

BURGO
GROUP

Sustainability Report
2023





Sustainability Report

2023

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The Burgo Group in numbers

2023 Results

20.43
Accident frequency index

37,190
hours of training

Silver medal in the **ECOVADIS** sustainability rating

98.6%
waste sent for recovery

90%
clean water returned to the environment after treatment

589,079
t CO₂ eq Scope 1 emitted

2030 Targets - Highlights

Environment

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

40% of energy consumed produced from renewable sources

100% of suppliers chosen based on ESG drivers

-45% t CO₂ eq/ t paper produced

Social and Governance

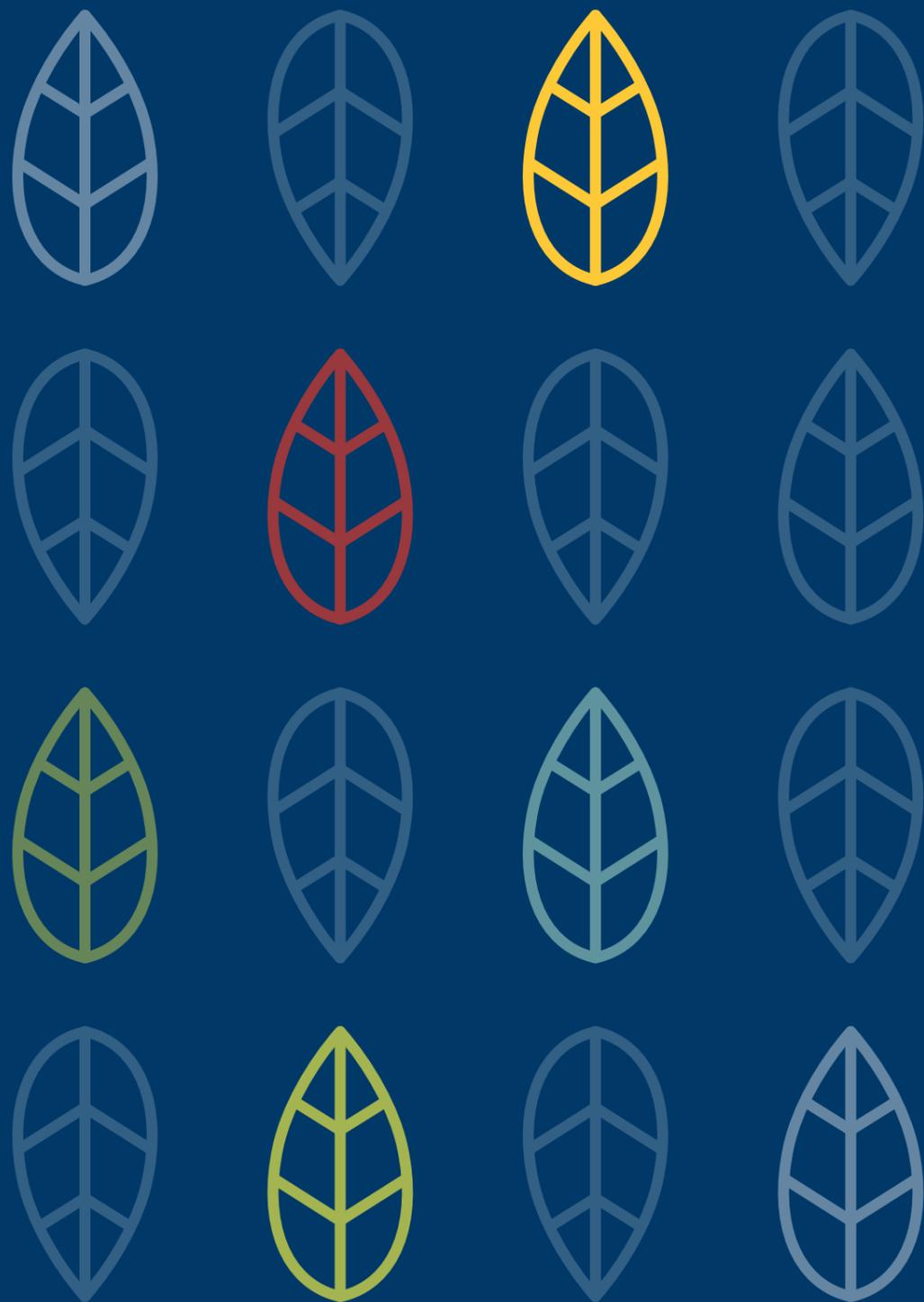
-50% reduction in work-related injuries

20% female representation at management level

Accident frequency index **<8** and accident severity index **<0.5**

100% of workers involved in individual performance reviews

Platinum medal in the **ECOVADIS** sustainability rating



Letter to Stakeholders

Letter from the Chairman

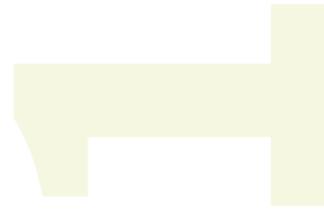
(GRI 2 - 22)

The 2023 Sustainability Report brings the Group to its fifth edition, which builds on previous years with even more in-depth information. The improvement is demonstrated by the fact that this year, for the first time, the document is certified as “in accordance” with GRI standards.

Our company is continuing along its sustainability journey undertaken in previous years with the GO2030 programme. Launched in 2023, the programme aims to pursue the targets we set ourselves in a methodical and structured manner. The initiative aims to offer a concrete, practical and effective overview of our company’s desire to make a mark on the transformation towards a way of doing business that integrates growth into sustainability. The Group is aware of how much of an impact the paper industry has on the environment and of how important it is to evolve in the right direction.

In 2023 the ESG Sustainability Steering Committee defined the objectives and investments required to pursue the GO2030 programme focused on environmental, social and governance responsibility. The action plan is structured into measurable milestones, to be communicated transparently, and is designed for engagement at every level of our organisation. Which is why your contribution has been and will always be essential, especially in the future.





The Group's ESG strategy is part of a context, i.e. the year 2023, when despite market conditions complicated by the drop in demand post-2022, the Burgo Group was able to generate total revenues of € 1,471 million and an EBITDA of € 157 million, before distributing value in various forms to all its stakeholders. Another positive note is the continuous improvement in debt, which continued its trajectory that brought the net financial position payable to a positive € 114 million.

In line with the strategy implemented in previous years, we have continued our gradual journey to develop segments of growth such as special papers and packaging. In this context, the future development of the Group envisages an investment plan aimed at product diversification, higher production efficiency and energy consumption to increase the variety of products offered, lower the environmental footprint and safeguard the company's future economic sustainability.

Lastly, I would like to express my sincere thanks to everyone who, as a committed part of the Group, has made it possible to achieve the results for this year.

With best regards,



Alberto Marchi
Chairman, Burgo Group S.p.A.

Letter from the CEO

(GRI 2 - 22)

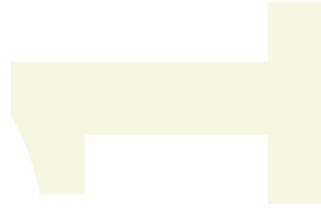


I am delighted to present our 2023 Sustainability Report. Not only does this document offer a detailed statement of our initiatives and results achieved in the last year, it is also a testament to our constant commitment to a more sustainable and responsible future.

At Burgo, we have always firmly believed that sustainability is an essential element for long-term success and the creation of shared value. Our sustainability strategy is based on three main pillars: environmental protection, social responsibility and sustainable innovation. Using this

report, we would like to share the progress we have made in each of these areas.

In relation to Environmental Protection, in 2023 we continued to invest in technologies and production process with a low environmental impact. Our main goal is still to reduce CO₂ emissions and the consumption of natural resources. One of our initiatives is the ongoing research on increasing the use of recycled fibres and certified fibres, the adoption of energy from renewable sources to power our plants and an ever more mindful and efficient use of water. Our responsibility does not stop with the environment, but also manifests in Social Responsibility. This year, we were once more committed to developing a safe and inclusive working environment for all our employees, while promoting diversity and inclusion. In particular, for safety, after excellent progress in what I would define the "hard" part, we began developing the "soft" part, namely that which is more specifically linked to aspects of conduct that ought to result in a culture of safety mirrored in everyone's behaviour. We implemented numerous training and professional development programmes, in addition to company welfare initiatives intended to improve the well-being of our collaborators. Sustainable innovation has been a driver of our continuous improvement. In 2023 we launched new products that were even more environmentally sustainable and invested in research and development to find more sustainable solutions.



We are aware that the road to complete sustainability is long and arduous. Nonetheless, we remain determined to continue along it with commitment and transparency. Personal favourites from our main goals include the reduction in emissions per tonne of paper produced, the increase in the quantity of energy from renewable sources used in production, the reduction of work-related injuries and the increase in female representation at management level.

Our 2023 Sustainability Report reflects our business philosophy: to operate with integrity, responsibility and a long-term vision. I invite you to read this report carefully and to share your feedback with us, as it is fundamental for our continuous improvement.

I would like to express my gratitude towards everyone who has contributed to results achieved in 2023: our employees for their dedication and professionalism; our customers for the trust placed in us, and our partners for their support and collaboration. Special thanks are also extended to our shareholders for their ongoing support.

Thank you for reading and supporting us.

With best regards,



Ignazio Capuano
CEO, Burgo Group S.p.A.



Note on Methodology

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

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

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

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

In this document, the term “Group” or “Burgo Group” refers to all the subsidiary companies mentioned above. The reporting period of this report is considered as being from 1 January 2023 to 31 December 2023. Data comparisons are provided for the

three years from 2021 to 2023. The data presented in this report refer to the Burgo Group, unless an alternative reporting scope is expressly indicated.

The 2023 Sustainability Report was prepared in accordance with the “GRI Sustainability Reporting Standards” published by the Global Reporting Initiative in 2021.

A GRI content index has been produced to clearly demonstrate which standards are referenced with a view to continually improving the reporting process.

In the 2023 Sustainability Report, in order to ensure greater comparability of the figures presented over the three-year reporting period, figures and assets related to the Duino plant, which was sold on 01/01/2023, were excluded for 2021 and 2022.

To guarantee the reliability of the data presented in this report, the use of estimates has been kept to a minimum. Any estimates provided are duly indicated as such.

In 2023, with the aim of complying with the new standards published by GRI as part of the Global Reporting Initiative 2021 and, in particular, with GRI 3, the Burgo Group launched a materiality analysis to identify the new material topics.

For more information on the data contained in this report, please write to the following us at bilancio.sostenibilita@burgo.com.

The Sustainability Report is prepared on an annual basis.



PAPER POWER PASSION



Context analysis





The economic and financial situation¹

This last year has been characterised by a context in which persistent geopolitical tensions and uncertainties continued to be a determining factor, while inflationary pressure was a decisive aspect in the choices made by Central Banks. World growth was estimated at +2.9% in 2023 after the +3.3% recorded in 2022. Global trade dropped by 0.6% after the growth of 3.0% recorded in 2022.

Global GDP increase
+2.9%

The geopolitical issues included the conflict between Russia and Ukraine that persisted throughout the year, continuing to keep tensions high in certain primary markets including energy, where listings came down significantly compared to the peaks in 2022. During the latter part of the year, the conflict that broke out in the Middle East, involving Israel and Hamas, represented another aspect of viscosity in the global economy.

Among the macroeconomic factors, as mentioned previously, 2023 was characterised by persistent inflation, which after having re-emerged sharply in 2022, once again remained at levels that were well above Central Bank targets over the last year. Global inflation is forecast at 6.9% for 2023, down from the 8.7% in 2022. Forecasts for 2024 indicate an additional drop to 5.8%. All the main Central Banks responded to this risk with determination by introducing counter measures; foremost was the increase in official interest rates, so as to bring the increase in prices on growth rates in line with their targets. The restrictive monetary policies adopted by Central Banks, specifically by the FED and ECB that raised their rates to 5.5% and 4.5% respectively, contributed to cooling down global economic growth as a negative collateral effect. With regard to price trends, it is important to consider the trend in some of the fundamentals that define the short-term trajectory, such as those specifically relating to energy and world trade prices.

The energy pricing trend had a positive effect on downward inflation. During 2023, the former had recorded a downward trend, despite decisions by certain player, like OPEC, which had aimed to keep listings at higher levels. Other significant factors

contributing to containing the inflation trend in 2023 are the downward trend in agricultural prices and the process partially normalising along the entire global value chain. At the same time, certain other critical factors persisted, such as the reorganisation of global supply chains and the reshoring of certain production activities following the pandemic, as well as several effects caused by the introduction of green transition policies.

Focusing on Italy, the situation continued with growth in 2023 remaining low, reaching stagnation especially during the second half of the year. Estimates refer to 2023 growth positioned around +0.7%, with estimates at +0.6% for 2024. The slowdown is

Increase in national GDP
+0.7%

mainly attributable to slowing consumption, compressed by inflationary pressure, and investments that were limited due to uncertain growth prospects and the high cost of financing. Of note nonetheless is the recovery in exports during 2023. The latter part of the year was marked by an intensified drop in consumer inflation, which extended to non-energy industrial goods and services. There were positive signs for household consumption in the final part of the year, driven by the

net easing in inflation. The recovery in growth for Italy could provide a positive effect for the speed with which inflation will return to the target of 2%.

With regard to currencies, the euro strengthened against the dollar during 2023, following the range of rates applied by the FED compared to the ECB, which over the course of 2023 came down by 100 basis points from 2% at the end of 2022 to 1% at the end of 2023.

The trend for energy markets in 2023 was characterised by dropping prices in almost all energy commodities, after the extraordinary price increases that had occurred in 2022 due to geopolitical tensions. The price decreases during the year led natural gas and electricity to reach record levels that were significantly lower than the previous year.

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

The market for paper

In 2023, the Burgo Group conducted its business amid this highly uncertain economic and geopolitical context, dealing with tensions on the energy and raw materials markets and a drop in demand, while at the same time continuing its strategy to focus production on business segments characterised by higher growth rates such as speciality and packaging papers. In January 2023, the Group finalised the sale of the Duino facility which specialised in the production of graphic paper. The operation, which followed the sale in 2021 of the Verzuolo plant, has further helped to accelerate the process to reposition the Group's business on production areas with higher growth rates and better margins.

In the first part of the year, the Group experienced weak demand as a result of destocking, a slowdown in the economy and forecasts of falling prices following the reduction in the costs of raw materials. There was a recovery in demand during the second part of the year, due to the lessened effect of destocking by many customers that had resumed buying again on a regular basis. In this context, total sales volumes at Group level, considering the same reporting boundary, fell by 21.1% compared to the previous year, especially due to the drop in demand for graphic paper which fell significantly in the first half of the year.

In the graphic paper segment, an area where the Burgo Group is gradually reducing its presence but which nonetheless continues to represent its core business segment, in 2023 demand fell by 9.8% globally (-2.5% in 2022) and by 24.2% in Western Europe (-9.2% in 2022).

The trend (substantially negative or at low growth rates) in the other main global markets was varied: North America -27% (compared to +4.4% in 2022), Latin America -9.6% (compared to +15.5% in 2022), Japan -6.1% (compared to -4.3% in 2022), Eastern Europe -18.5% (compared to -15.9% in 2022), China +1.4% (compared to -7.8% in the previous year). Within the graphic paper sector, the Western European market, which represents the Group's main market, recorded declines across all segments: CM -22.6%, CWF -30.8% and UWF -21.5%.

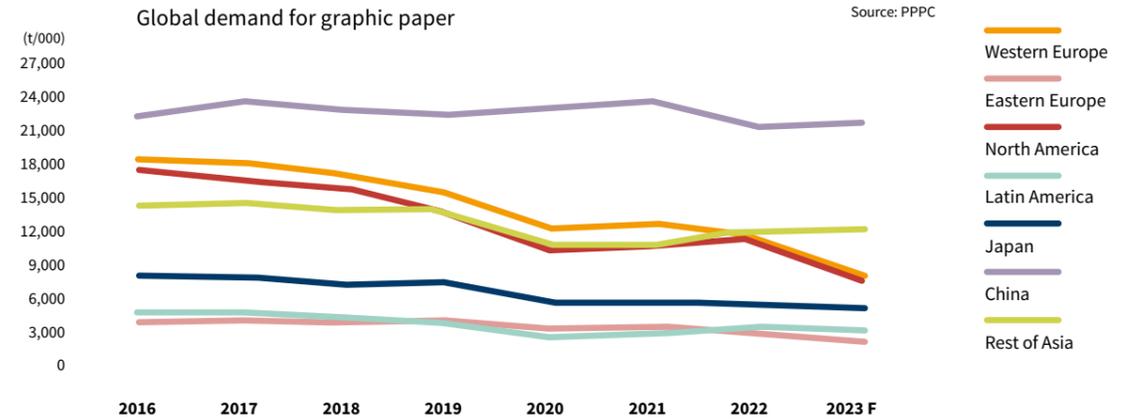


Chart 1.1: Global demand for graphic paper

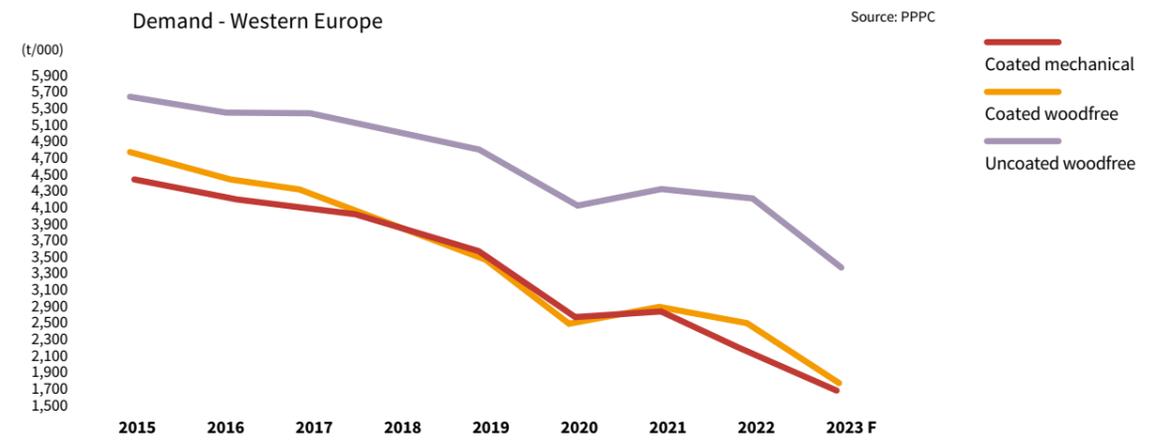


Chart 1.2: Demand - Western Europe

In the containerboard segment, demand recorded a drop in 2023 for the second consecutive year (-6.1% compared to -4.5% the previous year), which after years of consistent growth, signals a slowdown relating to the macroeconomic context.

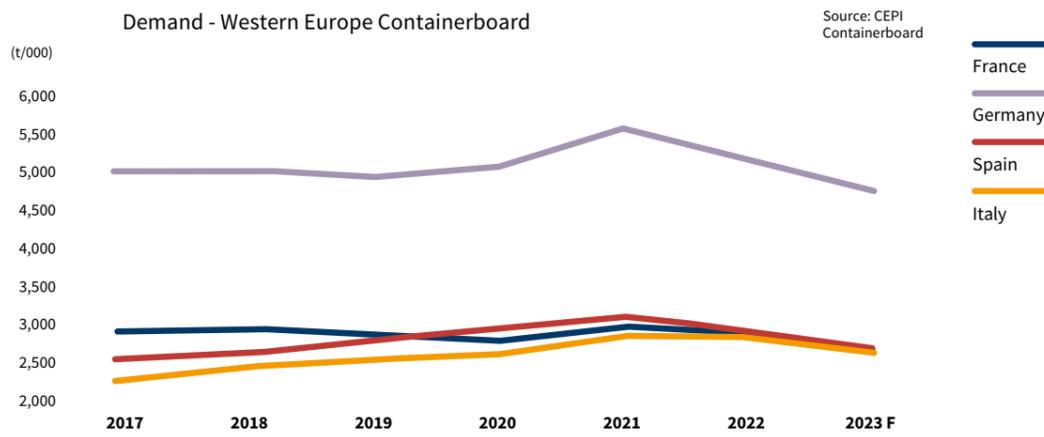
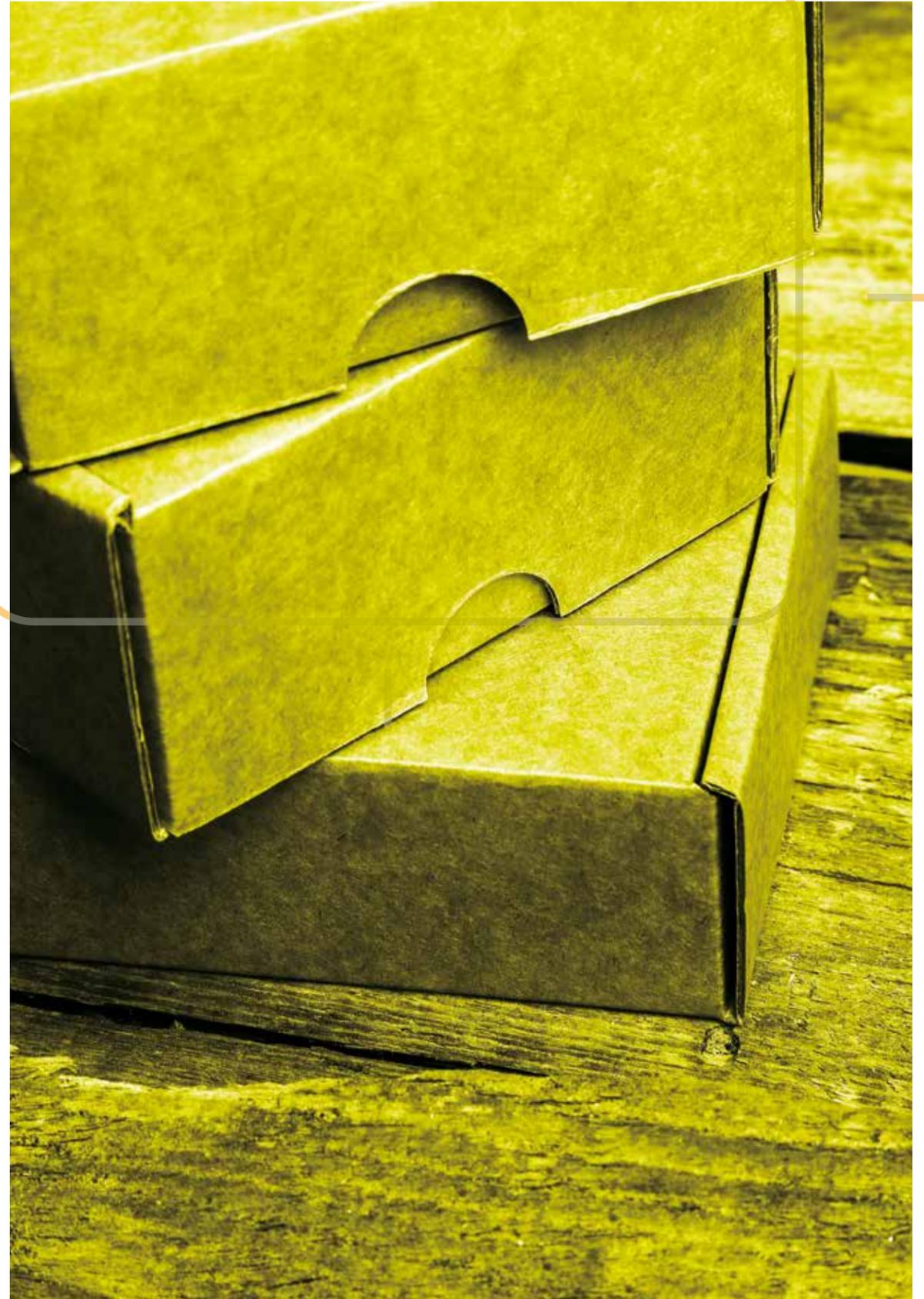


Chart 1.3: Demand - Western Europe Containerboard

Despite the macroeconomic and geopolitical context characterised by many critical issues and the associated risks, the Group's overall positive performance in the past year has confirmed the validity and strength of the strategic decisions and direction taken by the Group through investments to develop growing sectors such as speciality paper and packaging, and through the pursuit of long-term sustainability targets.



PAPER POWER PASSION



The Group

2

2.1

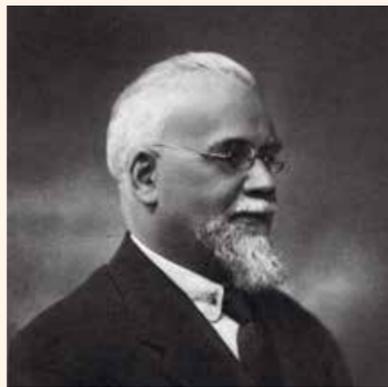
From Luigi Burgo to Today

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

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

As a result of that meeting, Burgo founded Alimonda Burgo & C. in Genoa in 1899 and created the first hydroelectric plant in Verzuolo to provide public lighting in the town.

The excess energy produced every day by the plant, together with the abundance of water in the area, gave Luigi Burgo the idea of building a plant to produce paper.



Luigi Burgo, the founder

No sooner said than done, on 21 May 1905 he founded Cartiere di Verzuolo Ing. L. Burgo & C. with a share capital of 300,000 lira. The company grew year by year and by 1930 had become a European giant, just 25 years after it was founded, with 5400 employees and eight plants (in Verzuolo, Corsico, Maslianico, Pöls, Fossano, Treviso, Romagnano Sesia and Lugo di Vicenza).

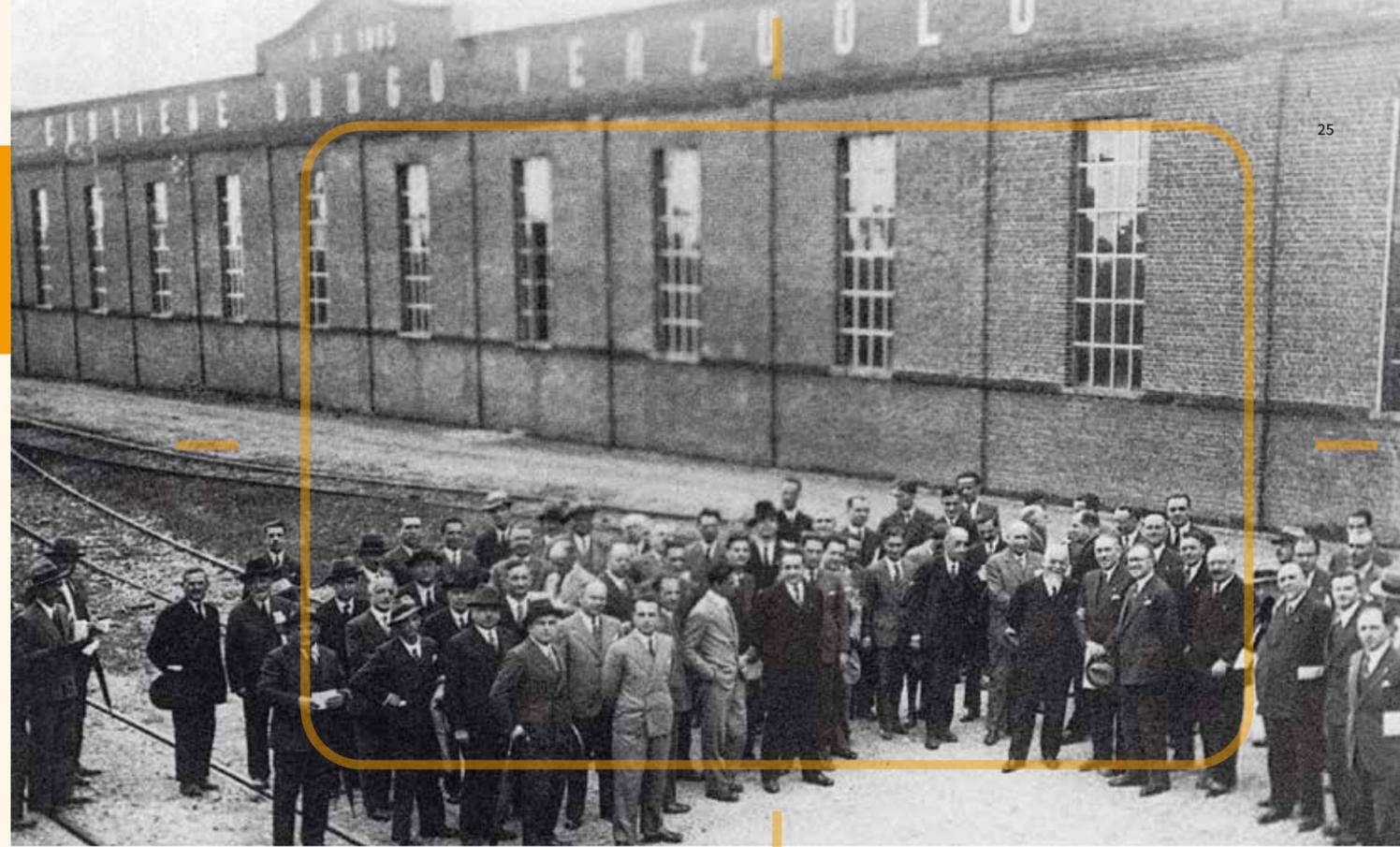
In 1921 Luigi Burgo was made a Cavaliere del Lavoro and then a Senator of the Kingdom of Italy.

In 1943 the tragic events of the war caused Luigi Burgo to be imprisoned in Verona,

accused by Mussolini of plotting against the Fascist State.

After months of harsh incarceration, which were to leave their mark for the rest of his life, Luigi Burgo was freed and, having lost all of his positions and all his assets confiscated, on 20 June 1946 his status of Senator was reconfirmed by the Supreme Court. From 1947 to 1953, Luigi Burgo was represented in the companies by a trustee. He returned on 22 July 1953 as Honorary Life Chairman of the company, a position he held until his death on 8 March 1964.

2



The Verzuolo plant

ORIGINS:

a company that shaped the history of Italian industry

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

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

1897

1905

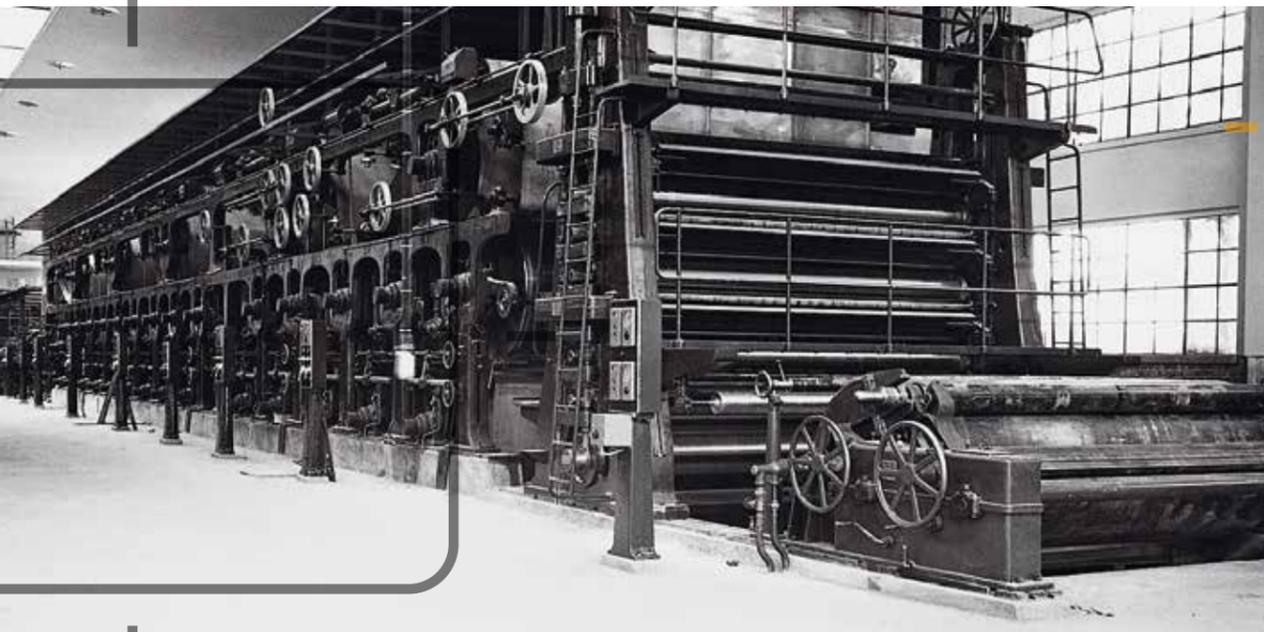
SECTION 2

GROWTH:

post WWII to the sixties

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

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



Verzuolo, continuous machine 6a

THE EIGHTIES:

reconversion and the first partnership with Marchi

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

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



1



2



3



4

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

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

THE NINETIES:
innovation

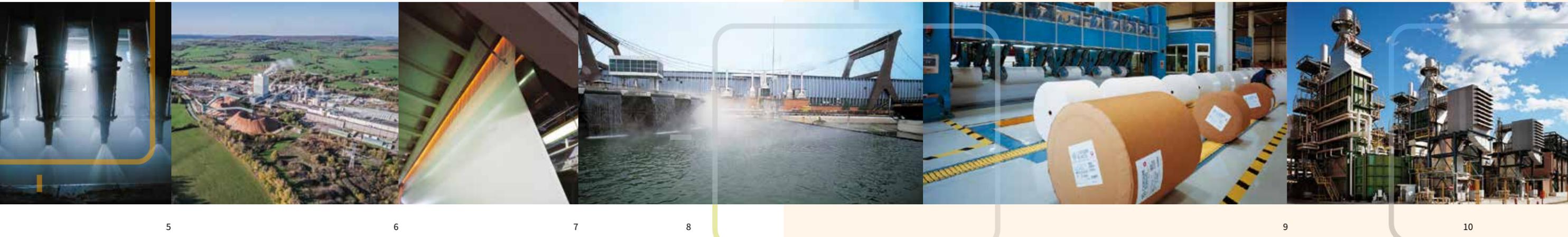
In the 1990s, Burgo confirmed its commitment to innovation by developing paper technologies (especially in the reel paper sector), specialising in environmentally sustainable solutions, creating new business opportunities by developing the electric power stations at its mills, and boosting its efforts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

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

2000 TO PRESENT DAY:
the integration years

The Company is currently undergoing a period of profound dynamism and transformation, including at the corporate level. In the spring of 2000, Dieci S.r.l. (some of its shareholders having been long-standing investors) launched a successful take-over bid for all Burgo's shares, incorporating Burgo in 2001 and taking on its name. As a result of the take-over the company said farewell to the Italian Stock Exchange, where it had been listed since 1929.

The new resources were immediately harnessed for major investments. One example is in Verzuolo, where, with an investment exceeding 500 million euro, the new PM9



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

was started up in 2001: this is among the most state-of-the-art machines worldwide, setting the global speed record in coated papers on several occasions. Energy generation increased significantly: in 2003, an Energy Business Unit was formed with responsibility for relevant costs and revenues, its mission being to optimally enhance the corporate energy system; in the same year, with the advent of a free market, Burgo Energia S.r.l. was set up to handle marketing of generated and purchased energy.

9 The rolls of Verzuolo mill.
10 The combined cycle power station with gas turbine at the Avezzano mill.

Corporate changes followed one another, developing comprehensive resources capable of growing the company. Relations between Burgo and Marchi were consolidated: after acquiring the Toscolano paper mill in a joint venture in 1989, the Villorba plant was acquired in 1998 and in 2002 the Marchi Group (since the late 1990s the second-largest paper operator in the country) purchased several share packages held by shareholders of Burgo S.p.A. In 2004, the aggregation of Burgo with Marchi became operational: it was the consolidation of a relationship that had already been capable of great synergies in the past and led to the founding of the Group.

In fact, in January 2007, the new company Burgo Group S.p.A. was founded, born from the merger by incorporation of Cartiere Marchi S.p.A. into Cartiere Burgo S.p.A.

This brings to fruition the integration of strengths, know-how, and business, laying the foundations for Burgo Group to establish itself as a leader capable of continuous evolution.

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



11

12

- 11 The automated warehouse at Verzuolo.
- 12 Condensed water recovery in the combined cycle.

2020:

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

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

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

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

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

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

2021:

sale of the Verzuolo plant

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

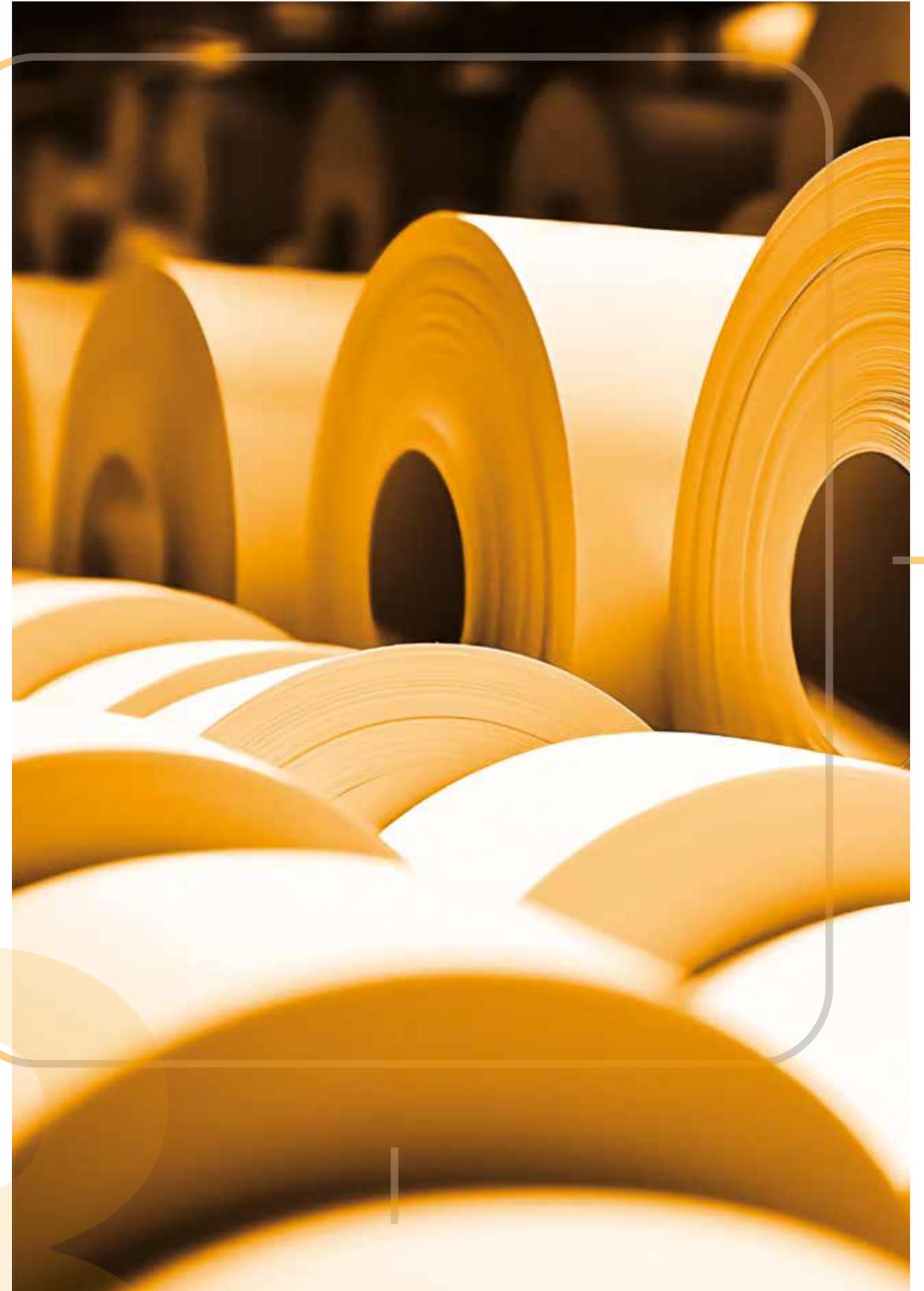
The conclusion of the agreement enabled Burgo Group S.p.A. to more speedily implement the industrial restructuring project undertaken in 2020 with the entry of QuattroR SGR S.p.A. into the shareholding structure alongside Holding Gruppo Marchi S.p.A.

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

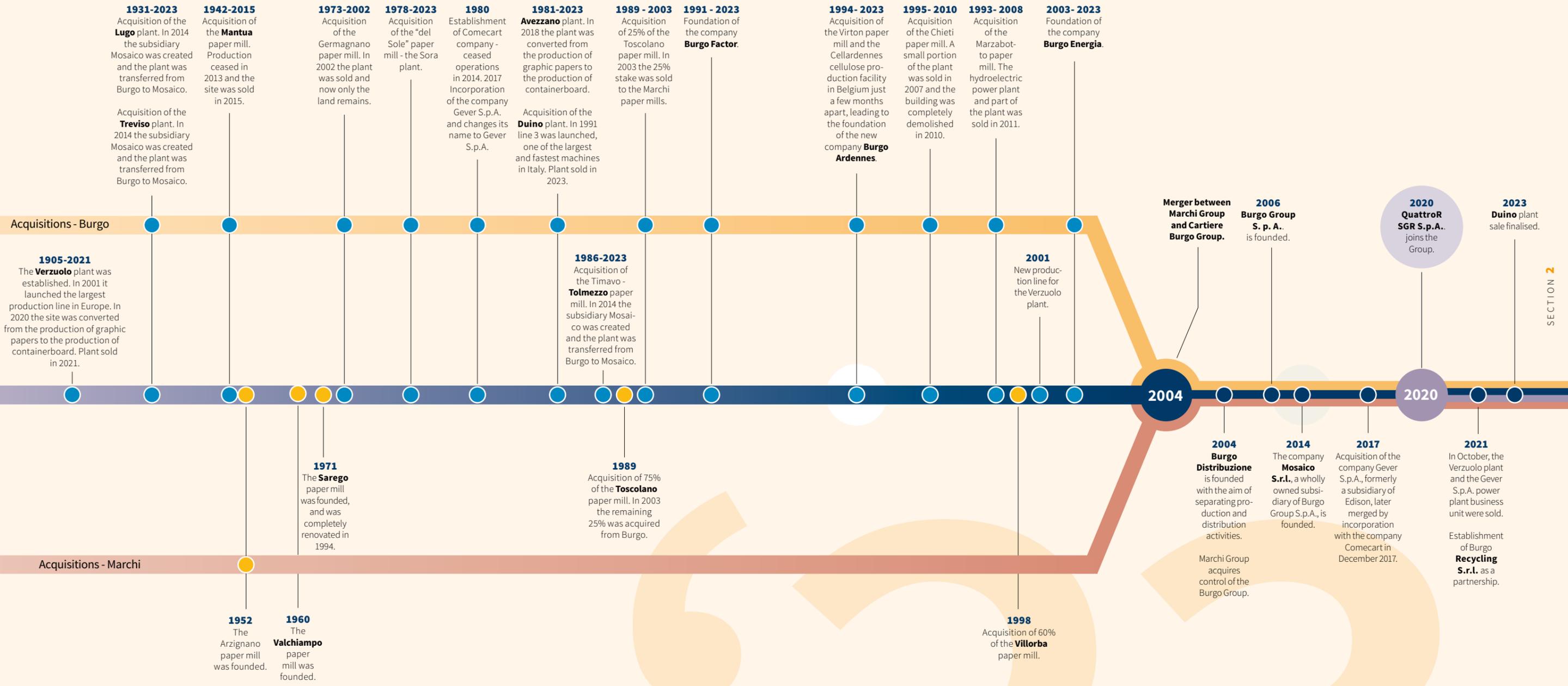
2023:

sale of the Duino plant

At the start of January 2023, the Duino plant was sold to the Mondi Group. The sale of the production site made it possible to accelerate the Burgo Group's process to refocus on the segment of special papers and containerboard. The revenues helped generate resources for the development and investments intended to pursue the Group's strategic objectives, including those in the context of ESG.



Timeline



2.2

The Burgo Group in figures

(GRI 2 - 2/6/7)

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

With over 2,810 employees operating in 10 plants across 14 production lines and 7 international sales companies at the end of the year, the Group is a leading partner for businesses operating in the graphics, printing, publishing and packaging sectors.



Burgo Group highlights in 2023

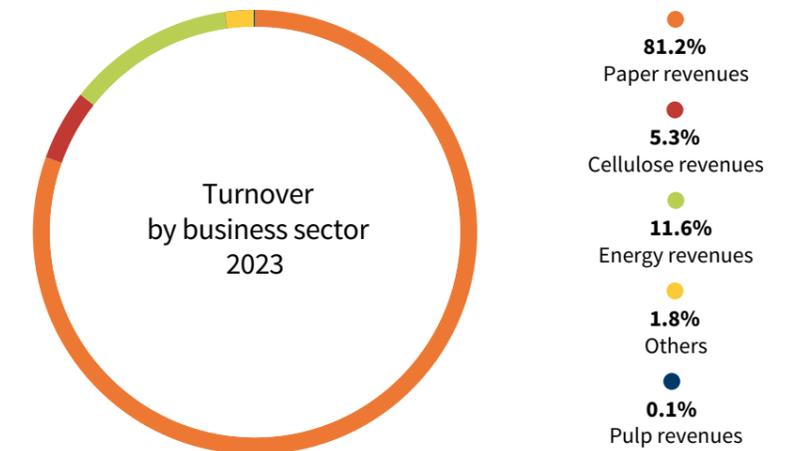


Chart 2.1: Turnover by business sector - 2023

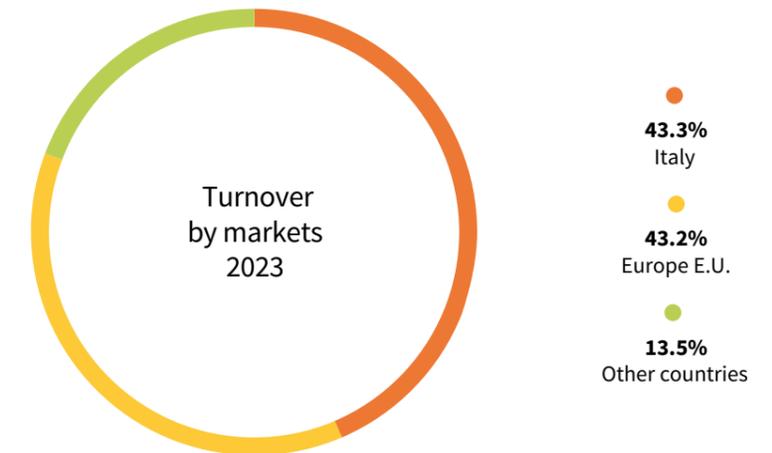


Chart 2.2: Turnover by markets- 2023

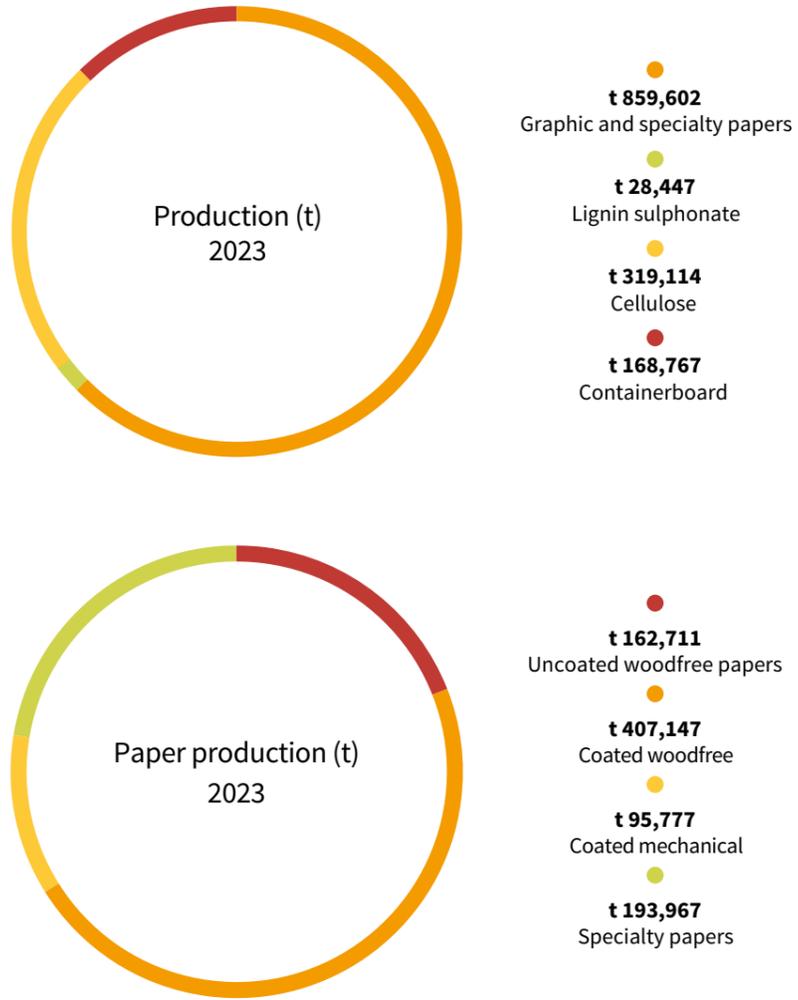
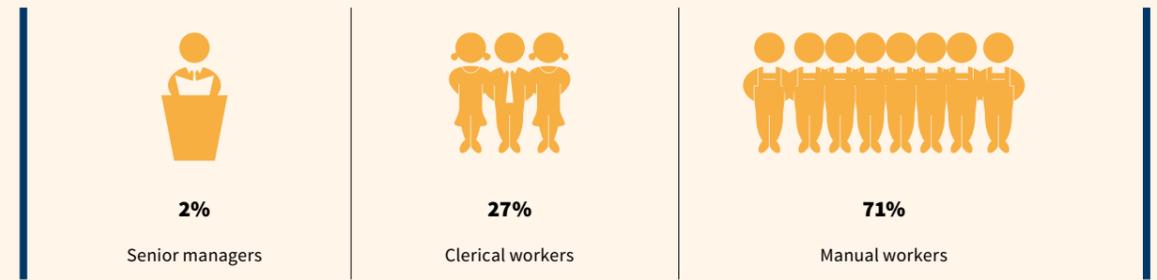


Chart 2.3: Production - Paper Production 2023

The numbers in a nutshell

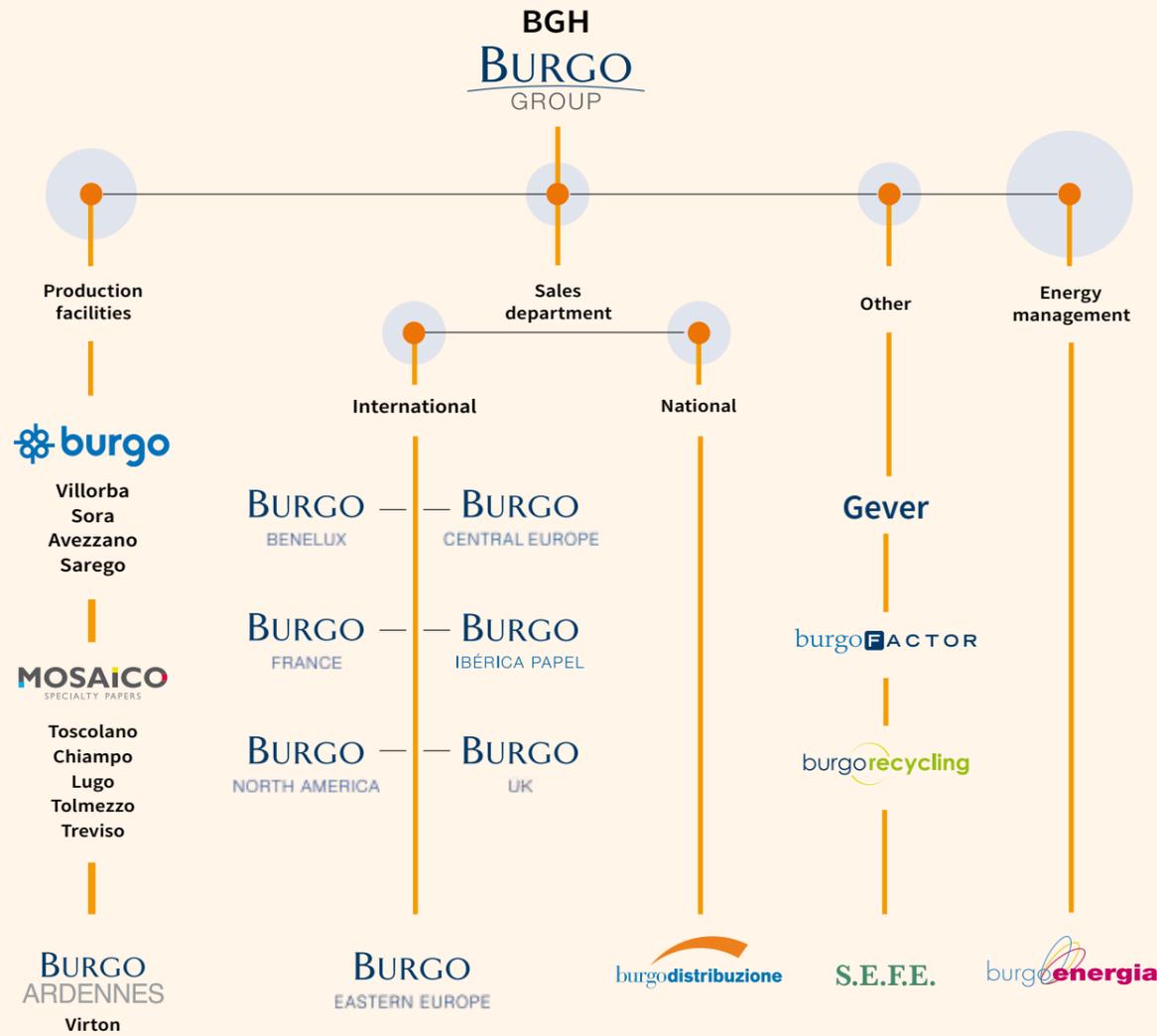
Employees at the end of 2023: **2,810**



Production sites/Sales department



Group Overview



In 2021, Consorzio Energy Paper S.c.a.r.l. (CEP), founded by Burgo Group alongside another partner in February 2020, increased the number of consortium members to 12, thus becoming one of the largest interruptibility management consortia in Italy. Following the sale of the Duino plant to the Mondi Group, Burgo Group lost control of Consorzio Energy Paper S.c.a.r.l. As a result, from 2023 CEP is no longer consolidated within the scope of the Burgo Group.

The Group in a nutshell

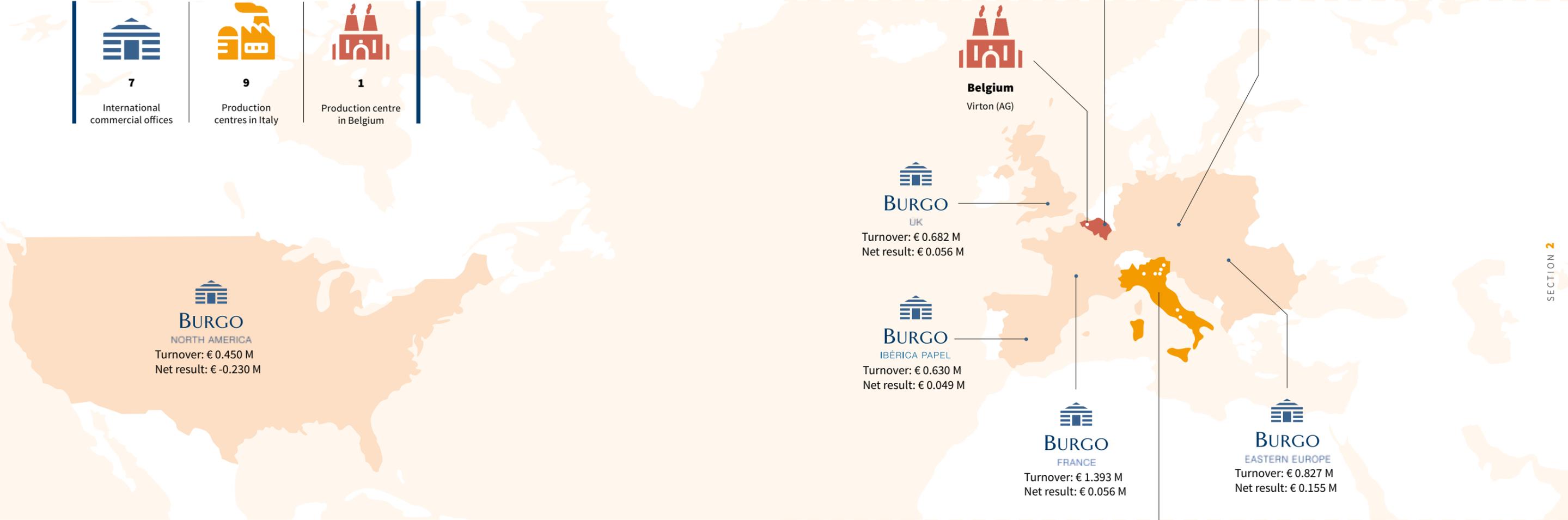
Burgo Group S.p.A.	Activities: Production of Coated Mechanical, Coated Woodfree, Uncoated Woodfree, Containerboard.	Production data: Paper: t 493,742 Electricity*: 512 kWh/mln
Mosaico S.p.A.	Activities: paper production for graphic use, flexible packaging and specific applications	Production data: Paper: t 264,149 Cellulose: t 28,560 Electricity*: 241 kWh/mln Revenues: € 470 million
Burgo Ardennes S.A.	Activities: Paper and cellulose production	Production data: Paper: t 270,478 Cellulose: t 290,554 Electricity: 282 kWh/mln Revenues: € 432 million
Burgo Energia S.r.l.	Activities: Management of dispatching activities for the Group's production companies and facilities	Revenues: € 288 million
Burgo Distribuzione S.r.l.	Activities: Sale and distribution of paper for the Italian market	Paper sold: t 151,631
Burgo Factor S.p.A.	Activities: Direct factoring to suppliers of the Burgo Group	Net profit: € 2.2 million
S.E.F.E S.à r.l.	Activities: Forestry product sales	Revenues: € 10.517 million Net profit: € 0.003 million
Other foreign companies	Activities: Brokering and sales services	

*Note:

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

Our global business structure

 7 International commercial offices	 9 Production centres in Italy	 1 Production centre in Belgium
---	--	---



BURGO
NORTH AMERICA
Turnover: € 0.450 M
Net result: € -0.230 M

BURGO
UK
Turnover: € 0.682 M
Net result: € 0.056 M

BURGO
IBÉRICA PAPEL
Turnover: € 0.630 M
Net result: € 0.049 M

BURGO
FRANCE
Turnover: € 1.393 M
Net result: € 0.056 M

Belgium
Virton (AG)

BURGO
BENELUX
Turnover: € 0.651 M
Net result: € 0.065 M

BURGO
CENTRAL EUROPE
Turnover: € 1.733 M
Net result: € 0.008 M

BURGO
EASTERN EUROPE
Turnover: € 0.827 M
Net result: € 0.155 M



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

Ownership structure

(GRI 2 - 1/2)

The corporate structure

The share capital of the company was € 90,000,000, consisting of 2,168,857,500 shares with no nominal value and subdivided as follows:

- BG Holding S.r.l. **91.70%**;
- Mediobanca S.p.A. **4.03%**
- Italmobiliare S.p.A. **2.13%**
- Ocorian Fund Management S.à r.l. - Generali Financial Holding FCP-FIS SUB **2.13%**;
- Minority shareholders **0.01%**

Burgo Group structure

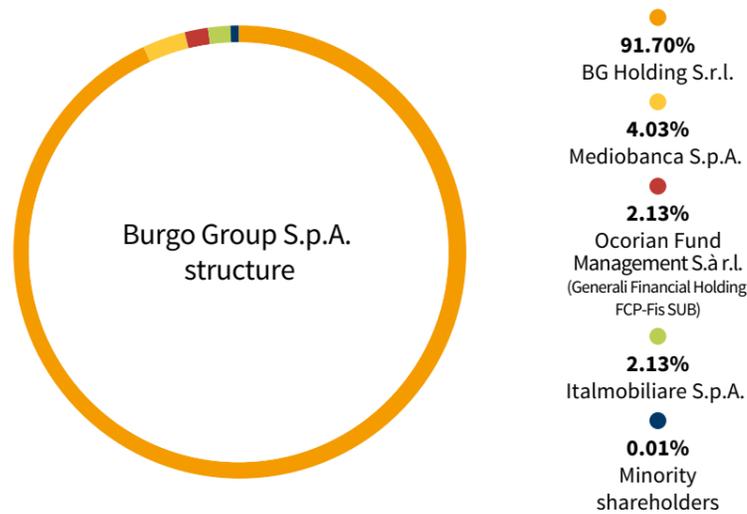
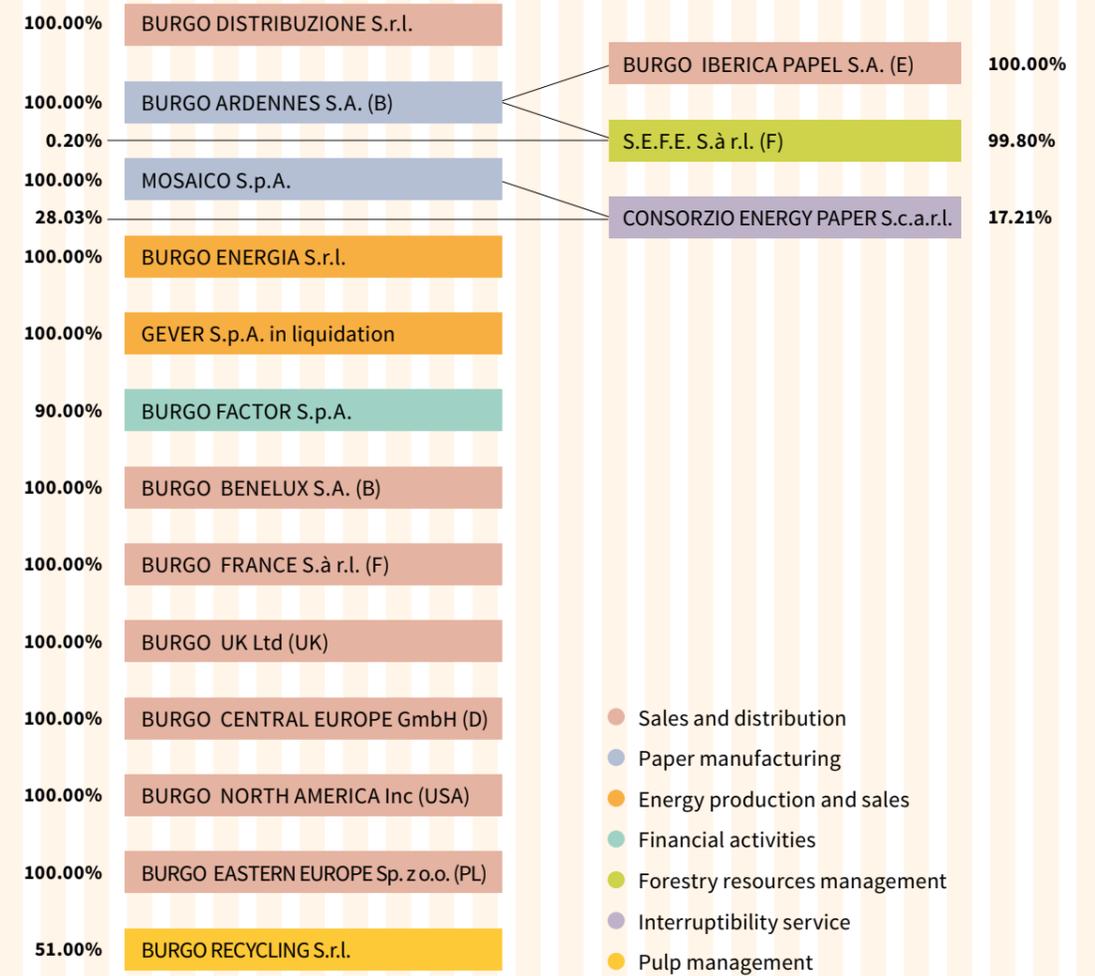


Chart 2.4: Structure of Burgo Group S.p.A.



Group composition and equity investments



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

- Consorzio Paper Interconnector, with a share of 56.32%.
- Consorzio Interconnector Italia Energy, with a share of 6.07%, with the aim of building interconnecting power lines between Italy and neighbouring countries.

Group organisation

(GRI 2 - 9/10/11/15/16/17/24)

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

Specifically:

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



With regard to its articles of association, the Burgo Group S.p.A. has adopted the “traditional” Corporate Governance model, comprised of the following governing bodies:

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

Subsidiary companies under art. 2359 of the Italian Civil Code have declared to be subject to management and coordination by Burgo Group S.p.A. pursuant to art. 2497 bis of the Italian Civil Code.

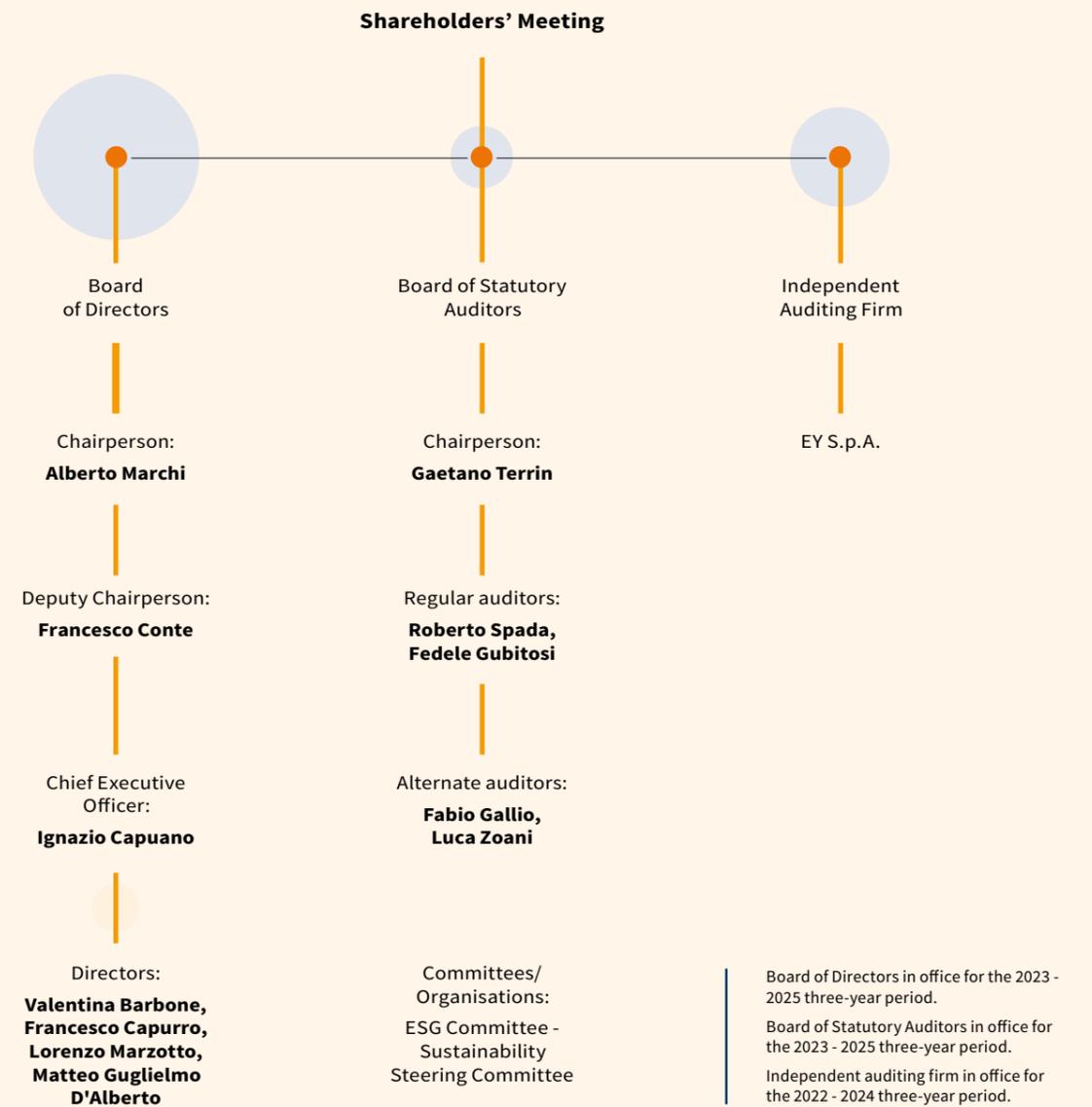
In fact, the Parent Company determines the management and strategic guidelines for the Group, defines the general policies for financial, production, HR, procurement and communication management, and sets the objectives and procedures relative to occupational health and safety, quality, environment and governance.

The company Burgo Group S.p.A. also provides management services including by way of example, treasury, tax, company secretariat, legal assistance, internal audit services, personnel administration and procurements.

The subsidiaries maintain operational independence and can concentrate their resources on their respective core businesses, making use of the Parent Company's resources for specialised activities, achieving the consequent economies of scale.

The governing bodies

The governing bodies of the Burgo Group are formed as follows:



On 5 May 2023, the Shareholders' Meeting appointed the Board of Directors and the Board of Statutory Auditors for the three-year period 2023-2025, namely until the approval of the 2025 financial statements.

The Board of Directors is granted the broadest ordinary and extraordinary administrative powers over the Company and can carry out all actions it deems necessary and/or expedient to implement and achieve company goals, with the sole exception of matters which under the law or the Articles of Association are expressly reserved for the Shareholders' Meeting.

The Board of Directors is validly constituted if a majority of directors in office are present and resolutions are made with a vote in favour by an absolute majority of directors present.

Art. 25.5 identifies the so-called "Significant Board Matters" which are the sole responsibility of the Board of Directors and cannot be delegated to directors and/or special representatives and must be decided upon with the Chairman and Deputy Chairperson present and voting in favour.

The Board of Directors currently in office met 4 times with an average meeting duration of 2 hours.

The Board of Statutory Auditors always took part in these meetings.

Member	Role	Age
Alberto Marchi	Chairperson	59
Francesco Conte	Deputy Chairperson	60
Ignazio Capuano	Chief Executive Officer	66
Valentina Barbone	Director	41
Francesco Capurro	Director	44
Lorenzo Marzotto	Director	67
Matteo Guglielmo D'Alberto	Director	39

The Board of Directors is formed of 7 members, of which 6 men and 1 woman. 43% are aged between 30 and 50 years, while 57% are over 50 years old.

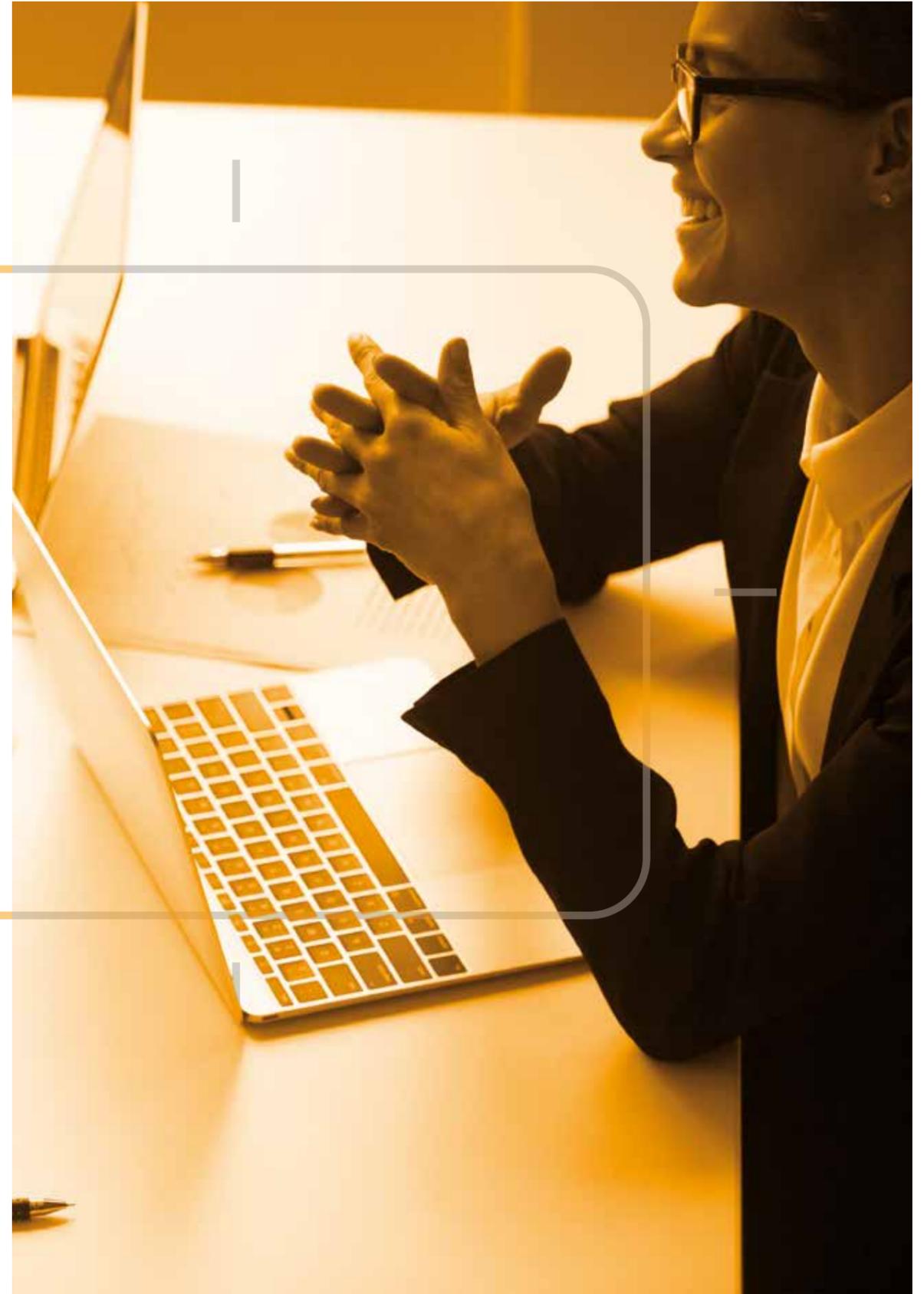
The members of the Board of Directors who are executive directors are: the Chief Executive Officer (Ignazio Capuano), the Chairman (Alberto Marchi) and director Lorenzo Marzotto (Chief Executive Officer of the subsidiary Mosaico S.p.A.). Alberto Marchi also holds the role of Executive Chairman of Burgo Factor S.p.A.

Internal audit system

The Company's Board of Directors adopted, already in financial year 2003, in application of Italian Legislative Decree 231 of 8 June 2001, an "Organisation, Management and Control Model", which serves to identify and apply a collection of behavioural, organisational and control rules which constitute a control system reasonably able to identify and prevent conduct associated with corporate liability pursuant to Italian Legislative Decree 231/2001, as amended.

The Model consists of a General Section and 17 Special Sections accompanied by operational protocols/management procedures integrated with internal certification systems. The responsibility of monitoring the effective functioning and observance of the Model, as well as proposing updates, is assigned to a collegial Oversight Committee, which reports to the Chairperson.

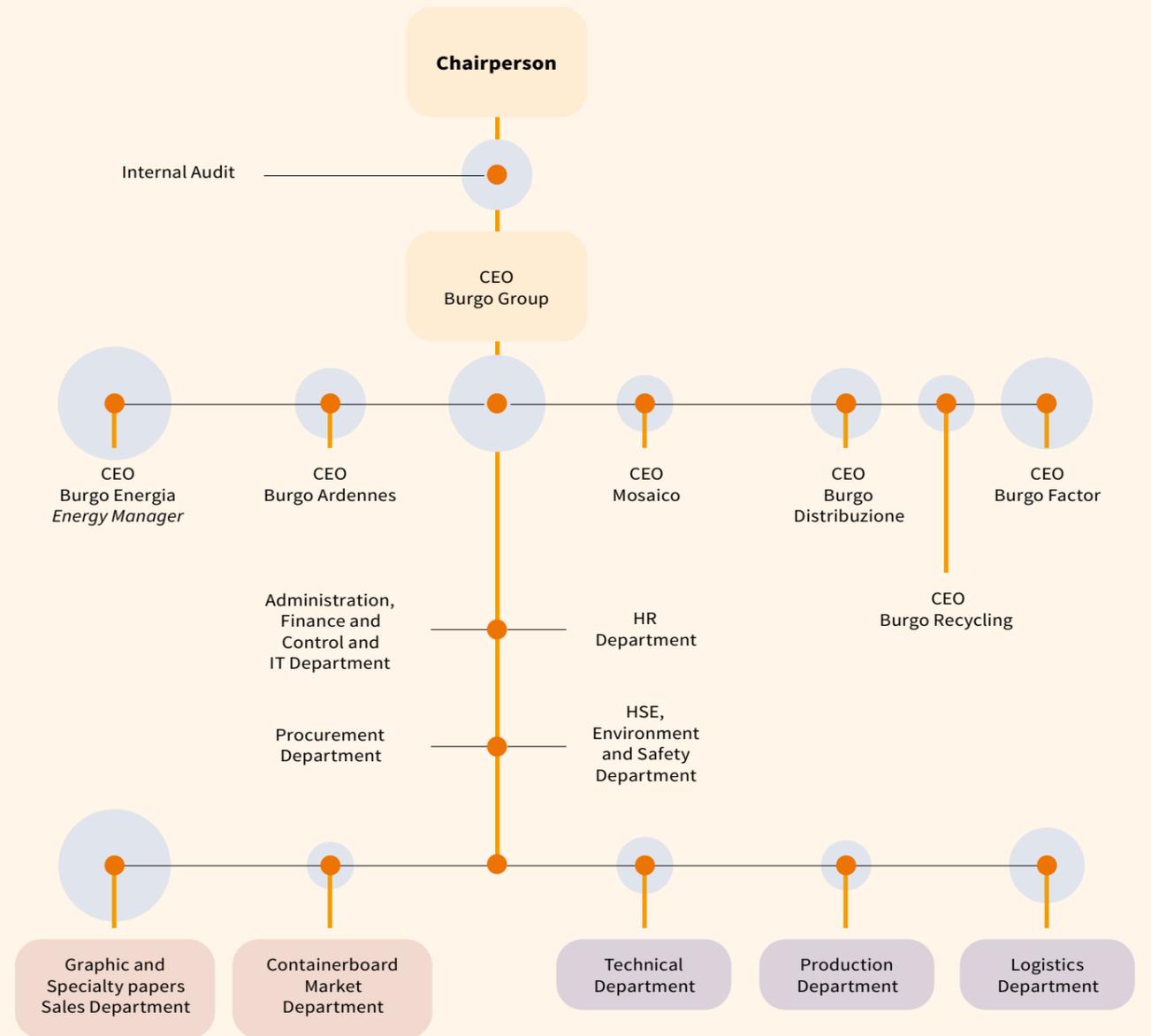
The companies Burgo Group S.p.A., Mosaico S.p.A., Burgo Distribuzione S.r.l. and Burgo Energia S.r.l. have adopted their own Organisational Model pursuant to Italian Legislative Decree 231/01 and, as a result, appointed their own Supervisory Body. No cases of conflict of interest were detected during the reporting period.





Organisation and company departments

In order to guarantee the effective and efficient management of operating activities, the Burgo Group was structured into the following Departments at the end of 2023. For the purposes of simplification, the table only shows company offices and departments at senior management level.



ESG Governance

(GRI 2 – 9/12/13/14/24)

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

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

Incorporating ESG values into business dynamics not only contributes to environmental protection, but also promotes the safety and well-being of employees and the communities in which the company operates, and is a response to the expectations of customers, who are increasingly attentive to the environmental impact of the companies they turn to. The Group has chosen to use the ESG criterion as an inclusive approach for defining a corporate sustainability strategy. To support the effective implementation of what is required, a specific Governance structure, based on three levels, has been defined to ensure proper organisation and management of initiatives.

The three levels include:

- an "ESG & Sustainability Steering Committee" where all Burgo Group top managers meet monthly for the purpose of defining strategic objectives and investments and validating KPIs and targets;
- a PMO (Project Management Office) structure for reporting and monitoring progress and coordinating sub project teams;
- 7 sub project teams to conduct detailed analysis and develop initiatives on material topics. The process of identifying representatives for the sub project teams of Burgo's GO2030 sustainability programme was structured to ensure maximum expertise, representation and collaboration among the different departments and business areas. In particular, the team leaders are managers at the company (e.g. Central Directors, Site Managers) chosen for their technical expertise in the topic covered by the sub project team, their leadership skills and ability to guide a work team. The chosen representatives were informed via an individual interview and subsequently and officially appointed in the context of the Sustainability Steering Committee (SSC). The representatives chose the permanent members of the teams, selected from the resources

at the central site and resources chosen from within the plants, based on the specific technical expertise required. On the basis of specific activities and initiatives, resources deemed necessary to achieve the objectives can be involved. The careful selection of representatives and members of the 7 sub project teams represents a key factor for the success of the GO2030 programme. Their expertise, experience and leadership skills will be essential for achieving the ambitious goals of the programme and for the creation of a more sustainable future;

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

Burgo Group’s “ESG – Sustainability Steering Committee”

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

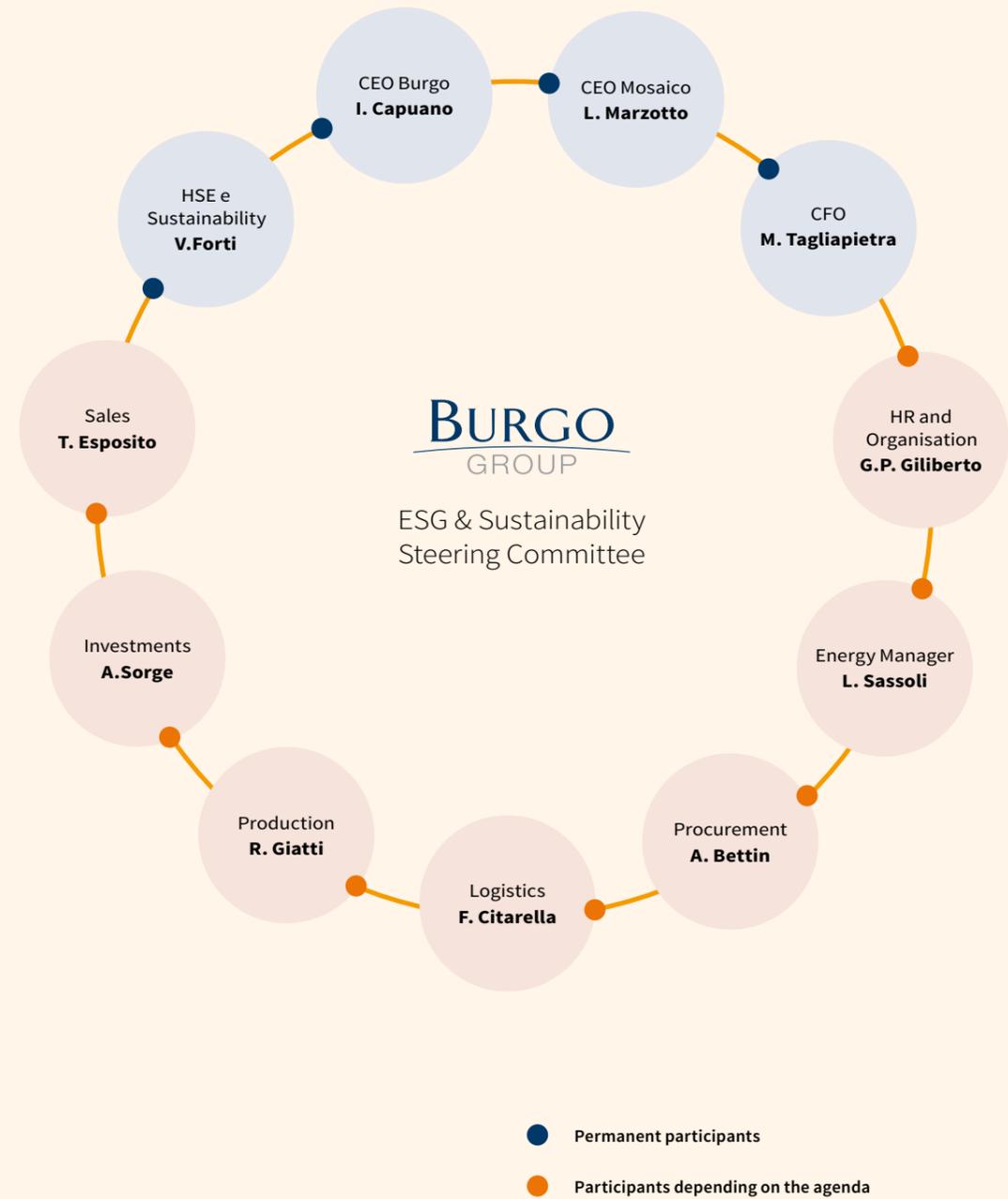
The Group acknowledges the importance of identifying a centralised ESG structure as one of the pillars for creating an ESG Governance process, aimed at ensuring interdependent and proactive collaboration among departments.

From this perspective, the ESG Sustainability Steering Committee was created, which met 4 times over the course of 2023.

Formed of its initial format of 11 members, the committee has the following responsibilities:

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

Of the aforementioned responsibilities, in 2023 the BOD, the highest governance body, assigned the Sustainability Steering Committee with the approval of the material topics following the survey carried out during the period.



Risk management

(GRI 2 - 24)

Financial risk management and insurance

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

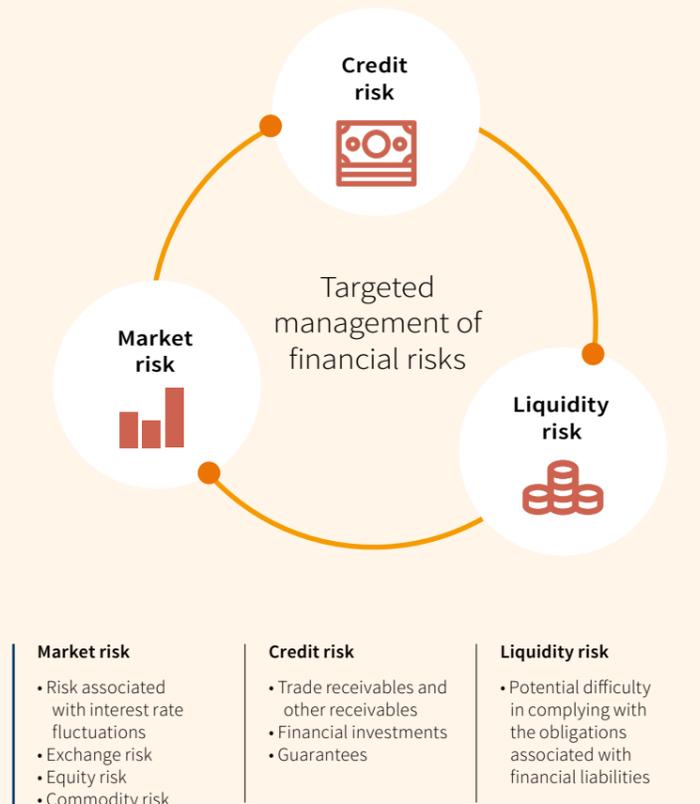


Chart 2.5: Financial risk management

Credit Risk

This represents the risk that a customer or a counterparty to a financial instrument causes a financial loss by not complying with an obligation, and mainly derives from trade receivables and financial investments. Group policies allow for the issuing of financial guarantees only relative to associated companies. Collateral is also provided in certain cases, relative to subsidised finance operations or for medium-term financing.

Credit management certification

In 2023, Burgo Group S.p.A., Mosaico S.p.A. and Burgo Distribuzione S.r.l. obtained confirmation of the certification of their credit management system, which was obtained for the first time in 2019, according to UNI 44:2010 and the TUV RHEINLAND CMC:2012 standard.

The audit highlighted the extent to which the Group has invested in the training of its entire Credit Management team involved in the process, working to ensure the best possible interaction between the credit and sales areas to certify its clients, including with regards to sales information, the payment experience and the geographic location of customers.

Trade receivables and other receivables

Within the context of its credit management activities, delivered through a dedicated department, the Group has established an internal process with the aim of defining every customer's creditworthiness and carefully monitoring credit limits and overdue items. Risk control is based on constant analysis of customers with overdue items or who have exceeded their credit limits, which are monitored daily for the activation of corrective actions ranging from blocking orders to legal action. Internal activities are further supported by hedging instrument available on the market, including insurance policies and transfer of receivables. Sales activities are supported by primary and supplementary insurance policies with leading credit insurance companies.

Financial investments

Exposure to credit risk is limited by exclusively investing in securities with high liquidity and only with counterparties recognised as reliable by the market. Additionally, financial assets also include investments made with Italian banks with proven reliability.

Guarantees

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

Liquidity risk

Liquidity risk is the risk that the Group may have difficulty complying with its obligations relative to financial liabilities.

The approach to liquidity management is aimed at guaranteeing, as much as possible, that there are always sufficient funds available to comply with obligations when maturity dates are reached.

The Group performs liquidity analysis as a function of budget forecasts, determining short, medium and long-term cash flows.

Estimates are periodically reviewed to ensure there is adequate on-demand cash and cash equivalents to cover operating expenses for a period of around 12 months.

Market risk

Market risk is the risk that the fair value or future financial flows associated with a financial instrument fluctuate following a change in market prices, a change in exchange rates, interest rates or the prices of equity instruments. The objective is to manage and control exposure to this risk, keeping it within acceptable levels, while simultaneously optimising returns on investments.

Risk associated with interest rate fluctuations

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

Exchange risk

In relation to sales activities, purchases and sales are made in other currencies, at present mainly in USD and GBP. Therefore, hedging policies are mainly focused on stipulating futures contracts against the euro. Additionally, other currencies are periodically monitored, which may be used in invoices on a continuous or occasional basis. Hedges are carried out on the basis of estimates of future financial flows in currencies on the basis of invoices payable and receivable, and taking budget forecasts into account. Exchange risk hedging transactions are carried out to neutralise the effects induced by changes in the exchange rate on the value in euro of cash flows denominated in foreign currencies. Hedging policies allow for the use of forward contracts (forward currency sales/purchases) and foreign exchange options (right to buy/sell forward currency) to provide more flexible hedges. Currently, exposure on foreign exchange derivatives falls under the forward type.

Equity risk

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

Commodity risk

The strategic objective is to stabilise profit margins in terms of reducing risks associated with volatility in the prices of gas, electricity, CO₂ and materials used in production processes, in order to minimise exposure to risk and possible associated losses. In a framework of ongoing loss risk reduction, the Group also aims to minimise the costs associated with procuring production factors. To that end, the Group may make use of instruments to cover risk, including fixed price purchases, forward purchases and financial swaps.

Context analysis and risks of environmental and quality management

With a view to continuous improvement and to ensure the correct analysis of the context/assessment of risks to which the Burgo Group and each specific site is exposed, the Group has adopted specific management systems coordinated and organised by the following figures:

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

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

Risks associated with disputes and potential liabilities

The legal service is managed and coordinated centrally by the Parent company. The main objective is to assess all possible risks associated with legal dispute and to protect Group companies. Where necessary, consultancy services provided by external professionals may be used.

Risk coverage

The insurance service that covers the main risks to which the Group is exposed is managed and coordinated centrally by the Parent Company and aims to offer complete cover against possible incidents.

It covers the main risks listed below:

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

Personal data protection and privacy

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

The Burgo Group adopted the requirements established under Italian Legislative Decree no. 196 of 30 June AND GDPR no. 679 of 27 April 2016.

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

Cyber Security Risk

In 2023, as defined by the Cyber Security strategy, the Burgo Group took measures to pursue the short, medium and long-term objectives while seeking to consolidate previous progress and to achieve and/or plan further significant security milestones. There were numerous activities during 2023 that focused on identifying, detecting and preventing the main Cyber Threats that exist in the international landscape, in particular:

- e-mail is the primary carrier of threats and for this reason we introduced a cutting-edge technology solution that uses artificial intelligence and machine learning to protect the Group from attacks such as malware, phishing, e-mail fraud and business e-mail compromise, which seek to exploit the human factor. The Group's Cyber Awareness policies were also reinforced by distributing up-to-date training content to help users recognise potential attacks that exploit electronic mail as a carrier;
- the Vulnerability Management process was reinforced with the aim of identifying, assessing and monitoring vulnerabilities within the IT infrastructure, in order to protect sensitive data and ensure operating continuity;
- introduction of new security measures to increase the security and segregation of OT infrastructure to promote and protect IT/OT convergence;
- introduction of innovative and cutting-edge solutions to protect endpoints with Extended Detection and Response technologies;
- introduction of a new Privileged Access Management solution to manage and protect access to the organisation's accounts with high levels of privilege;
- review of the Backup policy to reduce RPO and RTO and consolidate data security using rescue technologies with immutable characteristics.



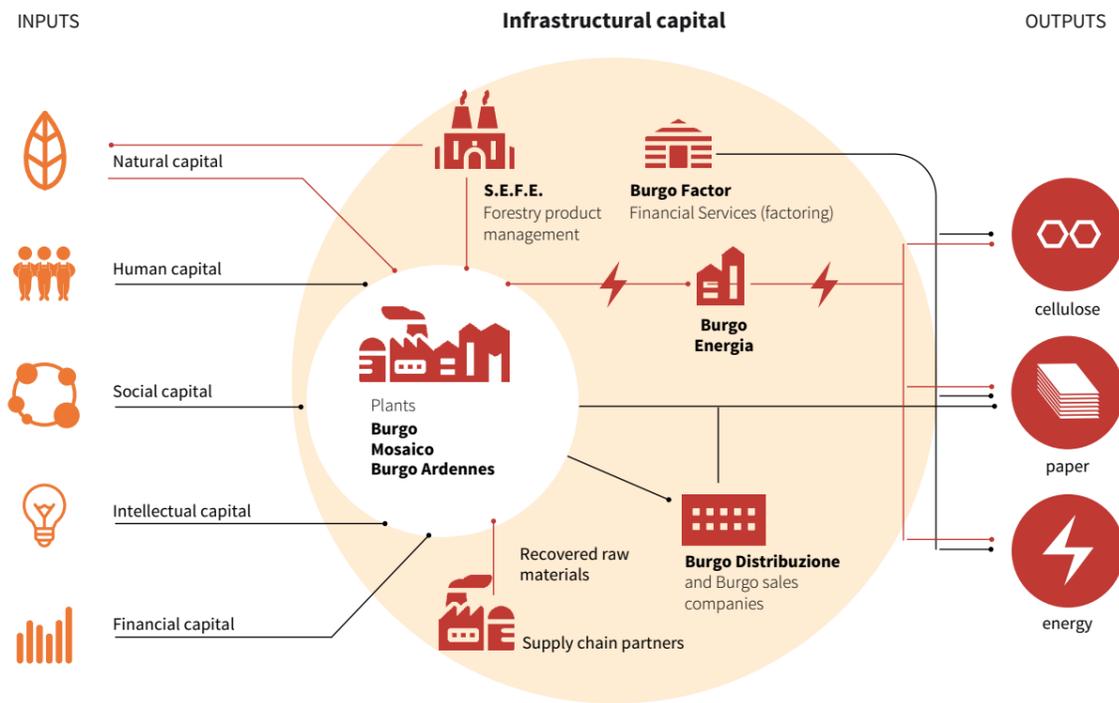


The business model

(GRI 2 - 1)

The Group's business model

In addition to its business activities, the Group constantly seeks new growth opportunities, including outside the publishing sector, and always with a focus on sustainability. A targeted streamlining of its production, together with greater operational and organisational efficiency and the development of new markets, guides the use of the Group's financial, infrastructural, intellectual, human and relational capital towards results capable of combining profitability and sustainability.



The Group's capital in 2023

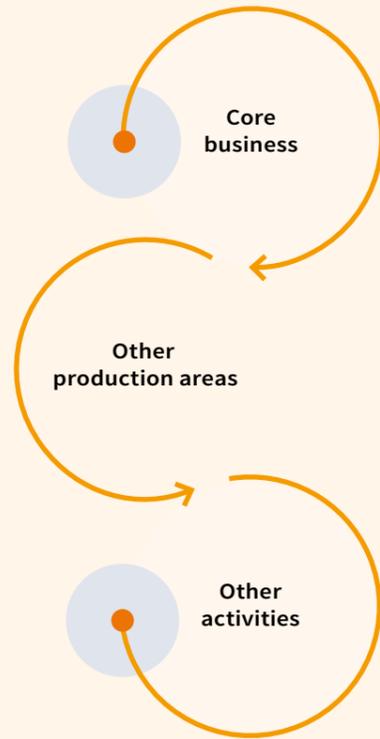
- **Natural Capital:** 274 million cubic metres of methane used; 150,634 MWh of energy acquired from the grid;
- **Human Capital:** 2,810 people, of which 2,544 are employed in the production departments. 37,190 hours of training, of which 27,042 linked to worker safety and health aspects;
- **Social Capital:** relations with more than 2,320 suppliers;
- **Financial Capital:** net financial debt was positive at € 113.8 million compared to € 11.7 million in the previous year;
- **Infrastructural Capital:** 10 production plants, 2 cellulose production plants, 1 polythene coating plant, 10 cogeneration power stations.

Output 2023

- 📄 **1,028,369 t of paper produced**
- 📄 **319,114 t of cellulose**
- 📄 **28,447 t of lignin sulphate**
- ⚡ **936,645 MWh of energy for internal consumption**
- ⚡ **249,220 MWh of energy output to the grid**

Business areas

Designing, producing and selling graphic and specialty papers to satisfy a profoundly changing market and penetrate new businesses has been the Burgo Group's core business for over a hundred years. As part of its strategic repositioning, Burgo Group expanded its core business in recent years, paving the way for the production of corrugated cardboard for the packaging industry at the Avezzano plant, and developing the range of special products by introducing and increasing the range of papers for food packaging.



Core business

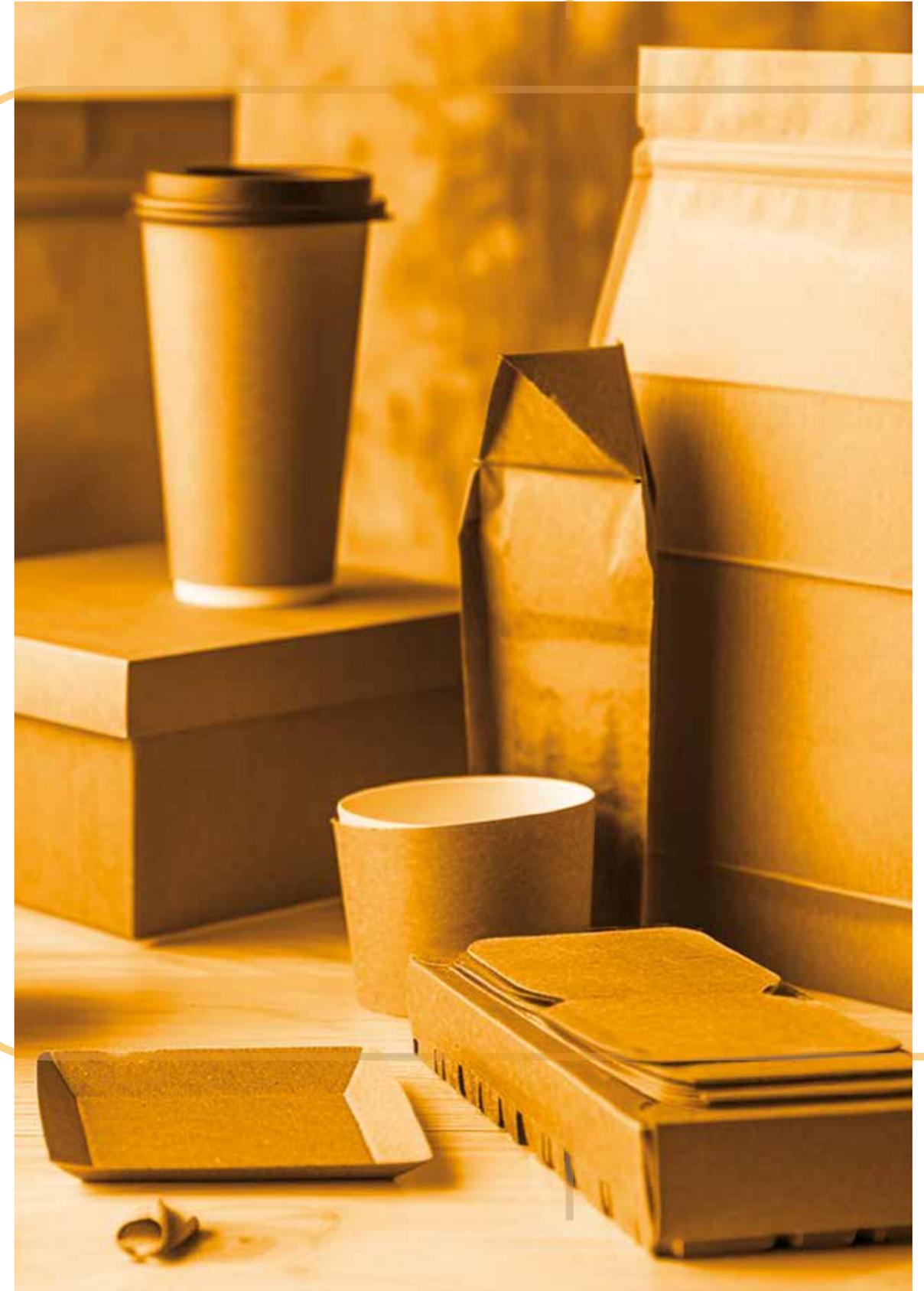
- Graphic Papers
- Sales and distribution through the subsidiary Burgo Distribuzione
- Specialty Papers
- Containerboard
- Energy management in Group plants

Other production areas

- Cellulose production through the Tolmezzo and Virton (Belgium) plants
- Lignin sulphonate production through the Tolmezzo plant

Other activities

- Factoring
- Forest management through the subsidiary S.E.F.E.
- Energy Management through Burgo Energia
- Management of paper recycling through Burgo Recycling



The Group's facilities

The Group's production activities are carried out in 10 plants.

The production and sale of cellulose are conducted by the Belgium company Burgo Ardennes; while the cellulose produced in the Tolmezzo plant owned by the company Mosaico is for internal use. The Avezzano plant produces containerboard.

The production capacities of the individual plants are shown below:

Production capacity 2023 (t/year)

Site	Company	Papers machine (PM) Pulp line (PL) Board machine (BM)	Papers for publishing and fine papers	Containerboard	Specialty papers	Total paper
Virton (AG) - Belgium (BE)	Burgo Ardennes S.A.	1 PM + 1 PL	376,000	-	-	376,000
Avezzano (AQ)	Burgo Group S.p.A.	1 BM	-	200,000	-	200,000
Sora (FR)	Burgo Group S.p.A.	2 PM	207,000	-	73,000	280,000
Villorba (TV)	Burgo Group S.p.A.	1 PM	93,000	-	77,000	170,000
Sarego (VI)	Burgo Group S.p.A.	1 PM	140,000	-	-	140,000
Lugo (VI)	Mosaico S.p.A.	1 PM	-	-	27,000	27,000
Toscolano (BS)	Mosaico S.p.A.	1 PM	12,000	-	95,000	107,000
Tolmezzo (UD)	Mosaico S.p.A.	2 PM + 1 PL	150,000	-	23,000	173,000
Treviso (TV)	Mosaico S.p.A.	1 PM	-	-	57,000	57,000
Chiampo (VI)	Mosaico S.p.A.	1 PM	-	-	45,000	45,000
10			978,000	200,000	397,000	1,575,000

Internal production capacity 2023 (t/year)

Cellulose	Lignin sulphonate	Total other materials
375,000	-	375,000
-	-	0
40,000	43,000	83,000
-	-	0
-	-	0
415,000	43,000	458,000

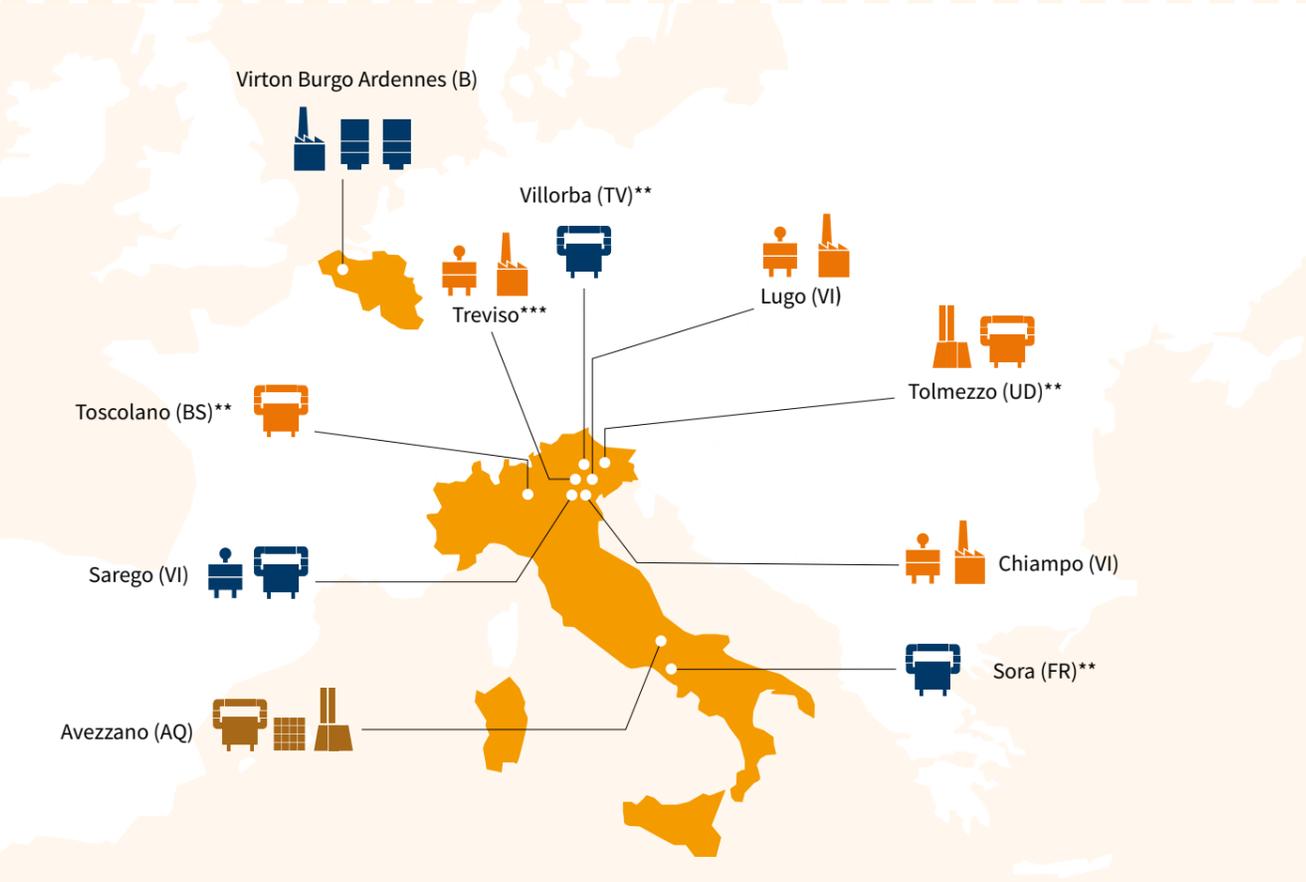
Paper machine (PM): production line
Pulp line (PL): cellulose production line
Board machine (BM): containerboard production line



Table 2.1: 2023 Plant production capacities

Burgo Group plants and alternative energy sources

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



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

Notes:
 ** The Toscolano, Tolmezzo, Sora and Villorba plants produce papers for the Burgo and Mosaico ranges.
 *** There is a thermal plant installed at the Treviso plant that produces steam, and an endothermic cogeneration generator that produces electricity and thermal energy.

Plants that use biomass

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

Hydroelectric power stations

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

Photovoltaic plant

- **Avezzano** (AQ)

Combined cycle cogeneration plants

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

Steam cycle cogeneration plants

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

Endothermic engines

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



The products of the Burgo Group

(GRI 2 - 6, 203 - 1)

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

- Burgo range:** Papers for graphic use
Containerboard
- Mosaico range:** Specialty papers
Papers intended for packaging

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

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



BURGO RANGE - Graphic papers for the publishing

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

Find our FSC® certified products

Table 2.2: Burgo Range - Graphic papers

Note:
FSC® and PEFC-certified products are available on request.

BURGO RANGE: Containerboard

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

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

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

The high quality of papers produced by the Group also enables substantial improvement in packaging that our customers can create. For example, the offer of papers with high-quality performance (mechanical characteristics) makes it possible to reduce the weight of the packaging itself. The Avezzano paper mill operates according to Good Manufacturing Practices (GMP) in relation to materials in indirect contact with food and, in 2023, achieved certification according to UNI EN 15593.



BURGO RANGE - Containerboard

Family	Sub-family	Certifications
Containerboard derived from recycled fibres	BCB Testliner	BCB LINER Liner 1, Liner 2, Liner 3, Liner 4, Dual FSC®
		BCB WHITE Liner White C Sized FSC®
		BCB TK1 TK1 FSC®
	BCB Fluting	BCB FLUTING Wellenstoff Medium HP FSC®
		BCB AQUA Frost FSC®

Find our FSC® certified products

Table 2.3: Burgo Range - Containerboard

Note:
PEFC-certified products are available on request.



BCB: products that support the circular economy

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

In a recent study presented by Nomisma's Large-scale Consumer Goods Packaging Observatory, 58% of consumers want entirely recyclable packaging, 45% packaging produced with recycled material, 44% with compostable or biodegradable materials and 32% with responsible use of resources.

All these characteristics can be found in containerboard papers for the production of sustainable packaging.

Sustainability is an urgent issue for the present-day paper industry, which also interprets sustainability by developing types of paper with fibres originating from recycling, replacing virgin fibres or reducing their overall use.

According to the data presented in the *Recycling in Italy 2023* report, commented on in December 2023, the recycling rate for paper and cardboard waste in 2022 was 81.2%, above the 75% target established by the EU for 2025.

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

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

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

MOSAICO RANGE: Specialty Papers

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

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

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

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

MOSAICO: development of safe and environmentally friendly products suitable for food contact use

The research aimed at designing new products is divided into two sectors: papers and paperboards for the food & beverage industry and papers for special applications.

Research & Development is concentrated on the triple aim of developing new technologies aimed at greater competitiveness, developing new products, and ensuring environmental sustainability by increasing the number of certified products. For new technologies, the R&D activities are focused on fibrous raw materials, in particular on new compositions with a high qualitative and environmental value. The focus on products destined for food use is concentrated on developing barrier-coated papers with dispersion coating and extruded with bio-polymers, a raw material with a high content of components derived from renewable sources which are 100% biodegradable, capable of offering an excellent level of resistance to water, fats and aromas and therefore preserving the foods contained from contaminating agents.





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

Find our FSC® certified products

Note:

FSC® and PEFC-certified products are available on request.

Table 2.4: Mosaico Range: Specialty Papers

Markets served by the Group

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

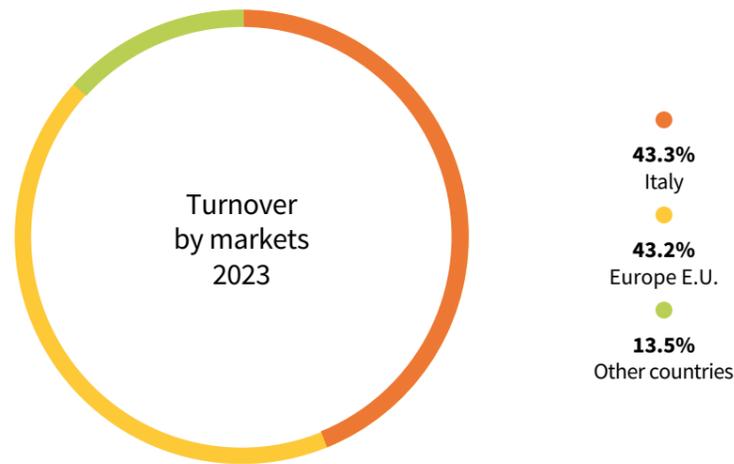


Chart 2.6: Turnover by markets - 2023

In 2023 the Group sold its products in over

80 countries

Italy

The Italian publishing and graphic paper market is managed through two sales channels: firstly, through direct relations with major Italian clients, printers and publishers, and secondly through Burgo Distribuzione which, thanks to its network of sales offices and warehouses, can deliver the Group's products and other products that the Burgo Distribuzione purchases for resale to all of its medium and small-scale clients. The use of two sales channels enables the Group to have a capillary reach to all Italian customers.

Mosaico is present on the Italian market through its direct sales network, also formed of specialist agents in the sector of flexible packaging and through the Group's distribution channel (Burgo Distribuzione).

The containerboard market is mainly served through direct relations with converter customers.

Europe

The European market is managed through the Group's sales branches: Burgo Benelux, Burgo Central Europe, Burgo Eastern Europe, Burgo France, Burgo Iberica Paper and Burgo UK.

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

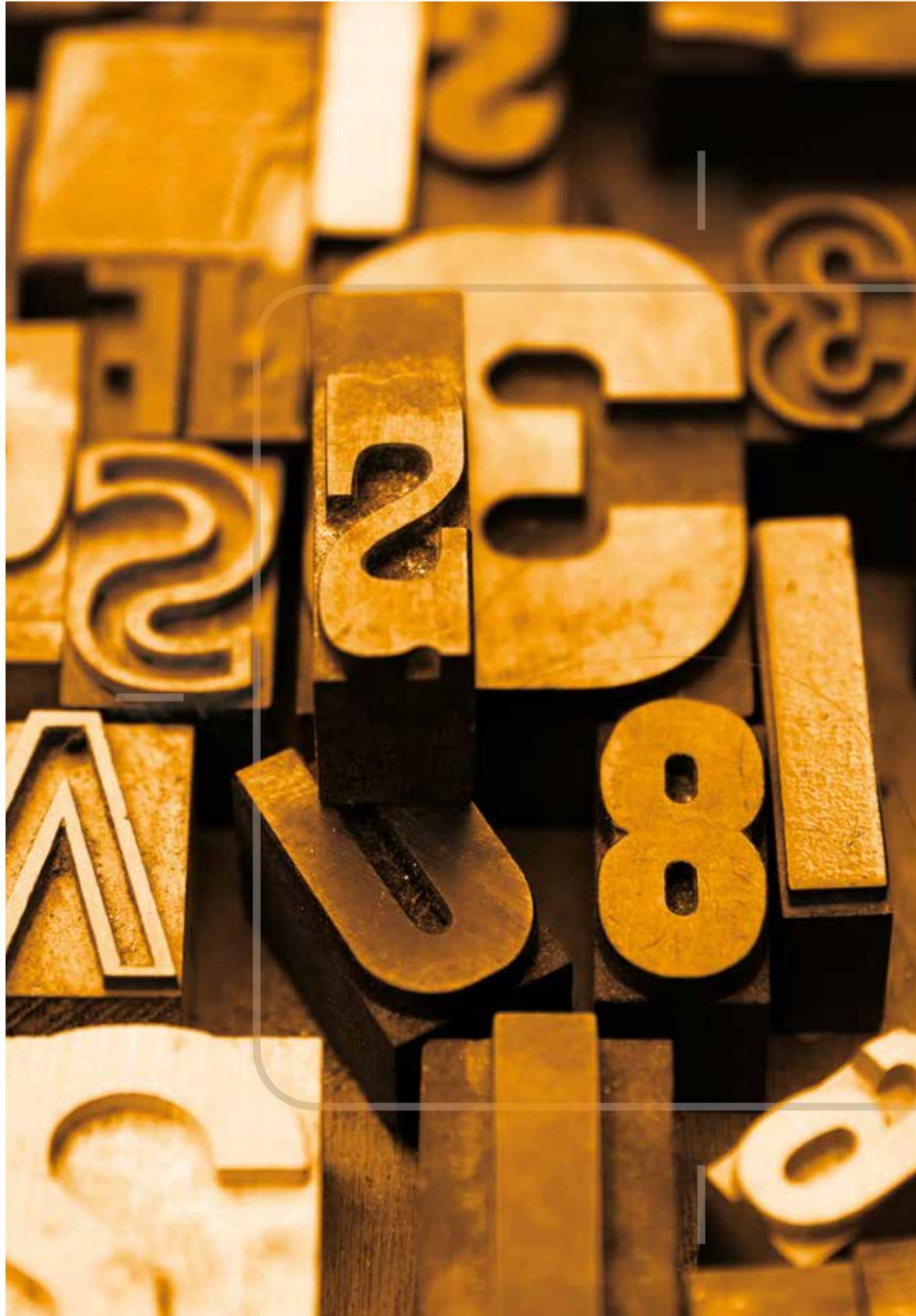
In anticipation of the increase in containerboard production capacity, Burgo established relations with leading supply chain partners to introduce products also onto the European market.

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

Overseas

The Group has several sales channels on overseas markets, including the Burgo North America branch, traders, agents and direct relations with clients.

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



Customer breakdown by category

The Group continues to diversify and reposition its production and customer portfolio by increasing its product range with a focus on containerboard and specialty papers.

Customer breakdown

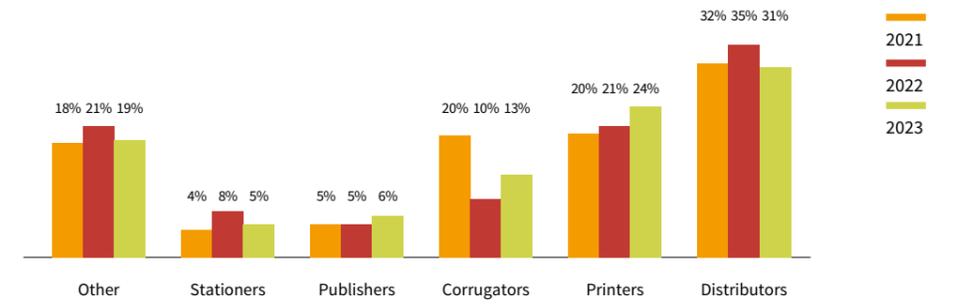


Chart 2.7: Customer breakdown 2023



PAPER POWER PASSION



The Group's approach to sustainability



Our 2030 goals

ESG Development plan

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

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

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

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

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



Burgo Group's ESG ambition for 2030

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

PILLAR 1 - ENVIRONMENTAL

Emissions	Energy	Waste management	Water resources management	Sustainable products
Reducing emissions with fossil fuel reduction investments and interventions aimed at reducing plant energy consumption	Development of renewable energy production facilities (photovoltaic, hydroelectric, biomass) in plants	Increased process waste recovery for waste disposal reduction	Reduced water requirements	Certification for environmental impacts of products and Life Cycle Assessment
-45 % CO ₂ /t of paper produced Reduction in Scope 1 and Scope 2 emission intensity from 0.58 to 0.32 t CO ₂ /t of paper	40% of energy consumed produced from renewable sources	Increased waste recovery from 94% to 99%	-13 % discharge or specific water	95% product development to promote optimal recycling and recovery from an LCA perspective

Table 3.1: Pillar 1 - Environmental

Major environmental initiatives

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

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

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

PILLAR 2.1 - SOCIAL

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

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

Table 3.2: Pillar 2.1 - Social

PILLAR 2.2 - SOCIAL

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

Training/personal development	Local relations	Training/personal development	Inclusion and equal opportunity
One-on-one discussion on performance reviews and employee satisfaction	Introducing business promotion initiatives in the area (e.g., open day events, career days)	Promoting Smart Working	Improving female representation at managerial level
At least 2 performance review per year (100% of stakeholders involved)	Minimum of 1 each year starting in 2023	Introducing new corporate regulations from 2023	20% by 2030

Table 3.3: Pillar 2.2 - Social

PILLAR 3 - GOVERNANCE

Appointment of the sustainability working group underpinning the ESG strategy.

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

Table 3.4: Pillar 3 - Governance

² Protocols governing the corporate structure and management of sensitive processes

3

ECOVADIS Rating

For years, the Burgo Group has used the EcoVadis rating as a third-party measurement tool for its environmental, social and governance performance.

EcoVadis operates the first collaborative platform that enables companies to monitor the sustainability performance of their suppliers, across 150 industries and 110 countries.

The overall score issued by EcoVadis reflects the quality of the company's sustainability management system at the time of the assessment.

The EcoVadis rating evaluates the following areas:

- environment;
- labour and human rights;
- ethics;
- sustainable procurement.

The Burgo Group earned a silver medal rating in March 2022, placing it in the top 21% of the World's best companies in the same industry for ESG performance.

This result shows that the course is set, although there is still a long way to go for improvement. The actions taken by Burgo in the ESG area, including on the basis of the EcoVadis rating, and the 2030 goals, will enable the implementation of an effective integrated sustainability management system.

Over the next year, the Group undertakes to request an updated EcoVadis rating.

Smeta

Further corporate assessment is carried out through Smeta's ethical audits (Sedex Members Ethical Trade Audit), which include the Group's labour, environmental and safety audits. The results of the audit are published on the Sedex (Supplier Ethical Data Exchange) platform, in order to share information about specific social and environmental practices. Six of the Group's plants are included on the platform: Sora, Sarego, Treviso, Lugo, Chiampo and Ardennes. These are periodically verified through Smeta ethics audits.



Commitments and responsibility

(GRI 2 - 24)

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

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

The company's activities have an impact on several sustainable development objectives and the Burgo Group pursues the following SDGs:



The Group protects people's occupational health and safety in the workplace

It engages with and trains its employees to improve health, safety and environmental conditions.



The Group promotes inclusive and quality education, as well as learning opportunities

It invests in training, promoting skills development.



Gender parity

It undertakes to incentivise women's participation and to improve female representation at management level.



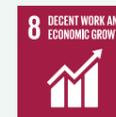
Sustainable water management

The Group uses water resources responsibly and monitors waste water quality.



Sustainable energy management

Use energy resources responsibly and pursue a consumption reduction policy.



Employment and opportunities

The Group employs 2,810 people, adopting contractual policies in line with national collective bargaining agreements.



Investments in the production cycle

The Group invests in production sites for the improvement and modernisation of its facilities, with economic, social and environmental sustainability goals.



Consumption and production

The Group pursues the rational use of natural resources and raw materials.



Climate change

The Group invests in energy efficiency programmes with a view to reducing gas emissions.



Sustainable management of resources

We pursue a policy to procure certified fibres, and around 85% of all fibres acquired are FSC® mix, FSC® recycled and PEFC certified.



Mission, Vision & Values

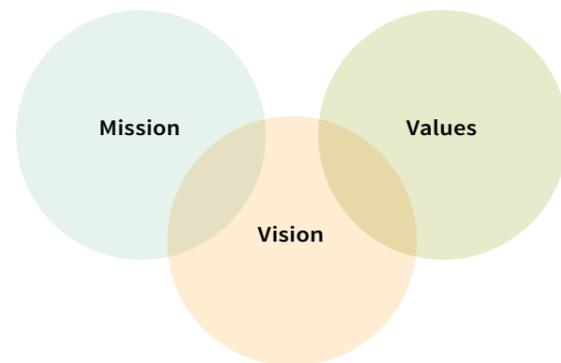
(GRI 2 - 23/24)

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

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

The Group adopts a production policy that unites the needs of the customer with those of the environment, innovation with sustainability, rejecting the traditional "throw-away" economic model in favour of a circular model. This sustainable principle runs throughout the Group's processes, from procurement to the use of resources, from restoring wastewater to optimising the reuse of waste materials to produce energy.

The organisation is committed to expanding its business and transforming its expertise with a view to applying it to other strategic sectors such as the development of new products for the paper packaging market, the distribution of paper products and energy management.



Mission

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

Vision

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

Values

Sense of corporate and environmental responsibility, openness and lawfulness in every project, working together to achieve the best performance.



The Group expresses its mission by pursuing innovation with a focus not only on market needs but also on the environment, reducing its environmental impacts and supporting research with a view to identifying more sustainable solutions. The Group strives towards a balanced model between economic development and social and environmental responsibility.

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





Values and code of conduct

(GRI 2 – 23/24/26/27)

Code of ethics

The Burgo Group pursues its commitment to good corporate governance through the top-down adoption of a set of values, codes of conduct and procedures. One of the fundamental elements of the Corporate Governance system is the Code of Ethics adopted by Group companies in 2003 and last updated in 2022.

The Code of Ethics is aimed at all Group employees and all those who directly or indirectly engage in business relations with the Group, without exception, and provides for - as basic principles - compliance with the laws and regulations of the reference countries, as well as internal regulations, in a context of integrity, fairness and the protection of privacy.

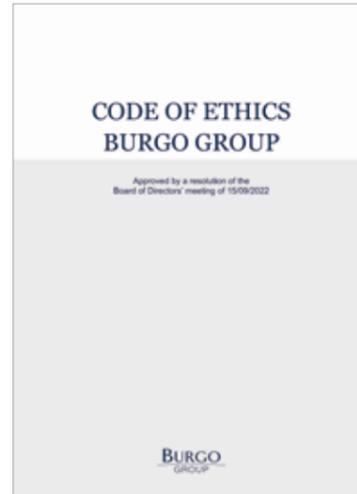
The Group is also committed to balancing its drive for competitiveness on the market with compliance with competition laws and to promoting, in the context of corporate responsibility and environmental protection, the fair and appropriate use of resources.

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

The commitment of the Burgo Group centres on reaching the highest possible standards of “best practice” with regard to its corporate, ethical and social responsibilities to its shareholders, directors, employees, collaborators, clients, suppliers and partners.

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

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



The principles of the Group's Code of Ethics

Ethics and code of conduct:

- General principle;
- Loyalty and fidelity;
- Impartiality and absence of conflicts of interest;
- Principle of confidential information and the protection of privacy;
- Principle of employee protection;
- Principle of environmental protection;
- Protection of company property;
- Principle of control processes.

Ethical principles towards third parties



Customers

in line with internal procedures, the primary objective is to ensure maximum customer satisfaction while enabling them to make conscious choices.



Suppliers

Supplier selection and the determination of procurement conditions must be done on the basis of an objective and transparent analysis, considering the price, the capacity to provide and guarantee services of an appropriate quality, and the integrity of the supplier.



Political parties and trade unions

Group companies do not make donations or contributions to political parties, committees, organisations or trade unions. Contributions, in compliance with the law, may be considered where deemed important to the public interest.



The media

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



Relations with local authorities and public institutions

Commitments are undertaken exclusively by those authorised to do so. It is prohibited to promise or offer goods and/or other benefits to promote or further the interests of the Burgo Group except in the case of gifts or services of modest value.

Focus: Whistleblowing

The Burgo Group is committed to promoting a culture of ethics and integrity within the organisation and to preventing and combating all forms of crime.

In implementation of this commitment, in 2019 the Group adopted a specific whistleblowing procedure to report violations of European Union law and of national provisions in the context of the prevention system pursuant to Italian Legislative Decree 231/01. Legislative Decree no. 24 of 10/03/2023 then redesigned how “whistleblowing” is regulated by providing for financial penalties imposed on companies that fail to adopt/adjust to the new legislation.

Therefore, in accordance with the mandatory deadline of 15 July 2023, Burgo Group and all its subsidiaries adopted the new whistleblowing procedure in line with said Legislative Decree no. 24 of 10/03/2023, as well as with the ANAC Guidelines issued thereafter. Furthermore, as an additional measure, information is provided in relation to personal data, as defined in Regulation (EU) no. 679/2016 (“GDPR”), processed as part of the whistleblowing procedure.

The procedure guarantees multiple secure and confidential channels to allow employees, external collaborators and anyone aware of relevant facts, not of a personal nature, to report, anonymously, in good faith and without fear of retaliation, any suspected violation (with the exception of reports that are strictly related to defamation), any suspected violation of the law, the Model 231 or facts or omissions liable to cause harm to the Company and/or the employees. The reports received are carefully analysed and, where substantiated, the company takes the appropriate actions, which may include disciplinary sanctions, changes to policies and to company procedures or reports to the competent authorities.

In the 2021-2023 three-year period covered in this sustainability report, no case was reported through the whistleblowing procedure.

In the general context of adopting a Management and Control model according to Italian Legislative Decree 231/01, the Burgo Group’s commitment is also shown through the promotion of the culture of whistleblowing within the organisation. The company periodically organises information activities, training courses and awareness initiatives for its employees and collaborators in order to inform them about the whistleblowing procedure and to encourage them to report any suspected violations.

Focus: Child labour

Burgo Group does not use nor does it support the use of child labour. Furthermore, the Group has never made use of child labour and also promotes this commitment with its suppliers, by communicating to each of them the Executive Summary of the Code of Ethics, which contains details of the Group’s provisions against child labour. Its internal procedures also define the rules to be followed if the unforeseen presence of a minor is detected within its production sites. Site Management, in collaboration with the HR Manager and the Security Manager, must immediately contact law enforcement and the public officials in charge of social welfare, so that these minors are brought to the closest dedicated facilities, and once there all actions envisaged by legislation on the protection of minors and their families can be performed.

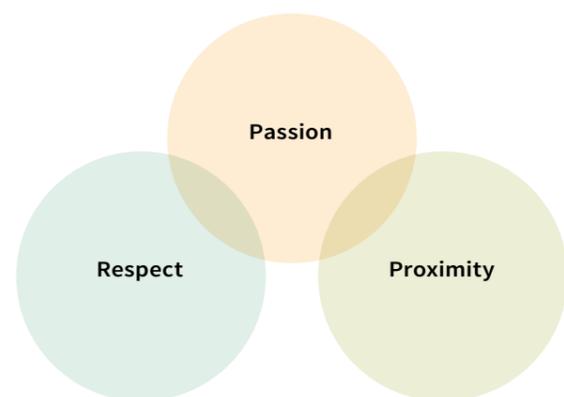
The risk of this happening is remote thanks to access controls adopted by the company, which prevent entry by persons who have not been identified in advance. To date, no minor has ever been found within the Group’s production sites.

Reference values

In addition to technical expertise and professional ability, commitment and passion are required in all daily activities. It is essential to have a close relationship with clients in order to promptly understand their needs and respond in the most appropriate way.

Respect for the environment and the awareness of its impacts on the community promote a sense of responsibility among all Group personnel.

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



Respect

We respect and protect the environment and hold ourselves accountable for the social consequences of our actions

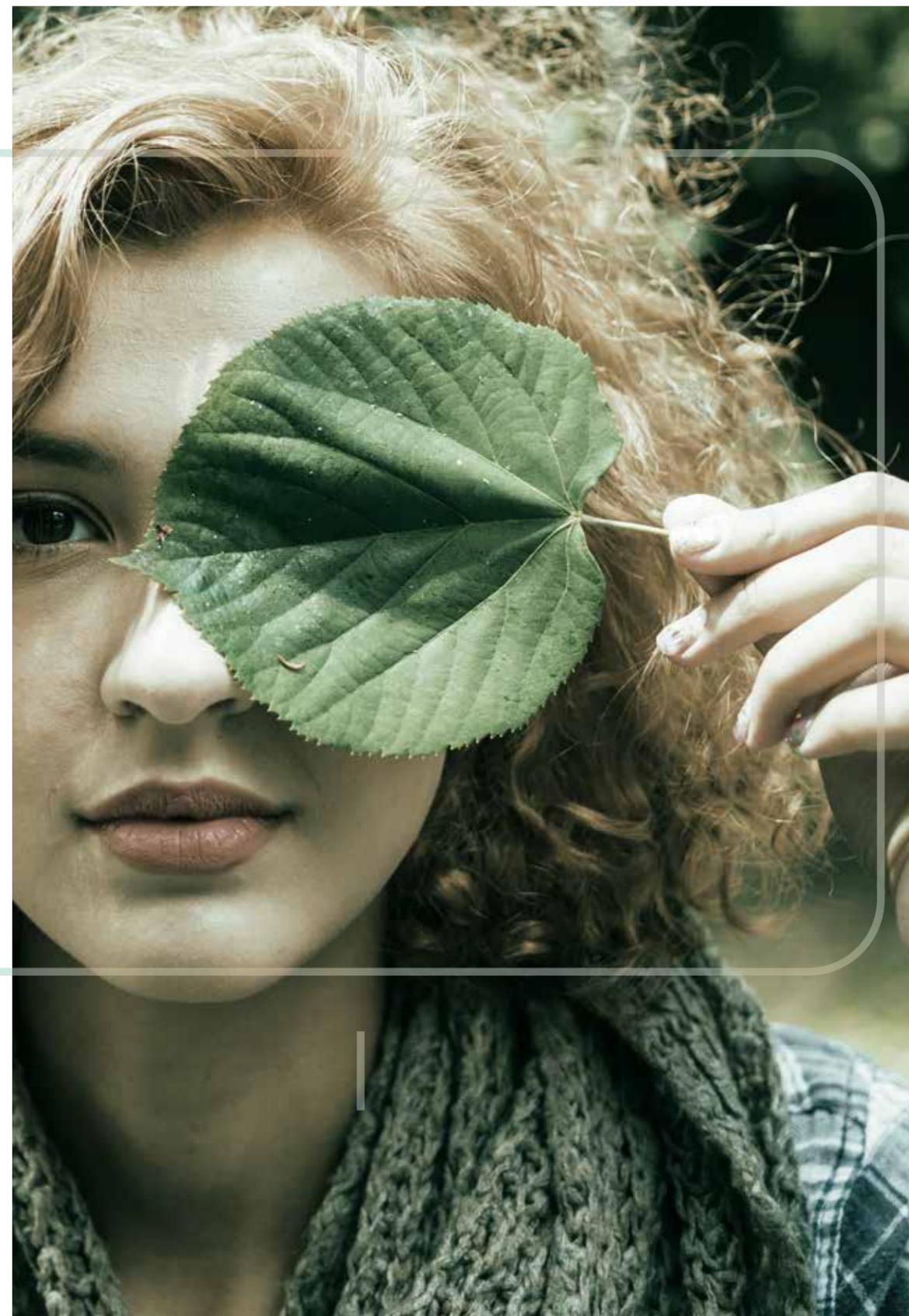
Passion

We approach our work with passion and commitment

Proximity

We operate alongside our customers

In the reporting period in question, the company did not find any significant cases of non-conformity nor was it subject to payment of penalties due to non-compliance with laws and regulations. For detailed information about ongoing disputes, please refer to the explanatory notes to the annual financial statements, in the section related to provisions for risks and charges.





Sustainability model

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

The business model serves as the foundation for the Group's Sustainability model. The Model is inspired by the Code of Ethics and the various policies issued by Senior Management for the productivity of its sites.

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

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

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

Sustainability model



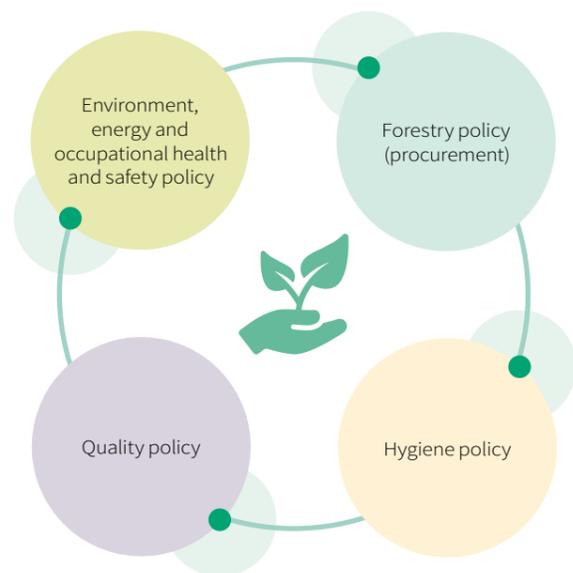


Company policies and management systems

(GRI 2 – 25)

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

In 2023 the four policies mentioned below were merged into a single integrated policy for all company management systems.



S.G.L.S. (OHSMS)
Occupational health and safety management system
EMS
Energy management system

IEMS
Integrated environmental management system

Hygiene management system
(integrated with the Q.M.S.)

QMS
Quality management system

Integrated environment, energy and occupational health and safety policy

This Policy is prepared by top management and implemented by Facility Management and the Organisational Areas relevant in terms of responsibilities and positions, all of which are committed to implementing it, keeping it up to date and disseminating it to all personnel, making it available to the public and anyone who requests it. The Burgo Group is one of the leading European producers and distributors of graphic papers, specialty papers, packaging paper and paper for the packaging sector. Aware of its position and responsibilities with regards to the community and the area in which it works, it believes sustainable development of its business is a requirement: the quality of its processes and customer satisfaction, environmental protection and the fight against climate change, energy efficiency, health and safety and the involvement of all of its contractors and other interested parties.

To maintain and strengthen its market position and protect the interests of its shareholders, customers, workers and the environment, the organisation believes it is essential to actively implement its Integrated Management System for the environment, quality, energy and worker health safety, based on the following fundamental requirements:

- compatibility with the environment in which it works, protection of personnel and the population from adverse environmental effects;
- prevention of and protection, for employees and other interested parties, against workplace health and safety risks they may be exposed to;
- compliance with current legislation and with any other provisions laid down in relation to environmental impact factors, with special attention paid to efficient use of energy resources and/or workplace health and safety risks identified, as well as all voluntary regulations to which the organisation adheres;
- clear definition and communication, to the entire organisation, of responsibilities and roles in management of quality, environmental protection, energy resources and workplace health and safety;
- a focus on continuous improvement with reference to quality and environmental performance, as well as prevention for workplace health and safety, through risk and opportunity analysis and defining actions to achieve objectives, while maintaining the efficiency of the management system established;

- improvement of the level and consistent quality of products and services supplied, through effective control over production processes, as well as relationships with suppliers and customers, by strengthening technical assistance and constantly searching for advanced technological solutions, in order to ensure deliveries are reliable and punctual, and to quickly react to market needs;
- the organisation's commitment to ensure all human resources are active in avoiding and identifying critical situations, through training, communication and involvement, based on their individual responsibilities and skills, for aspects associated with quality, the environment, energy and workplace health and safety;
- the availability of the necessary human, technical/instrumental and economic resources.

All of the above translates, annually, into specific improvement objectives and targets managed in the context of the Integrated Management System, achieved in compliance with the requirements of the EMAS Regulation, and ISO 9001, ISO 14001, ISO 50001 and ISO 45001.



Guiding Principles

A Products, Processes, Technologies and Management of Resources

The Group develops and manufactures products, paying attention to quality, minimising environmental impacts, maximising energy efficiency, and prevention injury and occupational diseases for all interested parties.

It implements new activities, processes and systems after assessing risk factors and the associated environmental, energy and workplace health and safety problems.

It uses the best available technologies, including products and services with a high-level of energy efficiency that are economically accessible.

When designing and/or installing new plant components, the organisation holds it fundamental and undertakes to improve safety, environmental and energy performance in the area affected by the project.

The Group is committed to careful management of energy and water and to optimising the use of natural resources and raw materials.

B Minimisation of the environmental impact and risk to Occupational Health and Safety

The Group aims to assess, control, eliminate and reduce the effects of its activities on the various components of the Environment and of Occupational Health and Safety, considering the nature and scale of the environmental impact, energy intensity and the risk factors identified.

C Training, Engagement and Consultation

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

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



D Suppliers

Suppliers are involved in the improvement targets for the protection of the environment and occupational health and safety associated with the products and/or services requested.

For the procurement of fibrous raw materials, the Group prioritises suppliers who practice Sustainable Forest Management policies to ensure that the condition of the forest ecosystem is maintained and enhanced.

The Group is committed to evaluating purchases of products and equipment that may have an impact on significant energy usage in part based on the energy performance of the item in question, informing suppliers of the same.

E Emergencies

To respond to potential accidents and other unforeseen events, appropriate emergency procedures have been established, emphasising the concept of prevention through risk analysis and the adoption of adequate measures to limit their effects. These measures are re-examined and modified in response to events recorded and/or in the case of the development of new activities, products and processes.

F Information and Communication

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

It is also committed to pursuing an open and constructive dialogue with all of the parties involved, ensuring transparency and reliability of the data and information.

Where applicable, the Environmental Declaration is made available together with its updates, in order to give transparent disclosure of the results obtained and of the new objectives to be achieved. This is also done through the annual preparation of a Sustainability Report.

Policy for the procurement and use of fibrous materials

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

In keeping with the commitment to quality, safety and the environment pursued for some time, the organisation wishes to make sustainability the key element of all its processes. With this in mind, the fibrous raw materials are selected and suppliers guided towards full ecological and social responsibility with a view to safeguarding and conserving the biodiversity of the forestry assets of the planet.

The Group wants, therefore, through careful assessment and selection of the suppliers of fibrous raw materials:

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

Therefore, it is Group policy:

- to implement and maintain an adequate Management and Control System within the organisation to ensure the correct implementation and management of the Chain of Custody of the products on sale, making reference to principles of good forest management;
- to only procure products from non-controversial sources;
- to establish business relations with suppliers who hold or aim to hold recognised forestry certifications.

The Group is committed to sharing and promoting this vision to all of its employees, customers and all the other parties involved: information, training and control are the key elements of the organisation's systems.

The main Management Systems involved in the implementation of health, safety and the environment policies



IEMS Integrated Environmental Management System

Our activities - both as an economic operator and otherwise - have an impact on the surrounding environment through the consumption of raw materials and energy and the production of waste. Through the adoption of the IEMS, regulated by **Standard ISO 14001**, the Group undertakes to identify, measure, monitor and reduce the environmental impact of its activities, meet compliance standards and define risks and opportunities.

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

Analysis and Planning: Periodic analysis of the activities and of the interaction between facilities and environment to identify the legal obligations to be observed and the improvement measures to be adopted

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

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



Energy Management System

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



OHSMS Occupational Health And Safety Management System

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



QMS Quality Management System

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

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

Hygiene policy

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

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

Therefore, it is company policy to:

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

To affirm and support this Policy, Management undertakes to:

- plan, establish, implement and update a risk analysis and risk assessment system (including a glass and fragile plastics policy) that ensures all products produced and supplied meet the relevant hygiene standards;
- develop and integrate into the Group's Quality Management System an effective Hygiene Management System that meets the requirements of Standard UNI EN 15593 and applicable GMP, also considering the provisions set out by Standard UNI EN ISO 22000;
- implement this System at the Group's sites that produce paper for the food product packaging market;
- make available to the relevant sites the human, technical, instrumental and economic resources necessary for the effective management of the system and for the progressive elimination of potential sources of pollution;
- maintain a collective commitment to hygiene safety through the training, communication, engagement and contribution of all human resources;
- obtain and maintain the certification of the Group's Hygiene Management System by a certified external body.

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

With regard to the production sites that manufacture paper for the food packaging market, the main goal of the Burgo Group is to guarantee safe products that comply with the hygiene standards defined by the applicable law and regulations, or any requirements agreed with the Customer in relation to the intended use of the product.

Food safety and compliance with regulations governing the production of packaging is ensured through the disclosure to all interested parties of sufficient evidence of the ability to identify and control any hygiene risks in an appropriate manner.

Furthermore, customers are guaranteed the prompt traceability of the materials/products used in each stage of the production process for each batch of products produced and supplied.



Hygiene management system

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



G.M.P. Good Manufacturing Practice

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



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

Currently all of the factories operated by the company Mosaico are certified according to Standard UNI EN 15593: Treviso, Tolmezzo, Lugo, Toscolano and Chiampo. Within the Burgo company, the Villorba plant was certified in 2021 for the production of single-coated paper for the labelling market, the Sora site was certified in 2022 for the production of paperboards and papers for food packaging and the Avezzano plant was certified in 2023 for the production of containerboard used for secondary food contact.

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



Compliance with international standards and certifications

(GRI 2 - 24)

Overview of certifications held by the Burgo Group

With a view to continuous improvement, the Burgo Group has adopted a proactive approach that considers certain international standards and certifications to be an effective tool to providing an increasingly high level of performance.

Certifications - 2023

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

Burgo Energia S.r.l.

This company is a certified **Energy Service Company** (E.S.Co.) specialising in energy efficiency and energy savings. This specialisation is certified by the external certification body SGS which verifies the expertise according to Standard UNI CEI 11352. One of the specific requirements of this standard is the appointment of an Energy Management Expert (EME). The company has two EMEs.

Find our FSC® certified products

Table 3.5: 2023 Certifications

Notes:

The extension of ISO 50001 certification to the Tolmezzo and Lugo plants of Mosaico S.p.A. is planned. The ISO 45001 certification of the Mosaico site in Treviso was completed in February 2024.

Main environmental certifications

Integrated Pollution Prevention and Control

At all of its sites, the Burgo Group complies with the I.P.P.C. (Integrated Pollution Prevention and Control) Directive (EC), adopted into Italian law by Italian Legislative Decree no. 59 of 18/02/2005 then absorbed into Italian Legislative Decree no. 152/2006 regulating the issue, control and review of the Integrated Environmental Authorisation (IEA), which supersedes any other permit, opinion or authorisation on environmental matters.

EMAS environmental registration

The Burgo Group has adopted the Eco-Management and Audit Scheme (EMAS). The Toscolano paper mill was the first of the Group's plants to receive EMAS registration, later extended to Villorba as well. In 2021, the Treviso site completed the registration process successfully, thus joining the plants listed above.

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

REACH regulation

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

EU Ecolabel certification

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

Burgo Group has obtained the Ecolabel mark for:

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

OK compost certification

The OK compost certification is divided into two branches:

- OK compost Industrial
- OK compost Home

OK compost INDUSTRIAL

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

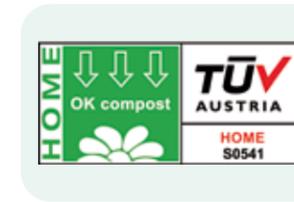


The Burgo – Mosaico production papers listed below carry this certification:

- Cup Board (Sora)
- Kazan C Barr (Chiampo)
- Ecogrease (Sora)
- Trayboard (Lugo di Vicenza)
- KBM – Greenkraft – Superilex AC – Superilex AC Green – Superilex AC M – Superilex SV – Velina CF (Tolmezzo)

OK compost HOME

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



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

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

Main forestry certifications

Forest management certifications refer to a statement issued by a third party, or an independent body, that verifies and affirms that the products, services and production systems conform to established parameters of “good and proper” management.

The aim of this certification is to ensure that the forest is protected, preserving and enhancing it whenever possible, according to principles of environmental, economic and social sustainability in order to leave it in the same or better condition for future generations.

Forestry certifications are voluntary and ensure that the processes and products associated with the use of forests are controlled and monitored.

A certified chain of custody is a way of proving that a business has a system to trace products sourced from forests throughout all stages of the production process, from the certified forest to the sawmill, the factory and the consumers. In this case the certification is issued and periodically reviewed by accredited third party bodies.

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

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



FSC® Certification

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



PEFC Certification

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

European Union Deforestation Regulation (EUDR)

The EUDR is the new European regulation against deforestation that will come into force from December 2024.

The EUDR will make it mandatory to demonstrate that all cellulose purchased from non-European countries comes from areas not subject to deforestation.

As a matter of fact, the new rules aim to:

- 1** prevent the use and consumption of products that contribute to the deforestation and degradation of forests;
- 2** tackle the deforestation and degradation of forests caused by agricultural expansion.

To comply with the Regulation it is necessary to certify that the wood does not come from cleared land and has not contributed to the degradation of forests, since 31 December 2020.

To prepare for this new law, the Group is undertaking various measures, such as:

- it is committed to increasing purchases of FSC® and PEFC-certified cellulose;
- it engages with cellulose suppliers to assess zero deforestation, traceability and biodiversity while accelerating the requirements of the EUDR.



The Burgo Group signs the Paper Profile

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

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

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

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



Carbon Footprint of Burgo Group products

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

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

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

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

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

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



CEPI Ten Toes

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

- 1 Carbon sequestration in forests is the process of capturing and storing atmospheric carbon dioxide (through photosynthesis). Forest certification and the traceability of fibre procurement guarantee either stable or increasing carbon stores in forests. This effect is difficult to attribute to a specific product, so this value is not currently considered within Carbon Footprints.
- 2 Biogenic carbon stored in wood fibre in paper products is one parameter that may be calculated. The longer a product is used, the longer this carbon stays out of the atmosphere. Paper recycling further delays the return of this CO₂ to the atmosphere by keeping carbon in the paper cycle.
- 3 Combustion of fossil fuels related to cellulose and paper production, including emissions from the production of purchased pulp.
- 4 CO₂ emissions from virgin or recovered fibre production
- 5 CO₂ emissions from the production of non-fibrous raw materials (chemicals, pigments, etc.).
- 6 Emissions associated with electricity purchased or sold.
- 7 Emissions associated with transportation of raw materials.
NOTE: Transportation of paper to customers is not included in this model.
- 8 Emissions from product use (e.g. Printing).
These are not included in the scope of the paper production process
- 9 Emissions related to product end-of-life management.
These are not included in the scope of the paper production process
- 10 Averted emissions (not currently included).

Product-related carbon footprint

The Burgo Group also uses the “**CEPI Ten Toes**” method to calculate the Carbon Footprint of its products and makes these documents available to all customers who request them.

BURGO GROUP CARBON FOOTPRINT BASED ON THE 10 TOES OF CEPI FRAMEWORK		
Company: Burgo Group NpA		
Mill: 9026		
Paper Quality: REFECTA 100 NATR		
Data collected from: 01/01/2022 to 31/12/2022		
Date of issue: 21/11/2023		
Ten toes of CEPI Framework	Fossil CO ₂ (kg/m ² of paper)	Biogenic CO ₂ (kg/m ² of paper)
1. Carbon sequestration in the forest		-
2. Carbon stored in the product		904.6
Net sequestration of biomass carbon		904.6
3. GHG emissions from pulp and paper production	506.1	
4. GHG emissions associated with producing virgin or recovered fiber	0.0	
5. GHG emissions associated with producing other raw materials	177.8	
6. GHG emissions associated with purchased or sold electricity and steam	+163.9	
7. Transport-related GHG emissions	54.9	
Total fossil CO₂ emissions	877.8	
8. GHG emissions attributable to product use (e.g. printing)	-	
9. GHG emissions attributable to end-of-life management of products	-	
10. Averted emissions	-	

Carbon footprints should not be considered as mere comparison tools

Carbon footprints should not, in any case, be understood as a comparison tool, although it might be tempting to think that carbon footprints can be compared and, on these grounds, a decision made on which product is the more desirable. The CEPI Ten Toes methodology actually states that comparisons between products "must be carried out with great care".

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

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

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

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





Materiality analysis

(GRI 1 - 3; 3 - 1/2/3; 2 - 14/29)

In collaboration with its stakeholders, the Burgo Group is committed to developing an even more strategic and structured approach to sustainability topics.

In order to improve its ESG reporting and comply with the new standards published by the Global Reporting Initiative 2021, the Burgo Group launched a materiality analysis in 2023 to identify the new material topics for 2023.

The process of determining material topics was based on the guidelines defined by “GRI 3: Material Topics 2021”. To build an accurate materiality matrix, the sustainability team conducted an analysis in collaboration with external advisors in order to:

- understand the context of the organisation;
- identify the potential and actual impacts;
- assess the significance of the impacts;
- prioritise these impacts.

A study was conducted to identify the actual or potential ESG impacts, i.e. generated or potentially generated by the Burgo Group through its activities and business relations, on economic, environmental and social matters. Each individual impact was analysed to understand its positive or negative effect in the operating context of the company. After identifying a list of 25 impacts generated or potentially generated by the Group, the dedicated team divided them into the three macro-dimensions of sustainability: environment, social, economic and governance.

The impact significance assessment by the Group's stakeholders came after the identification of the positive and negative impacts generated or potentially generated by the company's activities.

Stakeholders

Stakeholders are entities or individuals that could reasonably be significantly influenced by the activities, products and services of the organisation or whose actions could reasonably impact the organisation's ability to successfully implement its strategies and achieve its goals. When defining the new materiality matrix, various categories of stakeholders were identified, such as:

- **Shareholders;**
- **ESG Sustainability Steering Committee;**
- **Employees;**
- **Customers;**
- **Suppliers;**
- **Banks and insurance companies;**
- **Collaborators;**
- **Bodies and Institutions;**
- **Members of the Boards of Statutory Auditors and Supervisory Bodies of the Burgo Group companies.**

The decision to involve a wide array of stakeholders in the survey was made in order to assess the ESG material impacts more comprehensively, considering both internal and external interests of the company.

Given the importance of the study to identify the material impacts according to the new standard GRI 3, the list of stakeholders to whom the survey is administered was updated.

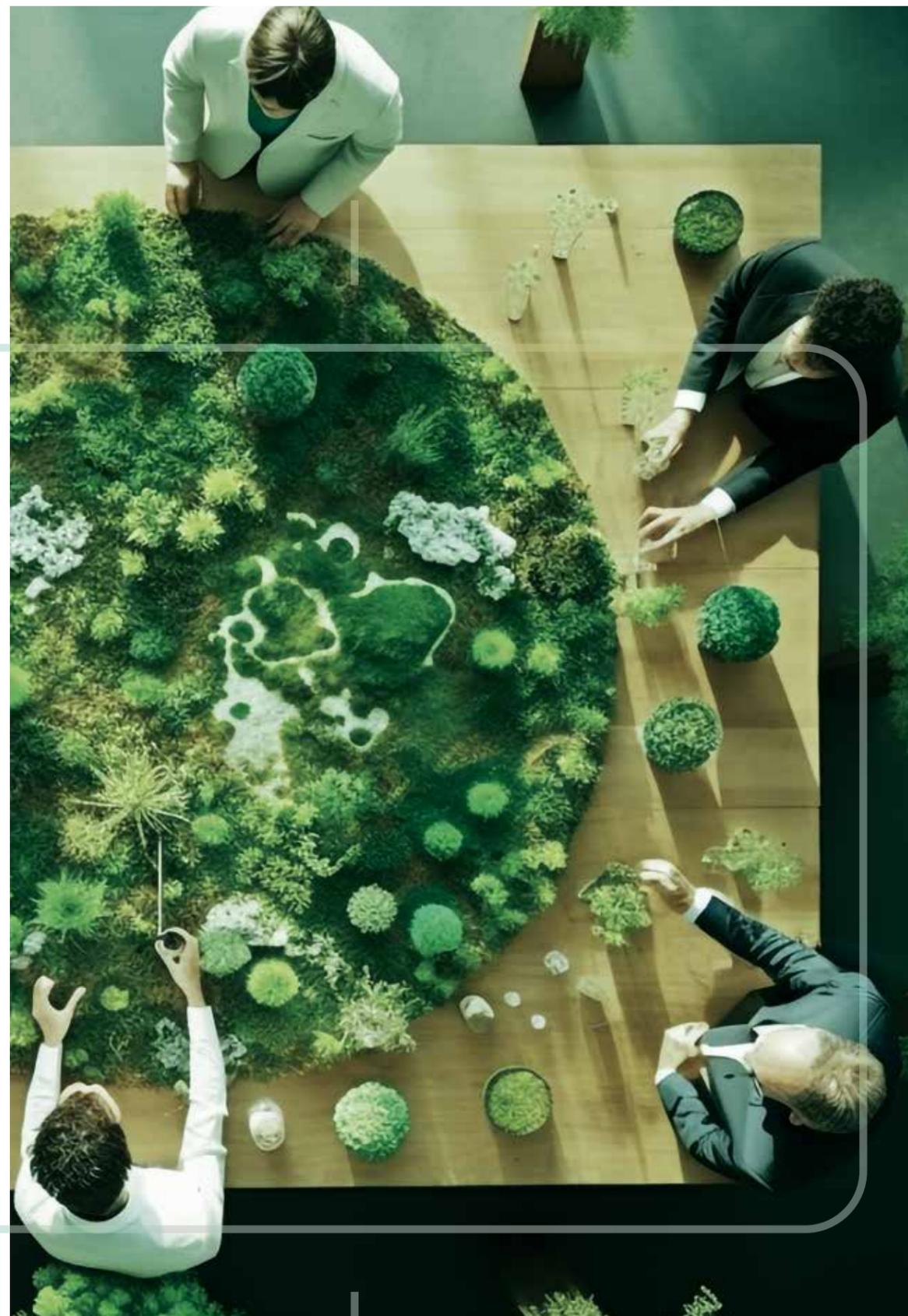
The list of the Group's material impacts was shared with the stakeholders through an on-line survey, by completing specifically created modules. Stakeholders were invited to rate the importance of each impact using a voting system from 1 to 4, namely:

- 1 negligible impact;
- 2 slightly relevant impact;
- 3 relevant impact;
- 4 highly relevant impact.

The responses received from the survey were uploaded into a processing tool. The average of the values was then calculated for each stakeholder category and, based on these results, the overall average was calculated which gave the assessment of the given impact. The results made it possible to create the definitive list of 2023 material impacts.



3





Material impacts



Chart 3.1: ESG material impacts

Social
Environment
Governance



Using the analysis conducted, the organisation categorised the impacts based on their importance, thus determining the list of the Group’s new material topics, according to which the 2023 sustainability reporting was prepared.

The Group set a minimum threshold of consideration and split into three groups in decreasing priority the list of material topics in order to focus mainly on the topics and related impacts with “medium - high” priority, which make up the first two groups.

Material topics 2023	Prioritisation
Health and safety Circular economy Climate change Ethics and integrity Waste management Economic performance	1st Group
ESG governance Human rights Product quality and safety Water consumption Energy management Procurement of materials	2nd Group
Staff training and skills development Risk management Local communities Diversity & inclusion, equal opportunities and non-discrimination Staff attraction and retention Protection of biodiversity	3rd Group

Table 3. 6: Prioritisation of material topics

The highest governance body assigned the Sustainability Steering Committee with the approval of the material topics. The Chief Executive Officers of Burgo Group and Mo-saico and all central directors participate in the committee. The materiality analysis was presented, discussed and approved by the steering committee.

The Burgo Group’s new material topics are listed below in decreasing order of relevance based on the stakeholder responses:

Material topics

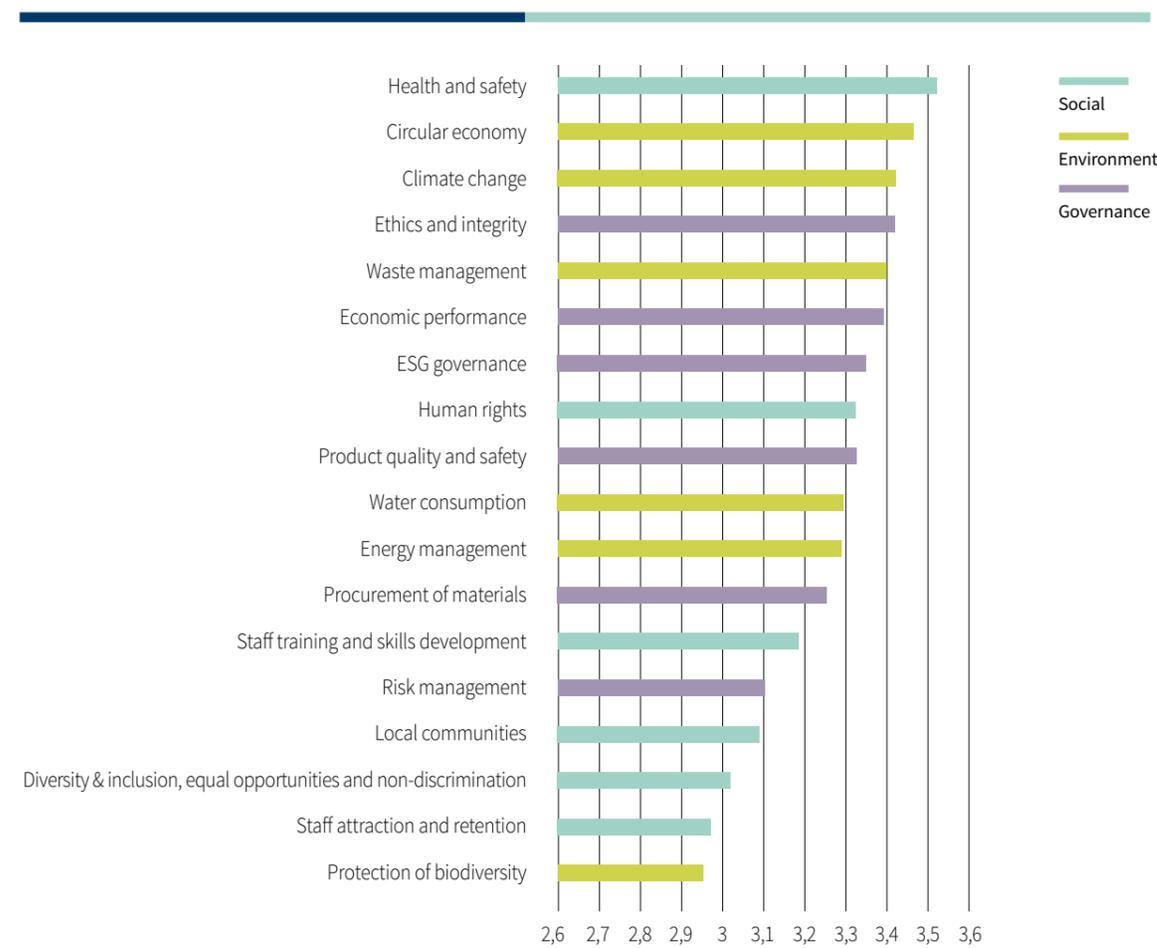
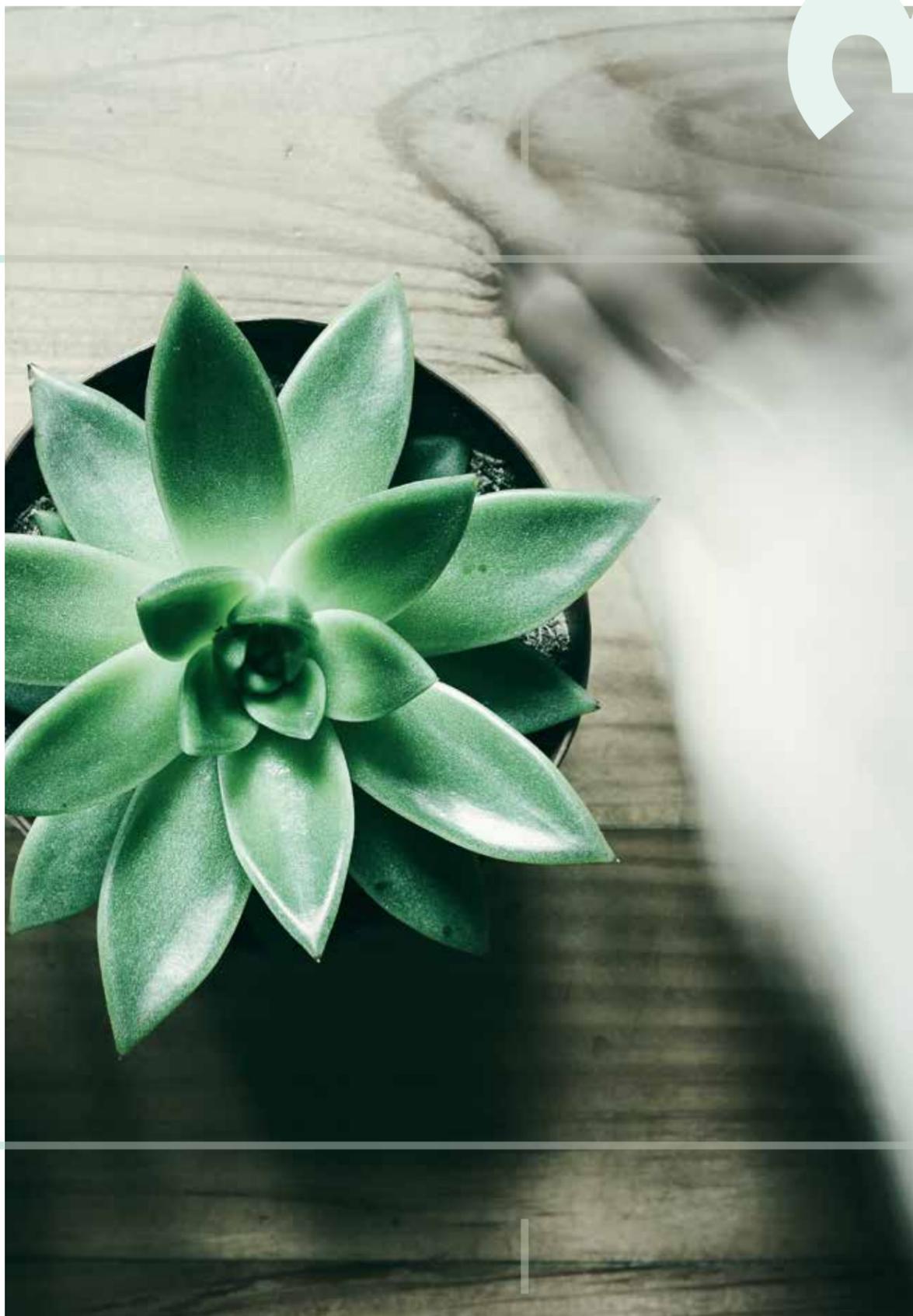


Chart 3.2: Material topics



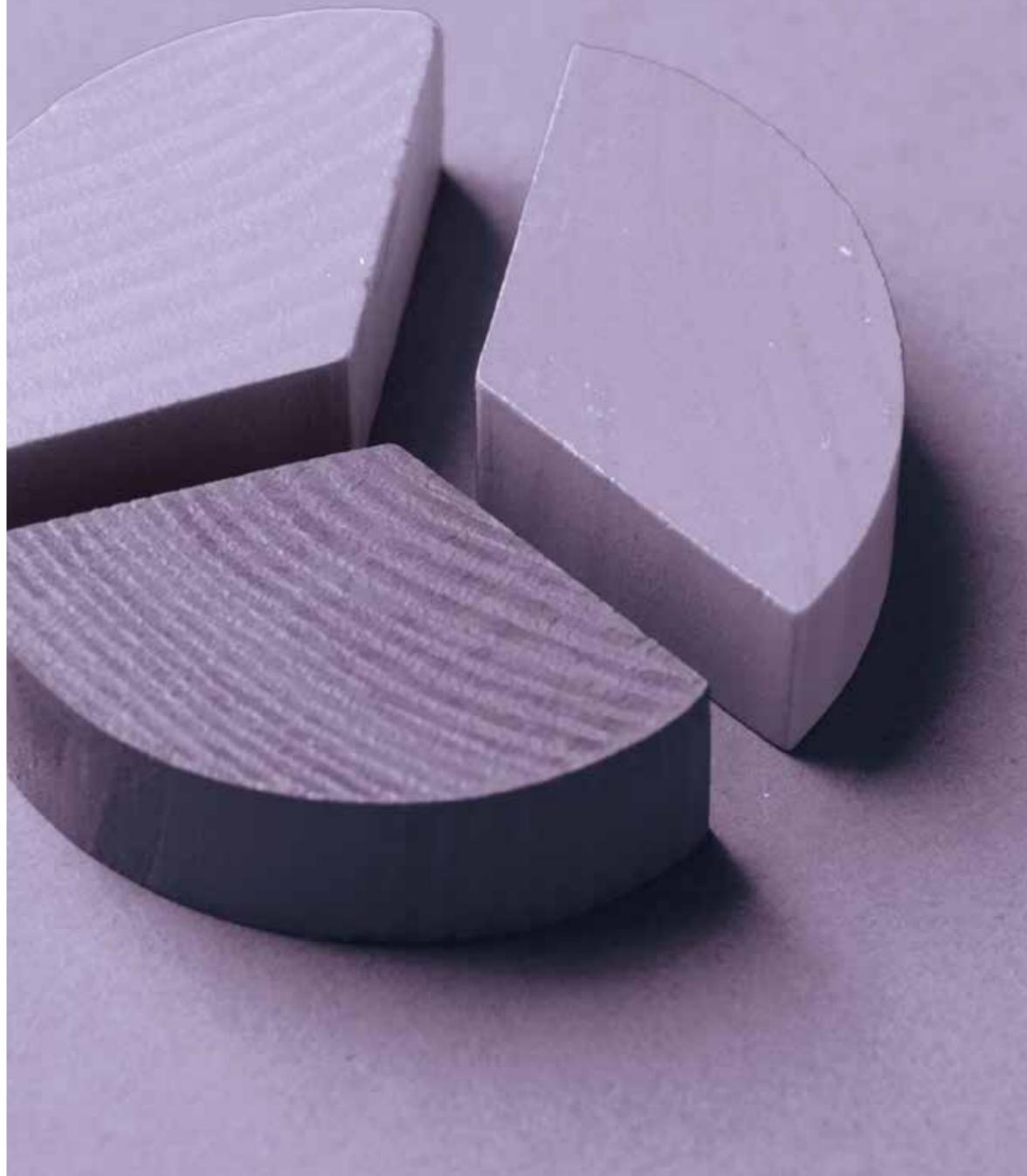
In the previous period, the 2022 materiality matrix had identified as a priority the topics related to “Respect and protection of the environment”, “Occupational health and safety” and “Economic-financial sustainability”. In the 2023 analysis, the relevance of these material topics was confirmed, classifying them into the first group of priority.

The materiality analysis made it possible to identify the most relevant topics for the Group’s internal and external stakeholders, guiding in particular the new sustainability reporting on these priority topics.

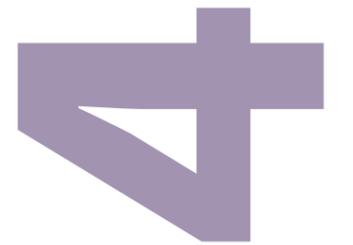
In conclusion, the results of the 2023 survey were used to optimise the strategies and company policies of the Burgo Group, with the aim of addressing ESG matters more effectively. The company is constantly committed to mitigating the negative impacts generated or potentially generated by its activities, while promoting the benefits that the positive impacts create both internally and externally to the organisation.



PAPER POWER PASSION



Economic responsibility





2023 Financial Data

The figures from the consolidated financial statements as of 31 December 2023, approved by the Shareholders' Meeting, are presented below.

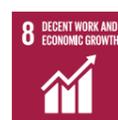
Group revenues amounted to € 1,471 million, down by 35.8% (€ 820 million) compared to 2022, when the figure was € 2,291 million. Considering the same reporting boundary, excluding the revenue generated by Duino during the previous year and in 2023, the variation in revenues was 30.8%.

Paper revenues totalled € 1,194 million, down by 34.9% with respect to the previous year. Considering the same reporting boundary, paper revenues came down by 30%. Cellulose revenues were at € 77 million, performing negatively for 27.1%.

Energy revenues, at € 171 million, decreased by 43.3%; on the same reporting boundary, the downward change in energy revenue was at 35.4%.

Other revenues, including sales of lignin sulphonate, decreased by 42.9% to € 26 million compared to 2022 (at € 46 million).

Revenue from pulp sales by the subsidiary Burgo Recycling, was down on the previous year.



Business sectors €/mln	2022	2023	% Change
Paper revenues	1,834	1,194	-34.9%
<i>% of total revenues</i>	<i>80.1%</i>	<i>81.2%</i>	
Pulp revenues	2	2	-26.3%
<i>% of total revenues</i>	<i>0.1%</i>	<i>0.1%</i>	
Cellulose revenues	106	77	-27.1%
<i>% of total revenues</i>	<i>4.6%</i>	<i>5.3%</i>	
Energy revenues	302	171	-43.3%
<i>% of total revenues</i>	<i>13.2%</i>	<i>11.6%</i>	
Others	46	26	-42.9%
<i>% of total revenues</i>	<i>2.0%</i>	<i>1.8%</i>	
	2,291	1,471	-35.8%

Table 4.1: Revenue breakdown

Statement of profit/(loss) for the year €/000	31 Dec 2022	31 Dec 2023	% Change
Revenues	2,290,511	1,470,813	-35.8%
Other income	54,893	58,639	
Total operating revenues and income	2,345,404	1,529,452	-34.8%
Costs for materials and external services	(1,854,720)	(1,060,632)	
Staff costs	(196,347)	(174,705)	
Other operating costs	(83,746)	(43,927)	
Changes to surplus stock	88,848	(93,964)	
Costs for capitalised internal works	839	1,107	
Total operating costs	(2,045,125)	(1,372,121)	-32.9%
EBITDA Adjusted	300,279	157,331	-47.6%
Depreciation and amortisation	(51,646)	(46,678)	
Capital gains/losses on disposal of non-current assets	1,461	899	
EBIT before non-recurring expenses and income and restructuring	250,095	111,552	
Writebacks/writedowns of non-current assets	(20,102)	(5,837)	
Income/expenses of a non-recurring nature / for restructuring	(5,921)	(9,054)	
Operating profit (EBIT)	224,072	96,661	
Financial expenses	(24,879)	(13,152)	
Financial income	6,661	7,644	
Profit/(loss) before taxes	205,854	91,153	-55.7%
Income taxes	(48,101)	(17,595)	
Profit/(loss) for the period	157,753	73,558	

Table 4.2: Reclassified income statement

Revenues from ordinary operations in 2023 amounted to € 1,470.8 million, down by € 819.7 million (-35.8%) with respect to the € 2,290.5 million seen in 2022. The contraction in sales is attributable to the volume effect and the decrease in unit pricing (of both paper and energy products). In particular, paper revenues decreased by € 640 million (-34.9%) and energy revenues by € 131 million (-43.3%).

The reduction in sales prices followed the trend of production costs, which saw a sharp decline in the prices of raw materials and energy during the year. The slow-down in demand aggravated this effect, which remained weak, especially in the first half of the year.

For the purpose of optimising working capital and operational financial flows, the Group may grant customers the option of a price reduction for repayments made earlier than the terms agreed in their contracts.

Other income amounted to a total of € 58.6 million (€ 54.9 million in the previous year) due, in particular, to environmental certificates linked to the production of energy from renewable sources and from energy savings achieved and the remuneration for the availability of electricity and gas interruptibility agreements to safeguard the equilibrium of the network.

Operating expenses totalled € 1,372.1 million against € 2,045.1 million the previous year, a decrease of -32.9%. Within operating costs, personnel expenses amounted to € 174.7 million, compared to € 196.3 million the previous year. This was also affected by the Duino sale and less hours worked following the production stoppages.

Adjusted EBITDA was € 157.3 million, against € 300.3 million in 2022. In percentage terms, EBITDA amounted to 10.3% of total operating revenues and income, compared to 12.8% the previous year. Margins measured on the Group's pulp and paper revenues also decreased from 17.2% in 2022 to 12.4 % in 2023.

Depreciation and amortization amounted to € 46.7 million compared to € 51.7 million in 2022, down from the previous year mainly due to the sale of the Duino plant at the start of 2023.

Operating income before non-recurring transactions amounted to € 111.6 million, compared to € 250.1 million the previous year.

Writedowns on non-current assets totalled € -5.8 million.

Non-recurring income and expense in 2023 amounted to € -9.1 million, compared to € -5.9 million last year.

Financial expenses went from € 24.9 million in 2022 to € 13.2 million in 2023, mainly due to the reduction in financial discounts linked to the assignment of the tax credits provided for energy and gas intensive companies, and the lower interest expense on medium-long term debt, referring to the Parent Company, thanks to the early partial voluntary repayment of € 18.3 million made in May 2023. Financial income increased during 2023, going from € 7.6 million from € 6.7 million in 2022, due to higher interest income accruing on cash deposits.

As a consequence of the above, the profit for the period, after income taxes of € -17.6 million, came to € 73.6 million, compared to profit of € 157.8 million the previous year.





Statement of equity/financial position: Assets €/mln	31 Dec 2022	31 Dec 2023	Change
Non-current assets	476.4	460.5	(15.8)
Property, plant and equipment	387.8	385.1	(2.7)
Intangible assets	18.7	13.4	(5.3)
Other non-current assets	23.0	26.1	3.1
Deferred tax assets	46.9	36.0	(10.9)
Current assets	852.2	729.2	(123.0)
Assets held for sale and discontinued operations	45.4	-	(45.4)
Total assets	1,373.9	1,189.7	(184.1)

Statement of equity/financial position: Liabilities €/mln	31 Dec 2022	31 Dec 2023	Change
Shareholders' equity	520.0	509.4	(10.6)
Shareholders' equity attributable to the Group	516.1	505.5	(10.6)
Shareholders' equity attributable to non-controlling interests	3.9	3.9	0.0
Non-current liabilities	320.6	262.4	(58.2)
Current liabilities	524.3	418.0	(106.3)
Liabilities related to assets held for sale and discontinued operations	9.0	-	(9.0)
Total shareholders' equity and liabilities	1,373.9	1,189.7	(184.1)

Table 4.3: Statement of equity

Net tangible and intangible fixed assets decreased, going from € 406.5 million to € 398.5 million. The change is mainly attributable to the difference between tangible and intangible investments totalling € 52.9 million, disposals for approximately € 3.3 million, writedowns for € 5.8 million, provisions for € 46.7 million and a net change of € -5 million for less environmental certificates registered for intangible fixed assets at year-end. Once again in 2023, the Group continued its investment programme aimed at developing new products, improving production and energy efficiency, quality, safety, plant maintenance, and upgrading and strengthening the Group's IT software and hardware.

Inventories decreased by € 94.8 million, with trade receivables from customers also coming down by € 94.8 million and trade payables to suppliers by € 104.7 million, mainly due to the contraction in revenues, but also because of the continued optimisation of collection and payment conditions, thus contributing to generating an overall contraction in operating working capital of € 84.8 million.

Net financial position shows a liquidity of € 113.8 million, compared to a liquidity of € 11.7 million the previous year.

Shareholders' equity decreased by € 10.6 million from € 520 million to € 509.4 million. The main changes are attributable to the profit for the year of € 73.6 million, overall negative changes to OCI (Other Comprehensive Income) totalling € 3.4 million, including in particular those resulting from the negative adjustment of the CFH (Cash Flow Hedge) reserve, and the payment of dividends in the amount of € 80.5 million.



Investments

In terms of total investments in property, plant and equipment made during the course of 2023, these amounted to € 49.3 million (€ 48.6 million in 2022). The amount of intangible investments was € 0.6 million. This is in addition to fixed assets for right of use and leasing totalling € 3 million.

Over the course of 2023, approximately € 9 million was invested in projects to pursue the ESG objectives, which is expected to be joined by additional investments for approximately € 80 million in the next three-year period.

The investment plan, defined in the reference Business Plan, continued with the introduction of new aspects directed at implementing the most modern technologies, while managing resources efficiently, with action aimed at improving energy efficiency and the transition to decarbonisation, identifying potential impacts and mitigation measures to protect the environment.

Besides ensuring the ongoing maintenance of its plant, the work done provided continuity to the technological modernisation process, quality improvement and energy efficiency undertaken in previous years. Specifically, at the Avezzano site, the new shoe press became operational, the modernisation of a portion of the aerothermal plant was completed and the pre-dryer hood was replaced, with all these interventions aimed at energy savings, while also increasing production capacity. The authorisation process was also started to install an anaerobic plant to treat wastewater. This plant, which expands the existing installation, will produce biomethane that will then be used in the existing boiler, which will contribute to the reduction of emissions.

In Sora, the conversion of line 2 for the production of coated and non-coated cardboard was finalised, with a virgin fibre base that is suitable for packaging foodstuffs; operations are expected to begin at the start of 2024.

A new biological treatment plant began operating at the Villorba plant, making it possible to reduce COD (Chemical Oxygen Demand) emissions, and utilise less water resources.

The paper mill in Lugo was installed and began running a new laminator to boost production of playing card supports and more generally, coupled papers.

Other important measures, especially in terms of energy efficiency, will be concluded over 2024: changes to the steam and aerothermal plants of Tolmezzo 3, replacement of the turbosteam in Villorba and installation of a 10 MWp photovoltaic plant in Ardennes.

New initiatives also include the execution of the preliminary design for the wood biomass boiler for the Tolmezzo paper mill, with the authorisation process initiated for its construction during the last part of 2023 and which should be completed during the first quarter of 2025. Once authorised, the project envisages the introduction of a 25MW thermal boiler, including systems for the preparation and feeding of the biomass, and fume treatment and filtration; once operational, the plant will reduce the use of fossil sources by 30% at the Tolmezzo cogeneration, the equivalent of 35,000 tons/year of CO₂. Furthermore, an assessment is currently also underway regarding collaboration with local entities for the supply of thermal energy for the district heating of certain public buildings in Tolmezzo.

The utmost attention was given to the issues of energy sustainability and decarbonisation targets: in addition to the Tolmezzo project referred to above, an analysis is being undertaken for the future upgrading of the wood biomass boiler at the Ardennes plant.

Studies and analyses were also undertaken from this perspective for possible processes to reduce the consumption of fossil fuels, develop renewable sources and increase energy efficiency, by also taking advantage of the possibilities offered by national and European tenders for these initiatives.



Plant	Description of the project
Avezzano	System intended for better waste management through improved selection and separation
Avezzano	Installation of a new “shoe” press machine for energy efficiency
Avezzano	Measures intended to reduce water consumption through water filtration and optimised use cycles
Avezzano	Measure intended to reduce the pollutant load of wastewater and the production of biomethane
Avezzano	Improved wastewater system management
Avezzano	Modification to steam and aerothermal systems for energy efficiency
Avezzano	System intended to produce energy from renewable sources
Sora	System intended for energy efficiency
Sora	Partial redevelopment of the cogeneration power station for energy efficiency and to achieve the parameters envisaged for high-yield cogeneration
Villorba	Biological treatment plant designed with MBBR (Moving Bed Biofilm Reactor) technology to reduce the pollutant load of wastewater
Villorba	Partial redevelopment of the cogeneration power station for energy efficiency and to achieve the parameters envisaged for high-yield cogeneration
Sarego	Modernisation of the turbogas section of the cogeneration power station intended to improve energy efficiency and reduce emissions
Tolmezzo	Modification to steam and aerothermal systems for energy efficiency
Tolmezzo	System intended to produce energy from renewable sources with possible supply to the district heating network of the local community
Treviso	Redevelopment of the cogeneration power station for energy efficiency
Burgo Ardennes	System intended to produce energy from renewable sources

Table 4.4: Investment projects

Global distribution of sales

In the three-year reporting period the Group adopted a policy to increase its presence in developing continents characterised by high growth potential.

The Group's paper sales are mainly aimed at the European market and represent approximately 93% of the total.

	2021	2022	2023
Europe	88%	87%	94%
of which Italy	41%	38%	42%
North America	4%	6%	2%
Asia	4%	3%	2%
Africa	1%	2%	2%
Latin America	1%	1%	1%
Central America	1%	1%	0%
Oceania	0%	0%	0%
Total	100%	100%	100%

Table 4.5: Sales distribution

Distribution of added value

(GRI 201-1)

Directly generated and distributed economic value

It should be noted that the economic effect stemming from the Duino plant, sold in January 2023, has been excluded from the 2021 figures, with the objective of equating the data with that of 2022 and 2023.

Generated and distributed economic value Items:	2021	2022	2023
Net sales revenues	1,438,549	2,063,998	1,470,813
Other revenues	63,102	50,827	58,639
Revenues from financial investments	4,306	6,661	7,644
Sales of goods	104	1,491	928
Generated economic value (total revenues)	1,506,060	2,122,977	1,538,025
Operating costs	(1,278,232)	(1,666,363)	(1,194,967)
Employee salaries and benefits	(158,965)	(171,210)	(160,277)
Payments to equity providers	(9,677)	(21,725)	(12,361)
Payments to local authorities	(12,624)	(16,041)	(17,292)
Investments in the community	(107)	(118)	(109)
Distributed economic value (total costs)	(1,459,605)	(1,875,457)	(1,385,007)
Economic value withheld	46,455	247,520	153,018
of which:			
Amortisation, depreciation and writedowns	(53,954)	(70,248)	(52,515)
Remuneration withheld in the company (Profit/(loss) for the year and deferred taxes)	7,499	(177,273)	(100,503)

Table 4.6: Generated and distributed economic value

The Group's economic value generated (EVG) in 2023 was € 1,538 million. The fall in value compared to 2022 is mainly due to the reduction in revenues from sales. Economic value generated is divided into economic value distributed and economic value withheld. The details of the three-year period are given below, subdivided into the various subcategories.

	Economic value generated	Economic value withheld	Economic value distributed				
			Operating costs	Employee salaries and benefits	Payments to equity providers	Payments to local authorities	Investments in the community
2021	1,506	46	1,278	159	10	13	0.11
		3%	85%	11%	1%	1%	0%
2022	2,123	248	1,666	171	22	16	0.12
		12%	78%	8%	1%	1%	0%
2023	1,538	153	1,195	160	12	17	0.11
		10%	78%	10%	1%	1%	0%

Table 4.7: Economic value



Payments to local authorities by country

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

- **Corporate taxes:** mainly referring to taxes on revenues (e.g. IRES in Italy) and, where provided for, taxes of production activities (e.g. IRAP in Italy), applicable in the various countries where the Group operates;
- **Property taxes:** mainly referring to the Single Municipal Tax (Imposta Municipale Unica - IMU) applicable in Italy, and the Real Estate Tax (*Precompte immobilier*) applicable in Belgium;
- **Other taxes:** these mainly refer to taxes on motive power, water rates, use of public soil, and other less significant categories, applicable in the countries where the Group's companies operate.

Taxes by category			
Items:	2021	2022	2023
Corporate taxes	745	7,441	7,761
Property taxes	7,159	5,580	5,730
Others taxes	3,709	3,513	3,218
Total	11,614	16,534	16,710

Table 4.8: Taxes by Category

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

The figure demonstrates that Belgium and Italy are the countries in which the Group is most exposed to tax payments to local authorities (on average, over 99% of taxes are paid in these countries).

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

Corporate and Property tax by Country

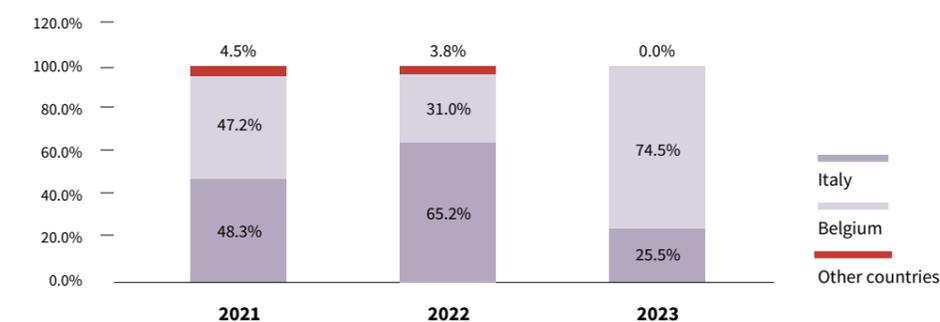


Table 4.9: Taxes by Country

Note:

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

4.3



State financial subsidies

(GRI 201-4)

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

In 2023 Burgo Group, specifically the parent company Burgo Group S.p.A., received the following contributions:

- Agrifood “Business and Competition National Operational Programme 2014-2020” subsidised rate loans for € 332 thousand;
- Agrifood “Business and Competition National Operational Programme 2014-2020” grant for € 388 thousand.

The details of subsidies reached each year are shown below.

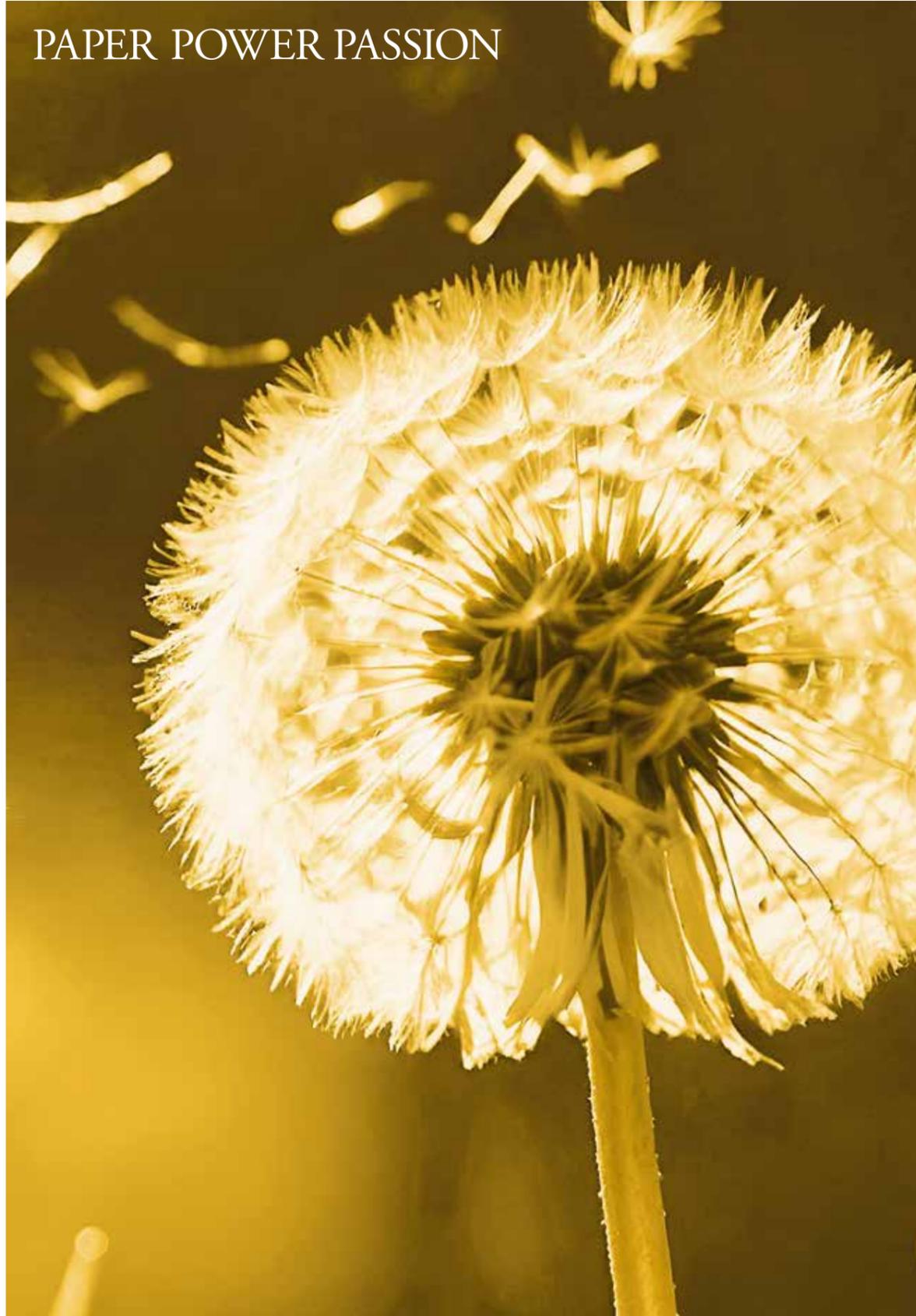
All contributions were obtained through participation in tenders and research and development projects promoted by regional and national bodies.

Company	Plant	Granting body	Grant amount
2023			
Burgo	Avezzano	Italian Ministry of Economic Development	€ 332,442
Burgo	Avezzano	Italian Ministry of Economic Development	€ 387,523
2022			
Mosaico	Tolmezzo	Revolving Fund for Economic Initiatives Friuli Venezia Giulia	€ 7,802,637
2021			
Burgo	Sora	Italian Ministry of Economic Development	€ 329,000
Mosaico	Tolmezzo	Revolving Fund for Economic Initiatives Friuli Venezia Giulia	€ 3,359,132

Table 4.10: Subsidies obtained



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Environmental responsibility



5.1

Procurement and Biodiversity

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

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

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

OUR COMMITMENTS:

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



Biodiversity

The Burgo Group recognises the importance of biodiversity for the health of the planet and for its activities. Biodiversity represents the variety of life on Earth, from the forests to the oceans, from plants to animals. It is essential for human well-being, since it provides food, water, clean air and other essential ecosystem services.

The Group is fully aware of the impact that its activities may have on biodiversity. For this reason, the company undertakes to reduce to a minimum its environmental impact and to promote the preservation of biodiversity.

As part of the GO2030 programme the Group has defined several concrete actions that it intends to take to contribute to the protection of biodiversity, for example:

- the use of wood fibres from sustainably managed forests, including those that are part of the Forest Stewardship Council (FSC®) and/or the PEFC (Programme for Endorsement of Forest Certification), international organisations that promote the responsible management of forests;
- the reduction of water and energy consumption, by investing in innovative technologies to limit the use of water and energy at its production facilities;
- the promotion of research and development into new technologies for the production of more sustainable paper.

One crucial aspect of biodiversity is linked to ensuring that the wood used comes from responsibly managed and certified forests. This means:

- protecting natural ecosystems, biodiversity and species at risk in forest areas;
- protecting the rights and livelihoods of local populations that depend on forests;
- planning the felling and replanting of trees so as to guarantee the renewability of forests over time.

Forest certifications guarantee that these standards are respected, by assessing and monitoring forest management practices.

In Italy the Burgo Group owns Germagnano Forest (TO), a wooded area of over one million square metres, managed naturally without overexploitation of the forest resource. The area is home to numerous conifers with many examples of *Pinus Nigra* (black pine) and *Pinus strobus L.* (eastern white pine), planted during reforestation several years ago, and where the wood thins out, deciduous vegetation has taken root in the open spaces between the forest canopy, mainly *Castanea sativa Mill.* (sweet chestnut) and *Acer pseudoplatanus L.* (sycamore maple).



Figure 5.1: Germagnano Woods

The Virton plant (Burgo site in Ardennes, Belgium) is close to three Natura 2000 sites (BE34063 Vallées de la Chevratte, BE34064 Vallées de la Vire et du Ton and BE34066 Vallée du Ton et Côte bajocienne de Montquintin à Ruelle). The originality and biological wealth of the environment around the site mainly reside in the historic eco-landscape, which is relatively well preserved. In 2023 a study was completed that led to the census of notable species of flora and fauna present in the surroundings of the site. The census was carried out over several days and made it possible to identify numerous species of amphibians, birds, insects, flowers, etc. and their different habitats. The study aimed to assess how the ongoing projects at the site would impact on the conservation status of the 3 Natura 2000 sites. In order to maintain the biodiversity of the area, a “Biodiversity Support Committee” was established and activated in 2023 by Burgo Ardennes, local bodies and sector experts.

For the Group, paper manufacturing can be sustainable if done responsibly, by minimising its impact on biodiversity. The Burgo Group believes that by adopting sustainable procurement practices, reducing waste and using innovative technologies, while promoting discussion and participation with all stakeholders, a contribution can be made to preserve the wealth of life on Earth and to build a more sustainable future for the paper sector.

In late January 2023 an agreement was signed between Burgo Group and Consorzio Boschi Carnici for the assignment of 1,500 tonnes of carbon dioxide in exchange for sustainability credits.

The Consorzio Boschi Carnici (a body of the Friuli-Venezia Giulia Region) received from the CSQA certifying body, the first certification in Italy for PEFC ecosystem services, in accordance with the PEFC ITA 1001-SE:2021 standard.

This certification states and confirms the good practices of the Consorzio, including:

- the increase of forest biomass;
- the implementation of reforestation or forest fire prevention activities intended to prevent atmospheric emissions or to store carbon.

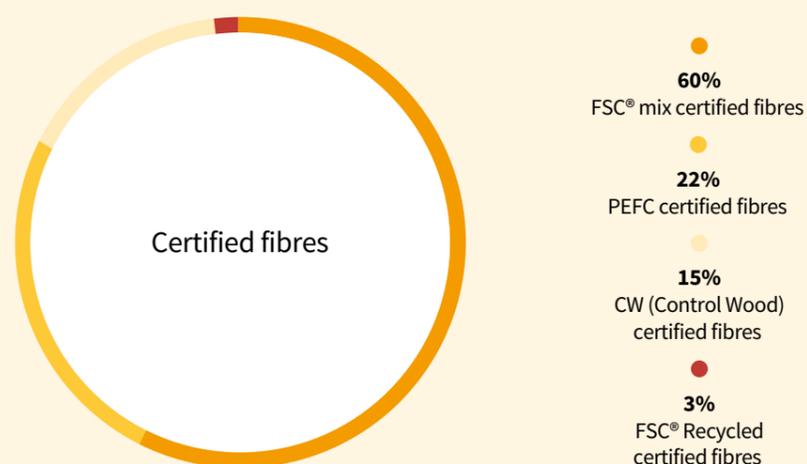
With the purchase of these sustainability credits, the Burgo Group promotes forest management projects that allow for carbon capture and the promotion of environmental resilience, while protecting biodiversity and redeveloping forest ecosystems and their networks, thus promoting the “ecosystem services” generated by forest natural capital.





Focus on procurement

The Group promotes the procurement of fibrous raw material sourced from responsibly and sustainably managed forests to guarantee the renewability of resources, to protect biodiversity and to maintain habitats. It prioritises the procurement of wood and fibrous raw materials from FSC® and PEFC certified forests and controlled sources.



Strategic materials

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

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

The quantities of the main raw materials used by the Group are shown below. The materials of the Duino plant are no longer included in the figures from 2021 and 2022, in order to allow for their comparison with the year 2023.

Materials consumed for production* (t)	2021		2022		2023	
	Renewable	Non-renewable	Renewable	Non-renewable	Renewable	Non-renewable
Cellulose	809,390		774,541		538,294	
*of which Virgin Cellulose Fibre	483,617		493,049		301,364	
*of which self-produced Virgin Cellulose Fibre (Burgo Ardennes and Tolmezzo)	240,202		206,085		188,259	
*of which wood pulp and CTMP	74,662		67,633		39,021	
*of which Recycled Cellulose (de-inked pulp, recycled raw material)	10,910		7,773		9,650	
Timber	1,472,135		1,333,112		1,262,408	
Kaolin		40,545		26,745		19,752
Carbonates		588,762		520,295		388,354
Other chemicals		163,828		157,012		140,350
Latex		53,482		45,686		35,171
Starches	46,383		43,259		30,922	
Pulp (recycled raw material)	191,953		171,709		181,111	
Total by category	2,519,861	846,618	2,322,622	749,738	2,012,735	583,627
Total	3,366,479		3,072,360		2,596,362	
% Of total	74.9%	25.1%	75.6%	24.4%	77.5%	22.5%

* Source: warehouse accounting

Table 5.1: Renewable and non-renewable materials consumed

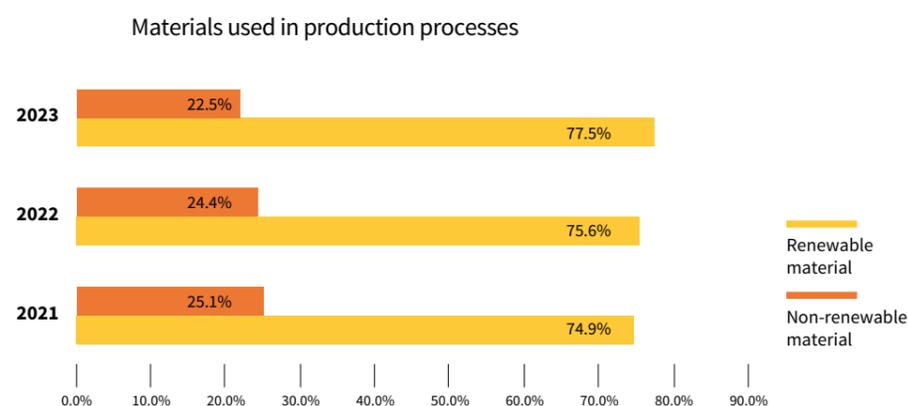


Chart 5.1: Materials used in production processes

Focus on supply chain

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

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

The Group applies an annual supplier qualification and selection policy. Currently, supplier selection is done through evaluations that are as objective as possible, where preference is given to suppliers as close as possible to the production centres, to maximise the reduction in the environmental impact of transporting goods. The Group also seeks to improve its supply chain by reducing its supplier base so that it can stabilise and consolidate relationships.

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

- ensure ethical and sustainable behaviour by monitoring their financial and economic structure;
- adopt more sustainable transportation (more intermodal methods - less road haulage).

The key suppliers, understood as those representing 90% of purchases, are assessed every year through a form that covers the issues deemed most sensitive and important by the Group. All new suppliers deemed relevant for the Burgo Group (10% of new

suppliers – of raw materials, consultants, contractors and services providers – for the year 2023) are also evaluated according to environmental and social criteria using this evaluation form. The main areas of interest in the analysis are:

- quality of product and service;
- reliability;
- documentation provided;
- competitiveness;
- sustainability reporting, especially certifications and any sustainability projects.

In relation to raw materials, the 2023 supplier assessment (160 suppliers) found indicators related to sustainability practices as follows:

Policy for quality/environment/safety/energy	97%
ISO 9001	85%
ISO 14001	66%
ISO 45001	45%
ISO 50001	35%
Code of Ethics	79%
Sustainability reporting	60%
Plan for reducing CO ₂ emissions	50%

Based on these results, the Procurement Office is implementing the necessary strategies to achieve the sustainability objectives set out in the GO2030 Plan.

Every year, the Group also asks all suppliers of:

- cellulose: to complete the Pulp Sustainability form;
- timber: to complete the Wood Sustainability form;
- chemicals: to complete the Chemical Sustainability form.

These are forms in which the Group asks for information relating to certification, percentage of certified material in the production facility, carbon footprint values and all the main environmental data for their production facilities.

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

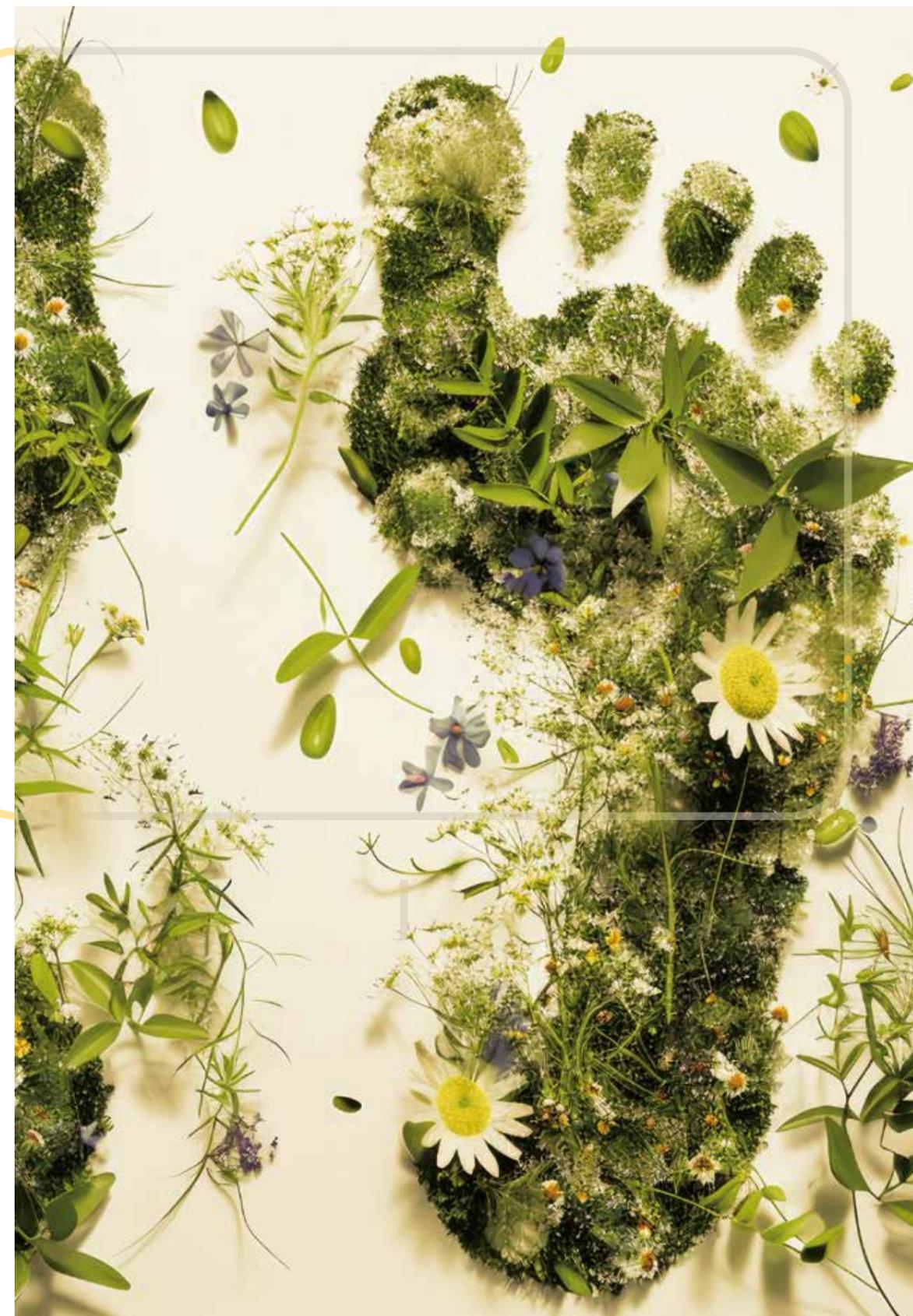
The main actions taken during 2023 include:

- 1 a Code of Conduct supplemented with ESG clauses sent to all suppliers. Starting this year, the code is regularly sent to all new suppliers;
- 2 procurement from FSC®/or PEFC-certified forests (85% in 2023);
- 3 implementation of a monitoring system for the CO₂ emissions of all suppliers of raw materials purchased by the Group (Scope 3 emissions).

Based on the data collected, the Group is implementing the necessary strategies to improve Scope 3 emissions. The categories considered in this first phase are cellulose, optical correctors, latex, starches, carbonates and kaolins.



 Category	 KPI
<ul style="list-style-type: none">  ESG Code of Conduct  Forest certifications  Scope 3 emissions 	<ul style="list-style-type: none"> % suppliers FSC® and/or PEFC certified fibres % kton CO₂



5.2



Circular economy and waste management

(GRI 306 - 1/2/3/4/5)

Circular economy: a new paradigm for competitiveness and sustainability.

Circular economy represents a radical change in paradigm from the traditional economic model based on extraction, production, consumption and waste. It is proposed as a regenerative economic system, where resources are used to their full potential and waste is reused or recycled into new products.

The circular economy has been studied since the late 1960s but has only in recent times fully entered the economic panorama, serving as a business model with enormous potential, capable of generating competitiveness by bringing innovation and sustainability together.

The implementation of a circular economy model allows companies to gain a significant competitive edge: cost reduction, efficient energy use, reduction in CO₂ emissions, optimisation and security of the supply chain.

The production process maximises the in-process recovery of material in accordance with sector BATs (e.g. use of fibres and fillers recovered from water treatment) in order to reduce the generation of waste.

The Burgo Group has always been aware of the topic of circular economy and has included relevant activities in the GO2030 ESG programme. Proof of the Group's commitment is its participation, as a sponsor, in the Circular Economy Network activities, which involves a group of companies and organisations in collaboration with the Italian Foundation for Sustainable Development, operating to support the transition to a circular economy. To this end, the Circular Economy Network:

- builds a network of debate, exchange of information and good practices, to back a shared vision and common measures on various aspects of the circular economy;
- performs analyses of critical events and barriers that hinder the ecological transition;
- prepares proposals to enhance the development potential of the circular economy in Italy;
- produces studies and research on European and international reports and initiatives, on various aspects of the circular economy, with a particular focus on its positive consequences for new possibilities for development, well-being and employment, for natural resource use, for the climate, innovation and digitalisation;
- it prepares proposals for strategies, policies and measures, aimed at policy makers, by promoting a constant and constructive dialogue with institutions at various levels.



The Burgo Group promotes the topic of the circular economy with dedicated projects and activities, in particular:

- following the reconversion of the Avezzano production lines used for container-board production, in 2023, over 180,000 t of waste paper was used as secondary raw material/EoW (End of Waste);
- since 2018, projects for the reuse of certain process waste, originating from the production of cellulose, wood pulp, and paper, have been continuously evolving. Among the more significant initiatives is the ongoing disposal of the “white krofta” by-product from the Tolmezzo plant, regularly provided as a by-product to a paper mill in the area;
- the FENIX™ project with the aim of producing recycled and sustainable packaging as a result of a “short production chain” thanks to which the End of Waste deriving from the recovery of packaging waste produced by the end user is reused in the production process for new packaging, so as to create a tangible circular economy;
- the promotion of material recovery (paper by-products) with exchange within and outside the Group.

Waste management

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

With this in mind, the Group has sent more than 95% of waste and 100% of sludge from the paper production process for recovery in 2023.

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

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



The Burgo Group promotes programmes in all plants to reduce the amount of waste produced, with the aim of a consequent reduction in the negative impact on the environment caused by a large quantity of waste.

The Burgo Group takes care to ensure its activities have a limited impact on the environment and are in line with stakeholders' expectations, including through sustainable procurement (as described in chapter 5.1). For this purpose, the Group implements strategies of continuous research on techniques and methods that make it possible to reduce the use of virgin natural materials, including by promoting the use of pre-consumer fibres, the use of paper by-products from the industry (e.g. mill broke, cutter trimmings) and products deriving from waste recovery flows (such is the case at the Avezzano plant where all recycled raw material is EoW) and to optimise the efficiency of its production plants. This approach is a practical representation of how sustainability, in this case environmental, is an integral part of the Burgo Group's operational management: for example, the Group monitors waste generated on a monthly basis and uses this as a performance indicator for maximising raw material.

Due to the very nature of the process itself, paper manufacturing generates waste, in particular paper sludge deriving from the treatment of water used in the process. Sludge production is monitored monthly as part of meetings to manage industrial activities as a performance indicator to be controlled and reduced. Sludge production is influenced by several factors such as the type of paper produced, the number of production shutdowns and the production of papers intended for food contact, and that such residues are sent for recovery (for example in the production of hollow bricks, use in agriculture), promoting a genuine industrial symbiosis as described below.

Other waste is managed as a by-product, for example, the bark deriving from the processing of wood at the Tolmezzo plant.

Typical waste from the production of recycled paper for packaging (e.g. at Avezzano) is pulper waste, the non-recyclable plastic matrix that is separated in the initial stages of the process and sent for recovery outside of the site.

It could be said that the Burgo Group's approach to waste management is integrated and does not exclusively consider waste disposal.

Waste management takes place under a hierarchy, namely:

- A** prevention;
- B** preparation for reuse;
- C** recycling;
- D** other type of recovery, for example energy recovery;
- E** disposal

as described in more detail in the following charts and tables.

The topic is therefore material but managed so as to minimise the impact. In relation to the downstream stages of the production process, in particular related to the final stages of the life cycle of Burgo products, it should be noted that all products placed on the market are completely recyclable and easily recoverable within the chain of the paper and cardboard recycling industry.

Waste produced

The figures from 2021 and 2022 have been adjusted for the impact deriving from the Duino plant, which was sold by the Burgo Group on 01/01/2023.

	UM	2021	2022	2023
Non-hazardous waste produced	tonnes	59,757	61,130	65,758
Hazardous waste produced	tonnes	514	527	571
Group waste	tonnes	60,271	61,657	66,329

Table 5.2: Group Waste

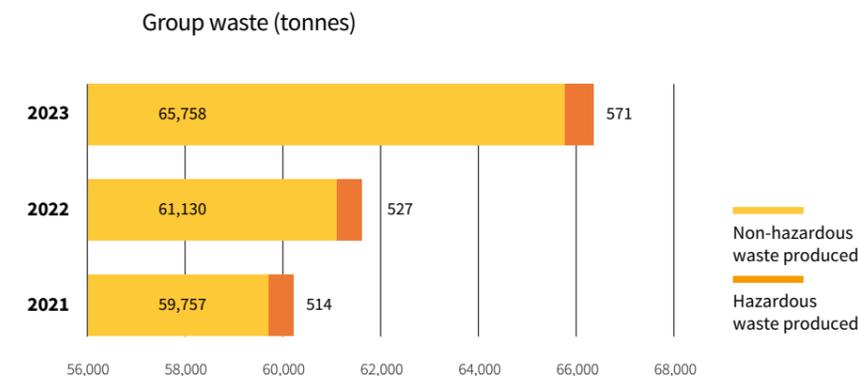


Chart 5.2: Group Waste



Hazardous waste produced

	UM	2021	2022	2023
Recovery	tonnes	342	340	429
Disposal	tonnes	172	187	142

Table 5.3: Hazardous waste

The variability in the generation of hazardous waste produced is due to the periodic maintenance of production plants performed during 2023 (e.g. waste oil, cleaning of tanks).

Hazardous waste produced (tonnes)

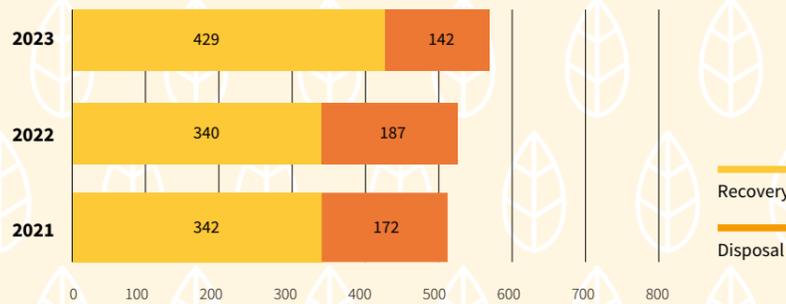


Chart 5.3: Hazardous waste

Non-hazardous waste produced

	UM	2021	2022	2023
Recovery	tonnes	55,533	57,326	64,999
Disposal	tonnes	4,223	3,804	759

Table 5.4: Non-hazardous waste

Non-hazardous waste produced (tonnes)

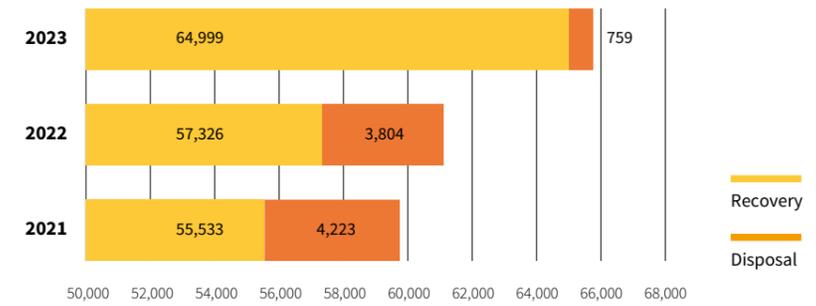


Chart 5.4: Non-hazardous waste

The graph shows the variability in the amount of non-hazardous waste sent for disposal. As part of ESG initiatives, the Group is committed to increasing the percentage of waste going to recovery and reducing waste going for disposal.

The graph below shows the evolution of the percentage of hazardous and non-hazardous waste sent for recovery and disposal over the 2021-2023 three-year period.

Group waste (%)

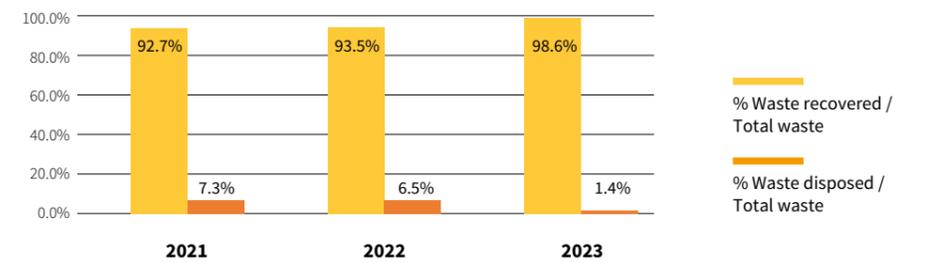


Chart 5.5: % Waste to recovery – disposal





In 2023, the percentage of waste sent for recovery increased from previous years, reaching about 98.6% of the total.

In 2023 the Group began monitoring the recovery and disposal activities divided into hazardous waste and non-hazardous waste. The data for the current year is shown below:

Recovery		Hazardous waste	Non-hazardous waste
Preparation for reuse	tonnes	67.17	3,073.01
Recycling	tonnes	17.99	6,233.69
Other recovery operations	tonnes	344.19	55,692.43
Total	tonnes	429.36	64,999.13

Table 5.5: Waste sent to recovery 2023

Disposal		Hazardous waste	Non-hazardous waste
Incineration (with energy recovery)	tonnes	1.32	-
Incineration (without energy recovery)	tonnes	-	-
Landfill	tonnes	-	-
Other disposal operations	tonnes	140.42	758.60
Total	tonnes	141.74	758.60

Table 5.6: Waste sent to disposal 2023

All waste is sent for off-site disposal or recovery (outside the physical boundaries or administrative control of the organisation) at qualified plants authorised to receive EWC (European Waste Catalogue) codes.



Energy consumption and efficiency

(GRI 302-1/3)

Energy resources and consumption

To standardise the data, the production and consumption of the Duino plant have been excluded for the years 2021, 2022 and 2023 since the site was sold on 01/01/2023.

In general, due to the drop in demand 2023 was characterised by a significant operating discontinuity of the production plants, which inevitably affected the energy figures. Faced with an over 25% drop in paper and cellulose production compared to the previous period, the energy consumption fell by 13%, with an impact on the energy indicators.

In 2023, the primary source of energy was still natural gas: however, in light of the above, there was a drop in methane consumption (mainly used at the Italian plants) and a higher proportion of renewable energies (mainly biomass in Ardennes) compared to previous years (from 42% to over 49%).

The economic conditions described above also reinforced the positive trend in the lower use of fossil fuels (from 60% in 2022 to 53% in 2023).



Items		2021	2022	2023
Methane	GJ	13,706,768	12,238,307	9,472,750
Diesel fuel	GJ	17,187	11,320	12,471
Fuel oil	GJ	30,855	23,675	39,102
Fossil sources	GJ	13,754,810	12,273,302	9,524,323
Biomass	GJ	9,232,678	8,642,892	8,701,116
Photovoltaic	GJ	205	98	127
Production of hydroelectric electricity	GJ	146,140	70,418	97,689
Renewable sources	GJ	9,379,024	8,713,408	8,798,932
Electricity acquired	GJ	561,585	524,558	542,281
Electricity sold to the grid	GJ	(1,109,487)	(959,083)	(897,192)
Total energy used	GJ	22,585,932	20,552,185	17,968,344

Table 5.7: Total energy used

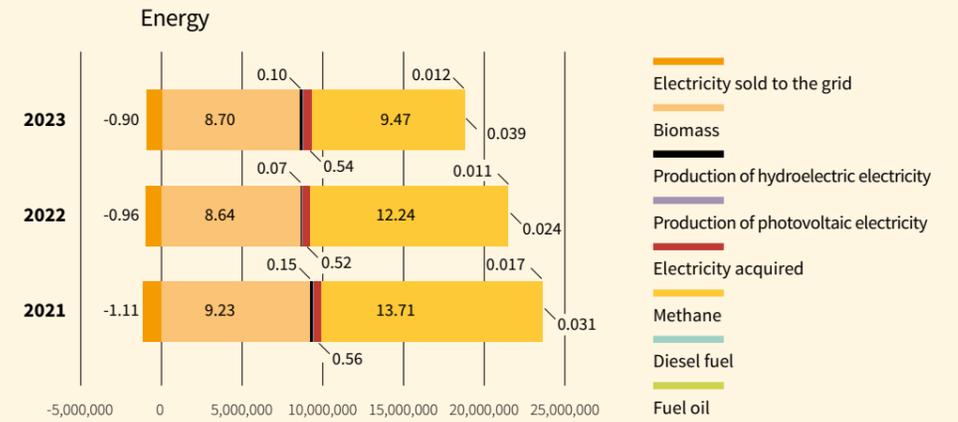


Chart 5.6: Energy mix of the Group

An increase was observed in the energy intensity compared to previous years, which should, however, be attributed to the intermittent operating conditions of many plants rather than process inefficiencies.

As a matter of fact, during start-up and shutdown, the plants naturally operate in conditions of lower efficiency; this is joined by the higher incidence of “empty consumption”, namely the absorption of energy at nil production.

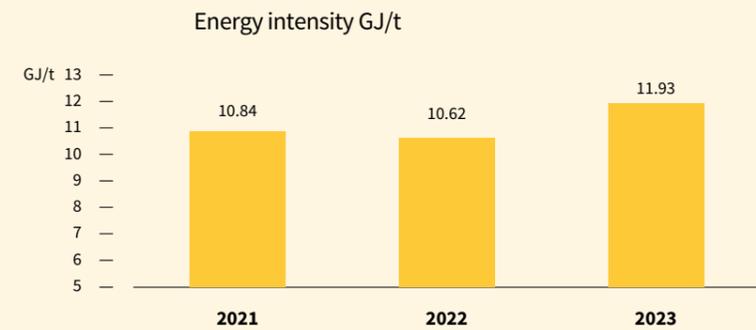
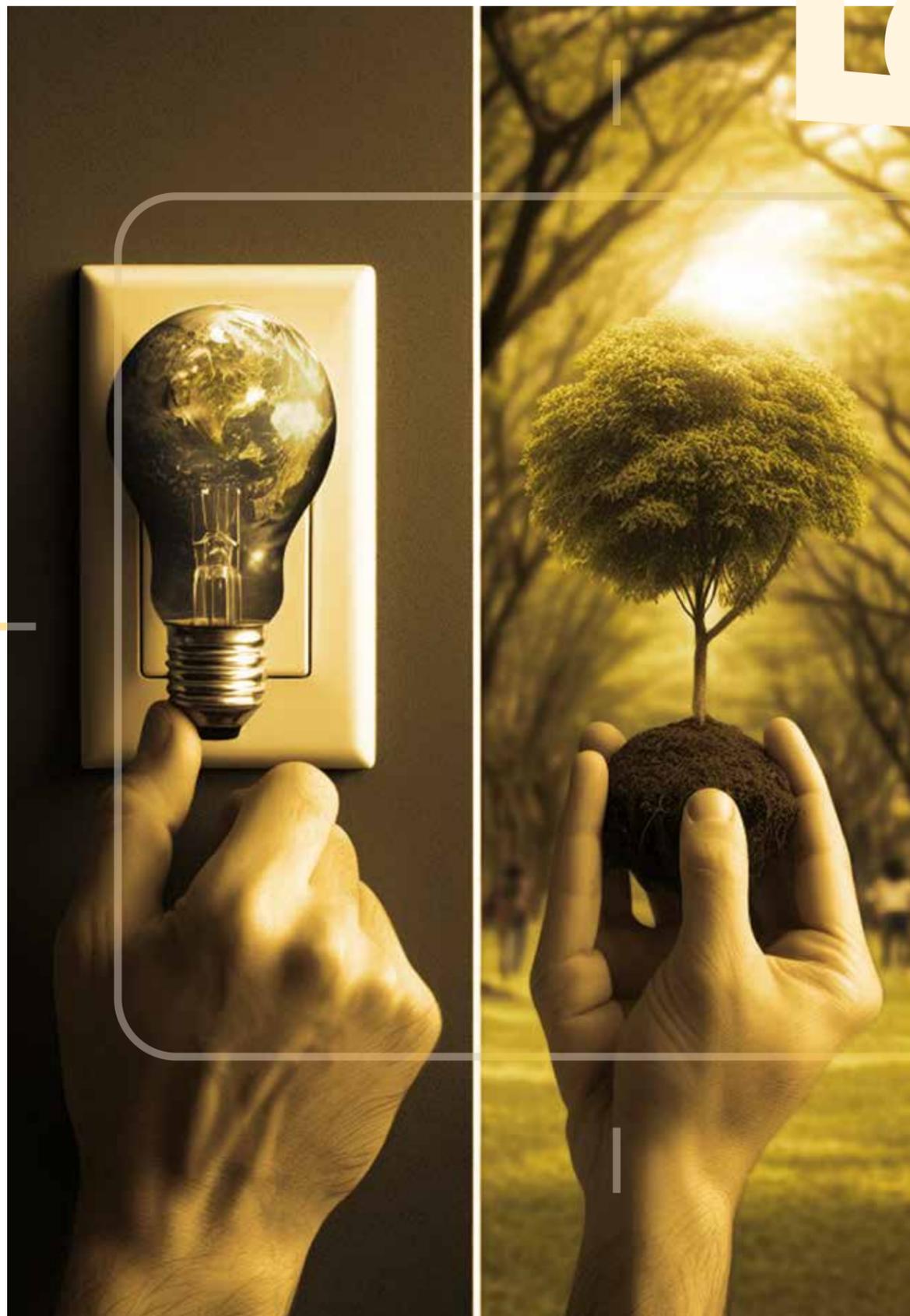


Chart 5.7: Energy intensity



Energy efficiency

In the last three years, the Burgo Group has made energy savings equivalent to 30,000 t of CO₂ thanks to projects developed in the last few years. The effects of these existing projects continue to be monitored.

In relation to the efficiency of cogeneration plants, in 2023 17,500 tCO₂/year was avoided, associated with the white certificates for high-yield cogeneration; also in relation to high-yield cogeneration, following the entry into operation of new plants in 2022, Burgo reported additional white certificates in 2023 that contributed to another 43,000 tCO₂ avoided, the allocation of which will take place in 2024.

Note:

Conversion factors used:

- lower heating value of methane: 8,250 kcal/Smc (source: Annex A of AEEG Resolution 103/03);
- lower heating value – fuel oil: 9,800 kcal/kg (source: Annex A of AEEG Resolution 103/03);
- lower heating value of biomass – black liquor: 13.31 GJ/ttq (analytical sources);
- lower heating value biomass – bark: 7.81 GJ/ttq (analytical sources);
- from white certificates to tCO₂: the white certificates obtained were transformed into TOE using the conversion factors envisaged by the regulations applied, specific to each project; once the TOE is known, multiplying by the factor 2.4243 gives the tCO₂.

Methodology for calculating energy intensity

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

- the energy used is the sum of the energy contents of the fuels used (methane and biomass), hydroelectric and photovoltaic energy produced, and purchased electricity. Excess electricity produced and sold to the grid is subtracted;
- the Group's total production is the sum of paper and cellulose production; the paper production considered is gross production³.

³ Gross production means the production after the application of any gloss before entry into preparation.



Climate change and emissions

(GRI 305 - 1/2/7)

Atmospheric emissions

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

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

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

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

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

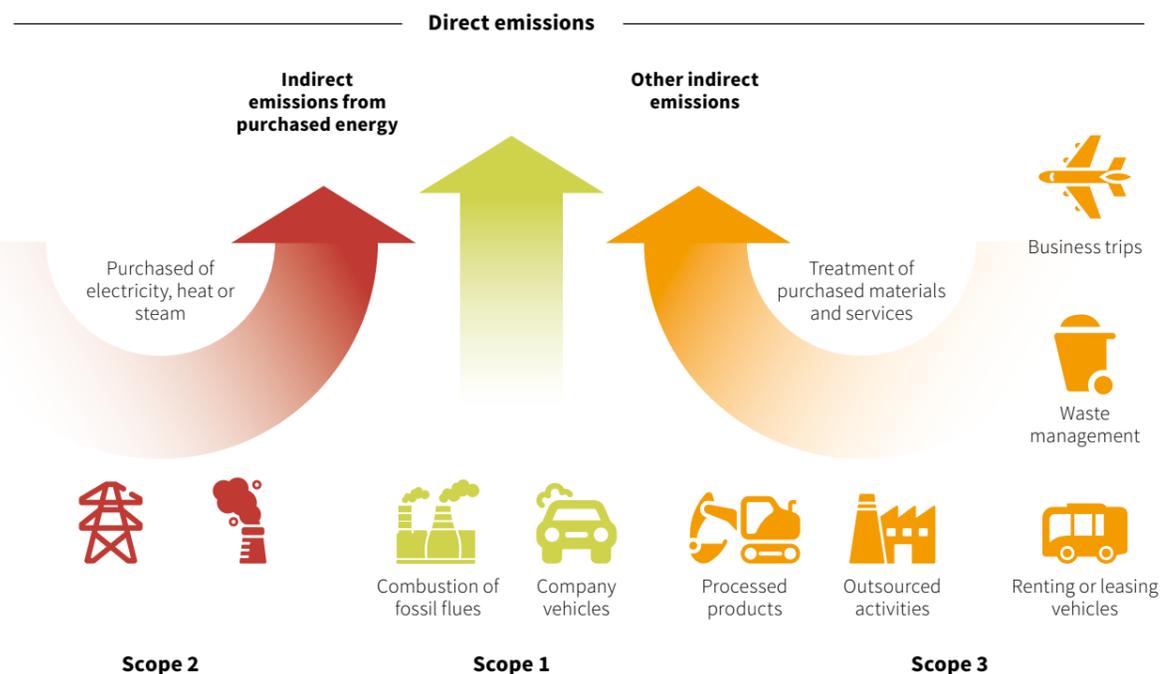
In January 2023 the Burgo Group signed a commitment to set CO₂ reduction targets by 2030 in line with the protocol of the SBTi (Science-Based Targets initiative). Science-based targets are objectives to reduce CO₂ emissions and other climate-altering gases in line with climate science indications, particularly those set out by the IPCC (Intergovernmental Panel on Climate Change), which led to the targets to limit global warming agreed at the COP 21 in Paris (2015). The SBTi was created by a collaboration between four leading international institutes level in the field of sustainability – the UN Global Compact (UNGC), the World Resource Institute (WRI), the CDP (formerly Carbon Disclosure Project) and the WWF (Worldwide Fund for Nature) – with the intention of supporting businesses in the adoption of ambitious mitigation targets and to guide them in the transition to a low-carbon economy.



Greenhouse gas emissions (GHG)

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

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



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

The Group regularly monitors direct (Scope 1) and indirect (Scope 2) CO₂ emissions. In 2021, a project was also initiated to map its Scope 3 emissions, in order to establish an effective corporate climate change strategy that requires a detailed understanding of greenhouse gas emissions – please refer below to “*Scope 3 In-depth Analysis*”.

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

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

The data for the three-year period 2021-2023 are shown below, highlighting a significant decrease in total emissions in 2023.

	UM	2021	2022	2023
Direct emissions (Scope 1)	tonnes CO ₂ eq.	847,899	758,179	589,079
Indirect emissions (Scope 2)	tonnes CO ₂ eq.	29,039	28,851	27,443
Total emissions	tonnes CO ₂ eq.	876,939	787,031	616,522
Direct emissions	%	96.7%	96.3%	95.5%
Indirect emissions	%	3.3%	3.7%	4.5%
Direct emissions of biogenic origin Ardennes	tonnes CO ₂ eq.	976,174	911,920	840,059

Table 5.8: Emissions

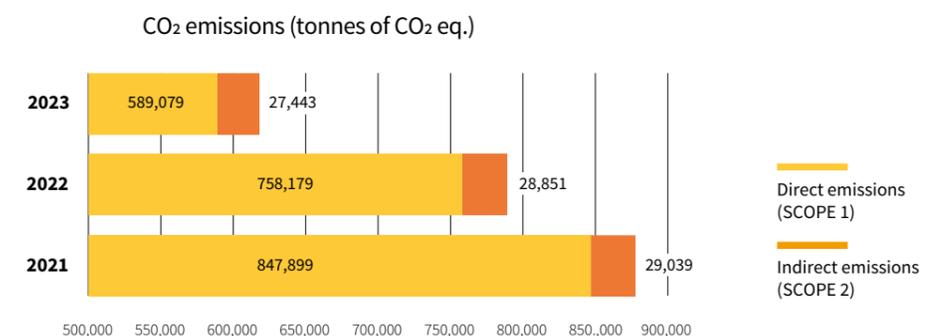


Chart 5.8: CO₂ Emissions

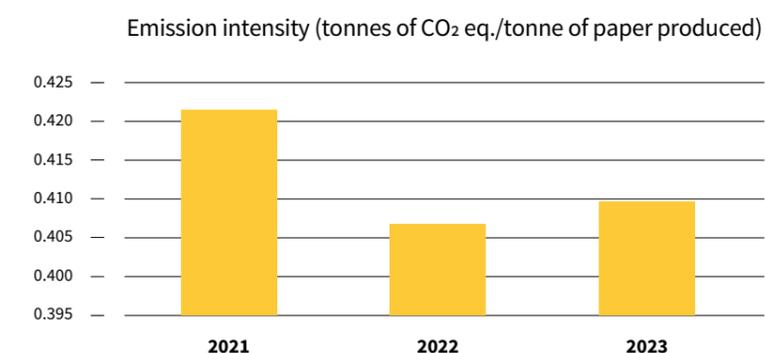


Chart 5.9: Emission intensity

The overall figure for 2023 shows a substantial reduction in total emissions of CO₂ compared to the two-year period 2021-2022. This is due to the fluctuating production trend at several of the Group’s production sites.

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

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

The amount of CO₂ from indirect emissions, which can be attributed to the amount of electricity purchased from the grid, decreased slightly in 2023 to 27,443 t CO₂ eq compared to 28,851 t CO₂ eq in 2022.

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

Emission factors Scope 1

2023		UM	Avezzano	Chiampo	Lugo	Sarego	Sora	Tolmezzo	Toscolano	Treviso	Villorba
Natural gas	EF	tCO ₂ /TJ	56.70	56.13	56.14	56.18	56.77	56.21	56.19	56.26	56.28
	PCI	MJ/Nm ³	37.98	35.49	37.44	37.47	38.02	37.50	37.70	37.63	37.63
Diesel fuel	EF	tCO ₂ /TJ	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93	73.93
	PCI	GJ/TJ	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87	42.87
Limestone	EF	tCO ₂ /t	-	-	-	-	-	0.44	-	-	-
Ardennes											
Natural gas	EF	tCO ₂ /TJ	56.39								
	PCI	MJ/Nm ³	37.63								
Diesel fuel	EF	tCO ₂ /TJ	74.10								
	PCI	GJ/TJ	43.00								
Black liquor	EF	tCO ₂ /TJ	95.30								
	PCI	GJ/TJ	12.67								
Bark	EF	tCO ₂ /TJ	112.00								
	PCI	GJ/TJ	8.11								

Note:

- The emission factors used for the Scope 1 calculation are obtained from the chemical analysis of the gas consumed by the plant, the latter sent directly by Snam Rete Gas.
- In the calculation of GHG emissions related to Scope 1 and Scope 2, the international branches are not included since these are not significantly relevant.
- Refrigerants have not been included in the Scope 1 calculation since they do not have a significant impact.
- The consolidation approach to the emissions calculation adopted by the organisation is the capital share approach; since all companies are fully owned by the Parent Company, the 3 approaches give the same result.

Italy

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

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

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

NOTE: The 2022 conversion factor was used as an estimate for the 2023 figure.

Belgium

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

2022: CO₂ emissions related to Electricity Consumption: 145 g CO₂/kWh. Used the 2022 coefficient taken from Figure 2 visible at this link <https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1>.

2023: CO₂ emissions related to Electricity Consumption: 145 g CO₂/kWh. Used the 2022 coefficient taken from Figure 2 visible at this link <https://www.eea.europa.eu/ims/greenhouse-gas-emission-intensity-of-1>.

NOTE: The 2022 conversion factor was used as an estimate for the 2023 figure.

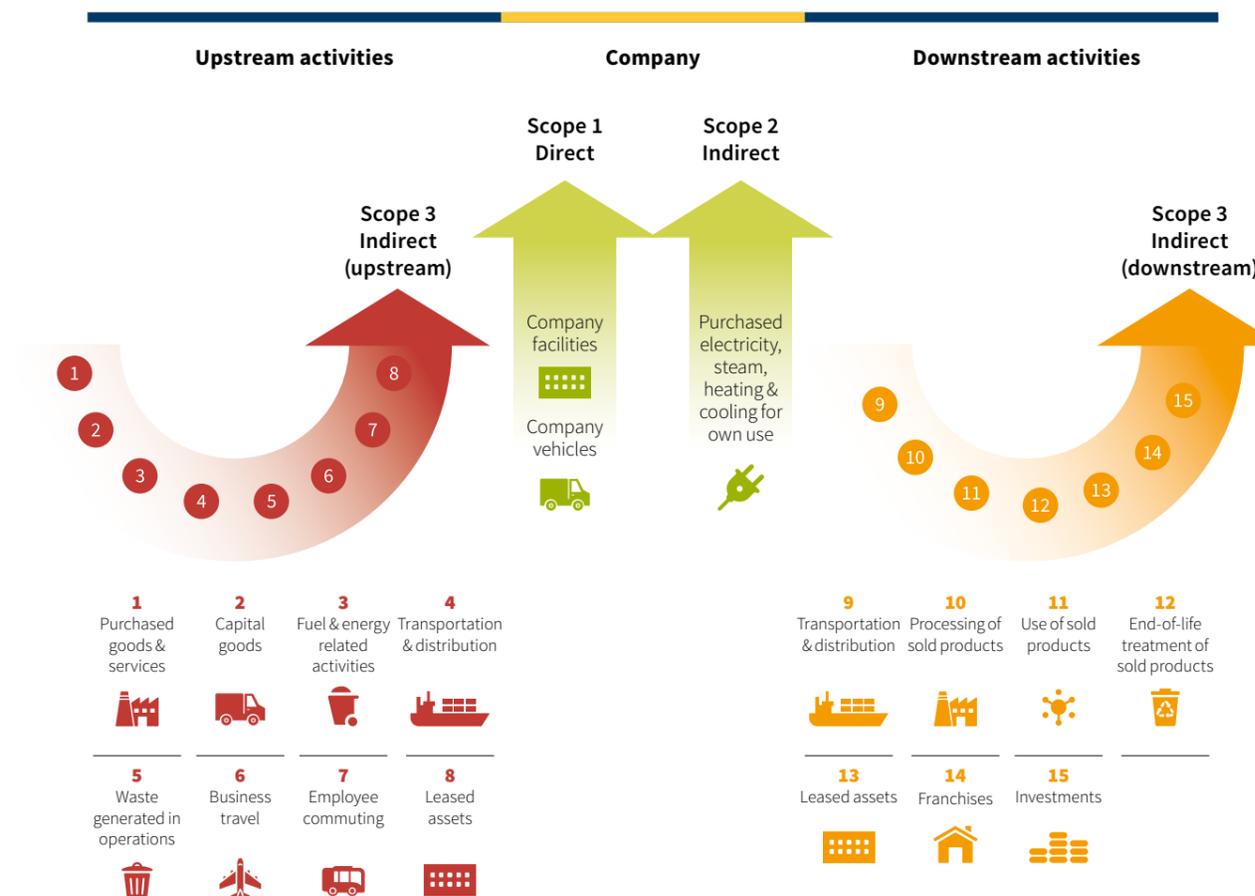


Scope 3 in-depth analysis

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

In 2022, a project was launched for the calculation of Scope 3 emissions. These emissions potentially include up to 15 different categories, including purchased goods and services, business travel, employee travel, waste disposal, transportation, distribution and investments. The project identified categories to be included in the Scope 3 calculation due to their significance, such as:

- *purchased goods & service (upstream);*
- *capital goods (upstream);*
- *fuel & energy related activities (upstream);*
- *transportation & distribution (upstream);*
- *waste generated in operations (upstream);*
- *business travel (upstream);*
- *employee commuting (upstream);*
- *leased assets (upstream);*
- *transportation & distribution (downstream);*
- *processing of sold products (downstream);*
- *end-of-life treatment of sold products (downstream).*



Based on figures for the year 2022, the Scope 3 emission estimate assessment is 1,250 kt of CO₂. The category making the largest contribution is “Purchased goods & services”. The Group strives to finalise the calculation methodologies and quantifications of emissions to allow for systematic monitoring of Scope 3 emissions, definition of specific reduction measures and future reporting.

Mapping all types of CO₂ emissions allows for a holistic view of emission sources, looking both upstream and downstream of everything that goes into making a product.



NO_x emissions, dust from electricity plants

	UM	2021	2022	2023
NO _x emissions	tonnes	1,320	1,116	980
Particulate emissions	tonnes	143	106	89

Table 5.9: NO_x emissions

The decrease in the amounts of NO_x and Particulates is due to the lower number of days worked at the plants, following the drop in orders that went on throughout 2023.

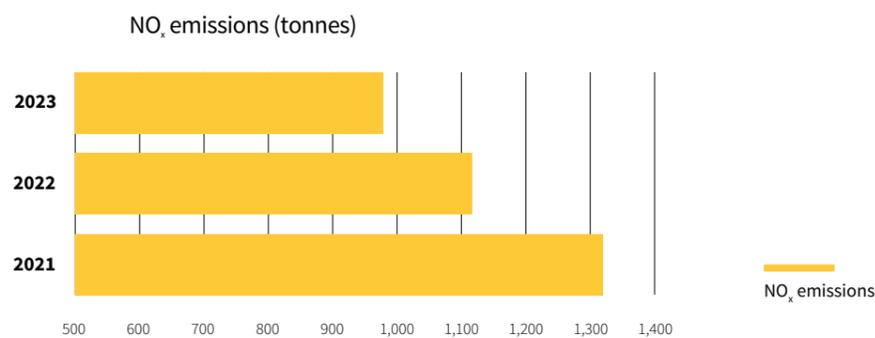


Chart 5.10: NO_x emissions

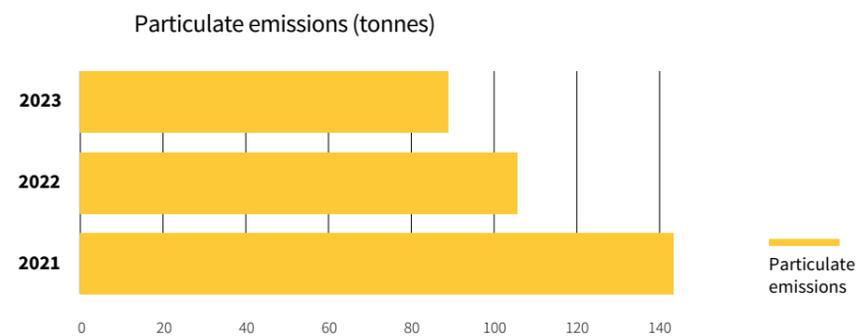


Chart 5.11: Particulate emissions

Note:

- NO_x emissions are determined using precise analyses and analytical data from the Continuous Emissions Monitoring System (CEMS);
- the method used to calculate emissions into the air is based on direct measurements of emissions, using CEMS in-line analysers where available, and on precise analyses performed according to the schedules defined in the monitoring and control plans present in the Integrated Environmental Authorisations of the individual plants. The calculations consider concentrations, amounts emitted and the operating hours of emissions. The data are inserted into the environmental database prepared according to PGS 018 Database Management, an integral part of the Burgo Group's Environmental Management System, by completing form 040 and aggregating the site data for the sustainability report.





5.5

Water resources

(GRI 303 - 1/2/3)

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

Over the years, the Burgo Group has invested in optimising its water usage process, gradually reducing fresh water withdrawals and prioritising the use of recycled water. From the water balances carried out in the production plants, it is estimated that purified water is more than 90% of the total withdrawn.

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

Water is used:

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

With reference to 2023 figures, 86% of water withdrawal is from surface water (rivers, lakes, canals) while the remaining 14% is from groundwater.



The Burgo Group's total water withdrawal in 2023 of 56,806 Megalitres occurs in water-stressed areas (source: WRI's Water Risk Atlas – Overall Water Risk indicator⁴), which is why the Group is committed to the rational and most efficient use of water, seeking in this way to counteract the ever-increasing level of exploitation both at a regional level in which the Group operates and globally.

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

In 2023 the participants of the ESG circularity group were given specific training on the new ISO 46001 standard (Water efficiency management systems – Requirements with guidance for use), in order to develop and implement a water efficiency policy through the definition of objectives, milestones, action plans, monitoring, benchmarking and review programmes for the Group's plants.

⁴ OVERALL WATER RISK: Overall water risk measures all water-related risks, by aggregating all selected indicators from the Physical Quantity, Quality and Regulatory & Reputational Risk categories. Higher values indicate higher water risk.

Supply

The supply of water is permitted by the Competent Authorities through the allocation of specific permits. The Group draws exclusively from surface water (rivers, lakes and canals) and groundwater (wells).

All water drawn comes from fresh water sources with a total dissolved solids concentration of $\leq 1,000$ mg/L; the withdrawal of salt water (TDS concentration $> 1,000$ mg/L) is zero.

	UM	2021	2022	2023
Surface water	Mega-litres	59,804	53,563	48,847
Groundwater	Mega-litres	9,256	10,982	7,959
Sea water	Mega-litres	0	0	0
Produced water	Mega-litres	0	0	0
Third-party water resources	Mega-litres	0	0	0
Total water withdrawal	Mega-litres	69,060	64,545	56,806

Table 5.10: Water withdrawal

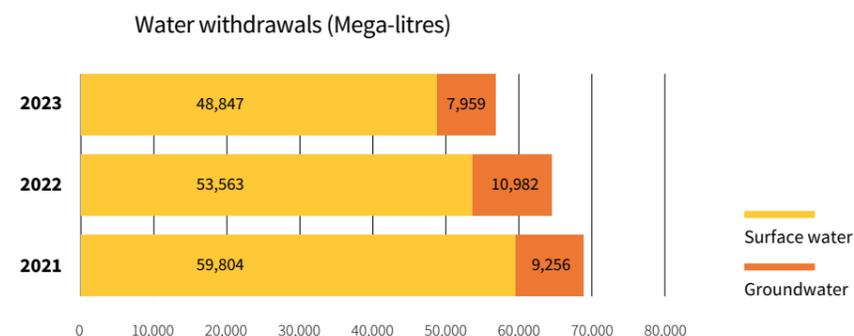


Chart 5.12: Water withdrawals



Water withdrawals also include the water used for mere cooling of the plants.

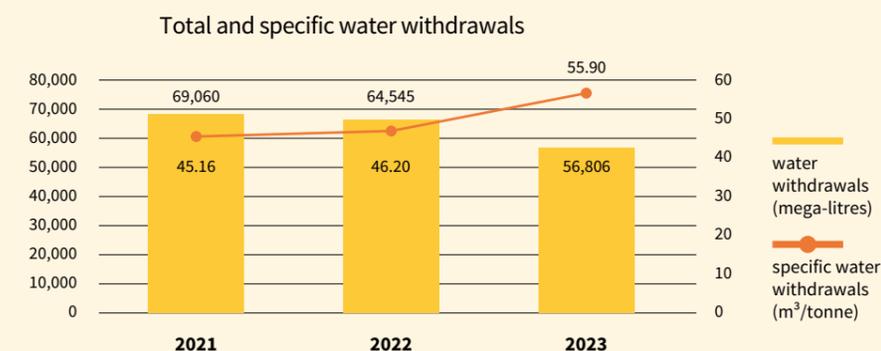


Chart 5.13: Total and specific water withdrawals

The increase in the value of specific water withdrawal is due to:

- the increase in use linked to the numerous production shutdowns which entail frequent washing of the production circuits;
- the transition of certain production categories from graphic to special papers requiring numerous washes between the different types of production.

Water Risk Atlas

The Group has identified, based on available data in the Water Risk Atlas, the water stress category that can be associated with the areas in which it operates. The indicator used is the Overall Water Risk. This overall water risk indicator measures all water-related risks by aggregating all available indicators in the atlas (e.g. quantity of the resource available in the area, renewability of the resource in that area, quality of the resource, regulatory and legislative aspects); higher values indicate higher water risk. The Group operates at sites that are located in the following hydrographic basins:

- Eastern Alps – ITA (6 sites);
- Padani – ITB (1 site);
- Central Apennines – ITE (1 site);
- Southern Apennines – ITF (1 site);
- Basin of the river Mosa – Belgium (1 site).

With reference to the total water resource withdrawn (surface water and groundwater), the company identified the situation outlined in the following table. The respective water stress category is updated each year.

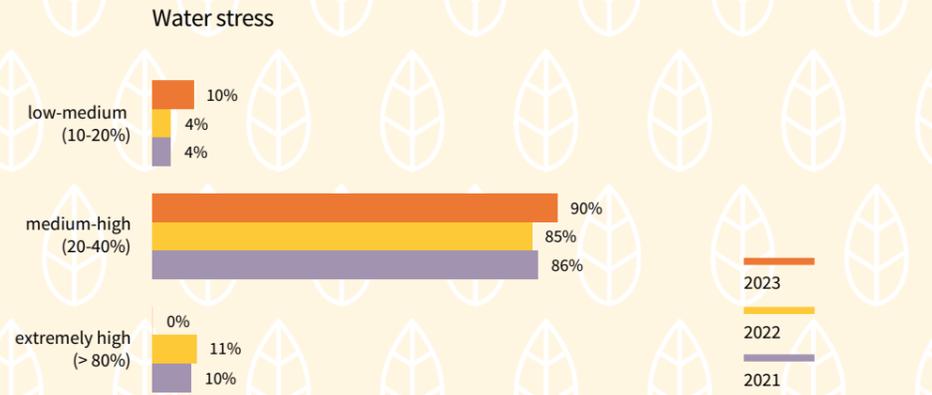


Chart 5.14: Water stress

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

The purification process is divided into three stages:

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

Optimisation

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

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

Most of the Group's plants, including those where there is no direct discharge to surface water but which are connected to consortium facilities, feature a waste water treatment system aimed at recovering the water used in the paper mill. The purification phase enables water used in the paper production process to be reused while still meeting the purity and quality levels required by current regulations.

The table shows the volumes of water (in millions of cubic metres) discharged for all of the Group's production units.

The quality levels for waste water discharge are determined according to national and local regulatory requirements.

	UM	2021	2022	2023
Discharge to surface water	Mega-litres	45,780	44,937	38,584
Discharge to groundwater	Mega-litres	0	0	0
Discharge into sea water	Mega-litres	0	0	0
Third-party water resources (consortium treatment plants)	Mega-litres	5,343	4,901	4,366
Total water discharges	Mega-litres	51,123	49,839	42,949

Table 5.11: Water discharge

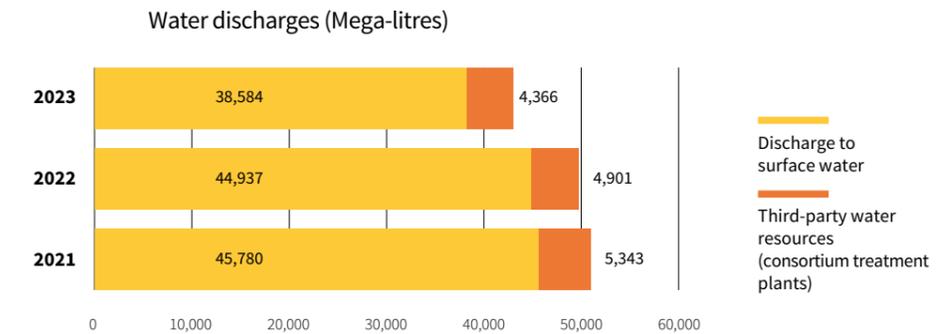


Chart 5.15: Water discharges

Wastewater discharges exclude cooling water only if kept physically separate from process water (no-contact cooling water).



Water reuse

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

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

Specific water discharge

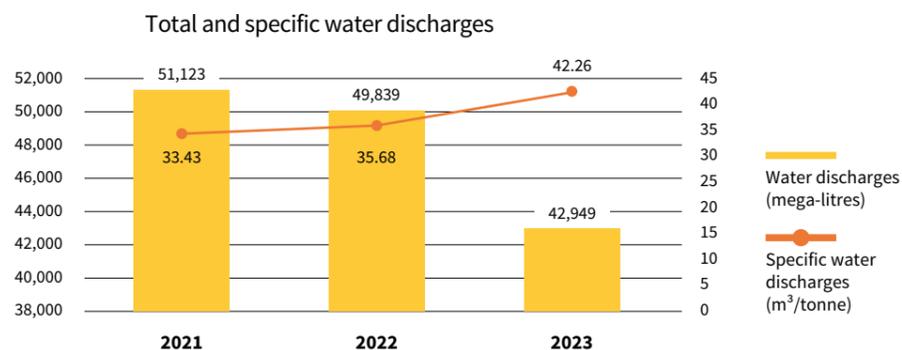


Chart 5.16: Total and specific water discharges

A comparison of production for the three-year period 2021-2023 with the volumes discharged in that period finds a substantial stability, with a slight increase in 2023. This indicator is also strongly influenced by the production mix, e.g., increased production of specialty papers or activities of plants under GMP (Good Manufacturing Practice) require a higher level of cleanliness in the cycles. The numerous production shutdowns led to a decrease in the volumes produced, which is reflected in this indicator.

Specific Group COD (kg/tonnes of arranged paper)

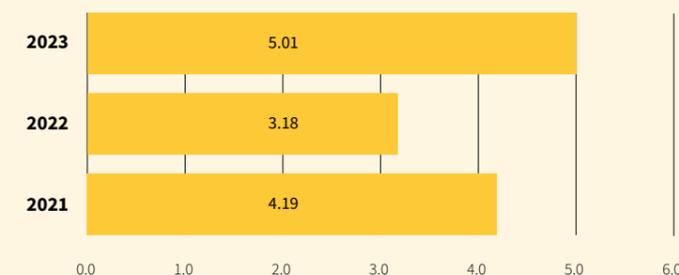


Chart 5.17: Specific Group COD

The numerous production shutdowns led to a variation in the indicator based on the reduction in volumes produced and load of COD that must be treated at each shutdown.

Note:

The approach used to assess the impacts linked to water involves the measurement and recording of water withdrawals and discharges at the individual plants to verify compliance with the established limits. The data are communicated to the competent bodies on an annual basis, in relation to authorised volumes withdrawn as well as withdrawals and discharges made, including the results of the analyses. Each plant prepares an annual water balance to assess the situation and identify possible improvements in the use of water resources. Furthermore, the flow of treated wastewater is monitored in respect of the best available techniques and environmental authorisations. All data collected is updated in the environmental database of the Burgo Group's Environmental Management System. During the annual Management review, the reduction targets are defined based on the water resource KPIs. Furthermore, in the context of the GO2030 ESG programme, a work group actively studied water circularity in specific reduction projects in 2023. To improve the management of the topic, the members of the group received training on ISO 46001 Water efficiency management systems.



Sustainable logistics

The commitment to sustainable logistics is one of the primary drivers of the operating decisions on logistics and transport purchases.

Many initiatives were implemented in 2023, for example: the mapping of the fleets used; the increased use of low environmental impact vehicles and biogenic origin fuel, and certifications for reductions in CO₂ emissions specifically for the world of logistics.

Last year the Burgo Group mapped the vehicle fleet used by its suppliers for outbound logistics management. The breakdown of the vehicle fleet is as follows: 90% is formed of Euro 6 and 3% are vehicles that use Liquefied Natural Gas (LNG), which are vehicles with an extremely low environmental impact, in line with the Group's CO₂ reduction targets.

In the context of using low environmental impact fuels, the Group introduced HVO (Hydrotreated Vegetable Oil). This hydrogenated fuel is obtained from sustainable raw materials (e.g. waste frying oils, animal fat, vegetable oil obtained from crops not in competition with the food supply chain). The Burgo plant in Ardennes was the first site to use the HVO fuel in 2023 for deliveries to certain customers.



In relation to modes of transport, the use of intermodal transport continues to play a very important role. In Italy the Burgo Group uses South to North services starting from the Avezzano plant along the Adriatic route, to reach destinations such as Piedmont and Lombardy. Starting from the Sora plant, on the other hand, by travelling along the Tyrrhenian route, deliveries are made in Lombardy and Veneto.

The increase in intermodal transport is also seen in the heart of Europe, in particular from the Burgo plant in Ardennes, with shipments to Poland, guaranteeing consistency of service and reduced CO₂ emissions.

Furthermore, the Group enthusiastically initiated the procedure to achieve Lean&Green certification, joining over 600 European multinational groups. This international programme has the primary goal of creating a starting scenario to calculate the gradual reduction in CO₂ through an established roadmap.

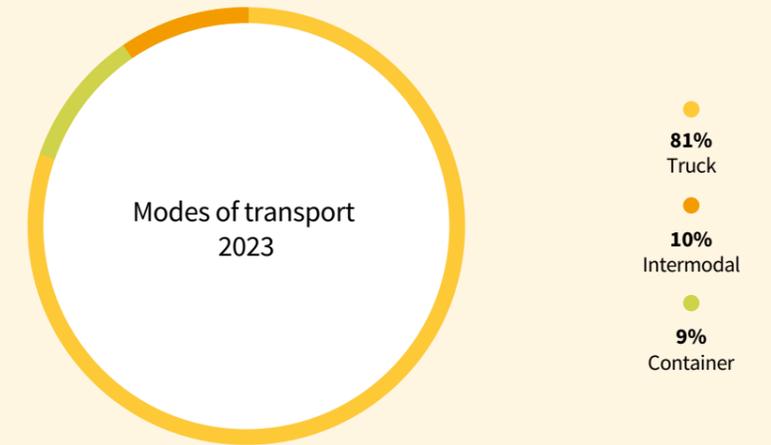


Chart 5.18: Modes of transport 2023



The Burgo Group requires ongoing environmental certificates from its suppliers that attest to the savings measured in tonnes of CO₂ equivalent referring to intermodal transportation carried out in 2023 (road-sea/road-rail).

Trans Italia
GREEN TRANSPORT

Trans Italia is deeply committed to the concept of a sustainable and eco-friendly mobility through the provision of logistic solutions based on energy efficiency and GHG reduction principles. It is hereby stated that:

Customer Name	Reference Year
Burgo	2023

by choosing Trans Italia, as provider of intermodal transport solutions instead of the road option, has contributed to reducing the CO₂e emissions in the atmosphere of:

 **- 717 tonCO₂e**

Issued in Mercato San Severino
On: 13/03/2024

CO₂e calculation methodology validated by 


CO₂ Emission Reduction Certificate

For the following transports:
IT-BE, IT-ES, IT-GB, IT-IT routes

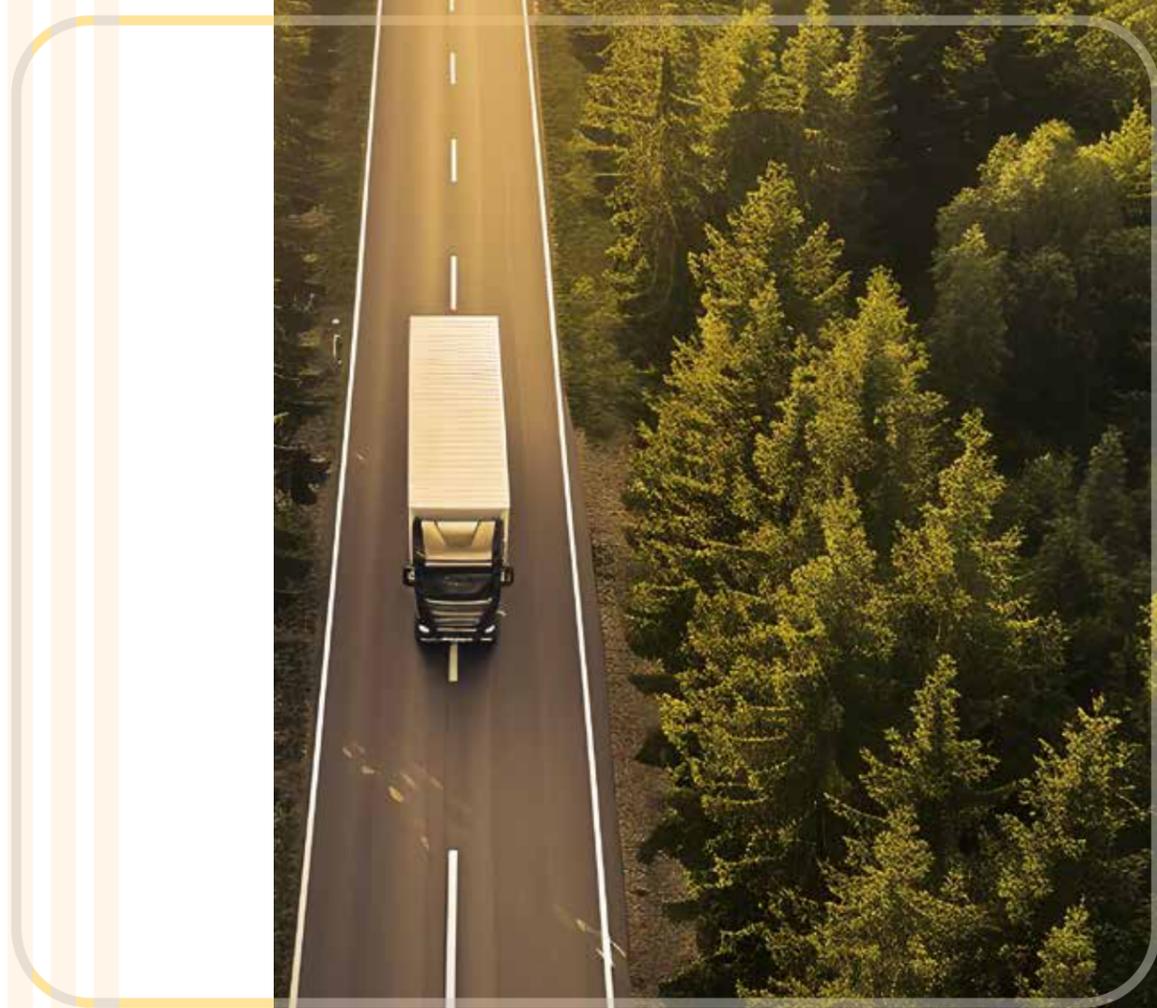
BURGO GROUP S.P.A.

has transported, in partnership with Arcese, a total of 484 Truck Loads by **INTERMODAL TRANSPORT** and made a significant contribution to protect the environment by reducing **325.652 kg CO₂** emissions, saving **26%** of total emissions.

This certificate is valid for traffic carried out in **2023**

Carlo La Corte
Sustainability Manager 

These calculations were performed using the Green Route software 



PAPER POWER PASSION



Corporate responsibility



Human resource management

(GRI 2 - 7/8, 401 - 1/3, 405 - 1/2)

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

Our employees are a precious resource and the Group is committed to ensuring personal respect and providing an inclusive working environment free from discrimination.

One of Group's key aims is to effectively engage its employees and integrate a broad range of different skills and professional backgrounds.

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

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



The Group's workforce is comprised of **9%** women and **91%** men

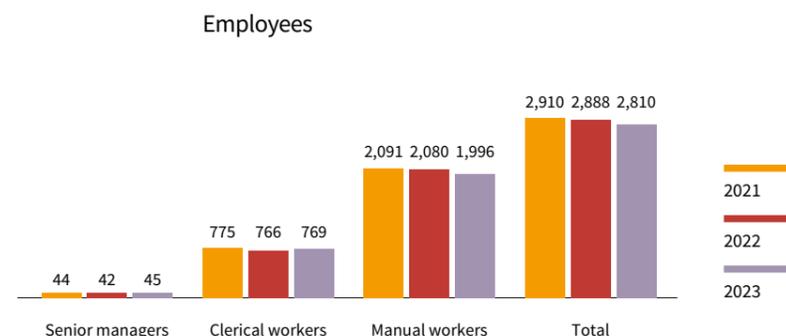


Chart 6.1: Employees

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

Manual workers are most representative of the Group's workforce and comprise 71% of total employees.

Clerical workers represent 27% of the workforce and are located at the Group's Headquarters, at plant offices, in the Group's commercial offices and in commercial branches located overseas. It is indeed among clerical workers that the highest presence of female workers is recorded, representing 28% of that category.

77% of the workforce is located in Italy

	2021	2022	2023	
Workforce by qualification	Senior managers	44	42	45
	Clerical workers	775	766	769
	Manual workers	2,091	2,080	1,996
	Total	2,910	2,888	2,810
Workforce by location	Headquarters (Italy)*	191	178	178
	Administrative offices (Italy)**	46	45	44
	Plants (Italy)	2,035	2,030	1,954
	Plants (Abroad)	589	590	590
	Commercial branches (Abroad)	49	45	44
Total	2,910	2,888	2,810	

Table 6.1: Workforce by location and qualification as at 31 December of each year

Note:

* *Headquarters*: site in Altavilla Vicentina (VI) is home to the administrative offices of Burgo Group S.p.A., Mosaico S.p.A. and Burgo Energia S.r.l.

** *Administrative offices (Italy)*: various sites which are home to the administrative offices of Burgo Distribuzione S.r.l. and Burgo Factor S.p.A.

Employee breakdown by qualification, gender, age and seniority. Three-year period 2021 - 2023

For comparison purposes, please note that the number of employees in the years 2021 and 2022 was calculated by excluding the employees of the Duino plant, due to the sale of the plant on 01/01/2023.

Seniority

Qualification	Year	0-20 Years		21-40 Years		>41 Year		Total by category
		F	M	F	M	F	M	
Manual workers	2021	22	1,343	7	713	1	5	2,091
	2022	24	1,309	8	736	0	3	2,080
	2023	22	986	14	972	0	2	1,996
Clerical workers	2021	125	272	84	284	2	8	775
	2022	130	248	76	305	2	5	766
	2023	124	202	84	340	9	10	769
Senior managers	2021	1	28	0	15	0	0	44
	2022	1	28	0	13	0	0	42
	2023	1	23	0	17	0	4	45
Total by gender	2021	148	1,643	91	1,012	3	13	2,910
	2022	155	1,585	84	1,054	2	8	2,888
	2023	147	1,211	98	1,329	9	16	2,810

Table 6.2: Breakdown of employees by seniority in the three-year period 2021-2023

Seniority

	Year	0-20 Years	21-40 Years	>41 Years	
Total	2021	1,791	1,103	16	2,910
	2022	1,740	1,138	10	2,888
	2023	1,358	1,427	25	2,810

Table 6.3: Total by seniority group

In 2023 there was a significant change in seniority within the Burgo Group, following seniority-based increases for various employees. There was a notable increase in collaborators with seniority of between 21 and 40 years at the company. In 2023, the number of employees in the seniority group in question was 1,427 compared to 1,138 in the previous year, recording an increase of 11%. This increase was seen in both female and male employees. The trend highlights the importance and success of employee stability and retention policies within the organisation.

Age group

Qualification	Year	Age <30		Age 30-50		Age >50		Total by category
		F	M	F	M	F	M	
Manual workers	2021	1	147	11	936	18	978	2,091
	2022	4	193	14	1,061	14	794	2,080
	2023	4	177	16	944	15	840	1,996
Clerical workers	2021	12	18	79	195	120	351	775
	2022	21	21	78	233	109	304	766
	2023	27	27	82	216	109	308	769
Senior managers	2021	0	0	0	7	1	36	44
	2022	0	0	1	8	0	33	42
	2023	0	0	1	9	0	35	45
Total by gender	2021	13	165	90	1,138	139	1,365	2,910
	2022	25	214	93	1,302	123	1,131	2,888
	2023	31	204	99	1,169	124	1,183	2,810

Table 6.4: Breakdown of employees by age group in the three-year period 2021-2023

Age group

	Year	Age <30	Age 30-50	Age >50	
Total	2021	178	1,228	1,504	2,910
	2022	239	1,395	1,254	2,888
	2023	235	1,268	1,307	2,810

Table 6.5: Total by age group

The increase in the seniority of the Burgo Group's employees is due to various factors, including the ageing of the workforce. Considering the decrease in the total number of employees compared to previous years, an increase is observed in the number of employees aged between 30 and 50 years old, as well as over 50s. The percentage of employees under 30 years old remains stable and accounts for 8% of the Group total. A decrease is seen in the employees aged between 30 and 50 years old, accounting for 3%, while a 3% increase is recorded in the subsequent age group, i.e. the over 50s. The latter group included 1,307 in 2023, compared to 1,254 in the previous period.

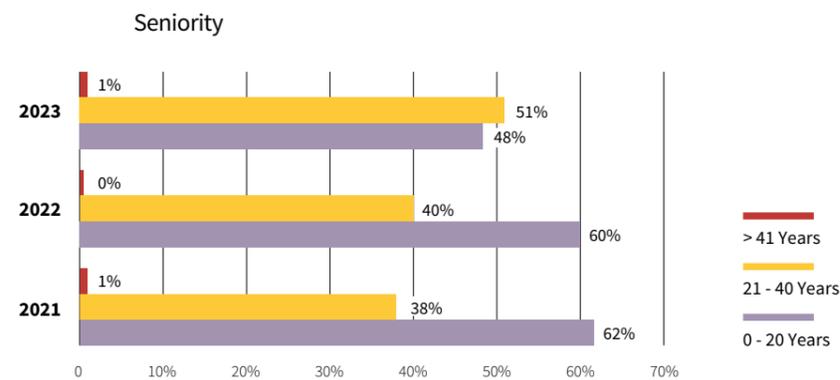


Chart 6.2: Seniority 2021-2023

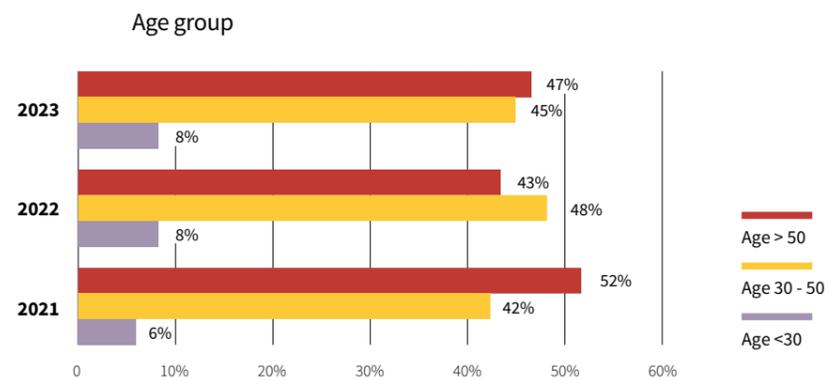
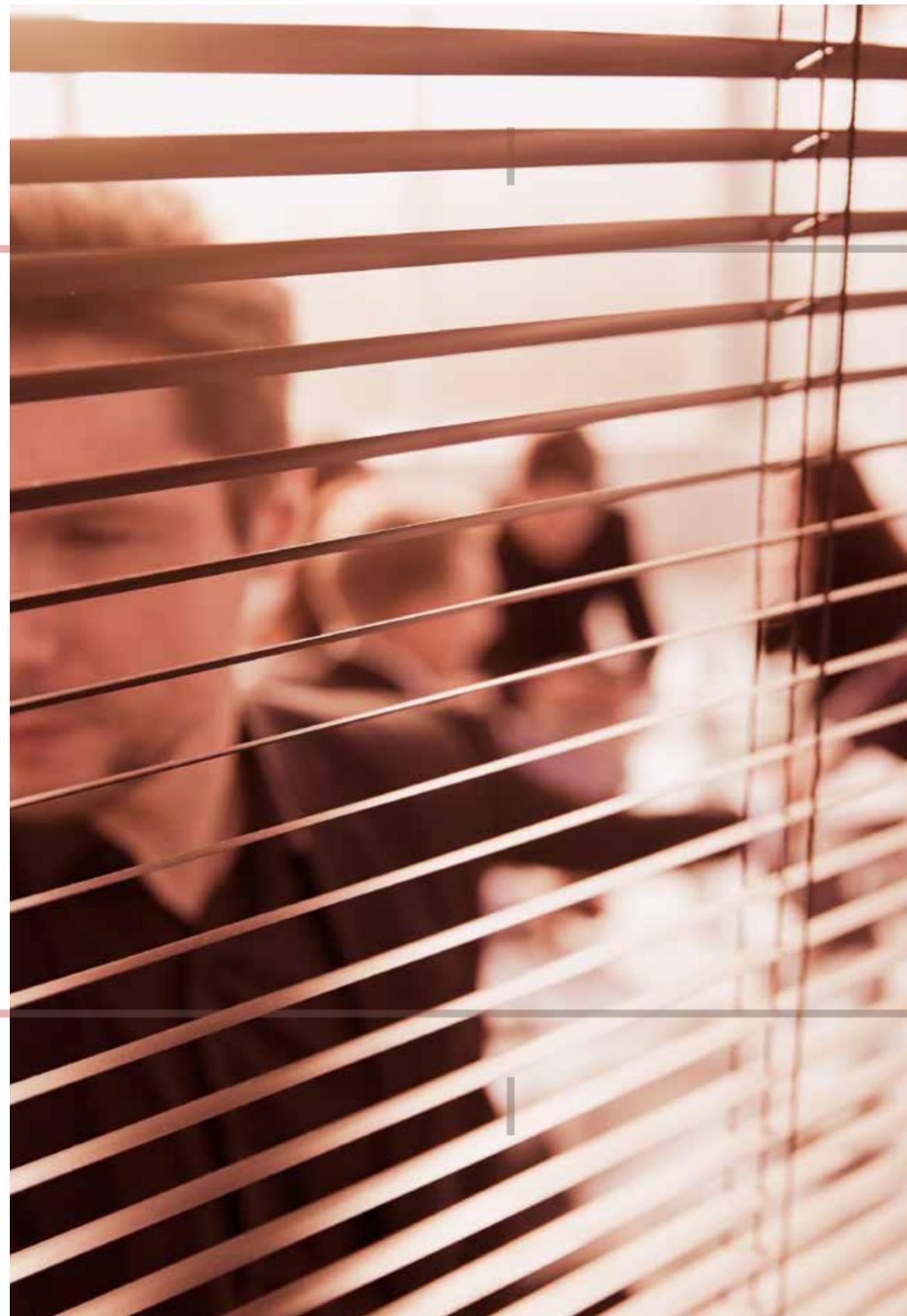


Chart 6.3: Age groups 2021-2023



The following table contains data related to new hires and terminations of the Burgo Group for the three-year period 2021-2023 grouped by gender, area and age:

		2021			2022			2023		
		Hires	Terminations	Balance	Hires	Terminations	Balance	Hires	Terminations	Balance
Turnover by gender	Men	218	207	11	187	214	- 27	161	232	- 71
	Women	16	19	- 3	27	23	4	30	19	11
	Total	234	226	8	214	237	- 23	191	251	- 60
Turnover by location	Headquarters (Italy)	20	13	7	13	28	- 15	26	26	-
	Administrative offices (Italy)	2	1	1	3	4	- 1	1	1	-
	Plants (Italy)	172	179	- 7	165	169	- 4	132	191	- 59
	Plants (Abroad)	39	27	12	33	36	- 3	32	33	- 1
	Commercial branches (Abroad)	1	6	- 5	-	-	-	-	-	-
	Total	234	226	8	214	237	- 23	191	251	- 60
Turnover by age group	Age <30	97	28	69	83	44	39	59	39	20
	Age 30-50	111	76	35	103	95	8	79	91	- 12
	Age >50	26	122	- 96	28	98	- 70	53	121	- 68
	Total	234	226	8	214	237	- 23	191	251	- 60

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



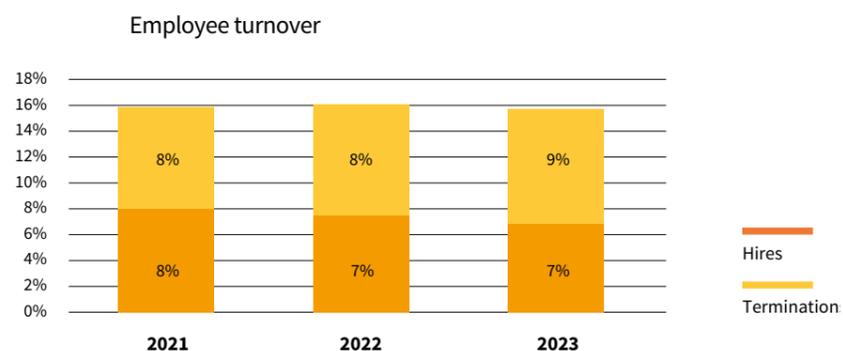


Chart 6.4: Employee turnover 2021-2023

In 2023 the incoming turnover rate remained substantially unchanged compared to the previous year, while the outgoing turnover rate increased, a figure that inverted the trend from the previous two years when it had been stable. The main causes of the terminations of contracts are related to the natural phenomenon of retirement and the customary presence of voluntary resignations.

Breakdown of employees by contract type

Employment contract		2023		Total	Full time	Part time	% Permanent contract	% Part time
		Permanent contract	Fixed-term contract					
Contract type by gender	Men	2,465	91	2,556	2,539	17	96%	1%
	Women	242	12	254	243	11	95%	4%
	Total	2,707	103	2,810	2,782	28	96%	1%
Contract type by location	Headquarters (Italy)	173	5	178	173	5	97%	3%
	Administrative offices (Italy)	44	0	44	44	0	100%	0%
	Plants (Italy)	1,910	44	1,954	1,949	5	98%	0%
	Plants (Abroad)	536	54	590	572	18	91%	3%
	Commercial branches (Abroad)	44	0	44	44	0	100%	0%
Total	2,707	103	2,810	2,782	28	96%	1%	

Table 6.7: Breakdown of employees by contract type



The main type of contract used by the Group is a permanent contract. 96% of all employees are on a permanent contract, as was the case in 2022.

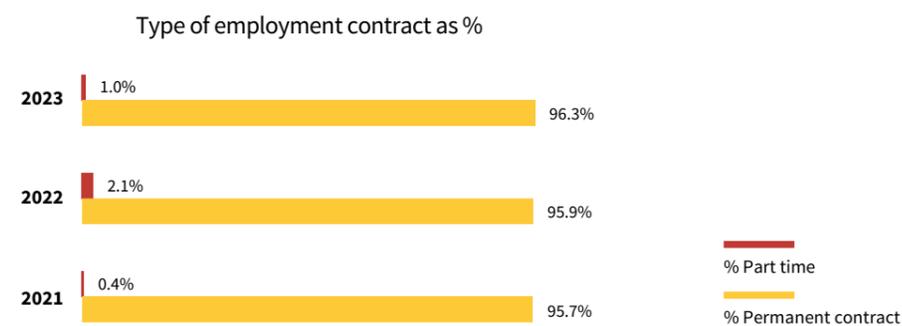


Chart 6.5: Type of employment contract as a percentage in the three-year period 2021-2023

The ratio of permanent to part-time contracts has remained stable over time, with a slight decrease in part-time contracts in the previous year. The latter type of contract is not commonly used in the company and is mainly found in the clerical and administrative areas. For technical functions and plant staff the part-time employment contract is not particularly suitable due to production shifts and working 7 days, which limits its use.

Another type of worker to be considered are workers who are not employees, hired through staff leasing mainly to perform tasks related to production and preparation. In late 2023, the Burgo Group employed 124 temporary workers, a lower number than in the previous period.

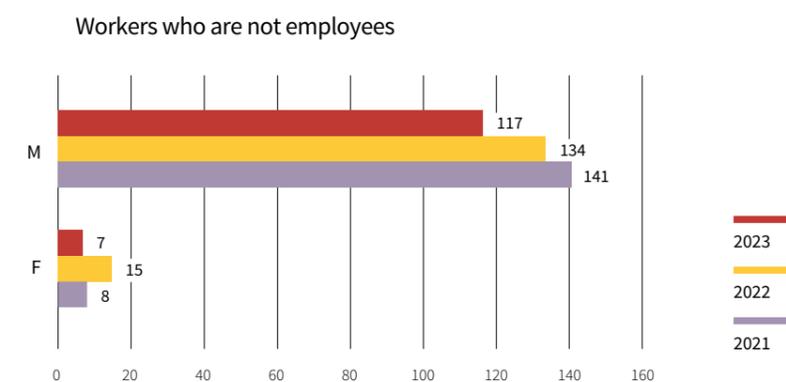


Chart 6.6: Breakdown by gender of workers who are not employees at the end of years 2021-2022-2023



Parental leave

	2021			2022			2023		
	F	M	total	F	M	total	F	M	total
Number of employees entitled to parental leave	38	792	830	33	730	763	32	714	746
Total number of employees who took parental leave	19	42	61	7	51	58	6	55	61
Total number of employees who returned to work after parental leave during the reporting period	19	30	49	7	41	48	6	43	49
Total number of employees who returned to work after parental leave and who are still employed 12 months after their return	15	22	37	5	28	33	5	37	42
Return-to-work rate*	100%	100%	100%	100%	100%	100%	100%	100%	100%
Retention rate	79%	73%	76%	71%	68%	69%	83%	86%	86%

Table 6.8: Parental leave in the three-year period 2021-2023

Throughout the three-year period, the company recorded a 100% return-to-work rate for employees who took parent leave. This indicates that all employees who took the leave then returned to work once the period of absence was completed.

In terms of retention, 2023 saw an improvement compared to 2022. As a matter of fact, while the total retention rate in 2022 was 69%, it rose to 86% in 2023. This means that a higher percentage of employees remained at work in the 12 months following return from parental leave.

In particular, it should be noted that in 2023 the retention rate improved for women (12% increase) as well as men (18% increase). By promoting greater engagement and increasing worker satisfaction, the company has successfully retained a larger portion of employees who return to work after parental leave.

* The return-to-work rate is given by the ratio of total number of employees effectively returned to work after parental leave and the total number of employees who should have returned to work after parental leave.

Ratio of basic salary and remuneration of women to men

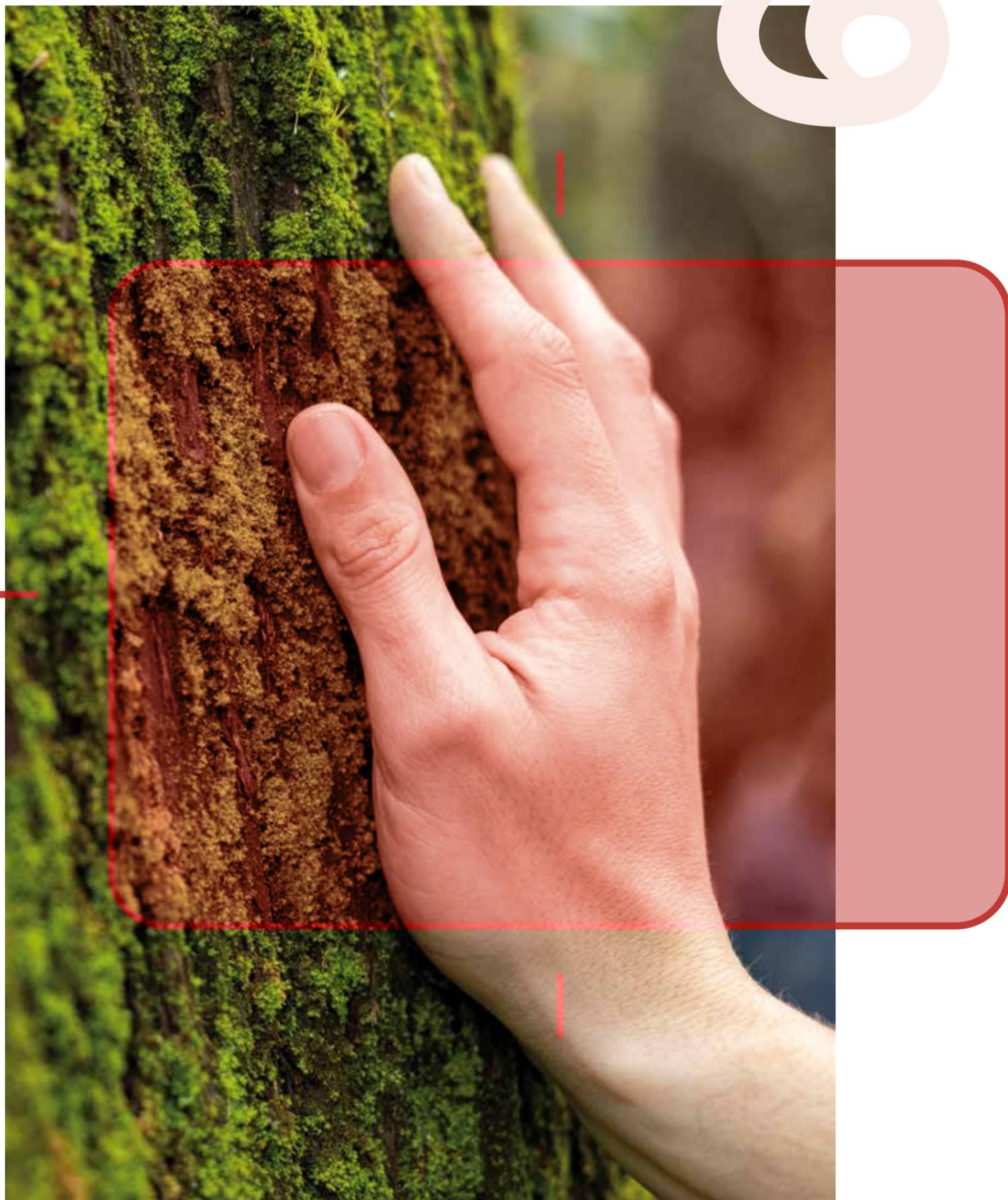
		Manual workers	Clerical workers	Middle managers
		2021	M	0.99
	F	1.00	0.88	0.68
2022	M	0.99	0.83	0.60
	F	1.00	0.88	0.67
2023	M	0.99	0.90	0.58
	F	1.00	0.93	0.66

Table 6.9: Ratio of basic salary and remuneration of women to men in the three-year period 2021-2023; Note on methodology: the basic salary determined on the basis of the national collective labour agreement is the same for men and women

The ratio of basic salary and remuneration of women to men remained stable throughout the entire period with a tendency to equalise in particular for the category of clerical workers, which shows a convergence between the remuneration of men to women. It should also be noted that the category of clerical workers has the highest number of women which, vice versa, account for a lower percentage in the categories of manual workers and middle managers.

	Manual workers	Clerical workers	Middle managers
2021	1.00	0.94	0.88
2022	1.00	0.94	0.90
2023	1.00	0.97	0.88

Table 6.10: Ratio of remuneration of women to men by category



Equal opportunity and non-discrimination

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

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

(GRI 405-1)

Diversity in Governance bodies

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

	2021		2022		2023	
	M	F	M	F	M	F
<30 Years	0	0	0	0	0	0
30-50 Years	19	4	18	4	20	6
>50 Years	54	1	52	1	49	1
Total	73	5	70	5	69	7

Table 6.11: Diversity in Governance bodies

* companies considered: Burgo Group S.p.A., Mosaico S.p.A., Burgo Ardennes S.A., Burgo Distribuzione S.r.l., Burgo Energia S.r.l., Geve S.p.A. in Liquidation, Burgo Factor S.p.A. and Burgo Recycling S.r.l.

To ensure data comparability, following the exit from the scope of consolidation of Consorzio Energy Paper S.c.a.r.l. as of 01/01/2023, the governance bodies of the latter were also excluded for the previous two years.

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



Training and education

(GRI 403 - 5/6, 404 - 1/2)

For the Burgo Group, people are the fundamental foundations on which the processes of value creation and continuous improvement are built. As a matter of fact, the organisation believes that employee development, engagement, the company's ability to offer possibilities to build on professional skills associated with concrete career development opportunities, combined with policies to promote a strong process of identification, are the most important and critical factors of success. The human resources management policies are defined according to this strategy.

The Group believes that a company that invests in the training of its human resources is a company positioned for organisational development over the long term.

Training and education are considered fundamental for strengthening and developing



company talents to the best of their potential, for sharing company goals and creating a strong and common culture. In order to deliver training and educational courses in line with the needs of its employees and the demands established by the company's and external context, a specific training plan is drawn up each year.

In 2023, the total hours of training delivered increased by 27%, reaching a total of approximately 37,000 hours, as proof of the Group's widespread commitment to the development of employee knowledge and skills. In line with this increase, the average hours of training per capita also recorded a 31% growth in 2023 compared to 2022 values. This growth demonstrates how the company has identified training as a strategic lever for skills development and enhanced personal value.

	2021					2022					2023				
	Participants				Hours	Participants				Hours	Participants				Hours
	Senior managers	MM/CW	Manual workers	Total	Total	Senior managers	MM/CW	Manual workers	Total	Total	Senior managers	MM/CW	Manual workers	Total	Total
Paper Technology	0	1	3	4	2,108	0	6	11	17	560	0	13	85	98	456
Maintenance and Plants	0	12	42	54	604	0	92	13	105	1,826	0	41	182	223	3,911
Quality, Environment and Certifications	2	280	870	1,152	2,317	1	177	857	1,034	2,358	2	255	1,179	1,436	3,225
Safety	1	475	2,209	2,685	23,308	2	360	1,926	2,286	21,420	22	586	2,683	3,291	27,042
Role-Specific Courses	3	60	72	135	2,184	2	186	58	245	3,123	15	172	85	272	2,556
Total	6	828	3,196	4,030	30,521	5	831	3,185	4,017	29,287	39	1,074	4,509	5,622	37,190

Table 6.12: Training in numbers

	2021	2022	2023
Total hours of training	30,521	29,287	37,190
Number of employees	2,910	2,888	2,810
Average hours of training	10.5	10.1	13.2

Table 6.13: Average hours of training per capita

The company offers a wide range of courses to its employees, including training on quality, environment and certifications (such as FSC®, PEFC, GMP, waste management, ADR, EMAS and others), courses specific to company roles (such as managerial training, IT, language skills, graduate interns), courses on health and safety (including mandatory courses, first aid, use of platforms, fire prevention, operation of mobile cranes, RSPP (Prevention and Protection Service Manager) and ASPP (Prevention and Protection Service Officer) training) and courses on plant maintenance and paper technology.

The type of training with the highest number of hours delivered in 2023 was occupational health and safety, which totalled 27,042 hours (21,420 in 2022, +26%). This figure demonstrates the great importance attributed to this topic in terms of respecting legislative measures and in order to increase employee awareness of behaviours to be adopted in the workplace.

In addition to mandatory training activities, with the “*VisionZero*” project numerous training sessions were initiated for a total of 2,664 hours, in order to create a widespread distribution at all organisational levels of the culture of safety. A “participatory” safety which transitions from a legislative model to a collaborative model in which all workers are actively involved in the construction of ideas to improve safety at work.

In addition to Health and Safety topics, in 2023 the courses covered topics such as development of technical skills, paper technology, quality and environment.

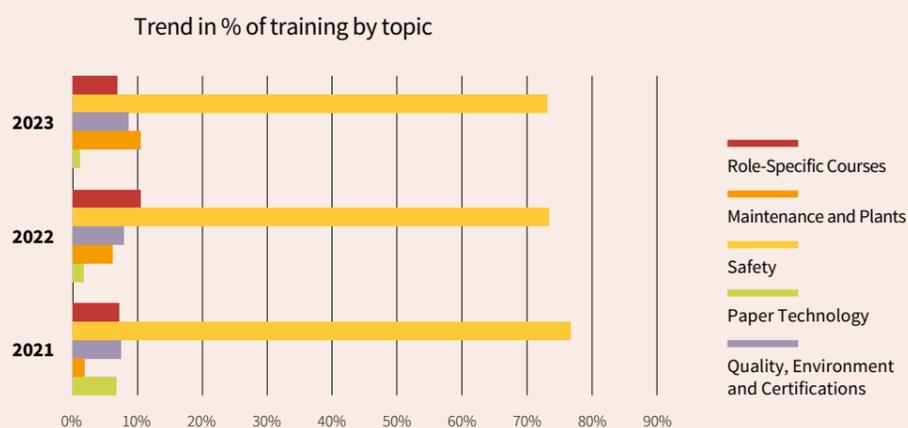


Chart 6.7: Trend in % of training by topic

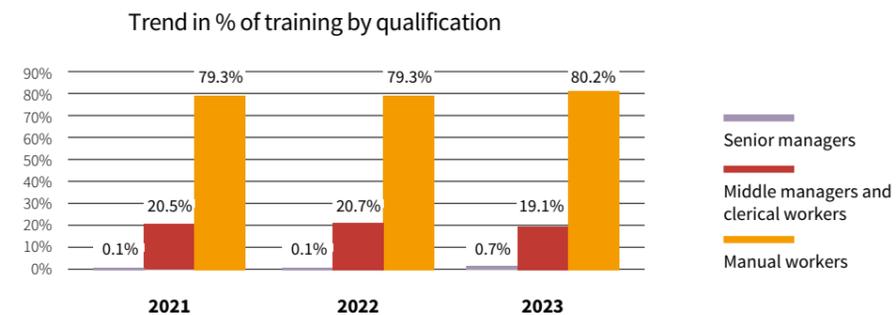


Chart 6.8: Trend in % of training by qualification

Training for new hires merits special mention since it plays a fundamental role in the integration of resources within the organisational structure and for the sharing of company values and practices. In 2023, nearly 34,000 hours of training were delivered to incoming resources alongside colleagues who had changed roles. This approach allows for faster and more robust learning, it is the key to safer operations since it has a direct impact on worker behaviour, equipping staff with the necessary knowledge to perform their job under conditions of safety.

	2021	2022	2023
Forming	30,521	29,287	37,190
Coaching and Support (New Roles)	30,045	38,490	33,737
Total hours	60,566	67,777	70,927

Table 6.14: Hours of training in the three-year period 2021-2023

Burgo Group Cyber Awareness 2023

Introduction of a new e-learning platform that offers flexible access to training material, allowing employees to participate in training modules at any time and from any place. This approach allows them to adapt their learning to their needs and work commitments.

The training programme is structured into modules, each one focused on a specific aspect of IT security, which aims to teach employees about subjects such as online safety, the identification of potential threats and which actions to take in case of an IT incident.



Alongside training, professional and personal growth courses represent an extremely important component in order to motivate employees and create a stimulating work environment capable of attracting and retaining all expertise and professional skills necessary for continuous growth. As confirmation of this, the Group also chose to adopt a Performance Review system in 2022. For 2023 the programme was extended to the Headquarters and 240 people, accounting for 8.5% of Group staff, were involved by their managers in a dedicated event with the aim of sharing feedback, developing solid relationships and consolidating a shared culture. As defined in the Group’s ESG plan, the goal is to perform at least 2 performance reviews per year for 100% of the stakeholders involved.

	CW	MM	SM	Total
M	168	25	10	203
F	33	3	1	37
Total	201	28	11	240

Table 6.15: Performance review 2023 – breakdown by category and gender

Lastly, the continuous improvement of Group performance is ensured by the presence of the Management by Objectives (MbO) mechanism. For a Group projected towards efficiency and continuous improvement, it is essential to create an incentive structure based on the achievement of the Group’s strategic goals. All managers of the Group are involved in the MbO process.

In a sector requiring very high specialisation and professionalism and where training to perform certain roles demands a long-term commitment to learning, often investing years, the attention to human resources is a highly relevant aspect. The critical element comes as early as the talent attraction stage, given the competition with companies and sectors seemingly more attractive to potential candidates under certain aspects. Therefore, the new graduate, postgraduate or established professional, whomever they may be, must be offered something different, something they would expect from a leading company on the market. The Group attends job fairs, career days for new graduates, organises company visits for school groups and associations

and is always active on the main professional social networks. HR staff manage the search, selection and onboarding process in a professional and structured manner at Headquarters.

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

With a view to retention, the Group collected employee feedback and made a commitment to guarantee greater flexibility, promoting agile working when working on projects. The measures activated strive to have a positive impact on workers, including in terms of a balance between work and home life.

The Burgo Group is proud to have colleagues who have worked at the company for generations and who, when possible, continue to introduce their children to the job they are so passionate about. This is part of the company’s DNA, a strong sense of belonging built over decades of care and a central focus on people. In 2023, with the intention of giving fair recognition to those who contributed greatly to growth, the Group celebrated over 600 colleagues who have been in service and part of the history for 25, 30, 35 and 40 years.



Burgo Group initiatives

The Burgo Group is mindful of its employees' well-being through prevention initiatives, subsidised access to healthcare and the promotion of a culture of health through sport.

Supplementary Healthcare Fund

"Looking after employee health is a Burgo Group priority" This is why 97% of Group employees have access to Healthcare Funds that ensure supple-

mentary health services, offering them support in addition to the services of the Italian National Health Service.

Flu vaccination campaign 2023/2024

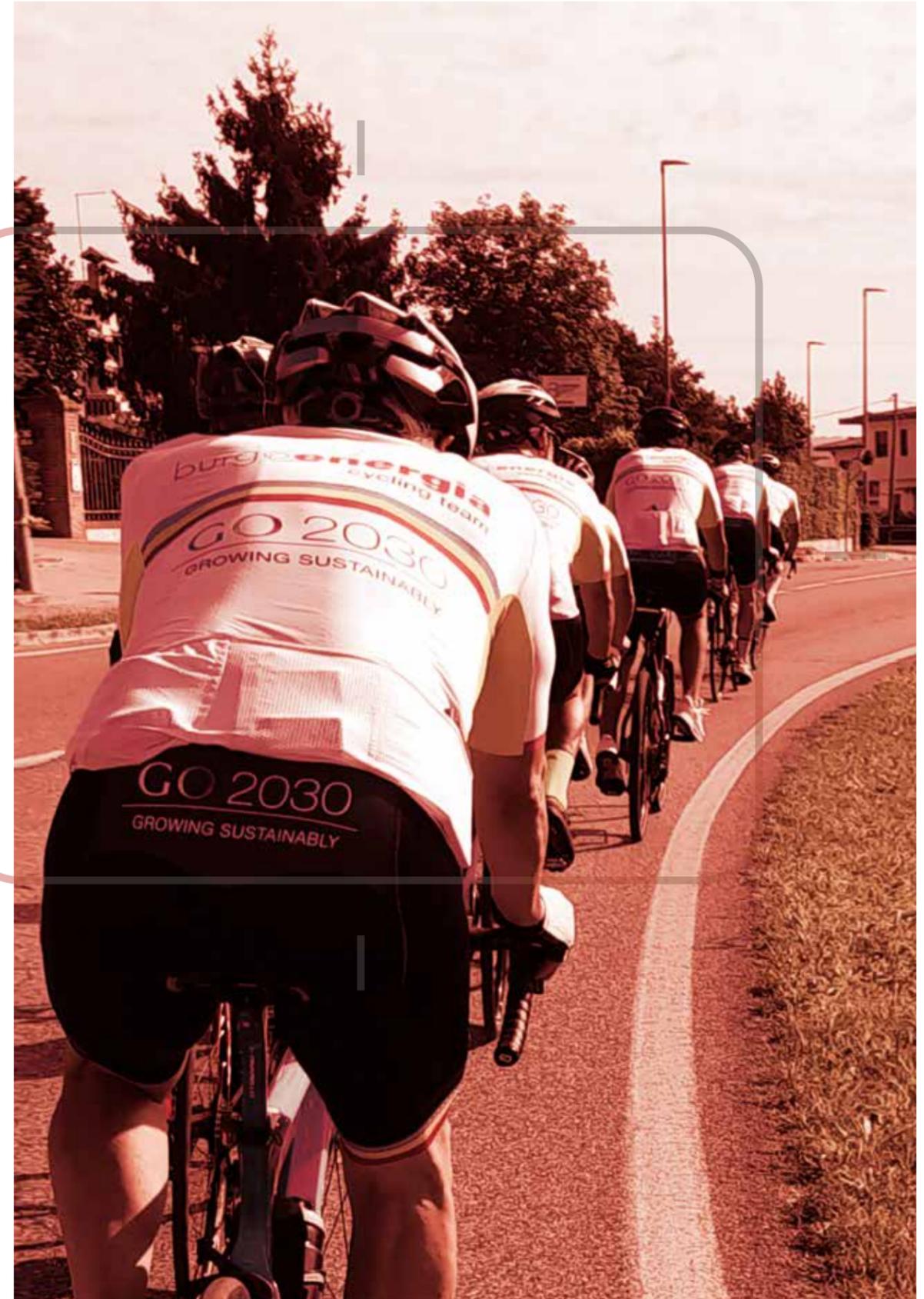
"An opportunity to protect your health and those around you". This year, as a gesture of responsibility towards its employees and in response to calls from

authorities on prevention, the Burgo Group once again chose to promote a flu vaccination campaign.

Burgo Energia Cycling Team

Sport is an excellent corporate training tool because it allows us to recreate the typical dynamics of a working day in a different context, with problems to be overcome and unforeseen events to be faced. In particular, cycling is an expression of sacrifice, effort, difficulty, and overcoming your own self to reach the summit and enjoy the sense of achievement. Among various social initiatives aimed at developing sustainability and inclusion, in order

to reinforce the sense of sharing and belonging to the Group, Burgo Energia decided to support this sport by creating Burgo Energia Cycling Team: a group of colleagues, friends and enthusiasts. Burgo Energia Cycling Team is open to all Group employees at the various sites and plants. The initiative covers all kinds of cycling. On 30 September 2023 the Burgo Energia Cycling Team organised the first Burgo Social Ride.





Industrial relations

(GRI 2 - 30)

The industrial relations system of the Burgo Group constitutes a fundamentally critical element for the practical handling of policies that can enhance the labour system, innovation, business competitiveness as well as corporate restructuring management. It has always been marked by constructive dialogue between parties, mutual listening and transparency of information and is aimed at a continuous search for effective solutions with the goal of actively contributing to a high level of competitiveness on the reference market, while continuing to safeguard the employment and professionalism of resources.

In keeping with such a perspective, after renewing a significant Agreement on Industrial Relations in September 2022, the Group, together with the National and Regional Trade Unions and Trade Union Representative (R.S.U.) delegates, implemented the results of successful negotiations throughout 2023 with the signing of 5 Group trade union agreements, valid for the sites and plants located in Italy, intended to uniformly govern:

- the organisational flexibility system and the group's flexible working hours system;
- the on-call system for maintenance and senior management roles;
- the standardisation of conduct, regulations and treatment at Group level;
- the use of remote working;
- the introduction of a Group performance bonus.

Over various meetings held between the second half of 2022 and the first half of 2023, the Parties, with the aim of jointly managing constantly evolving issues in a constructive spirit, analysed the regulatory and organisational aspects of the aforementioned systems with the aim of defining agreements that could effectively respond to organisational needs by paying increasing attention to a work-life balance.

Specifically, new forms of flexible working were introduced in line with the company production process, with a specific Group Agreement regulating agile working by defining its methods of use and compatible roles, updating remuneration processes and the methods for managing the on-call system for maintenance and senior management roles. At the same time, another performance bonus agreement was signed subject to the Group's total profits and associated with site-specific industrial KPIs such as safety, productivity and process waste.

Negotiations concluded in May 2023 with the favourable opinion of 92% of participants of the Executive Body, also thanks to the preparatory and fundamental analysis conducted by specific joint technical committees formed of corporate representatives and trade union members in equal measure. On the one hand, this made it possible to better govern the regulation of various institutions subject to negotiation so that they might be valid tools used to effectively address the organisational needs of different production units and sites of the Group and, on the other, to introduce a variable bonus system that would represent an incentive for continuous improvement. Achieving a consensus has permitted the enhancement of the Executive's infrastructure and conferred upon it a pivotal role by extending its capabilities and designating the organisation as the chief conduit for shared information.

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

- the Group's industrial relations guidelines;
- the second-level collective bargaining guidelines, based on the provisions of the relevant Collective Labour Agreement (CCNL) in force and National multi-industry agreements adopted over time;
- the definition of group performance-linked variable bonus schemes;
- the establishment of welfare systems linked to collective incentive models;
- the management of business, restructuring and labour reorganisation plans that involve multiple plants belonging to the same "industrial/commercial division";
- the training programmes that require specific agreements;
- the adoption/adjustment of company contracts based on any new regulations/changes to contracts, including problems regarding the interpretation and application of Group agreements;
- the creation of a single reference text containing uniform procedures, standards and processes that can be implemented throughout the Group;
- the standardised application of frameworks based on contractual declarations;
- periodic monitoring of industry trends and market dynamics;
- other matters that by their nature concern regulatory and/or remuneration processes common to most of the Group's workers, or common to homogeneous professional classes at Group levels.

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

As a matter of fact, each Group plant has trade union representatives in charge of negotiations.

The number of trade union representatives varies according to the number of employees at the site:

- 4 trade union representatives for up to 240 employees (minimum workforce of 16 employees);
- 1 additional representative for every additional 50 employees.

100% of the plants/sites are therefore represented by a trade union.

On 18-19 May 2023, the Burgo Distribuzione site in Milan hosted the European Works Council (EWC) during which the company's Senior Management met with the National Secretariats of the Trade Union signatories of the Collective Labour Agreement (CCNL) and Italian and Belgian trade union delegates. Over the two days, the parties held intense discussions on the following topics:

- economic, production and industrial results of the Group referring to the last three-year period with a focus on the contributing internal/external factors;
- Group injury trend with presentation of projects intended to constantly reduce all forms of risk and promote the culture of safety within the company;
- Group commercial strategy in light of market changes;
- ongoing ESG projects with a closer look at initiatives that actively involve workers or indirectly impact on the organisation of labour;
- the Group's employment situation;
- training courses completed or in progress intended to promote the development of new skills in line with market changes;
- investment plan to improve the efficiency of the plants and to promote the energy efficiency of production sites.

This was yet another moment for discussion which consolidated the system of industrial relations present at the company, guaranteeing maximum transparency of information and with the common goal of constantly improving company competitiveness and productivity.

Furthermore, throughout 2023, as was done in the past, given the particularly challenging socioeconomic context affected by the negative impacts of inflation that have eroded household purchasing power, the Burgo Group granted another one-off payment as an act of generosity to all workers together with the monthly salaries for December 2023.



Health and safety

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

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

Occupational health and safety management system

To reach its objectives the Group has adopted integrated and structured systems, within which the "Company Safety Policy" is defined, implemented and monitored. Everyone (e.g. workers who are and are not employees, such as contractors, visitors, transporters) working in the production plants and offices is "covered" by an Occupational Health and Safety Management System (OHSMS) implemented and improved over the years.

The OHSMS adopted by the Group was implemented more than 10 years ago, beginning with the applicable legal regulations (e.g. Italian Legislative Decree 81/08) and based on the Guidelines for an occupational health and safety management system – UNI-INAIL Guidelines and international reference standards (e.g. OHSAS 18001). Following the publication of the international standard ISO 45001 "Management Systems for Occupational Health and Safety - Requirements and Guidance for Use", which defines minimum standards of good practice for worker protection worldwide, the Burgo Group has embarked on a programme to obtain certification to this standard with the goal of obtaining it at all sites, by 2025.

In relation to this Group objective:

- in 2021, the company Burgo Ardennes S.A. successfully transitioned its Occupational Health and Safety Management System certification from the OHSAS 18001 standard to the new ISO 45001 and passed the monitoring visit in 2023;
- in 2021, the occupational health and safety management system was certified under the standard ISO 45001 at Burgo's Villorba plant, which underwent verification in 2023;
- in 2022, the occupational health and safety management system was certified under the standard ISO 45001 at Burgo's Sora plant, which underwent periodic verification and monitoring in 2023;
- in 2023, the Occupational Health and Safety Management System was certified according to ISO 45001 at the Mosaico plant in Toscolano;



- in December 2023 the Mosaico plant in Treviso passed stage 1 of the certification of the Health and Safety Management system according to ISO 45001 with the aim of completing the certification process in February 2024;
- regardless of whether certification is obtained, the procedures and practices adopted at sites already certified are applied at all Burgo Group sites.

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

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

GO SAFETY: Focus on behaviours

Managing people's behaviour is critical to achieving the real goal of those involved in occupational health and safety, which is to prevent work-related accidents and illnesses. Some studies state that safety is primarily a behavioural issue, since about 80% of injuries are of this nature. There are also those who say that safety is a cultural problem and therefore solvable with suitable information and training at all levels. Starting in April 2021, a programme called GO SAFETY was launched at Burgo Group sites, which involves carrying out interactive safety visits focused on detecting unsafe acts and behaviours and taking action to correct them. These observations underlie the creation and development of a preventive culture in the organisation, in which full participation and identification is encouraged with the goal of conducting operations without incident. Behaviour can be measured through observation, and action can be taken to correct unwanted behaviours. The programme enables an effective observation and feedback process, using behavioural checklists, utilised by colleagues on colleagues. It is processes that are carried out repeatedly which lead to a cultural shift and full participation. It serves as a form of training in which workers learn to "see" risks, becoming "engaged" with their colleagues. Another absolutely crucial element is positive reinforcement, the recognition of correct behaviours, which helps in increasing the frequency of safe behaviour and fosters safe habits. This is a tool that can promote active participation as envisioned in the new ISO 45001. The programme was started in the Treviso, Sarego and Sora plants, extended to Toscolano and Tolmezzo, and will be rolled-out in the coming months at the other sites.

12 Principles for a new safety culture

Throughout 2023, a working group completed the 12 principles deemed indispensable, which must be adhered to by everyone during the execution of work activities. The initiative was defined with the intention of increasing safety awareness at Burgo Group sites.

The 12 principles include:

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

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



Hazard identification, risk assessment, and accident investigation

The Code of Ethics and the Company's Health and Safety Policy are geared toward ensuring a safe working environment and promoting work behaviours and procedures that safeguard the health and safety of everyone working within the company site. In addition to the requirements of the applicable legal regulations, a specific procedure has been defined to clarify responsibilities and methods for identifying hazards and analysing risks to the health and safety of workers employed at the Burgo Group's Plants and offices, in which the minimum contents, drafting methods, the criterion for the hierarchy of risk controls, and the frequency of review for the Risk Assessment Document have been defined.

The activities we intend to pursue are:

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

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

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

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

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

The outcomes of the risk assessment process are used to assess and improve the Occupational Health and Safety management system and define appropriate improvement activities.

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

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

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

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

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

Occupational health services and promotion of worker health

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

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

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



Work-related injuries - Safety events

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

Information flashes are prepared for each event for the purpose of informing all staff, increasing risk awareness and promoting a culture of safety. This practice, put in place as of 2022, makes it possible to inform all staff quickly and visually when events occur, raising the level of focus and awareness of risks while promoting the application of appropriate prevention and protection measures.

Each safety-related event is analysed to identify its causes and define appropriate improvement actions to prevent its recurrence. At Group level, the use of a methodology for root cause analysis (RCA) of events is promoted. This analysis is adopted in order to develop effective improvement actions, foster communication and feedback on events and on what has been implemented in terms of improvement. RCA is a technique for investigating events of interest, particularly accidents, which examines what happened, so as to determine why it happened. Compared to traditional type investigations, the focus is therefore not so much on finding responsibility (who did it), but on identifying improvement actions (so that what happened does not happen again). The outcomes of the analyses are monitored in HSE committees and safety meetings, also with a view to transferring the experience in the perspective of adopting additional preventative and protective measures against risks.

During the 2021-2023 three-year period, no fatal accidents involving employees or non-employees (e.g., contractors) occurred in the Group's plants, so the rate of work-related fatalities is zero.

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

Site	2021					2022					2023				
	FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents	FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents	FI	SI	No. of injuries >3 days	No. of injuries <3 days	No. of commuting accidents
Ardennes	13.17	0.55	11	2	0	25.78	1.18	27	1	3	30.10	0.87	31	5	5
Avezzano	8.33	0.26	2	0	0	14.15	0.39	4	0	0	15.10	0.98	4	0	0
Chiampo	23.20	0.66	4	1	1	49.82	1.33	9	0	1	21.52	0.29	3	0	1
Lugo	17.09	0.25	7	1	1	21.05	1.14	8	1	0	13.23	0.38	3	1	0
Sarego	24.36	0.29	10	0	0	60.02	1.77	24	2	3	30.81	0.93	10	1	1
Sora	11.65	0.61	8	0	1	12.14	0.44	8	0	1	13.87	0.68	7	0	0
Tolmezzo	12.19	0.85	6	0	2	15.24	0.44	7	1	1	22.86	0.78	10	0	0
Toscolano	20.40	0.45	7	1	1	6.00	0.16	2	1	1	35.29	1.18	11	0	0
Treviso	24.01	0.37	8	1	0	15.79	0.28	5	3	0	14.31	0.68	4	0	2
Villorba	14.02	0.25	4	1	1	15.27	0.82	4	1	0	7.56	0.36	2	2	3
Group total (including Head Offices)	13.88	0.44	69	10	7	21.04	0.76	99	10	12	20.43	0.70	85	9	16

Table 6.16: Injury index 2021 – 2022 – 2023

In 2023, there were 94 work-related injuries (with at least one day lost) compared with 109 in 2022.

The Group’s frequency index in 2023 was 20.43 compared to 21.04 in 2022. The severity index, on the other hand, was 0.70 compared to 0.76 in 2022.

Group total (including Head Offices)	2021	2022	2023
Frequency index	13.88	21.04	20.43
Severity index	0.44	0.76	0.70

Table 6.17: Frequency index and severity index

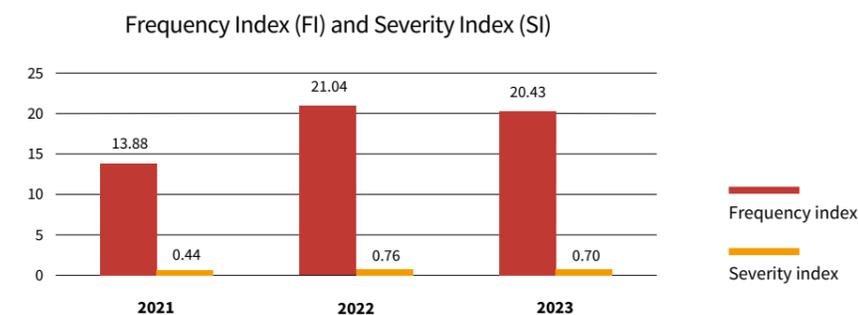


Chart 6.9: Frequency Index (FI) and Severity Index (SI)



Thanks to the company's continuous dedication to applying the established improvement strategies and to creating and putting into action programmes of training, information, and learning about health and safety in the workplace, to spread a culture of safety and prevention, the indicators from 2023 show a slight improvement compared to the previous year. It is highlighted that, upon examining INAIL data for 2023, the trend of injuries nationwide is similar to what has been recorded in the company.

The primary causes of injury within the Burgo Group for 2023 have been identified as falls on the same level (tripping, slipping), which accounted for approximately ¼ of incidents, and being hit by or colliding with objects (excluding falling objects), such as in moving operations.

Examining the age of the injured shows that around 72% of the events involved workers over 40 years of age.

Considering only serious work-related accidents (accidents that resulted in an absence from work of more than 40 days) at the Group level in 2023, there were 25 incidents recorded, with a serious work-related accident rate of 6.01.

In 2023, 223 non-injury events (e.g., near misses, accidents, minor dressings) were also recorded. Near misses are also recorded and analysed in detail in order to determine the corrective measures necessary to prevent the actual occurrence of accidents and injuries following a preventive approach.

All safety-related events occurring to personnel not employed by the Group (e.g., transporters, personnel of contractors) are systematically recorded. During 2023 there were 9 injuries (with at least one lost work day) and 48 non-injury events (e.g., near misses, accidents, minor dressings).

Work-related illnesses

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

Safety training

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

In addition to the aforementioned training, the "Vision Zero" programme continues. This activity, in which the Site Managers, with support from the Prevention and Protection Service, meet with workers during training sessions in order to:

- increase safety awareness;
- present the trend of results;
- examine situations of risk;
- define any shared prevention measures.

Strives to be an exercise in leadership applied to safety where the injury trend is inverted and a proactive approach to safety is promoted.

In 2023 a specific training activity was created for safety while loading finished product onto vehicles, which involves all staff in the logistics area, highlighting the correct operating methods to adopt during handling, loading and fastening of products. It sought to increase attention and awareness of staff on the risks and the adequate prevention and protection measures to be taken.

Participation and consultation of workers and communication in relation to occupational health and safety

The Burgo Group encourages the active and continuous participation and consultation of workers in the development and review of prevention and control practices for activities concerning safety, health, as well as in the development of the occupational health and safety management system and the implementation of compliance obligations.

These worker consultation and participation processes also involve contractors and other stakeholders (e.g., individuals working in parts of the Burgo Group, performing work under the organisation's control).



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

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

Worker consultation and participation is activated in the following cases:

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

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

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

Reporting 'near misses' leads to the following outcomes:

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

6.5



Local relations

(GRI 2 - 28)

Vision

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

Charitable donations

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

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

Over the course of 2023, the Group has allocated approximately € 108,750 to various organisations and foundations to support the community.

Community integration projects

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



Some of the most noteworthy initiatives taken this year include:

- **Avezzano: Open Day, a glimpse into the world of BCB**

On Saturday 10 June, the Avezzano paper mill welcomed visitors for a day of exploring the facility and production processes.

Approximately 400 people took part in the much anticipated Open Day at the plant, including many local residents, sector professionals and students, all seeking to discover the production process of the containerboard range.

The event was a wonderful encounter and an opportunity to showcase the industrial business of the paper mill, highlighting the ongoing commitment and professionalism of its staff.

Thanks to great engagement from employees and excellent team work, visitors had the chance to visit the plant on a tour lasting around one and a half hours, for a close-up look at the facility and production machinery in complete safety.

As well as an excellent encounter and learning opportunity for employees and visitors, the Open Day at the Avezzano plant successfully demonstrated the dedication of Burgo Papers to innovation, sustainability and transparency, all the while reaffirming the plant's status not just as an important manufacturing hub in the region, but also as a source of wealth for the local area and its community.

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

The Toscolano paper mill is an active part of local community life. In particular, it is a founding member, along with the Municipality of Toscolano Maderno and the “Gruppo Lavoratori anziani della Cartiera” of the Maina Inferiore Museum. Located in the valley of the Toscolano river, the museum organises educational workshops, conferences and events, and collaborates with the *Istituto San Zano di Verona*, the interregional school of technology for paper manufacturers. The centre promotes research programmes and analysis of paper manufacturing techniques in Toscolano (dating back to the mid-14th century) and reports findings in prestigious publications. Alongside the centre, the plant supports the activities of various local no-profit associations.



Circular Economy Network (CEN)

As a promoter, the Burgo Group also actively participated in the activities of the Circular Economy Network in its fifth edition in 2023. In particular, it collaborated on all the initiatives of the network that annually prepares the Report on the Circular Economy in Italy, an initiative that assesses progress towards a circular economy. It was held on 16 May 2023 at the 5th National Conference on the Circular Economy at which the 2023 Circular Economy Report was presented. Representatives of the Burgo Group’s HSE department participated by speaking at the conference, presenting a number of the company’s circular economy initiatives. The conference is a



particularly important opportunity for discussion and confirmed the need for transition to circular production and consumption models, which is increasingly a necessity, not only for ecological sustainability, but for the soundness of economic recovery and business competitiveness.

Italy’s Circular Economy Report takes stock of the situation in 2023 and once again confirms that Italy remains one step ahead of its European competitors: as a matter of fact, the effective paper and cardboard waste recycling rate in 2022, albeit determined with the new calculation method, is 81.2% – much higher than the EU targets set for the industry.

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

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

Promoters

The core group of promoters consists of companies and organisations representing significant entities in various sectors of the Italian economy. They are united by the belief that the development of the circular economy is a challenge of strategic importance for the future of our country. They collaborate with the Foundation for Sustainable Development to set goals and strategies for the development of the circular economy in Italy, contribute to coordinating the activities of the Network, and help implement the work programme.

National Recycling Industry Conference 2023

Italy confirmed among European leaders

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

On 14 December 2023, at the headquarters of Corriere della Sera in Milan and live via streaming, the National Recycling Industry Conference was held with the presentation of the *Rapporto sul riciclo in Italia* (Italian Recycling Report). The report, produced in collaboration with the supply chains and consortia involved in the recycling industry, contains up-to-date figures from all sectors and provides an overview of the results achieved in Italy since the implementation of the Ronchi Decree (Italian Legislative Decree 22/97). The paper recycling rate in 2022 was over 81%⁵.

Mr Capuano, who is also Chairman of CONAI, attended the conference and noted the importance of the circular economy, among other topics.

In 25 years, Italy has gone from waste emergency to recycling excellence, and today Italy is the European leader in waste recycling.

The Italian recycling industry has become a significant sector that generates an added value of 10.5 billion (increased by 31% from 2010 to 2020) and produces substantial amounts of recycled materials, including 5 million and 213 thousand tonnes of paper and cardboard.

Italy is confirmed among European leaders in waste recycling: this was one of the hottest topics encountered again and again at the conference, promoted in collaboration with CONAI and Pianeta2030 (monthly publication of Corriere della Sera), with the patronage of the Italian Ministry for Environment and Energy Security, ISPRA and the Italian National System for Environmental Protection.

Of the various types of recycling, paper achieved very significant numbers: 4.3 million tonnes of paper and cardboard packaging waste were recycled (81.2% of the total, above the 75% target set by the EU for 2025).

In addition to an in-depth analysis of the market of secondary raw materials, an overview of the new frontiers in recycling and the latest news on policies and national and European measures, all the data are available in the report edited by Edo Ronchi "Recycling in Italy 2023", printed on Burgo Respecta 100 paper.

⁵ Source: The figures mentioned are taken from the document "Recycling in Italy 2023".





Associations

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



The Burgo Group supports the “*Bambini cardiopatici nel mondo*” Association



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

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

Established in 1993, the “*Bambini Cardiopatici nel Mondo*” Association - A.I.C.I. Onlus is a secular and independent non-profit organisation which, through the voluntary collaboration of surgeons, doctors, nurses and technicians from leading cardiology departments, works in countries-in-need to provide a chance of life for children with serious heart conditions.

Among the guiding principles of BCM are sustainability, practicality and participation. Therefore, creating projects together means sharing the same ethical values without forgoing corporate values in order to contribute to building a more equitable world. A company is more than its production: it is a way of seeing and contributing to a larger system that encompasses the whole of society. With this global perspective, the Group supports the “*Bambini Cardiopatici nel Mondo*” Association, which works to provide a renewed hope of life to children with heart problems in countries in need. The Group makes sustainability a corporate core present in all processes and of course also in partnerships. With an awareness of the value of cultural transmission and its consequential impact on opportunities and external factors, the Group pledges to back initiatives that bring a positive benefit to societal and individual growth.

“Every child saved is a smile given to humanity”

Professor Alessandro Frigiola

credits @Rocco Toscani

Marketing and communication activities

The Group produces quality papers in step with evolving market needs, serving those who communicate through graphic papers, use containerboard to produce corrugated cardboard, and choose specialty papers to customise, package, and create new products. The Group therefore pursues a business model that aims for a balance between economic development and social and environmental responsibility.

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

House Organ – GoMagazine/Burgo Talks

GoMagazine is the Group's internal quarterly magazine available in print and digital, serving as an information tool on the most relevant activities related to the Burgo world: products, new technologies and services, projects, events, collaborations and partnerships. The magazine is an indispensable tool in promoting the Burgo culture



to all of its 3000 workers. The editorial direction selected for 2023 was to approach each edition with an in-depth look at specific strategic sectors of the Group. In 2023, a special issue was introduced in English with an ad hoc, modern and appealing look: *Burgo Talks*. Its aim? To share the Group's vision, ideas and initiatives externally, including customers and stakeholders.

As evidence of the central role of ESG topics for the Group and of the importance of spreading a corporate culture based on sustainable objectives, the various issues of *GoMagazine* have been focused on sustainability topics.

Burgo 2024 Calendar and CARTACEO#05

For more than 25 years, the Burgo Group has collaborated with Italian and international artists through its historic illustrated calendar, sealing the link between paper, art, speech, culture and beauty.

The BURGO 2024 Calendar and CARTACEO#05 pay homage to the most daring projects, the creation of something that is only seemingly ephemeral and detached from reality, the imagination of the unimaginable, the exploration of the possible and the impossible, the value of our eccentricities and feeling out of place.

The words of Valerio Lundini and the illustrations of Carlo Stanga pay tribute to the title of the project: “Building houses of cards, a light-hearted, ironic and dream-like topic”. Which is what we need after years of worry and constraints.

On Sunday 19 November, at the Salone d’Onore of the Triennale di Milano, the unveiling of Cartaceo took place. This project was conceived by the Burgo Group - Marketing & Communication in partnership with the Illustri Association and ArtsFor to celebrate paper as the meeting point between word and image.



The event was included in the BookCity Milan calendar, renewing the relationship between the Burgo Group and the Milanese event.

Cartaceo#05 called in Valerio Lundini and Carlo Stanga, offering them a key phrase around which to base their collaboration: building houses of cards.

Valerio Lundini’s words and Carlo Stanga’s drawings took shape in a *leporello* (folded leaflet with special binding), printed in a limited edition on Prisma UP Silk 2SC paper. Texts and illustrations restore the importance of the act of annotating and bring to the surface the value that paper, understood as a tool, medium and physical space, has in creative and mnemonic processes.

Carlo Stanga’s images illustrate the text written by Valerio Lundini for Cartaceo#05 and accompany the 2024 Burgo calendar.



“I drew houses of cards with dreamlike architectural features. Invisible, light cities as complicated as our souls. When they’ve been built, they appear solid, but they are as ephemeral as butterflies; in fact, in Ancient Greece the word psyche meant both ‘soul’ and ‘butterfly’. Seismographs that are extremely sensitive to any small disturbance, houses of cards stand within us, like in the mid-70s described by Valerio Lundini, until they collapse or are knocked down by the wind of emotions that catch us unawares. We are trying to admire and inhabit these architectures, to live in that moment when they achieve a form of beauty as much as possible. We are learning not to take ourselves too seriously and to play with these continuous internal changes, until we realise that the creative game is the meaning of everything, like in ‘useless machines’, modern paper origami and the wise gestures of my teacher Bruno Munari”.

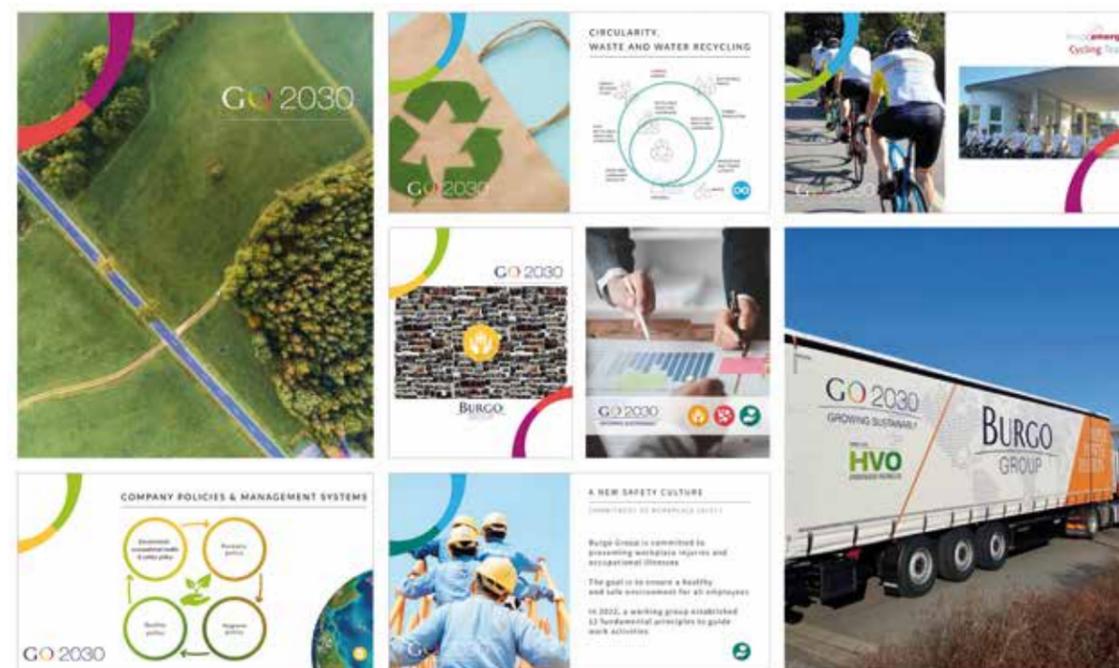
The calendar is printed on FSC® certified papers: Respecta 100 Satin 250 g/m² for the inside pages and Prisma UP Silk 2SC 400 g/m² for the cover.

Digital communication, Group social channels

Increasing the Group's online reputation is one of the main goals of digital communication on the major social networks: Facebook, Instagram, LinkedIn, X and YouTube. In terms of marketing and communication, this involves positioning the business to increase the Group's visibility and consolidating the image of a constantly evolving business. Another important element of the communication strategy is to promote better brand awareness at a global level, consequently increasing engagement and the fanbase. As evidence of this, during 2023 the Group reached and exceeded 16,000 followers on LinkedIn (13,000 at the end of 2022). This is a significant figure as LinkedIn is naturally the most important social network for the B2B business. Notable percentage growth in fanbase has also been attained on the other platforms, serving as a form of positive and perceptual sounding board for the Group in the language of today. The publishing plan (PED) is therefore designed to develop, for certain topics, various different streams of information differentiated by channel, transforming the payoff "Paper, Power, Passion" into a storytelling tool to promote the Group and its products. The main areas covered are the entire range of product segments and ample space is devoted to the topic of sustainability and the circular economy, with a section dedicated to the communication of the seven themes of GO2030 – Growing Sustainably, the Group's ESG strategy, which has received much attention also on the social channels.

Articles and posts on the different channels are also used to raise awareness of the environmental focus in the paper manufacturing sector, as well as events and initiatives in which the Group has participated as a partner.

Of the various activities on social media, the Group supports the #GreenSource European initiative on LinkedIn (the same #GreenSource that had the Group named one of the Top Accounts of 2022). #GreenSource is a campaign endorsed by CEPI, and it is an effort across Europe to demonstrate how the forest fibre sectors can realise the aim of climate neutrality by the year 2050.



The Burgo Group corporate website

Digital communication also involves ongoing updates and additions to the Burgo Group's corporate website since its January 2021 launch, with a total renovation in content and layout. The website's mission is both twofold and integrated at the same time, namely to concisely and comprehensively describe the values and business model and at the same time to promote the product catalogue and related services, offering easy access to product technical information sheets and primary sales contact channels. It presents a streamlined and intentionally market-oriented corporate look and feel, undergoing a particular redevelopment in the product selector function to ensure a more instant and effective user experience.

The latest site release in September 2023 involved an update with a new menu (Responsibility), containing content about the seven themes of the GO2030 ESG strategy. The site therefore continues to offer an up-to-date snapshot of the Group and provides an intuitive and speedy user experience that can be accessed from any device.

Five menus on the home page:

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

The design of the website is characterised by its simplicity and the dynamic use of colours, with particular focus on the balanced distribution of content and the constant integration of text, infographics and other visual and multimedia elements, in order to provide the communication with character. Browsing the virtual pages of the site gives a clear indication of how the Burgo Group's activities and communication are inspired by the three key words in the Group's payoff: *Paper, Power & Passion*.

The site alternates between news about developments in commercial offerings, insights into sustainability and changes in the world of paper manufacturing at international level, and the technological evolution of plants. Not to mention articles that describe the Burgo Group's involvement in social and cultural initiatives such as events, exhibitions and publication of valuable editorial projects. www.burgo.com

The online segment dedicated to Burgo Containerboard was also updated throughout 2023: this paper manufacturing hub for corrugated cardboard serves the packaging industry and shows a clear commitment to circular economy and sustainability.

<https://www.burgo.com/it/burgo-containerboard>

In 2023, new products and content were integrated onto the Mosaico website, the Group's dedicated company for the production of specialty papers, which had unveiled its new site in 2021; this is a web space that is also easy to access and responsive. The backbone of the site is the presentation of the eight product categories, which is up-to-date, detailed and at the same time concise thanks in part to the new paper selector. <https://www.mosaicopapers.com/>





GRI Indicators

Statement of use Burgo Group S.p.A. has produced this Non-Financial Statement in accordance with the GRI Standards for the period from 1 January 2023 to 31 December 2023

GRI 1 used GRI 1: Foundation 2021

GRI standard/other source	Disclosure	Position	Omission			GRI Sector standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
General Disclosures						
GRI 2: General Disclosures 2021						
2-1	Organizational details	Note on Methodology/2.7/2.3				
2-2	Entities included in the organization's sustainability reporting	Note on Methodology/2.2/2.3				
2-3	Reporting period, frequency and contact point	Note on Methodology				
2-4	Restatements of information	Note on Methodology				
2-5	External assurance	Note on Methodology/ Assurance Statement				
2-6	Activities, value chain and other business relationships	2.2/5.1/2.8				
2-7	Employees	2.2/6.1				
2-8	Workers who are not employees	6.1				
2-9	Governance structure and composition	2.4/2.5				
2-10	Nomination and selection of the highest governance body	2.4				
2-11	Chair of the highest governance body	2.4				
2-12	Role of the highest governance body in overseeing the management of impacts	2.5				
2-13	Delegation of responsibility for managing impacts	2.5				
2-14	Role of the highest governance body in sustainability reporting	2.5/3.8				
2-15	Conflicts of interest	2.4				
2-16	Communication of critical concerns	2.4				
2-17	Collective knowledge of the highest governance body	2.4				
2-18	Evaluation of the performance of the highest governance body		2 - 18	Information unavailable/incomplete	For reasons of confidentiality, the Group considers it appropriate not to expose this information	
2-19	Remuneration policies		2 - 19	Confidentiality constraints	For reasons of confidentiality, the Group considers it appropriate not to expose this information	
2-20	Process to determine remuneration		2 - 20	Confidentiality constraints	For reasons of confidentiality, the Group considers it appropriate not to expose this information	
2-21	Annual total compensation ratio		2 - 21	Confidentiality constraints	For reasons of confidentiality, the Group considers it appropriate not to expose this information	
2-22	Statement on sustainable development strategy	Letter from the Chairperson/ Letter from the CEO				
2-23	Policy commitments	3.3/3.4				
2-24	Embedding policy commitments	2.4/2.5/2.6/3.2/3.3/3.4/3.7				
2-25	Processes to remediate negative impacts	3.6				
2-26	Mechanisms for seeking advice and raising concerns	3.4				
2-27	Compliance with laws and regulations	3.4				
2-28	Membership associations	6.5				
2-29	Approach to stakeholder engagement	3.8				
2-30	Collective bargaining agreements	6.3				
Material Topics						
GRI 3: Material Topics 2021						
3-1	Process to determine material topics	3.8				
3-2	List of material topics	3.8				
Economic Performance						
GRI 3: Material Topics 2021						
GRI 201: Economic Performance 2016						
201-1	Direct economic value generated and distributed	4.2				
201-4	Financial assistance received from government	4.3				
Economic Impacts						
GRI 3: Material topics 2021						
3-3	Management of material topics	3.8				
GRI 203: Economic Impacts 2016						
203-1	Infrastructure investments and services supported	2.8				
Procurement practices						
GRI 3: Material topics 2021						
GRI 204: Procurement Practices 2016						
204-1	Proportion of spending on local suppliers	5.1				
Materials						
GRI 3: Material topics 2021						
3-3	Management of material topics	3.8				
GRI 301: Materials 2016						
301-1	Materials used by weight or volume	5.1				
301-2	Recycled input materials used	5.1				
Energy						
GRI 3: Material topics 2021						
3-3	Management of material topics	3.8				
GRI 302: Energy 2016						
302-1	Energy consumption within the organization	5.3				
302-3	Energy intensity	5.3				

GRI standard/other source	Disclosure	Position	Omission			GRI Sector standard Ref. No.
			Requirement(s) omitted	Reason	Explanation	
Water and Effluents						
GRI 3: Material topics 2021						
GRI 303: Water and Effluents 2018						
3-3	Management of material topics	3.8				
303-1	Interactions with water as a shared resource	5.5				
303-2	Management of water discharge-related impacts	5.5				
303-3	Water withdrawal	5.5				
Emissions						
GRI 3: Material topics 2021						
GRI 305: Emissions 2016						
3-3	Management of material topics	3.8				
305-1	Direct (Scope 1) GHG emissions	5.4				
305-2	Energy indirect (Scope 2) GHG emissions	5.4				
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	5.4				
Waste						
GRI 3: Material topics 2021						
GRI 306: Waste 2020						
3-3	Management of material topics	3.8				
306-1	Waste generation and significant waste-related impacts	5.2				
306-2	Management of significant waste-related impacts	5.2				
306-3	Waste generated	5.2				
306-4	Waste diverted from disposal	5.2				
306-5	Waste directed to disposal	5.2				
Supplier Environmental Assessment						
GRI 3: Material topics 2021						
GRI 308: Supplier Environmental Assessment 2016						
3-3	Management of material topics	3.8				
308-1	New suppliers that were screened using environmental criteria	5.1				
Employment						
GRI 3: Material topics 2021						
GRI 401: Employment 2016						
3-3	Management of material topics	3.8				
401-1	New employee hires and employee turnover	6.1				
401-3	Parental leave	6.1				
Occupational Health and Safety						
GRI 3: Material topics 2021						
GRI 403: Occupational Health and Safety 2018						
3-3	Management of material topics	3.8				
403-1	Occupational health and safety management system	6.4				
403-2	Hazard identification, risk assessment, and incident investigation	6.4				
403-3	Occupational health services	6.4				
403-4	Worker participation, consultation, and communication on occupational health and safety	6.4				
403-5	Worker training on occupational health and safety	6.2/6.4				
403-6	Promotion of worker health	6.2				
403-8	Workers covered by an occupational health and safety management system	6.4				
403-9	Work-related injuries	6.4				
403-10	Work-related ill health	6.4				
Training and Education						
GRI 3: Material topics 2021						
GRI 404: Training and Education						
3-3	Management of material topics	3.8				
404-1	Average hours of training per year per employee	6.2/6.4	404-1 a - i.	Information unavailable/incomplete	Information and data on training hours by gender are not available through the Group management system.	
404-2	Programs for upgrading employee skills and transition assistance programs	6.2				
404-3	Percentage of employees receiving regular performance and career development reviews	6.2				
Diversity and Equal Opportunity						
GRI 3: Material topics 2021						
GRI 405: Diversity and Equal Opportunity 2016						
3-3	Management of material topics	3.8				
405-1	Diversity of governance bodies and employees	6.1				
405-2	Ratio of basic salary and remuneration of women to men	6.1				
Supplier Social Assessment						
GRI 3: Material topics 2021						
GRI 414: Supplier Social Assessment 2016						
3-3	Management of material topics	3.8				
414-1	New suppliers that were screened using social criteria	5.1				



Glossary

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

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

UWF (Uncoated WoodFree): Uncoated woodfree papers.

CWF (Coated WoodFree): Coated woodfree papers

LWC (Light Weighted coated): Lightweight coated papers.

RCCM (Recycled containerboard): Paper for recycled packaging.

RTC: Coated woodfree papers with high printing performance.

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

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

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

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

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

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

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

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

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

Appendix

Material topic	Material impact	Impact	Actual or potential	Macro area
Health and safety	<ul style="list-style-type: none"> Risks to employee health and safety caused by non-compliance with safety procedures and practices Impacts related to the presence of a systemic and structured approach to health and safety 	Negative	Actual	Social
		Positive	Actual	Social
Circular economy	<ul style="list-style-type: none"> Reduction of environmental impacts resulting from the implementation of specific circular economy projects (cogeneration, waste reuse, water source reuse, etc.) 	Positive	Actual	Environment
Climate change	<ul style="list-style-type: none"> Contribution to climate change caused by the emission of climate-altering substances 	Negative	Actual	Environment
Corporate ethics and integrity	<ul style="list-style-type: none"> Impacts generated by the adoption of a structured approach to ethics and integrity, including anti-corruption 	Positive	Actual	Governance
Waste management	<ul style="list-style-type: none"> Impacts on the environment caused by a significant amount of waste generated Impacts from the reduction of waste not sent for recovery through the development and implementation of ad-hoc technologies 	Negative	Actual	Environment
		Positive	Potential	Environment
Economic performance	<ul style="list-style-type: none"> Impacts related to investments in production process efficiency 	Positive	Actual	Governance
ESG Governance	<ul style="list-style-type: none"> Impacts generated by the implementation of certifications (e.g. FSC®, ISO 14001, ISO 5001 and ISO 9001) 	Positive	Actual	Governance
Human rights	<ul style="list-style-type: none"> Impacts from human rights abusive practices that may occur along the supply chain 	Negative	Potential	Social
Product quality and safety	<ul style="list-style-type: none"> Impacts in terms of customer satisfaction and maintaining market leadership through the adoption of the highest quality and product safety standards 	Positive	Actual	Governance
Water consumption	<ul style="list-style-type: none"> Impacts on water availability caused by high water use in industrial processes 	Negative	Actual	Environment
Energy management	<ul style="list-style-type: none"> Reducing the use of fossil fuels through the development of renewable energy production facilities Environmental impacts of feeding energy into the national grid 	Positive	Potential	Environment
		Positive	Actual	Environment
Procurement of materials	<ul style="list-style-type: none"> Reduction of environmental impacts through the use of certified raw material (e.g. FSC®- and PEFC-certified cellulose) Impacts generated by the adoption of a Supplier Code of Conduct integrating ESG clauses 	Positive	Actual	Environment
		Positive	Actual	Governance
Staff training and skills development	<ul style="list-style-type: none"> Impacts generated by a structured and continuous approach to training and professional development 	Positive	Actual	Social
Risk management	<ul style="list-style-type: none"> Impacts related to the reduction of the Group's operational (economic, reputational, regulatory) risk in the market 	Positive	Actual	Governance
Local communities	<ul style="list-style-type: none"> Impacts on the economic and social well-being of the local community through recruitment of resources from the local area Impacts (e.g. vibration, noise, odour, etc.) generated by the company's activities caused to local communities adjacent to the Group's production sites 	Positive	Actual	Social
		Negative	Actual	Social
Diversity & inclusion, equal opportunities and non-discrimination	<ul style="list-style-type: none"> Impacts of a Group-wide approach to promote inclusion and diversity 	Positive	Potential	Social
Staff attraction and retention	<ul style="list-style-type: none"> Impacts from the adoption of talent attraction & retention initiatives (e.g. 1vs1 with employees and territorial initiatives such as open days) Impact on work-life balance with the introduction of smart working 	Positive	Actual	Social
		Positive	Actual	Social
Protection of biodiversity	<ul style="list-style-type: none"> Impacts on biodiversity caused by farm activities 	Negative	Potential	Environment

Assurance Statement



Assurance Statement

SGS Italia S.p.A. (hereinafter "SGS") has been tasked by the management of Burgo Group (hereinafter "Burgo" or "Organization") to perform an independent assurance of the organization's 2023 Sustainability Report (Report), in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI - Global Reporting Initiative (hereinafter the "GRI Standards") in 2021.

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

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

RESPONSIBILITY OF THE DIRECTORS FOR THE SUSTAINABILITY REPORT

Burgo's Directors is responsible to develop the Sustainability Report in compliance with the "GRI Standards" guidelines, to define the sustainability objectives in relation to the organization's sustainability performance and to reporting the results obtained.

INDEPENDENCE OF THE AUDITORS AND QUALITY CONTROL

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

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

AUDITORS' RESPONSIBILITY

The responsibility of SGS Italia S.p.A. is to express an opinion concerning the reliability and accuracy of the information, data and statements included in the 2023 Sustainability Report and to evaluate their compliance with the relevant requirements in the context of its verification objective outlined below, in order to inform all the Interested Parties.

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

- In line with the Limited Assurance Engagement, analysis of the sustainability activities and data relating to the period 1 January 2023 – 31 December 2023, as indicated in the Sustainability Report;
- the evaluation of the Report against the Global Reporting Initiative's **GRI Standards 2021**.

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



ASSURANCE METHODOLOGY

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

- Using interviews, analysis of the governance system, management process, and topics connected to sustainable development regarding the Organization's strategies and operations;
- Analysis of the process for defining the material topics outlined in the Report (materiality analysis), with reference to the methods for their identification and evaluation -in terms of priority for the various stakeholders- as well as the internal validation of the process findings;
- Analysis of the consistency of the qualitative information detailed in the Report and analysis of the processes underpinning the generation, disclosure and management of the quantitative data included in the Report. In particular, the following activities were carried out:

- meetings and interviews with the Burgo's management to achieve a general understanding of the information, accounting and reporting systems in use to prepare the Report, as well as of the internal control processes and procedures supporting the collection, aggregation, processing and submission of the information to the function responsible for preparing the Report;
- a sample-based analysis of the documents supporting the preparation of the Report, in order to obtain evidence of the reliability of both the processes in place and of the internal control system underlying the treatment of the information relating to the objectives disclosed in the Report;

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

Auditing activities were carried out in July 2024 and involved various functions/departments of the Organization.

LIMITATIONS

Economic and financial data contained in the Financial Statements 2023 and included in the Sustainability Report, have not been audited by SGS.

CONCLUSIONS

On the basis of the work carried out, no aspects came to the attention of SGS which would lead to the opinion that Burgo 2023 Sustainability Report was not prepared, as regards all significant aspects, in compliance with the "GRI Standards - Global Reporting Initiative" as described in the Report's "Methodological Note" chapter.

Milan, August 5th 2024

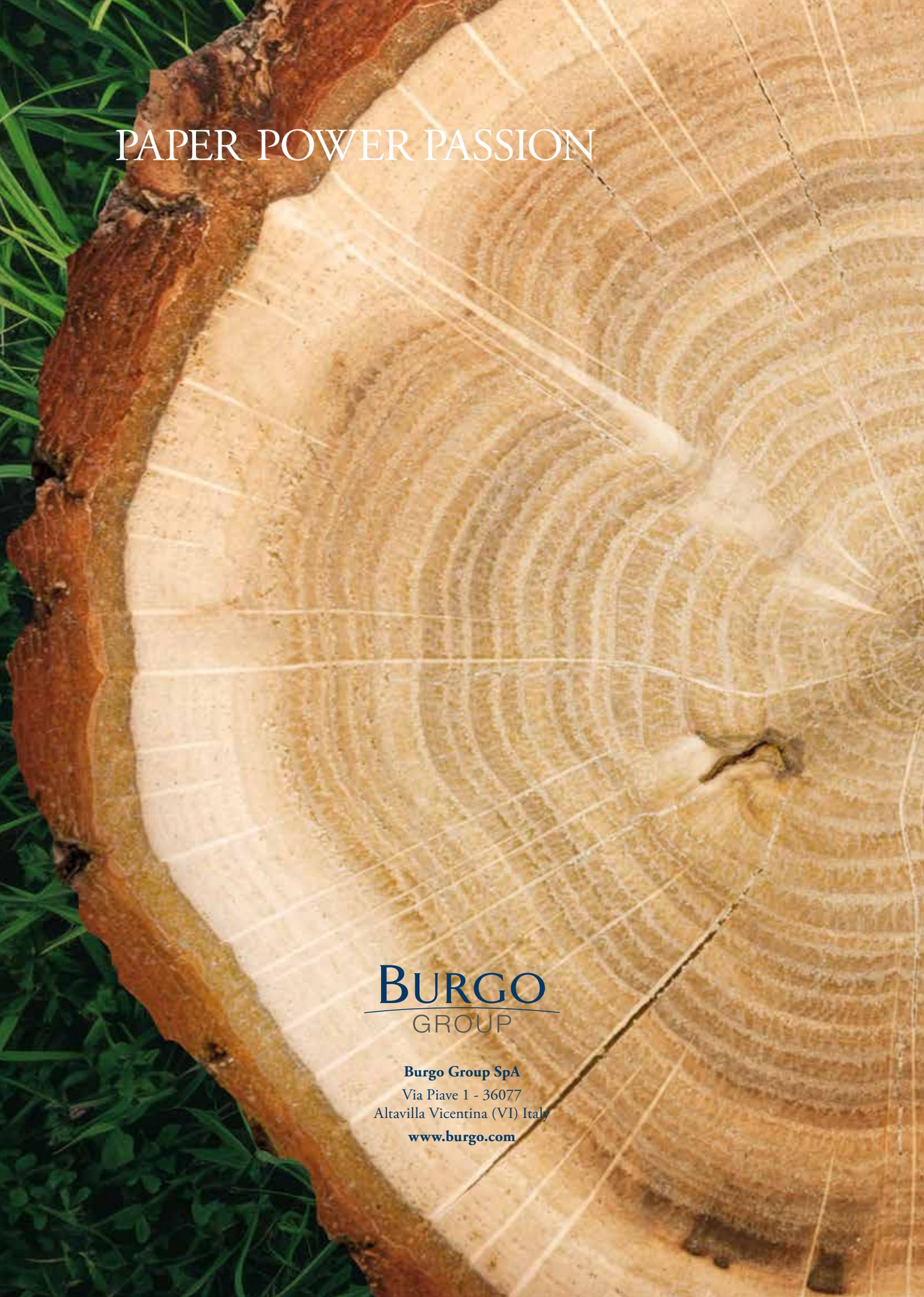
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