

Sustainability Report 2021



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Letter to stakeholders

Dear stakeholders,

despite the past year and the undeniable challenges it has put to us, we can say that we have done our work positively, as we are satisfied with the results achieved, showing strength and resilience, as well as adaptability to the continuous changes that the printing and converting industry of packaging and paper technology is also experiencing in recent times, not only for economic situations in the various macromarkets worldwide, but also because of the media pressure on the environmental impacts of packaging and plastics, and in the face of consumers who are increasingly willing to renounce packaged products that are neither biodegradable nor recyclable.

Our Group has progressively managed to consolidate its business and structure, strengthening process and product innovation, investing in research and development, expanding its range of products and services, enhancing its presence in all markets and, consequently, increasing its global competitiveness.

Our achievements stimulate and encourage us to continue the path to continued growth, placing workers, customers, employees, suppliers, territory, and all stakeholders at the heart of our interests, following a long-term strategy focused on four main objectives: innovation, development, people's growth and operational excellence.

Sustainability, which we mention in our Company Vision, remains the ultimate engine and end of our choices, as it is the main growth trend of our business in the world, and of our product applications. In this sense, we have chosen to make our contribution by developing a new generation of compostable and biodegradable packaging materials with minimal ecological impact in partnership with pioneering companies in the design of recyclable inks and substrates. In this way we want to demonstrate that the packaging industry can take an active part in creating more environmentally friendly and economically sustainable products.

Constant confrontation with internal and external interlocutors is a moral duty and is an objective of continuous improvement, as well as of refinement of sensitivity on the issues of social responsibility, making us even more convinced that economic performance must be increasingly combined with ethical ones.

The post-pandemic future is challenged, but we are confident that by offering products that are increasingly focused on quality and service, including the environmental impact, and with an eye to our most valuable resource that is work, we will be able to create value and growth opportunities.

We are here to present to you our third Sustainability Report.

We are defining strategies that will enable us to improve the reporting of sustainability performance as well, given the belief that a Group like ours must try

to produce added value in an increasingly transparent way. Many projects were launched in 2021, but so many are still to be developed.

All this, together with our principles of work ethics and attention to our resources, are contained in the following communication document, which is precisely the annual Sustainability Report.

We ask you, who have contributed to our growth in the past and who choose to be part of our success every day, to support us in our challenge of continuous improvement so that every achievement is only a further confirmation of how efficient and profitable our collaboration is.

The President

Aldo Peretti

1. The profile of the Uteco Group

The Uteco Group

“The Uteco Group is constantly at the forefront of providing packaging manufacturers with innovative solutions that meet the ever-changing needs of the industry in total compliance with environmental regulations and energy saving.”

Uteco was born in 1985 from the initiative of a Verona entrepreneur, who has already provided himself with his own production unit, assembly service and after-sales service. Since then, Uteco has become a world-leading manufacturer of printing and processing machines for the packaging industry over the years, particularly for flexible packaging. Uteco designs cutting-edge technical solutions that it applies on its own production machines, whether they are graphic flexo and/or rotogravure printers or coupling machines and/or machines for special applications. The company headquarters is located in Colognola ai Colli, east of Verona.

The **distinctive features** of Uteco are:

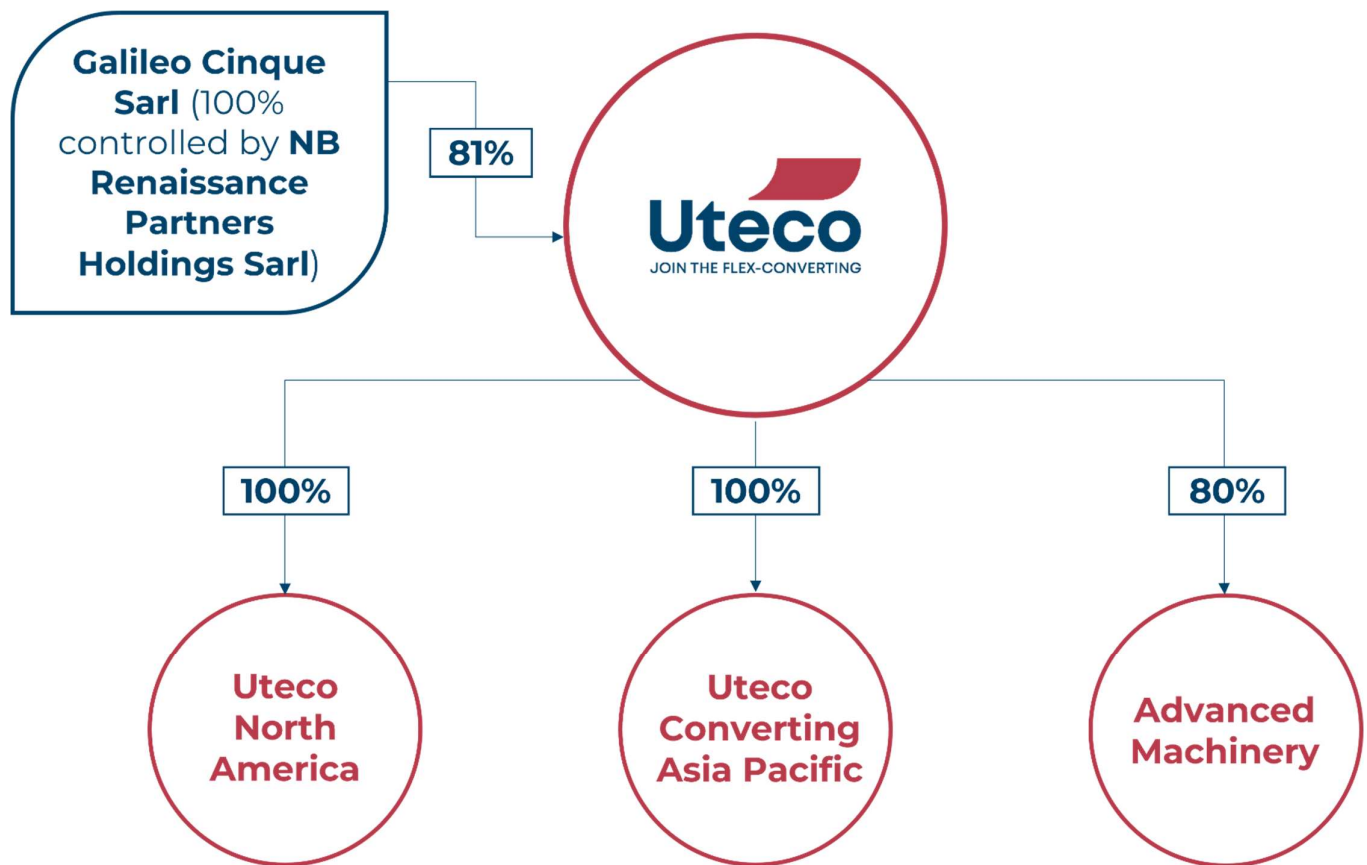
- inexhaustible attention to the continuous demand for innovation by the customers;
- targeted research of high-performance products and solutions;
- development of cutting-edge solutions at low investment cost;
- organizational flexibility and solution engineering capacity;
- technological and financial advice for the optimization of investment;
- fast and efficient customer service support worldwide.

Uteco's mission is to be constantly at the forefront of providing packaging manufacturers with **innovative, flexible, robust** and **sustainable solutions** that meet the ever-changing needs of the industry in **total compliance with environmental regulations and energy saving**. The consolidation of its position as Global Leadership among European manufacturers of flexible packaging machines along several parallel roads:

- massive investments in R&D in the advanced technologies of Converting and its evolutions;
- organizational flexibility and engineering capacity of the solutions combined with the optimization of the production processes;
- fast and efficient Customer Service around the world.

“Supporting modern society in developing new lifestyles by enabling innovation and packaging sustainability.”

The company structure as of 31 December 2021



The Uteco Group, made up of Uteco converting S.p.A., Uteco North America Ltd, Uteco converting Asia Pacific PTE. LTD and Advanced Machinery N.V. is controlled at 81.09% by Galileo Cinque Sarl, which is in turn controlled at 100% by the Private Equity Fund NB Reinassance Partners Holdings Sarl.

Uteco converting S.p.A. controls Uteco North America Ltd, based in Kennesaw – Georgia (U.S.A.), which markets the products of Uteco converting S.p.A. in North America and operates service activities with its own spare parts warehouse.

Since 2021, the Group has also been controlling Uteco Converting Asia Pacific PTE. LTD, which serves as a commercial agent for the Asian market and Advanced Machinery N.V., which markets Uteco products and also deals with after-sales activities, technical interventions and spare parts.

1985

- Foundation of Uteco converting S.p.A and supply of the first 4 colors in line to a welder to an important Italian customer.

Years 2000

- Global reengineering of the company's organization and operations, in terms of market, product and process.
- October 2000: Inauguration of Uteco North America in Atlanta (GA).
- Presentation at the DRUPA exhibition of the new generation of gearless flexographic machines, ONYX model.

2014

- Expansion of the headquarters of Cognola ai Colli, with the new Uteco 3 plant adjacent to the headquarters and Presentation of the new R&D ConverDrome® center, in the Uteco 2 plant.

2019

- The Group's first Sustainability Report.

2021

- Definition of the new Uteco Group's vision
- The Crystal 2.0 machine was presented on the market
- Re-branding project started

Years '90

- In the '90 the company recorded a high growth rate, following an expanding and strong economy of a quality product that allows it to have an advantage over its competitors.
- In 1992 it saw the light of the first flexographic printer of the Amber range, one of the most successful machines of Uteco.

2010-2011

- Introduction to the market of the first silver SIL roto-offset machine for the security market.
- Construction of the Uteco 2 plant adjacent to the headquarters.

2018

- Closing with NB Renaissance Partners, a private equity fund, which has acquired a controlling stake.
- Start construction of the new Uteco 4 plant, which will be operational in 2019.

2020

- The beginning of a new era: application of the latest innovation for rolling and digital printing for flexible packaging to the new DuaLam, the digital range of Sapphire EVO M and Crystal 2.0.
- Second Sustainability Report of the Group.

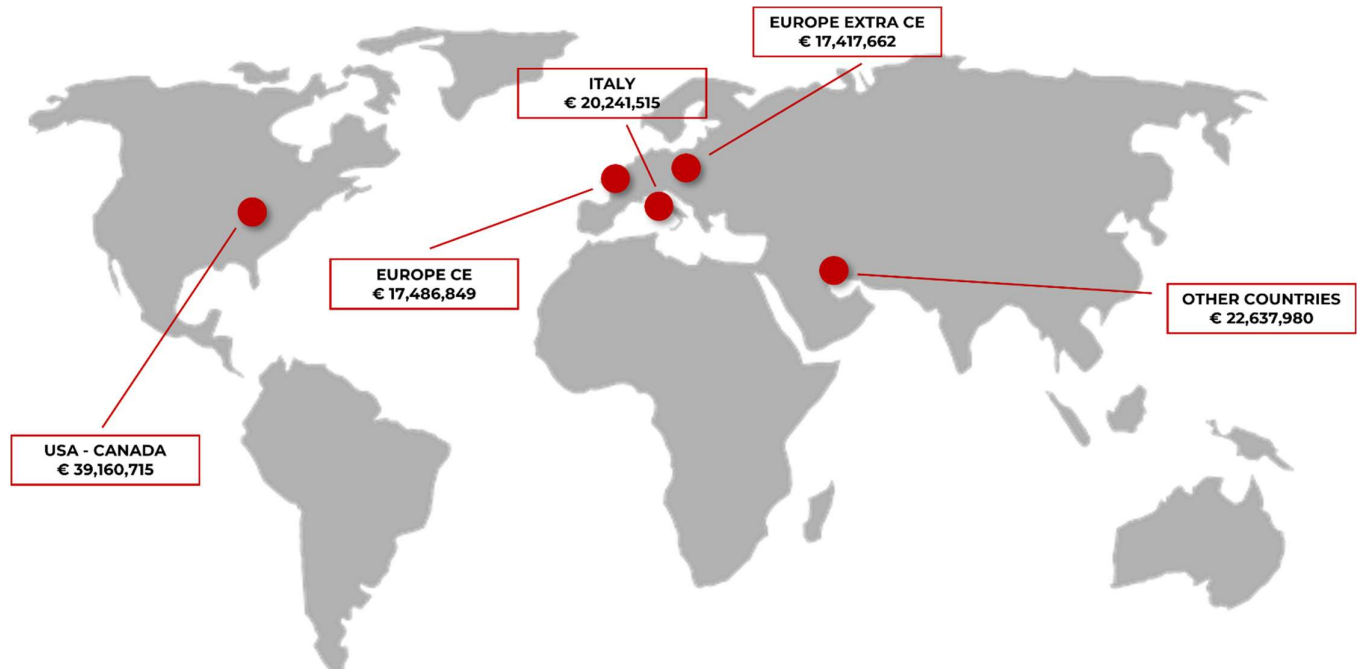
Economic results



Shareholder remuneration and value generation for stakeholders: these are the ingredients for Uteco of sustainable growth that are pursued through targeted investment plans and Merger&Acquisition.

The internationalization process and the ability to assist the customer, regardless of geographical position, characterize the Group's business strategy, contributing to the success of the company in the world. Over the years, the Group has worked to grow its business network with the aim of covering the world market in a comprehensive way, approaching the customer through the opening of a commercial headquarters for the American market and through the presence of the main trade fairs. The Group has also developed a strong distribution network around the world, maintaining production in Colognola ai Colli plants and distribution centers of Uteco North America in the United States and Advanced Machinery in Central Europe. The Uteco Group closed its consolidated financial statements for 2021 with a turnover of more **than 116 million euros**, of which almost **83%** due to exports.

Revenues by geographical area as of 31 December 2021



The plants

Uteco headquarters are located in Colognola ai Colli, in eastern Verona, covering an area of 75,000 square meters of operating space. The area includes:

- the head office (Uteco Plant#1), where management and administration offices, technical offices and part of the production area are located;
- Uteco Plant#2, home of ConverDrome, a display space for demonstration and training machinery, the Uteco Academy, a production area and a manual office;
- Uteco Plant#3, where support and maintenance services' offices and part of the production area are located;
- Uteco Plant#4, introduced in September 2019, containing a production area and a winding and unwinding assembly area.

There is also a 1,000 square meter Atlanta (GA) business center, providing all North American customers with technology support, a spare parts warehouse and an area dedicated to machine demonstrations.



MACHINERY DEPARTMENT FOR MACHINING

Uteco, the only manufacturer with machining department, has invested in the excellence of **made in Italy products**, acquiring **numerical control boring and milling machines**.

Through Dinomax, an innovative vertical milling machine with movable cross-member of the “gantry” type are carried out both heavy removal and high-speed finishing processes.

At the precise request of Uteco, FPT Industrie S.p.A. has developed an innovative tool change that intervenes safely in two distinct areas of the machine, using a large central multi-tool magazine with two floors. The machine is equipped with: Dual station controls with touch-screen monitor, remote monitoring cameras and self-leveling magnetic planes carrying workpieces.

All this to ensure **maximum safety and precision in the processing, as well as to speed up the setup phases**.

A Mazak milling and turning center HAS also been purchased and installed, for continuous 4-axis machining, thus expanding and completing the turning department.

PAINTING DEPARTMENT

For the extension of the painting department, two cabins have been created with innovative filtering system and a maintenance system program to guarantee a **cleaner, safer and healthier working environment**.

In addition, the Uteco Group has chosen the reliability of Graco Inc. products, since 1926 the world leader in the production of fluid management systems and components. In fact, two Promix 2KE dosing units have been installed, designed for multi-color, two-component and in-cab applications. The dosers are able to maintain the ratio within the pre-defined tolerance limits and are equipped with cartridge fluid valves that allow easier maintenance.

They also have LCD displays for setting and monitoring work with standard operating functions, which can display mixing ratio, useful lifetimes, material flow, and the ability to monitor costs and provide environmental reports.

DEPARTMENT OF CARPENTERIA

A further investment touched the carpentry department, where a suction system was installed.

The system, with its 4 arms equipped with an activated carbon aspirator, allows a faster and more efficient suction and filtering of the welding fumes.

An investment that proves to be fundamental to **the health of the working environment, in a green corporate perspective, increasingly attentive to eco-sustainability**.

LOGISTICS DEPARTMENT

For the expansion of the logistics department, a new conveyor trolley was purchased, designed specifically for Uteco.

The truck has been designed in such a way as to ensure the transport of a maximum weight of 40 tons, with a height from the ground of 50 cm.

COVERDROME DEMO CENTER

The ConverDrome® is the technological center for just-in-time demonstrations on printing and converting machines, for the activities of Uteco Academy, for the research and development of new technologies and applications. Inside the ConverDrome® the machines are tested and the production, tests and demonstrations of direct printing are carried out. Real-time solutions are developed for customers to perfect the machine and its operation and optimize the processing before the final delivery.

The Group's business model



The governance structure

The corporate governance system adopted by Uteco is aimed at ensuring the most balanced collaboration between its components and aimed at ensuring a responsible and transparent conduct of the enterprise toward the market, with a view to creating value for stakeholders.

The Board of Directors of Uteco Converting S.p.A. as of 31 December 2021 is composed of 10 members and will remain in office until the approval of the financial statements as of 31 December 2023; in particular, it consists of 10 men, of which 30% between 30-50 years and 70% over 50 years.

The Board of Statutory Auditors, as a supervisory body, is responsible for monitoring compliance with law and corporate rules, as well as for monitoring the adequacy of internal controls and the organizational structure of the company. The body consists of 5 members: 1 President, 2 statutory auditors and 2 alternate auditors. The President is Maurizio Salom, who is supported by Marco Bronzato and Davide Lombardi.

Board of Directors



- Aldo Peretti – President of the Board of Directors
- Pietro Galli – Managing Director
- Stefano Russo – Managing Director
- Mario Tomasi – Managing Director
- Alessandro Bello – Managing Director
- Gianluigi Scapini – Board member
- Marco Cerrina Ferroni – Board member
- Luca Deantoni – Board member
- Tommaso De Bustis Figarola – Board member
- Stefano Bontempelli – Board member

Board of Statutory



- Maurizio Salom – President
- Marco Bronzato – Statutory Auditor
- Davide Lombardi – Statutory Auditor
- Alberto Buto – Alternate Auditor
- Gianluigi Berruti Manzone - Alternate Auditor











With the aim of creating a model of sustainable development integrated with the company strategies, in 2021, an internal Sustainability Team at managerial level was established, composed of managers of the following functions: Field Engineering; Product Innovation; Customer service; Administration; Safety, Environment & General Service; Production; Digital; Democenter, Printing Lab & Academy. The Sustainability Team is responsible for drafting this document and, in the next two years, for preparing and implementing a sustainability plan for the Uteco Group, which will be presented, approved and monitored by the Transformation Committee.

A special e-mail box has also been created for possible suggestions by interested parties.

Ethics, integrity and transparency

In the management of business and business relations, the Uteco Group is inspired by the principles of **legality, loyalty, fairness, transparency and good faith**.

The values of the Uteco Group

	Sustainability		Long-lasting relationships of trust with clients and business partners, embracing transparency, empathy, and integrity.
	Innovation		A pragmatic vision that looks ahead, envisioning the next generation of businesses through integrated and innovative solutions, to make a real difference.
	Results		A reliable partner, fully committed to excellence, meeting quality and durability standards. Proven industry experience and a demonstrated track record of performance and know-how.
	Cooperation		A human-centered corporate philosophy that creates long lasting relationships of trust and added value with clients, for clients.
	Passion		A synergic team of professionals, working with fervor, dynamism and a strong credo to achieve valuable results and effective solutions.

In compliance with the provisions of this Decree, Uteco Converting S.p.A. adopted the **Organization, Management and Control Model** (the “Model” or “Organizational Model”), in order to prevent the Commission of the offenses included in Legislative Decree no. 231/2001, among which environmental offenses, corporate offenses, offenses in violation of occupational health and safety rules, corruption offenses and tax offenses are highlighted. The Model, in addition to responding to a regulatory requirement, is a tool that enables successful management of the complexity of situations in which society operates, clearly defining the set of principles and values that guide its activities.

The rules of conduct contained in this Model integrate with those of the **Code of Ethics**, adopted by all the companies of the Uteco Group in order to express the ethical principles and rules of conduct that it recognizes as its own. This document is updated periodically and shared with all employees and the various stakeholders who work with the company.

The Uteco Group monitors the implementation and compliance of the Code of Ethics through an independent supervisory body which carries out the following tasks:

- Promote the implementation of the Code and the establishment of reference procedures;
- Report and propose to the CEOs the initiatives useful for the greater diffusion and knowledge of the Code, also in order to avoid the recurrence of proven violations;
- Promoting programs for the specific communication and training of human resources;
- Review news of possible violations of the Code, promoting the most appropriate audits;
- Intervene, even on reports of non-subordinate collaborators, in cases of reports of possible violations of the Code deemed not to be properly addressed or of retaliation suffered by the person following the reporting of news;
- Inform the competent structures of the results of the checks relevant to the adoption of any sanction measures;
- Inform the relevant line/area structures of the results of the relevant checks for taking appropriate measures.

All employees of Uteco are required to report, verbally or in writing, any inobservance of the Code of Ethics and any request for violation of the Code, by anyone who comes, to his/her manager and to the supervisory body. To guarantee a greater effectiveness of corporate governance in relation to the prevention of offenses referred to D.Lgs. 231/2001, the effective and substantial application of the Organization, Management and Control Model is ensured by the conduct of internal audits, which in 2021 showed no significant criticality classifiable as non-compliance.

Cyber security and Privacy

In an ever-changing context where data gains significant value, it becomes more complex to manage and protect the information and ensure its continuity of flow. The increasing complexity exposes companies to new types of risk that can potentially affect business continuity or the company's competitive advantage.

In addition, due to the increase of remote working, the use of devices in a domestic environment and the consequent reduction of the employees' awareness level, phenomena accelerated because of the Covid-19 pandemic, the risk of cybersecurity accidents and data breaches increases.

For these reasons, the Uteco Group recently requested a service for assessing the current state of security in terms of IT processes and technologies. It focuses on

preparing a remediation roadmap against any gaps that may be encountered and it is designed to mitigate residual risks and to improve the entire security posture of the company. The work will focus on cyber security organization, privacy, phishing, vulnerability assessment and penetration testing processes.

2. Approach to Sustainability

FOR THE
WORLD

2. Stakeholder mapping and materiality matrix

The Group's stakeholders

Stakeholders play a major role in the Uteco Group's sustainable development and growth path. Establishing and deepening relationships of mutual trust, based on principles of transparency, openness and listening, represents for Uteco the opportunity to understand the expectations and requirements of the continuously changing stakeholders, who, directly or indirectly, influence the activities of the Group or who are in turn influenced. Therefore, in a dynamic and constantly changing scenario, *materiality assessment* and *stakeholder engagement activities* enable the Group to anticipate changes and identify emerging trends, integrating them into the corporate strategy.

Uteco has carefully mapped the relevant stakeholder categories, and the results of this analysis have been integrated and compared with a *benchmark analysis* that has considered the industry's key *peers* and national and international best practices.

The stakeholders of the Uteco Group

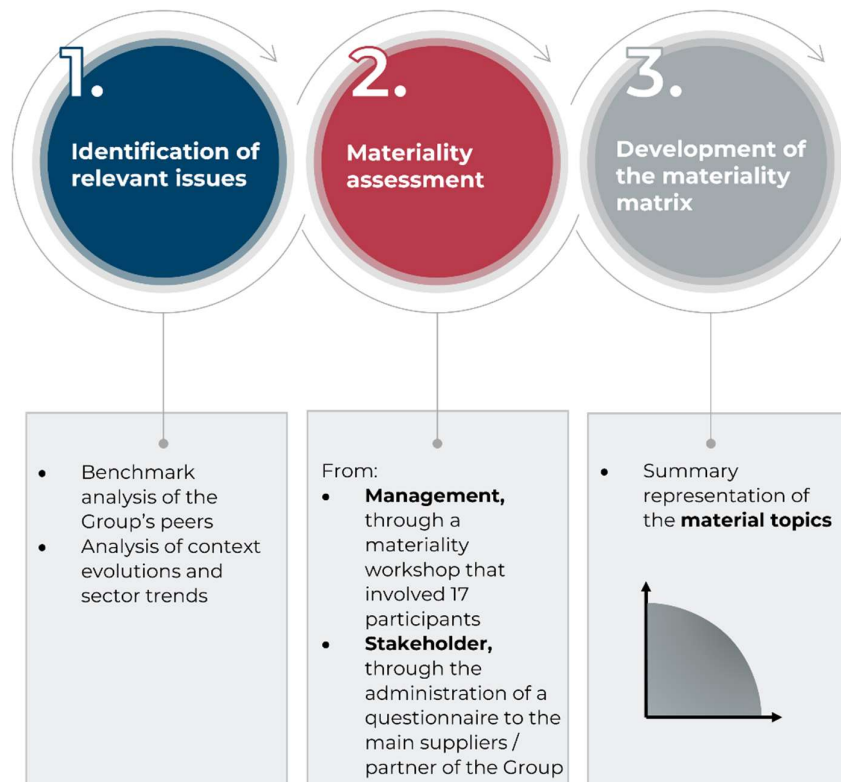


Materiality analysis

Since 2019, the Uteco Group has embarked on a path to identify “material topics” in line with the GRI reporting standards for the Sustainability Report defined by the Global Reporting Initiative. The material topics are defined as those which reflect economic, social and environmental impacts and have an influence on the evaluations and decisions of both the Group and its stakeholders.

In 2021, the Group updated its *materiality analysis*, involving the main business functions and the most important stakeholders.

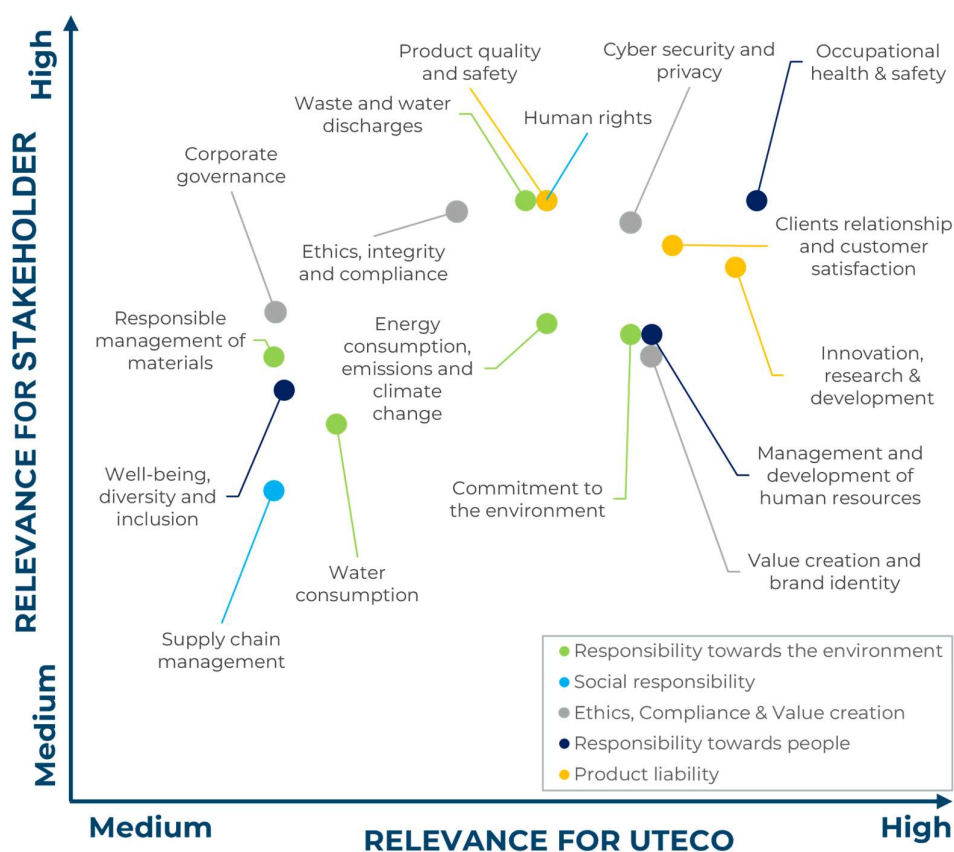
In particular, the upgrade process was carried out through the following steps:



The result of this process has led to the definition of the *materiality matrix* of the Uteco Group, which is given below, where:

- each point in the matrix represents a material topic, object of reporting within this document;
- the topics are divided into five categories: responsibility towards the environment, social responsibility, ethics, compliance and value creation, responsibility towards people and product liability;
- the topics are placed in the matrix according to their relevance to the Group (horizontal axis) and its stakeholders (vertical axis).

Uteco Group materiality matrix



The materiality analysis has brought numerous benefits to the Group, such as a greater awareness of the environmental and social issues considered relevant and the opportunity to rethink its future objectives, reflecting on a greater integration of sustainability issues within its strategy and growth path. During 2021, materiality assessment also represented an opportunity for Uteco to engage in a dialog with certain categories of stakeholders. In the next few years, it is aimed at reaching an increase in terms of stakeholder engagement activities carried out in order to better identify the relevance of the issues.

Compared to the previous materiality matrix, the following topics are no longer material, although they continue to be relevant for the Group: industrial relations, workers' rights, product traceability, responsible marketing, development of collaborations and partnerships. The following topics have instead been found as new material topics, as a result of greater importance both for the Group and for its stakeholders: human rights, water consumption, cybersecurity and privacy, corporate governance.

Product liability



3. Product liability

Our products



Strengthen its leadership as a global technology player in all market segments where Uteco is present by developing new high-performance printing machinery.

Contribute proactively to the development of new sustainable solutions in the packaging market, minimizing the ecological impact on the environment and on food conservation for consumer health.



Rotogravure presses



Quality



Digital printing



Customization



Innovation



Flexographic printing



Print speed



Coaters and Laminators

Uteco is characterized by the real **innovation of its products** with added value not only in terms of return on investment and competitiveness but **designed for the safety of the operator and the health of the working environments and designed with a view to reducing environmental impacts.**

Uteco provides highly innovative solutions with its wide range of machines for flexographic and rotogravure printing, for coupling and machines with special

configurations of great technological content, always developing research and innovations.



Flexographic printing machines

We currently have seven flexographic printing machines and we meet all the printing needs, from the very short, with compact Onyx XS, to the longer, with Diamond HP and Crystal. We cover a wide range of final applications, from flexible food packaging to industrial bags, with particular attention to the sustainability of printing processes in terms of energy saving and operator protection.

Rotogravure presses

Today our rotogravure presses range is composed of three product lines equipped with the most modern technologies, result of the internal and external research of Uteco in view of open innovation. Next 450, Next 350 and NXS 300 are the best expression of our innovation process: high print quality and customization to meet specific needs.



Coaters and Laminators



We offer various coaters and laminators appropriate for the production of food packaging, pharmaceutical and building products, such as roof covering underlayer, aluminum-paper foil for cigarette packets and for the production of adhesive tape and labels. They are machines that can work on different underlayers such as film, paper, aluminum, cardboard, PVC.

Digital printing machines

Production of digital and hybrid printing machines to meet new market demands. Sapphire EVO, with both analogue and digital printing capabilities, allows Brands to move from simple raw materials suppliers to value-added suppliers.



UTECO SAPPHIRE EVO M

Uteco SAPPHIRE EVO M is the **perfect synthesis** between high **print quality** and **low operating expenses**, making it the ideal machine for short and medium run. It allows to print digitally on multiple materials, even the most critical ones such as plastic films, and to produce different types of packaging, including food bags, labels and beverage packaging.

The result: a **customized hybrid solution** that allows to have flexo and rotogravure units in line with the digital section with possibility of reprinting to register, spot color units or in line painting and multiple customized configurations depending on the final application.

Innovation, research and development



Research and development of products and technologies, combining the enhancement of **know-how** with **continuous innovation**.

The consolidation of its position as Global Leadership among the world's manufacturers of flexible packaging machines is the result of significant investments in research and development in the advanced technologies of converting and its evolution. The Group contributes to the **promotion and development of scientific and technological research**, in order to study products and processes aimed at safeguarding the environment, protecting the safety of customers, the health of employees and the development of the communities in which it operates.

Uteco' identity has always been strongly linked to a **policy of constant innovation, technological updating and efficiency improvement**. Even in the years of increased uncertainty in the economic environment, the Group continued to invest in its industrial sites in order to maintain its position in the narrow group of leading companies in the sector.

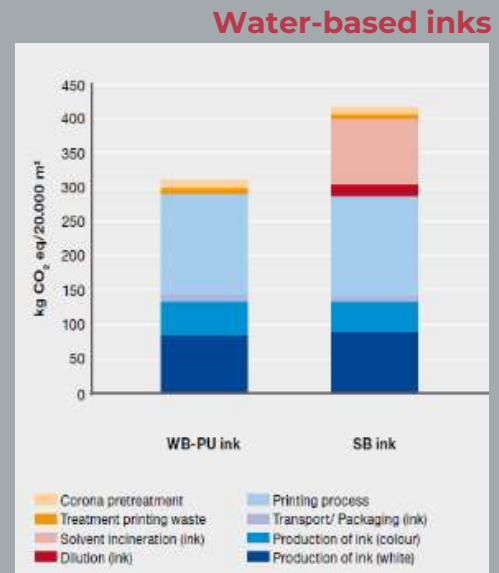
As a company operating in the flexible packaging industry, Uteco recognizes its role in the value chain and the responsibility for its products even after their useful life. For this reason, the Group shares the values of sustainability and contributes to the creation of an environmentally friendly future, building its philosophy on the four R of packaging: Remove, Reduce, Reuse & Recycle, Redesign.

In the innovation area, in recent years, research and development has implemented several solutions aimed at reducing the carbon emissions and the environmental impact of machines. In collaboration with partners, customers and universities, Uteco has developed many innovative projects, in particular: water-based inks for analogic and digital printing, compostable materials and glues, biological materials, intelligent solutions for the Group's machines.

The growing demand for sustainable products and the need to balance environmental needs with economic and social interests is a trend that has led policymakers in many countries around the world to enact regulations that increasingly restrict emissions of volatile organic compounds. **In this context, Uteco has developed a series of printing machines that work with water-based inks.**

In addition, Eco-efficiency Analysis shows that **switching from solvent-based inks and adhesives to water-based technologies can reduce CO₂ emissions by up to 15%.**

Water-based technologies also have a **positive impact on the health and safety of operators**, as water-based inks and adhesives do not contain organic solvents or aromatic isocyanates, minimizing the related production risks.



Rainbow 4.0 – the solventless technology

At the German plastics fair K 2019 Uteco presented in live demo the new Rainbow 4.0 coupling machine and the state of the art of solventless lamination.

To address the widespread need for a coupling machine that can handle most flexible films, with particular attention to the different voltages, after 8 months of prototyping and testing Uteco, in 2016, launched **Rainbow 4.0**, a machine designed according to Industry 4.0 criteria and a particular focus on reducing energy consumption. This machine presents some cutting-edge technology solutions and a production speed of up to 500 m/min, positioning itself among the highest in the entry level category.

The Rainbow 4.0 coupling and its continuous total green technology, to meet the demands of an increasingly **eco-friendly market, food safety and operators**, it has **a low environmental impact coating process** thanks to the use of the “single-monomer free” adhesive, which allows the most restrictive food safety and safety requirements for operators to be met.



New DUALAM coupling machine

Available on the market in the first quarter 2021, Uteco together with Sun-Chemical and Synaptik presented the new project dedicated to the rolling industry, DUALAM, a new lamination solution, **highly innovative and performing**, able **to apply a solvent-free adhesive** by means of a semi-flexo system but offering the same performance as solvent-based technology.

The machine during the set-up phase works at 250 meters per minute, which allows to verify that all parameters are set correctly, before increasing the production speed that can reach up to 500 meters per minute.

One of the main innovations of this machine is the semi-flexo coating unit, which allows an extremely precise control as regards the thickness of the adhesive applied during the entire run. The main feature of this unit is Thermilox, an Uteco patent a few years ago, based on the use of an anilox sleeve that allows the adhesive to be kept at the pre-set temperature during the production process, to the advantage of speed and ease of set-up or change of work. Another notable element of this system is the washing speed, which guarantees rapid changes, which is very useful when switching from a two-component adhesive to a single component.

In the continuous search to satisfy the needs of the customer, this strategic product for the future of Uteco **allows to reduce the polymerization times of the solventless glues up to 80%** and has been developed for transformers that want to reduce the operating costs of each order, speed up the delivery times and consequently reduce the costs of stock in the warehouse of the semifinished product.



Product quality and safety

The Uteco Group promotes **the culture of quality and safety** in order to guarantee **high-level products, safe, long-lasting and reliable over time.**

The company's innovative capacity translates into the continuous experimentation and development of cutting-edge production systems and technologies, enabling Uteco to offer its customers a wide range of quality products and high technical performance.

The quality of raw materials used is constantly monitored through the implementation of a formal purchasing procedure, which provides controls of the products and/or services provided by the Quality Control Office.

Offering a secure product is a priority for Uteco. For this reason, the Group makes available the organizational, instrumental and economic resources necessary to ensure the safety of all products sold on the market.

During the design phase, the Group subjects all the models produced to strict **risk analysis**, showing particular attention to the risks related to mechanical and electrical elements of the machinery and to those deriving from the behavior of the operators.

Uteco operates according to high quality standards that are reflected in standards of supply of absolute excellence: complaints about the products sold are managed from time to time. If the machine is being installed, the complaint is handled by the Installation Office; after the warranty has been started from after-sales. In this way, the Group guarantees **constant support to the customer, from the installation phase to the use of the machine.**

It also highlights that there is no issue for the Group regarding the management of surpluses and defective products that cannot be placed on the market because the machinery is only sent to production following a request from the customer and every malfunction of the machine is promptly managed by the Customer Service.

Customer relationship and customer satisfaction

The Group provides a pre-sales service aimed at assisting the customer in choosing the best product to meet his needs, with the aim of perfecting the product and its operations before the purchase. Through the **ConverDrome** structure, composed of high-level professional figures working in the field of research, development and development of the processes of Uteco plants, are carried out:

- Just in-time demonstrations;
- Optimization of turnkey solutions;
- Training activities, seminars and conferences (Uteco Academy).

The ConverDrome Technology Center hosts some Uteco construction machines that are available to customers for press demonstrations or coupling, for operator training and for research and development of new applications or technologies.

Uteco offers its customers technological support and product support services, which increase productivity and increase the value of the investment throughout the life cycle of the plant.



After-sales technical assistance activities are guaranteed by **Customer Service**, which responds quickly to requests for maintenance, repair and restoration of the operation of machines and plants with the valid support provided by highly qualified personnel, ensuring maximum reliability and profitability of the production process.

Theoretical and application training courses, organized at the company's headquarters but also outside at clients or schools of graphic and print training, complete the range of services offered by Uteco.

Brand identity

The ever-faster transformations involving the entire packaging industry convince the Uteco Group to intervene proactively, presenting a clear vision and constantly supporting customers on important issues related to productivity, sustainability, innovation and digitization.

For these reasons, the Group has decided to renew its corporate image, with a more elegant, contemporary and minimalist logo, without leaving behind its roots. The re-branding has set two objectives: maintain a strong connection with the historical Uteco logo and, at the same time, support the brand toward new goals.

To achieve this objective, the Group has changed mainly the color and the lettering. The key element of the logo is the red accent, taken from the helical ribbon of the previous logo. The accent has a distinctive color, a Roman red that links the brand to the Italian tradition and it's a symbol of the peoples's passion. Moreover, the sign has a precise positioning, focusing on the final part of the word Uteco, "eco," suggesting the company's commitment to a more sustainable future.

In the word "Uteco", the neutrality of the grey color present in the previous logo leave the room to a new tone of blue, a color that communicate reliability and loyalty of the company to its customers.

Old logo



New logo



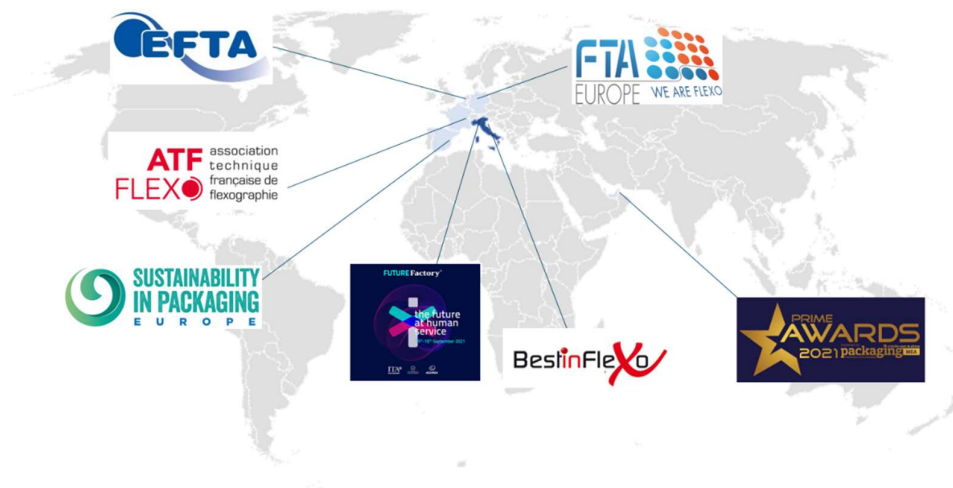
The logo is now more innovative, clear and simple, reduced to its essential elements and presented with a new design. Combining elements of the tradition with traits of innovation, the logo represents the company's ability to recognize itself in its own roots and consequently to draw a future of dynamism and innovation.

Below the new logo, Uteco has developed a new payoff: *"Join the Flex-converting"*, launching a precise invitation to the market and the Group to differentiate itself from the competitors, creating a real movement in which Uteco will be the promoter.

For Uteco Group it's fundamental to take part in the main events of the industry. Participation brings many advantages to the Group, including direct contact with the main business partners, dealing with the peers of the sector, understanding new products coming from the market, strengthening *brand perception* in relevant markets. The main events also represent an opportunity to communicate the launch of new products.

Between 2020 and 2021, outside the most acute stages of the pandemic, Uteco took part in some events of international relevance.

Main events to which the Group participated in the two-year period 2020-2021



The Group has also taken advantage of the recent development of web platforms as a remote communication tool to present its own products and innovative solutions to the market through online webinars.

Associations to which the Group adheres



Print4All

Uteco attended one of the most important events of 2019, the Print4All Conference. An appointment organized at the Milan Exhibition, attended by about 600 participants, **a discussion platform focused on the collaboration of the whole Community of flexible packaging, paper technology, labeling, industrial printing and multimedia communication.**

Uteco has joined S.I.T. Group in the exhibition of **a project born in partnership with Granarolo S.p.A. regarding the reduction of the thickness of the coupled film destined to the packaging of mozzarella, thus reducing the consumption of necessary materials and increasing the sustainability of the product.**




The next edition of the Print4All event will take place in May 2022.

The Uteco Group communicates responsibly and transparently to its customers, following the principles set out in the Group Code of Ethics:

- **Strictly observe** internal procedures for managing customer relationships;
- **Provide accurate, truthful and exhaustive information** about the products and services offered, without neglecting any relevant element for the customer's decision;
- Keep to the truth in advertising, commercial or any other communications.



Over the last three years, the Uteco Group has several communication channels, such as Facebook and LinkedIn social networks, YouTube, the newsletter, the corporate site and the presence in magazines specialized in the printing and transformation of flexible packaging.

 321 "follower"	<p>Uteco is present on Facebook through an official page that shows the main news about the company, the events to which it participates and its initiatives.</p>
 1.230 subscribers 171.049 views	<p>On YouTube you can find the official video channel of Uteco in which the main initiatives of institutional and product communication are presented, with numerous videos on the characteristics and operation of the machines.</p>
 8.659 "follower"	<p>LinkedIn is the official channel through which Uteco interfaces with industry professionals.</p>

4. Responsibility to people

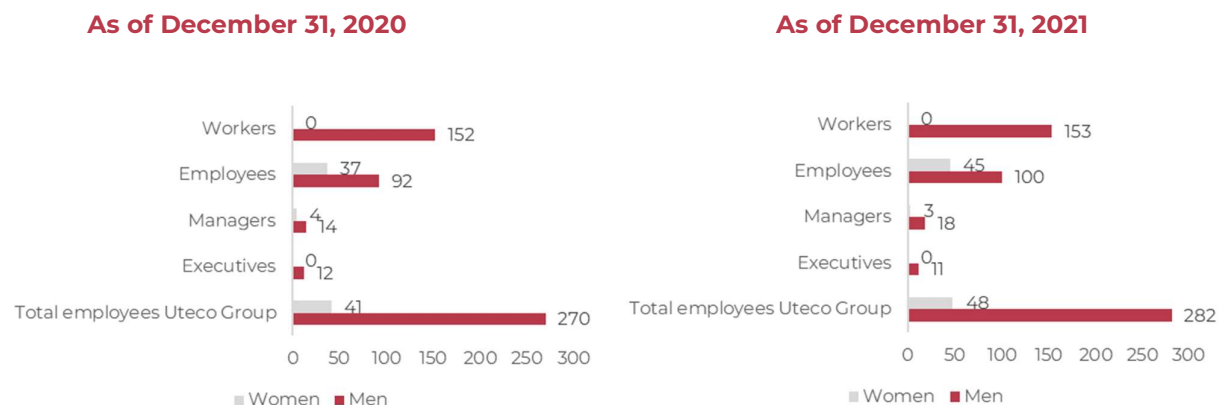


4. Responsibility toward people

The people of the Uteco Group

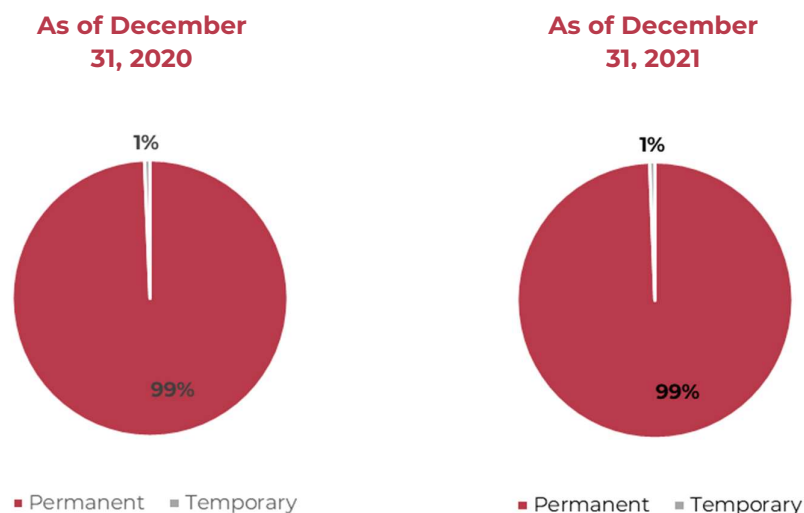
Uteco considers its resources indispensable for the future existence and development of the Group. As of 31 December 2021, the Group employs **330 employees** (311 in 2020) and employs 56 external workers, a 21% decrease over the previous year. In addition, in order to face the production peaks, the company employs staff in administration and outsourcing is used to perform some activities.

Total number of employees by employee category and gender



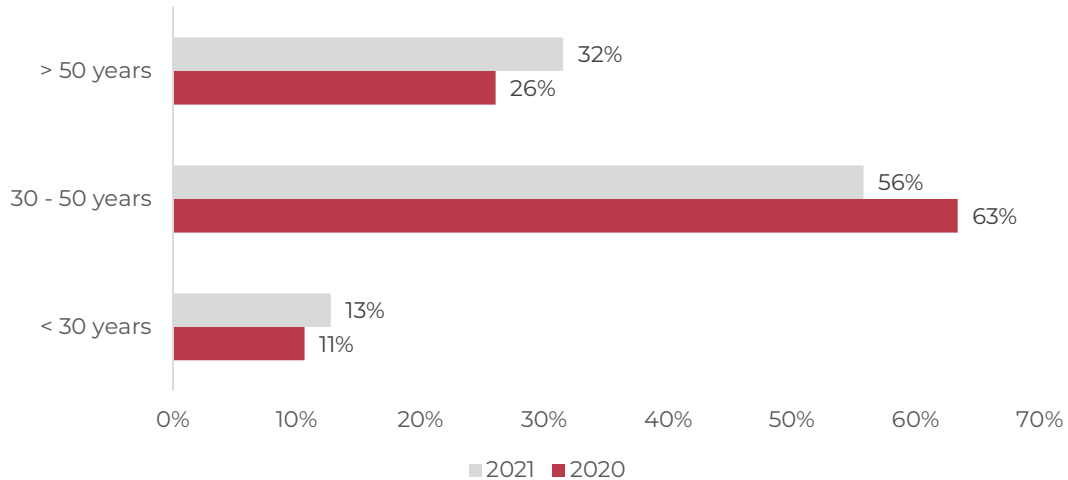
Of the total number of employees as of December 31, 2021, women account for 15% of the staff, in line with the previous year and almost all the company's population (**99% of employees**) is employed with a permanent contract and employed full-time (**95%**). There are 15 people in protected categories, 9 of whom are employees and 6 workers.

During 2021, 53 people were recruited, 52% of whom were under 30.



With regards to the breakdown of employees by age group, most employees are between 30 and 50 years old (56% with 184 people); 32% of employees are older than 50 years (104 people) and 13% are under 30 (42 employees).

Distribution of employees by age group as of December 31



To maximize the capabilities, skills and the potential of each employee, Uteco, in accordance with its Code of Ethics, promotes the selection, recruitment, training, remuneration and management of employees without discrimination, ensuring that everyone can enjoy equal and equal treatment, regardless of sex, age, nationality, religion, ethnicity. Each employee is also guaranteed equal opportunities with respect to all aspects of the working relationship with the Group, including, but not limited to, professional recognition, remuneration, refresher courses, training.



Our commitment to employee health and safety



The protection of the health and safety of our employees is an indispensable condition for the Group to conduct its business correctly, both from the point of view of the law and from the human and ethical point of view. The continuous improvement in the safety and well-being of its employees results in a series of investments aimed at improving the critical issues that have reported by employees during previous years.

Uteco gives the utmost importance to the protection of the integrity, health and well-being of its workers.

To this end, Uteco Converting S.p.A. has defined an **organizational safety system** to which every employee and other worker must comply, which provides for an internal procedure aimed at managing communication, training and relational flows with employees in the field of health and safety. The company also has a **Health and Safety Corporate Policy** that is applied in all establishments.

The basic principles and criteria by which Uteco guarantees the protection of health and safety at work and the environment can be summarized as follows:

- **Avoid risks** related to health, safety at work and environmental protection;
- **Assess risks** by identifying solutions to reduce those that cannot be eliminated, while preventing risks at source;
- **Adapting work to man**, with particular attention to the conception of jobs and production and, as far as possible compatible with the work carried out, trying to attenuate monotonous and repetitive work and to reduce as much as possible effects of the work on health;
- **Program prevention measures**;
- **Favor collective protection measures** over individual protection measures;
- **Give clear and appropriate instructions to workers**, guaranteeing their constant training.

Uteco employees can report any hazards and hazardous situations related to work by direct e-mail to the prevention and protection service or by reporting to employees' representatives. All reports relating to non-accidents (so-called *near miss*) are handled and analyzed by the prevention and protection service.

Within the organizational safety system, in line with regulatory requirements, specific tools have been implemented for the active participation of workers; in addition to the annual meeting, regular meetings are held with employees' representatives whose results are included in the risk assessment document (the so-called DVR), the program containing, according to the law, the necessary measures to ensure the improvement of safety levels in the workplace over time.

In order to improve the safety and well-being of its employees, the Group **made investments in health and safety and the environment in 2021** for a total value of over 143,000 €.

Free Uteco Smoking

The Group is committed to ensuring the safety and health of its employees through the prohibition of smoking in places where this could create danger for the safety of people and the health of the environment.

In 2019 the “Smoking Free” initiative was launched: the company has set up two smoking pitches (at Uteco plant#1 and Uteco plant#4) where smoking will be permitted; outside these plots there is an absolute ban on smoking throughout the property.

This initiative was also active for the year 2021.



Occupational Medicine Services are insured through medical visits for work fitness and different advice for risk assessment documents.

Number of medical visits	
2020	2021
168	207

In 2021, 11 accidents were recorded for the employees of the Group, of which 2 were severe. Compared to 2020, the number of accidents recorded, equal to 6, thus increased. This is partly due to the increase of worked hours between the two years. Specifically, due to the outbreak of the pandemic in 2020, the worked hours were decreased, up 9% in 2021.

Moreover, it should be noted that those who are not employees and may be present in the Group's headquarters, such as outsourced workers, self-employed workers and trainees, have also been examined. The analysis carried out showed three recordable work-related injuries, two of which have serious consequences.

There are no deaths for the above-mentioned categories of workers in both 2021 and 2020.

Uteco has set up **a training plan** that incorporates the training obligations of Italian legislation relating to **health and safety training** that is applied to all the companies of the Group. In 2021, the plan covered 207 workers, with a total of **1,405 hours of training on health and safety**.

Uteco converting S.p.A., through internal audits covering all production departments, guarantees its compliance with the Organization, Management and Control Model in relation to the obligations laid down in the field of safety at work.

All working relationships with third parties that are not directly related to the Group are regulated by art. 26 D. Lgs 81/08.

Management of the epidemiological crisis from Covid-19

Since the beginning of the crisis linked to the spread of the Covid-19 virus in January in China, the Uteco Group has readily shared with its staff the health-care indications provided by the World Health Organization (WHO) and the Ministry of Health. This attention has been paid to the entire Uteco population globally, following the time evolution of the spread of the pandemic, with a view to supporting and accompanying the worker in the new management of the working day.

In line with these indications, a Committee was set up to implement and verify the rules of the Regulatory Protocol to the epidemiological Emergency from Covid-19, with the participation of the corporate trade union representatives and safety representatives. Uteco has decided to introduce a series of operational and

behavioral measures aimed at protecting the personal and collective health of all employees and employees and their families. The initiatives concern:

- Monitoring of body temperature before access to the holding and prohibition of access in the presence of fever (over 37.5°);
- The need not to enter/stay in the company in the event of symptoms COVID-19 (i.e. symptoms of influenza, temperature, provenance from areas at risk or contact with persons positive to the virus during the previous 14 days, etc.);
- A commitment to respect all the provisions of the authorities and the employer in accessing and staying on the farm (not only in terms of compliance with the rules in force, but also, and above all, in respect of the collective health of colleagues and their families);
- An undertaking to inform the employer in good time of any flu symptoms during the performance of the work, taking care to remain at an appropriate distance from the persons present;
- The obligation to use the templates correctly in order to continue to prevent all possible forms of spread and contagion;
- The activation of agile work.

In addition, a procedure has been drawn up which applies to all employees of Uteco Converting S.p.A. who are required to travel for work. This procedure, approved by the employer and the doctor of work, and supervised by the representative of the workers, it is aimed at the application of effective health and safety measures which must be guaranteed at all locations of the company in accordance with the arrangements established between the Government and the social partners to counter and prevent the spread of the pandemic from Covid-19 to the workplace. Before departure, the worker will be provided with an individual protection kit consisting of FFP2 mask, gloves and disinfectant solution.

As regards 2021, the Uteco Group has adapted to the new ministerial measures. First, standard indications of behavior have been formulated for all Uteco employees in cases of virus positivity or close contact. In addition, extraordinary remote work measures have been taken for specific categories (employees in fiduciary isolation and employees with children under 16 years old in Distance Learning and/or in quarantine), in order to guarantee the working continuity of employees and to ensure the achievement of individual and Group's objectives, also in compliance with public health and safety measures.

Human resources management and development



Establish **professional, technologically advanced, motivated and determined teams.**

Considering that human resources are the real capital of the company, the Group's commitment is to involve, inform and train its employees with the aim of creating an Uteco culture, based on quality and efficiency objectives. The Group aims at ensuring continuous vocational training and professional growth with the aim of developing and expanding the skills of its employees in line with the evolution of the business. Therefore, paths for growth and development of skills are defined and they include basic compulsory training, to which is added the support of experienced operators for any change of job and/or introduction of new machines, equipment and personal protective equipment.

In 2021, the Group provided more than **4,610 hours of training**, of which 2,516 hours to employees and 824 hours to workers, a net increase compared to 2020. This increase is due both to a greater number of new entrants in 2021 (53 new recruits compared to 15 in 2020) and to the fact that training which was not provided during 2020 due to the pandemic crisis, it was provided during the following year. Uteco's training objective is not limited to the development of skills, but it's aimed at improving company knowledge in terms of employee and person training. In this direction, in 2021, the main projects carried out were those related to the Management Academy, Project Management and Lean Design.

A path to the improvement of the English language in the company has also been started. It includes an initial assessment test for all the company staff and a subsequent language course plan depending on job role and level.

In addition, Uteco has provided specific internal training, such as the courses that the Treasury office carries out to the project managers, as well as those carried out by the electrical and mechanical technical offices to tarators and printers in order to improve their skills and knowledge.

Relations with universities are enriched by some collaborations started in 2021 and projects planned for 2022, as follows:

North-South project

Through an administration agency, 4 neo-diplomates were selected and joined Uteco staff in 2021. Given their age, Uteco first ensured that the agency supported them in the transfer of Sicily-Veneto and in the daily extra-work management for a first period.

Collaboration with UniFer

Following the launch of the 2021 thesis projects regarding the topic of innovation that led to the subsequent recruitment of the students involved, Uteco wanted to renew its participation in the 2022 thesis projects.

Collaboration with Elis on the “System School Enterprise” program

The project involves, in the school year 2021-2022, about 80 students of the fifth year of technical institutes on target territories. The aim of the project is to promote the best practices of the company and to bring students closer to the professionalism of Uteco. Through the meeting with professionals and specific training spaces, students will be able to understand the opportunities for professional growth that the company offers and possible opportunities for future integration.

For 2022, the initiative “*Welcome to Uteco – E-learning induction program*”, an on-boarding path for new employees of the Uteco Group, is under way. It's divided into several activities of hospitality to approach the corporate culture, discover the organizational structure and acquire the main information. The program consists of an interactive course including e-learning modules with a total duration of two hours.

Uteco considers the close collaboration with schools and universities relevant to attract talents. Thanks to the continuous dialog between the Human Resources Department and universities, high schools and training bodies, the Group offers the opportunity to carry out training courses and school-work alternation.

Specifically, in 2021, 64 internships were set up (of which 16% women and 84% men) in all corporate departments. In addition, as far as graduating students are concerned, 16 internships are extracurricular and in 9 out of 64 internships have been transformed into employment through apprenticeship contracts.

In 2020, for the first time, a skills assessment activity was launched, covering all key people in the Group. The project, preceded by an analysis of the organizational structure with respect to the business model and the defined objectives, aims to have a photograph of the Group's human capital and to define the development plans and the evolutionary paths to be undertaken toward management, as well as the succession plans. This assessment has been accompanied by a salary review activity to support the planning of Uteco's future remuneration policy and the necessary retention actions on key players. The salary review was successful and wage increases were established with effect from January 2022.

At the same time, a new mapping, position and role weighing project has been started to have a correct internal division of the company's positions. Mapping can play both a role to support managers and structures to understand the roles with the most balanced representation and to enable a subsequent benchmark on which to base performance and development assessments.

Concerning the industrial relations, the Uteco Group has always established a constructive and mutual respectful relationship with the trade union representatives, maintaining a balance between the needs of resources and the company's objectives.

As regards to the Group's staff operating in Italy, as of December 31, 2021, **the percentage of employees covered by collective bargaining agreements is equal to 96.97%** of the contracts managed.



During the year, Uteco has consistently operated in respect of the rights of free representation of personnel in all operating offices, in accordance with the principles set out in the Group Code of Ethics.

Trade union relations, based on constant and constructive dialog between the parties, are based on timely and transparent information provided to workers' organizations.

Well-being and welfare of employees

In order to improve the quality of life of its employees in the workplace, Uteco adopts various corporate welfare measures. Corporate contracts include **Metasalute health care**, Confindustria's AON Welfare Platform and 150€ of **spending vouchers**. For 2021, a "Covid-19 Solidarity Bonus" was confirmed for a total amount of €950 for each worker to be used in welfare services. The amount was paid in two tranches. The first in March 2021 and the second in May 2021. For this second tranche the opportunity to receive the amount directly in coupon was granted. For this purpose, a platform was created to enhance, more than others, local structures and products with which conclude affiliations dedicated to all employees and workers of Uteco.

Since 2018, the Uteco Group has relied on corporate welfare providers, offering employees the opportunity to take advantage of the amounts available to them through a variety of ways: travel and holidays, registration for yourself and for your family to sports activities, books, school and university equipments, shopping vouchers, hairdressers and beauticians, school transport, supplementary insurance, driving license, pay tv, playgrounds, gyms and fitness courses.

The welfare lever is also used by the Group to attract new resources to the company. The Group is developing an initiative of "Referral Program", in order to provide a welfare award to employees who will sponsor a friend or a relative to be hired, at the end of the latter's trial period.

For benefits, full-time benefits are also recognized for part-time workers.

Diversity, inclusion and human rights

Uteco promotes respect for human rights in the conduct of business activities, in relations with employees, suppliers and other entities outside the company.

Uteco also promotes diversity and ensures non-discrimination at every stage of the working life of each employee; it constantly works to ensure safe workplaces, raising awareness of job risks and promoting responsible behavior, including through information and training activities. Uteco refuses all forms of forced, compulsory or child labor and undertakes not to engage in any relationship with suppliers who exploit and use child labor directly and indirectly.

In addition, in the "General Purchase Conditions" for orders and contracts, the Group requires its suppliers to recognize the United Nations Guiding Principles on Business and Human Rights (UNGP), inclusive of workers' rights and the right to equal and fair treatment. The content includes the prevention of all forms of discrimination, refusal of the use of child labor, compliance with legal provisions or the collective agreement on minimum wage.

Upon request, the supplier shall provide Uteco with information regarding compliance with such information. Uteco reserves the right to verify the accuracy of the information and the compliance of the Supplier's actions through its internal

review or through external experts.

If the Supplier does not comply with the above basic principles, Uteco has the right to terminate the contractual relationship with immediate effect.

The background of the slide is a close-up, high-contrast photograph of a leaf. The leaf is tinted a deep blue, and its intricate vein structure is clearly visible. Numerous small, glistening water droplets are scattered across the surface of the leaf, particularly concentrated along the veins. The lighting creates highlights on the droplets, giving them a three-dimensional appearance.

5. Environmental responsibility

5. Environmental responsibility

Our commitment to the environment

Uteco, aware of its strategic role in the sustainable development of the territory, works with the objective of minimizing the impact of its activities on the environment, with a view to the continuous improvement of its environmental performance.

Uteco contributes to the promotion and development of scientific and technological research, so that products and processes that are increasingly compatible **with the environment and oriented to the safeguarding of the health of customers**, as well as characterized by an ever-greater attention to safety, are studied. To the health of employees and to the protection of the communities in which the Group operates.

- **Impact assessment procedure:** design to assess the environmental aspects of new plants, processes, products and significant changes in existing plants, in order to prevent any non-compliance with environmental legislation and to contain/minimize any environmental implications already in the first design stage.
- **Waste Procedure:** defines how to classify, collect, dispose of record waste produced by your business, subject to applicable laws and regulations.
- **Spill procedure:** defines the procedures and responsibilities for the management of accidental spills of substances in the area adjacent to the establishments.

The Group pays particular attention to the impacts of its business activities on the environment, managing its energy consumption and related emissions, waste and water discharges produced in a careful and responsible manner, promoting the use of more sustainable materials in the production process.

In view of the business sector, it is pointed out that the use of water resources is not particularly relevant; water is used exclusively for health purposes.

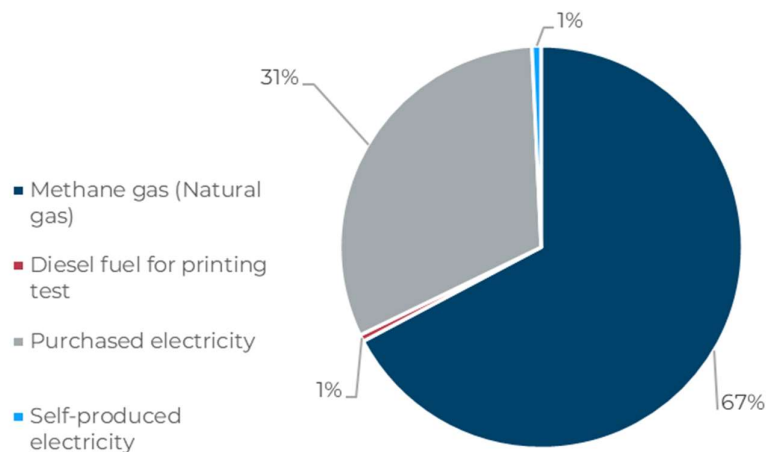
Also for 2021, the Uteco Group is a member of **the ECO miles service** offered by WEX Europe Services, one of the main suppliers of fuel cards in Europe. By making a monthly donation per card, Uteco **contributes to the compensation of carbon emissions from the fuel consumption of the company fleet** by sponsoring the protection and growth of trees and the reforestation of areas in Zambia and Ethiopia. The planting of new forest areas, in addition to reducing the level of CO₂ in the atmosphere, helps to restore soils, combat desertification,

establish new habitats for wildlife and create new jobs that can lift entire communities out of poverty.

Energy consumption and emissions

The activities of the Uteco Group, being mainly assembly activities that do not involve processes for melting metals, are activities with low environmental impact and not particularly energy consuming.

Energy consumption within the organization in 2021 (GJ)



In 2021, the Group consumed a total of **35,427 GJ¹ of energy, an increase of 29% compared** to the previous year. This increase in consumption is due to an increase in production which occurred during 2021.

The majority of the Group's energy consumption comes from methane gas, which alone accounts for 67% of the energy consumption (61% in 2020), used for machine operation and heat production. Another significant share of energy consumption comes from the consumption of electricity for production activities (more than 11,140 GJ). Uteco has a 100 kW photovoltaic system that allows to reduce its energy consumption, producing almost 260 GJ of renewable energy during 2021. A residual share of energy consumption is represented by the diesel used for the test press (1%), a decrease of almost half of the previous year compared to the previous year, since less tests were carried out with the generator.

¹ The following conversion factors were used to calculate energy consumption in GJ:

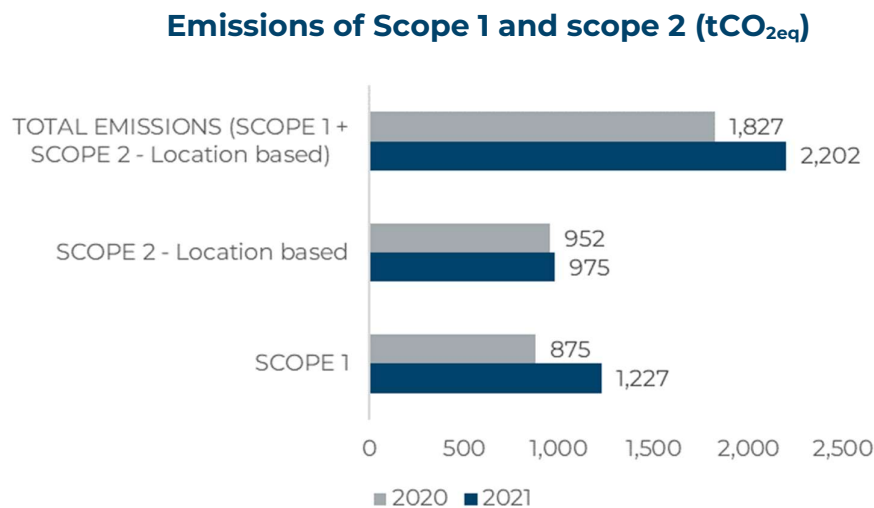
- Natural gas: For 2020 it is 49.6 ton/GJ (source: DEFRA 2020); for 2021 it is 49.9 ton/GJ (source: DEFRA 2021)

- Diesel fuel: For 2020 and 2021 it is 45.3 ton/GJ (source: DEFRA 2020; DEFRA 2021).

With regard to electrical installations, through an automated lighting system, the Group currently monitors the lighting of the Uteco Plant#3 and Plant#4, allowing energy consumption to be saved.

The following energy investments and projects are planned for 2022:

- replacement of lighting fixtures in the Uteco Plant#1 offices with LED lamps;
- completion of the energy monitoring system through the use of a supervision system aimed at centralizing all the data collected to analyze them in search of any anomalous consumption and/or withdrawal and to optimize some consumption centers;
- collaboration with the University of Ferrara for an Energy Saving and Energy Harvesting program.



With regard to the **direct emissions** generated by the Uteco Group, they **amounted to 1,227 tons of CO₂²equivalent of Scope 1 emissions in**

² The emission factors used for the calculation of scope 1 are:

- Natural gas: for 2020 2.02266 kgCO_{2eq}/m³ (Source: DEFRA 2020); for 2021 2.02135 kgCO_{2eq}/m³ (Source: DEFRA 2021);

- Diesel fuel: for 2020 2.75776 kgCO_{2eq}/l (Source: DEFRA 2020); for 2021 2.75857 kgCO_{2eq}/l (Source: DEFRA 2021).

The GRI Sustainability Reporting Standards provide two methodologies for calculating scope 2 emissions, the "Location-based method" and the "Market-based method".

Both calculation methodologies were used to calculate scope 2 emissions, in line with GRI Sustainability Reporting Standards.

In 2021, the total Group emissions of scope 1 and scope 2 calculated using the Location-based method were 2,202 tons of CO₂, and scope 2 emissions ("Market-based" method) were 1,421 tons of CO₂ that together with the emissions of scope 1 represent a total of 2,648 tons of CO₂ eq.

The Market-based is based on the CO₂ emissions emitted by the energy suppliers from which the organization buys electricity through a contract and can be calculated by considering: certificates of guarantee of origin of energy and direct contracts with suppliers, supplier specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions not monitored or not claimed (methodology used, with Italy 2020 emission factor: 466 gCO₂/kWh - source: AIB - European residual mixes 2019; 2021: 459 gCO₂/kWh - source: AIB - European residual mixes 2020). The Location-based method is based on average emission factors related to the generation of energy for well defined geographical boundaries, including local, subnational or national boundaries (methodology used, with Italian emission factor 2020: 336 gCO₂/kWh - source: Terna International comparisons 2018; 2021: 315

2021, resulting from the consumption of methane gas and diesel fuel for the print test and more than **975 tons of CO₂ with regard to the emission of Scope 2 – Location based**, deriving, instead, from purchased electricity, an increase of 2% compared to 2020.

It should be noted that the Group pays great attention to the CO₂ emissions produced during the testing phase of the machines: in this regard, in order to guarantee a healthy working environment, a new suction back has been built to which all the machines under test are connected.

THE BREATH

The technology that purifies the air

Uteco, with a view to protecting the environment and improving health at work, has decided to use innovative technology within its offices to improve the quality of air circulating in the environment.

The breath technology is designed to reduce air pollution from smog, heating and industrial emissions. In commercial and residential buildings, the fabric reduces the pollutants generated by heating, chemicals and dust particles.

The technology consists of a multi-layer tissue that absorbs, retains and disrupts polluting and harmful molecules in the air, thus improving the air quality of the environment in which it is located. **It is a sustainable, innovative and ecological solution**, since it works without fossil and/or electric power, exploiting the natural movement of the air. The air passes through the mesh of the fabric, reaches the heart of the technology and continues its natural movement returning to the cleanest and most breathing circle.

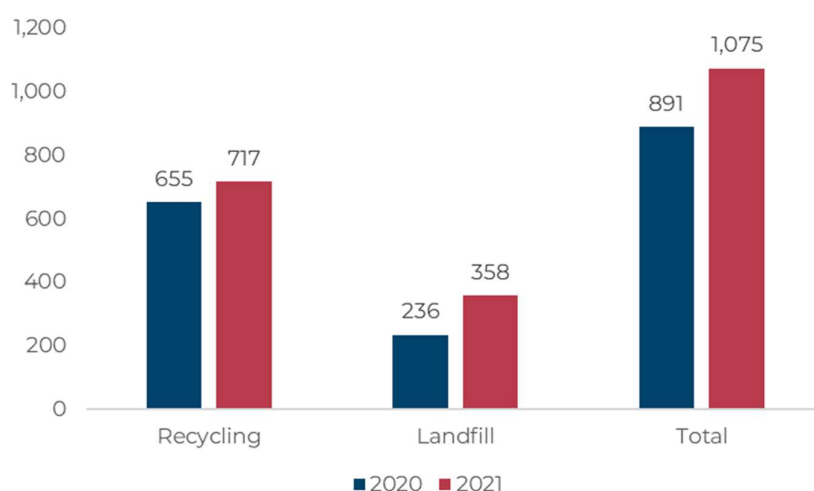


gCO₂/kWh - source: Terna International comparisons 2019). For the calculation of the emissions of scope 2 Location based, the coefficients of Terna International comparisons 2019 were used, the latest version available.
Scope 2 emissions are expressed in tons of CO₂, as the source used does not report emission factors for other gases other than CO₂.

Responsible waste management

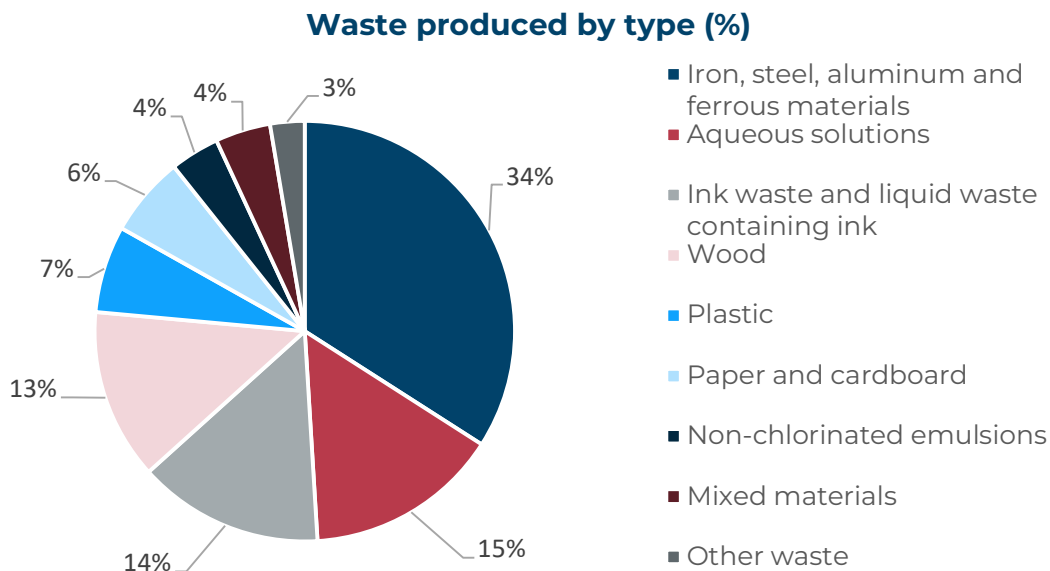
The waste produced by the Colognola ai Colli plant is transferred for recovery operations, or in a minimum part for landfill allocation, to external disposal agents authorized according to the relevant laws. Waste management in the temporary storage stages within the facility takes place in designated storage areas. In 2021, Uteco produced about **1,075 tons** of waste (+21% compared to 2020), of which 13% were hazardous waste. **Most of the waste is destined to recycling, 717 tons**, with a percentage of 67% of the total waste and with only 33% of the waste destined for landfill.

Waste produced by weight and type of disposal (t) ³



Regarding the composition of the total waste generated in 2021, 34% consists of iron, steel, aluminium and ferrous materials, 15% aqueous solutions, 14% ink waste and liquids containing ink and 13% wood.

³ It should be noted that from this year onwards, the reporting of waste data has been carried out using the new GRI 306 standard, published by the Global Reporting Initiative (GRI) in 2020 to replace the version published in 2016. For this reason, as well as following a continuous improvement in the reporting process, the data relating to waste produced in 2020 have been re-exposed with respect to those included in the 2020 Sustainability Report, published on the website www.uteco.com.



Among the commitments made by the Uteco Group, activities aimed at increasing the awareness of the separate collection of waste within plants are particularly important.

In 2021, new containers for separate collection were installed in offices, meeting rooms and facilities, together with an informative reminder for all employees about “what to throw away and where”.

Since december 2021, Uteco has embarked on a joint project path with its vending machine supplier, Illiria Group. The route includes three different initiatives relating to the conversion of waste and the protection of the territory:

- collection of coffee waste from vending machines and subsequent conversion into renewable energy through biogas systems;
- use of glasses and pallets made of recycled plastic;
- adoption of some beehives in Friuli-Venezia Giulia, contributing to the support of beekeeping activity and to the protection of bees.

Water withdrawals and discharges

In 2021, the Group's water consumption was 0.0075 megaliters, decreased by 22% from 2020. The source of supply is the waters of third parties, equal to the total of withdrawal in 2021.

With regard to water discharges, the Group is working to apply the most advanced management techniques, while respecting the environment and the territory. All the production plants operate a public drain in compliance with the quality

characteristics imposed by the water network operator. In 2022, **an analysis of the quality control of the wastewater**, by a laboratory accredited by Accredia, will be replicated in all the Group's plants.⁴ **The analysis carried out in 2020 showed compliance with the limits laid down in the current regulations.**

Concerning water discharge in areas subject to water stress, the Group uses *the Aqeduct Tool* developed by the World Resources Institute⁵ to identify potentially hazardous areas. For the purposes of this analysis, **water discharges from production plants did not concern areas with water stress.**

Responsible materials management



Actively contribute to the green development of the new frontiers of packaging in order to minimize its impact on the environment and to the service of food conservation for consumer health.

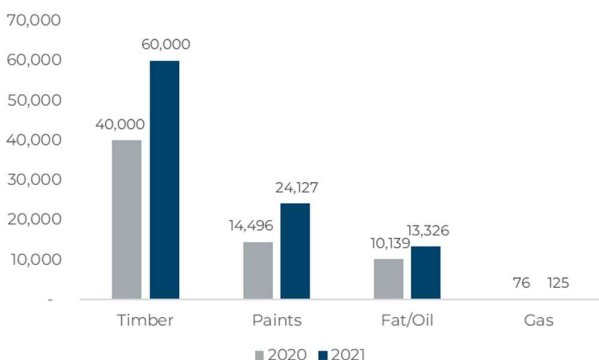
Uteco's commitment to improving its environmental performance and efficiency also means that it can reduce material consumption and use more sustainable materials: as of January 2020, the company began to progressively reduce stationery, purchase recycled paper and use cleaner cleaning materials, increasing the use of recycled material. The following graph shows the main raw materials⁶ used by the Group in 2020 and 2021. Most of the purchases are wood and solvents. Except for solvents, material consumption increased during 2021 as a result of the decrease in supplies caused by the Covid-19 pandemic in 2020.

⁴ The European accreditation body for Italy, designated by the Italian Government to certify the competence, independence and impartiality of bodies and laboratories that verify the conformity of goods and services with standards.

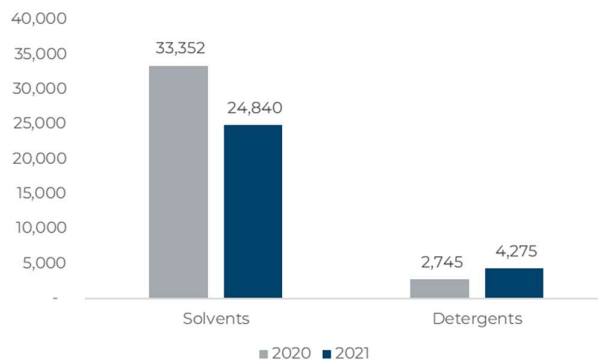
⁵ The WRI tool is available online at: <https://www.wri.org/our-work/project/aqueduct>. For analysis, the results from the "baseline water stress" column were taken into account.

⁶ The data does not include semi-finished products; in addition, only the raw materials most used in the production process were considered.

Solid materials by weight (kg)



Liquid materials by volume (l)



FROM A MADE IN ITALY CHAIN THE SUSTAINABLE REVOLUTION FOR FOOD PACKAGING

From the collaboration between Novamont, SunChemical Group, Ticinoplast and Uteco Group - Italian industrial and technological excellence chain - a new concept of food packaging is born, responding to the growing demand for **packaging with a lower environmental impact** and which has no comparison on the world market for performance and characteristics.

By sharing their technological know-how, Novamont, SunChemical, Ticinoplast and Uteco Group have developed a solution that combines **the biodegradability, compostability of materials** (biopolymers, inks, adhesives, barrier products and substrates) with the world's first extrusion, printing and lamination techniques. The flexible film thus obtained is optimal for food packaging having technical characteristics similar to the solutions currently adopted but being able, at the end of use, to be destined to the collection of the wet fraction and to be started at the subsequent industrial composting.

The Mater-Bi flexible bioplastic film from Novamont, extruded with Ticinoplast technology, is treated with Aerbloc enhance/SunChemical barrier lacquer, printed with Aqualam/SunChemical water inks and laminated using a SunLam/SunChemical compound-free solvent-free adhesive by Uteco Group printing and lamination technology.

It is a solution that enables the realization of a wide range of laminated structures, which can be adopted for the realization of many types of packaging for food on multiple automatic, horizontal and vertical packaging lines, as well as various pre-formed envelopes.

Concepts such as **recyclability and ecodesign** - also thanks to the incentives of an increasingly oriented consumer to direct their purchasing and consumption choices toward products packaged in less bulky and more sustainable packaging - are significantly modifying the packaging sector and the real challenge today is to make it simple adoption of these solutions.

Companies are now required to make a joint effort to achieve **sustainable solutions for food packaging throughout the supply chain and in a short time**. At this particular moment when the drive to sustainability is very strong, collaboration between several companies becomes a key element in enabling the technological innovation process to be considerably accelerated, leading to the realization of solutions suitable for food packaging with respect to the environment.

6. Social responsibility



6. Social responsibility

Responsible supply chain management

The Uteco Group selects its suppliers, drawing on the principles of legality, correctness, transparency, impartiality, sustainability, integrity and confidentiality as set out in its Code of Ethics.

The Group manages its relations with suppliers in accordance with the following principles:

- comply with current regulations and internal procedures relating to the selection and management of relations with suppliers;
- to apply objective and transparent evaluation criteria in the selection of any supplying companies, in compliance with the required requirements;
- collaborate with suppliers to ensure that customers meet their needs in terms of quality, cost and delivery time;
- comply with applicable law and contractually agreed conditions;
- to be inspired by the principles of fairness and good faith in correspondence and dialog with suppliers, in line with the most rigorous commercial practices.

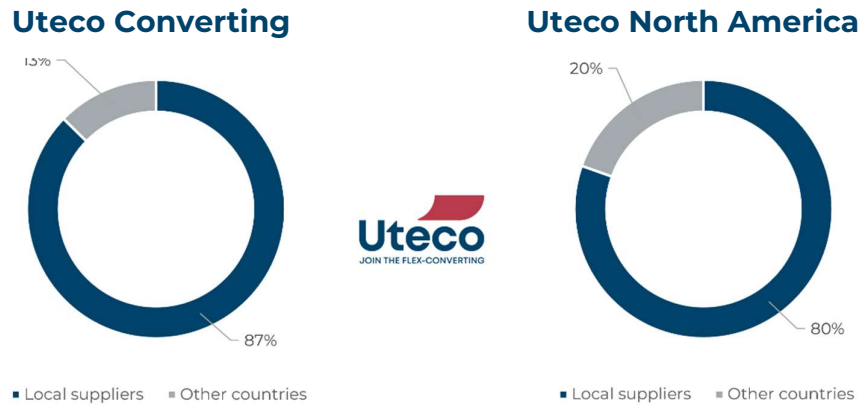
Uteco uses supplier selection mechanisms to promote the principles of diversity and equal opportunities. The qualification of the supplier involves two successive phases defined by a special procedure:

- a) 1st phase: pre-qualification by verification with inspection visit, or supply of samples;
- b) 2nd phase: qualification by qualitative evaluation of the performance/products supplied.

Since 2020, the sending of the contractual purchase conditions to each order that provides for the call to the Uteco Code of Ethics has been started, to ensure its knowledge to all the actors who interact with the Group. In addition, as stated above in the paragraph “Diversity, inclusion and Human Rights”, there is a specific provision in relation to respect for human rights for contracts concluded between Uteco and its suppliers.

The Group makes use of the contribution of companies located in more than 60 countries of the world, which provide goods and services that are fundamental to Uteco's business activities. In 2021, all raw materials, components, materials and ancillary services generated a purchase value of almost 75 million euros for Uteco converting S.p.A.

Spending by local suppliers in 2021 (percentages expressed on values in €)



Where possible, Uteco prefers the purchases made by local suppliers⁷, in order to create value toward the communities where the Group operates. Out of a total of approximately 75 million euros, in 2021 almost all the purchases of Uteco Converting S.p.A come from suppliers considered local (over 65 million euros). As far as Uteco North America is concerned, on the other hand, out of a total of over 1.3 million euros, almost all (over 1 million euros) comes from local suppliers.

The Uteco Group guarantees customers high levels of traceability of its products and processes, promoting a constant commitment to ensure that every phase, from production to sale, is documented and that the intermediates are eliminated so as to easily trace back to the origin of each raw material and process. **Each individual activity of the chain is controlled and traceable** so as to trace in a short time the raw material used, **from storage to shipping**.

⁷ The purchase is identified as local in the country in which the Group company is located (Italy and the United States).

Authorized economic operator

Uteco Converting S.p.A., following an audit carried out in 2018, **obtained the status of authorized economic operator.** In particular, it has obtained the AEO/Customs and Security Simplification Certificate which certifies:



- Compliance with customs and tax legislation and **a high level of control over operations and the flow** of goods through effective management of commercial records;
- **Adequate safety standards** to ensure that packaged goods, ready for shipment, are not tampered with.

The company has been recognized as having the highest level of reliability (AA), demonstrating the professionalism, seriousness and transparency with which it manages relations with its suppliers and with customs authorities.

Development of collaborations and partnerships

The Uteco Group, aware of its social, cultural and educational value, has contributed over the years to the development of an extensive network of organizations and actors with which it maintains an intense exchange of views and commitments.

Of particular importance is the development of partnerships with university centers and research centers, involving various fields of research in the implementation of numerous projects, such as:

- Dynamic modeling of the feeding section of a rotogravure printer;
- Analysis of the dynamic behavior and functional integrity of the electronic components subjected to controlled vibrations and identification of techniques for the soundings of shielded communication systems with high immunity to electromagnetic disturbances;
- Innovative techniques for voltage control in the supply section of a rotogravure printer.

These collaborations are of strategic importance to the Group, as they guarantee a constant update on all technological innovations, an exchange of experience and knowledge and ensure the use of the most advanced technologies available to the scientific community. Moreover, these opportunities allow young talents interested in the world of flexography to be brought closer and held. In 2020, the Uteco Group started a partnership with UniSMART University in Padua for the development of a research project on the application of new technologies in the flexographic printing process and it was concluded during 2021.

7. Appendix

7. Appendix

Perimeter of material topics

MATERIAL TOPICS	GRI STANDARDS	IMPACT BOUNDARY	TYPE OF IMPACT
Ethics, integrity and compliance	ANTI-CORRUPTION (GRI 205) ANTI-COMPETITIVE BEHAVIOR (GRI 206) ENVIRONMENTAL COMPLIANCE (GRI 307) SOCIOECONOMIC COMPLIANCE (GRI 419) MARKETING AND LABELING (GRI 417)	Uteco Group	Caused by the Group
Corporate governance	-	Uteco Group	Caused by the Group
Value creation and brand identity	-	Uteco Group	Caused by the Group
Cyber security and privacy	-	Uteco Group	Caused by the Group
Product quality and safety	CUSTOMER HEALTH AND SAFETY (GRI 416)	Uteco Group	Caused by the Group
Customer relationship and customer satisfaction	-	Uteco Group	Caused by the Group
Innovation, research and development	-	Uteco Group	Caused by the Group and directly connected through a business relationship
Commitment to the environment	-	Uteco Group	Caused by the Group and directly connected through a business relationship
Waste and water discharges	WASTE (GRI 306) WATER AND EFFLUENTS (GRI 303)	Uteco Group	Caused by the Group
Energy consumption, emissions and climate change	ENERGY (GRI 302) EMISSIONS (GRI 305)	Uteco Group	Caused by the Group and directly connected through a business relationship
Water consumption	WATER AND EFFLUENTS (GRI 303)	Uteco Group	Caused by the Group
Responsible management of materials	MATERIALS (GRI 301)	Uteco Group	Caused by the Group
Management and development of human resources	EMPLOYMENT (GRI 401) TRAINING AND EDUCATION (404)	Uteco Group	Caused by the Group
Employee health and safety	OCCUPATIONAL HEALTH AND SAFETY (GRI 403)	Uteco Group	Caused by the Group and directly connected through a business relationship
Well-being, diversity and inclusion	DIVERSITY AND EQUAL OPPORTUNITIES (GRI 405) NON-DISCRIMINATION (GRI 406) EMPLOYMENT (GRI 401)	Uteco Group	Caused by the Group
Human rights	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (GRI 407) CHILD LABOR (GRI 408) FORCED OR COMPULSORY LABOR (GRI 409)	Uteco Group, suppliers	Caused by the Group and directly connected through a business relationship
Supply chain management	PROCUREMENT PRACTICES (GRI 204)	Uteco Group, suppliers	Caused by the Group and directly related to the Group's activities

Performance indicators

Our people

GRI STANDARDS 102-8

Total number of employees by employment contract (permanent and temporary), by gender and region						
Contract type	As of December 31, 2020			As of December 31, 2021		
	Men	Women	Total	Men	Women	Total
Italy	262	40	302	273	47	320
Permanent employees	260	40	300	271	47	318
Temporary employees	2	-	2	2	-	2
United States	8	1	9	9	1	10
Permanent employees	8	1	9	9	1	10
Temporary employees	-	-	-	-	-	-
Total	270	41	311	282	48	330

Total number of employees by employment type (full-time and part-time), by gender and region						
Employment type	As of December 31, 2020			As of December 31, 2021		
	Men	Women	Total	Men	Women	Total
Italy	262	40	302	273	47	320
Full-time	261	23	284	273	31	304
Part-time	1	17	18	-	16	16
Percentage part-time	0.37%	41%	6%	0%	33%	5%
United States	8	1	9	9	1	10
Full-time	8	1	9	9	1	10
Part-time	-	-	0	-	-	0
Percentage part-time	0%	0%	0%	0%	0%	0%
Total	270	41	311	282	48	330

Total number of employees by employee category, gender and region						
Employee category	As of December 31, 2020			As of December 31, 2021		
	Men	Women	Total	Men	Women	Total
Italy - employees	262	40	302	273	47	320
Executives	10	-	10	9	-	9
Managers	14	4	18	18	3	21
Employees	90	36	126	97	44	141
Workers	148	-	148	149	-	149
United States - employees	8	1	9	9	1	10
Executives	2	-	2	2	-	2
Managers	-	-	-	-	-	-
Employees	2	1	3	3	1	4
Workers	4	-	4	4	-	4
Total	270	41	311	282	48	330

Total number of employees and external workers by gender and region						
	As of December 31, 2020			As of December 31, 2021		
	Men	Women	Total	Men	Women	Total
Total employees Uteco Group	270	41	311	282	48	330
Total external workers Uteco Group	67	4	71	49	7	56
Italy – External workers	67	4	71	49	7	56
Administered (e.g. lease staff)	33	1	34	35	1	36
Self-employed	3	-	3	3	-	-
Interns	31	3	34	14	6	20
United States - External workers	-	-	-	-	-	-
Administered (e.g. lease staff)	-	-	-	-	-	-
Self-employed	-	-	-	-	-	-
Interns	-	-	-	-	-	-
Total workforce Uteco Group	337	45	382	331	55	386

GRI STANDARDS 405-1

Number of employees per employee category, age group and gender														
Employee category	As of december 31, 2020							As of December 31, 2021						
	<30 years		30-50 years		>50 years		Total	<30 years		30-50 years		>50 years		Total
	Men	Women	Men	Women	Men	Women		Men	Women	Men	Women	Men	Women	
Executives	-	-	4	-	8	-	12	-	-	3	-	8	-	11
Managers	-	-	4	2	10	2	18	3	-	6	1	9	2	21
Employees	12	1	65	25	15	11	129	21	7	54	25	25	13	145
Workers	20	-	97	-	35	-	152	11	-	95	-	47	-	153
Total	32	1	170	27	68	13	311	35	7	158	26	89	15	330

Percentage of employees by employee category, age group and gender														
Employee category	As of december 31, 2020							As of December 31, 2021						
	<30 years		30-50 years		>50 years		Total	<30 years		30-50 years		>50 years		Total
	Men	Women	Men	Women	Men	Women		Men	Women	Men	Women	Men	Women	
Executives	0%	0%	33%	0%	67%	0%	4%	0%	0%	27%	0%	73%	0%	3%
Managers	0%	0%	22%	11%	56%	11%	6%	14%	0%	29%	5%	43%	10%	6%
Employees	9%	1%	50%	19%	12%	9%	41%	14%	5%	37%	17%	17%	9%	44%
Workers	13%	0%	64%	0%	23%	0%	49%	7%	0%	62%	0%	31%	0%	46%
Total	10%	0%	55%	9%	22%	4%	100%	11%	2%	48%	8%	27%	5%	100%

Number of employees in protected categories by employee category														
Employee category	As of December 31, 2020							As of December 31, 2021						
Executives	-							-						
Managers	-							-						
Employees	7							9						
Workers	6							6						
Total	13							15						

GRI STANDARDS 404-1

Average hours of training (compulsory and non-compulsory) by employee category and gender						
Employee category	As of December 31, 2020			As of December 31, 2021		
	Men	Women	Total	Men	Women	Total
Executives	-	-	0.0	33.1	-	33.1
Managers	-	-	0.0	40.2	61.0	43.1
Employees	2.9	3.1	3.0	21.0	9.3	17.4
Workers	0.8	-	0.8	5.4	-	5.4
Total	1.4	2.8	1.6	14.2	13.0	14.0

GRI STANDARDS 102-41

Percentage of total employees covered by collective bargaining agreements		
Number of employees	As of December 31, 2020	As of December 31, 2021
Total employees	311	330
Number of employees covered by collective bargaining agreements	302	320
Total percentage	97.11%	96.97%

GRI STANDARDS 401-1

Total number of new employee hires during the reporting period by age group, gender and region								
	2020				2021			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Italy	5	10	-	15	27	21	4	52
Men	5	10	-	15	20	17	4	41
Women	-	-	-	-	7	4	-	11
United States	-	-	-	-	-	-	1	1
Men	-	-	-	-	-	-	1	1
Women	-	-	-	-	-	-	-	-
Total	5	10	-	15	27	21	5	53
Men	5	10	-	15	20	17	5	42
Women	-	-	-	-	7	4	-	11

Total number of employee turnover during the reporting period by gender, age group and region								
	2020				2021			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Italy	1	6	12	19	6	20	8	34
Men	1	6	11	18	5	19	6	30
Women	-	-	1	1	1	1	2	4
United States	-	-	-	-	-	-	-	-
Men	-	-	-	-	-	-	-	-
Women	-	-	-	-	-	-	-	-
Total	1	6	12	19	6	20	8	34
Men	1	6	11	18	5	19	6	30

Women	-	-	1	1	1	1	2	4
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Rate of new employee hires and turnover by gender and region				
	2020		2021	
	New hires	Turnover	New hires	Turnover
Italy	5%	6%	16%	11%
Men	6%	7%	15%	11%
Women	0%	3%	23%	9%
United States	0%	0%	10%	0%
Men	0%	0%	11%	0%
Women	0%	0%	0%	0%
Total	5%	6%	16%	10%
Men	6%	7%	15%	11%
Women	0%	2%	23%	8%

Rate of new employee hires and turnover by age groups and region				
	2020		2021	
	New hires	Turnover	New hires	Turnover
Italy	5%	6%	16%	11%
< 30 years	16%	3%	64%	14%
30 - 50 years	5%	3%	12%	11%
> 50 years	0%	15%	4%	8%
United States	0%	0%	10%	0%
< 30 years	0%	0%	0%	0%
30 - 50 years	0%	0%	0%	0%
> 50 years	0%	0%	0%	0%
Total	5%	6%	16%	10%
< 30 years	15%	3%	64%	14%
30 - 50 years	5%	3%	11%	11%
> 50 years	0%	15%	5%	8%

GRI STANDARDS 403-9

Number of work-related injuries and fatalities of employees and external workers		
Number of injuries	2020	2021
Total number of fatalities due to injuries at work		
Employees	-	-
External workers	-	-
Total number of serious injuries at work (excluding deaths) ⁸		
Employees	-	2
External workers	-	-
Total number of recordable work injuries		
Employees	6	11
External workers	-	3
Hours worked		

⁸ Injuries at work which have led to damage from which the worker cannot recover, does not recover or it is unrealistic to expect that he will recover completely by returning to the state of health before the injury within 6 months.

<i>Employees</i>	500,757	547,000
<i>External workers</i>	66,927	63,109
Death and injury rates of employees and external workers		
Rates	2020	2021
Fatality rate due to injuries at work		
<i>Employees</i>	-	-
<i>External injuries</i>	-	-
Serious injury at work (excluding fatalities)		
<i>Employees</i>	-	3.7
<i>External workers</i>	-	-
Recordable work injury rate ⁹		
<i>Employees</i>	12.0	20.1
<i>External workers</i>	-	47.5

Main types of work-related injuries and external workers		
	2020	2021
Trauma		
<i>Employees</i>	4	7
<i>External workers</i>	-	3
Wound		
<i>Employees</i>	2	1
<i>External workers</i>	-	-
Fracture		
<i>Employees</i>	-	-
<i>External workers</i>	-	-

Environmental responsibility

GRI STANDARDS 301-1

Materials used by weight or volume				
Materials	Unit of measure	2020	2021	% renewable material by type
Timber	kg	40,000 ¹⁰	60,000	100%
Detergents	lt	2,745	4,275	0%
Fat/oil	kg	10,139	13,326	0%
Solvents	lt	33,352	24,840	0%
Paints	kg	14,496	24,127	0%
Gas	kg	76	125	0%

⁹ The injury rate was calculated as the ratio between the total number of injuries and the total hours worked, using a multiplication factor of 1,000,000. The data includes injuries on the home-work journey only if the transport was managed by the organization.

¹⁰ Due to the lack of availability of the data, the figure for the wood used in 2020 was estimated on the basis of the previous year's consumption.

GRI STANDARDS 302-1¹¹

Energy consumption within the organization (GJ)		
	2020	2021
Total energy consumption	27,452	35,427
Non-renewable energy	27,200	35,168
Energy vectors	16,997	24,022
Methane gas (Natural gas)	16,617	23,829
Diesel fuel for printing test	380	193
Electricity purchased from the grid	10,202	11,146
Renewable energy	252	259
% renewable energy	0.9%	0.7%
Self-produced electricity from renewable sources - produced by plants photovoltaic	252	259

GRI STANDARDS 303-3

Water withdrawals by source and by type of area (ml)				
Source	2020		2021	
	All areas	Water stress areas	All areas	Water stress areas
Third-party water resources (total)	0.0096	-	0.0075	-
Fresh water (≤ 1.000 mg/l total dissolved solids)	0.0096	-	0.0075	-
Other types of water (> 1.000 mg/l total dissolved solids)	-	-	-	-
Total water withdrawals	0.0096	-	0.0075	-

¹¹ The following conversion factors were used for the calculation of energy consumption in GJ:

- Natural gas: for 2020 it is 49.6 ton/GJ (source: DEFRA 2020); for 2021 it is 49.89 ton/GJ (source: DEFRA 2021)
 - Diesel: for 2020 and 2021 it is 45.29 ton/GJ (source: DEFRA 2020; DEFRA 2021).

GRI STANDARDS 305-1 AND 305-2¹²

Direct and indirect GHG emissions caused by the organization's activities			
Direct and indirect emissions	Unit of measure	2020	2021
Scope 1	[t CO ₂ eq]	875	1,227
Scope 2 - Location based	[t CO ₂]	952	975
Scope 2 - Market based	[t CO ₂]	1,321	1,421
Total SCOPE 1 and SCOPE 2 (Location based)	[t CO₂eq]	1,827	2,202
Total SCOPE 1 and SCOPE 2 (Market based)	[t CO₂eq]	2,195	2,648

GRI STANDARDS 306-3¹³

Waste generated (t)								
Waste by composition	2020				2021			
	Hazardous	Non-hazardous	Total	% of total	Hazardous	Non-hazardous	Total	% of total
Ink waste and liquid waste containing ink	82	71	153	14%	70	57	128	14%
Non-chlorinated emulsions	41	-	41	4%	36	-	36	4%
Plastic	-	72	72	7%	-	96	96	11%
Iron, steel, aluminum and ferrous materials	-	366	366	34%	-	234	234	26%
Paper and cardboard	-	66	66	6%	-	49	49	6%
Wood	-	141	141	13%	-	150	150	17%
Aqueous solutions	-	161	161	15%	-	88	88	10%
Mixed materials	-	46	46	4%	-	59	59	7%
Other waste	16	12	28	3%	17	33	50	6%
Total	140	935	1,075	100%	124	767	891	100%

GRI STANDARDS 306-4

¹² The emission factors used for the calculation of scope 1 are:

- Natural gas: for 2020 2.02266 kgCO₂eq/m³ (Source: DEFRA 2020); for 2021 2.02135 kgCO₂eq/m³ (Source: DEFRA 2021);

- Diesel fuel: for 2020 2.75776 kgCO₂eq/l (Source: DEFRA 2020); for 2021 2.75857 kgCO₂eq/l (Source: DEFRA 2021).

The GRI Sustainability Reporting Standards provide two methodologies for calculating scope 2 emissions, the "Location-based method" and the "Market-based method".

Both calculation methodologies were used to calculate scope 2 emissions, in line with GRI Sustainability Reporting Standards.

In 2021, the total Group emissions of scope 1 and scope 2 calculated using the Location-based method were 2,202 tons of CO₂, and scope 2 emissions ("Market-based" method) were 1,421 tons of CO₂ that together with the emissions of scope 1 represent a total of 2,648 tons of CO₂ eq.

The Market-based is based on the CO₂ emissions emitted by the energy suppliers from which the organization buys electricity through a contract and can be calculated by considering: certificates of guarantee of origin of energy and direct contracts with suppliers, supplier specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions not monitored or not claimed (methodology used, with Italy 2020 emission factor: 466 gCO₂/kWh - source: AIB - European residual mixes 2019; 2021: 459 gCO₂/kWh - source: AIB - European residual mixes 2020). The Location-based method is based on average emission factors related to the generation of energy for well defined geographical boundaries, including local, subnational or national boundaries (methodology used, with Italian emission factor 2020: 336 gCO₂/kWh - source: Terna International comparisons 2018; 2021: 315 gCO₂/kWh - source: Terna International comparisons 2019). For the calculation of the emissions of scope 2 Location based, the coefficients of Terna International comparisons 2019 were used, the latest version available.

Scope 2 emissions are expressed in tons of CO₂, as the source used does not report emission factors for other gases other than CO₂.

¹³ It should be noted that from this year onwards, the reporting of waste data has been carried out using the new GRI 306 standard, published by the Global Reporting Initiative (GRI) in 2020 to replace the version published in 2016. For this reason, as well as following a continuous improvement in the reporting process, the data relating to waste produced in 2020 have been re-exposed with respect to those included in the 2020 Sustainability Report, published on the website www.uteco.com.

Waste diverted from disposal (t)								
Recovery operations	2020				2021			
	Off-site	On-site	Total	% of the total waste generated	Off-site	On-site	Total	% of the total waste generated
Hazardous waste								
Recycling	42	-	42	5%	14	-	14	1%
Non-hazardous waste								
Recycling	613	-	613	69%	703	-	703	65%
Total	655	-	655	74%	717	-	717	67%

GRI STANDARDS 306-5

Waste directed to disposal (t)								
Disposal operations	2020				2021			
	Off-site	On-site	Total	% of the total waste generated	Off-site	On-site	Total	% of the total waste generated
Hazardous waste								
Landfilling	82	-	82	9%	126	-	126	12%
Non-hazardous waste								
Landfilling	154	-	154	17%	232	-	232	22%
Total	236	-	236	26%	358	-	358	33%

Social responsibility

GRI STANDARDS 204-1

Proportion of spending to local suppliers ¹⁴				
	2020		2021	
	Purchase value (€)	%	Purchase value (€)	%
Uteco Converting S.p.A.	69,348,102	87	74,851,800	87
Uteco North America	1,169,540	76	1,323,968	80

¹⁴ The purchase is identified as local in the country in which the Group company is located (Italy and the United States).

7. Methodological note

This document, which represents the third Sustainability Report of the Uteco Group, aims to communicate in a transparent way the sustainability approach of the Uteco Group (in the document also “Group” or “Uteco”) and its performance in the field of environmental, social and economic sustainability with respect to the year 2021 (from 1st january to 31st december). In order to allow for comparability of data over time, the comparison with data for 2020 is also reported.

This annual Sustainability Report was prepared by reporting a selection of the “GRI Sustainability Reporting Standards” published by the Global Reporting Initiative (GRI), as indicated in the “GRI Content Index” table. This will provide evidence of the coverage of GRI indicators associated with each of the sustainability topics reported in this document.

In particular, the content being reported was selected on the basis of the results of the materiality analysis carried out in 2021, which allowed to identify the material topics for the Uteco Group and its stakeholders, as described in the “Materiality Analysis” section of this document.

During 2021, it should be noted that the following changes occurred. The Group completed the acquisition of Advanced Machinery N.V. and Uteco Converting Asia Pacific PTE. LTD was established. No further significant changes in size, ownership and supply chain are reported.

The reporting scope of economic data and information is the same as the consolidated financial statements of the Uteco Group at 31.12.2021. The reporting scope of social and environmental data and information is the same as the consolidated financial statements of the Uteco Group at 31.12.2021, with the exclusion of Advanced Machinery N.V. and Uteco Converting Asia Pacific PTE. LTD, acquired in July 2021 and December 2021 respectively.

To ensure data reliability, the use of estimates has been limited as far as possible. Whenever present, estimates are based on the best available and appropriately reported methodologies. The re-exposures of the data published in the previous Sustainability Report are also appropriately indicated in this document.

This Sustainability Report was discussed within the Board of Directors of Uteco Converting S.p.A. on 06/07/2022.

For more information and suggestions regarding the Uteco Group Sustainability Report, please contact sustainability.team@uteco.com.

This document is also available on the Uteco Group website:
<https://www.uteco.com/en/company/value-sustainability>

GRI Content Index

This material refers to the following GRI disclosure:

GRI Standards	Informative	Notes and pages	Omission
GRI 101: FOUNDATION (2016)			
GRI 102: GENERAL DISCLOSURES (2016)			
Organization profile			
102-1	Name of the organization	6; 69	
102-2	Activities, brands, products and services	21-23	
102-3	Location of headquarters	9; 76	
102-4	Location of operations	8-9	
102-5	Ownership and legal form	6	
102-6	Markets served	8	
102-7	Scale of the organization	8; 34-35	
102-8	Information on employees and other workers	34-35; 61-62	
102-9	Supply chain	55-56	
102-10	Significant changes to the organization and its supply chain	6; 69	
102-13	Membership of associations	30	
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior	13-14	
Governance			
102-18	Governance structure	12	
Stakeholder involvement			
102-40	List of stakeholder groups	17	
102-41	Collective bargaining agreements	42; 63	
Reporting practices			
102-45	Entities included in the consolidated financial statements	69	
102-46	Defining report content and topic boundaries	60 ;69	
102-47	List of material topics	18-19; 60	
102-48	Restatements of information	69	
102-49	Changes in reporting	69	
102-50	Reporting period	69	
102-51	Date of the most recent report	69	
102-52	Reporting cycle	69	
102-53	Contact point for questions regarding the report	69-70	
102-54	Claims of reporting in accordance with the GRI Standards	69	
102-55	GRI content index	71-75	
102-56	External Assurance	The document is not subject to external assurance.	
TOPIC SPECIFIC STANDARDS			
GRI 200: ECONOMIC SERIES			
Material Topic: SUPPLY CHAIN MANAGEMENT			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic	18-19; 60	

GRI Standards	Informative	Notes and pages	Omission
	and its boundary		
103-2	The management approach and its components	55-57	
103-3	Evaluation of the management approach	55-57	
GRI 204: Supply practices			
204-1	Proportion of spending on local suppliers	55-56; 68	
Material Topic: ETHICS, INTEGRITY AND COMPLIANCE			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	13-14	
103-3	Evaluation of the management approach	13-14	
GRI 205: Anticorruption (2016)			
205-3	Confirmed incidents of corruption and actions taken	No cases of corruption were recorded during 2021.	
GRI 206: Anti-competitive behavior (2016)			
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	There was no legal action during 2021 for anti-competitive behavior, antitrust and monopoly practices.	
GRI 307: Environmental compliance (2016)			
307-1	Non-compliance with environmental laws and regulations	In 2021, no fines or non-monetary sanctions were recorded for non-compliance with environmental laws and regulations.	
GRI 419: Socio-economic compliance (2016)			
419-1	Non-compliance with laws and regulations in the social and economic area	During 2021 there were no cases of non-compliance with social and economic laws and regulations	
GRI 300: ENVIRONMENTAL SERIES			
Material Topic: RESPONSIBLE MANAGEMENT OF MATERIALS			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
GRI 301: Materials (2016)			
301-1	Materials used for weight or volume	52-53; 65	
Material Topic: ENERGY CONSUMPTION, EMISSIONS AND CLIMATE CHANGE			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	47-49	
103-3	Evaluation of the management approach	47-49	
GRI 302: Energy (2016)			
302-1	Energy consumption within the organization	47-48; 66	
GRI 305: Emissions (2016)			
305-1	Direct (Scope 1) GHG emissions	48-49; 67	
305-2	Energy indirect (Scope 2) GHG emissions	48-49; 67	
Material Topic: WATER CONSUMPTION			
GRI 303: Water and effluents (2018)			
303-3	Water withdrawal	51-52; 66	

GRI Standards	Informative	Notes and pages	Omission
Material Topic: WASTE AND WATER DISCHARGES			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	50-51	
103-3	Evaluation of the management approach	50-51	
GRI 306: Waste (2020)			
306-3	Waste generated	50-51; 67	
306-4	Waste diverted from disposal	50-51; 68	
306-5	Waste directed to disposal	50-51; 68	
GRI 400: SOCIAL SERIES			
Material Topic: MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	34-35; 40-42	
103-3	Evaluation of the management approach	34-35; 40-42	
GRI 401: Employment (2016)			
401-1	New employee hires and employee turnover	34; 63-64	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	43	
GRI 404: Training and education (2016)			
404-1	Average hours of training per year per employee	40-41; 63	
Material Topic: OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	36-40	
103-3	Evaluation of the management approach	36-40	
GRI 403: Health and safety at work (2018)			
403-1	Occupational health and safety management system	36-38	
403-2	Hazard identification, risk assessment and incident investigations	36-38	
403-3	Occupational health services	36-38	
403-4	Worker participation, consultation and communication on occupational health and safety	36-38	
403-5	Worker training on occupational health and safety	38	
403-6	Promotion of worker health	36-38	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	36-38	
403-9	Work-related injuries	38; 64-65	
Material Topic: WELL-BEING, DIVERSITY AND INCLUSION			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and	34-35; 43-44	

GRI Standards	Informative	Notes and pages	Omission
103-3	its components Evaluation of the management approach	34-35; 43-44	
GRI 405: Diversity and equal opportunities (2016)			
405-1	Diversity of governance bodies and employees	12; 34-35; 62	
GRI 406: Non-discrimination (2016)			
406-1	Incidents of discrimination and corrective actions taken	There were no incidents of discrimination during 2021.	
Material Topic: HUMAN RIGHTS			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	42-43; 55	
103-3	Evaluation of the management approach	42-43; 55	
GRI 407: Freedom of association and collective bargaining (2016)			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Given the operating context of the Uteco Group, no significant risks of human rights violations by the Group companies or their suppliers have been identified.	
GRI 408: Child labor (2016)			
408-1	Operations and suppliers at significant risk for incidents of child labor	Given the operating context of the Uteco Group, no significant risks of child labor by the Group companies or their suppliers have been identified.	
GRI 409: Forced or compulsory labor (2016)			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Given the operating context of the Uteco Group, no significant risks of forced or compulsory labor by the Group companies or their suppliers have been identified.	
Material Topic: PRODUCT QUALITY AND SAFETY			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	27-28; 57	
103-3	Evaluation of the management approach	27-28; 57	
GRI 416: Customer Health and Safety (2016)			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There were no cases of non-compliance regarding the impacts on health and safety of products and services during 2021.	
GRI 417: Marketing and labeling (2016)			
417-2	Incidents of non-compliance concerning product and service information and labeling	There were no cases of non-compliance in the information and labeling of products and services during 2021.	
MATERIAL TOPICS NOT RELATED TO SPECIFIC DISCLOSURE OF THE GRI STANDARDS			
Material Topic: CORPORATE GOVERNANCE			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	12	
103-3	Evaluation of the management approach	12	
Material Topic: VALUE CREATION AND BRAND IDENTITY			
GRI 103: Management approach (2016)			

GRI Standards	Informative	Notes and pages	Omission
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	8; 11; 28-32	
103-3	Evaluation of the management approach	8; 11; 28-32	
Material Topic: CYBER SECURITY And PRIVACY			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	14-15	
103-3	Evaluation of the management approach	14-15	
Material Topic: CUSTOMER RELATIONSHIP AND CUSTOMER SATISFACTION			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	27-28	
103-3	Evaluation of the management approach	27-28	
Material Topic: INNOVATION, RESEARCH & DEVELOPMENT			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	23-26	
103-3	Evaluation of the management approach	23-26	
Material Topic: COMMITMENT TO THE ENVIRONMENT			
GRI 103: Management approach (2016)			
103-1	Explanation of the material topic and its boundary	18-19; 60	
103-2	The management approach and its components	46-47	
103-3	Evaluation of the management approach	46-47	

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