



SUSTAINABILITY REPORT 2022



Contents

A year of challenges, but no change in our commitment to sustainability	5
Sustainability for maintaining corporate value	7
01. THE WORLD OF FRATELLI GUZZINI	8
About us	10
An Italian story of design and sustainability	14
How we make beauty	16
The authenticity of our products	18
A shared vision	20
02. OUR IDEA OF SUSTAINABILITY	22
Our approach	24
Stakeholder engagement	26
Materiality analysis	28
Ties to our land	32
03. THE PASSION FOR EXCELLENCE	34
Quality throughout the supply chain	36
Sustainable design	38
Daring to innovate	42
04. SAFEGUARDING THE PLANET	44
The philosophy of circularity	46
In tune with nature	56
05. THE VALUE OF PEOPLE	64
Protecting and creating employment	66
Skills and dialogue for growth	68
Health, safety and well-being	70
06. CUSTOMER FOCUS	72
Our product warranty	74
Customer experience and listening to the customer	75
Responsible communication and marketing	77
2022 Impact report	84
Appendix	88
Note on Methodology	96
GRI Content Index	97



Watch the
video

A year of challenges, but no change in our commitment to sustainability

Helping to create an inclusive, fair, regenerative global economy. This is the aim of the process we've been engaged on for years now, which in 2023 reached another important milestone: award of B Corp certification. This is an important achievement for us, but is also the natural evolution of our long-term commitment to being a responsible, transparent company. 2022 opened with the attainment of Benefit Corporation status, placing Fratelli Guzzini amongst the select group of companies which, although they operate for a profit, also include the creation of social and environmental value in their articles of association.

We have now received further recognition that our production model, which aims to evolve new products and projects by reusing waste and secondary raw materials, not only protects the planet but also makes a positive contribution through the sharing of knowledge and business opportunities between enterprises and research organisations. To promote this goal, we have participated in the MARLIC project in applied research for innovation in materials, funded by the Marche Region.

Another project which gave us great satisfaction was with Coop Italia, involving our creation of a shopping trolley made entirely from low density polyethylene bags. This was just one of our many examples of circularity, of which we are particularly proud.

Our constant work to improve our social and environmental performance had to overcome a challenging economic and geopolitical context. After the pandemic crisis, the conflict between Russia and Ukraine generated yet more instability, both through price rises and shortages of raw materials and due to the general reduction in consumers' spending power.

In spite of the increase in the prices of photovoltaic panels, in spring 2022 we still decided to persevere in our transition to sustainability by expanding our photovoltaic system with an additional 370 kWh, boosting our in-house renewable electricity production to a total of 1,300 kWh. This upgrade enabled us to cover almost

18% of our electricity use and avoid the atmospheric emission of 137.7 tonnes of CO₂eq. What's more, the Board of Directors approved a truly revolutionary measure: the electricity produced by the photovoltaic system at weekends or during holidays will be transferred to our employees' homes for their use free of charge. We are now working in partnership with the Government to find a regulatory solution that will allow us to implement this resolution.

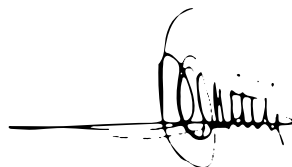
These are just two examples that prove that the economic scenario is not interfering with our plans.

For example, in a situation of this kind offering sustainable materials at the premium end of the market, such as bioplastics, might seem risky, but we believe it is fundamental to innovate to maintain our competitive advantage, and to be the first to respond to the most deeply felt demands of consumers who care about sustainability, regardless of the economic context.

We hope that in this Sustainability Report you will find proof of our genuine commitment, reflected in our investments in sustainable research and circularity. We are sure that our experience and technological know-how are the real added value of a company which wants to take its place in the future, by focusing on a broader horizon, that of a better world.

Enjoy

Domenico Guzzini, Chairman.





Sustainability for maintaining corporate value

Dear Readers,

The year now ending has presented us with some tough challenges, but we have overcome them in impressive style. After riding out the pandemic well, in 2022 we limited our losses in spite of the increase in costs and drop in sales, which fell to 30.6 million Euros.

We are reassured by the popularity of our products: returns and replacements decreased by 38% compared to 2021. Our constant quest for quality is also evidenced by our negligible proportion of non-conforming products: the rate is about 0.02% of the inspections performed

However, all this is still not enough to represent the core identity of Fratelli Guzzini: thanks to 123 employees, 3 associates, 990 suppliers and about 2,500 distribution partners, we actively contribute to the development of our native region, Marche, by creating quality employment and sharing leading-edge skills. The value we have returned to the community is also confirmed by the process which led us to become a Benefit Corporation in 2022 and a B Corp in 2023.

Circularity continues to be the distinguishing feature of our approach to production. Today, we can safely say that one in every four of our plastic products is made from recycled material: in fact, 25.5% of the 1,069 tonnes of raw material used consists of recycled plastic. We are constantly developing recycled products and have introduced biocircular processes, involving the use of bio-based materials. We have created new environment-friendly lines at affordable prices and persisted in our development of partnerships for circularity. What's more, to promote our products and introduce more and more people to our latest innovations, we have continued to attend exhibitions.

Sustainability is also highlighted in presentations to customers, with the aim of generating a virtuous cycle of promotion and popularisation of the circular economy,

within which we wish to constitute a benchmark.

Last year many businesses experienced an increase in their industrial costs, especially for energy, and a reduction in households' purchasing power, both factors which also affected us. These considerations forced us to make some difficult choices. The decision to cut production and lay off staff arose from our determination to conserve our company's value and get through the most difficult months before starting to expand once more.

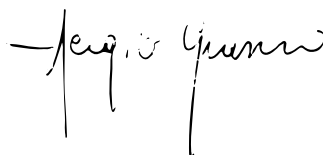
In spite of the difficulties of the past year, we have never stopped investing in sustainability. We have chosen to limit our price increases, preferring not to pass the higher costs on to our customers. Instead, we have focused on the optimisation of our costs and on our economic management in general, and continued to invest in projects with social and environmental impact.

We therefore embrace sustainability not only in environmental terms but also in its broader, social and economic dimension, viewing it as the ability to support all aspects of the value our company can pass on to its employees, the community and society as a whole.

It is true that this has been a tough year for us, but it has also enabled us to confirm our commitment to sustainability over the long term.

The Report bears witness to the continuity and depth of this commitment, which we are sure is going to involve more and more companies in a long-term process of improvement.

Sergio Grasso, CEO.



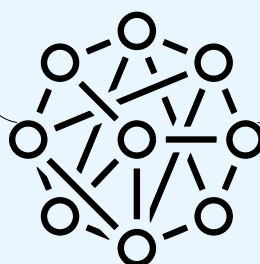
01. The world of Fratelli Guzzini

Our products are found in cooking, dining, socialising, wellness and travel. We design and produce positive objects, which spread Italian culture throughout the world.

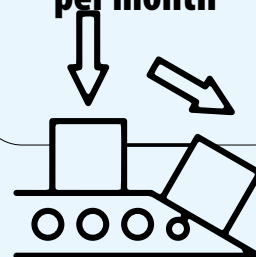
€ 30.6 mln
net earnings
in 2022



2,500
distribution
partners



800,000
pieces produced
per month





About us

Fratelli Guzzini is a historic all-Italian company of excellence, specialising in the production of plastic articles with high design values for the table, the kitchen and home decoration. We have been representing the best of Italian design and manufacturing for over a century, with multi-functional, durable, eco-sustainable, always leading-edge **design objects** to improve the quality of everyday life.

From a passion born in 1912 in Recanati, over time we have become specialists in plastic, gradually embracing its opportunities and challenges. Our century-long history constantly embraces new inputs to respond to a fast-evolving market seeking innovative products in line with issues of environmental protection. So we work every day to source the best materials, while keeping faith with our vocation for fine design and quality. Our partnerships with top designers and architects from all over the world make our products distinctive and internationally admired for their **creativity, inventiveness, style, quality and sustainability**.

Our product catalogue contains an offering of about **1,000 articles**, which we sell through various channels, first and foremost a network of specialist retailers ranging from the high end of the market to e-commerce, by way of specific collaborations with supermarket chains for loyalty programmes. Thanks to about **2,500 distribution**

partners, and our **three subsidiaries** (United States, Germany and Australia), we are present **worldwide** with our four main product lines:

- **Table:** stylish, attractive, functional objects and accessories for everyday use, to bring beauty to the places where we spend our lives;
- **Kitchen:** intelligent solutions to organise spaces and improve preparation, serving and cleaning, all practical, user-friendly and carefully crafted;
- **Home:** interior accessories and small furnishings;
- **On the go:** items to take with you for organising, transporting and eating meals away from home.



Table



Kitchen



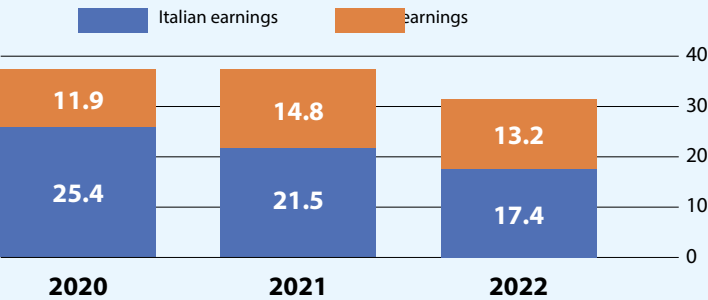
Home



On the go

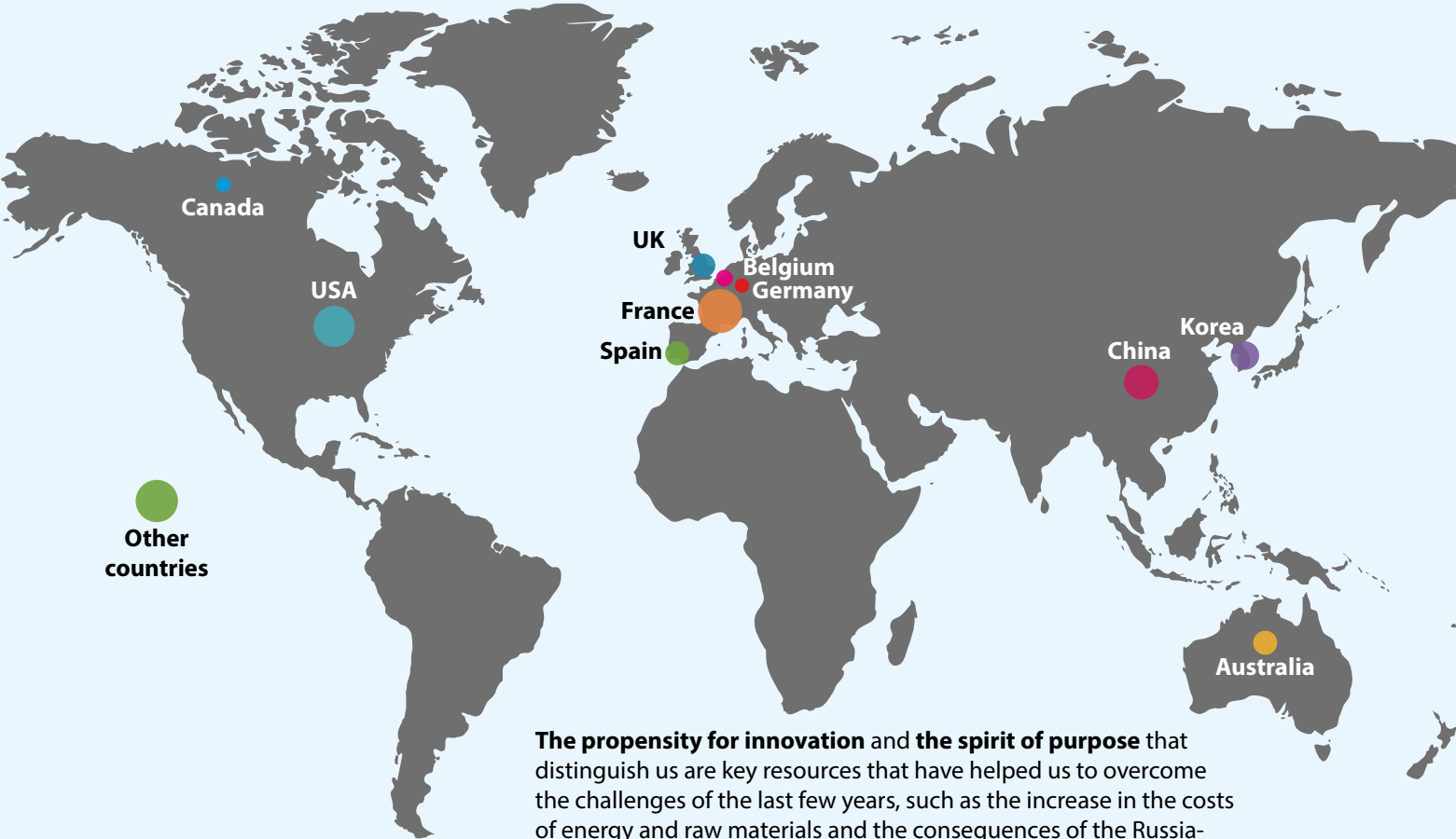
Every month we produce **about 800,000 items**, using **140 tonnes** of raw materials. Our sound business plan and continual focus on innovation enabled us to come through the pandemic well and to limit our losses in 2022 arising from the rise in costs and the drop in sales, which fell to 30.6 million Euros. In spite of the reduction in turnover in 2022, the spread of earnings from sales and services remained similar to that of 2021. Italian sales accounted for about 57% of the total compared to 59% in 2021.

NET EARNINGS FROM SALES AND SERVICES (MLN €)



Foreign sales have grown considerably over time, and they are currently mainly generated on the markets of Europe (especially France, Spain, the United Kingdom, Belgium and Germany), America (the USA and Canada) and Australia¹.

EXPORT EARNINGS 2022



The propensity for innovation and the spirit of purpose that distinguish us are key resources that have helped us to overcome the challenges of the last few years, such as the increase in the costs of energy and raw materials and the consequences of the Russia-Ukraine conflict. Despite the uncertainty that will increasingly characterise the global context, we will continue to invest and bet on sustainable innovation, once again demonstrating the **forward-looking** nature of our choices.

¹ Turnover achieved through the traditional channel.





The Fratelli Guzzini workforce
in the early 1960s.

An Italian story of design and sustainability



1912

Enrico Guzzini establishes the company in Recanati (Macerata, Italy), after a trip to Argentina where he learns the technique of

making objects from **ox horn**.



Early C20th

Fratelli Guzzini uses ox horn for the creation of high-value **small objects**. The method used is **thermoforming**: using wooden dies, the horn is heated with embers so as to preserve the material's distinctive colouring, varying from white to brown to black.

However, the company soon becomes aware of this material's limitations, including the restrictions on the size of the final objects. It therefore decides to invest in **research into the processing of ox horn**, investigating its technical, technological and applicational characteristics.



1925

As a result of the research into ox horn, the first **automated machines** are purchased to expand the product range, including the first **ox horn salad servers**.



2016

The new 3-COLOR-TECH injection moulding technique is developed.

DESIGN **PLUS**
Winner 2016

3 COLOR
TECH



2002

The world's first **two-colour clear plastic** collection is created by injection moulding.



1986

The first **two-colour** objects are produced using **two-shot injection moulding**.



1930s

Galalite, obtained from **casein**, one of the first polymers to be placed on the market, is used to produce the already famous salad servers in new colours and with fresh decorations.

In the same years, **the first chemical plastics** began to be used for **small secondary components** of the company's products. Interestingly, plastic was introduced to make up the shortfall in availability of natural raw materials, and was considered a mere **substitute** with greater technological versatility and much lower prices.

1934

Enrico Guzzini's sons, Pierino, Mariano and Silvio, incorporate the company Fratelli Guzzini.

1938

the company is among the first to introduce **Plexiglas** in the manufacture of household objects. Fratelli Guzzini is the first company in the world to exploit this new material (**PMMA, polymethyl methacrylate**, developed for military purposes) and use it for the production of **household items**.



1960s

Fratelli Guzzini is the first company in the world to make **injection moulded** objects from **coloured plastic** for the home.

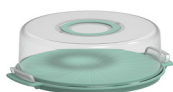
1958

The manufacture of **two-colour sheets by direct casting** is patented. Two-colour plastic will soon become a Guzzini signature feature.

1953

The first **melting furnace** for producing objects from **granules** is built. After this innovation, the use of ox horn is phased out.

Today



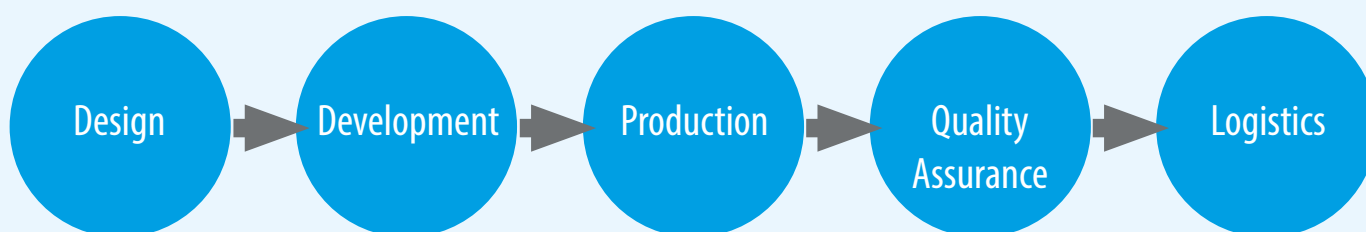
Fratelli Guzzini continues to invest in research into new materials that combine **quality, functionality** and **sustainability**. To enable it to keep offering products at the state of the art, the company has also established a **Product Development and Industrialisation** department to research and define new materials, supported by collaborations with universities and technical partners.

Despite the difficulties generated by the pandemic period and the consequences of the Russia-Ukraine conflict, this innate dedication to innovation was again reflected in **substantial investments in research and development** in 2022.

How we make beauty

The 5 stages of the production process

Fratelli Guzzini products are a combination of **Italian creativity and international design**. The **Guzzini Lab** develops **creative ideas**, often originated with inputs from international designers. We can also draw on our experience to meet specific requirements suggested by individual customers, providing all our expertise in any changes to the model, e.g. regarding the choice of materials to be used.

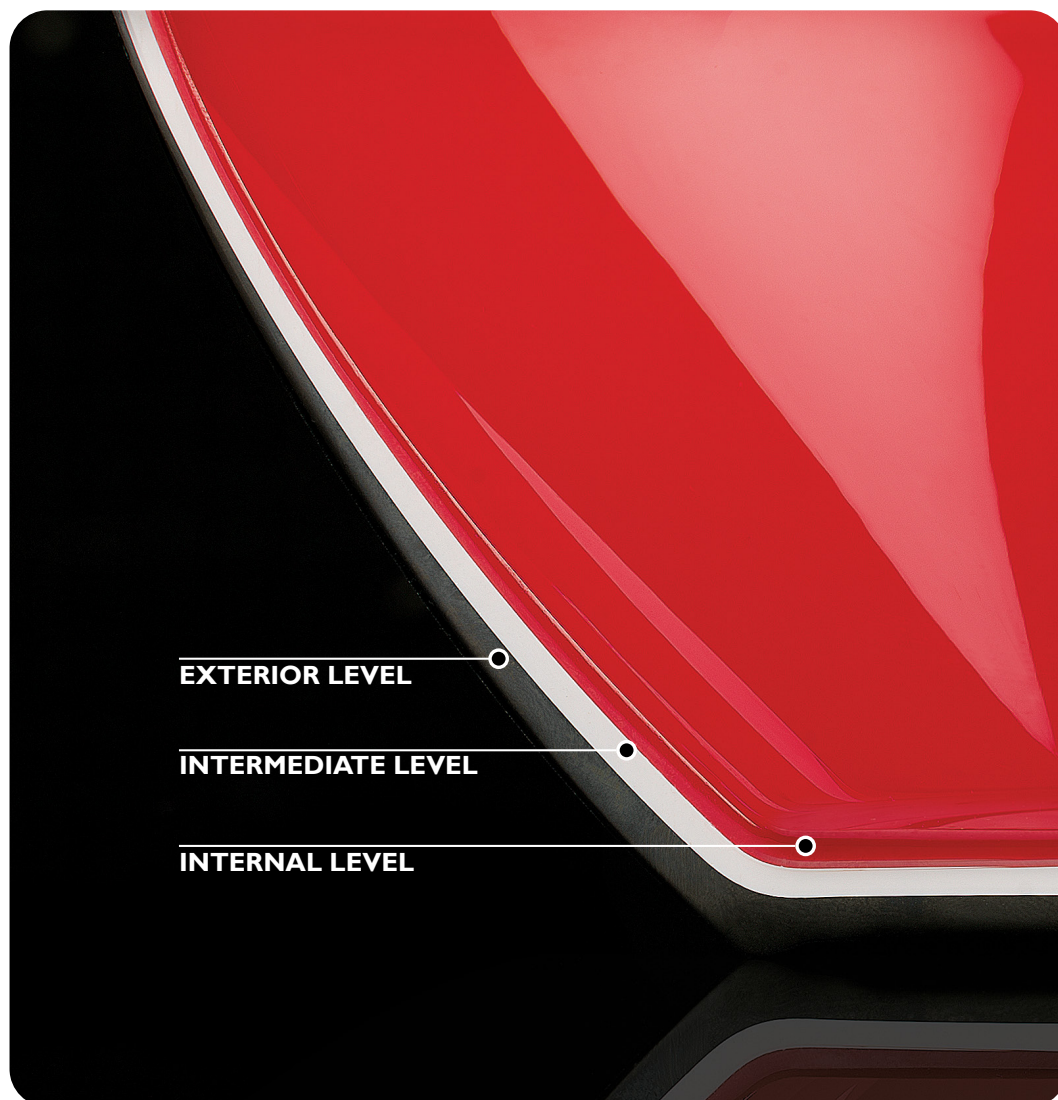


The next step is the in-house production of **prototypes** for assessment of potential products' aesthetic and functional features.

We have a still unrivalled series of production "first" that have made us a globally recognised brand, a symbol of Italian quality and creativity. We use the **best moulding techniques available**: injection moulding, gas-assisted injection moulding and compression moulding. However, the main technology is **injection moulding**, in which the plastic is melted and then injected into the mould. Here the material is pressed with force and, once cooled, the mould is opened to extract the finished item.

3-COLOR-TECH

The 3-COLOR-TECH technology is the outstanding symbol of Fratelli Guzzini's technological innovation in design, still unrivalled at the global level. This complex process produces a virtually unique product, with a very attractive, highly distinctive **three-colour effect**. Fratelli Guzzini has been the only company in the world to successfully develop this moulding procedure, using **new techniques permitting the co-injection of several colours/materials simultaneously**, as in the case of all 3-COLOR-TECH products.



From industrial-scale production to small batches, we are able to modulate our processes to suit the market's demands. The company is also able to change production frequently during the working day, with its technicians carrying out **fast mould changes** that allow equally rapid, high quality switches to different processes. The concept of quality is central to Fratelli Guzzini and is to be understood as **total quality**, i.e. relating to the entire production process. Quality begins with the qualification

of suppliers and continues through the control of raw and intermediate materials and finished products, **following all phases of the production process**. To guarantee quality, Fratelli Guzzini has also adopted an **integrated quality management system**, certified pursuant to international standards. Last but not least, our **logistics network** provides a high storage and delivery capacity, as well as ensuring an accurate inventory for the customer.

The authenticity of our products

Fratelli Guzzini's Kitchen, Table, Home and On the Go products accompany people in their home and leisure activities with **positive, beautiful and functional accessories** and design objects for **everyday use**.

TABLE

The **Table** line comprises cutlery and crockery, along with a wide range of other accessories for eating meals. Among the many collections that are part of this line:

- **Tierra:** the sustainable collection that expresses all the know-how of a company that has always processed plastic materials and today does so while protecting the environment with the use of totally recycled and recyclable materials. The design and colours are reminiscent of pottery made on a potter's wheel for an appealing and evocative handmade look, inspired by the warmth of the earth and nature.

- **Twist:** a cool, fun, colourful collection, ideal for summer lunches and dinners but also able to brighten up cold winter days, made by combining recycled and high-grade acrylic materials.

- **Le Murrine:** the culmination of a long quest to explore the technological performance of plastics as never before. The result is an acrylic object completely Made in Italy that offers the beauty and effects typical of Murano glass artwork at an affordable price.

- **My fusion:** minimalist, severe design for a collection that offers a modern interpretation of the antique tradition of oriental tableware.

- **Grace:** a collection of objects as precious, unique and inimitable as glass. Further proof that the quality and reputation of Italian-made products are based on genuine substance and not just empty claims.

KITCHEN

The **Kitchen** line includes kitchen utensils for preparing meals (e.g. chopping boards, juicers and spinners) and cooking food (e.g. pots and ladles), as well as items for keeping spaces clean and tidy (e.g. airtight jars, space-saving containers, and organisers to make the best use of pantry capacity). In addition, Kitchen includes a line of small kitchen appliances such as coffee machines.

The following are part of this line:

- **Eco-Kitchen:** a revolution in terms of environmental sustainability and hygiene. The products in the collection are made of 100% recyclable, 100% post-consumer recycled material, with antibacterial treatment in some cases. Sustainability, functionality and aesthetics go hand in hand, offering items that respond to the new demands of domestic living.

- **Kitchen Active Design:** a project that develops, designs and produces utensils that take into account the real needs of people who bring passion and curiosity to their cooking. A range of items that make food preparation and storage easy, safe and quick, and kitchen organisation more rational and efficient.

HOME

Home is the line of household accessories: complements of domestic life, small "furnishings" called upon to perform useful though apparently secondary functions in the home, from the umbrella stand to the clock and from the laundry basket to the multi-purpose container. Guzzini also applies its philosophy of design, materials and colour to these items, transforming them into important interior design features that fit attractively into any style of home and always contribute a joyful touch.

ON THE GO

On the Go is the line that interprets changes in society and lifestyles and expresses them in products at the technological and stylistic state of the art, responding above all to the latest trends in "food on the move".

In addition to the wide range of Fratelli Guzzini branded products, the company designs **tailor-made solutions** using its experience in the sector to provide the customer with a **highly personalised service**.

Thanks to its attentive assessment of customers' needs and organisational capacity, Fratelli Guzzini is able to create unique products that meet diversified demands.

Table



Kitchen



Home



On The Go



A shared vision

The story of Fratelli Guzzini is that of a **trans-generational family business**, made up of shared visions handed down over time, nourished by close ties with the local area. From a small business in the Marche region, the company has grown over the decades to become a key part of the Italian entrepreneurial fabric, first nationally and then worldwide.

Fratelli Guzzini has thus evolved from a family business into a structured organisation capable of tackling a multinational context while remaining true to its principles. The business is now a **joint-stock company**

led by a CEO who is not a member of the Guzzini family. The position of Chairman of the Board of Directors and Marketing Director is held by Domenico Guzzini, representing the founding family, which owns a 100% stake in the company through the holding company Fimag. Further strategic responsibilities are assigned to people outside the Guzzini family, adding value to the organisation.

Following the traditional corporate governance model, the decision-making body is the **General Meeting**, which defines the policies then implemented by the



Board of Directors. The Board of Directors exercises oversight and is responsible for setting and pursuing the company's strategic objectives. Currently it consists of **6 members** all over 50 years old, including 5 men and one woman. The external control bodies are the **Board of Statutory Auditors**, which monitors the work of the directors and checks that management and administration are carried out in compliance with the law and articles of association, and the **External auditing firm**, responsible for carrying out the statutory audit of the company's accounts.

Company values

Human and **social values** have inspired the activities of Fratelli Guzzini ever since its foundation. Justice, honesty, a focus on people and legality in employment and business are the foundations of the company's activity and were further strengthened with the formal issue of a **Code of Ethics** in 2017.

We consider it essential that all employees and external associates know and observe the Code, and we monitor compliance with the aid of prevention and control tools. The document enshrines all the company's core principles: respect for the law and human rights, freedom, dignity, fairness, non-discrimination, transparency in communication and business transactions, fair competition, and integrity and rectitude in relations with institutions, associations and trade unions, all intended to ensure the legality of its operations and the promotion of activities with social, moral, scientific and cultural aims.



Enrico and Annunziata Guzzini surrounded by their children with their families, 1930s (Fratelli Guzzini S.p.A., Fondo Fratelli Guzzini S.p.A.)

GENERAL MEETING

APPOINTS

**Board of
Statutory Auditors**

**Board of
Directors**

**Auditing
company**

02. Our idea of sustainability

The commitment and the ability to engage with stakeholders to understand their different expectations and needs has allowed us to establish solid and lasting relationships, useful for the creation of shared value.

6 SDGs
to which we
contribute directly



8 material
topics identified



2 common
good
purposes





Our approach

We affirm that the construction of an ethics for the industrial age is essential for modern developmental planning.

Our business approach aims at long-term growth fuelled by adequate investments, promoting sustainability and creating shared value for the community through products that respond to the environmental challenges of our time.

The fundamental factors within this vision are the intellectual capital generated by continuous innovation and the registration of industrial design and utility models to protect the brand and Italian manufacturing. Added to this are the responsible use of natural capital and the enhancement of human and relational capital, which the company cultivates through dialogue and stakeholder engagement.

For Fratelli Guzzini, the concept of doing business has always been linked to values such as **respect** and **sustainability** towards its stakeholders and the environment. This is demonstrated by the **Design Memorandum**, a document drawn up together with **ADI (Associazione per il Disegno Industriale)** and a group of international design scholars and theorists that highlighted the importance of topics such as ethics and environmental protection **more than 35 years ago**, decades before this awareness spread through society as a whole.

To place its ethical and social commitment on an even firmer footing, early in 2022 the company concluded its transformation into a **Benefit Corporation**, thus ensuring that its social mission is also pursued in the future. By becoming a Benefit Corporation, we wanted to convey a **positive message** in the current difficult context, by strengthening our commitment with a transparent, measurable approach. Through the amendment of our **articles of association**, we aim to achieve satisfactory economic results while generating **social value of general interest**.

Specifically, we aim to:

- **Reduce the environmental impacts** of the life cycle of our products by implementing innovative **circular economy** solutions and promoting a culture of **responsible use of resources** and **emission containment**;



- **Promote distinctively Italian cultural and design values** by creating aesthetically **beautiful, functional, durable** products.



Furthermore, the transformation journey was an opportunity to re-evaluate our approach to sustainability in a different light. With the aid of the Benefit Impact Assessment tool (the most widespread standard for measuring and reporting the impact that a Benefit Corporation generates), we identified our strengths and opportunities for improving our sustainability strategy, on the basis of which to define a **strategic sustainability plan**.

What are Benefit Corporations?

Italian Law no. 208 of 28/12/2015 (the 2016 Budget Law) introduced the concept of Benefit Corporations into Italy, **creating a solid basis for the alignment of the mission in the long term and the creation of shared value.**

This type of company is based on the B Corp model, developed in 2006 by the US non-profit organisation **B Lab**.

But what specifically are Benefit Corporations? They are enterprises that **voluntarily pursue one or more common good purposes** in the conduct of their business as well as the generation of profit, and **operate in a responsible, sustainable and transparent manner in relation to people, communities, territories and the**

environment, cultural and social goods and assets, entities and associations and other stakeholders.

In order to become Benefit Corporations, companies must specify their common good purposes and include them in their **Articles of Association**. In addition, Benefit Corporations must design **activities** useful for the pursuit of the common good purposes defined and identify **specific measurable objectives** for monitoring of the level of achievement, aspects that must be reported annually in an **Impact Report**. Fratelli Guzzini has thus become part of a **network of more than 2900² Italian companies** that have chosen this virtuous model.



² Source: Osservatorio sulle Società Benefit, June 2023

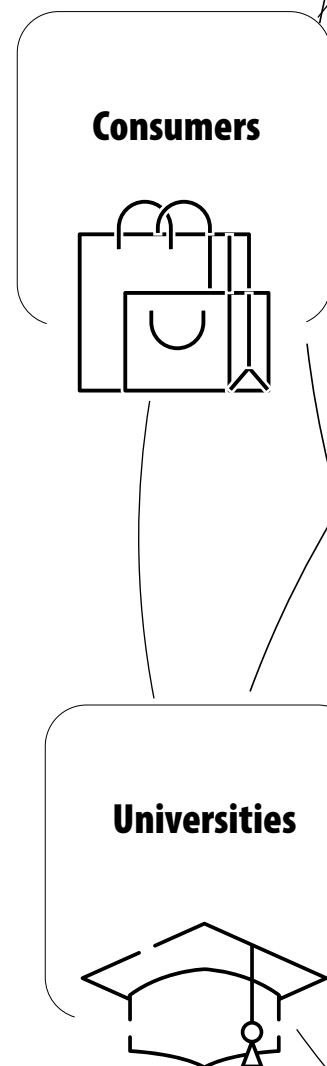
Stakeholder engagement

Fratelli Guzzini's success is based on its determination and ability to engage with its stakeholders to understand their different expectations and needs. This approach has allowed us to establish **solid, lasting relationships**, useful for the creation of shared value.

Some tools for dialogue and engagement:

- Internal communication;
- Evaluation processes and meetings to share results with staff;
- Consumer market surveys;
- External communication;
- Meetings with distribution partners and participation in trade fairs;
- Technical meetings with local and regional authorities;
- Partnerships with universities.

We have recently undertaken the **mapping of our stakeholders**, which is useful for the proper engagement of the various groups in the materiality analysis and will also help us to assess the priority of actions within the implementation of the strategic sustainability plan.



STAKEHOLDER MAP



Materiality Analysis

Fratelli Guzzini has been applying a structured approach to its materiality analysis for some time.

This approach has now been updated in response to the **introduction of new guidelines on methodology by the GRI Standards in 2021**.

The process of identifying, assessing and prioritising the economic, social and environmental factors that make up the company's most significant effects on the environment, people, human rights and the economy has now been expanded to embrace the concept of **impact**.

Phase 1. Analysis of the context

The first step was to map the corporate context in which Fratelli Guzzini operates, considering its business and business relationships as well as the sustainability context within which they are conducted.

Phase 2. Mapping of the phases of the value chain

The Fratelli Guzzini value chain was broken down into its constituent upstream and downstream phases, to facilitate the next step of identifying the impacts.

Phase 3. Identification of the current and potential impacts for each phase of the value chain

The current or potential negative and positive impacts directly or indirectly generated by the activities of Fratelli Guzzini on the economy, the environment, people and their human rights were identified for each phase of the value chain. The main categories of stakeholders affected by these impacts were also identified in this phase.

Phase 4. Assessment of impacts in terms of their significance

Once the impacts had been identified, their significance was assessed, with different metrics for current or potential, positive or negative impacts:

- **Negative impacts:** assessment on the basis of their severity, extent and permanence and highlighting of any impact on human rights;
- **Positive impacts:** assessment on the basis of the benefit generated and its extent;
- **Potential impacts:** consideration of the probability of the impact's occurrence.

Since this is a period of transition to a new approach to sustainability reporting, for this initial update to its materiality analysis Fratelli Guzzini has not directly engaged with its stakeholders, as required by the 2021 GRI Standards, for the definition and assessment of its impacts, but has used the findings of the stakeholder engagement activities already carried out in 2022. However, Fratelli Guzzini aims to engage with its stakeholders again for the approval of its future materiality analysis.

Phase 5. Grouping of impacts by material topics

The impacts were then grouped by linking them to Fratelli Guzzini's material topics, which emerged from the materiality analysis conducted last year. After this grouping process some material topics were reformulated to ensure the accurate expression of the impacts they represent. For example, two topics presented separately last year ("Sustainable Design and Innovation" and "Circular Economy") were combined in a single topic "Design, Innovation and Circular Economy" because they are closely correlated. Moreover, the "Environmental Impact of

Production” topic was renamed “Environmental Impact Throughout the Value Chain” to also embrace the indirect impacts generated outside the organisation’s perimeter.

Phase 6. Prioritisation of material topics

To conclude, the material topics were ranked in decreasing order of importance. The list of material topics provided the basis of the contents to be covered in the Report, referring in particular to the company’s

mechanisms for managing the relative impacts and the factors of the greatest strategic importance for the organisation’s sustainable development.

In general terms, the result of the ranking of the material topics for this year was largely in line with the 2021 materiality analysis.

Material Topics

Product quality and safety

Environmental impacts along the value chain

Design, innovation and circular economy

Customer care and marketing

Management of human capital

Ethics, integrity and compliance

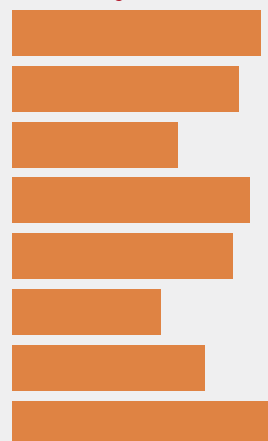
Supply chain management

Italian identity and community

Significance



Probability



OUR CONTRIBUTION

**Italian identity and community**

Representing Italian identity in the production and style of products, keeping know-how and production within Italy and maintaining the bond with the local territory through induced economic impacts and programmes to aid the economic and general development of the area.

**Product quality and safety**

Satisfying current and potential customer expectations, particularly with regard to product suitability and usability, aesthetics, durability, price, functionality and quality. Ensuring the health standards of products through a certified, approved management system, which includes constant analyses and controls both at the origin of materials and along the production chain to guarantee products' safety during use.

**Supply chain management**

Guaranteeing ethical practices within the supply chain, with regard in particular to legal compliance, measures to combat fraud and bribery, employment and health and safety conditions, human rights and environmental issues. Integration of sustainability criteria and requirements into the various types of purchases.



Management of human capital

Recruiting the best talents, providing training paths and strategies to enable professional growth, and guaranteeing equal career and development opportunities. Maximizing people's satisfaction and well-being and safeguarding occupational health and safety.



Customer care and marketing

Promoting the quality of products and services through systematic listening to customer needs, satisfaction surveys and an effective complaints management system. Providing customers with accurate, complete, truthful information, adopting a style of communication based on efficiency, collaboration and courtesy. Encouraging sustainable consumption patterns in relation to consumers and employees, who are the company's ambassadors to the outside world.



Ethics, integrity and compliance

Preventing and combating unlawful behaviours, adopting and promoting the ethical conduct of business to guarantee the maximum legal and regulatory compliance in all business processes.



Design, innovation and circular economy

Designing products according to sustainability criteria that allow for regenerability and the reduction of the raw material needed, designed to fulfil their intended purpose over a time frame comparable to, if not longer, than similar objects. Innovation through research into new materials and processes based on the concept of "Design out of waste and pollution", meaning consideration of products' end-of-life and their reuse right from the design phase. Use of reclaimed materials by regenerating them and transforming them into stylish new eco-friendly and objects.

Valuing waste as a resource, recovering material in the production process to be reused for new applications. Reduction of the volume of packaging and preferential use of packaging made from more sustainable, recycled and recyclable materials.



Environmental impacts throughout the value chain

Awareness of the environmental impacts generated throughout the value chain, especially the direct impacts. Minimisation of the effects of production on the environment through the generation of renewable energy in-house, using high-efficiency plants and innovating production processes to use less energy. Reduction of production-related waste and climate-changing gas emissions.

Ties to our land

We are rooted in our origins and the landscapes and culture we were born in.

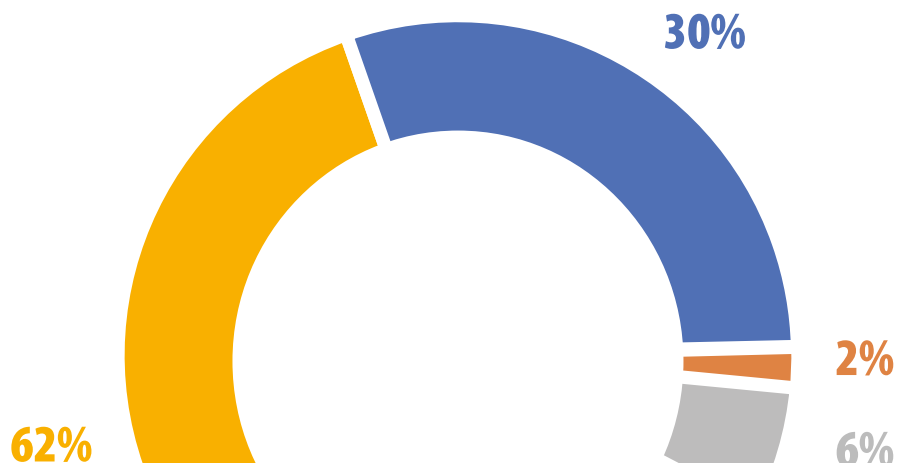
Functional and design research, innovative experimentation, and the careful combination of different materials to create beautiful, durable and eco-friendly products all take place in Recanati.

Fratelli Guzzini conducts its manufacturing operations in the historic factory in Recanati (Macerata, Italy), in the Italian region of Marche, characterised by a community of innovators who share an innate passion for the future. In fact, this area's people have been the greatest driving force behind our growth as a business, contributing with their knowledge and research to increase the competitiveness of Italian products worldwide. These factors have allowed us to dream big, without applying aggressive growth strategies and without moving away from what we know and do best. Ownership of the factory, the processing technology and the moulding machines are

the main features that allow us to have **full, direct control over the entire production process**. Today Fratelli Guzzini has **123 employees and 3 associates** and benefits from **a strong bond with the local area**, reflected in **synergies and industrial partnerships** with local service companies and subcontractors specialising in the area's **traditional fields of artisan expertise**, such as the production of industrial moulds, an excellence of the **Marche manufacturing hub**. In 2022, we processed about 1,609 tonnes of raw material to create more than **8 million products**, also with the aid of our partners and local subcontractors.



INDUCED IMPACT ON LOCAL ECONOMY



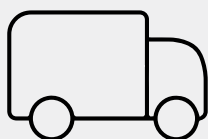
Our relationship with the territory is also expressed through the return of value, as we support local communities and promote mutual development. This is the approach underlying our partnership with the **University of Camerino** for research into materials and innovation in production techniques, and with local schools for internship, apprenticeship and work experience projects. Furthermore, Fratelli Guzzini has for years offered direct support to local third sector

organisations through **charitable** activities. Specifically, in 2022 it made cash donations to Museo Tattile Omero in Ancora and Mary's Meals Italia Onlus, as well as donations in kind to two parishes and the Istituto Salesiani of the diocese of Macerata. Through our transformation into a Benefit Corporation, we intend to further strengthen the relationship with our local area, with the aim of helping to build sustainable, resilient communities.

03. The passion for excellence

We want design to be the critical conscience of industrial production.

990
total
suppliers



22
supplier audits,
of which **2**
on new suppliers



43%
turnover generated
abroad





Quality throughout the supply chain

The relationships we establish with our **large supplier base** are grounded on transparency and collaboration, with the aim of always guaranteeing quality products.

The structured management of the supply chain is therefore essential: materials, components, finished products and services are only purchased from companies registered on the **Qualified Supplier List**, through an operating procedure that ensures the required quality, compliance and adequacy standards.

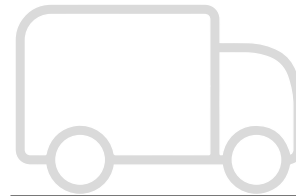
To be included in the system, suppliers are evaluated on the basis of **samples** of previous supplies and information obtained through **questionnaires**, which evaluate technical, design and manufacturing skills, qualification of processes, equipment and personnel and certifications.

For strategic supplies, **audits** are carried out at supplier sites to verify the adequacy of the Quality System and the implementation of any previously agreed corrective actions. These audits include an inspection of the production site and the drafting of a report for company management, which indicates any problems encountered during the inspection. Furthermore, we have introduced a procurement risk management methodology based on the **Kraljic matrix** for the segmentation of suppliers and the mapping of **potential dangers** that an unexpected event in the supply chain may jeopardise the proper conduct of business operations.

In the knowledge that the set of values that have always guided our choices and on which we rely for our development can only be fully pursued if shared with all partners, **in 2021 we adopted a Supplier Code of Conduct**. Compliance with laws, ethical principles, human rights and working conditions, environmental protection and corporate management systems are the basic principles to which suppliers and

subcontractors must adhere. We have asked our suppliers to accept and comply with the contents of the document and to ensure that third parties working on their behalf also comply with its requirements.

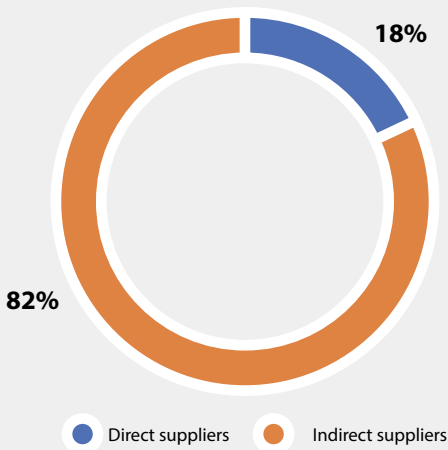
Raw materials, purchased components, purchased merchandise, packets, non-plastic packaging, household appliances and transport represent the main product classes we procure and for which we involved **211 direct suppliers** in 2022, for a **total of 990 total suppliers** (direct and indirect).



During the same period, we conducted **22 audits on suppliers**, a slight reduction compared to the previous two years (there were 27 in 2021, 28 in 2020), including **2 on new suppliers**.



ACTIVE SUPPLIERS 2022

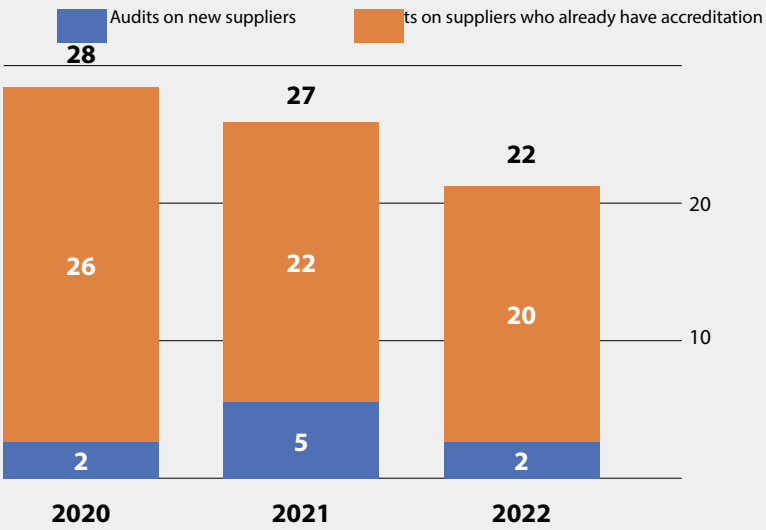


We purchase from both Italian and foreign suppliers and are committed to gradual **reshoring**. In fact, since the post-pandemic scenario has led to significant critical issues related to the mobility of goods, we are reviewing our supply chain in order to increase our purchases from **Italian suppliers** and thus reduce possible **procurement risks**. This will certainly help to **support Italy and its entrepreneurial fabric** as well as reducing freight costs, which have recently increased sharply.

From this local base, over time Guzzini has developed an **international business**: thanks to about **2,500 distribution partners**, Guzzini has a worldwide presence. Currently, export sales account for about **43%** of the total.

Moreover, in the future, we intend to integrate **environmental and social criteria** into the evaluation of our suppliers and also to introduce **contractual clauses related to sustainability**. We plan to create a **checklist** of sustainability criteria to be submitted first to raw material suppliers and then also to other categories of suppliers. With a view to increasingly promoting sustainability along the supply chain, starting from 2022 we have begun to encourage **purchases with sustainability characteristics**, by requesting the relative certifications from suppliers.

SUPPLIER AUDITS



Sustainable design

Our idea of design: creativity to address environmental challenges

Our **idea of design** is based on the concepts of beauty and the ability to accompany individuals and families as they make **changes**, both large and small, to their habits, lifestyles and expectations. This vision does not stop at functional research alone, but extends to **creative design**.

In this era of great environmental challenges, we have taken a further leap forward, starting with the desire to realise projects in harmony with nature. The way to reinforce and implement these ideas is to create products that arise from the convergence of different disciplines, in which the role of design is paramount as it allows the company to find **responsible solutions** in the processing and use of plastics. It is a task that involves

innovators, visionary engineers and change-makers, capable of interpreting this change by working to develop new materials and processes that enable the reuse of raw materials from end-of-life products and, above all, respond to society's latest needs. This is the philosophy that has made us among the first in the world to **produce new beauty from recycled materials**, giving items a second life and a new identity. It is partly thanks to our history that the company has easily taken its place in the age of **technological innovation**, while always maintaining the colours, lines and shapes typical of Italian design and of the Italian character, which we are proud to share with the designers who partner us and which is still enabling us to create best-selling products constantly at the state of the art.




Designers: relationships and partnerships that last over time

Our products are born out of contacts, collaborations and friendships with designers, from **close, intense relationships** that rarely end with the design of an object, but, on the contrary, continue over time. Artists of form who live within the company and are familiar with its production and technological processes, and with whom we develop innovation by searching for new procedures, new answers to needs, and fresh, trendy solutions. For designers, we are a kind of lab where the best technologies for shaping plastics and combining different materials are put at the service of creativity. For the evolution of each

object, the direction to be taken is decided in partnership, while the designer is given complete freedom, enabling their **creativity** to express itself to the full. We therefore view the designer as a real **partner**: their name features on the products created, and they attend exhibitions and launch events with the company. Some of the top names in the international design world have chosen, and continue to choose, to work with Fratelli Guzzini: from Ron Arad, Ross Lovegrove, Ettore Sottsass, Karim Rashid, Marc Sadler and Sebastian Conran to Carlo Colombo, Robin Levien, Angeletti Ruzza, Ora İto, Pio & Tito Toso, Sinem Sissi Egunay, Spalvieri & del Cotto, Brogliato Traverso, Lorenzo Marini, Continuum and Antonio Citterio.

Awards and accolades


Year of joining the ADI - ITALIAN INDUSTRIAL DESIGN ASSOCIATION - 1968

 1991 2004 + Honourable mention in 2011 and 2016
Compasso d'Oro ADI

 16 Segnalazioni Compasso d'Oro ADI
16 Compasso d'Oro ADI Nominations

 8 Segnalazioni ADI Design Index
8 ADI Design Index Nominations

 **Green Product Award**
Winner 2021


 **PLASTICS RECYCLING AWARDS EUROPE**
Sustainability Award Finalist 2022

 **reddot design award** winner 2009
 **reddot design award** winner 2014
 **reddot design award** winner 2021

 **GOOD DESIGN**
2003 2009 2014 2017 2018

DESIGN PLUS 2002 2009 2010 2016

 **iF product design award**
2004 2006 2009 2016


 **Ro PLASTIC PRIZE 2022**
Sustainability Award 2nd place 2022

 **GERMAN DESIGN AWARD SPECIAL 2017**
 **GERMAN DESIGN AWARD WINNER 2018**
 **GERMAN DESIGN AWARD SPECIAL 2018**

 **beverage innovation awards 2009 WINNER**
Stille di Acqua Lurisia "Miglior bottiglia in vetro dell'anno"
Progetto: Studio Sottsass - Tappo in materiale plastico Guzzini
Acqua Lurisia Stille "Best glass bottle of the year"
Project: Studio Sottsass - Plastic top made by Guzzini

 **Victoria and Albert Museum** - Londra

MoMA
Museum of Modern Art - Moma New York

 **MARCHIO STORICO**
Historic Brand of National Interest 2022

Reflecting our commitment to promoting the cultural and design values intrinsic to Italian identity, in 2022 our products **Eco-Clip** and **EcoPackly** were selected by the **ADI Index**, while Guzzini was named as a **Historic Brand of National Interest** by the **Ministry of Economic Development**.

During 2022, our **Eco Packly multi-purpose container** designed by Roberto Giacomucci was amongst the **finalists** at the **Plastic**

Recycling Awards Europe, one of the top European events for recycled plastic technologies, equipment and products, and finished **second at the Ro Plastic Prize 2022**, the international challenge that promotes creativity and innovative design and communication solutions linked to the re-Waste philosophy.

Eco Packly multi-purpose container

Working with a plastic recycling company which partners Italian retail chains, we succeeded in creating an innovative, sustainable design: Eco Packly, a **multi-purpose container with at least 70% post-consumer PCR-LDPE**.

We undertook a major research project to give **new life to the waste** produced by our partner operating in the retail chain sector. The aim was to develop a project which

would make the most effective use of the (admittedly limited) characteristics of recycled PCR-LDPE. The result is an **extremely versatile, flexible container resistant to low temperatures** which can adapt its shape to the size of the space available for it, thanks to an **innovative bellows design**. This design also generates savings of **more than 60% of CO₂** during transportation thanks to **its exceptionally collapsible form**.



Eco Clip bag closer clip

Guzzini partnered an internationally famous **designer** to create Eco Clip, **specially shaped** and exploiting the **elasticity** of post-consumer recycled plastic (more than 90%

PCR-PP) to provide impressive **energy savings** during both moulding and assembly.



Plastic recycling, the new design challenge

In recent years, huge quantities of plastic have been produced at the global level, as many as **353 million tonnes** in 2020³ and **390** in 2021⁴. Approximately half consists of **single-use plastic**, following a model based on the unconditional exploitation of natural resources and irresponsible consumption. Single-use plastic is actually the kind most difficult to collect and recycle, which is why the relative global recycling rate has stagnated at **10-15%**⁵ for more than 50 years. As a result, most of it is incinerated or dumped in the environment.

Unlike these single-use plastics, which still contribute to the pollution of the planet, **our output consists entirely of durable items**, equivalent in this respect to glass, ceramic and metal products. We are aware that, today, we no longer produce consumer goods but rather **lifecycles**. Our commitment is to create plastic products that are friendly to people and the environment and guarantee sustainability throughout their entire lifecycle.

Apart from our products' intrinsic **durability**, we have decided to commit ourselves fully to the processing of **recycled plastics** and to raising the entire community's

awareness of the need for the responsible use of environmental resources and proper waste management, offering real ideas for people and nature: **everyday positive opportunities**.

Through every business choice, our daily commitment is to produce reusable containers, utensils and household objects which have an infinite lifecycle and can in turn be recycled if necessary. Furthermore, through fine design and full technical mastery of production processes, we create long-lasting objects, some of them produced from **recycled materials** and which are also **recyclable**.



Nature does not produce waste, and we must take care not to produce it either. Acting responsibly means designing products so that they use as little material and energy as possible, can fulfil their function for as long as possible and are easily recyclable at the end of their lifecycle, allowing the material they are made of to be easily recovered and then processed again for re-use in a virtuous cycle.

³ OECD, 2022. Global Plastic Outlook – Economic Drivers, Environmental Impacts and Policy Options.

⁴ Plastics Europe, 2022. Plastics – the Facts 2022.

⁵ Minderoo Foundation, 2021. The plastic waste makers index – Revealing the source of single-use plastic crisis.

Examples of sustainable design



100% post-consumer recycled plastic bag that is in turn recyclable.
Extremely tough.



Water bottle made from at least 50% recyclable post-consumer recycled plastic. It avoids the need for single-use containers, thus encouraging a more sustainable lifestyle. Durable, 100% recyclable product. Dismantlable and mono-material.



A collection designed by Pio and Tito Toso that allows food and drink to be consumed without the use of single-use items, produced from 100% post-consumer recycled materials that are in turn recyclable.



Innovative multifunctional product for washing, draining, serving and, where necessary, thawing. With a special spin system, it uses the force of gravity to speed up kitchen tasks. Durable, 100% recyclable product. Dismantlable and mono-material.



Collection designed by Setsu and Shinobu Ito made of 50% recycled plastic.
Durable, 100% recyclable product.



First collection of kitchen products made of post-consumer recycled plastic.
Lightweight and antibacterial.

The courage to innovate

If after 110 years we are still able to give beauty to everyday things and actions, this is due to continuous innovation in design, technologies and new materials.

Research is the solid foundation on which the innovation that distinguishes Guzzini products is based. Our people work hard every day to develop **new solutions** to guarantee the best performance for our products, with lower environmental impact.

Innovation and sustainability

Sustainability is an **essential feature** of every one of our **new products**: depending on the intended use and the target market, we analyse and adopt the **best solutions to ensure maximum sustainability**.

Consumption of resources, especially **materials**, and **impact on the environment** are the main variables we consider in the sustainable design of our products. With this in mind, we calculate the **thickness** of our products with great care, to minimise material consumption while ensuring functionality, reliability and an attractive appearance. We use polymers with low environmental impact, able to provide excellent performance and compliance with current regulations: firstly **post-consumer recycled plastics** (food grade PCR-PET for products intended for food contact, PCR-PP and PCR-PE for all other types of products) and, secondly, **bio-attributed polymers**, i.e. made using a share of **second generation renewable sources** (bio-

attributed SAN and SMMA to obtain products with specific aesthetic characteristics, such as transparency, and bio-attributed PP for products suitable for use in microwave ovens).

Our decision also to use thermoplastic polymers from second-generation renewable sources (organic, farm and forestry waste) enables us to significantly reduce products' carbon footprint without competing with food for people and animals and without using farmland or depleting resources of fundamental importance for human life, such as water.

Cultivating raw materials of plant origin for the purpose of making biopolymers can mean taking important resources (arable land, water resources, etc.) away from human and animal nutrition. Therefore, we believe that these materials should mainly be used for applications with high added value, which provide solutions to environmental problems that otherwise cannot be solved.

Ensuring products a high level of environmental sustainability also means thinking about their **end-of-life**. For this reason we are working on **recovery and recycling solutions**, in order to further limit their impact on the environment (see page 60).



Recycled plastics and food contact, a bit of history

For a long time, Italy prohibited the possibility of using recycled materials in contact with foodstuffs, with the exception of PP (polypropylene) and LDPE (high density polyethylene), which could only be used with specific foodstuffs which already have natural protection (garlic, chestnuts, bananas, hazelnuts, etc.).

The breakthrough came with the publication of **Regulation 282/2008/EC**, which amended the requirements for the manufacturing of plastic food packaging at a European level, allowing the placing on the market of packaging made of recycled material obtained from an **authorised recovery** process. The Regulation came into force in July 2008. From that moment, it was possible to use recycled post-consumer materials obtained

exclusively through **mechanical recycling and originally suitable** for contact with food.

Currently, **PET** is the polymer best suited to **recovery and decontamination cycles**, as well as being widely available as a result of post-consumer collection of food packaging. However, this material, even if not recycled, is traditionally not used in durable food contact applications as it is not suitable for **thermal stresses** (e.g. temperatures above 50 degrees). When subjected to high temperatures (contact with hot food, washing in a dishwasher or use in a microwave), PET may become **deformed**.

For years, these **technical limitations** prevented the plastics processing industry from using recycled material in durable food contact applications and thus pursuing better sustainability than single-use solutions.

We have invested extensively in research and development, trying to overcome these limits and bring recycled material to the tables of our consumers with the appropriate technical performance. To do this, we engaged with suppliers, customers, universities and associations, with innovative, ground-breaking changes to characteristics of the recycled raw material and the production process.

MARLIC Project

To foster sustainable innovation, in addition to our industrial partnerships with universities, ecodesign schools and consortia, since 2019 we have been involved in the Marche Region's **MARLIC (Marche Applied Research Laboratory for Innovative Composites)** project, which promotes **collaborative research in the areas of sustainable manufacturing, product environmental sustainability and processes for new materials and de-manufacturing**. Specifically, Fratelli Guzzini supports **two lines of study**:

- Research into the possible creation of a **thermoplastic** with significantly less fossil raw material and a substantial proportion of **renewable bioplastic derived from waste**, to be concluded in May 2023. This research area involves an **industrial symbiosis platform** with local businesses;
- The creation of a **regional laboratory** at the University of Camerino, with which we have a long-standing partnership, to study **thermoplastic and thermoset polymers** and support the local industrial fabric by developing solutions to existing problems and innovative products to make industrial plastic production more and more sustainable. Research under this programme is scheduled to run until the end of 2029.

Industrial symbiosis platform

The MARLIC project organised a **meeting** for the generation of **Industrial Symbiosis (IS)** at the University of Camerino in association with ENEA, the Marche Chamber of Commerce, UNICAM and Confindustria Macerata. ENEA (the Italian National Agency for New Technologies, Energy and Sustainable Economic Development) has built up an ecosystem of integrated tools to support businesses in the facilitation of Industrial Symbiosis since 2010. The tools created include **SYMBIOSIS, Italy's first IS platform** intended to bring demand and supply together and activate **transfers of resources** (by-products, waste for use for energy production, services, skills and expertise), also by means of an **expert system of interconnection**.

During the meeting at the University, **potential synergies** between local companies for the recovery and reuse of industrial waste, and businesses' surplus resources in general, were investigated. The discussions led to the identification of **86 potential synergies** between supply and demand which may be transformed into genuine synergies further to verification of their feasibility and the formalisation of specific agreements between the companies involved.

The project's development involves ENEA in close cooperation with the businesses which attended the Meeting and those unable to take part in the event but which still wish to be involved in the project, and comprises the following phases:

- Writing of an **individual preliminary report** for each company, detailing the resources and potential synergies identified;
- Integration of the **resources database**;
- Import of the **data to the platform** and searches for new potential synergies;
- Selection of the most significant **macro synergies**;
- Writing, in association with companies, of **operating guides** for these groups of synergies, including one to be produced as part of the MARLIC project.

Natural antibacterial additives

To reduce the microbial loads on the surfaces of polymer products, the use of **inorganic additives** consisting of very small particles with low solubility containing on **silver ions** has been tested. When bacteria come into contact with a surface protected by the additive, the silver ions are able to prevent them from growing and reproducing. The additive also has **outstanding resistance to high temperatures** (up to 600°C), making it an excellent choice for hot-machined products.

Laboratory analyses, conducted in compliance with the ISO 22196 standard, on the products containing the additives, showed a reduction in bacterial activity of more than 99% just two hours after treatment. Tests have also shown that the use of these additives does not alter either the physical properties or the appearance of the plastic. As these additives have only been tested on non-food products, we are also currently investigating a new natural active ingredient that would significantly limit the proliferation of bacteria while being suitable for food contact. Thanks to this innovative material it will be possible to **extend the shelf-life** of preserved products (e.g. vegetables, fruit).

Digitisation

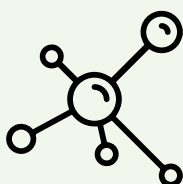
We are committed to continuously innovating our internal processes for a progressive **digital transformation** of our organisation. We are reviewing production from an **industry 4.0** perspective through the implementation of various **automation solutions**, including an articulated robot for laser cutting and a 3D printer for product prototyping, and with the introduction during 2021 of **new, efficient digital technologies**, including a new injection moulding machine, two Cartesian robots, three axes and a cobot (collaborative robot). We are also developing and implementing a **three-year plan** that will enable the digital transformation of all processes. The Operation, Marketing and Sales departments have already trialled a number of digitisation programmes, including a supply chain analysis to understand the characteristics and needs of key suppliers, the internalisation of some digital marketing skills and a **CRM (Customer Relationship Management)** project to improve this function and the customer experience.

We have started a review of the company's **information systems**, in the run-up to an upgrade to the Enterprise Resource Planning (ERP) system, and we are raising awareness among staff about the **strategic role** that these systems play in the company's management.

04. Safeguarding the Planet

Responsibility towards the environment and society has been a core value for us for a long, long time.

1,069 t
plastic raw material
used



25.5%
recycled
plastic



721,929 kWh
of energy produced by
photovoltaics and consumed,
meaning 193.5 t of CO₂eq





Circularity as a philosophy

Our projects, pursued with laboratory methodologies and scientific research tools, study and trial processes and functions, the tools of tomorrow that shape the flows of transformation.

We do this directly and in partnership with research centres, universities and the design world and by participating in collaborative platforms on sustainable manufacturing and de-manufacturing.

Fratelli Guzzini operates in the **spirit of a laboratory**: we develop and trial solutions for a more ethical economy. **Responsibility** is the word that will guide our future. In our view, taking care of the world means adopting **new industrial cultures, based on the protection of the environment**. Thanks to our in-depth experience in the plastics industry and our network of relationships, we develop increasingly sustainable products and raise awareness of other companies with regard to the ecological transition. As part of the **Circle** programme, we design circular initiatives and collections, the materials of which come from the recovery of plastic packaging waste.

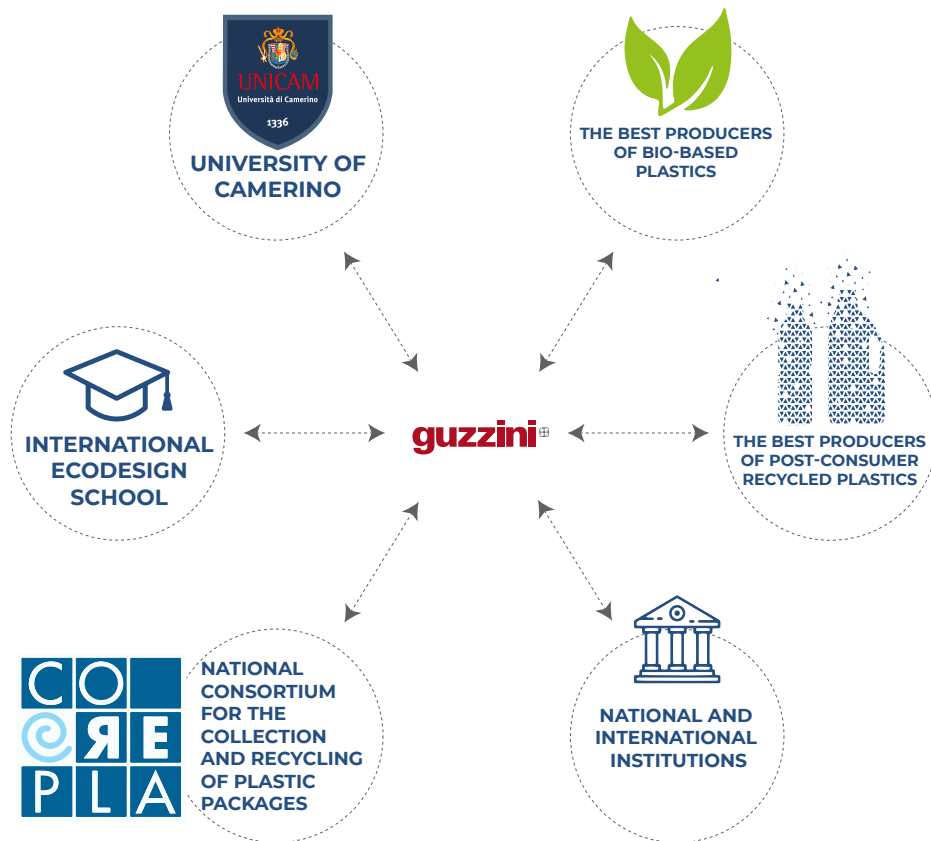
In fact, the circular economy is the foundation of our philosophy. We claim the role of plastics specialists, considering our historical expertise a useful resource for deep-seated innovation in the sector. The way to put this philosophy into practice is to create a convergence between different disciplines: in our opinion, **design must accept and claim responsibility for regenerating the world, reconciling scientific innovation and reduction of environmental impact.**

The Circle programme proves that new forms of beauty can generate purchase and use experiences that broaden the **awareness** of people and communities, guide behaviours and reduce environmental loss and social

costs.

Fratelli Guzzini is well known for its scientific and technical innovation: we are the first company to have defined **re-design processes for second-life plastic materials** and we will be the first to introduce **bio-circular plastics** derived from biomass waste into the home.

We want to plan at the **systemic** level through industrial partnerships, devising circular initiatives and collections, thanks to the **large network** made up of the best producers of post-consumer recycled materials and bio-circular plastics, universities, ecodesign schools and consortia that collaborate with us on a daily basis.



Circularity for us, above all, means sharing.

In fact, we have engaged with the entire supply chain to disseminate the new production methods, acting as a driving force for new applications of materials.



Plastic and its use⁶

Plastics have a wide **range of properties**, such as low density, low electrical conductivity and easy workability for the creation of infinite types of objects, which have made them practically **indispensable** in many applications.

Italy is Europe's **second largest consumer of plastic**: in 2020, **5.9 million tonnes** of fossil polymers were used, corresponding to almost **100 kg per person**. At a European level, in fact, as much as 99% of virgin plastic is produced using **fossil sources** such as oil and natural gas as raw material.

42% of the fossil plastic consumed in our country is used in **packaging and disposables**, **12% in construction** and **7% in the automotive industry**. Although Italy is one of the most virtuous EU countries in circular waste management, **only slightly more than 30% of plastic waste is sent for recycling**.

In addition to the important positive contribution to the development of our society, the negative impacts of plastic consumption on marine and terrestrial ecosystems have gradually emerged. In fact, around **8 million tonnes⁷**, of the approximately 300-400 million produced annually end up in the sea worldwide. On average, **around 90 tonnes** of plastic are dumped into the sea off the Italian peninsula⁸ every day due to carelessness and also failure to sort waste for recycling. The production of plastic from fossil raw materials also involves the exploitation of important natural resources and the release into the atmosphere of **1.7 t CO₂/t plastic**, to which **3.1 t CO₂** is added in the event that the plastic waste is destined for incineration. The Covid-19 pandemic exacerbated the problem of plastic pollution by increasing the quantities of disposable items used daily for hygiene purposes.



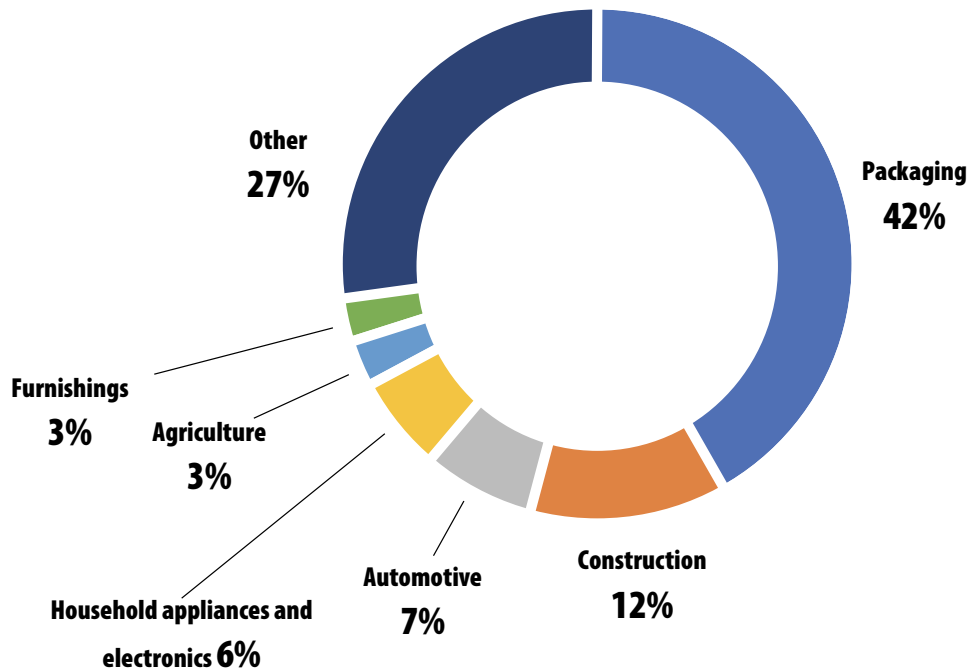
100 kg 
per person.

⁶ ECCO – The Italian Climate Change Think Tank, 2022. Technical Report “La plastica in Italia: vizio o virtù?”

⁷ World Economic Forum, 2016. The New Plastic Economy – Rethinking the future of plastics.

⁸ UNEP (United Nations Environment Programme) data.

SECTORS OF USE OF PLASTICS OF FOSSIL ORIGIN IN ITALY



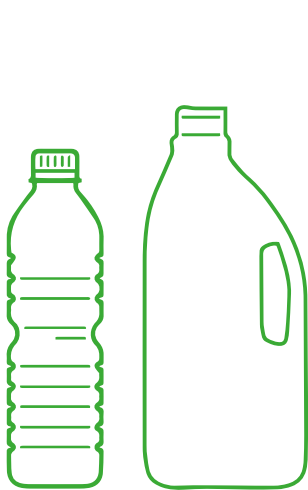
The European Union has gone to great lengths to combat the problem, launching numerous measures to limit the placing on the market of single-use plastic products, incentivise the use of recycled materials and promote new models of circular design.

To manage the problem of plastic pollution we need to:

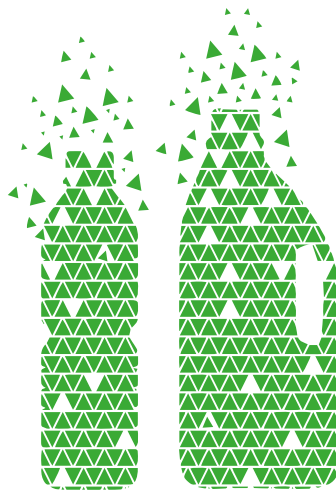
- 1) Reduce **consumption of virgin fossil polymers**, particularly in Italy, Europe's second largest consumer;
- 2) Increase **recycling and reuse rates**, to manage fossil plastics already on the market;
- 3) Use **bioplastics**, where better alternatives are not available.

To implement these actions effectively, policies aimed at controlling production and placing on the market for consumption are needed. However, a key role is also played by companies, which can act on the demand side to encourage the use of secondary and bio-based raw materials.

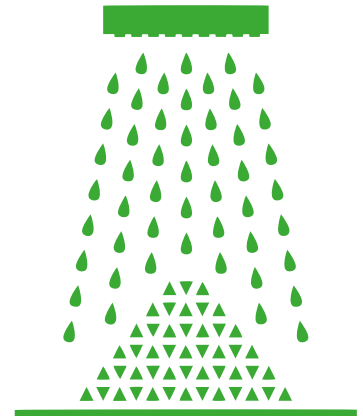
We at Fratelli Guzzini focused on recycled plastic when no one believed in it yet, grasping the many benefits of its use, and today we aim to increase the proportion used so as to contribute to the recovery of virgin plastic to create durable products.



USED SINGLE-USE PET AND PP BOTTLES ARE COLLECTED, SORTED AND WASHED.



BOTTLES ARE REDUCED TO FLAKES AND WASHED AGAIN.



FLAKES ARE SANITISED TO GUARANTEE FOOD-CONTACT STANDARDS.

With the Circle Program we have started a journey to give new beauty to recycled materials, which through research, technology and design create new objects made with a minimum of resources.

Circle Programme

We have created the **Circle Programme** to give new life to secondary raw materials and create **eco-sustainable upcycled products** with excellent functional performance. With Circle, we want to integrate sustainability even more into our business model with an **approach to circularity** that adds to the traditional characteristics of durability and recyclability that distinguish our range of products.

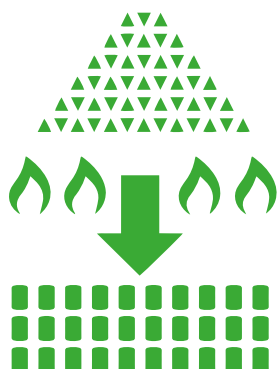
We strongly believe in the potential of recycling, having also studied and experienced its benefits. From reducing carbon emissions from fossil fuels, to energy saving for production processes and reducing the plastic waste sent to landfill, recycling processes achieve many environmental savings.

Thanks to mechanical recycling processes, Circle allows the activation of **material**

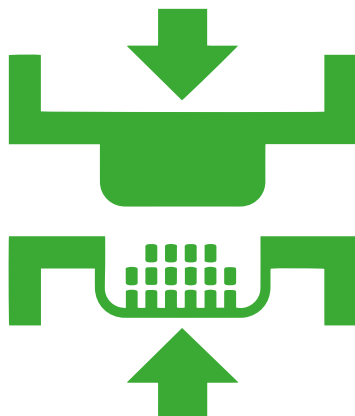
regeneration processes, using post-consumer recycled plastic and, in the future, also waste and residues from the agri-food chain.

Circle products derived from mechanical recycling include articles in **100% post-consumer recycled PET (polyethylene terephthalate)**, and more recently also in **PP (polypropylene) and LDPE (low density polyethylene)**, which have enabled the experimentation and production of new objects. In particular, through a series of interventions in the company's internal transformation processes and the supply chain and university research, we have succeeded in overcoming the limitations of recycled PP and LDPE.

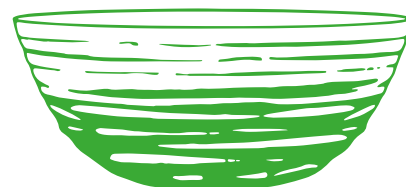
THE CIRCLE PROCESSES MECHANICAL RECYCLING



FLAKES ARE MELTED AND EXTRUDED TO BECOME PLASTIC PELLETS



PELLETS ARE TRANSFORMED INTO PRODUCTS BY INJECTION MOULDING,



A NEW GUZZINI CIRCLE PRODUCT COMES INTO BEING.

PRODUCT CHARACTERISTICS



Only products in recycled PET are suitable for contact with foods



Dishwasher friendly with no temperature limits



Suitable for use in microwaves except for recycled PET products



Recyclable

PRODUCTS' TECHNICAL LIMITATIONS



Not suitable for food contact except for recycled PET products



Limits regarding appearance - transparent finishes are not possible



Only a few types of plastic available, choice is limited

Demonstrating our commitment to circularity, thanks to the Circle line recycled plastics as a proportion of the total plastics used in production amount to **25.5%**, an increase compared to 2021 (24.3%). Overall, we believe we have achieved a **good result**, which indicates that traditional channels continued to sell a significant share of recycled products, especially considering that in 2019 recycled plastics only

represented 4% of the total plastics sold. The sustainability of Circle line products is guaranteed by **short, controlled supply chains**: recycled plastic is mainly purchased in **Italy**. In 2022 we continued our gradual reshoring process, with 100% of recycled LDPE of Italian origin; in 2021 all material of this kind was purchased from other European countries.



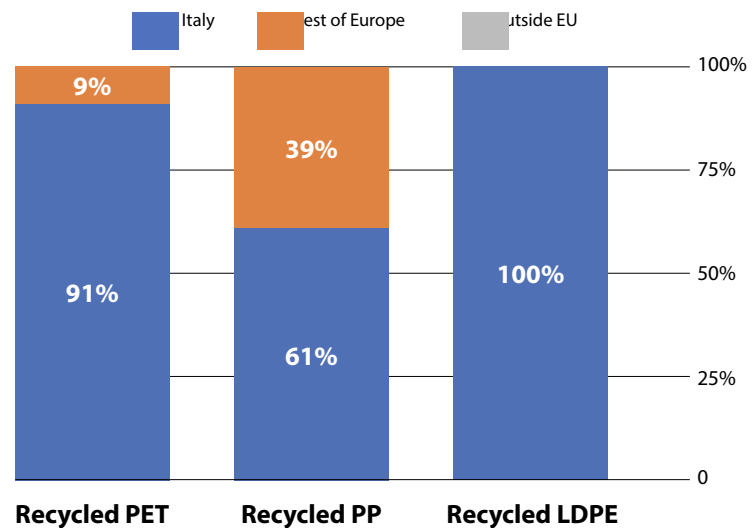
Theme of Circle advertising campaign.

25.5%

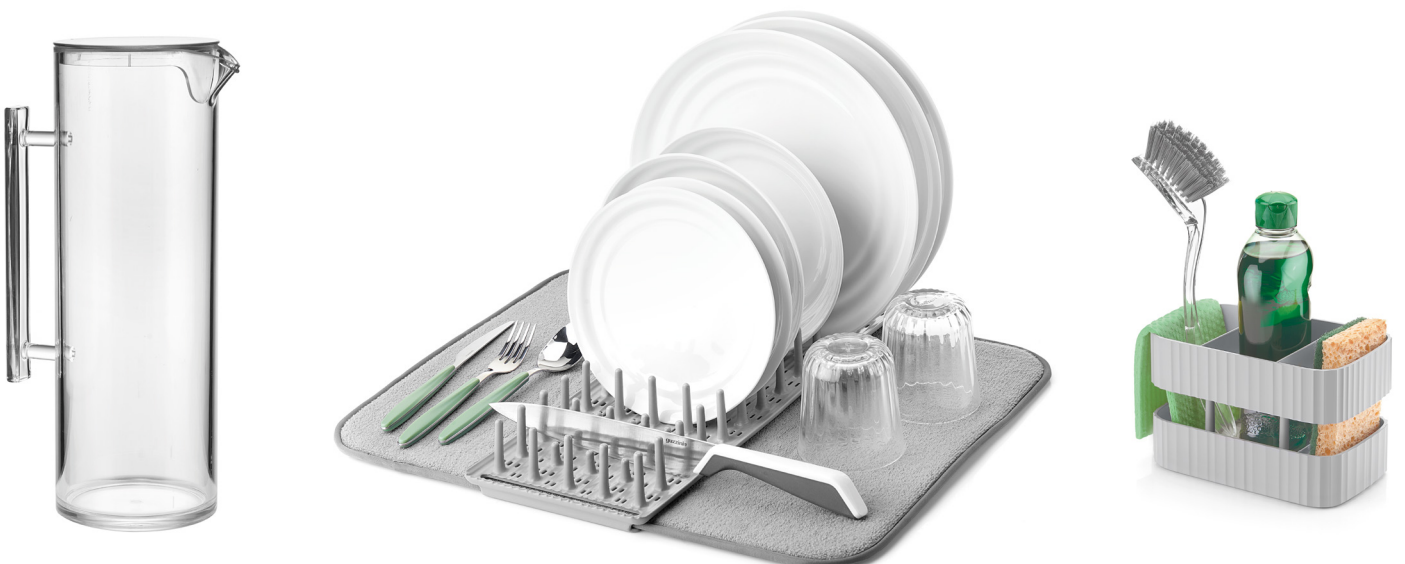
proportion of recycled plastics



ORIGIN OF SECONDARY RAW MATERIALS 2022



In the future we want to evolve the Circle project to extend the reach of our circular approach. We aim to create more and more closed supply chains and establish networks through which the supply of secondary raw materials and our high processing capacity can be brought together.



The new frontier of sustainable plastics

During the last two years, the Circle line has been extended with **new innovations** such as the expansion of the Terra collection, the new Eco-Kitchen collection and **the introduction, in 2022, of bio-based materials.**

We used these materials to produce the **110 Pitcher**, our first product in bio-based materials, which celebrates **Guzzini's 110th anniversary**, and the **new BioLine collection** that combines convenience, saving and protection of the environment. This collection embodies our aim of **"democratising" sustainability** by making bio-based products for the kitchen **affordable** for all.

Bio-based products are made from plastic of organic origin, derived from **plant biomass waste and residues**, which means it is renewable and not fossil-based and does not consume space, land or water that could be used to produce food. Through this process, which involves the collection, selection and pyrolysis of materials, it is possible to

produce an "oil" that is then refined and synthesised to generate basic monomers for use to produce new polymers. Thanks to this process we can obtain **high performance materials**, including:

- Polypropylene (PP)
- Styrene acrylonitrile (San)
- Styrene methyl methacrylate (SMMA)
- Modified polyesters

Moreover, products' bio-based content is calculated using the **mass balance approach** of the ISCC (International Sustainability & Carbon Certification) framework. Prior to the launch of this new material we undertook major **awareness-raising** both **internally**, with training days for employees led by members of the ISCC organisation, and **externally**, focused above all on spreading an understanding of the mass balance concept.

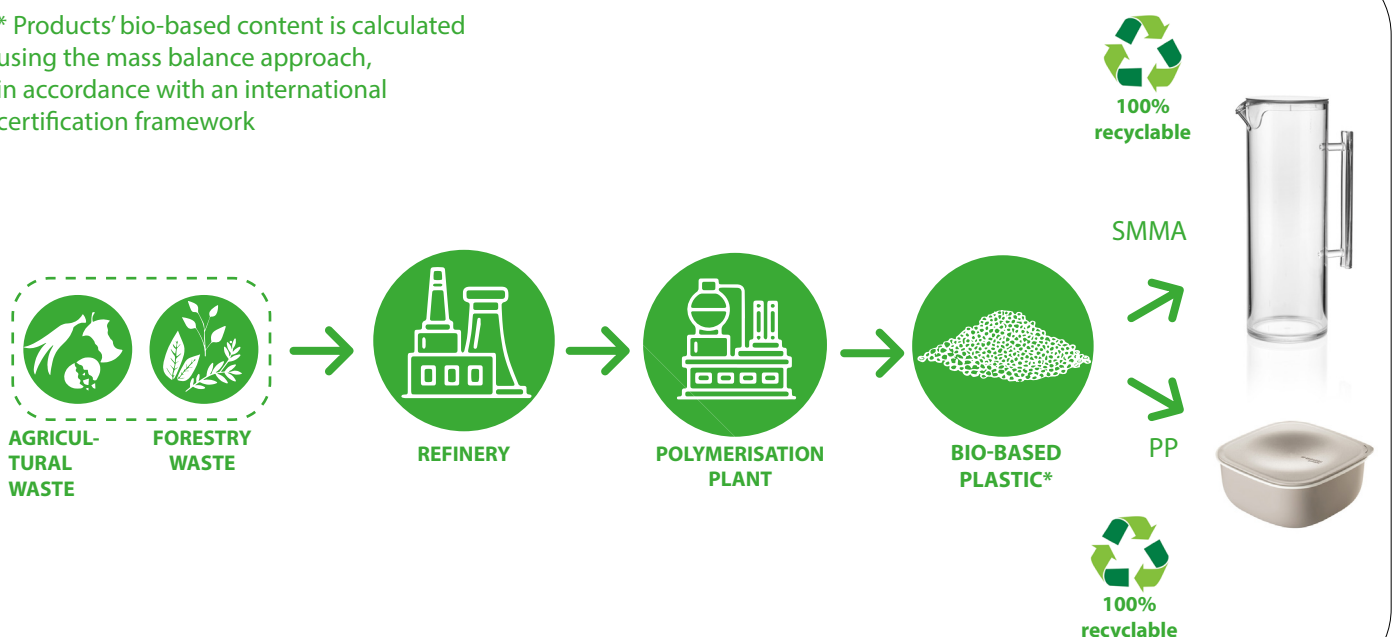
BioLine Collection

To fulfil our need for materials with low environmental impact which tick all the boxes in terms of food contact suitability, resistance to high temperatures and transparency, we began to trial the first bio-attributed polymers. This led to the creation of BioLine, a complete assortment of 6 airtight

food storage containers (with bio-attribution of over 65%), a salad spinner (with bio-attribution of over 90%), a strainer (with bio-attribution of over 90%) and a pitcher (with bio-attribution of about 70%).

THE "BIO-BASED" PROCESS*

* Products' bio-based content is calculated using the mass balance approach, in accordance with an international certification framework



PRODUCT CHARACTERISTICS



No limits regarding
appearance
- transparent finishes are
possible



Recyclable



Same technical properties
as products made
from virgin materials

Certifications

Our products are certified to the most highly accredited **international standards**.

In order to offer maximum transparency and reliability, we have initiated and completed **certification** processes to **certify the actual amount of recycled materials and biomass** in our items.

In particular, we have demonstrated that we adopt an organisational and internal control system in line with the **requirements** of UL and ISCC certification.

UL is global safety, protection and sustainability science leader and supplies testing, inspections, certifications and training, and advisory and risk management services, for companies that make innovation their distinguishing feature.

UL certifies the **recycled plastic** of the products in the **Re-Generation** collection with a view to reducing the impact of global waste and plastics.



ISCC (International Sustainability & Carbon Certification) is a globally applicable sustainability certification system and covers all sustainable raw materials, including agricultural and forestry biomass, bio-circular materials and renewable energy. The quantities of

bio-based materials

used in our products are **ISCC Plus** certified, on the basis of calculation of their **mass balance**.



In tune with nature

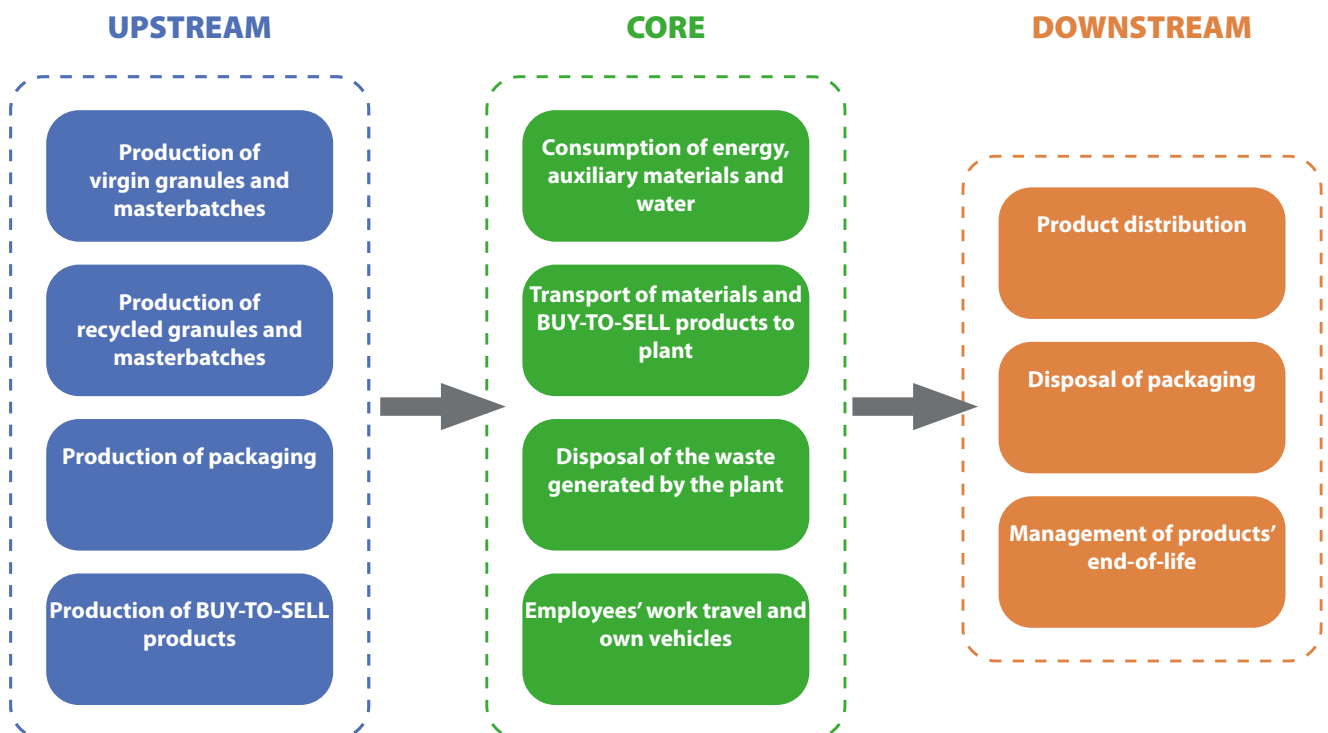
Applying the **principles of the circular economy** to the value chain has enabled us to reduce our negative impacts on the environment, in particular cutting waste generation at the Recanati plant to almost zero. At the same time, **major energy and water saving measures** have enabled us to reduce energy and water consumption and carbon dioxide emissions.

Although the results are impressive, we want to continue to improve our environmental performance and strive daily to find solutions that can support the transition to an increasingly sustainable business model.

Assessment of environmental impacts

To increase our awareness and promote continuous improvement, we performed a **LCA (Life Cycle Assessment)** based on international standards (ISO 14040, ISO 14044 and ISO 14064) to **evaluate our organisation's environmental**

performance. The study focused on analysing the environmental impacts in 2021 of our supply chain along the **three main phases of the value chain: upstream, core and downstream**.



The main results:

- **GWP** (Global Warming Potential): 11,852,872.34 kg i CO₂ eq - measures the CO₂ eq emissions produced for production, distribution, use and disposal of Guzzini products;
- **AdPelem** (Abiotic Depletion Potential): 29.26 kg Sb eq. - measures the use of mineral resources for the production of Guzzini articles;
- **AP** (Acidification Potential): 23,218.21 SO₂ eq - measures the atmospheric emissions of specific acidifying substances related to the production of Guzzini products;
- **Primary Energy** : 271,494,147.29 MJ – consumption of renewable and non-renewable primary energy used for the production, distribution, use and disposal of Guzzini products.

The study showed that the **upstream** phase was the most significant in terms of environmental impact, accounting for 63% of primary energy, 53% of AP and AdPelem and 45% of GWP.

This phase, which includes **all production of raw materials used at Recanati**, packaging and the **production of “buy-to-sell” products outside the Guzzini plant**, is in

fact responsible for the most **significant impacts** of our products within their life cycle. In particular, the production of **virgin granules and masterbatches** has the **greatest impact**.

Thanks to the LCA it was also possible to quantify the **potential environmental benefits** deriving from the company's decision to use **secondary raw materials**. Considering the percentage of recycled material used in 2021 in the Circle line (equal to 25% of total plastic output), the **savings** obtained are:

- -4.8% GWP
- -0.4% AP
- -10.3% Primary Energy

The study also showed that by increasing the percentage of recycled material up to 100%, a **reduction of up to 25% in GWP** can be achieved.

The results of the evaluation performed thus confirm the value of company's decisions thus far.

In view of these findings, we intend to continue to increase the proportion of secondary raw material in our production processes.



The opportunities of recycling

For the purposes of the LCA analysis, we considered **landfill** disposal as the scenario for products' end-of-life. However, we found it interesting also to compare alternative scenarios. In fact, since we wish to minimise the impacts related to our products and processes, we also recalculated for the cases of disposal through **waste-to-energy** and **recycling**.

Waste-to-energy has no significant influence on the impacts produced, unlike recycling, which would provide a 19% reduction in GWP compared to landfill disposal.

19%

GWP savings achievable through the recycling of final products

Although our products have a fairly long useful lifetime (approximately 10 years), it is our intention to continue to cooperate with **recycling and recovery consortia** to ensure a **second life**. The waste derived from our products, mainly classified as urban waste, is currently not included in normal consumer recycling circuits, as it does not constitute packaging. Therefore, although all the plastics we produce are recyclable and there are potential recovery channels interested in processing them, it is not yet possible to recycle them. For these reasons we are evaluating, also in cooperation with Corepla, the creation of **our own end-of-life waste recovery circuit**, enabling customers to return products for disposal to stores and then organising their collection and transport to the recovery plant, to be operated directly or through specialised companies.

Finally, although the study does not explore alternative scenarios in the **core** phase, the analysis reveals that an increase in the purchase of **renewable energy** and/or **in-house production of renewable energy**, as well as the **promotion of sustainable mobility** among employees can contribute to a reduction of impacts. Therefore, in 2022 we installed **2 charging points** for hybrid and electric vehicles on our production site, with an investment of **about 60,000 Euros**, and we will continue our efforts to expand our **capacity for the in-house production** of energy and promote **electric mobility among our stakeholders**.

Energy consumption and emissions

We are aware of the importance of the energy consumption of our operations in terms of environmental impact. For this reason, with a view to continuous improvement, in 2021 we started the process for the certification of our **Environmental Management System (EMS)** under the **ISO 14001** international standard. As a result, we updated the EMS, incorporating the requirements laid down in the standard, and integrated the **Environment Policy** into the **existing Occupational Health and Safety Policy**, informing the entire company of this change by publicising it on the company notice

boards and intranet. Furthermore, we have set **environmental goals** for the future. Senior Management will work to raise awareness throughout the organisation on the importance of implementing an effective Environmental Management System, compliant with the requirements of ISO 14001. With this in mind, we have also mobilised all the necessary resources for the implementation of the EMS and are working to monitor its operation to verify that it achieves the expected results.

Aware of the considerable energy requirements necessary to run the **approximately 12,000 m²** of the production sites and offices, we **monitor consumption** by means of meters located in the main consumption centres, which allows us to evaluate reduction measures. We recently carried out an **energy diagnosis**, a systematic, documented assessment to identify the organisation's energy efficiency level and measures to improve its performance. In addition, we have implemented a series of measures to make the Recanati plant an **energy-efficient complex**:

- **Relamping** of the entire system with replacement of neon lamps with high-efficiency LEDs, combined with presence sensors to optimise their energy saving. This has also eliminated the impact of the disposal of the neon light fittings;
- Installation of **inverters** on the compression unit machinery;
- Adoption of a **system for regulating the speed** of hydraulic pumps on the injection moulding machines;
- Adoption of **thermal insulation systems**;
- Adoption of **closed-loop systems for process cooling water**, which is treated and re-circulated into the system without any additional withdrawal from the mains;
- Installation of **building automation systems** in the offices.

To extend efficient management of energy use to the supply chain (source and delivery), we have adopted a set of initiatives to reduce the environmental impacts of **logistics**, with particular reference to the transport of goods by air.

In 2022 we introduced a **system for centralised control of temperatures** throughout the plant, thus removing the obsolete thermostats. We also plan to **make**

all machinery electrically powered and reuse cooling water from the injection moulding machines, e.g. for space heating. Today, the **facilities' energy consumption** (i.e. the energy used by the production plants) is **21,253 GJ**, **68%** of which is **electricity** and the remainder natural gas for space heating. Some of the electricity used is supplied in-house by the **photovoltaic system** installed on the roof at Recanati, **expanded in 2022 with a further 370 kWh of capacity** to achieve a total power of about 1,300 kWh.

In 2022, the plant generated about **17.9%** of the electricity consumed, avoiding the release into the atmosphere of **193.5 tonnes of CO₂ eq.** In 2022 **in-house energy production rose by 18.3% compared to 2021**. In fact, the system produced a total of **3,428 GJ of electricity** (2,897 GJ in 2021), **76% of which was used within the plant** and the remainder (829 GJ) sold.

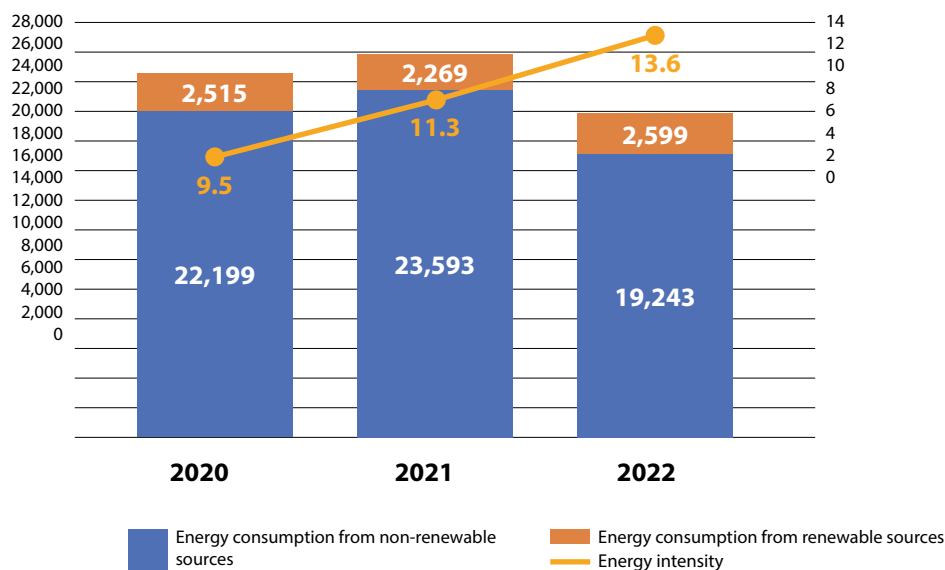
During the year **electricity use fell by 18.8%** compared to 2021 due to the decrease in output. **Natural gas** consumption also fell by a similar amount. In this case the reduction (of about 14%) is due to building efficiency upgrades which enabled us to reduce heat loss, leading to a decrease in energy use for space heating. **Petrol** consumption for the company car fleet also decreased in 2022, by **-31%** compared to the previous year. However, there was a sharp rise in consumption of **diesel fuel**, from 4,566 to 15,683 litres, due to the addition to the company fleet of two cars previously used on a rental basis.

Total energy consumption (energy for plants and fuels) in 2022 was **21,842 GJ**, a decrease of **15.5%** compared to 2021 and of 11.6% compared to 2020. Partly due to the reduction in output during 2022, energy intensity⁹ increased slightly from 11.2 GJ/tonne to **13.2 GJ/tonne**, although it remained in line with the pre-pandemic figures for 2019.

13.2 GJ/tonne
plant energy intensity

⁹Calculated as the sum of natural gas, electricity purchased from the grid and electricity generated by the photovoltaic system and consumed in-house in relation to the total plastic used in production.

TOTAL ENERGY CONSUMPTION (GJ) AND ENERGY INTENSITY (GJ/t)



Direct emissions (Scope 1), related to the consumption of natural gas, petrol and diesel, in 2022 were **404.3 tonnes of CO₂e**, **down 5.7%** compared to 2021 mainly due to the decrease in consumption of natural gas and petrol compared to the previous year. On the other hand, **indirect emissions** (Scope 2), linked to the purchase and consumption of electricity from the grid **decreased by 21.3% according to the location-based method** and by 23.5% according to the market-based method, with respective figures of **888.1 tonnes of CO₂e** (1,128 t CO₂e in 2021) and 1,514.5 tonnes of CO₂e under the market-based method¹⁰ (1,980.8 t CO₂e in 2021). Total **emission intensity**¹¹ in 2022 was **0.80 tonnes CO₂e/tonne of plastic**,

slightly higher than in 2021 but in line with 2019. Specifically, compared to the 2021 the **intensity of indirect emissions** increased more sharply, by **+34.7%** (against +12.4% for the intensity of direct emissions).

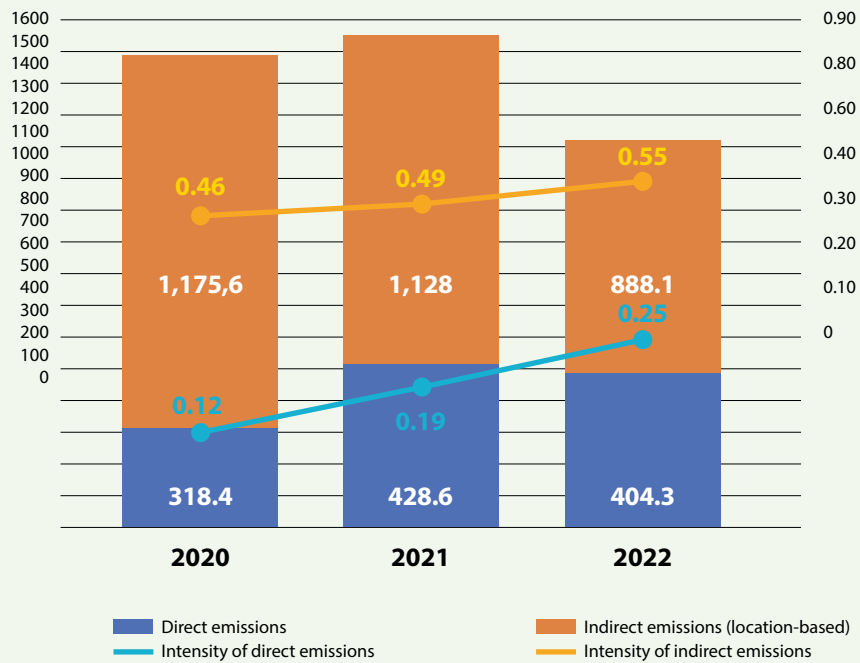
We are working to reduce our emissions, or to compensate them where this is not possible. To assist in this, for deliveries of articles sold on our **corporate website**, in 2022 we signed an agreement with our main logistics provider for the **compensation of emissions from the last mile of delivery**.

0.80 tonnes CO₂e/tonne of plastic
overall emissions intensity

¹⁰ The location-based method reflects the average intensity of emissions related to the networks which supply the energy, while the market-based method reports the emissions related to the electricity the company has decided to purchase.

¹¹ Considering the sum of Scope 1 and Scope 2 location-based emissions.

TOTAL DIRECT AND INDIRECT EMISSIONS (t CO₂e) AND EMISSIONS INTENSITY (t CO₂e/t)

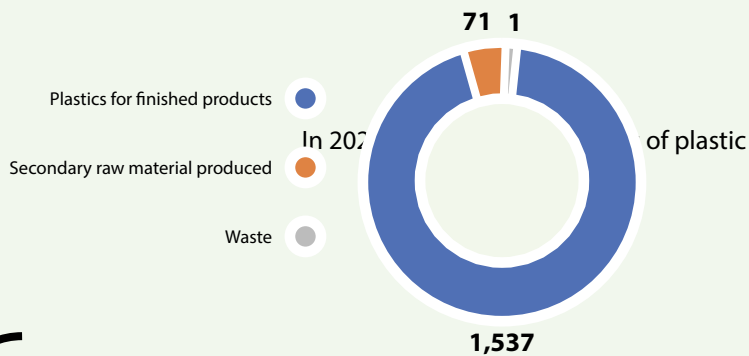


Consumption of materials and waste

The circular approach adopted in production has allowed us to reduce **waste** in the Recanati plant to almost zero. In addition, through calibrated **automatic plants** that prevent the inappropriate use of raw material and masterbatch (solid additive for plastics) and an automatic raw material preparation plant that prevents granule spillage, we are able to further reduce start-up and production waste.

raw materials, of which **1,537 tonnes** were transformed into finished products and **71 tonnes** into secondary raw materials, and only **1 tonne** became waste. Thanks to the measures implemented, production waste corresponds to **about 4%** of the **1,609 tonnes of plastic raw material** used in the production process. Furthermore, **almost all of it is sold and used as a secondary raw material by companies in other sectors, mainly the automotive industry, to create new products.** The remainder, only **0.1%** of the incoming raw material, becomes waste because it is not reusable in other industrial processes; this minimal part is the material involved in the inevitable machinery start-up, end-of-run and material change and colour change processes.

PLASTIC RAW MATERIAL USED IN 2022



In addition to the production phase, the **procurement** and **delivery** phases, especially in terms of incoming and outgoing **primary and secondary packaging**, and **office** operations also contribute to waste production.

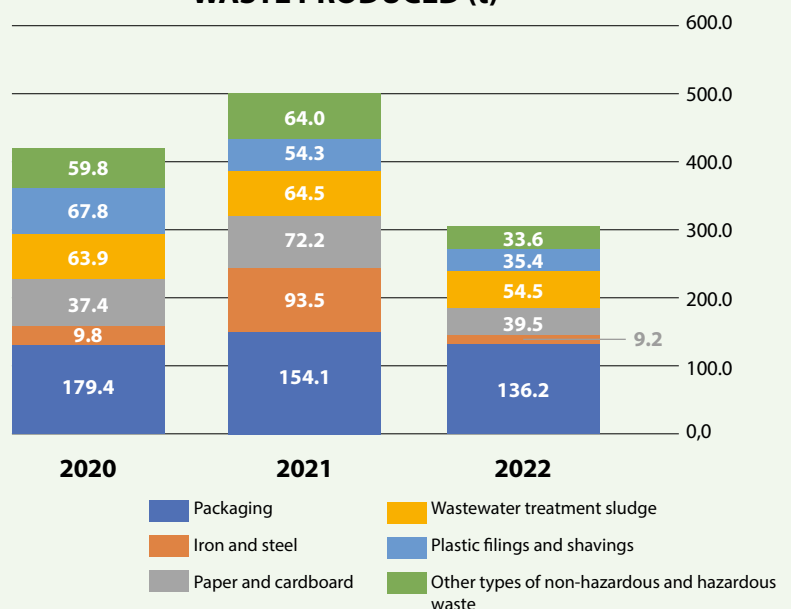
To reduce waste, you need the right guidance

To reduce paper use and eliminate consumption of single-use products, we have developed and distributed the **Circle Experience Guide**, an **employee awareness programme on environmental good practices**. In addition, we have installed water dispensers and distributed a kit to all workers consisting of a reusable water bottle, glass, cup and teaspoon, in order to cut down on single-use plastics.

The total waste generated during 2022 amounted to approximately **309 tonnes, down 39% compared to 2021** (and 26% compared to 2020) due to the decrease in output combined with the non-recurrent disposal of obsolete material in 2021. As in previous years, almost all waste **99%** is not hazardous. The main categories of waste produced during the year are **packaging (136.2 tonnes)**, **paper and cardboard (39.5 tonnes)**, **wastewater treatment sludge (54.5 tonnes)**, and **plastic filings and shavings (35.4 tonnes)**.

Waste produced is disposed of periodically at an authorised recycling disposal facility.

WASTE PRODUCED (t)



Logistics and packaging

Logistics management and the use of packaging are important aspects of our business, especially from an environmental viewpoint. We are therefore constantly engaged in initiatives to reduce and limit their impacts.

With regard to logistics, we have introduced **paperless management**: management is performed by handling terminals that work via radio links and management files are stored on servers without the need for printing. To improve the quality of communication and facilitate the work of warehouse operators, in 2020 we invested in new **Bluetooth terminals** for finished product logistics. During 2021, we also expanded our paperless management system to **external suppliers** operating at our warehouse, adopting electronic billing and using online portals for communications.

Packaging plays a central role for us and is an important factor in the sustainability of the entire Guzzini offer. All our products have **primary and secondary packaging** that conserves them throughout the supply chain, keeping their quality unchanged. Specifically, our packaging consists of a **recyclable plastic** bag to protect the individual item and a second **cardboard** packaging that also includes the graphics. Lastly, products are placed in corrugated cardboard secondary packaging.

Consistent with product protection, we strive to use as little **packaging material** as possible and to **minimise bulk during transport**. In the choice of packaging, moreover, we prefer recycled and recyclable materials: **100%** of packaging used in 2022 was **recyclable** and **68%** consisted of **recycled raw materials**.

To reduce raw material consumption and shipping volume, **lighter cardboard packaging** was adopted for all new products in 2020, moving from a triple wall to a **single wall cardboard**. Graphics were also simplified in order to reduce the amount of ink, while maintaining the preference for the use of **soy inks** compatible with the **compostability** standards of the entire Circle line.

For the Circle line, we have adopted bags in **compostable material** (TUV OK Compost brand) and cartons in **FSC certified cardboard** made of 100% recycled material.



During 2022, for the packaging of our products we used about **42 tonnes of plastic** and **145 tonnes of paper**, including 17 tonnes of certified 100% recycled paper. In the future, we plan to run further projects to optimise logistics and packaging. In particular, a **pallet reduction** project will be launched (through the implementation of shipments of some **packages without pallets**) with the aim of overcoming the critical issues related to compliance with the stringent requirements provided by the European Union in relation to the transport of these supports. There will also be a gradual **reduction in primary packaging** to reduce transport volumes and, consequently, fuel use and shipping costs.



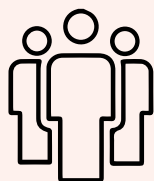
100%
recyclable packaging

68%
recycled packaging

05. The value of people

The underlying factor of our success has always been a context of deep mutual trust. Behind the quality of each Guzzini product is the passion and commitment of our employees.

123
employees
3 associates



98.4%
employees with
permanent contracts



88.6%
full-time
employees





Protecting and creating employment

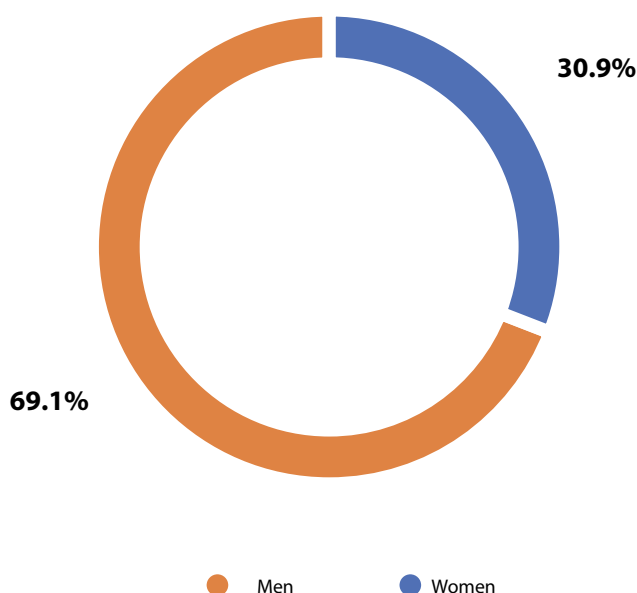
The factor behind our success has always been the professional skills of our people, who work in a context of **deep mutual trust**. Behind the quality of each Guzzini product is the passion and commitment of our employees, with whom we establish relationships based on fairness, mutual loyalty, respect, individual freedom and dignity of employment. We offer the **best working conditions** to motivate people and enable them to perform at their best. Even in emergencies such as the Covid-19 pandemic we have proved our ability to hold firm and above all to have the courage to react, learn and change, looking to the future with positivity and confidence. And this has been possible thanks to **teamwork**. Our company is based on the concept of collaboration, in the belief that only by feeling part of a common project can we grow. We believe in listening to and engaging with our people. With this in mind, we hold regular meetings to inform them about company strategies and share our joint achievements and future goals. We also use the **internal portal** for the publication of documents and internal communications.

Our workforce also reflect our **strong local identity**: most of our employees, in fact, were born and raised in the Marche region and therefore help to nurture the intense bond that has always united us to our local area and its community. At the same time, we have made a major contribution to our area's development, through the **creation of jobs** and the **sharing of skills**.

Today we have more than a hundred employees and we actively contribute to the growth of the induced economy.

The size of the workforce has remains stable over the last three years: as at 31 December 2022 the company had **123 employees** and **3 associates**, employed on placements, work experience programmes and a agency contract respectively. In 2022, **98.4%** of employees were employed on a **permanent basis** and **88.6%** had a **full-time** contract. Women accounted for 30.9% of the workforce, with percentages that vary according to the category and job description.

EMPLOYEES AS OF 31 DECEMBER 2022



The **National Collective Labour Agreement for employees in the plastics industry** is applied to all employees, while maintaining the improved conditions envisaged in the **supplementary agreements** executed before its entry into force. In fact, the rates paid for shift work and overtime are higher than in the National Collective Labour Agreement. In addition, the company provides a **canteen service** and meets **two thirds** of the relative cost. Workers who do not use the service receive **cash in lieu** of the meals not eaten.

Inclusion

We are committed to creating a working environment in which everyone can express their full **potential**, promoting a culture of respect and appreciation for the uniqueness of each individual. The relationship with staff is based on the ethical principles set out in the Code of Ethics and reflects the values that have always distinguished us as a company. In addition to complying with the regulations regarding protected categories, we support the recruitment of people belonging to **vulnerable groups**. Consistent with our

possibilities, we have, in fact, favoured the employment of people from the areas affected by the **earthquake in Central Italy in 2016-2017**, doing our bit to contribute to the recovery of the affected areas, especially during the most critical phases of the emergency.

We pay close attention to the induction of **new staff** into the company, especially in the case of resources belonging to vulnerable categories. This translates into the careful choice of **tasks best suited** to the specificities of each worker and constant **mentoring** of new recruits. We also promote **specific solutions** to meet individual needs, for example by allowing our employees to work part-time or rotate between different departments.



Skills and dialogue for growth

Support for employment

We promote employment in the Marche region by collaborating with the **local high schools** for the creation of school experience programmes and with the **universities** for the recruitment of young people to the company. We view guiding new resources to ensure fruitful learning experiences as crucial: we provide them with constant mentoring to ensure **effective training**.

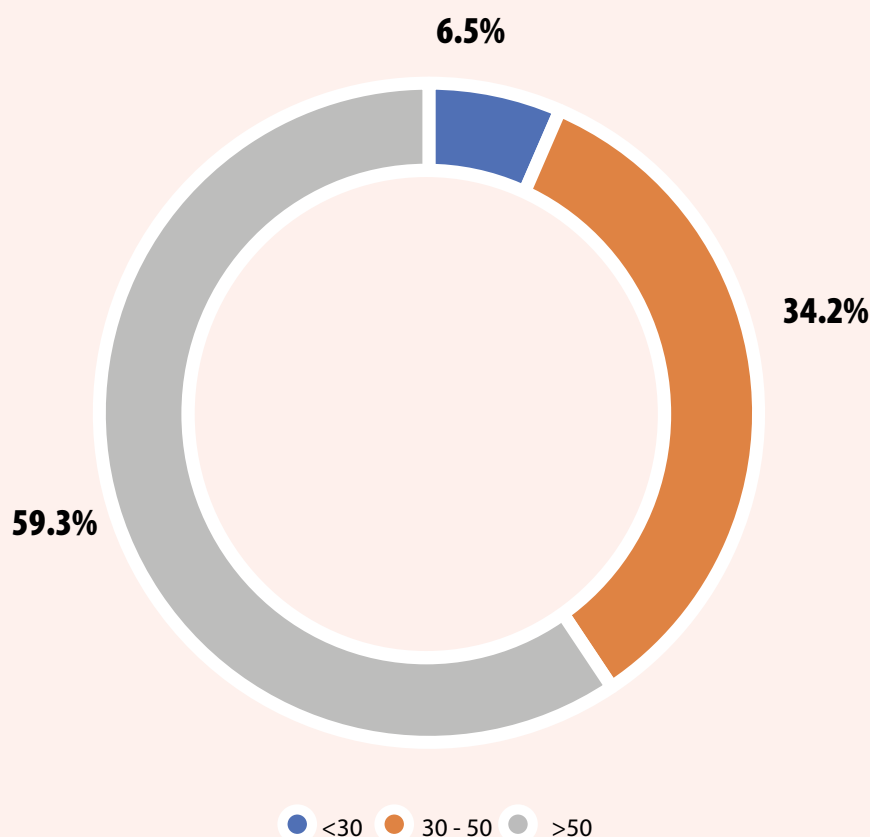
In addition to schools and universities, we also use other channels for the recruitment of new personnel, such as specialist recruitment firms to search for people with specific profiles, and the “work with us” section on our website.

Reflecting our ability to motivate and retain staff, we have a very low turnover. People who work for us tend to stay with the company for a long time, as the average age of the workforce indicates: **59.3%** of employees are over 50 years old and only 6.5% below 30. To rebalance the composition of the workforce, in the recruitment phase

we try to favour the search for profiles under 30, in addition to **encouraging generational changeover**, while also supporting the **training** of the most senior staff. Implementing this aim, in 2022 we recruited **5 new staff under 30**.

Due to financial difficulties arising from the difficult economic context, in 2022 we were forced to sign an **agreement** with the trade unions to speed up the retirement of staff approaching pensionable age, a move also in line with the ageing management aims. Moreover, also due to the economic backdrop, from October 2022 we implemented a lay-off system for all employees, which was also extended to the first few months of 2023. For the same reason, we were forced to terminate the contracts of agency staff.

EMPLOYEES BY AGE



Fulfilling people's potential

Expanding the skills base of our employees, being able to innovate and staying abreast of major innovative trends are the means by which we ensure continuity in our business. From the moment they first join the company, every employee brings us recognised added value. That is why we invest by offering **new recruits** training programmes that include orientation and induction courses, safety, quality control, and specific training courses according to the functions they will later perform.

Precise analysis of **training needs** enables the definition of effective learning pathways, appreciated by staff. For this reason, we conduct regular interviews with individual staff and line managers. In addition, we evaluate the effectiveness of training activities by requesting the completion of **feedback forms**, which allow us to gather useful ideas for improvement in training design.

We accompany the growth and professional development of our employees with **specific training programmes** on technical topics, such as the research and management of raw materials and the application of innovative **Industry 4.0** technologies. We focus strongly on the development of **soft skills**, knowledge of marketing and customer relations, digitisation and foreign languages. Following the implementation of Industry 4.0 solutions, we have also devised paths for the **conversion of the skills** of our most senior employees to facilitate their adaptation to the newest digitalised production models. In 2022 we provided a total of **495 hours of training**, an **increase of 42%** compared to 2021 (when the figure was 348 hours), equivalent to **4 hours a head**. We invested **more than 23,000 Euros** in training activities, mainly addressed to the top management (53% of total training hours) and the middle management (24%). Topics covered included **technical training** (general operation of an injection moulding machine, course on lean production), **recruitment** and **corporate organisation** (CambiaMente, emotive Leadership, HR Road Map HR and selection processes), **sustainability** (business strategies for environmental sustainability, sustainability strategy & corporate shared value) and **ISCC Plus** certification.

Fulfilling our employees' potential is a priority for us and we therefore consider it essential to offer them the best opportunities for growth. For this reason, we have implemented a **periodic performance evaluation process** for executives and managers, based on the achievement of planned corporate targets. In the future, we plan to extend this process to the rest of the workforce, with the aim of creating a **culture of awareness of their skills**, and to facilitate **career development** through the implementation of a structured path.



Health, safety and well-being

Health and safety of employees

We undertake to carry out adequate **risk assessment** and at the same time to implement **awareness-raising activities** for our employees regarding occupational health and safety. In addition, we run programmes to spread and consolidate a **culture of safety**, developing an awareness of risks and promoting responsible conduct by all employees and external personnel operating on the company's premises. Through **procedures**, supervision by safety officers (identified by the safety organisation chart) and **periodic audits**, we identify hazards and risks associated with company operations (such as fire, chemical, explosion, vibration, noise, electromagnetic fields, work-related stress and protected categories risks) in order to eliminate or minimise them. We provide training at a frequency in excess of that required by the relevant regulations on fire safety and first aid, and we also carry out non-compulsory activities, including **specific courses** for workers performing the highest-risk tasks. We implement training and the use of warning signs to prevent the main risks, such as the risk of handling loads using forklift trucks.

Also contributing to the identification

and minimisation of occupational risks is the **medical officer**, who monitors employees' health through examinations prior to recruitment and regularly thereafter depending on the specific tasks performed, or whenever considered appropriate.

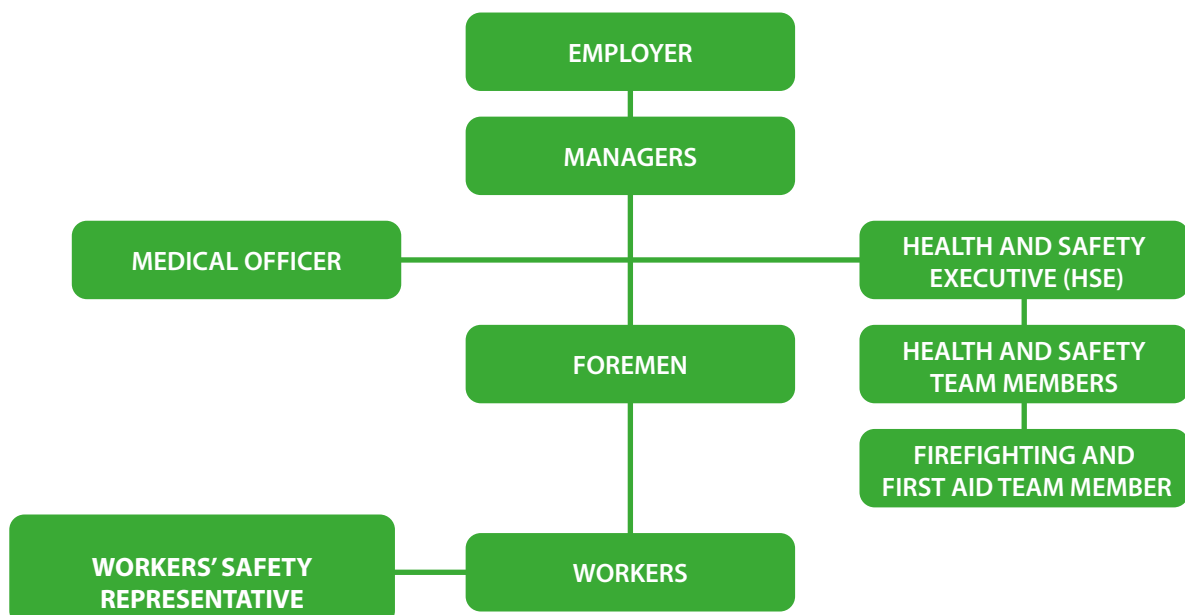
-50%

**injuries to employees
subject to reporting obligation (2022 vs 2021)**

0

**work-related ill-health
(employees and non-employees)**

SAFETY ORGANISATION CHART



To protect the health and safety of our staff, we have also implemented a **near miss** procedure, through which workers and supervisors can report any hazardous events and possible accidents identified.

Any work-related accidents which occur are evaluated during the periodic meetings between foremen and the Health and Safety Executive and the quarterly audits to identify their causes and implement appropriate solutions so that they do not recur.

To make our approach to health and safety management even more solid, we have adopted a **management system** verified and certified by external bodies pursuant to the **ISO 45001:2018**, international standard, which covers **all staff** and envisages:

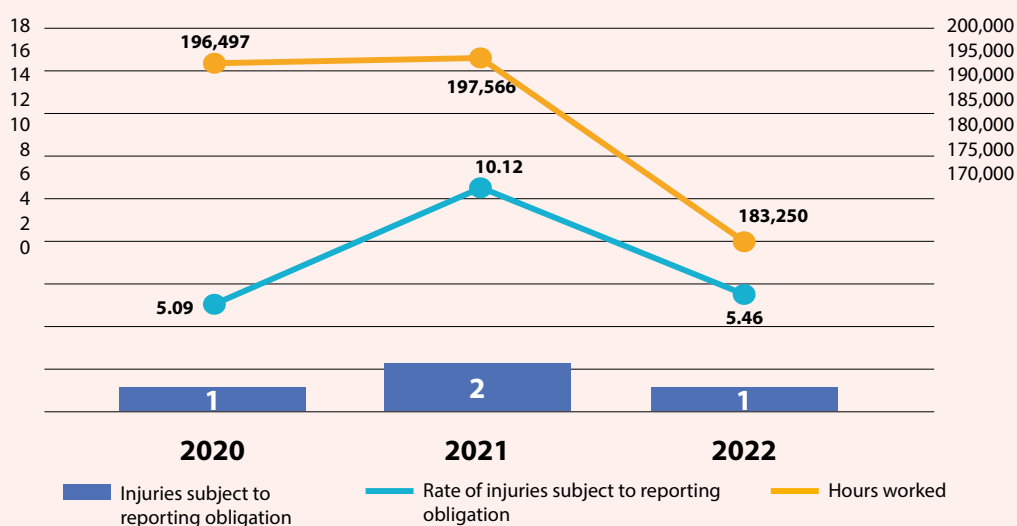
- Periodic update of the types of risks and hazards;

- Communication and verification of internal policies and procedures;
- Specific classroom and field training;
- Periodic management audit.

To ensure that health and safety information reaches all staff, we publish it on the company notice boards and the payroll portal and share the relative procedures and operating instructions on the **in-house safety portal**.

The use of appropriate safety precautions and the management system implemented have enabled us to **minimise work-related injuries and ill-health** over the last three years, recording annual accidents among employees of 3 or fewer, resulting in a **50% reduction in the rate of accidents subject to a reporting obligation** between 2021 and 2022, and no work-related ill health.

WORK-RELATED INJURIES AND RATES OF INJURIES SUBJECT TO REPORTING OBLIGATION (EMPLOYEES)



We have recorded a similar trend with regard to non-employees, for whom in the last three years there was only one injury and no work-related ill-health.

In addition, we ensure that health and safety principles are also complied with throughout the supply chain. This is why we require contractors and subcontractors working at company sites to have the **single document for the assessment of interference risks (DUVRI)**.

With the aim of creating workplaces that facilitate the adoption of **healthy lifestyles** and the **prevention of chronic diseases**, we have joined the **“Workplaces that Promote Health – WHP Network of the Marche Region”** programme. The thematic areas covered by the initiative are the promotion of a healthy diet, the combating of tobacco smoking and alcohol abuse, and the promotion of physical exercise. The Preventive Medicine Departments of ASUR MARCHE and the company medical officer provide methodological and organisational guidance within this programme.

Staff welfare

The well-being of our people is a priority for us. We facilitate a good **work-life balance** by providing **flexible working hours** and permitting **part-time** working to suit specific needs. Moreover, having experimented with the use of **working from home** during the pandemic emergency, we have decided to adopt it on a permanent basis for those roles for which it is compatible. This decision stems from an awareness of the benefits of this new way of working and demonstrates our ability to reconcile tradition and innovation. Since 2020 we have also introduced **fuel vouchers** as a fringe benefit for our employees. In 2022, to celebrate the 110th anniversary of the company's foundation, we gifted all employees fuel vouchers for a value of 420 Euros each and entertained them all to a dinner at a high-end restaurant before the holiday period, an opportunity for everyone to come together in a festive setting. The total investment in company welfare in 2022 was 51,660 Euros.

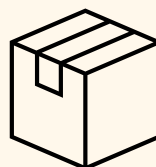
06. Customer focus

We want to genuinely represent our sustainability strategies and communicate them clearly and honestly, promoting this transparent approach across the industry.

32%
batches
inspected



-38%
returns/
replacements



120,000

Facebook likes

35,000

Instagram followers





Our product warranty



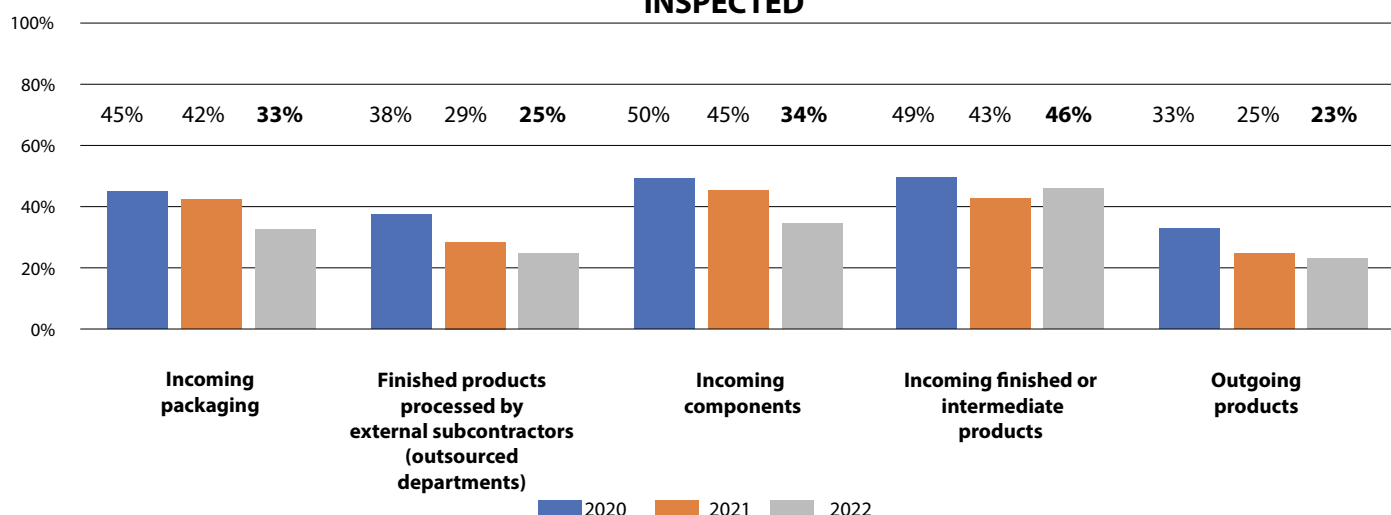
Ensuring **the highest standards of quality and safety** for our customers is a priority objective. The quality of our products is ensured thanks to precision management of the processes carried out in the Recanati plant, embodied in the **Quality Management System** certified pursuant to the **ISO 9001** international standard. Since the system requires planning activities to monitor the quality of products and services, we draw up the **Annual Quality Plan** containing the objectives we aim to achieve during the year. The actual implementation of the provisions of the document is then evaluated within the **Annual Review**. Our products are constantly subjected to **external and internal controls** to verify compliance with all quality and safety requirements, including those enforced by **strict food contact legislation**. In particular, for products intended to come into contact

with food analyses are performed by specialised laboratories, which simulate contact with food.

Thanks to the careful selection of materials from which they are made, most products in the Table and Kitchen ranges, including recycled plastic products, are **microwave safe** and **dishwasher safe** without any reduction in their mechanical and quality characteristics.

In 2022 inspections of packaging, finished products, components, intermediate products and outgoing products were performed on a total of 32% of batches, a reduction of 5% compared to 2021. This reduction is mainly due to the adoption of a scheme of acceptance on trust, in which only the first batch of goods assembled/produced by the same supplier is inspected.

BATCHES CHECKED AND INSPECTED



Customer experience and listening to the customer

Listening to the customer

We monitor social and behavioural changes and generates products that respond to them, with the aid of technological and stylistic research into the latest trends. In defining the product plan and marketing activities, we use external consultants integrated into the communication team to analyse new **consumer attitudes**. In addition, we continuously monitor market trends through contacts with distribution channels, participation in trade fairs around the world and meetings with buyers of large chains. We periodically carry out surveys on multi-mandate agents and sometimes even on points of sale.

We have an indirect dialogue with consumers, mediated by our retailers, who are best able to manage relations with end consumers due to their strong local roots. Our current contact tools are e-commerce and social media. However, the recent increase in sales through e-commerce has expanded the methods of engagement with customers. Most enquiries are processed through instant messaging channels, enabling us to establish contact immediately.



Services and customer care

We make sure to guarantee a **high level of satisfaction** of our business customers and end consumers through **continuous monitoring** of services in order to make constant improvements and to also capture the evolution of customers' demands. It is important for us to know our customers, their motivations, their aesthetic tastes and their expectations in terms of product adequacy and safety and quality of service, with regard to price and delivery times and procedures. Accessibility, effectiveness and speed of intervention are key factors in service quality, customer satisfaction and, therefore, **corporate reputation**.

To accompany the customer in every stage of the shopping experience, we offer **pre-sales and after-sales assistance**. Thanks to our sales network, we provide retailers with presales assistance through training, communication and the provision of suitable documentation. We pay the utmost attention to the needs of our distribution partners, supporting them with the most appropriate branding tools and helping them in the correct display of products. We also support customers and consumers in the after-sales phase through **technical assistance** throughout the lifetime of the product. Interventions of this type are, however, infrequent and are mainly due to

mishaps during transport (retailers) or to issues of aesthetic taste (end consumers). When such needs arise, we ensure the availability of **replacements**, for both products (e.g. in the event of shipping problems) or product parts (e.g. gaskets, handles).

Complaints and returns are managed jointly by the corporate **Social Media Management Service** of the **Marketing** functions (regarding the management of comments and messages sent by users), **Customer Service** (regarding the logistical aspects) and **Quality Assurance** (regarding data analysis, the timely resolution of returns and any improvement actions to be put in place). The main channels through which we interact with our customers are the **two specially created email addresses**, the **corporate social media platforms** and the **Customer**

Service function. In addition, the sales force also helps to forward any requests from customers.

In 2022, complaints decreased compared to 2021, with a total of **171** (compared to 405 in 2021). Returns and replacements also decreased (-38% compared to 2021). On the other hand, the number of **nonconforming products** identified on the markets increased slightly (a rate of **0.02%**, compared to 0.01% in 2021) and the **complaint handling time** fell (to **0.06 days**, compared to 0.11 in 2021) as our customer service was able to deal with cases more rapidly, thanks in part to a decrease in their complexity.

-38%

returns/replacements

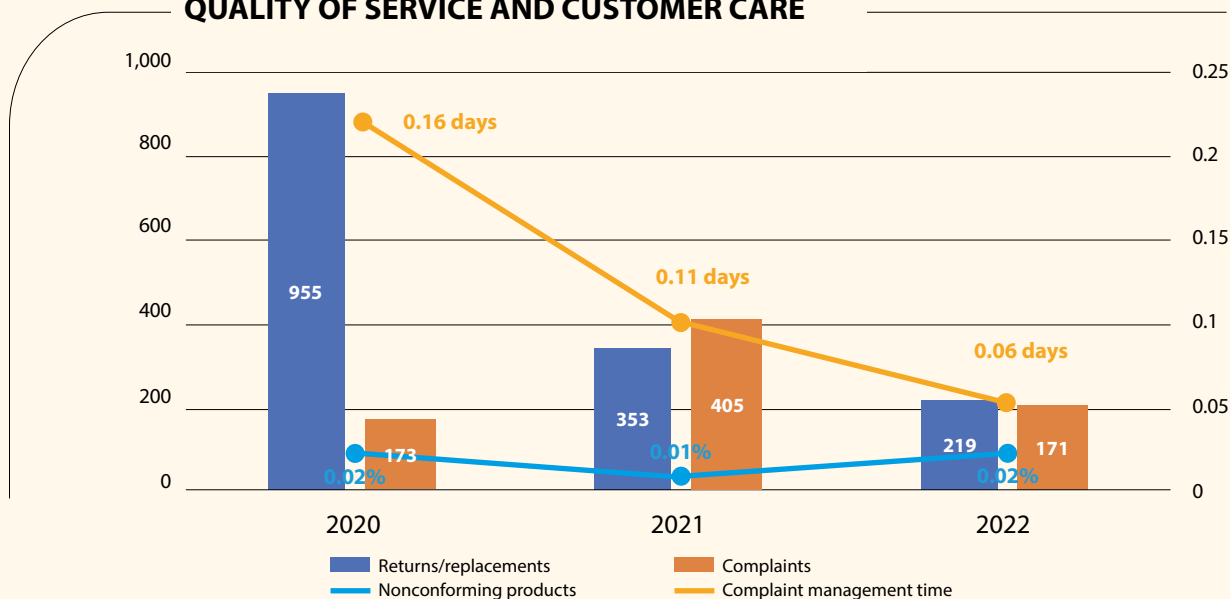
0.02%

nonconforming products

-45%

complaint management time

QUALITY OF SERVICE AND CUSTOMER CARE



Responsible communication and marketing

Our approach

Our **marketing and communication activities** are based on **principles of responsibility**, which imply fairness and transparency towards our customers, in compliance with the provisions of our Code of Ethics.

In order to ensure responsible management of marketing activities, our **internal practice** provides for the **approval of content considered sensitive** by competent members of the Product Development and Quality Assurance area.

In addition, each product in the catalogue

has a **label**, affixed to the product packaging and/or on the product itself, which shows the **identification code, description and production batch** to ensure its **traceability**. The label also contains information on the **contents**, with particular reference to any substances harmful to the environment or health, safe **use methods, correct methods for disposal** products and all the markings required by law.



Since 2018 our communication tools addressed to the end consumer have devoted ample space to our focus on sustainability, with particular reference to the sharing of content related to environmental protection and the circular economy.

During 2022 we focused on the issue of **combating food waste**, to coincide with the launch of our **food storage** project.

Save-it!

Extending foods' lifetime by **vacuum storage**: this is the thinking behind the **Save-It set of containers**, which allow foods to be kept **fresh** for longer, reducing the waste caused by their deterioration.

The vacuum pump is used via a silicone valve to **remove the air from the PP containers** and seal the foods in a vacuum, so they can be stored for **up to five times longer, with no changes to their flavour**.

We decided to take advantage of the launch of this new food storage project to **raise our community's awareness of the need to combat food waste** by also providing **useful advice** on how to avoid wasting food.



With this in mind, the labelling of products in the Circle range specifies the **number of bottles recycled for their production**, for immediate, straightforward communication of the line's sustainability features. Similarly, intermediaries (Area Managers, Agents, Points of Sale) in the distribution chain also help to convey the sustainability message to the end consumer. We offer **specific refresher courses dedicated to the sales force** on this topic, as well as providing a series of support materials (e.g., display units, illustrative material, a magazines). We also considered it important to certify our products and processes according to **internationally recognised standards**, so that the sustainability, safety and quality characteristics of our products can be verified. **In order to further strengthen our sustainability positioning**, we aim to obtain further certifications that testify to our commitment to the continuous improvement of our products and processes with a view to sustainability.

We have a strong tradition of using **networking** as a mechanism for sharing, transferring and embracing knowledge and skills and for growing our reputation. A series of **events** have also enabled us to communicate our distinctive Italian values "live".

As project partners, we participated in **"La cultura della plastica: arte, design, ambiente"**, an exhibition organised at the **Museo Tattile Statale Omero** in Ancona to take a closer look at a material omnipresent in our daily lives. The exhibition included works in plastic by major contemporary artists and plastic design objects which have become icons of modernity, together with information about the material and the environmental hazards it causes if not disposed of correctly. Fratelli Guzzini helped to create the second sector, on design, alongside famous companies such as Kartell, Artemide and Piquadro. It was an experiential, tactile exhibition, with aids to enable it to be fully enjoyed by visitors with sight, hearing or learning disabilities.

In 2022 Guzzini also participated at the **Salone del Mobile** within the ADI Design Museum's **"Design in the Kitchen"** exhibition

of food preparation and consumption products chosen from Compasso d'Oro winners.



However, we did not only promote our Italian design and production values on the domestic scene: we also took part in **international events** to raise our brand's profile abroad and increase awareness of its qualities. The events we attended included:

- **Exclusively Housewares** Exhibition (London);
- **Red Gift** Exhibition (Melbourne);
- **Table Styling** Exhibition (Dubai);
- Creation of a **show window of Guzzini products** at **Galleries Lafayette** (Paris), focused on the Tierra collection (in post-consumer recycled plastic) and on the theme of sustainability;
- **Gift Show** Exhibition (Atlanta);
- **Maison & Objet** Exhibition (Paris);
- **NatExpo** Exhibition (Lyon);
- **Design Bridging** Event (Seoul), organised by the Italian Embassy in South Korea.

In addition, during 2022 we ran a large number of **communication and marketing activities** to promote and raise awareness of

our brand:

- Print and digital campaign in **Casastile** B2B magazine;
- Print and digital campaign in **Offrir International** B2B magazine;
- Advertorials and sponsorships on **LifeGate**;
- Advertorials in **Progressive Houseware** B2B magazine;
- In-house advertorials;
- Article in **Touring Club Italian**;
- **B2C Newsletter** addressed to e-commerce users;
- **B2B Newsletter** addressed to all commercial contacts;
- **Product placements** at "Trends 22 Ambiente Frankfurt", "Design re-generation" and "Eurocucina" (Salone del Mobile). The large number of partnerships built up over time are also important for promoting Guzzini's Italian identity. In particular, in 2022 we established a number of **partnerships** involving **new customised products**, such as Ecoclip.



Environmental communication and greenwashing risk

American environmentalist **Jay Westerveld** first used the term “**greenwashing**” more than 30 years ago to refer to tourist facilities more concerned about their revenues than the environment. Today, this word is more topical than ever and concerns an increasing number of companies, which choose to respond to the **growing consumer awareness of sustainability** issues with communications that give a nod to the environment or social issues, but without really committing themselves to these issues with serious, structured strategies. The term “greenwashing” in fact defines **communication practices that suggest or give the impression that a product/service has a positive impact** (or is free of environmental impact or is less harmful than competing products or services) through **statements that are not true or cannot be verified**.

Words such as “natural”, “green” and “sustainable” are becoming more and widely used, but often find little correspondence in the business practices to which they refer. **Quite the contrary, communications of this kind can damage the credibility of companies that are really committed to and seriously invest in the ecological transition.**

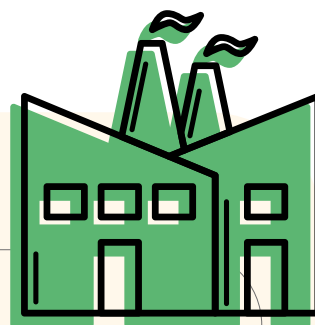
National and international **legislation** has sought to curb the phenomenon by prohibiting these practices and including them in legislation on “unfair commercial practices” and “misleading advertising”. Furthermore, the **European Commission** has recently proposed substantial amendments to the Unfair Commercial Practices and Consumer Rights Directives in order to provide for a **ban on claims that are not substantiated and verified by an independent body or that are not**

specified in clear and obvious terms.

In May 2023, the Council adopted its position with regard to the proposal to reinforce consumer rights, ban vague environmental claims and introduce a harmonised graphic format, to help consumers recognise commercial guarantees of durability. After the formal adoption of the Council’s position, the next steps will involve the start of negotiations with the European Parliament, which will be able to start once the latter has also adopted its position¹².

In this context, companies are called upon to pay attention to their approach to marketing and communication. Nevertheless, the greenwashing phenomenon is still very much present today. According to a study conducted by the European Commission under the coordination of the International Consumer Protection Network (Ipcen-Consumer Protection and Enforcement Network), together with the national consumer protection authorities, in 2021 **42% of online sales websites contained misleading environmental information**. Of these, **37% concerned vague and unspecific information** and **59% did not provide any evidence** to support the information published.

In order to discuss products’ sustainability features in a concrete, transparent and truthful manner, we promote continuous dialogue between the Marketing and Communication, Product Development and Quality Assurance departments, which ensures, by means of thorough verification, that the claimed features are **adequately substantiated**. Furthermore, Guzzini products are **appropriately certified pursuant to international standards** (ISCC, UL), which guarantee sustainability and circularity.



STOP GREENWASHING

We work every day to combat greenwashing by attempting to provide a genuine example of a company that uses the means at its disposal to do its best to adopt sustainability strategies and communicate them in a clear, honest manner, thus promoting this transparent approach within the industry.

¹² Council of the European Union, press release 3 May 2023. Empowering consumers for the green transition: Council adopts its position.

Digital Transformation

The digitisation of business processes has also involved the management of marketing and communication aspects, which have in fact accelerated as a result of the pandemic. Commercial contacts increasingly take place **online**, through **video-calls**, **webinars** and **digital canvasses**. With this in mind, we have equipped ourselves with a **web conference room** that allows us to display our products to best advantage thanks to the high resolution provided by the equipment installed. Furthermore, we have adopted **innovative technologies** that have enabled connections from the showroom and the production site since the pandemic, putting customers into direct contact with our company.

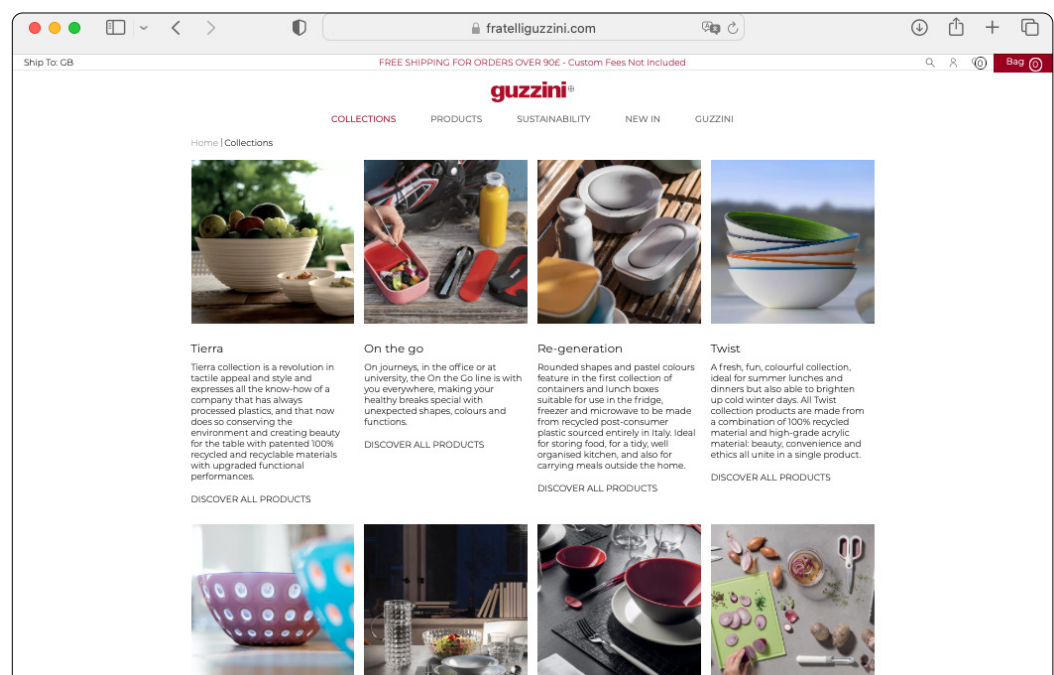
In view of the digital transformation, we have also activated our own **e-commerce channel** for the direct sale of our products, along three lines: marketplaces (mainly Amazon), the flagship store (www.fratelliguzzini.com) and flash sales (platforms which sell products at discount prices for short periods).

In 2021 this channel expanded considerably to cover about **10%** of total sales, a share which remained stable in 2022. To support the sustainable growth of e-commerce, we are implementing a set of solutions that will make it possible to reduce this channel's **environmental impacts**. For example, the possibility of calculating and offsetting emissions related to product shipments will be offered.

In-house Sales and Service processes are also being gradually digitised. In fact, a **Customer Relationship Management (CRM)** project has been implemented to improve and centralise the management of customer and prospect data, also integrating qualitative information. It is an important project especially from an **organisational** viewpoint, as it implies a review of the way we work.

10%

quota di fatturato dell'e-commerce

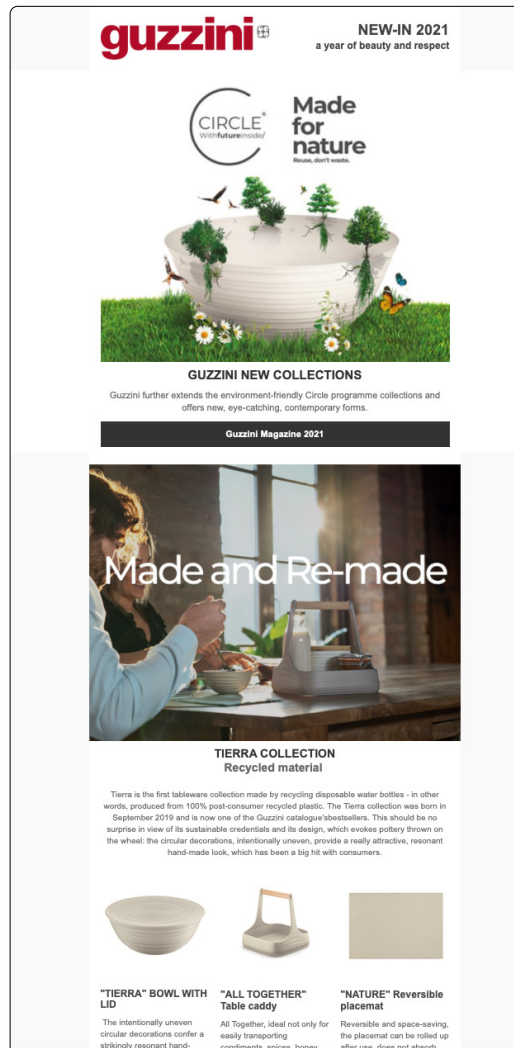


Social media

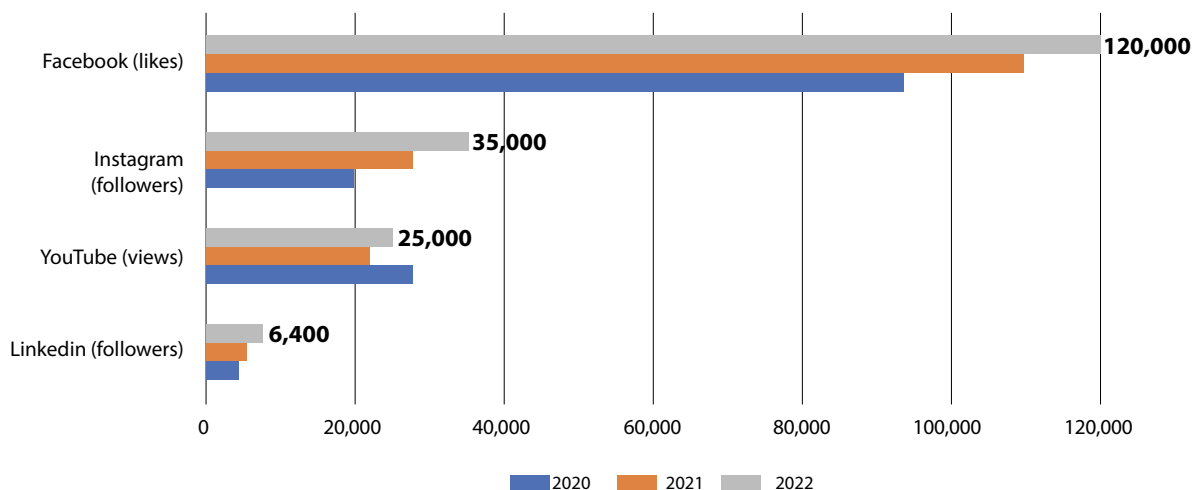
Continuing the trend seen in 2021, 2022 was another year of rapid growth for us in terms of social media interactions with our customers. The creation of content on the **company website** and **social media channels** and the use of **newsletters** were the main communication channels that allowed us to establish dialogue with users directly and at the same time to convey our messages on **sustainability**, the latest initiatives and product novelties on a large scale.

In addition, through our social channels, each user can ask questions, make suggestions and express their opinion on topics related to the brand's design and activities. In order to ensure inclusiveness and openness in a positive and constructive perspective, in 2020 we adopted a **Social Media Policy** that defines the rules of moderation on social media, ensuring that unsuitable (e.g. discriminatory or offensive) material is blocked.

We currently have **4 social media channels**, which **performed very well** in 2022. In fact, our contacts grew to around 120,000 likes on Facebook (+9% compared to 2021), 35,000 followers on Instagram (+25% compared to 2021) and 6,400 on LinkedIn (+16% compared to 2021). Moreover, our YouTube channel had around 25,000 views (+13% compared to 2021).



SOCIAL MEDIA PRESENCE



2022 Impact Report

As a Benefit Corporation, we are required to issue an Impact Report on our actions and objectives for the achievement of purposes of common good, as stated in Italian Law no. 208 of 28-12-2015 paras 376-384. This Sustainability Report contains all the information useful and necessary for an understanding of Fratelli Guzzini's sustainability approach to the various

environmental and social topics, as well as the relative commitments. Below we outline the contents strictly connected to the specific common good purposes, in order to link Fratelli Guzzini's actions and investments with our intended aims, as set out in our articles of association.

Reducing the environmental impacts of the life cycle of our products by implementing innovative circular economy solutions and promoting a culture of responsible use of resources and emission containment;

Fratelli Guzzini operates in the **spirit of a laboratory**: we develop and trial solutions for a more ethical economy. Responsibility is the word that will guide our future. In our view, taking care of the world means adopting **new industrial**

cultures, based on the protection of the environment. Thanks to our in-depth experience in the plastics industry and our network of relationships, we develop increasingly sustainable products and raise awareness of other companies with regard to

Mechanisms of action	Monitoring KPIs, 2022
Continue to develop products using recycled material	• recycled plastics account for 25.5% of all plastics used in production
Test and invest in bio-based materials, the new frontier	• bio-based materials account for 1.8% of all plastics used in production
Prefer recycled materials for primary and secondary packaging	• recycled packaging materials account for 67.7% of all packaging materials
Continue to evaluate opportunities for improving energy and process efficiency	• plant energy intensity 13.2 GJ/t • total energy intensity 13.6 GJ/t
Invest in renewable energy sources	• electricity from renewable sources accounts for 17.9% of total electricity used

the ecological transition.

What we have achieved

Consumption of materials and waste

- **Minimisation** of the **raw materials** which become **waste**, reduced to just 1 tonne in 2022, compared to 7 tonnes in 2021;
- **Reduction** of **39%** in the **waste** generated compared to 2021.

Energy savings and emissions reduction

- Installation of **2 charging points** for hybrid and electric vehicles to encourage and promote **sustainable mobility**;
- Improvement in energy efficiency with introduction of a **centralised temperature**

control system;

- Expansion of the photovoltaic system with an **additional 370 kWh**, with total emissions of 193.5 t of CO₂eq. in 2022;
- Signing of an agreement with our main logistics provider for the **compensation of emissions of the delivery last mile** for the shipment of articles sold on our **corporate website**.

Logistics and packaging

- Introduction of **paperless warehouse management** and investments for the installation of **Bluetooth terminals** for finished product logistics;
- Of the packaging used in 2022, **100% was**

recyclable and **68%** consisted of **recycled raw materials**;

- Simplification of graphics to reduce the amount of ink and a continued preference for the use of **soy inks** compatible with the compostability standards of the entire Circle line;

- For the Circle line, use of bags in **compostable material** (TUV OK Compost brand) and cartons in **FSC certified cardboard** made of 100% recycled material.

Environmental communication and

awareness-raising

- Promotion of **a culture of responsible use and disposal** of our products, by providing each one of them with a **label** also containing information about correct **disposal procedures**;
- Measures to raise consumers' awareness of our products' sustainability characteristics, for example by marking Circle range articles with the **number of recycled bottles used for their production**.

Promote Italy's typical cultural and design values by creating aesthetically beautiful, functional and durable products

Guzzini wishes to express the best of **Italian design and manufacturing** in its products' production and style. For us, **promoting the best of Italy** means first and foremost promoting our home area: the Marche

region. This bond with our native land has always been reflected in synergies and industrial partnerships with local companies, gradual reshoring, our corporate social media publishing plan, and the events we attend.

Mechanisms of action	Monitoring KPIs, 2022
Help to generate value within Italy	<ul style="list-style-type: none"> • 12% of purchases are from Italian suppliers
Promote Italian design and manufacturing worldwide	<ul style="list-style-type: none"> • 203 products designed and launched in Italy, a 44% increase over 2021 • 165 products launched, designed and manufactured in Italy (81% of the products launched), a 47% increase over 2021 • Investments in marketing and communications to promote the values of Italian design and manufacturing amounting to 2.3 million Euros, a rise of 9% over 2021 and 32% over 2020

Reflecting our commitment to promoting the cultural and design values intrinsic to the Italian identity, in 2022 we achieved **selection by the ADI Index**, while Guzzini

was named as a **Historic Brand of National Interest** by the **Ministry of Economic Development**.

Our commitments for the future

We intend to continue **to gradually increase the proportions of recycled and bio-based materials** used in our new collections, expanding the **Circle** line, also with the aid of partnerships with a growing number of partners and suppliers who share our vision. We are also planning to eliminate printing on products, using **substitute labels**, to reduce our articles' environmental impact.

One important design project for 2023 is **Dolcevita**, a **new collection** of objects that celebrate the natural **elegance of the world-famous Italian style**. This collection is an excellent example of Fratelli Guzzini's circularity approach, since it contains **60% bio-based material**, certified by the ISCC mass balance method. Dolcevita will make us the **world's first company to offer a complete tableware collection in bio-based plastic**.

Since our intensive **research and development** activity never stops, we have launched two major projects relating to the **development of materials**, to be undertaken in the coming years:

- **Addition of additives to thermoplastic polymers to increase the shelf-life of foods:** since we know that the conservation of food is one of the key factors, with potential environmental impacts (in terms of food waste and use of resources, for example), we are working to develop a **system of additives** to be used with some polymers, at present **PCR-PET**, to extend the **shelf-life of foods**. This development will enable us to produce food **containers** with a contact surface that reduces the oxidising effect of the air, retarding the deterioration of the foods they contain. At present we are about 30% through the development process, and we will continue in order to complete it in the coming years;
- **Development of a thermoplastic polymer with high surface hardness:** this project is in the initial stages and relates to the development of a thermoplastic polymer with high **surface hardness**, for use in institutional and outdoor catering, for example. In these contexts, for safety reasons it is always advisable if not compulsory to use shatterproof crockery, which requires the use of thermoset polymers such as melamine. These substances increase the surface hardness but have a number of environmental drawbacks, since materials treated in this way cannot be recycled at end-of-life and the process itself particularly damaging to the environment. Moreover, there is the risk that this system may not be totally safe, since traces of substances toxic

for human health may be released.

For these reasons, we are working on a new, alternative process allowing some widely used thermoplastic polymers (easily recyclable at end-of-life) to be treated with special molecules (**vitrimers**) which, like melamine, are hard and allow the creation of durable objects.

From the point of view of process efficiency, we are considering **replacing existing machines with others which operate on electricity**, currently in the testing phase. In fact, we are verifying the actual **saving** which can be achieved with these new machines, before perhaps proceeding to install them as replacements.

We are also performing a survey to select **logistics providers with good environmental practices** (e.g. which have environmental policies regulating shipments) to make our **logistics model more and more efficient**.

To speed up the **digitisation** of our business, by September 2023 we intend to install a **more powerful fibre Internet connection** to enable us to introduce new cloud services and reduce our in-house energy use.

Impact assessment

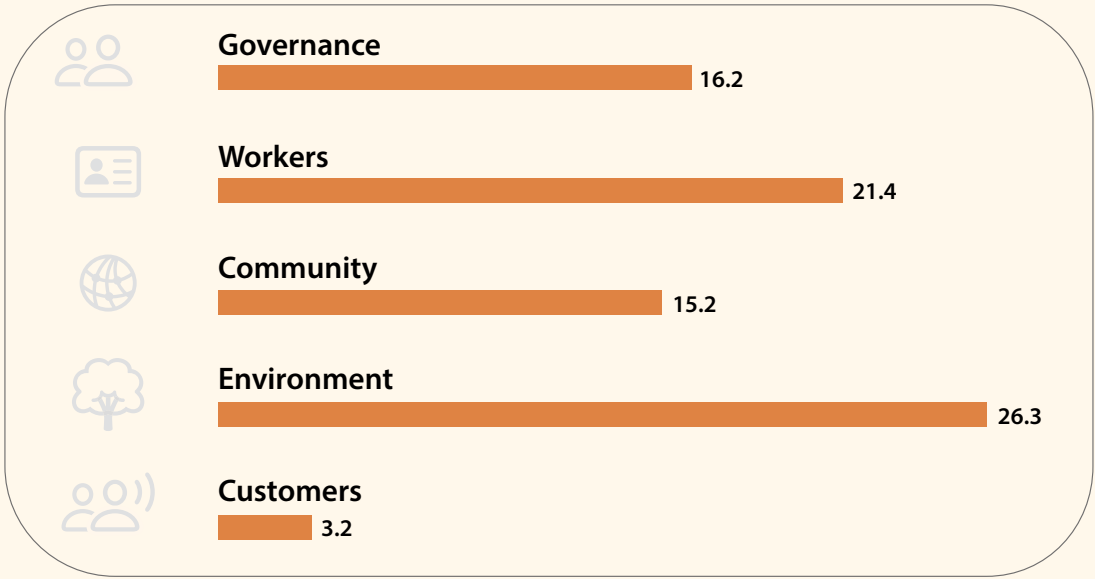
In order to objectively measure their impacts, Benefit Corporations must apply a credible, transparent external assessment standard developed by an independent third party. Like most Benefit Corporations, Fratelli Guzzini has decided to adopt the **B Impact Assessment (BIA)** developed by non-profit organisation B Lab. This tool, available online worldwide free of charge, provides an understanding of the extent to which a business is regenerative, and allows comparison with thousands of other

companies which use it. What's more, the BIA allows measurement of the company's impact in five areas (governance, people, community, environment, customers), covering the assessment areas required by the regulations on Benefit Corporations. The impact measurement activity concluded with a score of 82.6, allowing Fratelli Guzzini to obtain **B-Corp** certification. The following is a summary of Fratelli Guzzini S.p.A.'s impact profile.

SUMMARY OF B CORP IMPACT PROFILE



- 82.6 - overall B Impact score
- 80 - score necessary to obtain B Corp certification
- 50.9 - benchmark average score



Appendix

Impact analysis

Negative impacts

Material Topics	Negative impacts	Stakeholders affected	Type of impact	Significance	Probability
Environmental impacts throughout the value chain	Climate-changing gas emissions deriving from the synthesis of raw materials from fossil sources for the production of virgin plastic	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Greenhouse gas emissions during transport of raw and intermediate materials and other products to the plant or offices	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Direct consumption of energy resources and fossil sources for production operations and consequent release of greenhouse gas emissions	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Contribution to climate change and atmospheric pollution linked to distribution and consumers' travel to places where products are purchased	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Customer care and marketing	Soil, air and water pollution due to the dumping of waste generated downstream of the value chain or incorrect disposal (with regard both to packaging and the end-of-life management of products)	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Design, innovation and circular economy	Failure to recover and reuse resources and materials due to a production model which is still mainly linear	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Product quality and safety	Hazards to human health due to the presence of harmful chemicals in finished products which come into contact with foods	Consumers	Potential	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Consumer of water resources for virgin plastic production processes	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Depletion of mineral resources used for the extraction and production of raw and intermediate materials	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Soil, air and water pollution due to the dumping of waste generated upstream of the value chain or incorrect disposal	Local community, society	Potential	<div><div></div></div>	<div><div></div></div>
Management of human capital	Work-related injuries and illnesses related to working activities harmful to workers' health	Employees, other workers	Potential	<div><div></div></div>	<div><div></div></div>
Management of human capital	Consequences of bad practices in the workplace: discrimination, restrictions of freedom, unfair treatment	Employees, other workers	Potential	<div><div></div></div>	<div><div></div></div>
Design, innovation and circular economy	Consumption of resources for the primary and secondary packaging of products	Society at large	Current	<div><div></div></div>	<div><div></div></div>
Ethics, integrity and compliance	Impacts arising from unethical behaviours or crimes in the management of the business (such as bribery, conflict of interest or unfair business practices)	Employees, partners, other businesses	Potential	<div><div></div></div>	<div><div></div></div>
Supply chain management	Violation of workers' rights and human rights along the supply chain	Workers in the supply chain	Potential	<div><div></div></div>	<div><div></div></div>
Ethics, integrity and compliance	Economic losses and/or loss of earnings arising from organisational and management inefficiencies or reputation risks	Employees, partners	Potential	<div><div></div></div>	<div><div></div></div>
Customer care and marketing	Influence on consumers' choices arising from ambiguous, incorrect or misleading information on the environment or sustainability (greenwashing)	Customers, consumers, potential consumers	Potential	<div><div></div></div>	<div><div></div></div>
Supply chain management	Inadequate payment to suppliers	Workers in the supply chain	Potential	<div><div></div></div>	<div><div></div></div>
Ethics, integrity and compliance	Breach of privacy and misuse of sensitive data, also arising from inadequate protection of IT systems and inadequate procedural systems	Consumers, customers, other businesses, employees, partners, workers in the supply chain	Potential	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Contamination of ecosystems due to the production of waste during production processes and other company/ administrative activities	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Customer care and marketing	Failure to satisfy customers and/or consumers leading to an increase in the number of complaints	Customers, consumers	Potential	<div><div></div></div>	<div><div></div></div>

Positive impacts

Material Topics	Positive impacts	Stakeholders affected	Type of impact	Significance	Probability
Product quality and safety	Increase in consumers' safety due to the development of innovative solutions which prevent the shedding from the product to foods of substances hazardous for human health	Consumers	Potential	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Climate-changing gas emissions avoided in the supply chain thanks to the use of recycled and bio-based plastic	Local community, society	Potential	<div><div></div></div>	<div><div></div></div>
Design, innovation and circular economy	Reduction of environmental impacts associated to plastic products thanks to the contribution to the research and development of alternative materials and circular solutions	Other businesses, partners, society at large	Current	<div><div></div></div>	<div><div></div></div>
Italian identity and community	Job creation and support to families and communities in the area	Local community	Current	<div><div></div></div>	<div><div></div></div>
Italian identity and community	Contribution to raising awareness of the excellence of Italian design and manufacturing in Italy and worldwide	Society at large, consumers, potential consumers, other businesses	Current	<div><div></div></div>	<div><div></div></div>
Supply chain management	Creation of economic development opportunities for the supply chain and the industry (e.g.: job creation in the supply chain, partnerships, continuous business or development of new business relationships, etc.)	Local community, society at large, partners, other businesses	Current	<div><div></div></div>	<div><div></div></div>
Italian identity and community	Sharing with local communities of the economic value generated through donations, sponsorships, partnerships and social projects	Local community	Current	<div><div></div></div>	<div><div></div></div>
Customer care and marketing	Increase in the awareness of consumers and stakeholders of environmental issues and circular models of production and consumption	Customers, consumers	Current	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Contribution to the energy transition through investments in renewable energy (in-house production of photovoltaic power)	Local community, society	Current	<div><div></div></div>	<div><div></div></div>
Management of human capital	Growth in the professional and soft skills of the company's people	Employees, partners	Current	<div><div></div></div>	<div><div></div></div>
Design, innovation and circular economy	Reduction of raw material consumption thanks to the use of recycled and/or responsibly managed materials for packaging	Society at large	Current	<div><div></div></div>	<div><div></div></div>
Italian identity and community	Benefits for Italian producers from the gradual reshoring of procurement	Local community, society	Potential	<div><div></div></div>	<div><div></div></div>
Environmental impacts throughout the value chain	Reduction in consumption of natural resources through investments in energy saving and in-house energy production	Local community, society	Potential	<div><div></div></div>	<div><div></div></div>
Design, innovation and circular economy	Recovery and reuse of materials and by-products or production waste sent to other industries as a secondary raw material or sent for recycling	Society at large, other businesses	Current	<div><div></div></div>	<div><div></div></div>

Performance indicators

Information on employees and other associates

Employees by employment contract and gender

Employment contract	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Permanent	37	84	121	41	81	122	40	84	124
Temporary	1	1	2	1	2	3	-	1	1
Total	38	85	123	42	83	125	40	85	125

Employees by type of contract and gender

Type of contract	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Full-time	26	83	109	30	81	111	27	83	110
Part-time	12	2	14	12	2	14	13	2	15
Total	38	85	123	42	83	125	40	85	125

Other workers who are not employees

Workers who are not employees	2022	2021	2020
Interns	1	-	-
Young people on placements	1	2	1
Self-employed contract workers	1	6	20
Total workers who are not employees	3	8	21

Education and training

Average hours of training per year per employee, by gender and category

Employee categories	2022			2021			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	-	88.0	88.0	-	40.0	40.0	-	64.0	64.0
Executives	-	9.9	8.5	-	0.3	0.3	-	4.5	3.8
Office workers	0.82	2.4	1.6	1.1	-	0.6	2.8	10.4	6.3
Production workers	-	0.2	0.2	-	4.4	4.1	-	-	-
Total	0.74	5.5	4.0	1.0	3.7	2.8	2.5	6.4	5.1

Diversity in governance bodies and amongst employees

Diversity in governance bodies

	2022		2021		2020	
Gender	No.	%	No.	%	No.	%
Women	1	17%	1	17%	1	20%
Men	5	83%	5	83%	4	80%
Total	6	100%	6	100%	5	100%
Age	No.	%	No.	%	No.	%
<30	–	–	–	–	–	–
30-50	–	–	–	–	–	–
>50	6	100%	6	100%	5	100%
Total	6	100%	6	100%	5	100%

Employees by category and gender

Employee categories	2022						2021						2020					
	Women		Men		Total		Women		Men		Total		Women		Men		Total	
	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%
Managers	–	–	3	2.4	3	2.4	–	–	3	2.4	3	2.4	–	–	3	2.4	3	2.4
Executives	2	1.6	12	9.8	14	11.4	2	1.6	13	10.4	15	12.0	2	1.6	11	8.8	13	10.4
Office workers	34	27.7	32	26.0	66	53.7	37	29.6	25	20.0	62	49.6	35	28.0	29	23.2	64	51.2
Production workers	2	1.6	38	30.9	40	32.5	3	2.4	42	33.6	45	36.0	3	2.4	42	33.6	45	36.0
Total	38	30.9	85	69.1	123	100	42	33.6	83	66.4	125	100	40	32	85	68.0	125	100

Employees by category and age band

Employee categories	2022						2021						2020					
	<30		30-50		>50		<30		30-50		>50		<30		30-50		>50	
	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%	No. employees	%
Managers	–	–	–	–	3	2.4	–	–	–	–	3	2.4	–	–	–	–	3	2.4
Executives	–	–	5	4.1	9	7.3	–	–	5	4.0	10	8.0	–	–	5	4.0	8	6.4
Office workers	4	3.3	21	17.1	41	33.3	3	2.4	20	16.0	39	31.2	4	3.2	22	17.6	38	30.4
Production workers	4	3.3	16	13.0	20	16.3	–	–	17	13.6	28	22.4	–	–	15	12.0	30	24.0
Total	8	6.5	42	34.1	73	59.3	3	2.4	42	33.6	80	64.0	4	3.2	42	33.6	79	63.2

Occupational health and safety

Employee health and safety indicators

	2022	2021	2020
Total hours worked	183,250	197,566	196,497
Number of serious injuries	-	-	-
Total number of injuries subject to reporting obligation	1	2	1
Serious injury rate	-	-	-
Rate of total injuries with reporting obligation ¹³	5.46	10.12	5.09

Health and safety indicators for workers who are not employees

	2022	2021	2020
Total hours worked	10,404	24,245	18,936
Number of serious injuries	-	-	-
Total number of injuries subject to reporting obligation	-	1	-
Serious injury rate	-	-	-
Rate of total injuries with reporting obligation ¹³	-	41	-

¹³ The injury rate is calculated as the ratio between the number of injuries and the total hours worked in the same period, multiplied by 1,000,000.

Materials

Materials used by Fratelli Guzzini by weight

tonnes	2022	2021	2020	From renewable sources
Raw materials for in-house production				
Plastic	1,536,161	2,217,993	2,500,123	
of which virgin plastic	1,117,828	1,676,044	1,638,008	
PP (polypropylene)	423,832	474,778	499,697	
SAN (styrene acrylonitrile)	210,812	378,724	396,500	
ABS (acrylonitrile butadiene styrene)	63,063	277,352	220,623	
SMMA (styrene methyl methacrylate)	178,709	297,283	212,039	
Other types of virgin plastic	241,412	247,907	309,149	
of which recycled plastic	391,224	538,675	862,115	
r-PET (recycled polyethylene terephthalate)	204,137	258,044	473,637	
r-PP (recycled polypropylene)	148,460	275,003	297,963	
r-PP (recycled polyethylene)	35,886	3,630	75,820	
r-ABS (recycled acrylonitrile butadiene styrene)	2,741	1,999	14,695	
of which recycled plastic	27,109			
bio-PP	11,126			X
bio-SMMA	5,767			X
bio-PC	7,436			X
bio-SAN	2,781			X
Glass	27,022	41,592	45,334	
Porcelain	16,381	24,974	7,860	
Aluminium	–	865	642	
Steel	3,664	7,149	1,721	
Bamboo	14,950	14,950	–	X
Other	782	3,274	–	
Materials for packaging				
Plastic	42,392	29,698	103,385	
of which PE (polyethylene)	42,354	29,635	103,345	
of which bio-polymer	38	63	40	X
Paper	145,442	277,863	299,571	X
of which FSC	17,231	76,382	132,439	X
Cardboard	323,330	558,896	553,800	X

Recycled input materials used by Fratelli Guzzini

	2022	2021	2020
Recycled plastics for production (t)	391,224	538,675	862,115
Total materials for production (t)	1,598,960	2,310,797	2,555,680
Recycled plastics for production / total materials for production (%)	24	23	34

Energy¹⁴

Energy consumption within the organisation

<i>in GJ</i>	2022	2021	2020
Non-renewable energy consumption	19,243	23,593	22,199
Natural gas	6,724	7,794	5,707
Purchased non-renewable electricity	11,930	15,618	16,278
Petrol for company cars and other vehicles	8	11	45
Diesel fuel for company cars and other vehicles	581	169	168
Renewable energy consumption	2,599	2,269	2,515
Energy produced in-house by photovoltaic system	3,428	2,897	3,596
Energy produced in-house by photovoltaic system and returned to grid	(829)	(628)	(1,080)
Total direct and indirect energy consumption	21,842	25,862	24,714
Plant energy intensity (GJ/t) ¹⁵	13.2	11.2	9.5
Overall energy intensity (GJ/t) ¹⁶	13.6	11.3	9.6

¹⁴ As more data have become available and calculation methods have been improved, the 2020 data have been re-presented.

¹⁵ Calculated as the sum of natural gas, electricity purchased from the grid and electricity generated by the photovoltaic system and consumed in-house in relation to the plastic used in the year of reference.

¹⁶ Calculated as the sum of all energy consumption in relation to the plastic used in the year of reference.

Emissions¹⁷

Direct and indirect GHG emissions (Scope 1 and 2) GHG emission intensity

	2022	2021	2020
Direct emissions (<i>t CO₂e</i>) ¹⁸	404.3	428.6	318.4
Indirect emissions - Location-based ¹⁹ (<i>t CO₂e</i>)	888.1	1,128.0	1,175.6
Indirect emissions - Market-based ²⁰ (<i>t CO₂e</i>)	1,514.5	1,980.8	2,075.5
Intensity of direct emissions (<i>t CO₂e/t production</i>)	0.25	0.19	0.12
Intensity of indirect emissions - Location-based (<i>t CO₂e/t plastic used in production</i>)	0.55	0.49	0.46
Intensity of indirect emissions - Market-based (<i>t CO₂e/t plastic used in production</i>)	0.94	0.86	0.81
Plant emissions intensity ²¹ (<i>t CO₂e/t plastic used in production</i>)	0.78	0.67	0.58
Emissions intensity Scope 1 + Scope 2 LB (<i>t CO₂e/t plastic used in production</i>)	0.80	0.68	0.58

Waste

Waste generated

<i>tonnes</i>	2022	2021	2020
Total non-hazardous waste	305.04	496.92	408.76
Packaging	136.24	154.14	179.36
<i>of which in mixed materials</i>	116.76	121.61	153.69
<i>of which in plastic</i>	12.12	17.49	14.35
<i>of which in wood</i>	7.36	15.04	11.32
Iron and steel	9.24	93.52	9.84
Paper and cardboard	39.51	72.22	37.38
Wastewater treatment sludge	54.53	64.48	63.93
Plastic filings and shavings	35.41	54.27	67.80
Other types of non-hazardous waste	30.11	58.30	50.46
Total hazardous waste	3.52	5.69	9.33
Emulsions	1.20	3.65	5.11
Absorbent materials, filtering materials and cloths	0.06	0.88	0.44
Lubricating oil	1.21	0.78	1.78
Other types of hazardous waste	1.05	0.38	2.00
Total waste	308.56	502.61	418.09

¹⁷ As more data have become available and calculation methods have been improved, the 2020 data have been re-presented.

¹⁸ Source of emissions coefficients for natural gas, petrol and diesel fuel: ISPRA, Italian Greenhouse Gas Inventory 1990-2019. National Inventory Report 2021 and Italian Greenhouse Gas Inventory 1990-2021. National Inventory Report 2023.

¹⁹ Source of emissions coefficient: ISPRA, ISPRA, Italian Greenhouse Gas Inventory 1990-2019. National Inventory Report 2021 and Italian Greenhouse Gas Inventory 1990-2021. National Inventory Report 2023.

²⁰ Source of emissions coefficient: Association of Issuing Bodies (AIB), Residual Mixes 2020, 2021 and 2022.

²¹ Calculated as sum of natural gas and Scope 2 LB emissions.

Methodological note

Fratelli Guzzini's 2022 Sustainability Report presents the results achieved in 2022 (from 1 January to 31 December).

The Sustainability Report, issued annually, is intended to illustrate Fratelli Guzzini S.p.A.'s sustainability strategies, its governance model, its operating results and objectives, and their quantitative and qualitative impact on the economic, social and environmental context. The reporting perimeter consists of Fratelli Guzzini S.p.A., with registered office at c.da Mattonata, 60, Recanati (Macerata), Italy.

The Sustainability Report 2022 was prepared in compliance with the "Global Reporting Initiative Sustainability Reporting Standards" (2021) defined in 2021 by the Global Reporting Initiative (GRI), pursuant to the "with reference to" reporting option. The GRI is the most widely used international framework for sustainability reporting: it is an independent international association that promotes the development of voluntary reporting on economic, environmental and social performance. An appendix to the document contains the "GRI Content Index", detailing the qualitative and quantitative information reported in accordance with the above-mentioned guidelines.

In 2022 the materiality analysis was updated in accordance with the requirements of the GRI 3 standard: Material topics 2021. Therefore, the context was analysed, the impacts in the various phases of the value chain were identified, their significance was assessed and they were then grouped into material topics. No specific stakeholder engagement was performed for this updated, as it had already been carried out in the previous year.

The drafting of the document was carried out in a participatory manner, involving the CFO, Sales, Marketing, R&D and Quality functions. The Sustainability Report was subject to evaluation by the Chairman and CEO.

The qualitative and quantitative information contained herein was collected with the collaboration of the different company functions. The data were processed via precise extraction, aggregation and calculations, with the use of estimates where specifically stated. No specific activities were excluded from the reporting. No significant changes to the nature of the business were recorded during the reporting year.

In order to provide a comprehensive, complete picture of the company's performance, where possible, the published data have been presented in comparative form. The quantitative information for which estimates were used has been duly reported. It should also be noted that the data previously published restated here for comparison are clearly indicated as such within the document.

The appendix contains the table of GRI indicators reported with references to the paragraphs of the document and a table linking the material topics, GRI related aspects, which serve as a compass for readers.

This document has not undergone independent third-party review.

For further information and suggestions

Contact / Visit website / Write to: info@fratelliguzzini.com

GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NO.	NOTES AND OMISSIONS:
GENERAL DISCLOSURES			
GRI 2: General disclosures 2021	2-1 Organisational details	10-20-32-96	
	2-2 Entities included in the organisation's sustainability reporting	96	
	2-3 Reporting period, frequency and contact point	96	
	2-4 Restatements of information	96	
	2-5 External assurance	96	
	2-6 Activities, value chain and other business relationships	10-18-36	
	2-7 Employees	10-66-90	
	2-8 Workers who are not employees	66-90	
	2-9 Governance structure and composition	21	Point c) is omitted.
	2-22 Statement on sustainable development strategy	5-7	
	2-25 Processes to remediate negative impacts		Various procedures and mechanisms have been introduced to remediate negative impacts. The information regarding the management of the various impacts is included in the appropriate sections of the Report, where applicable.
	2-27 Compliance with laws and regulations		No cases of non-compliance with laws and regulations were reported during 2020-2022.
	2-28 Membership of associations	33	Fratelli Guzzini is a member of Confindustria, Fondo Gomma Plastica, Federazione Gomma Plastica, Assogomma.
	2-29 Approach to stakeholder engagement	26-27-28-29-66-69-75-76-82-83	
	2-30 Collective bargaining agreements	67	The National Collective Labour Agreement for employees in the plastics industry is applied to all employees.
MATERIAL TOPICS			
GRI 3: Material topics 2021	3-1 Process to determine material topics	96	
	3-2 List of material topics	28-29-30-31-96	
ITALIAN IDENTITY AND COMMUNITY			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
PRODUCT QUALITY AND SAFETY			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	74	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		No incidents of non-compliance concerning the health and safety impacts of products and services were recorded during 2020-2022.
SUPPLY CHAIN MANAGEMENT			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
DESIGN, INNOVATION AND CIRCULAR ECONOMY			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 301: Materials 2016	301-2 Recycled input materials used	62-93	

GRI STANDARD	DISCLOSURE	PAGE NO.	NOTES AND OMISSIONS:
ENVIRONMENTAL IMPACTS THROUGHOUT THE VALUE CHAIN			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	62-93	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58-59-60-94	
	302-3 Energy intensity	58-59-60-94	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	58-59-60-61-95	
	305-2 Energy indirect (Scope 2) GHG emissions	58-60-95	
	305-4 GHG emission intensity	60-61	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	62	
	306-2 Management of significant waste-related impacts	62	
	306-3 Waste generated	62-95	
CUSTOMER CARE AND MARKETING			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 417: Marketing and labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling		No incidents of non-compliance concerning product and service information and labelling were recorded during 2020-2022.
	417-3 Incidents of non-compliance concerning marketing communications		No cases of non-compliance regarding marketing communications were reported during 2020-2022.
MANAGEMENT OF HUMAN CAPITAL			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	70-71	
	403-2 Hazard identification, risk assessment and incident investigation	70-71	
	403-3 Occupational health services	70	
	403-4 Worker participation, consultation and communication on occupational health and safety	70-71	
	403-5 Worker training on occupational health and safety	70	
	403-6 Promotion of worker health	70-71	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	70-71	
	403-9 Work-related injuries	70-71-92	
	403-10 Work-related ill health	70	No cases of work-related ill health amongst employees and non-employees were reported during 2020-2022.
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	69-90	
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity in governance bodies and amongst employees	21-67-91	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken		No incidents of discrimination were reported during 2020-2022.

GRI STANDARD	DISCLOSURE	PAGE NO.	NOTES AND OMISSIONS:
ETHICS, INTEGRITY AND COMPLIANCE			
GRI 3: Material topics 2021	3-3 Management of material topics	42-46	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken		No confirmed incidents of corruption were reported during 2020-2022.

SPECIAL THANKS

Consultancy, data collection and publishing LifeGate (www.lifegate.it)

FRATELLI GUZZINI SPA u.s.

Contrada Mattonata, 60
Recanati Italy
www.fratelliguzzini.com

guzzini 
MADE IN ITALY SINCE 1912

