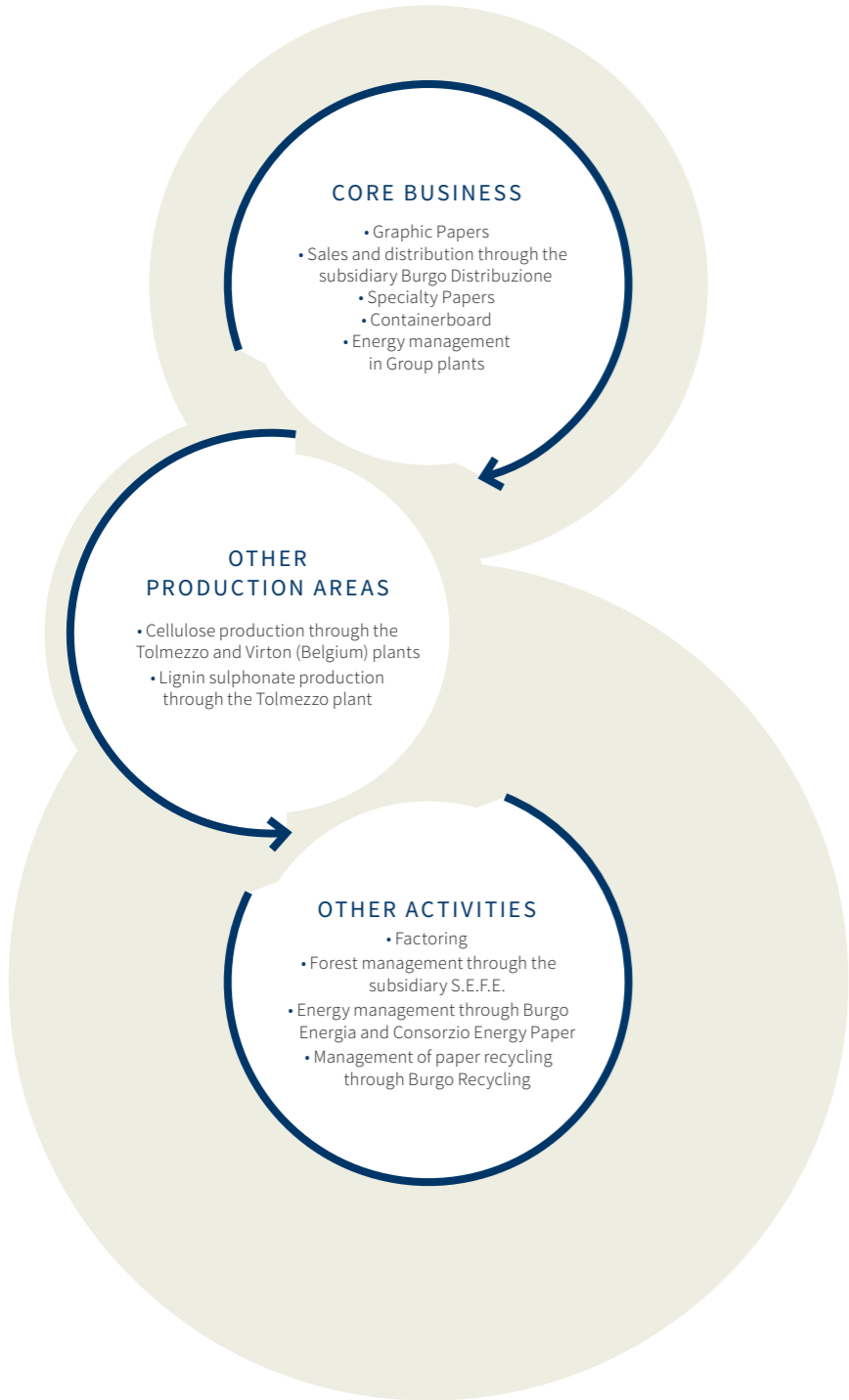
- **Natural Capital:** 433 million cubic metres of methane used; 152,077 MWH of energy acquired from the grid;
- **Human Capital:** 3,096 people, of which 2,839 are employed in the production departments. 67,777 hours of training, of which 21,420 linked to worker safety and health aspects;
- **Social Capital:** relations with more than 2,567 suppliers;
- **Financial Capital:** net financial debt was positive at € 11.7 million compared to € -53.8 million in the previous year;
- **Infrastructural Capital:** 11 production plants, 2 cellulose production plants, 1 pulp production plant, 1 polythene coating plant, 11 cogeneration power stations.

OUTPUT 2022

-  **1,547,525 tonnes of paper produced**
-  **348,141 tonnes of cellulose**
-  **30,457 tonnes of lignin sulphonate**
-  **1,408,526 MWh of energy for internal consumption**
-  **315,746 MWh 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 its strategic repositioning, Burgo Group expanded its core business, paving the way for the production of corrugated cardboard for the packaging industry at the Avezzano plant.



THE GROUP’S FACILITIES

The Group's production activities are carried out in 11 plants.

The production and sale of **cellulose** are conducted by the Belgium company Burgo Ardennes, while the Tolmezzo and Duino plants produce cellulose and wood pulp respectively for internal use. The Avezzano plants produce containerboard.

The production capacities of the individual plants are shown below.

Production Capacity 2022 (t/year)					Internal production capacity 2022 (t/year)					
Site	Company	Papers machine (PM) Pulp line (PL) Pulp mechanical line (PML) Board machine (BM)	Papers for publishing and Fine papers	Containerboard	Specialty papers	Total paper	Cellulose	Lignin sulphonate	Wood pulp	Total other materials
Virton (AG) - Belgium (BE)	Burgo Ardennes S.A.	1 PM + 1 PL	376,000	-	-	376,000	375,000	-	-	375,000
Avezzano (AQ)	Burgo Group S.p.A.	1 BM	-	200,000	-	200,000	-	-	-	0
Sora (FR)	Burgo Group S.p.A.	2 PM	235,000	-	70,000	305,000	-	-	-	0
Duino (TS)	Burgo Group S.p.A.	1 PM + 1 PML	215,000	-	-	215,000	-	-	95,000	95,000
Villorba (TV)	Burgo Group S.p.A.	1 PM	118,000	-	62,000	180,000	-	-	-	0
Sarego (VI)	Burgo Group S.p.A.	1 PM	140,000	-	-	140,000	-	-	-	0
Lugo (VI)	Mosaico S.p.A.	1 PM	-	-	27,000	27,000	-	-	-	0
Toscolano (BS)	Mosaico S.p.A.	1 PM	12,000	-	100,000	112,000	-	-	-	0
Tolmezzo (UD)	Mosaico S.p.A.	2 PM + 1 PL	150,000	-	23,000	173,000	40,000	43,000	-	83,000
Treviso (TV)	Mosaico S.p.A.	1 PM	-	-	62,000	62,000	-	-	-	0
Chiampo (VI)	Mosaico S.p.A.	1 PM	-	-	45,000	45,000	-	-	-	0
11			1,246,000	200,000	389,000	1,835,000	415,000	43,000	95,000	553,000

Table 2.1: Plants production capacity 2022

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

12
PM

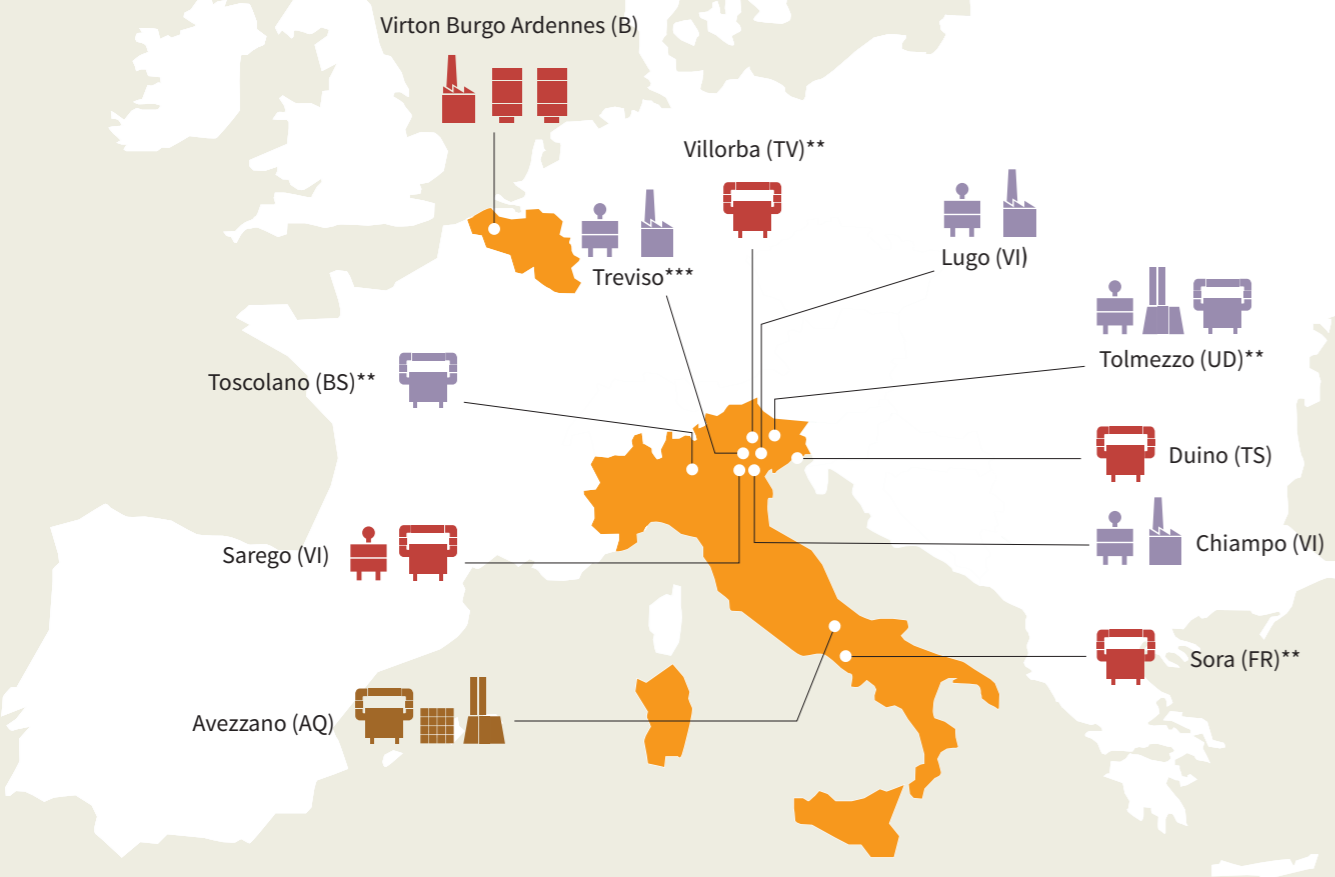
2
PL

1
PML

1
BM

BURGO GROUP PLANTS AND ALTERNATIVE ENERGY SOURCES

The plants are equipped with systems to produce electricity through the use of biomass mainly derived from production cycles. The plants ensure the energy self-sufficiency of the entire Group.



- Burgo range
Graphic papers for the publishing sector
- Burgo range
bcb Burgo - Containerboard
- Mosaico range
Specialty papers

Notes:

** The Toscolano, Tolmezzo, Sora and Villorba plants produce papers for the Burgo and Mosaico ranges.

*** There is a thermal plant installed at the Treviso plant that produces steam, and an endothermic cogeneration generator that produces electricity and thermal energy.



PLANTS THAT USE BIOMASS

- **Virton** (Burgo Ardennes) - The boilers use the residue from the production of cellulose, paper and the wood debarking process



HYDROELECTRIC POWER STATIONS

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



PHOTOVOLTAIC PLANT

- **Avezzano** (AQ)



COMBINED CYCLE COGENERATION PLANTS

- **Avezzano** (AQ)
- **Duino** (TS)
- **Sarego** (VI)
- **Sora** (FR)
- **Toscolano** (BS)
- **Villorba** (TV)
- **Tolmezzo** (UD)



STEAM CYCLE COGENERATION PLANTS

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



ENDOTHERMIC ENGINES

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

2.7

The products of the Burgo Group

(GRI 2 - 6, 203 - 1)

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

- Burgo range:**

Papers for graphic use
Containerboard
- Mosaico range:**

Specialty papers
Papers intended for packaging

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

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.

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



Burgo range - Graphic papers for the publishing sector

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

Find our FSC® certified products

Table 2.2: Burgo Range - Graphic papers

Note:
* PEFC-certified products are available on request.

2

BURGO RANGE : CONTAINERBOARD

Corrugated cardboard ranks high in the consumer appreciation rankings for sustainability-conscious packaging when purchasing, as it represents one of the most environmentally sustainable raw materials in the industry.

Within the framework of a circular economy, the production of containerboard serves as a benchmark example, since it is made from 100% recycled fibres from separated waste, forming a new category of papers (containerboard) which are used to produce corrugated cardboard.

The high quality of papers produced by the Group also enables substantial improvement in packaging that our customers can create. For instance, reducing the grammage results in a lighter packaging weight.

The Avezzano paper mill operates according to Good Manufacturing Practices (GMP) in relation to food contact materials, and aims to achieve certification, according to UNI EN 15593, in 2023.

Avezzano plant with state-of-the-art manufacturing technology produces high-performance packaging paper



Burgo Range - Containerboard

Family	Sub-family	Certifications
Containerboard derived from recycled fibres	BCB Testliner	Testliner 1, Testliner 2, Testliner 3, Testliner 4
		Kraft Top
		White
	BCB Fluting	Wellenstoff
		Medium HP
		HP Frost
		Dual

Find our FSC® certified products

Table 2.3: Burgo Range - Containerboard



BCB: PRODUCTS THAT SUPPORT THE CIRCULAR ECONOMY

BCB, the Burgo Group's new production centre, uses recycled fibres obtained from waste paper, recovered packaging and processing offcuts.

Sustainability is a pressing issue for the paper industry, where the use of secondary fibres for increasingly circular production is gaining ground.

According to data presented in the *Il Riciclo in Italia 2022* (Recycling in Italy) report, **produced by the Sustainable Development Foundation**, the Italian recycling industry is a sector that generates an added value of 10.5 billion (increased by 31% from 2010 to 2020) and produces substantial amounts of recycled materials, including 5.2 million tonnes of paper and cardboard.

Recycling represents an extraordinary development opportunity for the paper industry, seized by the Burgo Group with the investment that led to the conversion of the Avezzano plant to produce the Burgo containerboard line.

The Avezzano paper mill guarantees an annual production of 220 thousand tonnes of **paper made from 100% secondary fibres**, i.e., paper from separated waste, recovered packaging and processing offcuts, which allow for **a significant decrease in resource consumption, waste production and CO₂ emissions**.

A clear advantage of packaging solutions made from containerboard is that once their function is exhausted, if destined for recycling, they can be **used again as a raw material**. Thus, the fibres re-enter the production process and become new packaging, in full compliance with a virtuous model of the circular economy.

2

MOSAICO RANGE: SPECIALTY PAPERS

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 barrier-coated papers with dispersion coating and extruded 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.

Mosaico's motto is "Think Special": think, innovate, create





Mosaico Range: Specialty papers

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

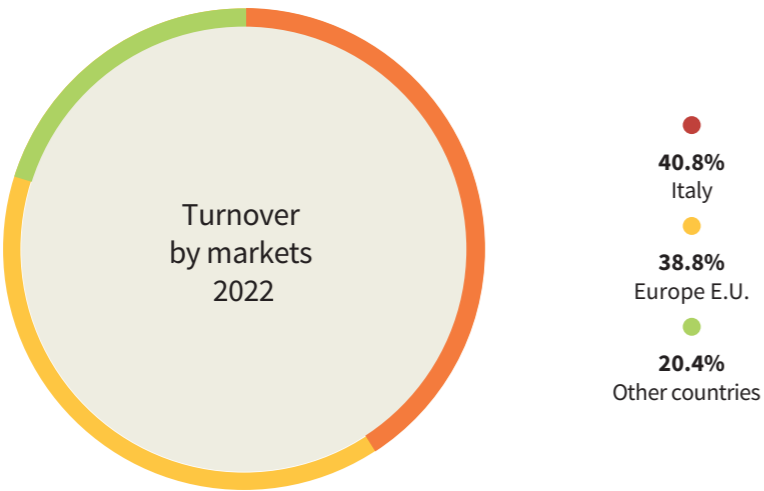


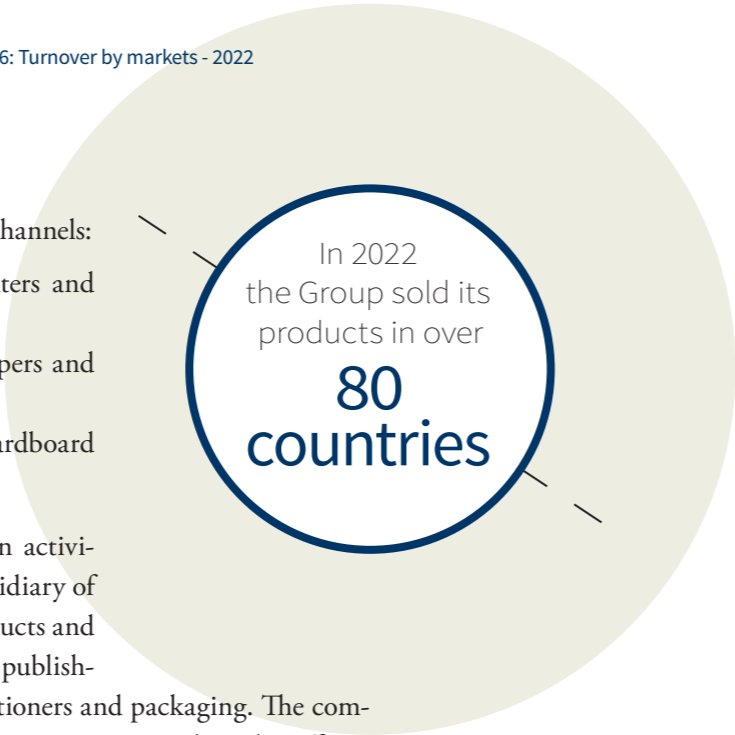
Chart 2.6: Turnover by markets - 2022

ITALY

The **Italian market** is managed through various sales channels:

- direct relations with major Italian customers, printers and publishers (Burgo range - graphic papers);
- direct relations with major customers (Specialty papers and Mosaico range flexible packaging);
- direct relations with major customers (Corrugated cardboard packaging containerboard range).

Furthermore, the Group relies on the distribution activities of Burgo Distribuzione S.r.l., a wholly owned subsidiary of Burgo Group S.p.A., Italy's leading distributor of products and services for the paper industry mainly in graphic arts, publishing, products for the office, the digital market, for stationers and packaging. The company operates throughout the country using 8 distribution centres and 8 sales offices, distributing products from all the Group's ranges.



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. 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 woodfree paper reels or sheet and non-woodfree paper for graphic and publishing use.

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 the Burgo North America branch, 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 continues to diversify and reposition its production and customer portfolio by increasing its product range with a focus on containerboard and specialty papers.

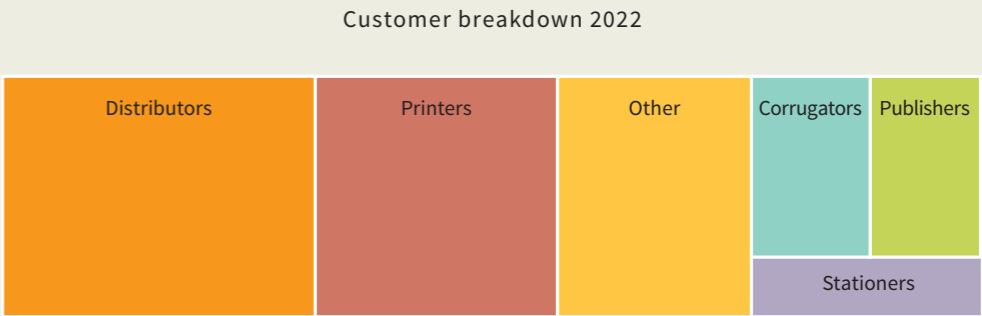


Chart 2.7: Customer breakdown 2022

The Group's approach
to sustainability

3

PAPER
POWER
PASSION

3.1

Our 2030 goals

ESG DEVELOPMENT PLAN

In 2022, the Burgo Group set out a new ESG (Environmental, Social and Corporate Governance) development plan. The programme, consistent with the strategies pursued over the past few years, stems from the growing importance placed on these issues by the company.

The goal of the ESG strategy is to embody an approach directed towards establishing a corporate sustainability strategy based on three pillars:

- **ENVIRONMENTAL** -> The growing challenge related to climate change determines the centrality of issues such as reducing pollution levels, careful waste management and the use of natural raw materials, which are becoming priority focuses for the company;
- **SOCIAL** -> Employee health and safety, sustainable supply, and accountability determination help define and enhance corporate public reputation and image;
- **GOVERNANCE** -> A corporate policy oriented toward ESG goals is the driving factor toward a sustainable strategy.

The sustainable approach and a strategy focused on these themes also represent strong value creation factors for the company, impacting multiple aspects. For example:

- Reputational positioning with opportunities for differentiation from competitors;
- Regulatory risk management and new EU taxation rising sharply in relation to emissions;
- Lower cost of capital, better access to financing with reduced cost of capital;
- Higher market valuation.

BURGO GROUP'S ESG AMBITION UP TO 2030

The objectives defined in the development of the ESG programme are clear and challenging. The Group aims to achieve these through a multifaceted action plan aimed at reaching defined targets (in relation to 2021 values).

PILLAR 1 - ENVIRONMENTAL

Emissions	Energy	Waste management	Water resources management	Sustainable products
Reducing emissions with fossil fuel reduction investments and interventions aimed at reducing plant energy consumption	Development of renewable energy production facilities (photovoltaic, hydroelectric, biomass) in plants	Increased process waste recovery for waste disposal reduction	Reduced water requirements	Certification for environmental impacts of products and Life Cycle Assessment
-44 % CO ₂ /tonnes paper produced Reduction in emission intensity from 0.58 to 0.32 CO ₂ tonnes/tonnes paper	40% renewable energy	Increased waste recovery from 94% to 99%	29 m³/tonnes paper specific water consumption	95% product development to promote optimal recycling and recovery from an LCA perspective

Table 3.1: Pillar 1 - Environmental

Major environmental initiatives

The effects of climate change necessitate a sharp change of direction in our ability to reduce CO₂ emissions into the atmosphere.

The main emission reduction initiatives, in order to hit the 2030 target, which will be adopted at the Group's various plants, are as follow:

- 1 Burgo Ardennes to be the first plant with a net zero target;
- 2 New energy assets based on renewable sources such as Biomass plants, photovoltaic systems, and revamping electricity and steam plants;
- 3 Replacement of methane gas with biogas/biomethane and hydrogen.

PILLAR 2.1 - SOCIAL

Injury reduction, compliance with safety standards, and supplier sustainability monitoring.

Occupational health and safety	Occupational health and safety	Occupational health and safety	Occupational health and safety	Sustainable procurement
Initiating an ISO 45001 certification programme for all sites	Go Safety conduct audits, with interactive visits and continuous improvement goals	Workshop on Safety Leadership and Safety Day organisation	Injury reduction	Supplier Code of Conduct development, incorporating ESG clauses
All sites by 2025	All sites (to date 4)	Activity introduction	Frequency index <8 and severity <0.5, -50% work-related injuries	100% sustainable suppliers, chosen based on ESG drivers

Table 3.2: Pillar 2.1 - Social

PILLAR 2.2 - SOCIAL

Performance review and talent attraction programme, major initiatives related to staff development.

Training/personal development	Local relations	Training/personal development	Inclusion and equal opportunity
One-on-one discussion on performance reviews and employee satisfaction	Introducing business promotion initiatives in the area (e.g., open day events, career days)	Promoting Smart Working	Improving female representation at managerial level
At least 1 performance review per year (100% of stakeholders involved)	Minimum of 1 each year starting in 2023	Introducing new corporate regulations from 2023	20% by 2030

Table 3.3: Pillar 2.2 - Social

PILLAR 3 – GOVERNANCE

Appointment of the sustainability working group underpinning the ESG strategy.

Corporate ethics and integrity	Corporate ethics and integrity	Corporate ethics and integrity	Corporate ethics and integrity
Training update on business ethics and model 231 ²	Integrating sustainability parameters into business and investment choices	Appointment of new sustainability committee (Steering Sustainability Committee) and involvement of working groups with defined frequency.	Improved ECOVADIS sustainability rating (platinum medal target)
100% of employees with completed training and regular training updates	Starting in 2023 as part of the activities of the Steering Sustainability Committee	Starting in 2023	By 2030

Table 3.4: Pillar 3 – Governance

² Protocols governing the corporate structure and management of sensitive processes

BURGO GROUP'S “ESG - SUSTAINABILITY STEERING COMMITTEE”

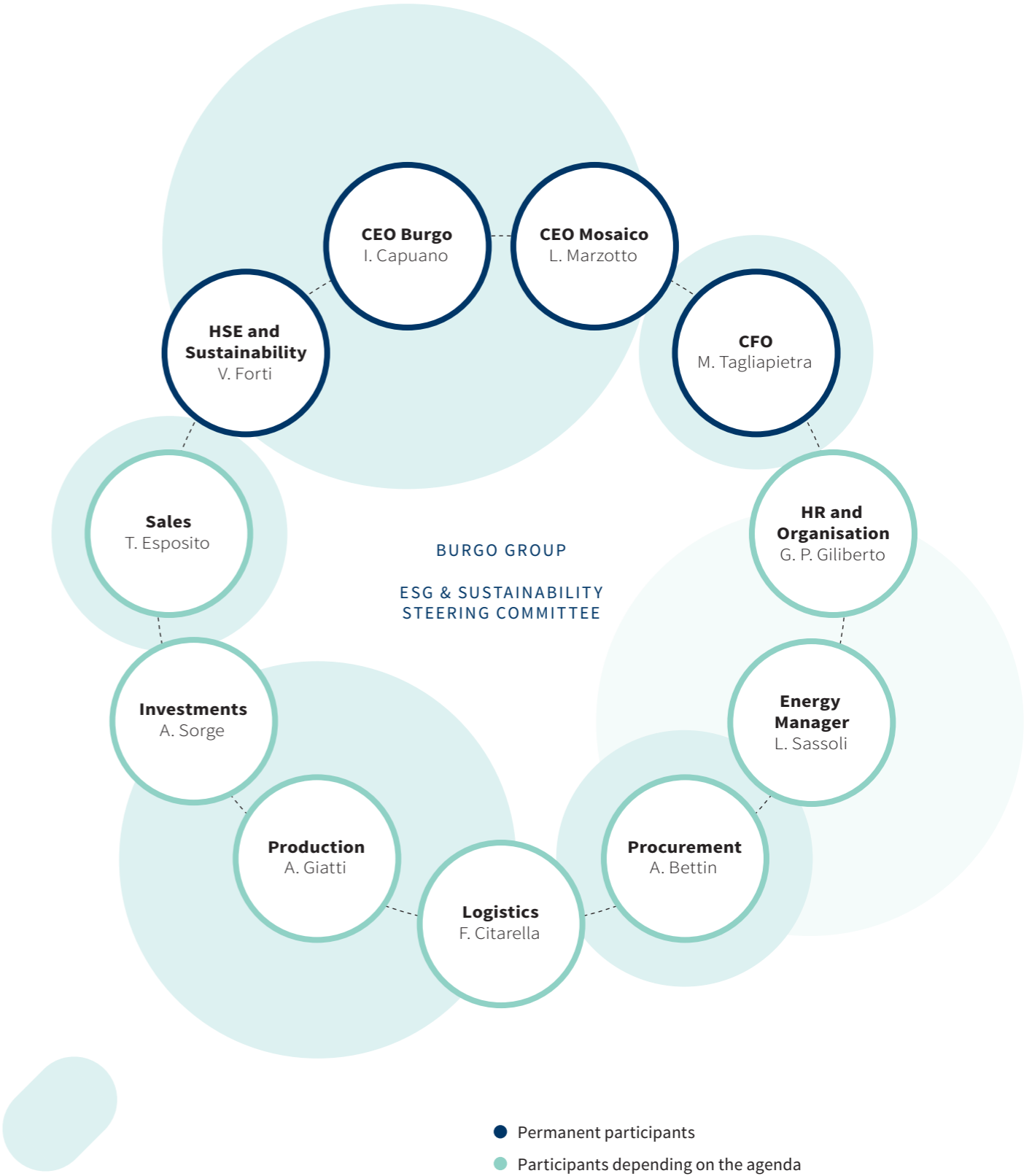
In 2022, the Burgo Group set out a new ESG (Environmental, Social and Corporate Governance) development plan. The programme, consistent with the strategies pursued over the past few years, stems from the growing importance placed on these issues by the company.

The Group acknowledges the importance of identifying a centralised ESG structure as one of the pillars for creating an ESG Governance process, aimed at ensuring inter-dependent and proactive collaboration among departments.

With this in mind, the **ESG Sustainability Steering Committee** was established during the year.

The committee, composed in its initial conception of 11 members (including the CEOs of Burgo Group S.p.A. and Mosaico S.p.A.), has the following responsibilities:

- Defining medium- to long-term ESG strategic goals;
- ESG narrative development for market communication;
- Sustainability report review;
- Review and approval of ESG Investment Plan;
- KPIs validation and related targets;
- Monitoring performance vs targets;
- Updating targets.





ECOVADIS RATING

For years, the Burgo Group has used the EcoVadis rating as a third-party measurement tool for its environmental, social and governance performance. EcoVadis operates the first collaborative platform that enables companies to monitor the sustainability performance of their suppliers, across 150 industries and 110 countries. The overall score issued by EcoVadis reflects the quality of the company's sustainability management system at the time of the assessment.

The EcoVadis rating evaluates the following areas:

- Environment
- Labor and Human Rights
- Ethics
- Sustainable Procurement

The Burgo Group earned a silver medal rating in March 2022, placing it in the top 21% of the World's best companies in the same industry for ESG performance. This result shows that the course is set, although there is still a long way to go for improvement. The actions taken by Burgo in the ESG area, including on the basis of the EcoVadis rating, and the 2023 goals, will enable the implementation of an effective integrated sustainability management system.



BURGO GROUP SPA (GROUP)
has been awarded a
Silver medal
as a recognition of their EcoVadis Rating
- MARCH 2022 -



SMETA

Further corporate assessment is carried out through Smeta's ethical audits, which include the Group's labour, environmental and safety audits. Six Burgo plants are included on the Sedex platform, namely: Sora, Sarego, Treviso, Lugo, Chiampo and Ardennes. These are periodically verified through Smeta ethics audits.



3.2

Commitments and responsibility

When pursuing its objectives, the Group aims to reconcile its strategic decisions with its commitment to achieve the Sustainable Development Goals (SDGs) defined by the United Nations.

The corporate governance strategy, core business and management policies adopted by the Burgo Group are aimed at achieving the Group's main objectives, many of which correspond with the SDGs. The Group is aware that its environmental and social impact goes beyond the scope of its business.

There are several sustainable development goals on which the Group's activities impact. These include:

 3 GOOD HEALTH AND WELL-BEING	 4 QUALITY EDUCATION	 6 CLEAN WATER AND SANITATION	 7 AFFORDABLE AND CLEAN ENERGY	 8 DECENT WORK AND ECONOMIC GROWTH
Protect people's occupational health and safety in the workplace	Promote inclusive and quality education and learning opportunities	Sustainable water management	Sustainable energy management	Employment and opportunities
We engage with and train our employees to improve health, safety and environmental conditions.	We invest in training, promoting skills development.	We use water resources responsibly and monitor waste water quality.	We use energy resources responsibly and pursue a consumption reduction policy.	We employ 3,096 people, adopting contractual policies in line with national collective bargaining agreements.
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 13 CLIMATE ACTION	 15 LIFE ON LAND	
Investments in the production cycle	Consumption and production	Climate change	Sustainable management of resources	
We invest in production sites for the improvement and modernisation of our facilities, with economic, social and environmental sustainability goals.	We pursue the rational use of natural resources and raw materials.	We invest in energy efficiency programmes with a view to reducing gas emissions.	We pursue a policy to procure certified fibres, and around 82% of all fibres acquired are FSC® mix e PEFC certified.	



3.3

Mission, Vision & Values

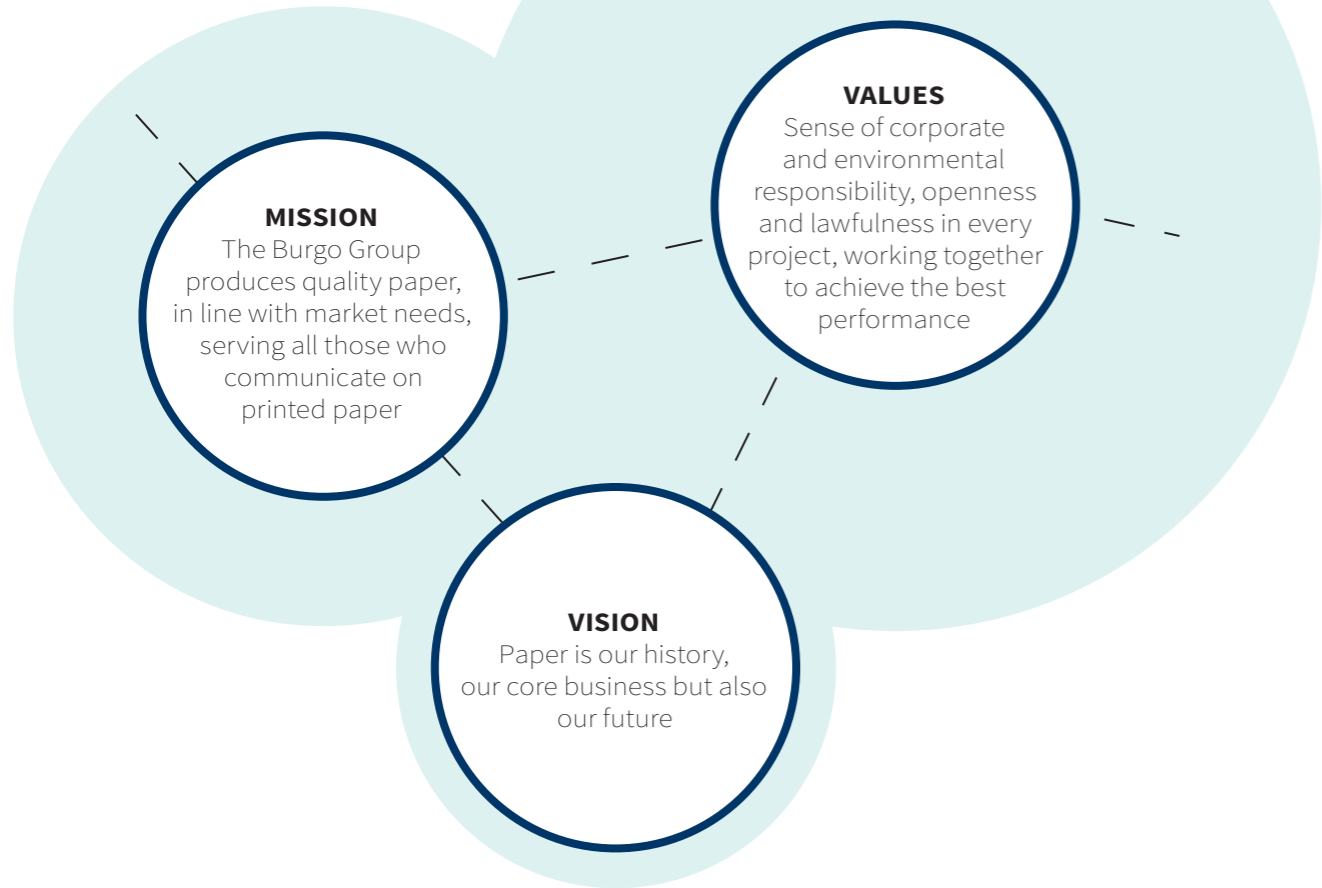
(GRI 2 - 23)

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

The Group’s dynamic approach and robust growth strategy is reflected in its broad range of high quality graphic papers, the development of new solutions, and its drive towards research and innovation with the development of new products.

The Group adopts a production policy that unites the needs of the customer with those of the environment, innovation with sustainability, rejecting the traditional “throw-away” economic model in favour of a circular model. This sustainable principle runs throughout the Group’s 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 its business and transforming its expertise with a view to applying it to other strategic sectors such as the development of new products for the paper packaging market, the distribution of paper products and energy management.



3

The Group expresses its mission by pursuing innovation with a focus not only on market needs but also on the environment, reducing its environmental impacts and supporting research with a view to identifying more sustainable solutions.

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

3.4

Values and code of conduct

(GRI 2 - 23)

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 and last updated in 2022.

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 - 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.

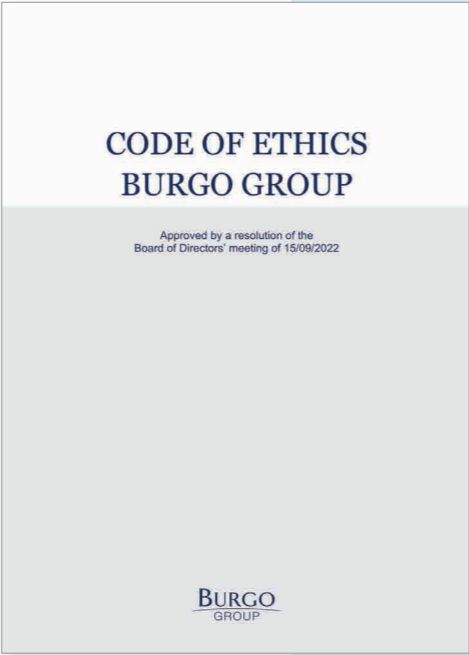
The Group is also committed to balancing its drive for competitiveness on the market with compliance with competition laws and to promoting, in the context of corporate responsibility and environmental protection, the fair and appropriate use of resources.

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 was amended, supplemented and adopted by all companies at the September 2022 board meeting. Furthermore, all third parties (including suppliers) are obliged to comply with the Code of Ethics regulations (and Model 231 of which the Code of Ethics is a part) through specific contractual clauses.

The Code of Ethics can be viewed on the Group's website and is provided and illustrated to all newly hired employees.



THE PRINCIPLES OF THE GROUP'S CODE OF ETHICS

Ethics and code of conduct:

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

ETHICAL PRINCIPLES TOWARDS THIRD PARTIES



Our 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:

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:

the Burgo Group's relations with the media must follow the communication policy defined by the Parent Company.



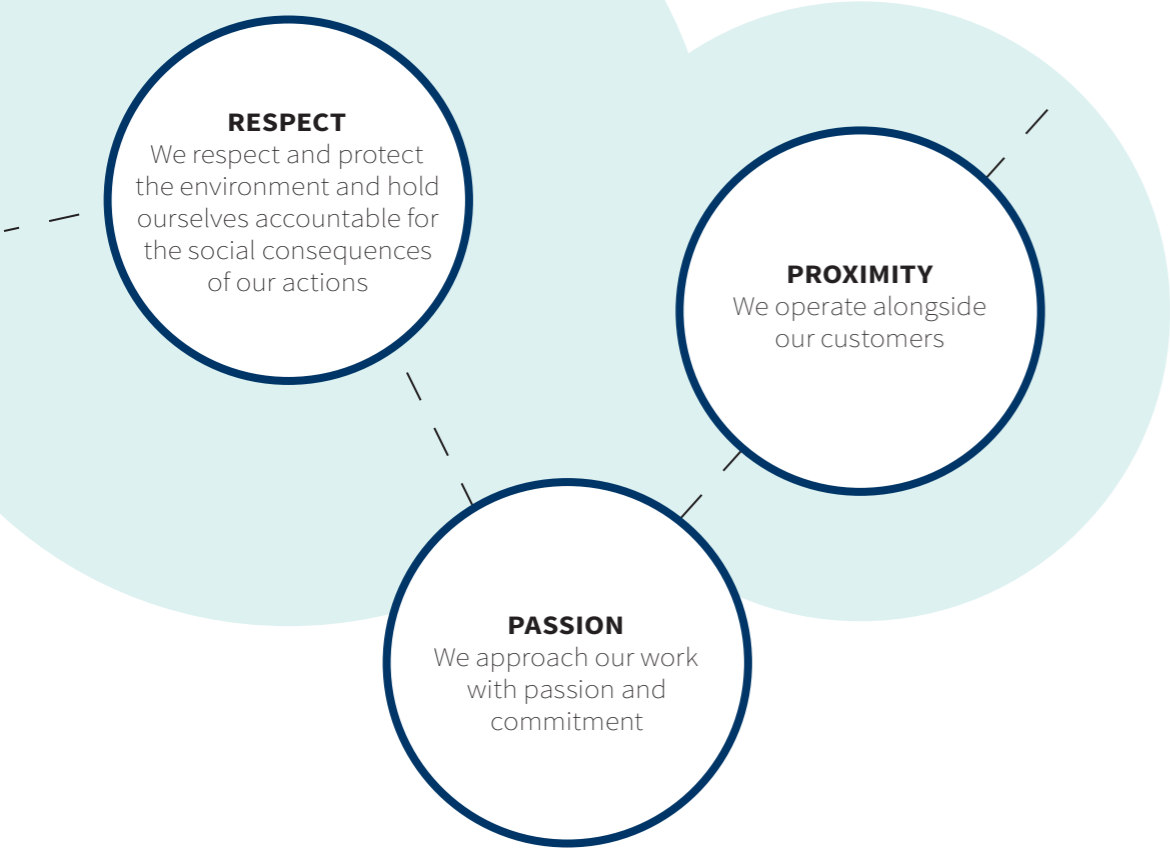
Relations with the public administration and public institutions:

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.



3.5

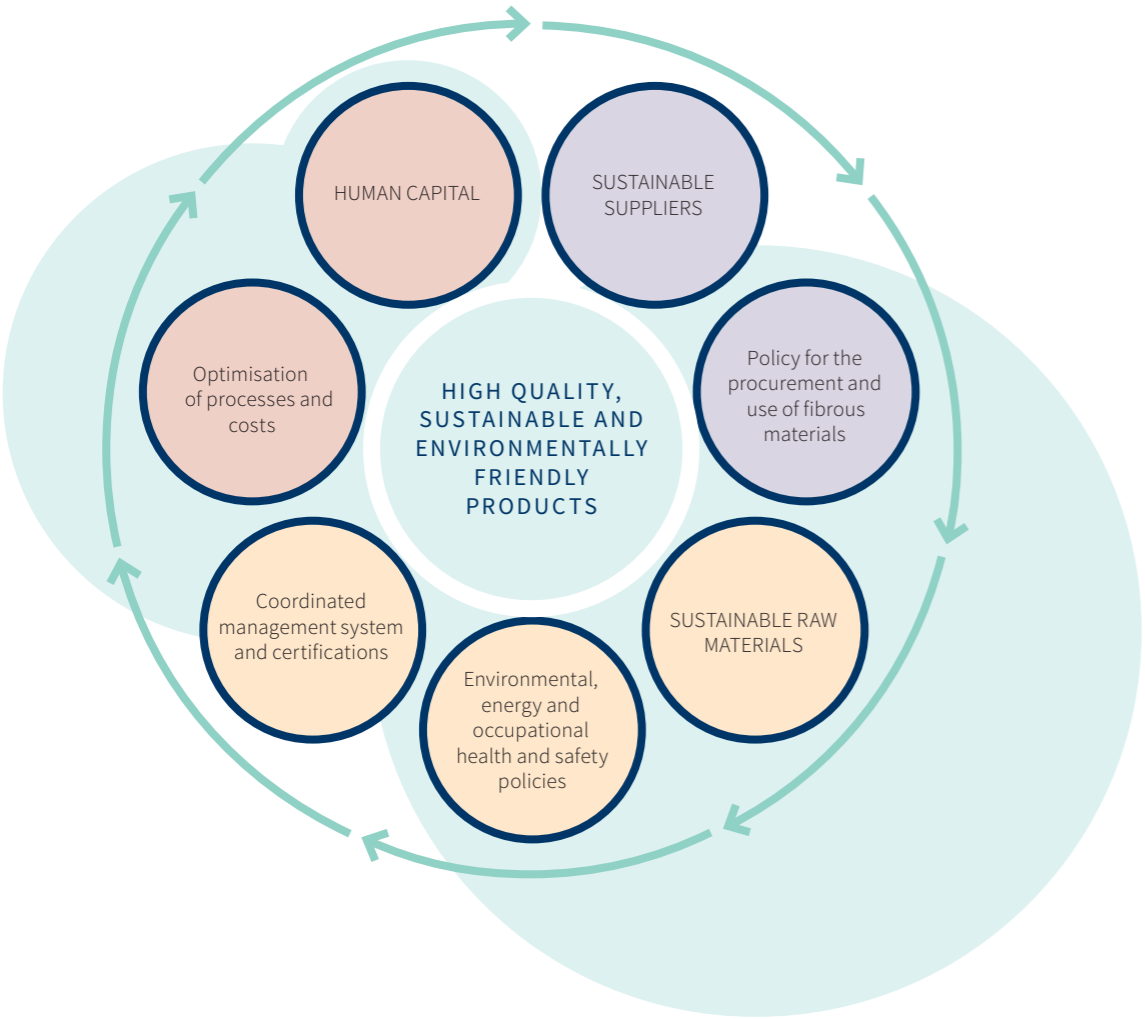
Sustainability model

The Group's strategies and management and production processes aim to create value in the medium and long term, protecting the environment with a strong focus on sustainability.

The business model serves as the foundation for the Group's Sustainability model.

The Model is inspired by the Code of Ethics and the various policies issued by Senior Management for the productivity of its sites.

One of the Group's prerogatives is to be inspired by the criteria of objectivity and impartiality in the preventive analysis, monitoring and reporting of the production chain.



Our aim to offer high quality, sustainable and environmentally friendly products is pursued through the application of a sustainability model that centres around:

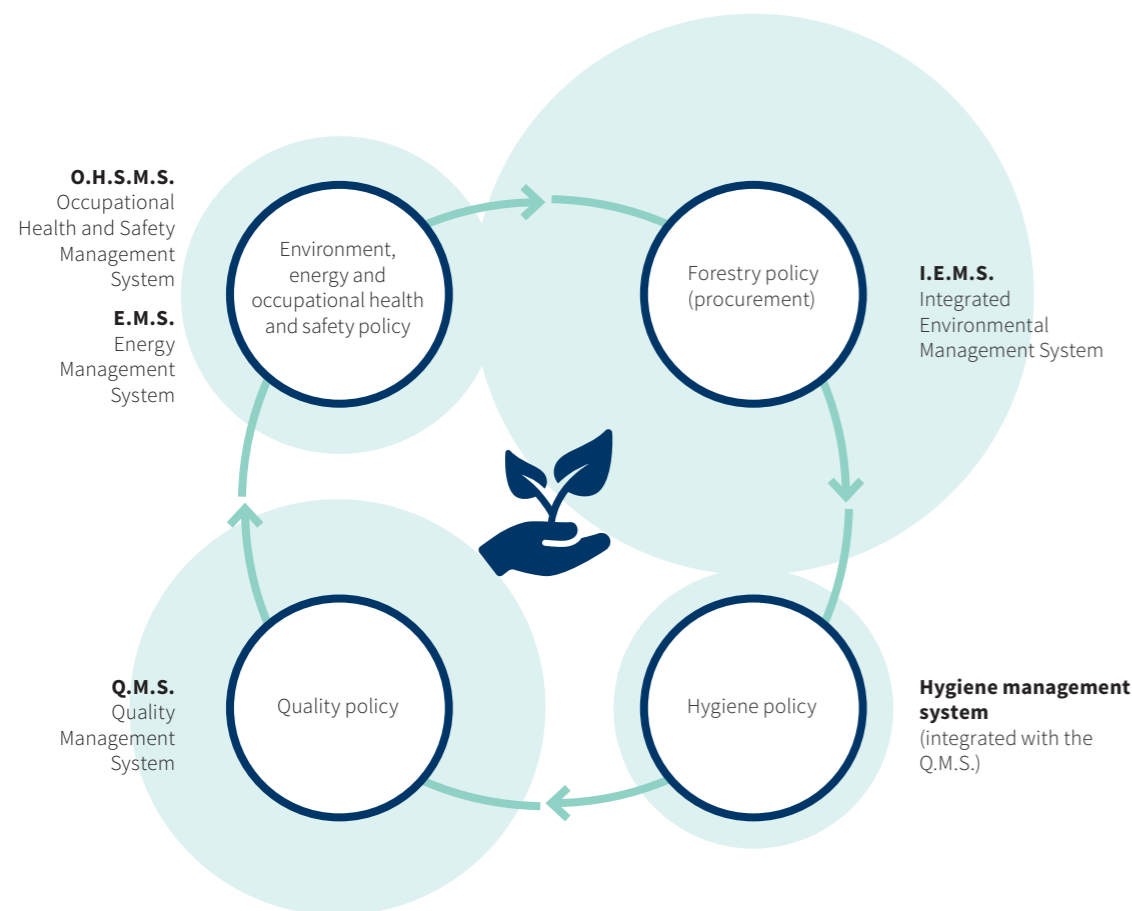
- a select group of suppliers pursuing increasingly sustainable goals, which the Group collaborates with in order to develop increasingly innovative and circular solutions;
- procurement policies that promote the procurement of certified fibrous raw materials (FSC®, PEFC);
- the minimisation of waste, adopting methods to reuse production waste and minimising the production of non-recyclable waste;
- the reduction of energy consumption to protect the environment, and the implementation of occupational health and safety policies;
- an approach to optimise processes and costs, and the certification of the production process and the products;
- promoting awareness of sustainable conduct among its human capital.

3.6

Company policies and management 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.



3

ENVIRONMENT, ENERGY AND OCCUPATIONAL HEALTH AND SAFETY POLICY

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 ISO 45001 Standard.

GUIDING PRINCIPLES

A Products, Processes, Technologies and Management of Resources

We develop and manufacture products with a focus on quality so as to minimise environmental impact and maximise energy efficiency.

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 effects 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, Engagement 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.

3

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.

For the procurement of fibrous raw materials, the Group prioritises suppliers who practice Sustainable Forest Management policies 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.

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 select the 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;
- establish business relations 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.

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



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

Our activities - both 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.



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.



O.H.S.M.S. 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 Quality Policy defined by the Management is received, developed and implemented by the management departments of the individual plants and by the Company Departments involved, according to their responsibilities and roles.

Customer satisfaction is pursued through 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;
- Developing the 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.



Q.M.S. 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.

HYGIENE POLICY

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

The policy defined by 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;
- Ensure the traceability of the materials/products used and of each stage of the production process for each batch of products manufactured and supplied;
- 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, 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 UNI EN ISO 22000;
 - Implement this 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.

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.



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).

G.M.P. GOOD MANUFACTURING PRACTICES

Le Good Manufacturing Practice regarding food contact materials 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”.

Good Manufacturing Practices 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. Within the Burgo company, the Villorba plant was certified in 2021 for the production of single-coated paper for the labelling market, and the Sora site was certified in 2022 for the production of paperboards and papers for food packaging.

These production sites have already adopted the guidelines set out by EC Regulation 2023/2006 with regard to GMP.

The Group is pursuing the project to extend certification to the Avezzano site as well, to regulate the production of containerboard that will be used for secondary food contact.



3.7

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.

Certifications - 2022

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

Find our FSC® certified products

Table 3.5: 2022 Certifications

Note:

The extension of ISO 50001 certification to the Tolmezzo and Lugo plants of Mosaico S.p.A. is planned.

3

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).

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, later extended to Villorba as well. In 2021, the Treviso site completed the registration process successfully, thus joining the plants listed above.

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.

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. Burgo has implemented management procedures and systems with the suppliers of such substances to ensure full compliance with the legal requirements.

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 and MWC papers for offset and rotogravure printing in the UNO range produced at the Duino and Villorba plants;
- Coated woodfree CWF R4 Chorus papers produced at the Virton plant in Belgium for the company Burgo Ardenne;
- Office papers in the REPRO range produced at the Tolmezzo plant;
- Prisma/Temptation line paperboards produced at the Lugo di Vicenza plant.

OK COMPOST CERTIFICATION

The OK COMPOST certification is divided into two branches:

- OK COMPOST INDUSTRIAL
- OK COMPOST HOME

OK COMPOST INDUSTRIAL

Packaging and products bearing the OK Compost INDUSTRIAL mark are certifiably biodegradable in industrial composting systems. This applies to all of their components, ink and additives. The only reference standard for the certification programme is the harmonised standard EN 13432:2000. In any case, any product bearing the OK Compost INDUSTRIAL logo conforms to the requirements of the European Directive on packaging and packaging waste (94/62/CE).



The Burgo – Mosaico production papers listed below carry this certification:

- Cup Board (Sora)
- Kazan C Barr (Chiampo)

OK COMPOST HOME

The OK Compost HOME certification system guarantees complete biodegradability in the specific conditions of home composting systems which, considering the reduced volume of waste involved, operate at a significantly lower and less consistent temperature to industrial composting facilities, making domestic composting a slower and more difficult process.



The Burgo – Mosaico production papers listed below carry this certification:

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

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.

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

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

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 environmental product 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 the paper profiles of its products available to its customers. These are available on request by writing to paperprofile@burgogroup.com.



FSC® Certification


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



The mark of responsible forestry

PEFC Certification

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



CARBON FOOTPRINT OF BURGO GROUP PRODUCTS

The Carbon Footprint is the parameter for **determining the environmental impacts** that anthropogenic activities have on **climate change** and, therefore, on global warming.

The data allows for the **estimation of greenhouse gas emissions released into the atmosphere** by a product, a service, an organisation, an event, or an individual, generally expressed in **tonnes of CO₂ equivalent** (i.e., considering the effect associated with the main culprit, carbon dioxide or carbonic anhydride), calculated over the **entire life cycle** of the system under analysis.

The calculation of the carbon footprint of a product or service must take into account all stages of the supply chain starting from the extraction of raw materials to the disposal of waste generated by the system itself according to the **LCA** approach, i.e., the **Life Cycle Assessment** (or life cycle analysis).



CEPI Ten Toes

The CEPI Ten Toes (Framework for Carbon Footprints for Paper and Board Products) is the methodology used by most European paper manufacturers to disclose the carbon footprint of their products: it breaks down the carbon footprint into 10 elements and defines how to disclose greenhouse gases for each.

Calculating the true carbon footprint of a product is therefore a very complex process; calculations are based on all major stages of a product's life cycle, using available data, but also making a number of assumptions along the way.

In order to establish some ground rules for calculating the Carbon Footprints of paper products, major European manufacturers have developed and published, through CEPI (Confederation of European Paper Industries), guidelines containing identified "best practices": the CEPI TEN TOES.

Burgo Group's Central Sustainability Office aims to collect the necessary data and perform the calculations required for the preparation of Carbon Footprints according to CEPI guidelines.

3

The Burgo Group also uses the "CEPI Ten Toes" method to calculate Carbon Footprints for its products and makes these documents available to all customers who request them.

- 1 Carbon sequestration in forests is the process of capturing and storing atmospheric carbon dioxide (through photosynthesis). Forest certification and the traceability of fibre procurement guarantee either stable or increasing carbon stores in forests. This effect is difficult to attribute to a specific product, so this value is not currently considered within Carbon Footprints.
- 2 Biogenic carbon stored in wood fibre in paper products is one parameter that may be calculated. The longer a product is used, the longer this carbon stays out of the atmosphere. Paper recycling further delays the return of this CO₂ to the atmosphere by keeping carbon in the paper cycle.

- 3 Combustion of fossil fuels related to cellulose and paper production, including emissions from the production of purchased pulp.
 - 4 CO₂ emissions from virgin or recovered fibre production.
 - 5 CO₂ emissions from the production of non-fibrous raw materials (chemicals, pigments, etc.).
 - 6 Emissions associated with electricity purchased or sold.
 - 7 Emissions associated with transportation of raw materials.
- Note: Transportation of paper to customers is not included in this model.

- 8 Emissions from product use (e.g. Printing).
These are not included in the scope of the paper production process
- 9 Emissions related to product end-of-life management.
These are not included in the scope of the paper production process
- 10 Averted emissions (not currently included).

Product-related carbon footprint

BURGO GROUP		
CARBON FOOTPRINT BASED ON THE 10 TOES OF CEPI FRAMEWORK		
Company: Burgo Group SpA		
Mill: SORA		
Paper Quality: R4 NEXT GLOSS		
Data collected from 01/01/2021 to 31/12/2021		
Ten toes of CEPI Framework	Fossil CO2 (Kt/ton of paper)	Biogenic CO2 (Kt/ton of paper)
1. Carbon sequestration in the forest		-
2. Carbon stored in the product		895,0
Net sequestration of biomass carbon		895,0
3. GHG emissions from pulp and paper production	610,8	
4. GHG emissions associated with producing virgin or recovered fiber	0,0	
5. GHG emissions associated with producing other raw materials	186,8	
6. GHG emissions associated with purchased or sold electricity and steam	-180,1	
7. Transport-related GHG emissions	49,3	
Total fossil CO2 emissions	666,9	
8. GHG emissions attributable to product use (e.g. printing)	-	
9. GHG emissions attributable to end-of-life management of products	-	
10. Averted emissions	-	

Carbon footprints should not be considered as mere comparison tools

Carbon footprints should not, in any case, be understood as a comparison tool, although it might be tempting to think that carbon footprints can be compared and, on these grounds, a decision made on which product is the more desirable.

The CEPI Ten Toes methodology actually states that comparisons between products "must be carried out with great care". A decision based solely on a lower carbon footprint cannot guarantee the overall sustainability of a product. The CEPI Ten Toes methodology emphasises that "it is important to remember that there are environmental contributions other than greenhouse gas emissions that may be important in assessing the overall environmental performance of a product".

Carbon footprint calculations are based on assumptions and only reflect the sum of carbon emissions from certain activities at a given time. The majority of carbon footprints represent the best estimate of their actual footprint.

They do not reflect all climate impacts. In most footprints, several aspects are missing or cannot be calculated due to measurement standards or missing information. A carbon footprint merely reveals the existing state of affairs.



Source: CEPI (2017): Framework for Carbon Footprints for Paper and Board Products.

3.8

Materiality analysis

(GRI 2 - 29, 3 - 1/2/3)

As part of the preparation of its Sustainability Report, the Burgo Group used Materiality Analysis in order to capture the most relevant sustainability aspects for the company and its internal and external stakeholders. This involves a survey of the significance of a set of thematic areas of economic, governance, social, and environmental sustainability, for the company and its most significant stakeholders.

The activity then allowed us to "listen" to stakeholders inside and outside the Burgo Group, initiating the process of stakeholder engagement. Through the use of several international non-financial reporting standards (e.g. GRI Standard 1: Reporting Principles 2021) and comparison with other international companies in our industry, we identified stakeholders and a number of sustainability issues.

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

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

Specifically, 14 material topics were identified, divided among the three typical ESG areas: Environmental, Social, Governance.

Our Stakeholders

Stakeholders are individuals, entities or groups that have expectations, interests or rights in relation to the company and its activities, whose contribution is important for the company to achieve its goals. The stakeholders we identified and subsequently involved in the survey, conducted to define the materiality matrix, were:

- **Shareholders**
- **Management**
- **Employees**
- **Customers**
- **Suppliers**
- **Banking and insurance**
- **Collaborators**

3

Social Responsibility topics:

- Occupational health and safety
- Training and education
- Employment support
- Local relations
- Diversity and equal opportunities

Environmental Responsibility topics:

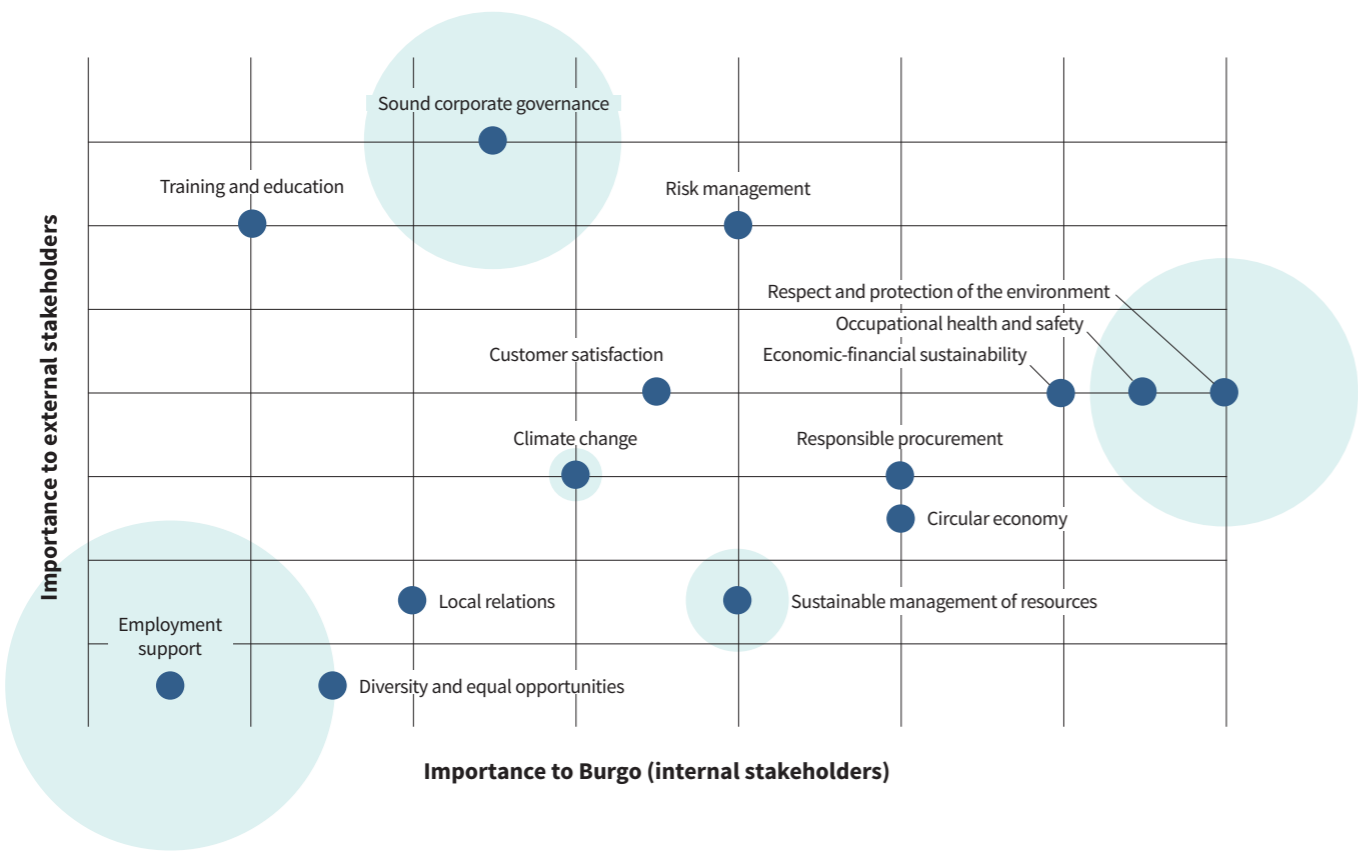
- Respect and protection of the environment
 - Water resources management
 - Waste management
 - Energy Efficiency
- Responsible procurement (supply chain control)
- Sustainable management of resources
 - Conscious use of resources
 - Waste reduction
- Climate change
- Circular economy

Economic Responsibility and Governance topics:

- Economic-financial sustainability
- Sound corporate governance
- Customer satisfaction
- Risk management

This method of engagement allowed for almost direct contact with stakeholders, from which interesting new opinions emerged in relation to perceptions of Burgo Group's work in the area of sustainability; the insights that emerged have been integrated into this Sustainability Report.

The joint consideration of internal and external significance has led to the identification of priority and materiality areas. The materiality matrix has been validated by corporate management. In order to support the survey, an analysis of the material topics of key sector comparables was carried out, which showed that the material themes identified in the Group's 2022 matrix are broadly aligned with those of the sector.



The 2022 materiality matrix of Burgo Group identifies the following as relevant topics: "Respect and protection of the environment", "Occupational health and safety" and "Economic-financial sustainability".

Continuing the path taken in previous years, 2022 was marked by the Burgo Group's focus on sustainability. In order to keep abreast of material topics and to ensure adequate reporting of the same in these financial statements, the Group used a specialist consulting firm. Specifically, the consulting firm has:

- created a sector materiality matrix (Paper & Packaging) to compare Burgo Group with major market peers in terms of relevant material topics. This activity included the analysis of materiality matrices published in the corporate sustainability reports of national peers and major European and American players, leaders in ESG issues.
- Construction of a Burgo Group CCL (Comply Compete Lead) dashboard as regards peers for outside assessment for targets and initiatives and assessment of positioning on ESG issues.

These analyses found that Burgo Group is aligned with the paper & packaging industry on key environmental and social material topics.

In order to improve on what has already been configured during 2023, the materiality analysis will be updated by extending the involvement to other external stakeholders. Furthermore, the "Respect and protection of the environment" topic will be revisited with an approach oriented towards division into more specific and analytical topics, such as: water resource management, biodiversity, and energy performance.

IMPACT OF MATERIAL TOPICS

In the following table, the importance of each identified material topic is highlighted for both internal and external stakeholders, and where the impact of the topic is most relevant.

Material topics	Materiality matrix		Effect	
	Importance			
	Internal Stakeholders	External Stakeholders		
Occupational health and safety	High	High	Internal	
Training and education	Low	High	Internal	
Employment support	Low	Low		External
Local relations	Low	Low	Internal	External
Diversity and equal opportunities	Low	Low	Internal	
Respect and protection of the environment	High	High	Internal	External
Responsible procurement	High	High	Internal	External
Sustainable management of resources	Medium	Low	Internal	
Climate change	Medium	Medium		External
Circular economy	High	Medium	Internal	External
Economic-financial sustainability	High	High	Internal	
Sound corporate governance	Medium	High	Internal	
Customer satisfaction	Medium	Medium	Internal	External
Risk management	Medium	High	Internal	

Table 3.6: Material topics

MAIN TYPES AND CHANNELS OF COMMUNICATION

Different stakeholders are engaged through communication channels of varying regularity; these may be ongoing for social networks and websites, and quarterly or yearly for economic-financial reports. Specific dedicated meetings or direct contacts vary in frequency.

Communication channels

Stakeholders	Potential Interests	Methods of communication	Frequency
Shareholders	Change management, remuneration, investment transparency	Website	Continuous
		Dedicated meetings	Various/Quarterly
		Statement of Financial Position	Quarterly
		Sustainability Report	Annual
		Social Networks	Continuous
Institutions (Provincial and regional bodies, national and European governments, local authorities)	Compliance with law, regulations and industry standards, transparent conduct and communication, socially responsible management, contributions and social security contributions	Website	Continuous
		Dedicated meetings	Various
		Direct contacts	Various
Customers and suppliers	Continuity of relationship, contractual conditions, product and business sustainability, development of partnerships	Sustainability Report	Annual
		Statement of Financial Position	Quarterly
		Website	Continuous
		Dedicated meetings	Various
		Social Networks	Continuous
Community (Local relations, Associations and Environmental institutions)	Land conservation, collaborations with associations and universities, protection and safety of local communities, innovation and opportunities for the community, support for social initiatives, attention to environmental impacts, waste and industrial by-product management, reduction in the use of natural resources	Sustainability Report	Annual
		Statement of Financial Position	Quarterly
		Website	Continuous
		Dedicated meetings	Various
		Social Networks	Continuous
Burgo Group Employees (Employees, external collaborators, and trade union representatives and organisations)	Identity and values, motivation, development, contractual stability, training, health and safety, quality of life, equal opportunities, reduction in the use of natural resources	Sustainability Report	Annual
		Website	Continuous
		Dedicated meetings	Various
		Message boards	Various
		Newsletter	Various
		Social Networks	Continuous
Financial community	Market transparency, financial stability and sustainability, corporate governance, relations with investors	Sustainability Report	Annual
		Website	Continuous
		Social Networks	Continuous

Table 3.7: Communication channels

Economic responsibility

4

PAPER
POWER
PASSION



4.1

2022 Financial Data

The figures from the consolidated financial statements as of 31 December 2022, approved by the Shareholders' Meeting, are presented below.

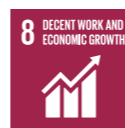
Group turnover amounted to € 2,307 million, up 32.2% (€ 562 million) from 2021, which had been € 1,745 million. Paper revenues amounted to € 1,849 million, up 27.2% from the previous year; cellulose revenues amounted to € 107 million, a positive change of 38.2%. Energy revenues, at € 302 million, are up 67.9%, while other revenues, which include Lignin sulphonate sales, are up 39.3% to € 46 million compared to 2021 (amounting to € 33 million).

It should be noted that in 2022, revenues were generated from the sale of pulp of € 2 million by the subsidiary Burgo Recycling S.r.l., which has been operational since the end of 2021.

At comparable perimeters, the increase was 40.5% in the paper segment and 43.6% for all revenues.

Business sectors €/mln	2021	2022	% Change
Paper revenues	1,454	1,849	27.2%
% of total revenues	83.3%	80.2%	
Pulp revenues	-	2	100.0%
% of total revenues	0.0%	0.1%	
Cellulose revenues	78	107	38.2%
% of total revenues	4.5%	4.7%	
Energy revenues	180	302	67.9%
% of total revenues	10.3%	13.1%	
Others	33	46	39.3%
% of total revenues	1.9%	2.0%	
	1,745	2,307	32.2%

Table 4.1: Revenue breakdown



4

Statement of profit/(loss) for the year €/000	31 Dec 2021	31 Dec 2022	% Change
Revenues	1,744,748	2,306,977	32.2%
Other income	72,951	54,893	
Total operating revenues and income	1,817,700	2,361,870	29.9%
Costs for materials and external services	(1,523,055)	(1,854,720)	
Staff costs	(191,868)	(196,347)	
Other operating costs	(57,008)	(83,746)	
Changes to surplus stock	15,394	88,848	
Costs for capitalised internal works	3,015	839	
Total operating costs	(1,753,521)	(2,045,125)	16.6%
EBITDA Adjusted	64,179	316,744	393.5%
Depreciation and amortisation	(72,161)	(51,646)	
Capital gains/losses on disposal of non-current assets	227	1,461	
Operating income before extraordinary and non-recurring income and expenses	(7,755)	266,560	
Writebacks/writedowns of non-current assets	(19,102)	(20,102)	
Income/expenses of a non-recurring nature / for restructuring	109,249	(5,921)	
Operating profit (EBIT)	82,392	240,538	
Financial expenses	(28,810)	(41,344)	
Financial income	4,306	6,661	
Profit/(loss) before taxes	57,888	205,854	
Income taxes	831	(48,101)	
Profit/(loss) for the period	58,719	157,753	

Table 4.2: Reclassified income statement

Revenues from ordinary operations in 2022 amounted to € 2,307 million, up by € 562.2 million (+32.2%) compared to € 1,744.7 million in 2021. At equivalent scales, the change in turnover is € +699.8 million (+43.5%). The increase was due to higher selling prices for paper products and energy, which more than offset the decrease in volumes. Specifically, paper sales increased by € 326 million (at equivalent scales the increase was € 518.9 million or + 39%) and energy sales by € 103 million.

The increase in selling prices is a direct result of the strong pressure on production costs, which, continuing the strong upward trend that began in 2021, showed double-digit growth throughout 2022.

Other income totalled € 54.9 million (€ 73 million in the previous year) due in particular to environmental certificates and electricity and gas interruptibility agreements. At equivalent scales, other income in 2022 decreased by € 14.4 million (-20.8%). Overall, total operating revenue and income came to € 2,361.9 million, compared to € 1,817.7 million in 2021 (+29.9%).

Operating costs totalled € 2,045.1 million compared to € 1,753.5 million in the previous year, an increase of 16.6%. Operating costs included € 196.3 million for staff costs, compared to € 191.9 million the previous year.

Adjusted EBITDA was € 316.7 million compared to € 64.2 million in 2021 (at equivalent scales, EBITDA in 2021 was € 54.2 million). In percentage terms, EBITDA amounted to 13.4% of turnover compared with 3.5% in the previous year. Margins as measured by the Group's paper and cellulose sales are also up, at 16.2% compared to 4.2% in 2021.

Amortisation and depreciation amounted to € 51.7 million, down from the previous year mainly due to the sale of the Verzuolo plant last year.

Operating income before non-recurring transactions amounted to € 267 million, compared to € -7.8 million the previous year.

Writedowns of non-current assets of € -20.1 million were made.

Statement of equity/financial position: Assets €/mln	31 Dec 2021	31 Dec 2022	Change
Non-current assets	558.0	476.4	(81.6)
Property, plant and equipment	439.1	387.8	(51.3)
Intangible assets	31.3	18.7	(12.7)
Other non-current assets	23.9	23.0	(0.8)
Deferred tax assets	63.7	46.9	(16.8)
Current assets	791.5	852.2	60.7
Assets held for sale and discontinued operations	-	45.4	45.4
Total assets	1,349.5	1,373.9	24.4

Statement of equity/financial position: Liabilities €/mln	31 Dec 2021	31 Dec 2022	Change
Shareholders' equity	411.8	520.0	108.2
Shareholders' equity attributable to the Group	408.1	516.1	108.0
Shareholders' equity attributable to non-controlling interests	3.7	3.9	0.1
Non-current liabilities	315.4	320.6	5.2
Current liabilities	622.2	524.3	(97.9)
Liabilities related to assets held for sale and discontinued operations	-	9.0	9.0
Total shareholders' equity and liabilities	1,349.5	1,373.9	24.4

Table 4.3: Statement of equity

Net property, plant and equipment and intangible assets decreased and fell from € 470.4 million to € 406.5 million mainly as a result of the sale of the Duino plant (the value of which is reported under Assets held for sale). In addition to the extraordinary transaction mentioned above, which generated a decrease of € 40.6 million, the change stems from the difference between tangible and intangible investments totalling € 56.1 million, disposals of € 4.3 million, writedowns of € 20.1 million, amortisation and depreciation of € 51.7 million, and, finally, a net change of € -3.1 million for Burgo Ardennes

green certificates. In 2022, the Group continued its investment programme geared toward the production of new products, improvement of production and energy efficiency, quality, safety, environmental awareness, plant maintenance, and the upgrade and enhancing of the Group's IT software and hardware.

Warehouse inventories increased by € 84.7 million, while trade receivables due from customers decreased by € 36 million and trade payables to suppliers decreased by € 100.5 million, mainly as a result of the contraction in the terms of payment for natural gas supplies resulting from the radical change in the method that gas has been procured as of October 2022, contributing to an overall increase in operating working capital of € 149.2 million.

Net financial debt was positive at € 11.7 million compared to € -53.8 million in the previous year.

Shareholders' equity increased by € 108.2 million, from € 411.8 million to € 520 million. The main changes are attributable to the result for the year of € 157.8 million, overall negative changes passed through the OCI totalling € 6.8 million, including in particular those arising from the negative adjustment of the CFH reserve, and to the payment of dividends amounting to € 42.5 million.

INVESTMENTS

Investments in property, plant and equipment in 2022 totalled € 48.6 million (€ 47.8 million in 2021). The amount of intangible investments was € 2.8 million. Furthermore, there are entries for fixed assets for right of use and leasing totalling € 4.6 million.

The investments programme, consistent with the approved Business Plan, provided continuity to the modernisation and technological improvement processes initiated in previous years. New investments have brought to the production lines the technological innovations needed to maintain and constantly refine product quality and a commitment to constant improvement in energy efficiency, quality, safety, environmental awareness and plant maintenance on all production sites.

At the Avezzano Plant, planning continued for the installation of a new shoe press with the aim of increasing production while reducing energy consumption.

At the Sora site, water cycle separation activities aimed at the production of food wrapping have been completed and planning has begun for the conversion of line 2 to the production of food packaging products.

The design and preparatory activities for the installation of a new biological-type treatment plant at the Villorba plant have been completed.

GLOBAL DISTRIBUTION OF SALES

In the three-year reporting period the Group adopted a policy to increase its presence in developing continents characterised by high growth potential. In certain areas, particularly in Europe and Central and North America, sales have recorded a more significant increase. The Group's paper sales are mainly aimed at the European market and represent approximately 87% of the total.

	2020	2021	2022
Africa	1%	1%	2%
Latin America	0%	1%	1%
Asia	6%	3%	3%
Central America	1%	1%	1%
Europe	48%	63%	55%
North America	2%	2%	5%
Oceania	0%	0%	0%
Italy	41%	29%	32%
Total	100%	100%	100%

Table 4.4: Sales distribution

4.2

Distribution of added value

(GRI 201-1)

DIRECTLY GENERATED AND DISTRIBUTED ECONOMIC VALUE

It should be noted that the economic effect stemming from the Verzuolo plant, sold in 2021, has been excluded from the 2020 and 2021 figures, with the objective of equating the data with that of 2022.

Generated and distributed economic value			
Items	2020	2021	2022
Net sales revenues	1,170,369	1,602,619	2,063,998
Other revenues	55,098	70,218	50,827
Revenues from financial investments	3,225	4,306	6,661
Sales of goods	67	403	1,491
Generated economic value (total revenues)	1,228,760	1,677,546	2,122,977
Operating costs	(997,030)	(1,330,532)	(1,666,363)
Employee salaries and benefits	(165,938)	(170,437)	(171,210)
Payments to equity providers	(15,328)	(11,035)	(21,725)
Payments to local authorities	(13,738)	(15,961)	(16,041)
Investments in the community	(200)	(106)	(118)
Distributed economic value (total costs)	(1,192,233)	(1,528,070)	(1,875,457)
Economic value withheld	36,526	149,475	247,520
of which:			
Amortisation, depreciation and writedowns	(86,794)	(82,714)	(70,248)
Remuneration withheld in the company			
(Profit/(loss) for the year and deferred taxes)	50,268	(66,761)	(177,273)

Table 4.5: Generated and distributed economic value

The guidelines of GRI 201-1 were followed analytically in determining the economic value generated.

The Group’s economic value generated (EVG) in 2022 was € 2,123 million. The rise in value compared to 2021 is mainly due to the increase in revenues. Economic value generated is divided into economic value distributed and economic value withheld. The details of the three-year period are given below, subdivided into the various subcategories.

Economic value generated							
	Economic value withheld		Economic value distributed				
			Operating costs	Employee salaries and benefits	Payments to equity providers	Payments to local authorities	Investments in the community
2020	37	1,229	997	166	15	14	0.20
	3%		81%	14%	1%	1%	0%
2021	149	1,678	1,331	170	11	16	0.11
	9%		79%	10%	1%	1%	0%
2022	248	2,123	1,666	171	22	16	0.12
	12%		78%	8%	1%	1%	0%

Table 4.6: Economic value

PAYMENTS TO LOCAL AUTHORITIES BY COUNTRY

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

- *Corporate 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;
- *Other 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.

Taxes by category			
Items:	2020	2021	2022
Corporate taxes	10,235	8,943	7,441
Property taxes	6,877	6,432	5,580
Others taxes	3,690	3,556	3,513
Total	20,802	18,931	16,534

Table 4.7: Taxes by Category

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 99% 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.

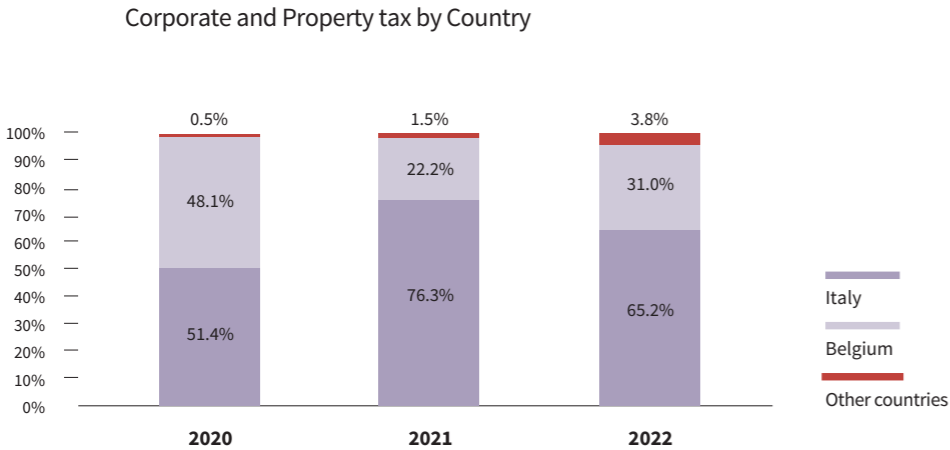


Table 4.8: Taxes by Country



4.3

State financial subsidies

(GRI 201-4)

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

Contributions received during 2022:

- subsidised rate loans from the Friuli-Venezia Giulia Region F.R.I.E. for the amount of € 7,803 thousand.

The details of subsidies reached each year are shown below.

All contributions were obtained through participation in tenders and research and development projects promoted by regional and national bodies.

Company	Plant	Granting body	Grant amount
2022			
Mosaico	Tolmezzo	FVG Region	7,802,637 €
2021			
Burgo	Sora	Italian Ministry of Economic Development	329,000 €
Mosaico	Tolmezzo	FVG Region	3,359,132 €
2020			
Burgo	Sora	Italian Ministry of Economic Development	366,000 €
Mosaico	Tolmezzo	FVG Region through Mediocredito	1,462,456 €

Table 4.9: Subsidies obtained

Environmental
responsibility

5

PAPER
POWER
PASSION

5.1

Raw materials and procurement

(GRI 2 - 6, 204 - 1, 301 - 1/2, 308 - 1, 414 - 1)

The Group's approach has become increasingly focused on environmental sustainability throughout its production and distribution lines, with the adoption of internal policies, the implementation of environmental management systems and the adoption of occupational health and safety policies for partners and third parties.

The Group's constant commitment to guarantee environmental sustainability is aimed at all sectors of its activities and over the years has become an integral component of the Group's commitments.

OUR COMMITMENTS:

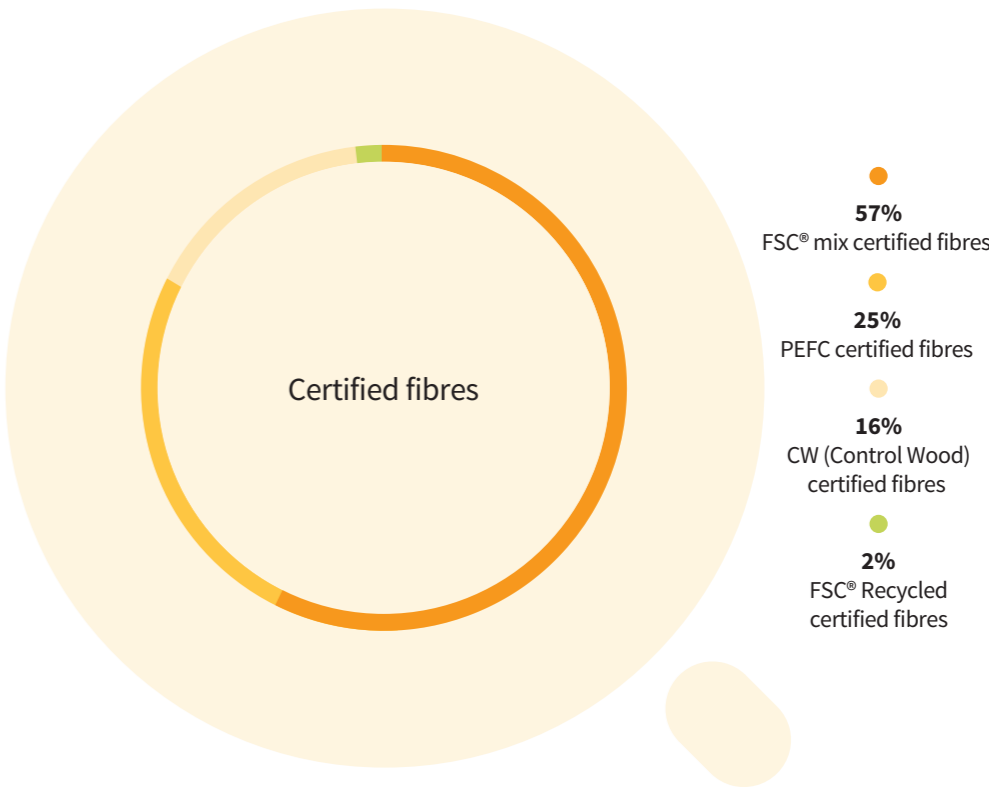
- We select and process certified raw materials;
- We adopt production processes aimed at optimising water and resources;
- We invest in projects to limit and reduce emissions;
- We implement a waste disposal system to reduce the amount of material sent to landfill;
- We focus on sustainable logistics and use a multimodal transport system.



5

FOCUS ON PROCUREMENT

The Group promotes 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. It prioritises the procurement of wood and fibrous raw materials from FSC® and PEFC certified forests and controlled sources.



STRATEGIC MATERIALS

In addition to the aforementioned raw materials (wood and fibrous materials), different types of materials are used in the production cycle, which can be grouped into 2 major families:

- Renewable Material, in which recycled material is also included. Material derived from abundant resources that are rapidly replenished through ecological cycles or processes;
- Non-Renewable Material, i.e. resource that does not regenerate over short periods of time.

The quantities of the main raw materials used by the Group are shown below.

Materials purchased for production

Category	2020		2021		2022	
	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable
Cellulose	541,867		641,589		618,911	
* of which Virgin Cellulose Fibre	499,378		599,775		592,121	
**of which self-produced Virgin Cellulose Fibre (Burgo Ardennes Plant)	42,489		41,814		26,790	
Timber	1,417,623		1,775,856		1,533,934	
Kaolin		71,564		74,236		56,954
Carbonates		531,996		652,368		566,603
Other chemicals		174,421		160,386		155,915
Latex		53,090		60,035		51,053
Starches	44,653		46,907		44,618	
Recycled cellulose (de-inked pulp, recycled raw material)	6,325		10,825		6,913	
Pulp (recycled raw material)	193,447		199,750		170,057	
Total by category	2,745,783	831,071	3,316,516	947,025	2,993,344	830,524
Total	3,576,854		4,263,541		3,823,869	
% of total	76.8%	23.2%	77.8%	22.2%	78.3%	21.7%

Table 5.1: Renewable and non-renewable materials

5

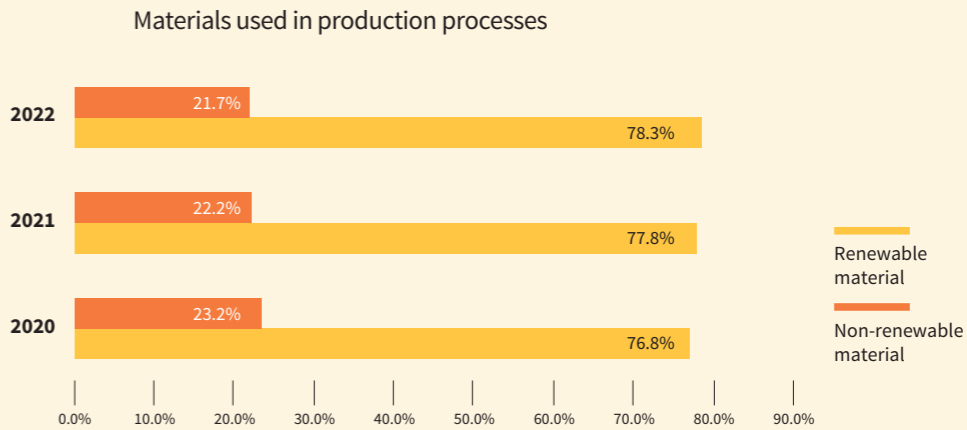


Chart 5.1: Materials used in production processes

FOCUS: SUPPLY CHAIN

The Burgo Group manages a varied network of suppliers, with whom it has built relations over time based on trust, loyalty and professionalism, encouraging stable and lasting relationships.

Centralised management of procurement of goods, services and works for the Group enables standardised supply policies.

The Group applies an annual supplier qualification and selection policy. Currently, supplier selection is done through impartial evaluations, where we prefer to use suppliers as close as possible to our production centres, to reduce, where possible, the environmental impact of transporting goods. The Group also seeks to improve its supply chain by reducing its supplier base so that it can stabilise and consolidate relationships.

- In selecting suppliers, the Group is increasingly inclined to favour suppliers who:
- ensure ethical and sustainable behaviour by monitoring their financial and economic structure;
 - adopt more sustainable transportation (more intermodal methods - less road haulage).

The key suppliers, understood as those representing 90% of purchases, are assessed every year through an evaluation form that covers the issues deemed most sensitive and important by the Group. New suppliers deemed relevant to the Burgo Group are also assessed according to environmental and social criteria using this evaluation form. The main areas of interest in the survey are:

- Quality of product and service;
- Reliability;
- Documentation provided;
- Competitiveness;
- Sustainability reporting (especially certifications).






- Every year, we also ask all our suppliers of:
- Cellulose: to complete the Pulp Sustainability form
 - Timber: to complete the Wood Sustainability form

These are two forms in which we ask for information relating to certification, percentage of certified material in the production facility, carbon footprint values and environmental data.

In order to ensure a product range and supplier selection that ensures the best environmental performance, the new "ESG - Sustainability Steering Committee" has, from the end of 2022, initiated the design of a programme aimed at ensuring a sustainable supply chain.

The priorities of the new programme include:

- 1) development of a supplier Code of Conduct inclusive of ESG clauses (the document has been drafted and will be sent to all our suppliers by 2023);
- 2) increase in supply from FSC® and/or PEFC certified forests - 84% in 2022;
- 3) introduction of supplier sustainability monitoring system (Scope 3).

 Category	 KPI
 ESG Code of Conduct	% suppliers
 Forest certifications	% FSC® and/or PEFC certified fibres
 Scope 3 emissions	kton CO ₂

The 2030 goals include selecting 100% of suppliers based on ESG criteria.

The Procurement Office, together with the Sustainability Office, has already begun work on collecting data related to Scope 3, which will be analysed and the necessary strategies will be implemented. The categories considered in this first phase are cellulose, optical correctors, latex, starches, carbonates and kaolin.

5.2

Waste management

(GRI 306-1/2/3)

WASTE MANAGEMENT

Paper is 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.

With this in mind, Burgo has sent more than 95% of waste and 100% of sludge from the paper production process for recovery in 2022.

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 sites, waste management follows rigorous procedures defined by the environmental management system, implemented in compliance with the international ISO 14001 standard, and duly monitored by regular internal audits. These procedures are applied at Group level.

THE CIRCULAR ECONOMY

- The Burgo Group promotes the topic of the circular economy, in particular:
- following the reconversion of the Avezzano production lines used for containerboard production, in 2022, about 200,000 tonnes of waste paper was used as secondary raw material/EoW (End of Waste);
 - with a view to the circular economy, since 2018, projects for the reuse of certain process waste, originating from the production of cellulose, wood pulp, and paper, have been continuously evolving. Among the more significant initiatives is the ongoing disposal of the “white krofta” by-product from the Tolmezzo plant, regularly provided as a by-product to a paper mill in the area.

The Burgo Group promotes programmes in all plants to reduce the amount of waste produced.



Waste Produced

	UM	2020	2021	2022
Non-hazardous waste produced	tonnes	79,907	76,290	74,823
Hazardous waste produced	tonnes	731	714	691
Group Waste	tonnes	80,638	77,004	75,514

Table 5.2: Group Waste

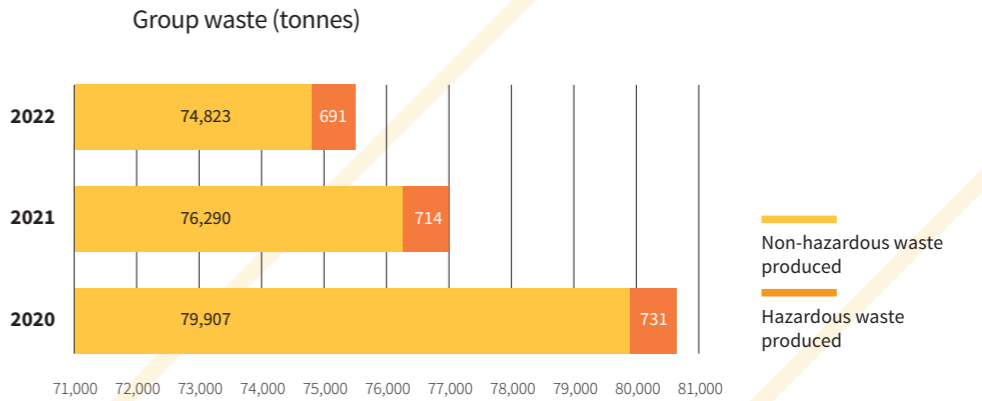


Chart 5.2: Group Waste

HAZARDOUS WASTE PRODUCED

Hazardous waste

	UM	2020	2021	2022
Recovery	tonnes	426	420	424
Disposal	tonnes	305	295	267

Table 5.3: Hazardous waste

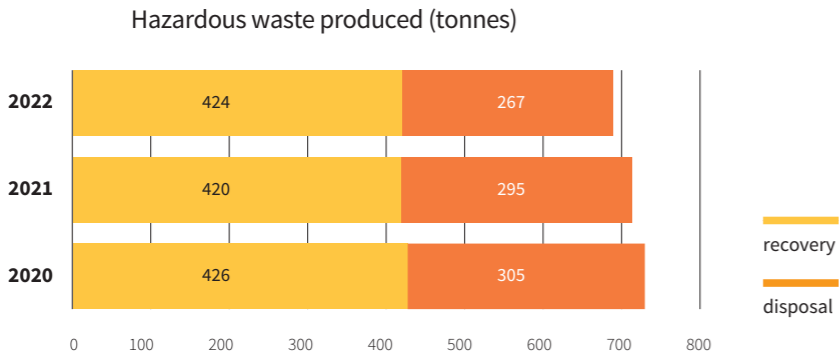


Chart 5.3: Hazardous waste

The variability in the generation of hazardous waste produced is due to the periodic main-tenance of production plants.

NON-HAZARDOUS WASTE PRODUCED

Non-hazardous waste

	UM	2020	2021	2022
Recovery	tonnes	72,888	72,044	70,978
Disposal	tonnes	7,019	4,246	3,844

Table 5.4: Non-hazardous waste

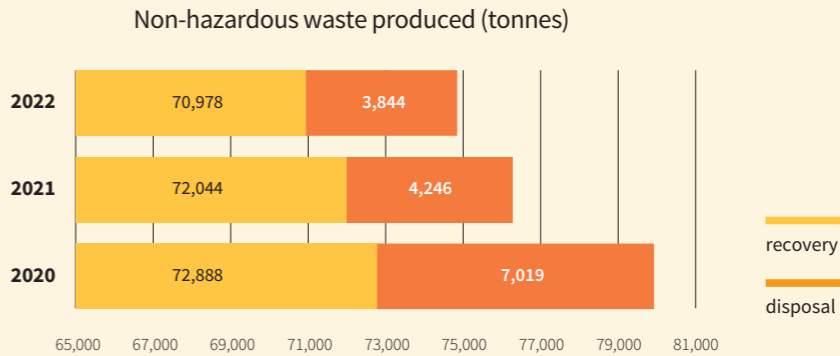


Chart 5.4: Non-hazardous waste

The graph shows the variability in the amount of non-hazardous waste sent for disposal.

As part of ESG initiatives, the Group is committed to increasing the percentage of waste going to recovery and reducing waste going for disposal.



The graph below shows the evolution of the percentage of hazardous and non-hazardous waste sent for recovery and disposal over the 2020-2022 three-year period.

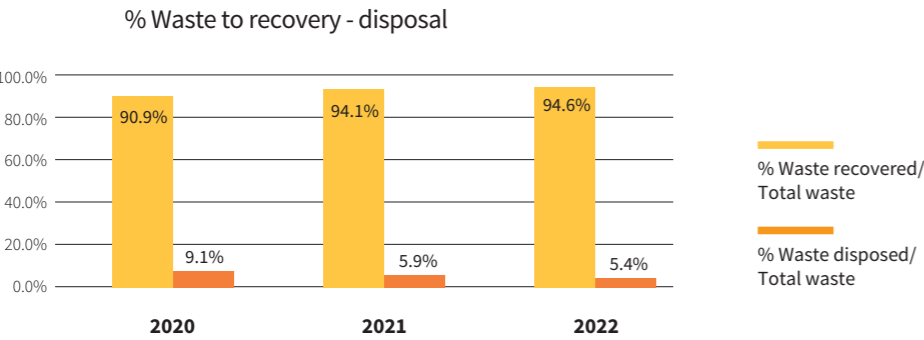


Chart 5.5: % Waste to recovery - disposal

In 2022, the percentage of waste sent for recovery increased from previous years, reaching about 95% of the total.



5.3

Energy consumption and efficiency

(GRI 302-1/3)

ENERGY RESOURCES AND CONSUMPTION

2022 was the first year after the sale of the Verzuolo plant; to make the comparison homogeneous, even for the years 2020 and 2021, the figures for this plant, which remained part of the Burgo Group until September 2021, were not considered.

The uncontrollable events that disrupted the energy and natural gas markets in the latter part of the year affected productivity, but because of the manner in which they occurred, they could not affect the short-term strategy: as a result, no major changes in the Group's energy mix are noted.

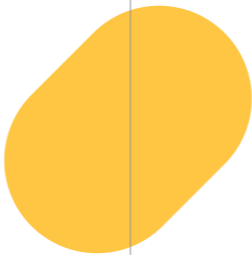
In fact, the primary source of energy is natural gas, whose reduction in consumption (-12% compared to 2021) is mainly attributable to the decline in production volumes; similarly, biomass use has seen a reduction in absolute terms.

However, overall, a positive trend is recorded in reducing the incidence of fossil fuel (from 70.2% in 2020 to 67.5% in 2022) and a proportional increase in the incidence of biomass (from 31.7% to 34.9%).

The drought that characterised 2022 was responsible for a 50% reduction in hydro-electric power production compared to 2021.

Items		2020	2021	2022
Methane	GJ	15,688,968	17,053,591	14,902,854
Fossil sources	GJ	15,688,968	17,053,591	14,902,854
Biomass	GJ	7,083,012	8,164,983	7,697,399
Photovoltaic	GJ		205	98
Production of hydroelectric electricity	GJ	95,198	146,140	70,418
Renewable sources	GJ	7,178,210	8,311,328	7,767,915
Electricity acquired	GJ	487,625	566,142	547,476
Electricity sold to the grid	GJ	(996,028)	(1,215,051)	(1,137,011)
Total energy used	GJ	22,358,775	24,716,010	22,081,234

Table 5.5: Total energy used



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Chart 5.6: Energy

The Group continues to experience a gradual decrease in energy intensity: putting it -4.5% below 2020, demonstrating a continued focus on reducing energy impact in end uses.

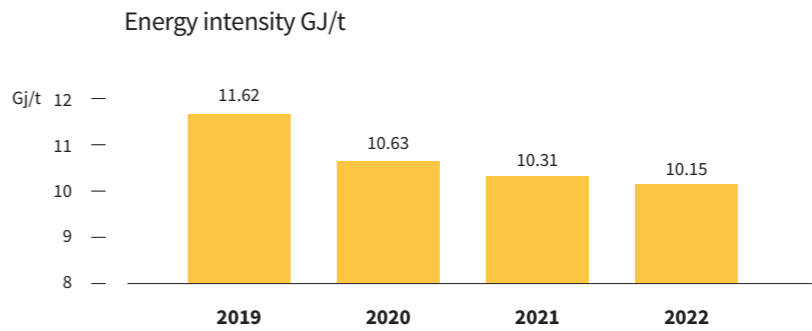


Chart 5.7: Energy intensity

ENERGY EFFICIENCY

In the last four years, Burgo has made energy savings equivalent to 26,000 tonnes of CO₂ thanks to projects developed in the last few years. The effects of these existing projects continue to be monitored.

In the area of energy production efficiency, 20,000 tCO₂/year was avoided, related to white certificates (TEE) for high yield cogeneration systems.

Over the course of 2022, two significant Group cogeneration system renewal projects were completed (the partial redevelopment in Toscolano and the new plant in Tolmezzo), the effects of which can be assessed from 2023; further interventions are being considered for implementation in the coming years.

Conversion factors used:

- lower heating value of methane: 8,250 kcal/Smc (source: Annex A of AEEG Resolution 103/03)
- lower heating value of biomass - black liquor: 12.14 GJ/ttq (analytical sources)
- lower heating value biomass - bark: 7.95 GJ/ttq (analytical sources)

Methodology for calculating energy intensity

Energy intensity is calculated as the ratio of the total energy used, expressed in GJ, to the sum of the Group's output; in more detail:

- the energy used is the sum of the energy contents of the fuels used (methane and biomass), hydroelectric and photovoltaic energy produced, and purchased electricity; excess electricity produced and sold to the grid is subtracted;
- the Group's total production is the sum of paper, cellulose and wood pulp production; the paper production considered is gross production.

5.4

Emissions and climate change

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

ATMOSPHERIC EMISSIONS

The Burgo Group's strategic decision to pursue self-sufficiency in both electricity and thermal energy by investing in highly energy-efficient technologies has directed its investments towards the production of energy from cogeneration systems, gradually reducing the use of fossil fuels and CO₂ emissions.

Furthermore, the use of natural gas (methane) means that the emissions produced are almost entirely free from sulphur-containing substances (SO₂ and H₂S), dusts or particulates, with lower greenhouse gas emissions (only CO₂ is released). Cogeneration is also one of the most efficient systems with a lower environmental impact able to meet the consistent demand for electricity and steam at the paper mills.

In addition to fossil fuel, a number of solutions involving the use of carbon-neutral (biomass) fuel are being studied within some of the Group's cogeneration plants.

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

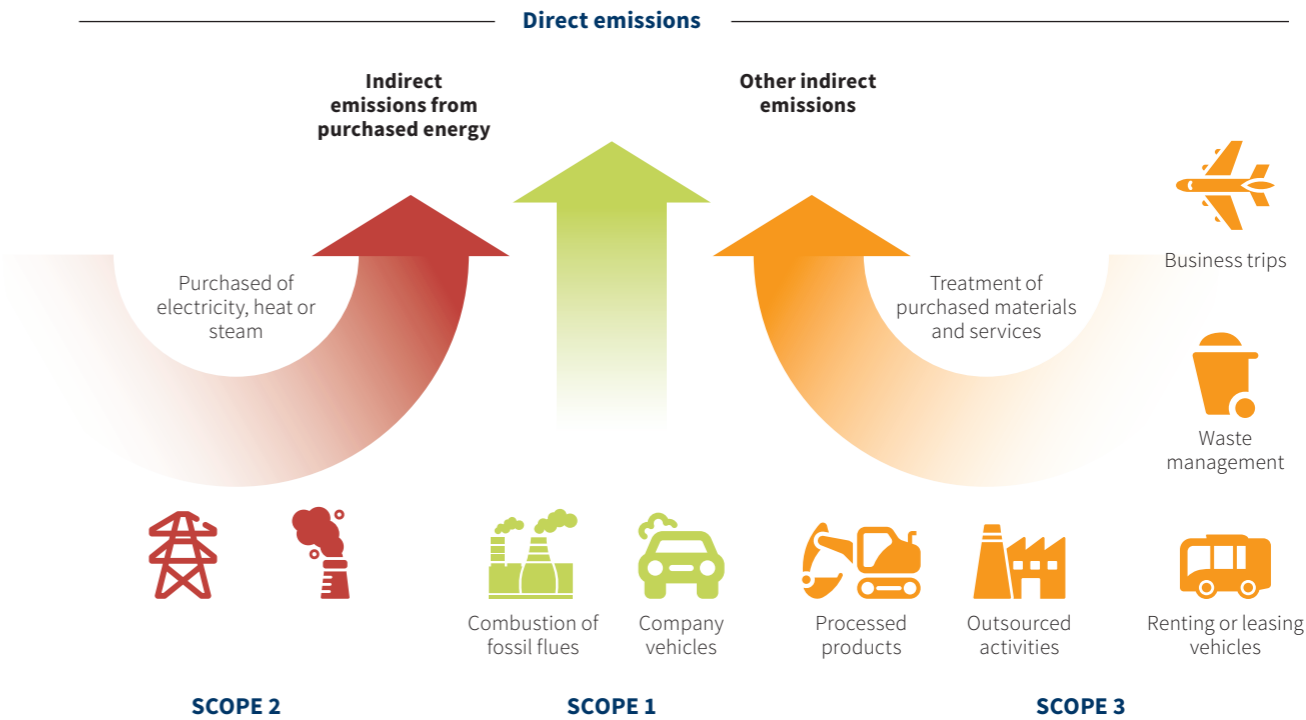
- the use of raw materials with low energy impact;
- the adoption of technologies that minimise energy consumption;
- the adoption of combined heat + power generation systems (“cogeneration”);
- the implementation of an integrated strategy coordinated among all the Group's Facilities;
- compliance with international directives (primarily the Kyoto Protocol);
- control of usage levels at all plants to monitor their energy efficiency as part of an energy management system (e.g., ISO 50001).



GREENHOUSE GAS EMISSIONS (GHG)

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

- Scope 1:** includes emissions from the use of fossil fuels (in our case, natural gas);
- Scope 2:** includes emissions associated with purchased energy (therefore, fuels burned by third parties);
- Scope 3:** includes all emissions related to the company's operations that are not covered by Scope 1 and Scope 2 (e.g., emissions related to employee mobility, supply chain, use of produced goods, etc.).



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

The Group regularly monitors direct (Scope 1) and indirect (Scope 2) CO₂ emissions.

In 2021, a project was initiated to also map its **Scope 3 emissions**, in order to establish an effective corporate climate change strategy that requires a detailed understanding of greenhouse gas emissions (more on this below).

This assessment has been performed according to the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (referred to as the Scope 3 Standard), which provides an internationally accepted method for enabling the management of GHGs within the value chains of companies.

Scope 2 emissions are reported according to the location-based method criteria in the Scope 2 guidelines of the GHG Protocol (https://ghgprotocol.org/scope_2_guidance).

	UM	2020	2021	2022
Direct emissions (Scope 1)	tonnes CO ₂ eq	947,207	1,035,768	909,484
Indirect emissions (Scope 2)	tonnes CO ₂ eq	29,169	32,275	30,861
Total emissions	tonnes CO ₂ eq	976,376	1,068,043	940,345
Direct emissions	%	97.0%	97.0%	96.7%
Indirect emissions	%	3.0%	3.0%	3.3%
Direct emissions of biogenic origin Ardennes	tonnes CO ₂ eq	831,857	976,174	911,920

Table 5.6: Emissions

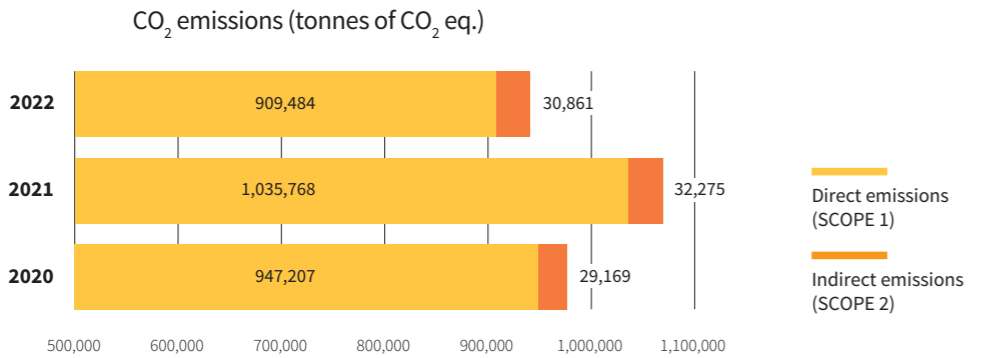


Chart 5.8: CO₂ Emissions

Total CO₂ emissions in 2022 were generally stable with an improved figure compared to 2020-2021.

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

The Group is working on defining various projects geared toward reducing its GHG emissions to achieve carbon neutrality, e.g., research is underway on the possible use of new fuels (e.g., biomethane, hydrogen) and new energy sources and technological innovation projects (e.g., Carbon Capture & Storage).

The amount of CO₂ from indirect emissions, which can be attributed to the amount of electricity purchased from the grid, decreased slightly in 2022 (the 2021 figure is affected by various activities and technical work on several of the Group's power plants).

The emission factors used to calculate Scope 1 emissions are provided below.

Emission factors Scope 1		Udm	Avezzano	Chiampo	Duino	Lugo	Sarego	Sora	Tolmezzo	Toscolano	Treviso	Villorba
Natural gas	EF	tCO ₂ /TJ	56.85	55.98	55.96	55.97	56.00	56.94	55.97	56.07	56.04	56.01
	PCI	MJ/Nm3	38.12	37.09	37.15	37.09	37.12	38.17	37.08	37.25	37.30	37.26
	EF	tCO ₂ /TJ	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93
	PCI	GJ/t	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87
Diesel fuel	EF	tCO ₂ /TJ	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93
	PCI	GJ/t	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87
Limestone	EF	tCO ₂ /TJ							0.44			
Ardennes												
Natural gas	EF	tCO ₂ /TJ	56.06									
	PCI	MJ/Nm3	37.55									
Diesel fuel	EF	tCO ₂ /TJ	74.10									
	PCI	GJ/t	43.00									
Black liquor	EF	tCO ₂ /TJ	95.30									
	PCI	GJ/t	13.40									
Bark	EF	tCO ₂ /TJ	112.00									
	PCI	GJ/t	7.96									

Italy

2020: CO₂ emissions related to Electricity Consumption: 255.0 g CO₂/kWh Coefficient taken from Report no. 386/2023 ISPRA "Efficiency and decarbonisation indicators in Italy and in the biggest European Countries", Table 1.13 - Emissions factors in the power sector (g CO₂/kWh) on p. 88.

2021: CO₂ emissions related to Electricity Consumption: 255.6 g CO₂/kWh Coefficient taken from Report no. 386/2023 ISPRA "Efficiency and decarbonisation indicators in Italy and in the biggest European Countries", Table 1.13 - Emissions factors in the power sector (g C CO₂ O2/kWh) on p. 88.

2022: CO₂ emissions related to Electricity Consumption: 293.3 g CO₂/kWh Coefficient taken from Report no. 386/2023 ISPRA "Efficiency and decarbonisation indicators in Italy and in the biggest European Countries", Table 1.13 - Emissions factors in the power sector (g CO₂/kWh) on p. 88.

Belgium

2020: CO₂ emissions related to electricity consumption: 167 g CO₂/kWh. Used the 2020 coefficient taken from Figure 2 visible at this link <https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1>

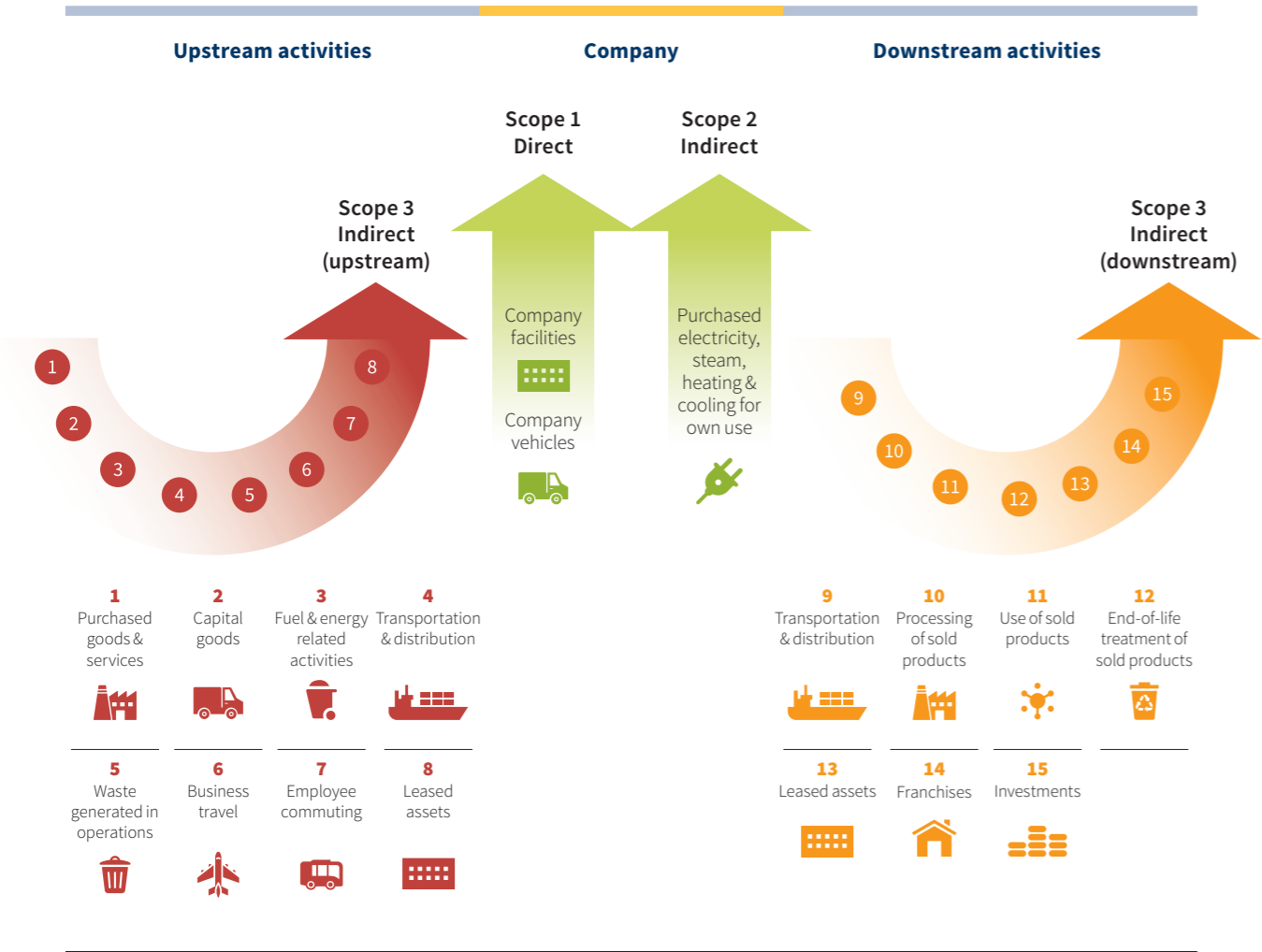
2021: CO₂ emissions related to electricity consumption: 139 g CO₂/kWh. Used the 2021 coefficient taken from Figure 2 visible at this link <https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1>.

2022: CO₂ emissions related to electricity consumption: 139 g CO₂/kWh. Used the 2021 coefficient taken from Figure 2 visible at this link <https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1>.
NOTE: The 2021 conversion factor was used as an estimate for the 2022 figure.

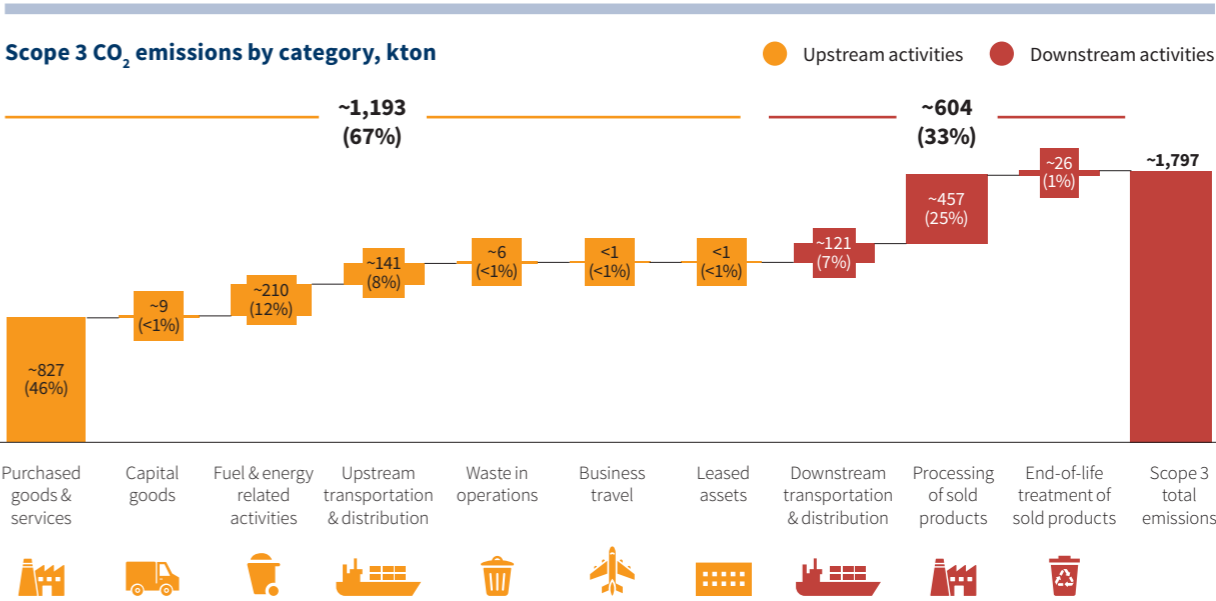
SCOPE 3 IN-DEPTH ANALYSIS

The carbon footprint (also called GHG inventory), is a measure that represents, in equivalent CO₂, the total greenhouse gas emissions directly or indirectly associated with a product, an organisation, or a service. The carbon footprint groups emission sources into three macro-classes: SCOPE 1 (direct emissions related to the company's processes), SCOPE 2 (indirect emissions from energy consumption related to the purchase of electricity) and SCOPE 3 (other indirect emissions from upstream and downstream activities of the organisation).

In 2022, the calculation of Scope 3 emissions was also initiated with the cooperation and support of a consulting firm. These emissions include 15 different categories, including purchased goods and services, business travel, employee travel, waste disposal, transportation, distribution and investments.



Based on figures for the year 2021, the Scope 3 emission assessment turns out to be **1,797 k tonnes of CO₂**. The category making the largest contribution is "purchased goods & services".



Source: Burgo database, BCG analysis Chart 5.9: Burgo Group Scope 3 emissions 2021

The Group aims to systematise the monitoring of Scope 3 emissions and define specific reduction interventions. Mapping all types of CO₂ emissions allows for a holistic view of emission sources, looking both upstream and downstream of everything that goes into making a product.

NO _x emissions, dust from electricity plants				
	UM	2020	2021	2022
NO _x emissions	tonnes	1,362	1,391	1,178
Particulate emissions	tonnes	111	143	106

Table 5.7: NO_x emissions

In 2022, the commissioning of the turbogas facility at the Tolmezzo plant and the re-vamping of the turbogas facility at the Toscolano plant contributed in part to the decrease in the amount of NO_x and dust emitted by the Group.

5.5

Water resources

(GRI 303 - 1/2/3)

Water is an essential element in paper and cardboard production: it acts as a binder for the fibres and, in the production process, is needed for transportation, for cleaning, as a solvent, as an energy carrier in the form of steam, and as a tool in various cooling processes.

Over the years, the Burgo Group has invested in optimising its water usage process, gradually reducing fresh water withdrawals and prioritising the use of recycled water.

From the water balances carried out in the production plants, it is estimated that purified water is more than 90% of the total withdrawn.

The amount of water needed depends mainly on the type of final product and the raw material used.

Water is used:

- **in chemical processes:** paper mills use water to prepare and dilute chemicals;
- **as a cooling method:** used in various parts of the paper mill;
- **as a transport medium:** fibres are transported along the production process in water. When it reaches the paper production machine, the pulp is 99% water, the remaining 1% fibre and additives; much of this water is then reused in the process;
- **to produce steam:** steam is used to heat process equipment, including the drying cylinders of the continuous machine;
- **to clean and to seal:** much of the fresh water needed is used for these operations.



5

With reference to 2022 figures, 87% of water withdrawal is from surface water (rivers, lakes, canals) while the remaining 13% is from groundwater.

The Burgo Group's total water withdrawal in 2022 of 82,284 Mega-litres occurs in water-stressed areas (source: WRI's Water Risk Atlas - Overall Water Risk indicator³), which is why the Group is committed to the rational and most efficient use of water, seeking in this way to counteract the ever-increasing level of exploitation both at a regional level in which the Group operates and globally. The Burgo Group operates in line with the paper industry's BAT conclusions, particularly for water emission monitoring, constantly monitoring performance parameters.

The topic of water resource usage, in a cross-sectional manner relative to "Sustainable resource management" and "Respect and protection of the environment", is a substantive issue for the Group. A specific working group is active within the ESG approach, promoting the implementation of water recycling and reuse systems, process optimisation to reduce waste, and the adoption of innovative water-saving technologies that can help preserve this vital resource. All this also contributes to improved production efficiency and corporate sustainability.

³ OVERALL WATER RISK: Overall water risk measures all water-related risks, by aggregating all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. Higher values indicate higher water risk.



SUPPLY

The supply of water is permitted by the Competent Authorities through the allocation of specific permits. The Group draws exclusively from surface water (rivers and lakes) and groundwater (wells). All waters have a total dissolved solids concentration of less than 1,000 mg/L.

	UM	2020	2021	2022
Surface water	Mega-litres	78,556	82,311	71,302
Groundwater	Mega-litres	8,570	9,256	10,982
Sea water	Mega-litres	0	0	0
Produced water	Mega-litres	0	0	0
Third-party water resources	Mega-litres	0	0	0
Total water withdrawal	Mega-litres	87,126	91,566	82,284

Table 5.8: Water withdrawal

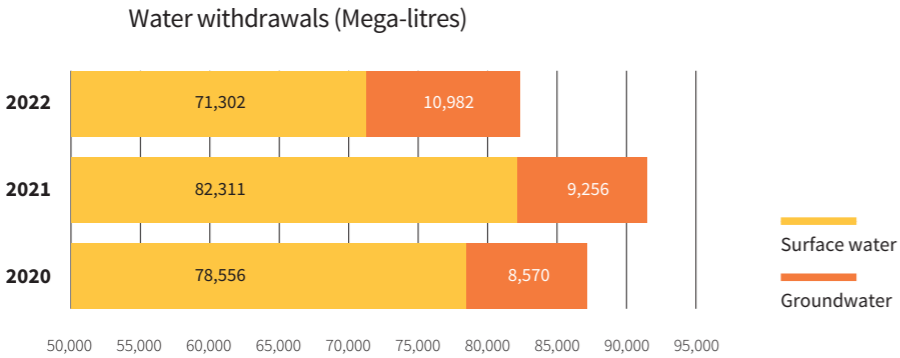


Chart 5.10: Water withdrawals

The Group has identified, based on available data in the WATER RISK ATLAS, the water stress category that can be associated with the areas in which it operates. The indicator used is the OVERALL WATER RISK; this overall water risk indicator measures all water-related risks by aggregating all available indicators in the atlas (e.g., quantity of the resource available in the area, renewability of the resource in that area, quality of the resource, regulatory and normative aspects); higher values indicate higher water risk.

The Group operates at sites that are located in the following hydrographic basins:

- Eastern Alps - ITA (6 sites);
- Padani - ITB (1 site);
- Central Apennines - ITE (1 site);
- Southern Apennines - ITF (1 site);
- Mouse (1 site).

With reference to the total water resource withdrawn (surface water and groundwater), the company identified the following details:

- 11% of the water supplied comes from areas with extremely high water stress;
- 85% of the water supplied comes from areas with medium to high water stress;
- 4% of the water supplied comes from areas with low to medium water stress.

2020	2021	2022	Categories of water stress
9%	10%	11%	extremely high (>80%)
86%	86%	85%	medium-high (20-40%)
4%	4%	4%	low-medium (10-20%)
100%	100%	100%	

Table 5.9: Water stress

The Burgo Group's Management System monitors the entire water management system, minimising the risk of waste or 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:

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

OPTIMISATION

Two optimisation projects have been pursued over the years through more efficient technology and system choices and management measures:

- the increase in the use of recycled water in the production process;
- the reduction of demand in the production process.

Most of the Group's plants, including those where there is no direct discharge to surface water but which are connected to 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 national and local regulatory requirements.

UM		2020	2021	2022
Discharge to surface water	Mega-litres	49,312	52,947	51,354
Discharge to groundwater	Mega-litres	0	0	0
Discharge into sea water	Mega-litres	0	0	0
Third-party water resources (consortium treatment plants)	Mega-litres	5,278	5,343	4,901
Total water discharges	Mega-litres	54,590	58,290	56,256

Table 5.10: Water discharge

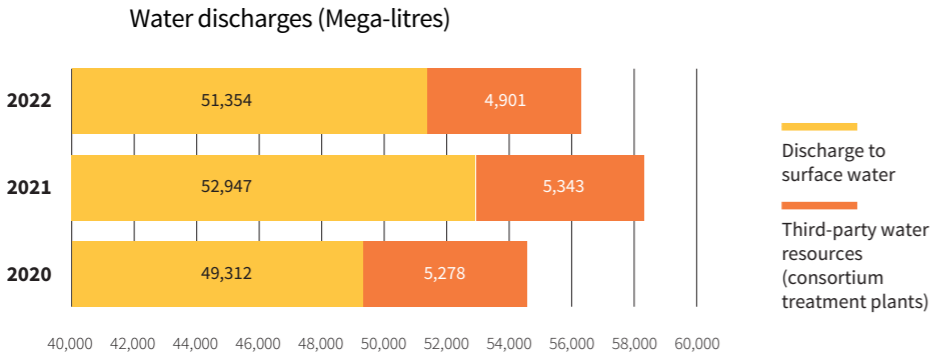


Chart 5.11: Water discharges

5

WATER REUSE

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

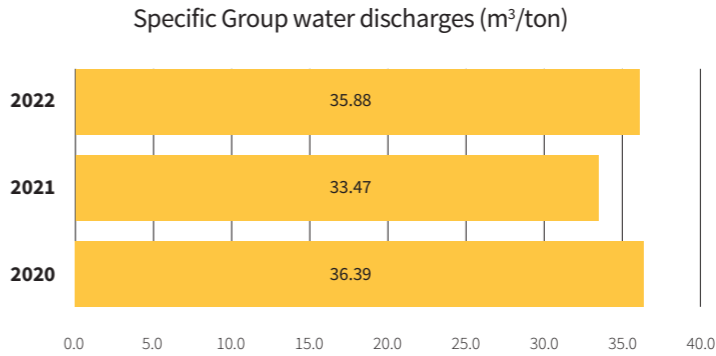


Chart 5.12: Specific Group water discharges

When contrasting the production data from the three-year span of 2020-2022 with the discharged volumes of the same period, substantial stability in the particular data can be noted, showing a minor downward trend, which corroborates the efficacy of the initiatives implemented for optimising the plants. It should also be noted that this indicator is strongly influenced by the production mix, e.g., increased production of specialty papers or activities of plants under GMP (Good Manufacturing Practice) require a higher level of cleanliness in the cycles.

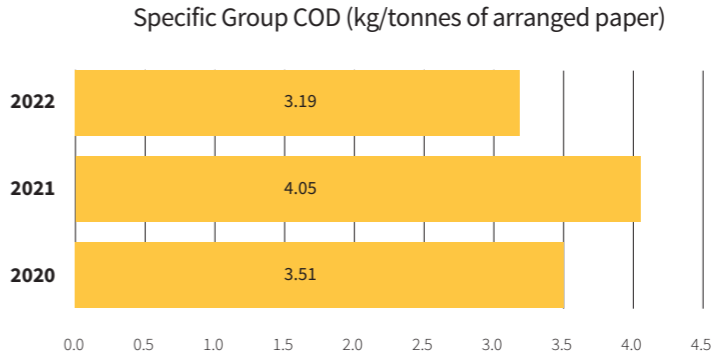


Chart 5.13: Specific Group COD

Substantial stability of the COD specification is confirmed, with slight variations related to ongoing improvement interventions.

5.6

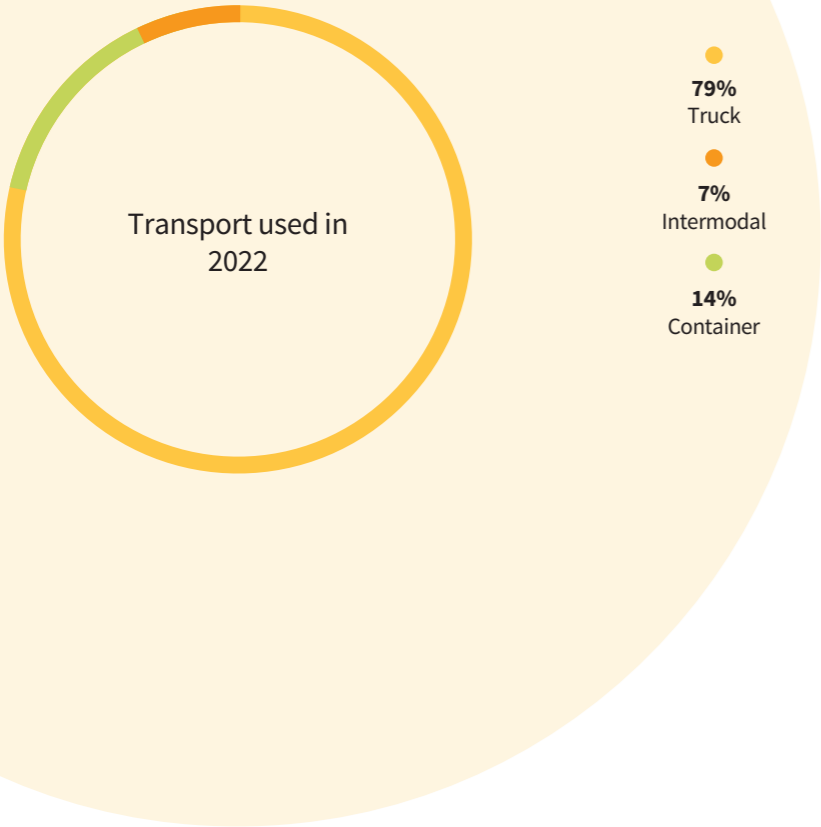
Sustainable logistics

Environmental protection is a commitment shared by the logistics and supply departments. On the outbound transport front, the Group requires logistics service providers to assess the tonnes of CO₂ saved, which involves issuing certificates attesting to the reduction in CO₂ achieved through an efficient distribution strategy and the use of low environmental impact methods.



Careful monitoring of goods entering and leaving the facilities has enabled the Group to optimise the logistics process, helping to mitigate the associated environmental impacts.

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.



5

Also in 2022, the Group's distribution strategy was based on the use, for almost all 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). Apart from the Iberian Peninsula, the same service (ferries) was used for Greece.

As regards intermodal transport, the Group continued its commitment to distribute in Europe using second-level warehouses for the final mile.

Compared with 2021, intermodal transport was characterised by an increase in volumes destined for England, France, as well as Benelux and Germany.

CO₂ reduction is monitored through the "CO₂ Certificate Reduction" issued by our suppliers, which attest to the annual reduction of CO₂ emissions in tonnes.

Examples of "CO₂ Certificate Reduction" are as provided at the end of the section.

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.

To this end, a single control centre was created to coordinate both flows.

The area of operation is the Avezzano plant, which needs to receive raw material for containerboard production.

Starting in 2023, in line with the company's ESG goals, Burgo is implementing measures across its transportation supplier base (land, sea, and intermodal) in order to prioritise the use of environmentally friendly vehicles and methods of transportation, as per SCOPE 3 regulatory guidance.



Corporate responsibility

6

PAPER
POWER
PASSION

6.1

Human resource management

(GRI 2 - 28, 401-1, 405-1)

The correct management of the Group's human resources has always been a core company value.

Our employees are a precious resource and the Group is committed to ensuring personal respect and providing an inclusive working environment free from discrimination. One of Group's key aims is to effectively engage its employees and integrate a broad range of different skills and professional backgrounds.

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 Burgo Group also aims to provide a working environment that protects employee health and safety and complies with all applicable safety standards.

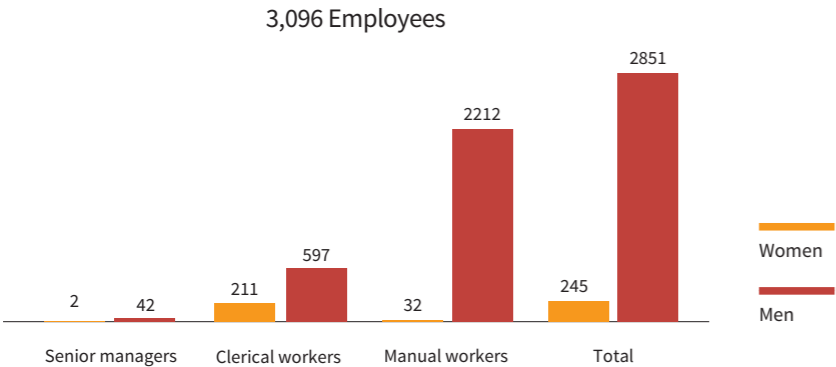
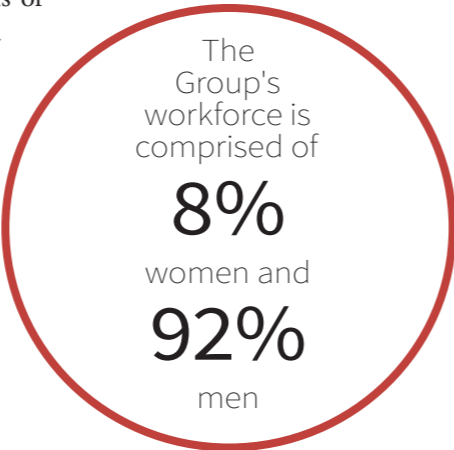
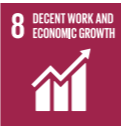


Chart 6.1: Employees

6



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.

Manual workers are most representative of the Group's workforce and comprise 73% of total employees.

Clerical workers represent 26% of the workforce and are located at the Group's Headquarters, at plant offices, in the Group's commercial offices and in commercial branches located overseas. It is indeed among clerical workers that the highest presence of female workers is recorded, representing 26% of the total.

		2020	2021	2022
Workforce by qualification	Senior managers	43	44	44
	Clerical workers	808	818	808
	Manual workers	2,265	2,263	2,244
	Total	3,116	3,125	3,096
Workforce by location	Headquarters (Italy)	177	181	170
	Administrative offices (Italy)	53	56	53
	Plants (Italy)	2,255	2,250	2,238
	Plants (Abroad)	577	589	590
	Commercial branches (Abroad)	54	49	45
	Total	3,116	3,125	3,096

Table 6.1: Workforce by location and qualification



6

EMPLOYEE BREAKDOWN BY QUALIFICATION, GENDER, AGE AND SENIORITY. THREE YEARS 2020-2022

2020							
Seniority	0-20 years		21-40 years		>41 years		Total
	F	M	F	M	F	M	
Manual workers	19	1,355	11	873	0	6	2,264
Clerical workers	128	217	78	270	0	7	700
Middle managers	7	55	5	40	0	2	109
Senior managers	1	26	1	15	0	0	43
Total by category	155	1,653	95	1,198	0	15	3,116
Total	1,808		1,293		15		3,116
% seniority	58%		41%		0%		100%
Age	Age <30		Age 30-50		Age >50		Total
	F	M	F	M	F	M	
Manual workers	0	143	11	1,139	19	952	2,264
Clerical workers	6	16	91	201	109	277	700
Middle managers	0	3	6	21	6	73	109
Senior managers	1	0	0	9	1	32	43
Total by category	7	162	108	1,370	135	1,334	3,116
Total	169		1,478		1,469		3,116
% of age	5%		47%		47%		100%

Table 6.2: Breakdown of employees by seniority and age groups - 2020

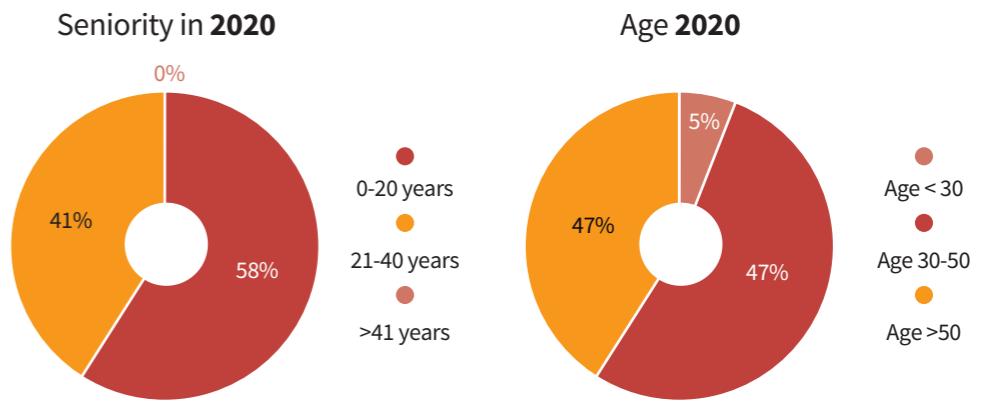


Chart 6.2: Breakdown of employees by seniority and age groups - 2020

In 2020 41% of employees had worked at the company for over 20 years, while 58% had worked at Burgo for between 0 and 20 years. Only 0.5% had more than 41 years of seniority. Employees under 30 years old made up 5%.

6

2021							
Seniority	0-20 years		21-40 years		>41 years		Total
	F	M	F	M	F	M	
Manual workers	22	1,352	7	876	1	5	2,263
Clerical workers	123	216	81	285	2	6	713
Middle managers	4	61	4	34	0	2	105
Senior managers	1	28	0	15	0	0	44
Total by category	150	1,657	92	1,210	3	13	3,125
Totale	1,807		1,302		16		3,125
% seniority	58%		42%		1%		100%
Age	Age <30		Age 30-50		Age >50		Total
	F	M	F	M	F	M	
Manual workers	1	151	11	1,101	18	981	2,263
Clerical workers	12	16	81	208	113	283	713
Middle managers	0	2	1	19	7	76	105
Senior managers	0	0	0	7	1	36	44
Total by category	13	169	93	1,335	139	1,376	3,125
Totale	182		1,428		1,515		3,125
% of age	6%		46%		49%		100%

Table 6.3: Breakdown of employees by seniority and age groups - 2021

In 2021 around 43% of employees had worked at the company for over 20 years. The presence of workers with more than 41 years of seniority remains stable (growing by one from 2020). Employees under 30 years old increased to 6%.

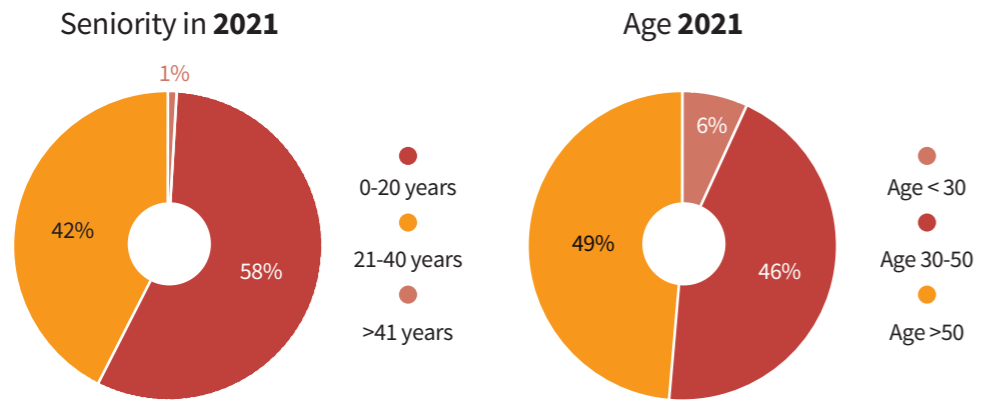


Chart 6.3: Breakdown of employees by seniority and age groups - 2021

2022							
Seniority	0-20 years		21-40 years		>41 years		Total
	F	M	F	M	F	M	
Manual workers	26	1,312	6	894	0	6	2,244
Clerical workers	127	217	71	283	1	8	707
Middle managers	6	41	5	43	1	5	101
Senior managers	1	28	0	15	0	0	44
Total by category	160	1,598	82	1,235	2	19	3,096
Totale	1,758		1,317		21		3,096
% seniority	56%		42%		1%		100%
Age	Age <30		Age 30-50		Age >50		Total
	F	M	F	M	F	M	
Manual workers	4	195	14	1,090	14	927	2,244
Clerical workers	19	20	77	211	103	277	707
Middle managers	2	1	3	25	7	63	101
Senior managers	0	0	1	8	0	35	44
Total by category	25	216	95	1,334	124	1,302	3,096
Totale	241		1,429		1,426		3,096
% of age	8%		46%		46%		100%

Table 6.4: Breakdown of employees by seniority and age groups - 2022

In 2022 around 43% of employees had worked at the company for over 20 years. Employees under 30 years old increased from 169 in 2020 to 241 in 2022 (+3%). Employees over 50 years old decreased by 1%.

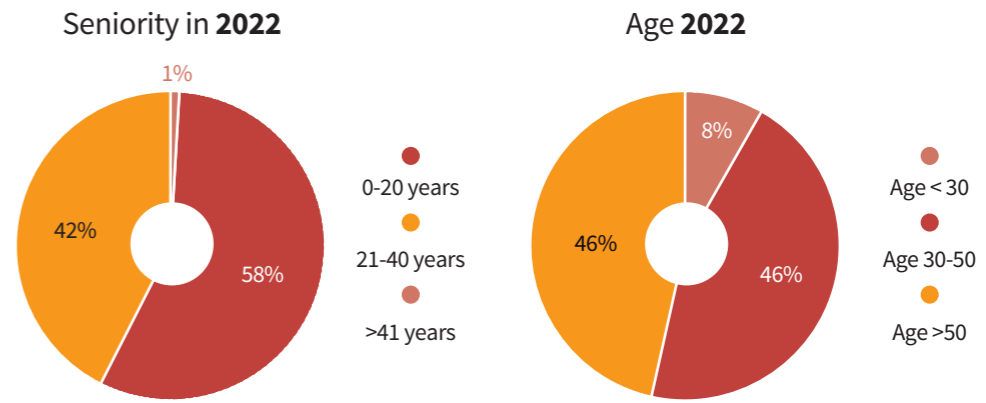


Chart 6.4: Breakdown of employees by seniority and age groups - 2022

BREAKDOWN OF EMPLOYEES BY CONTRACT TYPE

Employment contract		Permanent contract	Fixed term contract	Full time	Part time	Total	% Permanent contract	% Part time
Contract type by gender	Men	2,742	109	2,806	45	2,851	96%	2%
	Women	237	8	230	15	245	97%	6%
	Total	2,979	117	3,036	60	3,096	96%	2%
Contract type by location	Headquarter (Italy)	170	0	166	4	170	100%	2%
	Administrative offices (Italy)	52	1	53	0	53	98%	0%
	Plants (Italy)	2,164	74	2,234	4	2,238	97%	0%
	Plants (Abroad)	590	0	538	52	590	100%	9%
	Commercial branches (Abroad)	45	0	44	1	45	100%	2%
Total		3,021	75	3,035	61	3,096	98%	2%

The main type of contract used by the Group is permanent contract (96% of the total).

The part-time employment contract is not widely used within the company. This approach is largely due to production shift requirements. It is mainly employed in clerical areas and administrative offices.

Table 6.5: Breakdown of employees by contract type

6

Employee turnover figures for the three-year period 2020-2021-2022 are provided below:

		2020					2021					2022				
		Hires	%	Terminations	%	Balance	Hires	%	Terminations	%	Balance	Hires	%	Terminations	%	Balance
Turnover by gender	Men	141	5%	192	6%	- 51	228	7%	233	7%	- 5	187	6%	221	7%	- 34
	Women	11	0%	15	0%	- 4	16	1%	20	1%	- 4	27	1%	23	1%	4
	Total	152	5%	207	7%	- 55	244	8%	253	8%	- 9	214	7%	244	8%	- 30
Contract type by location	Headquarters (Italy)	9	0%	14	0%	- 5	18	1%	13	0%	5	12	0%	25	1%	- 13
	Administrative offices (Italy)	1	0%	6	0%	- 5	4	0%	1	0%	3	4	0%	7	0%	- 3
	Plants (Italy)	125	4%	155	5%	- 30	182	6%	206	7%	- 24	165	5%	176	6%	- 11
	Plants (Abroad)	17	1%	32	1%	- 15	39	1%	27	1%	12	33	1%	36	1%	- 3
	Commercial branches (Abroad)					-	1	0%	6	0%	- 5					-
	Total	152	5%	207	7%	- 55	244	8%	253	8%	- 9	214	7%	244	8%	- 30
Turnover by age group	Age <30	34	1%	21	1%	13	100	3%	29	1%	71	83	3%	44	1%	39
	Age 30-50	74	2%	52	2%	22	115	4%	76	2%	39	103	3%	96	3%	7
	Age >50	44	1%	134	4%	- 90	29	1%	148	5%	- 119	28	1%	104	3%	- 76
Total		152	5%	207	7%	- 55	244	8%	253	8%	- 9	214	7%	244	8%	- 30

The table shows numbers of new hires and terminations for 2022.

The ratio of new hires to terminations remains stable throughout the year. The main events that led to the termination of contracts are related to the natural phenomenon of retirement and the customary presence of voluntary resignations.

Table 6.6: Number and rate of new hires and terminations by gender, area and age group

DIVERSITY IN GOVERNANCE BODIES

Below is the age and gender composition of the governance bodies of the main companies* of the Burgo Group covered by this report. The bodies considered are:

- Board of Directors;
- Board of Statutory Auditors;
- Supervisory Body.

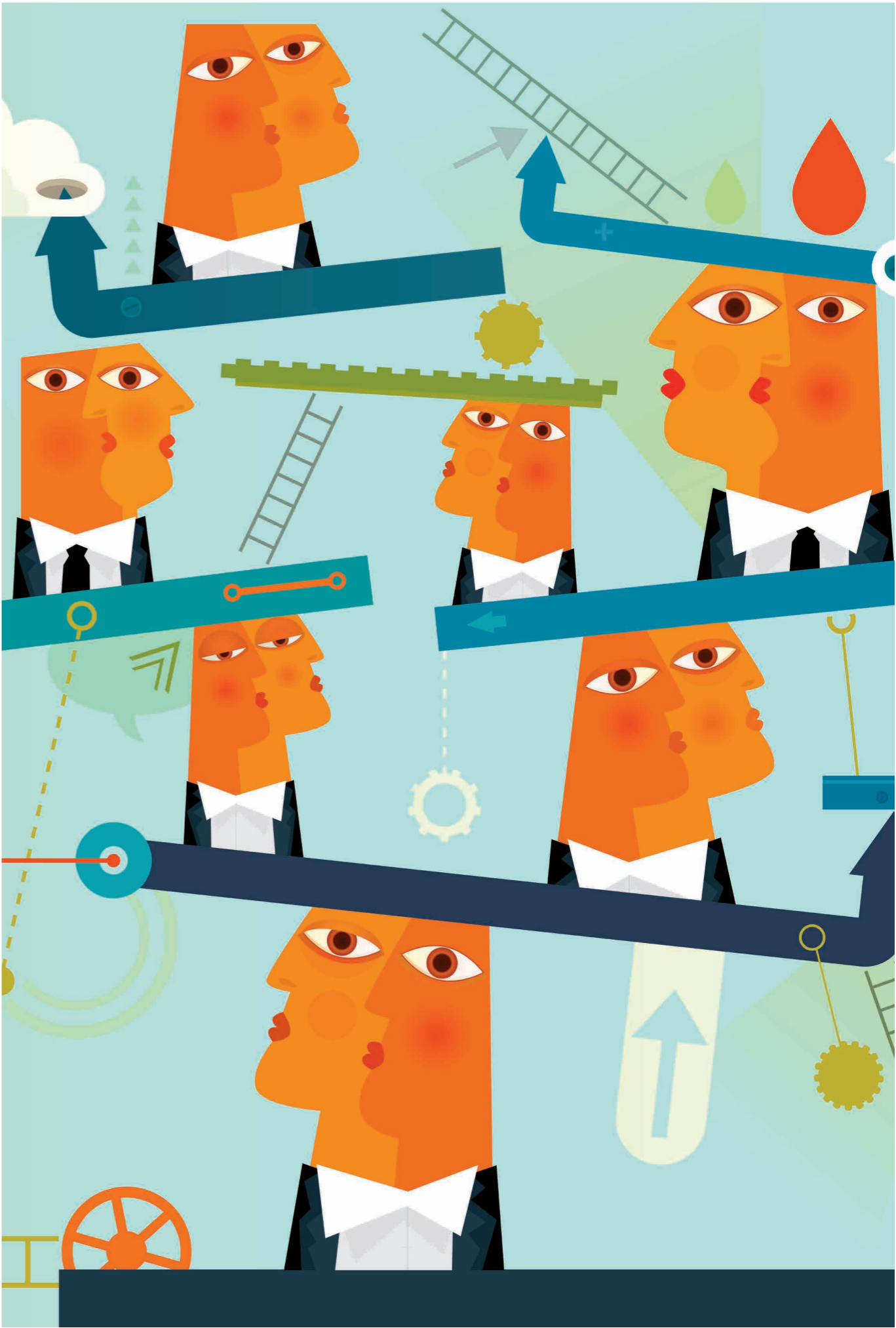
Diversity in Governance bodies
Percentage of members of the Governance bodies
by category/gender/age group

	2020		2021		2022	
	M	F	M	F	M	F
<30 years	0	0	0	0	0	0
30-50 years	23	4	20	5	19	5
>50 years	47	2	55	2	53	2
Total	70	6	75	7	72	7

Table 6.7: Diversity in Governance bodies

* the companies considered are: Burgo Group S.p.A., Mosaico S.p.A., Burgo Ardennes S.A., Burgo Distribuzione S.r.l., Burgo Energia S.r.l., Gever S.p.A. in Liquidation, Burgo Factor S.p.A., the Consorzio Energy Paper S.c.a.r.l. and Burgo Recycling S.r.l..

** in the event of individuals being part of more than one body at the same time, they are accounted for multiple times.



6.2

Training and education

(GRI 403 - 1/5, 404 - 1/2)

The Burgo Group believes that **people** are strategic assets and strongly believes that it is the knowledge and **skills** of each individual that are the main pillar for the deployment of the company's strategy and a key element in the creation of long-term value.

Through the training provided to its employees, the Group aims to strengthen professionalism and the expansion of skills, which are necessary to enable the achievement of set business goals, motivate people and foster individual discussion and initiative.

In 2022, **67,777** hours of training were delivered with an average of 21.9 hours per person, in hybrid, distance (when possible) or in-person modes.

At a more technical level, the Group develop employees' skills through refresher courses aimed at ensuring that the level of professional knowledge remains constantly up to date and appropriate to new business areas.



TRAINING IN NUMBERS

	2020					2021					2022				
	Participants				Hours	Participants				Hours	Participants				Hours
	Senior managers	MM/CW	Manual workers	Total	Total	Senior managers	MM/CW	Manual workers	Total	Total	Senior managers	MM/CW	Manual workers	Total	Total
Paper Technology	0	2	2	4	2,060	0	1	3	4	2,108	0	6	11	17	560
Maintenance and Plants	0	38	203	241	3,198	0	12	42	54	604	0	92	13	105	1,826
Quality, Environment and Certifications	3	162	656	821	1,605	2	227	788	1,017	2,156	1	177	857	1,034	2,358
Safety	2	424	2,188	2,614	17,184	1	495	2,276	2,772	24,727	2	360	1,926	2,286	21,420
Role-Specific Courses	0	75	58	133	966	3	43	56	102	1,784	2	186	58	245	3,123
Coaching and Support (New Roles)	0	117	261	378	35,471	0	10	370	380	35,452	0	10	320	330	38,490
Total	5	818	3,368	4,191	60,484	6	788	3,535	4,329	66,831	5	831	3,185	4,017	67,777

Table 6.8: Training in numbers

	2020	2021	2022
Total hours of training	60,484	66,831	67,777
Number of employees	3,116	3,125	3,096
Average hours of training	19.4	21.4	21.9

Table 6.9: Average hours of training

The main topics covered during the training hours were **paper technology, maintenance and plants, quality, environmental awareness and safety**.

The safety of workers and workplaces is one of the Group's fundamental goals. The training programmes organised and delivered by the Group are part of a process that enables each worker to acquire a greater awareness of their role and to adopt conduct that transforms safety into an integral part of their working experience.

Information and data on training hours by gender are not available through the Group management system.

% TRAINING, PER TOPIC

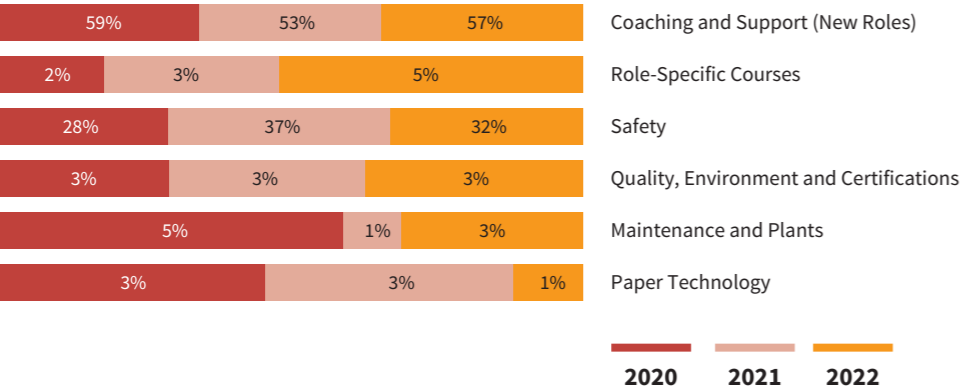


Chart 6.5: Trend % of training per topic

TREND IN % OF TRAINING BY QUALIFICATION

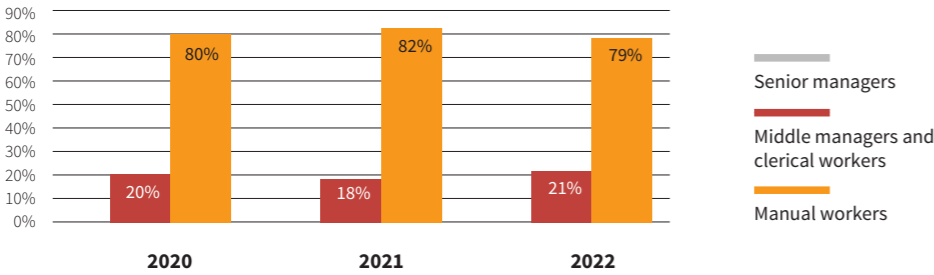


Chart 6.6: Trend % of training per qualification

2022 confirms Burgo Group's commitment to continuing a major investment in training, in particular:

- through the "Percorso Capi" training project, we accompanied our department managers in a change process aimed at recognising and independently developing personal attitudes with the goal of strengthening and consolidating leadership skills; thus, achieving better involvement of entrusted resources, and management skills for managing organisational complexity;
- through the "Come condurre progetti al successo" training project, we have created the cultural foundation for effectively applying continuous improvement methodologies. The constant search for how to do better through continuous improvement enables the company to remain competitive in an ever-evolving sector;
- through the "Mini Master gestione ambientale per l'industria cartaria" project, implemented with an external consulting firm and Group HSE Management, it was possible to deliver high-level training to Environmental Managers, HSE Managers of production sites, deepening knowledge on typical environmental management issues through lectures, presentation of practical cases and exercises;
- "Formazione sui GRI" with a specialised consulting firm in order to improve non-financial reporting. The training involved around fifteen participants from various business areas dealing with the following topics: sustainability reporting and the DNF (non-financial statement), purpose and the system of GRI Standards, Reporting "in accordance with GRI Standards";
- "Cybersecurity Pills", the new training process activated at the Group level with a focus on the proper use of IT tools that was attended by 259 staff. The objectives of the project are to:
 - Provide insights to improve a number of behaviours related to cybersecurity;
 - Raise awareness among individuals about an extremely sensitive issue, for which the primary vulnerabilities are often related to individual's behaviour;
 - Create and consolidate a "standard" of behaviour adhering to the principles established by corporate management.

There are no assistance programmes planned for the transition to a non-working life.

OTHER INITIATIVES 2022

Managing a complex production process, such as the one we oversee, necessitates the presence of unique professionals who are also capable of integrating at the same time. Therefore, our strength is represented by a multiplicity of **skills**, and that is why we work every day to cultivate **talents**, accompany **development**, identify **potential**, and increase the sense of **engagement** of the entire organisation. The emerging generations entering the professional world are a strategic asset that we opt to invest in, to shape their incorporation into our environment. That's why, with a view to **Employer branding**, we have activated collaborations with local schools and universities by contributing to School-to-Work Alternation (PCTO) projects, internships and in-company theses to bring the world of education closer and closer to the world of business.

Associazione per la
Formazione Cartaria

Burgo Group is a member of the *Associazione per la Formazione Cartaria* (Papermaking Training Association), which was established to promote, enhance and coordinate initiatives aimed at professional training and technical and cultural enhancement of workers in the paper industry.

The Association supports the activities of the *Scuola Cartaria dell'Istituto San Zeno di Verona* (Papermaking School of the San Zeno Institute in Verona).

In 2022, there were 2 colleagues who, after 720 hours of training, completed their studies becoming "*Tecnico per la gestione di impianti di produzione della carta* (Paper Production Plant Management Technicians)" a qualification recognised by Veneto Region Decree No. 636 of 20/05/2022.

Progetto Giovani Laureati
(Young Graduates PROJECT)

We continue our commitment to identifying young graduates to guide through an on-the-job learning journey, integrating and understanding the values and culture of the Burgo Group.

In today's complex labour market, one of the biggest challenges is to attract and enhance talent by investing in their training.

The search for new talent to be brought into the workforce has continued.
There are 8 new colleagues who joined in 2022.

In 2022, the Burgo Group initiated a process for the gradual implementation of discussion moments between managers and collaborators, so-called "one-to-one" conversations. Managers and employees are called upon to discuss goals and share pathways for developing performance to the maximum, communicating clearly and transparently what each other's expectations are. The one-to-one interview thus becomes a significant opportunity for involvement, **corporate engagement**, and organisational sharing. A new space to build trust, share feedback and develop strong relationships.

One-to-one interviews

In 2022, the year in which the performance review project was launched at the Italian plants, 75 employees - or 2.4% of the Group's workforce - were involved in one-to-one interviews. Each of them participated in at least one discussion time session with their manager.

By 2023, the programme will also be extended to the Headquarters (Italy), and the goal is to involve at least 270 individuals - equal to 8.7% of the Group's staff.

"Comparison is an element of growth".

6.3

Industrial relations

(GRI 2 - 30)

The industrial relations system in the Burgo Group constitutes a fundamentally critical element for the practical handling of policies that can enhance the labour system, not to mention fields of growth, innovation, and corporate restructuring management. It has always been marked by constructive dialogue between parties, mutual listening, shared decision-making, and is aimed at a continuous search for effective solutions. The goal is to actively contribute to a high level of competitiveness in the target market while continuing to safeguard the employment and professionalism of resources.

In keeping with such a perspective, in September 2022, the Group, together with the National and Regional Trade Unions and Trade Union Representative (R.S.U.) delegates, renewed a significant Agreement on Industrial Relations, reaffirming the paramount role of the Group Executive, the body to which the Industrial Relations system and the central negotiating system are entrusted.

Achieving a consensus has permitted the enhancement of the Executive's infrastructure and conferred upon it a pivotal role by extending its capabilities and designating the organisation as the chief conduit for shared information.

Among the topics for discussion and debate, exclusively and not exhaustively, the following are entrusted to the Executive:

- the Group's industrial relations guidelines;
- the second-level collective bargaining guidelines, based on the provisions of the relevant Collective Labour Agreement (CCNL) in force and National multi-industry agreements adopted over time;
- the definition of group performance-linked variable bonus schemes;
- the establishment of welfare systems linked to collective incentive models;
- the management of business, restructuring and labour reorganisation plans that involve multiple plants belonging to the same "industrial/commercial division";
- the training programmes that require specific agreements;
- the organisational flexibility system and the Group's flexible working hours system;
- the on-call system for maintenance and senior management roles;
- 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;

6

- the creation of a single reference text containing uniform procedures, standards and processes that can be implemented throughout the Group;
- the standardised application of frameworks based on contractual declarations;
- periodic monitoring of industry trends and market dynamics;
- other matters that by their nature concern regulatory and/or remuneration processes common to most of the Group's workers, or common to homogeneous professional classes at Group levels.

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

The Trade Union Representative (R.S.U.) is the first point of contact for negotiation as well as the principal vehicle for the promotion of broad employee engagement and participation within the corporate environment.

As a result of this understanding, the parties also established joint technical committees, composed of a union representative and a corporate representative, to which the study and analysis of certain contractual institutions was delegated in order to identify possible constructive insights to subsequently formulate a proposal to be presented to the Executive itself.

The matters subject to analysis by these committees were as follows:

- application of the on-call system;
- application of hourly flexibility systems regulated by the Collective Labour Agreement in place as well as by existing second-level agreements;
- use of remote working.

During these meetings, the Parties, through a technical and constructive dialogue and with the aim of jointly managing constantly evolving issues, analysed the regulatory and organisational aspects of the aforementioned systems with the aim of formulating proposals that can effectively respond to organisational needs by paying increasing attention to a work-life balance.

Furthermore, throughout 2022, given the particularly challenging socio-economic context affected by the negative impacts of inflation that have eroded household purchasing power, the Company has granted a one-off payment as an act of generosity to all workers of the Group. The payment took place over three tranches in August, October and December 2022.

For many years now, the company has had an active European Works Council in which, besides the National Secretariats of the sector, both Italian and Belgian trade union delegates from the same body take part. Its main aim is to facilitate information exchange amongst workers in the Group to prevent disparate treatment of workers in different countries the business operates in.



6.4

Health and safety

(GRI 403-1/2/3/4/5/8/9/10)

The Burgo Group adopts a holistic strategy for the prevention of workplace accidents and work-related illnesses, aiming to identify and outline the investments and policies for the health and safety of its employees and to strengthen their awareness through ongoing training and the sensitisation of all employees. The Burgo Group's aim is to ensure a healthy and safe working environment for all those who work in the Head Offices and production plants.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

To reach its objectives the Group has adopted integrated and structured systems, within which the “Company Safety Policy” is defined, implemented and monitored.

Everyone (e.g., employees, contractors, visitors, transporters) working in the production plants and offices is "covered" by an occupational health and safety management system implemented and improved over the years.

The occupational health and safety management system adopted by the Burgo Group was implemented more than 10 years ago, beginning with the applicable legal regulations (e.g. Italian Legislative Decree 81/08) and based on the Guidelines for a occupational health and safety management system - UNI-INAIL Guidelines and international reference standards (e.g. OHSAS 18001).

Following the publication of the international standard ISO 45001 "Management Systems for Occupational Health and Safety - Requirements and Guidance for Use", which defines minimum standards of good practice for worker protection worldwide, the Burgo Group has embarked on a programme to obtain certification to this standard with the goal of obtaining it at all sites, by 2025.

In relation to this Group objective:

- in 2021, the company Burgo Ardennes S.A. successfully transitioned its occupational health and safety management system certification from the OHSAS 18001 standard to the new ISO 45001 and passed the monitoring visit in 2022;
- in 2021, the occupational health and safety management system was certified under the name ISO 45001 at Burgo's Villorba plant, which underwent verification in 2022;
- in 2022, the occupational health and safety management system was certified according to ISO 45001 at the Burgo Sora plant;
- regardless of whether certification is obtained, the procedures and practices adopted at sites already certified are applied at all Burgo Group sites.



Working within the requirements of an international standard will facilitate the Group in achieving the following results:

- a) continuous improvement of occupational health and safety-related performance;
- b) fulfilment of legal and other requirements;
- c) achievement of objectives for occupational health and safety;
- d) improvement of the degree of consultation and participation of all stakeholders in occupational health and safety issues.

GO SAFETY: focus on behaviours

Managing people's behaviour is critical to achieving the real goal of those involved in occupational health and safety, which is to prevent work-related accidents and illnesses. Some studies state that safety is primarily a behavioural issue, since about 80% of injuries are of this nature. There are also those who say that safety is a cultural problem and therefore solvable with suitable information and training at all levels. Starting in April 2021, a programme called GO SAFETY was launched at Burgo Group sites, which involves carrying out interactive safety visits focused on detecting unsafe acts and behaviours and taking action to correct them. These observations underlie the creation and development of a preventive culture in our organisation, in which we encourage full participation and identification with the goal of conducting our operations without incident. Behaviour can be

measured through observation, and action can be taken to correct unwanted behaviours. The programme enables an effective observation and feedback process, using behavioural checklists, utilised by colleagues on colleagues. It is processes that are carried out repeatedly which lead to a cultural shift and full participation. It serves as a form of training in which workers learn to “see” risks, becoming “engaged” with their colleagues. Another absolutely crucial element is positive reinforcement, the recognition of correct behaviours, which helps in increasing the frequency of safe behaviour and fosters safe habits. This is a tool that can promote active participation as envisioned in the new ISO 45001. The programme was started in the Treviso, Sarego, and Sora plants, in 2022 it extended to Toscolano and Tolmezzo, and will be rolled-out in the coming months at the other sites.

12 principles for a new safety culture

Throughout 2022, a working group has been dedicated to outlining 12 principles deemed indispensable, which must be adhered to by everyone during the execution of work activities. The initiative was defined with the intention of increasing safety awareness at Burgo Group sites.

The 12 principles include:

- 3 cultural principles, considering culture as the way of doing things and in particular they envisage safety as a team game, considering the 4Ps rule before performing any activity, and the reporting of events with no injuries;
- 9 of an operational nature related to particular activities and with defined rules of behaviour and procedures to be strictly followed, for example, for carrying out work at heights, in confined spaces, or adherence to basic rules (e.g., use of PPE, securing machinery and

equipment before carrying out maintenance work). Burgo Group believes that the 12 principles should become an integral part of the way we approach and conduct every work activity, and that they should apply to everyone who works at sites/offices, whether as an employee or contractor.



HAZARD IDENTIFICATION, RISK ASSESSMENT, AND ACCIDENT INVESTIGATION

The Code of Ethics and the Company's Health and Safety Policy are geared toward ensuring a safe working environment and promoting work behaviours and procedures that safeguard the health and safety of everyone working within the company site.

In addition to the requirements of the applicable legal regulations, a specific procedure has been defined to clarify responsibilities and methods for identifying hazards and analysing risks to the health and safety of workers employed at the Burgo Group's Plants and offices, in which the minimum contents, drafting methods, the criterion for the hierarchy of risk controls, and the frequency of review for the Risk Assessment Document have been defined.

The activities we intend to pursue are:

- identifying and assessing the health and safety risks of employees related to the performance of their duties in order to achieve the minimisation of injuries;
- adopting processes and technologies for risk prevention and reduction according to the logic of the hierarchy of risk controls;
- promoting awareness activities, advancement, and ongoing staff development, to ensure the fulfilment of anticipated roles and responsibilities;
- implementing an improvement programme on the basis of risk analysis, promoting continuous improvement of company performance in relation to Health and Safety.

The process of identification and assessment of the risks associated with operational activities is a crucial element so that corporate staff, at all levels:

- acquire awareness of the risks themselves;
- operate, in accordance with assigned roles and responsibilities to prevent and control them by following the prepared procedures.

In order to ensure the quality of the hazard identification and risk assessment process, at each Burgo Group plant or office:

- competent and qualified technicians are present, acting as officers and managers of risk prevention and protection services;
- awareness sessions are organised in relation to risks and the correct prevention and protection measures to be taken (Vision Zero programme);
- all workers may report, following current procedures, dangerous situations, risk conditions, and near misses.

The outcomes of the risk assessment process are used to assess and improve the occupational health and safety management system and define appropriate improvement activities.

The risk assessment process also involves assessing disruptor risks, related to activities of contractors working at sites and offices in order to reduce these risks and define appropriate prevention and protection measures.

Visitors who enter plants receive a briefing on the hazards present and the rules of conduct to be followed (e.g., use of PPE, respect for pedestrian paths, emergency signalling).

The company is advancing systematic approaches to address the occurrence of injuries, specifically:

- collecting and analysing all dangerous occurrences (not only accidents but also near-misses, etc.);
- analysing the causes from a systemic perspective;
- promoting the exchange of lessons learned between sites;
- managing behaviours;
- promoting Safety Leadership at all levels;
- involving staff.

On the topic of root cause analysis, training workshops were carried out for Prevention and Protection Service Managers to refine the activities performed and to explore effective solutions.

OCCUPATIONAL HEALTH SERVICES AND PROMOTION OF WORKER HEALTH

The Burgo Group has implemented specific procedures at all sites to manage the requirements associated with health surveillance, identifying suitable resources (e.g., Company Doctor) at each site.

The occupational health service collaborates with risk assessment, prepares the health protocol, conducts workplace inspections and periodic medical examinations to certify the suitability of personnel and promote the topic of health and safety.

In addition to health surveillance fulfilments, the Group promotes policies to adopt healthy lifestyles, also using health surveillance data to promote appropriate behaviours (e.g., proper nutrition, risks associated with smoking, lifestyle).

6

WORK-RELATED INJURIES - SAFETY EVENTS

Over the years, the number of injuries and the frequency index have decreased significantly, but that is not enough; the sole goal to pursue is "zero" work-related injuries. Accidents are monitored at all of the Group's sites using the relative indices, recording the number of injuries in the year and calculating the frequency and severity indices. The progress of the indicators is checked monthly, and the indicators are communicated through briefings and discussed at regular meetings.

Information flashes are prepared for each event for the purpose of informing all staff, increasing risk awareness and promoting a culture of safety. This practice, put in place as of 2022, makes it possible to inform all staff quickly and visually when events occur, raising the level of focus and awareness of risks while promoting the application of appropriate prevention and protection measures. Each safety-related event is analysed to identify its causes and define appropriate improvement actions to prevent its recurrence. At the Burgo Group level, the use of a **methodology for root cause analysis (RCA) of events** is promoted. This analysis is adopted in order to develop effective improvement actions, foster communication and feedback on events and on what has been implemented in terms of improvement. RCA is a technique for investigating events of interest, particularly accidents, which examines what happened, so as to determine why it happened. Compared to traditional type investigations, the focus is therefore not so

much on finding responsibility (who did it), but on identifying improvement actions (so that what happened does not happen again). The outcomes of the analyses are monitored in HSE committees and safety meetings, also with a view to transferring the experience in the perspective of adopting additional preventative and protective measures against risks.

During the 2020-2022 three-year period, no fatal accidents involving employees or non-employees (e.g., contractors) occurred in the Group's plants, so the rate of work-related fatalities is zero.

The trends in the number of injuries and the frequency index and severity index for all of the Group's production facilities are shown below. It should be noted that the frequency index and severity index indicators refer to injuries lasting longer than 3 days.

6

	2020						2021						2022				
Site	FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents		FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents		FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents
Ardennes	12.21	0.94	10	2	1		13.17	0.55	11	2	0		25.78	1.18	27	1	3
Avezzano	4.11	0.19	1	0	0		8.33	0.26	2	0	0		14.15	0.39	4	0	0
Chiampo	41.38	0.79	7	0	0		23.20	0.66	4	1	1		49.82	1.33	9	0	1
Duino	21.92	1.26	8	0	0		24.72	1.72	9	1	0		11.89	0.80	4	2	1
Lugo	10.71	0.43	4	1	0		17.09	0.25	7	1	1		21.05	1.14	8	1	0
Sarego	16.34	0.80	6	5	0		24.36	0.29	10	0	0		60.02	1.77	24	2	3
Sora	12.10	0.41	7	1	0		11.65	0.61	8	0	1		12.14	0.44	8	0	1
Tolmezzo	27.28	0.53	13	0	0		12.19	0.85	6	0	2		15.24	0.44	7	1	1
Toscolano	19.87	0.28	7	0	2		20.40	0.45	7	1	1		6.00	0.16	2	1	1
Treviso	27.85	1.85	9	4	1		24.01	0.37	8	1	0		15.79	0.28	5	3	0
Villorba	19.32	0.48	5	4	0		14.02	0.25	4	1	1		15.27	0.82	4	1	0
Group total (including Head Offices)	16.54	0.67	78	18	5		15.20	0.53	76	8	7		20.43	0.76	103	12	13

Table 6.10: Injury index 2020-2021-2022

In 2022, there were 115 work-related injuries (with at least one day lost) compared with 84 in 2021 and 96 in 2019.

The Group's frequency index in 2022 was 20.43 compared with 15.20 in 2021 and 16.54 in 2020, while the severity index was 0.76 compared to 0.53 in 2021 and 0.67 in 2020.

GROUP TOTAL (including Head Offices)

	2020	2021	2022
Frequency index	16.54	15.20	20.43
Severity index	0.67	0.53	0.76

Table 6.11: Frequency Index and Severity Index

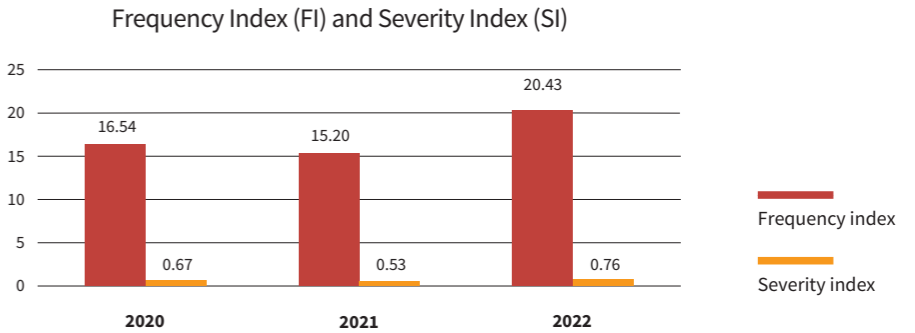


Chart 6.7: Frequency Index (FI) and Severity Index (SI)

Despite the company's continuous dedication to applying the established improvement strategies and to creating and putting into action programmes of training, information, and learning about health and safety in the workplace, to spread a culture of safety and prevention, the overall indicators from 2022 show a slight deterioration compared to the previous two years. It is highlighted that, upon examining INAIL data for 2022, there is an increase in injuries nationwide similar to what has been recorded in the company.

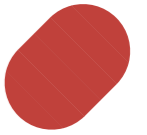
The primary causes of injury within the Burgo Group for 2022 have been identified as individuals being hit by or colliding with objects (excluding falling objects), such as in moving operations, and falls on the same level (tripping, slipping). Examining the age of the injured shows that around 70% of the events involved workers over 40 years of age.

Considering only serious work-related accidents (accidents that resulted in an absence from work of more than 40 days) at the Group level in 2022, there were 32 incidents recorded, with a serious work-related accident rate of 6.78.

In 2022, 281 non-injury events (e.g., near misses, accidents, minor dressings) were also recorded. Near misses are also recorded and analysed in detail in order to determine the corrective measures necessary to prevent the actual occurrence of accidents and injuries following a preventive approach.

Beginning in 2022, the company initiated a systematic recording of all safety-related events occurring to personnel not employed by the Burgo Group (e.g., transporters, personnel of contractors). During the year there were 21 injuries (with at least one lost work day) and 45 non-injury events (e.g., near misses, accidents, minor dressings). Serious injuries of non-employees in 2022 have not been determined.

6



WORK-RELATED ILLNESSES

No work-related illnesses were recognised during the reporting period of this sustainability report.

SAFETY TRAINING

As extensively described in Section 6.2 Training and Education, the Group is also committed to developing coaching, information and training plans on workplace health and safety to promote a culture of safety and prevention. This theme represents one of the most important in terms of hours devoted to it.

Beginning in late 2022, the VISION ZERO programme was launched in addition to the aforementioned training. This activity in which Site Managers, with the support of the Prevention and Protection Service, meet with workers in training sessions aimed at raising awareness on safety issues, presenting the progress of results, examining risk situations, and defining any shared prevention actions, is intended to be an exercise in leadership applied to safety, aimed at reversing accident trends and promoting a proactive approach to safety issues.

PARTICIPATION AND CONSULTATION OF WORKERS AND COMMUNICATION IN RELATION TO OCCUPATIONAL HEALTH AND SAFETY

The Burgo Group encourages the active and continuous participation and consultation of workers in the development and review of prevention and control practices for activities concerning safety, health, as well as in the development of the occupational health and safety management system and the implementation of compliance obligations. These worker consultation and participation processes also involve contractors and other stakeholders (e.g., individuals working in parts of the Burgo Group, performing work under the organisation's control).

Workers, including through their representatives, are involved in activities such as:

- hazard identification and assessment of risks and opportunities;
- determination of actions to eliminate risks or reduce risks to health and safety;
- determination of competency requirements and conducting training needs analysis;
- determination of control measures and their effective implementation and use;
- analysis of accidents and/or near misses;
- management of nonconformities and determining corrective actions;
- management of internal and external communication.

Worker consultation and participation is activated in the following cases:

- new or unknown hazards (including those that might be introduced by contractors);
- corporate or Group reorganisation;
- new processes, procedures or work models;
- the introduction of new or modified equipment;
- implementation of new controls or modification to existing controls;
- the use of new chemical substances or preparations, or new materials in general;
- changes in emergency management;
- changes to the requirements of compliance obligations.

HSE meetings are held periodically and are attended by all the key figures involved, including the Employer, the Prevention and Protection Service Officers (ASPP) and the Prevention and Protection Service Manager (RSPP). The purpose of the meetings is to discuss the results and compare them with the objectives in order to determine the necessary strategic actions and operational measures.

Within the Burgo Group, there is a desire to establish a system for voluntary reporting of 'near misses', involving all company employees, as each one should be seen as a bearer of specific individual knowledge and experiences.

Reporting 'near misses' leads to the following outcomes:

- fostering the development of a culture of safety;
- providing help in building real "risk profiles", centred on business activities;
- supporting learning and solution development through identification of root causes of errors;
- helping to use valuable resources rationally;
- fostering worker participation.



6.5

Local relations

(GRI 2 - 28)

VISION

“Paper is our history, our core business but also our future”.

CHARITABLE DONATIONS

The Group is particularly attentive and responsive to the conditions of the region in which it is located.

Based on this premise, donations are assessed and disbursed in support of foundations, social promotion associations, and entities whose purpose is the protection and enhancement of assets of cultural, artistic, historical, and landscape interest, as well as recognised foundations and associations aimed at conducting or promoting scientific research activities.

Over the course of 2022, the Group has allocated approximately € 118,000 to various organisations and foundations to support the community.

MARKETING AND COMMUNICATION ACTIVITIES

The Burgo Group produces quality papers in step with evolving market needs, serving those who communicate through graphic papers, use containerboard to produce corrugated cardboard, and choose specialty papers to customise, package, and create new products.

The Burgo Group, therefore, pursues a business model that aims for a balance between economic development and social and environmental responsibility.

Consequently, the Burgo Group works tenaciously and simultaneously to diversify its business on the one hand and reduce its environmental impact on the other. Moreover, the Group communicates its actions in a timely manner in this regard, deeming this essential to supporting policies that remain in line with the market on the topic of sustainability and employee welfare. The Group is committed to being in constant contact with its stakeholders and leading the way in business communication. With this in mind, as well as traditional communication on printed media, the Group also implements an integrated digital communication system based around its website, promoting its strategies through various social channels, newsletters and stories.

RELATIONS
WITH THE TERRITORY

1

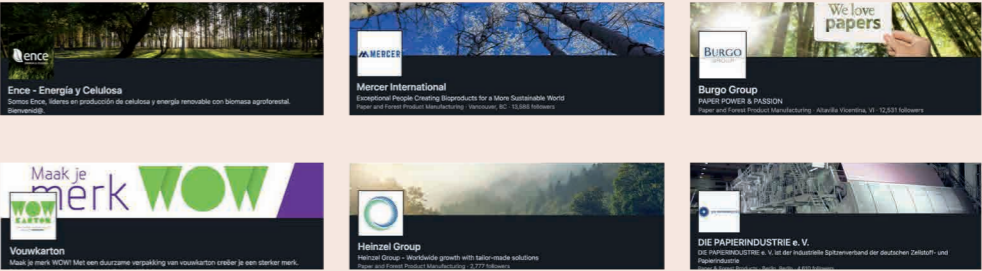
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DIGITAL COMMUNICATION, GROUP SOCIAL CHANNELS

Increasing the Group's online reputation is one of the main goals of digital communication on the major social networks: Facebook, Instagram, LinkedIn, Twitter and YouTube. In terms of marketing and communication, this involves positioning the business to increase the Group's visibility and consolidating the image of a constantly evolving business. Another important element of the communication strategy is to promote better brand awareness at a global level, consequently increasing engagement and the fanbase. As a testimony, we report that during 2022 we reached and exceeded 13,000 followers on LinkedIn (10,000 at the end of 2021). This is a significant figure as LinkedIn is naturally the most important social network for our B2B business. Notable percentage growth in fanbase has also been attained on the other platforms, serving as a form of positive and perceptual sounding board for the Group in the language of today. The publishing plan (PED) is therefore designed to develop, for certain topics, various different streams of information differentiated by channel, transforming our payoff “Paper, Power, Passion” into a storytelling tool to promote the Group and its products. The main areas covered are the entire range of product segments and ample space is devoted to the topic of the environment and the circular economy, with a view to raising awareness of the environmental focus in the paper manufacturing sector, as well as promoting events and initiatives in which the Group has participated as a partner.

As evidence of our backing for the #GreenSource European initiative on LinkedIn, we have been named one of the Top accounts of 2022. #GreenSource is a campaign endorsed by CEPI, and it is an effort across Europe to demonstrate how the forest fibre sectors can realise the aim of climate neutrality by the year 2050.

Top* accounts on LinkedIn



*Top accounts in terms of followership that shared #Greensource content at least once

THE BURGO GROUP CORPORATE WEBSITE

Ongoing updates and additions have been made to Burgo Group's corporate website since its January 2021 launch, with a total renovation in content and layout. The website's mission is both twofold and integrated at the same time, namely to concisely and comprehensively describe the values and business model and at the same time to promote the product catalogue and related services, offering easy access to product technical information sheets and primary sales contact channels. It presents a streamlined and intentionally market-oriented corporate look and feel, undergoing a particular redevelopment in the product selector function to ensure a more instant and effective user experience. Thus, the new release offers an up-to-date snapshot of the Group and provides an intuitive and speedy user experience that can be accessed from any device.



RELATIONS
WITH THE TERRITORY

2

Five menus on the home page:

- languages (IT/EN);
- products: Burgo Papers - Burgo Containerboard - Mosaico Specialty Papers;
- sustainability (in all its aspects);
- certifications (all, site and product);
- finally, the general drop-down menu (all-inclusive of corporate content).

The design of the website is characterised by its simplicity and the dynamic use of colours, with particular focus on the balanced distribution of content and the constant integration of text, infographics and other visual and multimedia elements, in order to provide the communication with character. In the Stories section, we alternate between articles on developments in commercial offerings, insights into the technological evolution of plants, and articles that describe the Burgo Group's involvement in social and cultural initiatives such as events, exhibitions, and publication of valuable editorial projects. www.burgo.com

Ongoing updates were observed throughout 2022 in the online segment pertaining to Burgo Containerboard – the paper manufacturing hub for corrugated cardboard, serving the packaging industry and showing a clear commitment to circular economy and sustainability. <https://www.burgo.com/it/burgo-containerboard>

In 2022, new products and content were integrated onto the Mosaico website, the Group's dedicated company for the production of specialty papers, which had unveiled its new site in 2021; this is a web space that is also easy to access and responsive. The backbone of the site is the presentation of the eight product categories, which is up-to-date, detailed and at the same time concise thanks in part to the new paper selector. <https://www.mosaicopapers.com/>

RELATIONS
WITH THE TERRITORY
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HOUSE ORGAN – GOMAGAZINE

GoMagazine is the Group's internal quarterly magazine, serving as a print and digital information tool that updates stakeholders on the most relevant activities related to the Burgo world: products, new technologies and services, projects, events, collaborations and partnerships. The magazine is an indispensable tool in promoting the Burgo culture to all of its 3,096 workers. The editorial direction selected for 2022 was to approach each edition with an in-depth look at specific strategic sectors of the Group, commencing with logistics in March, followed by Burgo Energia in June, Mosaico in September, and concluding with Technology & Investment in December.



CIRCULAR ECONOMY NETWORK (CEN)

As a promoter, the Burgo Group also actively participated in the activities of the Circular Economy Network in its fourth edition in 2022. In particular, it collaborated on all the initiatives of the network that annually prepares the Report on the Circular Economy in Italy, an initiative that assesses progress towards a circular economy.

The paper industry and its circularity



It was held on 5 April 2022 at the 4th National Conference on the Circular Economy at which the 2022 Circular Economy Report was presented. Representatives of the Burgo Group's HSE department participated by speaking at the conference, presenting a number of the company's circular economy initiatives. The conference is a particularly important opportunity for discussion and confirmed the need for transition to circular production and consumption models, which is increasingly a necessity, not only for ecological sustainability, but for the soundness of economic recovery and business competitiveness.

RELATIONS
WITH THE TERRITORY

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Italy's Circular Economy Report takes stock of the situation that will mark Europe's geopolitical and economic fortunes in 2022. Dramatic events in recent years (the worsening climate crisis, the pandemic, the invasion of Ukraine) have caused the cost of raw materials to jump up, demonstrating that more than ever there is a need for a circular economy. The report shows that Italy remains a step ahead of its European competitors: it ranks first, along with France, in the top five European economies. In 2020, the circular material usage rate in the European Union was 12.8%: Italy came in at 21.6%.

The Foundation for Sustainable Development, consistent with its objectives to champion a green economy, is devoted to encouraging, backing, and enabling a shift in the current production and consumption patterns to meet the ambitions of the green economy and its



FONDAZIONE
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SOSTENIBILE

Sustainable Development Foundation

associated circularity. Engaging in numerous activities both in the private and public sectors, to date it has garnered extensive experience in the field of efficient material use in production, distribution, and consumption processes, as well as in waste management.

PROMOTERS

The core group of promoters consists of companies and organisations representing significant entities in various sectors of the Italian economy. They are united by the belief that the development of the circular economy is a challenge of strategic importance for the fu-

ture of our country. They collaborate with the Foundation for Sustainable Development to set goals and strategies for the development of the circular economy in Italy, contribute to coordinating the activities of the Network, and help implement the work programme.



NATIONAL RECYCLING INDUSTRY CONFERENCE

Ignazio Capuano, CEO of the Burgo Group, participated in the National Recycling Industry Conference, presenting on the role of innovation and market opportunities related to paper recycling.

On 16 December 2022, at the headquarters of Corriere della Sera in Milan and live via streaming, the National Recycling Industry Conference was held with the presentation of the *Rapporto sul riciclo in Italia* (Italian Recycling Report). The report, produced in collaboration with the supply chains and consortia involved in the recycling industry, contains up-to-date figures from all sectors and provides an overview of the results achieved in Italy since the implementation of the Ronchi Decree (Italian Legislative Decree 22/97).

In 25 years, Italy has gone from waste emergency to recycling excellence, and today Italy is the European leader in waste recycling. The Italian recycling industry has become a significant sector that generates an added value of 10.5 billion (increased by 31% from 2010 to 2020) and produces substantial amounts of recycled materials, including 5 million and 213 thousand tonnes of paper and cardboard.

Among the various recycling supply chains, paper recycling ranks high in performance: the recycling rate of paper packaging in 2021 reached 85%, exceeding the European target set for 2030. By 2021, 63% of paper and cardboard produced in Italy will come from recycling.



“ECONOMY OF FRANCESCO” CONFERENCE

A Paper Notebook (and more) for the "Economy of Francesco" was presented in Assisi in September 2022.

This involved pages that are part of the 'Care of Creation' action plan implemented by Sisifo - Società Benefit with the technical partnership of Assocarta, Burgo, Fabriano, Formaperta con Cartesar, Lucart and Sofidel.

This was the first meeting, in person, for young economic scholars, entrepreneurs and change-makers from more than 100 countries around the world, convened by Pope Francis to embed soul into the economic framework, with aspirations to spark a new economic chapter. An event characterised by a strong push toward sustainability, with a focus on caring for our common home, the Earth. Sisifo - Società Benefit was commissioned to draft and implement a 'Care of Creation' Project for the event.

Three days inspired by the principles of integral ecology, which Pope Francis defined in the encyclicals "Laudato si'" and "Fratelli tutti", and the "Laudato si'" goals set forth in the "Laudato si'" Platform of Initiatives promoted by the Dicastery for Promoting Integral Human Development. The support of several entities, including Assocarta, coordinated by Sisifo, allowed for the formulation of the 'Care of Creation' project. Within this, among other things, paper materials provided by Burgo Group were used for the organisation of workshops, which had environmental sustainability and respect for the planet's natural capital as their central theme.



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WITH THE TERRITORY

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COLLABORATION WITH MIP POLITECNICO DI MILANO

In 2021, a partnership began, continuing in 2022, with MIP Politecnico di Milano in support of an "International Master's in Environmental, Sustainability & Circular Economy". The Politecnico di Milano, as it is known, is considered one of the best universities in the world. It was founded in 1863 and is currently the largest school of Architecture, Design and Engineering in Italy. It enjoys strong political internationalisation, so much so that many courses of study are taught entirely in English and thus attract a growing number of international students, who currently form a diverse community from more than 100 countries. Teaching is closely related to research in order to achieve results that meet high international standards.

The 12-month programme takes place at the Graduate School of Management of the Politecnico di Milano and is delivered entirely in English. Its main objective is to provide the skills necessary for a management career in the field of sustainability, with a special focus on Energy Management and the Circular Economy.

Combining the business school's signature innovative teaching methods with a smart learning and project-based approach, the master's programme makes extensive use of real-world case studies.

An aspect of the International Master's in Environmental Sustainability & Circular Economy, includes the completion of project work on topics relevant to environmental sustainability and the circular economy. In the 2021-2022 academic year, the Group's HSE director, Valerio Forti, was the tutor of one of the students for the preparation of the project work related to Scope 3 CO₂ emissions with special reference to the "Waste Generated in Operations" category.



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COMMUNITY INTEGRATION PROJECTS

The Burgo Group not only supports environmental issues, the Group is also particularly devoted to promoting projects that genuinely integrate with local communities where their plants are located.

Some of the most noteworthy initiatives taken this year include:

Ardennes: Open Day

The Virton plant opened its doors to visitors for a day of exploring the facility and production processes. The event was enthusiastically attended by former employees, local residents, families and friends of employees.

The Burgo Ardennes open house on Saturday, 22 October was a success: nearly 2,000 people attended the plant tour. The event involved the active participation of workers, providing an opportunity to showcase the industrial business of the paper mill and highlight the ongoing commitment and professionalism of its staff.

The open day at the Virton plant also represented a happy return: the event had not been held for several years, and the satisfaction of welcoming visitors back to the mill was palpable.

Indeed, the enthusiastic participation of former employees, local residents, families and friends of staff was met with great engagement from the staff themselves, who demonstrated outstanding teamwork through their organisation, attendance, and actions during the event.

Participants were able to take a two hour guided tour accompanied by employees to learn in detail about the paper production process, get a close look at the facilities and machinery used in production, and meet with plant management.

The Burgo Ardennes open day has reaffirmed the Virton plant's status not just as an important manufacturing hub in the region, but also as a source of wealth for the local area and its community, amidst growing transparency, cooperation, and mutual engagement.



RELATIONS
WITH THE TERRITORY

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Toscolano: Paper Mill of the Foundation - research - non-profit activities

- The Toscolano Paper Mill is a founding member, along with the Municipality of Toscolano Maderno and the “*Gruppo Laboratori anziani della Cartiera*” of the Maina Inferiore Museum. Located in the valley of the Toscolano river, the museum organises educational workshops, conferences and events, and collaborates with the *Istituto San Zano di Verona*, the interregional school of technology for paper manufacturers;
- research programmes and analysis of paper manufacturing techniques (dating back to the mid-14th century) and reporting of findings in prestigious publications;
- support for various local non-profit associations.

Villorba: WelfareCare

The Villorba plant, in conjunction with the Group's leadership and working with WelfareCare, joined the 2022 campaign for breast cancer prevention by offering free screening.

The initiative was aimed at creating greater awareness of the importance of prevention, tackling the issue of social inclusion and thus relieving families of the cost of diagnostic tests. This was a project with a profound social impact, as it directly guided women to undergo diagnostic tests. The initiative came to fruition thanks to the collaborative efforts between the Public Administration and local companies attuned to such a crucial issue.

The women involved in the initiative were women from the municipality of Villorba and thus also wives and partners of the plant's workers between the ages of 35 and 49; an age group not covered by the free screening of the national health care system and who, as the scientific literature cites, are often more aggressively affected.

The prevention days were held in Villorba inside a mobile clinic, equipped with outpatient spaces and state-of-the-art technological instruments. These facilities allowed for the completion of all clinical and instrumental breast diagnostic tests for the early detection of breast cancer. Women who took advantage of the service thus had the opportunity to take the examination for free and receive their results immediately.

BURGO SUPPORTS THE “BAMBINI CARDIOPATICI NEL MONDO” ASSOCIATION

In an effort to encourage and support the initiatives and activities of non-profit organisations with which it shares values and goals, since 2014, the Burgo Group has been supporting the “*Bambini Cardiopatici nel Mondo*” Association. This association, through surgical missions, training for doctors, and building paediatric heart surgery centres, strives to aid the development of healthcare systems in struggling countries and reduce the mortality rate of children with heart conditions.



“Bambini Cardiopatici nel Mondo” Association – team (Duhok – Kurdistan, 2012)

Established in 1993, the “*Bambini Cardiopatici nel Mondo*” Association - A.I.C.I. Onlus is a secular and independent non-profit organisation which, through the voluntary collaboration of 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.

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Among the guiding principles of BCM are sustainability, practicality and participation. Therefore, creating projects together means sharing the same ethical values without forgoing corporate values in order to contribute to building a more equitable world.

A company is more than its production: it is a way of seeing and contributing to a larger system that encompasses the whole of society. With this global perspective, the Burgo Group supports the “*Bambini Cardiopatici nel Mondo*” Association, which works to provide a renewed hope of life to children with heart problems in countries in need.

The Burgo Group makes sustainability a corporate core present in all processes and of course also in partnerships. With an awareness of the value of cultural transmission and its consequential impact on opportunities and external factors, the Burgo Group pledges to back initiatives that bring a positive benefit to societal and individual growth.

“*Every child saved is a smile given to humanity.*”

Professor Alessandro Frigiola

PRESENTING THE NEW “COLLEZIONE BURGO 2018/2022” VOLUME

After the debut of the first collection in 2017, the much-anticipated “Collezione Burgo” is back: a novel, esteemed volume showcasing works from the last five editions of the Burgo calendar, as always, accredited to prominent figures in the world of illustration.

Every year, an illustrator interprets the theme of paper for the Burgo Group calendar: an unmissable event for illustration enthusiasts, thanks to the works created by Italian and international artists on a chosen topic.

Following the success of the first collection, published in 2017, “Collezione Burgo 2018/2022” brings together the wonderful creations made by artists for the Burgo calendars of the last five years. This is a volume of great artistic value that portrays paper as the perfect meeting point between images and words, a combination rejuvenated by the recent integration with the Cartaceo#04 project, where literary figures collaborated alongside illustrators.

To celebrate the last five editions of the Burgo artistic calendars, created in collaboration with *Associazione Illustri*, the thirty illustrations in the volume were also exhibited at Palazzo Thiene in Vicenza during the fifth edition of the Illustri Festival, which concluded on 17 July 2022.

The inner pages of the volume are printed on *Respecta Satin* 170 g/m², which is also an FSC® Mix Credit certified paper in line with sustainability values, a non-negotiable principle for the Burgo Group. *Respecta's* impeccable colour rendition and high printability and opacity ensure detail-defined image reproduction, making it an excellent choice for art books.



RELATIONS
WITH THE TERRITORY

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BURGO 2023 CALENDAR AND CARTACEO#04

For more than 20 years, the Burgo Group has collaborated with Italian and international artists through its historic illustrated calendar, sealing the link between paper, art, speech, culture and beauty.

The BURGO 2023 Calendar and the CARTACEO#04 project are a tribute to the precious act of annotating (preferably on paper).

The words of Riccardo Falcinelli and the illustrations of Andrea Serio pay tribute to an act both ancient and modern: annotations, a pivotal gesture for understanding our contemporary era.



On Sunday, 20th November, at the Salone d'Onore of the Triennale di Milano, the unveiling of Cartaceo#04 took place. This project was conceived by the Burgo Group Marketing Department in partnership with the Illustri Association and ArtsFor to celebrate paper as the meeting point between word and image. The event was included in the BookCity Milan calendar, renewing the relationship between the Burgo Group and the Milanese event.

Riccardo Falcinelli's words and Andrea Serio's drawings also took shape in a *lepporello* (folded leaflet with special binding), printed in a limited edition on Burgo Group Prisma UP Silk 2SC paper. Texts and illustrations restore the importance of the act of annotating and bring to the surface the value that paper, understood as a tool, medium and physical space, has in creative and mnemonic processes.

"We coordinate eye, mind, memory, action in perfect harmony. As the hand glides on the paper, the eye supervises, ideas crystallise, they flow out of us and land on the page. Yet, there's an added dimension: such synchrony appears to boost focus. If digital tools grant us speed, connectivity, and mental agility, paper grants us depth and introspection. [...] But paper provides a contrast, urging us to slow our pace and dig deeper".

It's easy to see oneself in Falcinelli's story, and it's just as straightforward to be captivated by Andrea Serio's illustrations that accompany those thoughts.

The calendar is printed on FSC® certified papers: *Respecta 100* Satin 250 g/m² for the inside pages and *Prisma UP* Silk 2SC 400 g/m² for the cover.

RELATIONS
WITH THE TERRITORY

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ASSOCIATIONS

Burgo Group promotes associative and partnership relationships with both profit and non-profit entities in the sector, with whom it shares common values and interests.



GRI CONTENT INDEX

Statements of use				Burgo Group S.p.A. has produced this Non-Financial Statement in accordance with the GRI Standards for the period from 1 January 2022 to 31 December 2022
GRI 1 used				GRI: Reporting Principles 2021
GRI Standard	Disclosure		Page/Paragraph	Reasons for omission
GRI 2: General Disclosure 2021	2-1	Organisational details	Note on Methodology/2.6/2.3	
	2-2	Entities included in the organisation's sustainability reporting	Note on Methodology/22/2.3	
	2-3	Reporting method, frequency and point of contact	Note on Methodology	
	2-4	Review of information	Note on Methodology	
	2-5	External assurance	Letter of Assurance	
	2-6	Activities, value chain and other business relationships	22/5.1/2.7	
	2-7	Employees	2.2/6.1	
	2-9	Structure and composition of Governance	24	
	2-10	Appointment and selection of the highest governing body	24	
	2-22	Sustainable development strategy statement	Letter from the Chairperson/ Letter from the CEO	
	2-23	Policy commitment	3.3/3.4	
	2-28	Membership in associations	6.5	
GRI 3: Material topics 2021	2-29	Stakeholder approach and involvement	3.8	
	2-30	Collective bargaining agreements	6.3	
	3-1	Process of determining material topics	3.8	
	3-2	List of material topics	3.8	
GRI 201: Economic Performance	3-3	Management of material topics	3.8	
	201-1	Directly generated and distributed economic value	4.2	
GRI 203: Direct economic impacts 2016	201-4	Financial assistance received from government	4.3	
	203-1	Infrastructure investments and services supported	2.7	
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	5.1	
GRI 301: Materials 2016	301-1	Materials used by weight or volume	5.1	
	301-2	Recycled input materials used	5.1	
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	5.3	
	302-3	Energy intensity	5.3	
GRI 303: Water 2018	303-1	Interactions with water as a shared resource	5.5	
	303-2	Management of impacts related to water discharge	5.5	
	303-3	Water withdrawals	5.5	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5.4	
	305-2	Energy indirect (Scope 2) GHG emissions	5.4	
	305-5	Reduction of GHG emissions	5.4	
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions	5.4	
GRI 306: Water discharges and waste 2020	306-1	Water discharge by quality and destination	5.2	
	306-2	Waste by type and disposal method	5.2	
	306-3	Significant spills	5.2	
GRI 308: Supplier environmental assessment 2016	308-1	New suppliers that have been selected using environmental criteria	5.1	
GRI 401: Employment	401-1	Recruitment of new employees and turnover of employees	6.1	
GRI 403: Occupational health and safety 2018	403-1	Occupational health and safety management system	6.2	
	403-2	Hazard identification, risk assessment, and accident investigation	6.2/6.4	
	403-3	Occupational health services	6.4	
	403-4	Participation and consultation of workers and communication in relation to occupational health and safety	6.4	
	403-5	Worker training on occupational health and safety	6.2/6.4	
	403-8	Workers covered by an occupational health and safety management system	6.4	
	403-9	Work-related injuries	6.4	
	403-10	Work-related illnesses	6.4	
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	6.2	Information and data on training hours by gender are not available through the Group management system.
	404-2	Programs for upgrading employee skills and transition assistance programs	6.2	
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity in governance bodies and among employees	6.1	
GRI 414: Supplier social assessment 2016	414-1	New suppliers that have been selected using social criteria	5.1	

GLOSSARY

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

Burgo Containerboard BCB: the Group's vast new production centre devoted entirely to paper for the packaging sector.

UWF (Uncoated WoodFree): Uncoated woodfree papers.

CWF (Coated WoodFree): Coated woodfree papers

LWC (Light Weighted coated): Lightweight coated papers.

RCCM (Recycled containerboard): Paper for recycled packaging.

RTC: Coated woodfree papers with high printing performance.

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

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

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

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

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

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

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

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

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



Assurance Statement

SGS Italia S.p.A. (hereinafter “SGS”) has been tasked by the management of Burgo Group S.p.A (hereinafter “Burgo” or “Organization”) to perform an independent assurance of the organization’s 2022 Sustainability Report (Report), in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined by GRI - Global Reporting Initiative (hereinafter the “GRI Standards”) in 2021.

Our responsibility in conducting the work commissioned, in accordance with the term of reference agreed upon with the Organization, is solely towards the management of Burgo.

This Independent Assurance Statement is intended solely for the information and use Burgo’s stakeholders and is not intended to be and should not be used by anyone other than this specified parties.

RESPONSIBILITY OF THE DIRECTORS FOR THE SUSTAINABILITY REPORT

Burgo’s Directors are responsible to develop the Sustainability Report in compliance with the “GRI Standards” guidelines, to define the sustainability objectives in relation to the organization’s sustainability performance and to reporting the results obtained.

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

SGS declares its independence from Burgo and maintains that there is no conflict of interest with the Organisation, the companies it controls or the Interested Parties.

SGS maintains a quality control system that includes directives and documented procedures on on compliance with ethical standards and professional principles.

AUDITORS’ RESPONSIBILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements included in the 2022 Sustainability Report and to evaluate their compliance with the relevant requirements in the context of its verification objective outlined below, in order to inform all the Interested Parties.

The verification has included the following activities, in accordance with what was agreed with Burgo:

- In line with the Limited Assurance Engagement, analysis of the sustainability activities and data relating to the period 1 January 2022 – 31 December 2022, as indicated in the Sustainability Report;
- the evaluation of the Report against the Global Reporting Initiative’s **GRI Standards 2021**.

The activity was carried out following the criteria indicated in the “International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000)”, issued by the IAASB (International Auditing and Assurance Standards Board) for limited assurance engagements. This standard requires respect for the applicable ethical standards, including those regarding independence, as well as planning and realisation of the work in order to obtain limited certainty that the Report does not contain significant errors.



ASSURANCE METHODOLOGY

The verification consisted of activities aimed at assessing compliance with the standards that define the content and quality of the Report -as articulated by the “GRI Standards”. These activities are outlined below:

- Using interviews, analysis of the governance system, management process, and topics connected to sustainable development regarding the Organization’s strategies and operations;
- Analysis of the process for defining the material topics outlined in the Report (materiality analysis), with reference to the methods for their identification and evaluation -in terms of priority for the various stakeholders- as well as the internal validation of the process findings;
- Analysis of the consistency of the qualitative information detailed in the Report and analysis of the processes underpinning the generation, disclosure and management of the quantitative data included in the Report. In particular, the following activities were carried out:
 - meetings and interviews with the Burgo’s management to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for preparing the Report;
 - a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of both the processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;

The audit team was chosen based on the auditors’ technical know-how, experience and qualifications in relation to the various sustainability areas assessed.

Auditing activities were carried out in June 2023 and involved various functions/departments of the Organization.

LIMITATIONS

Economic and financial data contained in the Financial Statements 2022 and included in the Sustainability Report, have not been audited by SGS.

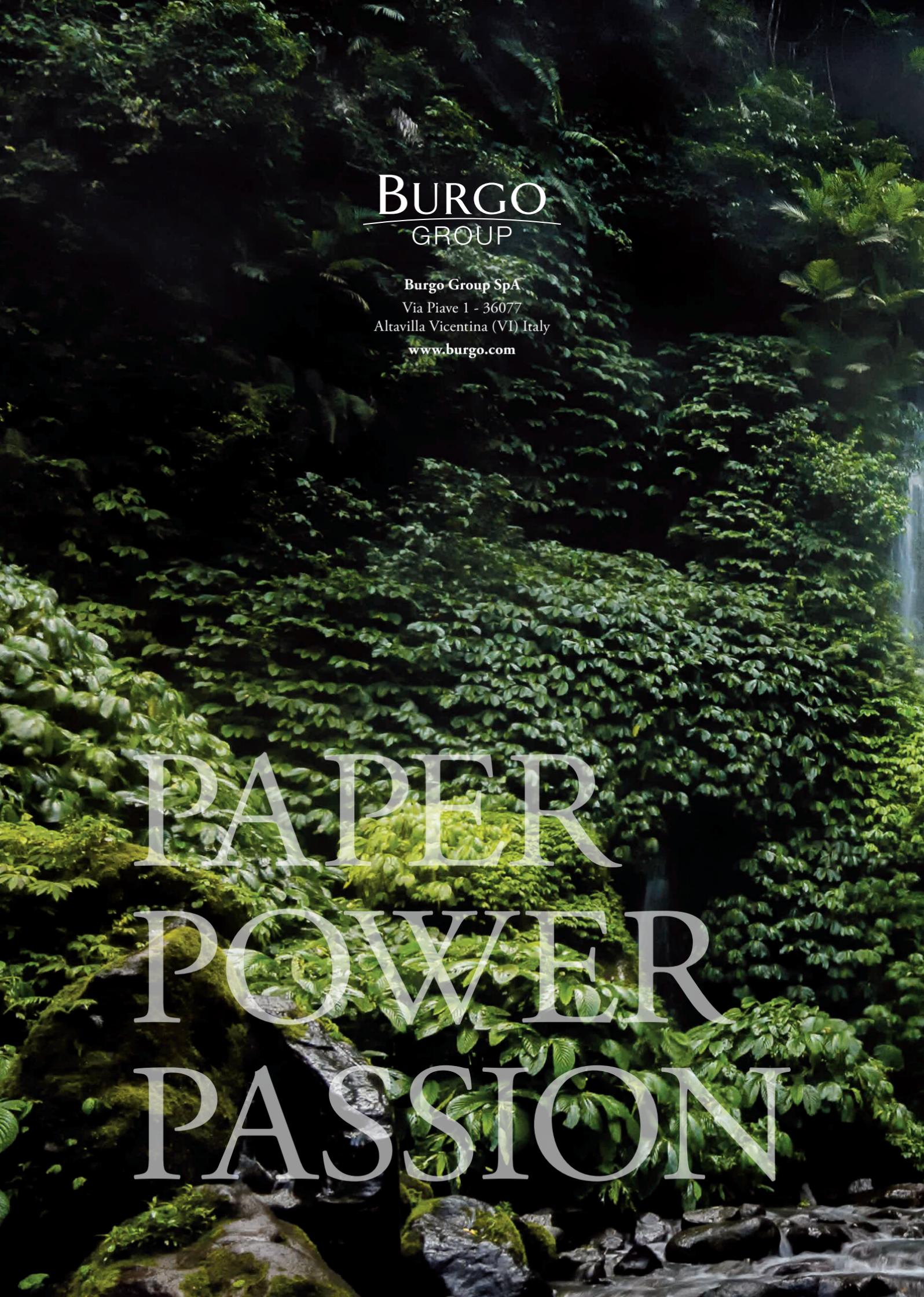
CONCLUSIONS

On the basis of the work carried out, no aspects came to the attention of SGS which would lead to the opinion that Burgo 2022 Sustainability Report was not prepared, as regards all significant aspects, **with reference to** the “GRI Standards - Global Reporting Initiative” as described in the Report’s “Methodological Note” chapter.

Milan, July 18th 2023

SGS Italia S.p.A.

Nicolò Cristoni
Knowledge
Project Leader



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