



SINCE 1967

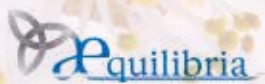
CROCCO

ONE STEP AHEAD





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Letter to stakeholders

It is with great satisfaction that I present you with the second sustainability report of Crocco, a pioneer in the production of plastic packaging with a keen focus on environmental sustainability. This report represents a further step forward in our ongoing commitment to promoting innovation and environmental responsibility within the industrial sector.

The scientific integrity and professionalism of our green approach are reflected in both our extensive sustainability track record and the ongoing developments that position Crocco as a leading sustainable packaging company in Europe and around the world.

These innovations have earned us numerous awards and accolades, as well as achieving important certifications. We owe a great deal of this to the passion and skill of all the people who work at Crocco.

The quality of the manufacturing, the reliability of the products and our customer focus have always been the distinctive characteristics that have made us proud of what we do. Our promise is to continue to offer high-quality products and services, exceeding our customers' expectations and maintaining a solid reputation in the market.

The sustainability report is an opportunity for us to openly share the results of our efforts and to demonstrate our genuine commitment to sustainable practices throughout our value chain. Drawn up on a completely voluntary basis, this document reflects our willingness to repay the trust that you, the stakeholders, have placed in us by sharing our policies and goals.

Sustainability is a value that we passionately pursue, and regard as fundamental for our future and the benefit of generations to come. We firmly believe that long-term development can only be achieved through the ongoing improvement of our impact on the environment, people and society as a whole. Innovation plays a crucial role in this context: we are aware that it is only through the relentless pursuit of cutting-edge solutions that we can remain "one step ahead" and lead the way towards ever more sustainable management of the company.



Dott. Renato Zelcher
Managing Director

*The
sustainability
report
is an
opportunity
for us to
openly share
the results
of our efforts*

We have always believed in cooperation as a tool for achieving concrete results. Our programme dedicated to environmental sustainability, called “Greenside”, focuses on collaborative eco-design as the first point of action, working together with our partners to build on what has already been achieved. Measuring results and sharing information are key to tackling complex challenges and making decisions based on verifiable and certified data. We want sustainability to be understood as a quantifiable, measurable and verifiable concept as it is only by providing the right information that we can make choices that have a real positive impact.

Crocco's second sustainability report is a tangible expression of our commitment.

Renato Zelcher
Managing Director

Methodological note

For the second year in a row, Crocco has decided to report on its impacts by drafting and publishing its Sustainability Report.

This decision is the consequence of a roadmap we embraced several years ago, which focuses on sustainability as the cornerstone of our corporate strategies. A choice that reflects the challenges we collectively face every day. In view of the many initiatives taken to minimise and counteract our impact on sustainability contexts, it is only natural that we should also draft a Report. Indeed, we are duty-bound to inform all our stakeholders, involving them in the journey of which they are a part, which also involves updating them about what we have done and what we aim to do with regard to the issues that concern us most.

Stakeholder engagement is essential and central to the drafting of this document to ensure that the entire value chain is included in the reporting process.

Building on last year's materiality analysis effort, we decided not to repeat the full stakeholder engagement process, as it was already aligned with external perceptions. However, we did review Crocco's impacts and material topics, which management deemed relevant to the company's context for 2022 as well.

This Sustainability Report covers the **2022** reporting period (**1 January to 31 December**), which coincides with the financial reporting period, and also provides a data comparison with the previous reporting period (1 January to 31 December 2021). It has been prepared in accordance with the principles covered in the "GRI Sustainability Reporting Standards" published by the Global Reporting Initiative (GRI), as indicated in the table in the appendix "**GRI Content Index**", which highlights the coverage of GRI indicators associated with each sustainability theme reported in this document. This provides a comprehensive picture of significant impacts on the economy, the environment and people, thereby enabling those with access to such data to make appropriate assessments and informed decisions about Crocco's impacts and its **contribution to sustainable development**.

Following the major update by the Global Reporting Initiative published in 2021 and effective from 1 January 2023, Crocco has effectively incorporated the changes introduced by the three updated and revised universal standards into its reporting process.

This Sustainability Report has been prepared by Crocco in accordance with the GRI Standards according to the "with reference" option provided in the version updated to 2021.

This document reports information relating to Crocco's scope of business, which includes the group's four Italian sites, with the exception of the subsidiaries.

The process of collecting data and information to draft this Sustainability Report was managed in collaboration with Crocco's corporate functions and with support from a group of external consultants. The common goal was to provide a clear and precise account of the information considered significant for stakeholders.

This document was approved by the Managing Director and endorsed by Crocco's Board of Directors.

The document has been Assurance-vetted by the Bureau Veritas Italia auditing body.

For more information
on the contents of this
Sustainability Report,
including the sustainability policies
and strategies implemented by
Crocco, please contact:
info@crocco.com.



An aerial photograph showing a mix of industrial and residential zones. On the left, there are large industrial buildings with flat roofs, some of which are covered with solar panels. A parking lot with several cars is visible next to them. To the right, there are smaller, more traditional residential houses with pitched roofs. The image is divided into several overlapping rectangular sections, some of which are semi-transparent, creating a layered effect. A large, semi-transparent white rectangle is positioned in the center-right, containing the company name and tagline.

CROCCO S.P.A.

A constantly
evolving journey

INNOVATION IS IN OUR DNA

Crocco was founded in 1967 as a packaging company. We are one of the leading companies in the field of flexible packaging, which is characterised by a very high level of technology and focused on achieving the most ambitious sustainability goals. The company has always prided itself on guaranteeing every customer the **perfect combination of quality, service and price**. Thanks to its know-how and constant commitment to research and innovation, the company has distinguished itself over the years by becoming a national and international benchmark for sustainable packaging.

Our mission is to go beyond mere business relationships – we aim to build strong and lasting partnerships. Our philosophy, which puts the **customer first**, is reflected in a wide range of innovative and competitive products, professional and reliable services, and a sales and service system that aims to maintain high levels of customer satisfaction. This satisfaction is achieved through the competence, precision and speed with which the company develops new ideas and provides innovative and customised solutions, guaranteed by constant and meticulous quality control.

As expressed in our motto, **One Step Ahead**, we offer cutting-edge solutions and anticipate trends and market needs to concretely achieve what we believe in. Crocco thus positions itself as an industry innovation leader, actively contributing to transformational progress in the flexible packaging sector.



Our values

The values that guide us every day and underpin Crocco's operations are:



HEALTH



SAFETY

THE COMPANY IN NUMBERS



48.207

TONNES OF PRODUCT



4

MANUFACTURING SITES



233

INDIRECT EMPLOYEES
AND COLLABORATORS



160_{mln}

IN ANNUAL REVENUES



48

COUNTRIES SERVED



24

INDUSTRY SECTORS SERVED



55

YEARS OF HISTORY



INTEGRITY



SOCIAL RESPONSIBILITY

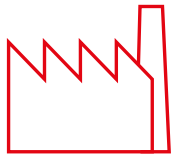


RESPECT FOR OTHERS

OUR HISTORY

1967

Crocco was founded by Bruno and Luciana Crocco



1980

Launch of the company T&T, which reclaims our production waste to produce secondary raw material



1985

Crocco started producing stretch film



2015

The first LCA study was conducted



2012

HP stretch films went into production



2011

Crocco obtained OHSAS 18001 certification for workplace health and safety



2016

Crocco obtained BRC-GS certification for its site dedicated to industrial and food-safe stretch film



2018

An agreement was signed with the Ministry of the Environment and Energy Security to study the environmental impact of heat-shrinkable and stretchable films



2019

Plant Facility D was acquired and deployed as a mechanical workshop

Crocco obtained "Second Life Plastic" certification for products that incorporate recycled material



1992

Aliprot, the polyethylene food-safe film, was launched



1995

We were the first flexible packaging company to be certified according to the ISO 9001 standard



2000

Plant Facility B was opened



2008

Crocco Deutschland, the company's German headquarters, was founded



2005

We were the first flexible packaging company to be certified according to the ISO 14001 standard

PiùStretch pre-stretched film went into production

2002

Plant Facility C was acquired



2020

Crocco developed heat-shrinkable films containing recycled material (PCR)

We were the first flexible packaging company to be certified according to the ISO 14067 Systematic Approach standard

Leaf was launched, the first biodegradable and compostable film based on an entirely Italian supply chain



2021

Crocco obtained ISCC+ certification for the processing of sustainable raw materials

The first greenhouse gas inventory was conducted according to ISO 14064

Crocco developed stretch hood films containing recycled material (PCR)



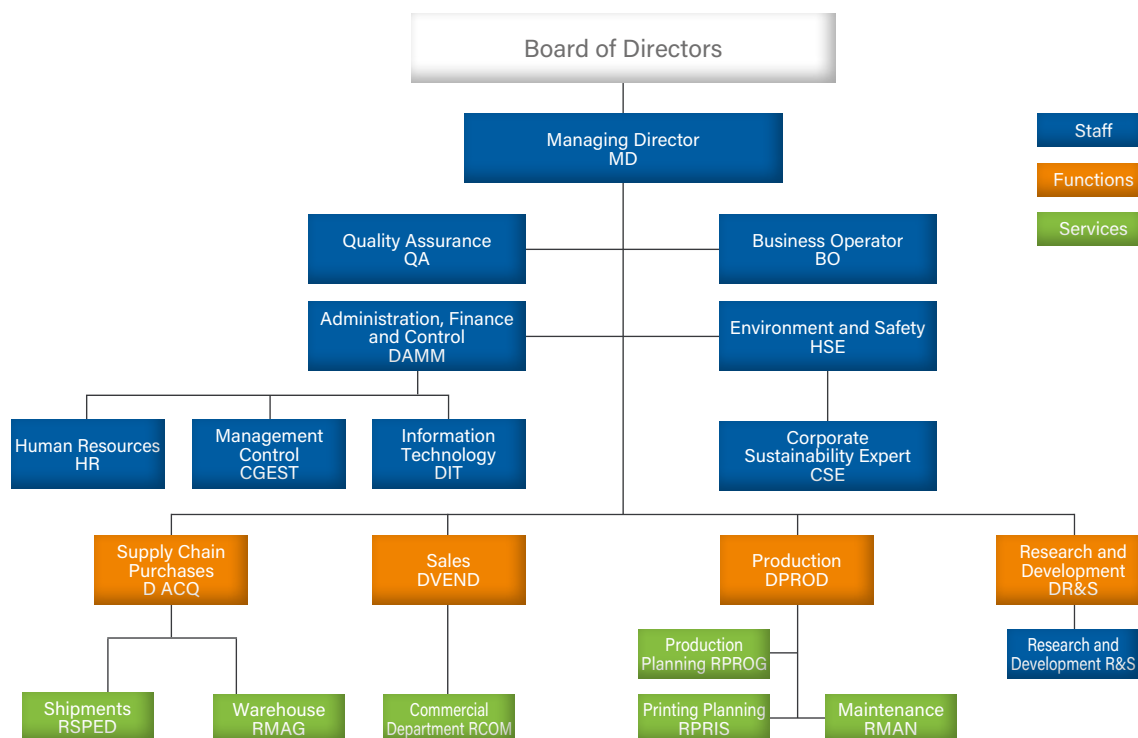
2022

The Company drafted and published its first Sustainability Report according to GRI international standards



A SOLID GOVERNANCE SYSTEM

The following organisation chart represents Crocco's corporate functions at 31/12/2022.



Corporate structure

Crocco is a private joint-stock company, owned by five owner partners.

Crocco's organisational framework is composed of the Board of Directors, the Board of Statutory Auditors and the External Statutory Auditing Firm.

The Board of Directors has the broadest powers for the ordinary and extraordinary management of the company. At the helm of the company, the Managing Directors ensure that the mission is understood, developed and conducted in line with the values that guide the company's business.

In matters of workplace health and safety and environmental prevention and protection, powers of ordinary and

extraordinary administration have been **delegated to Special Attorney Diego Lora**.

Crocco does not currently assign committees to handle ESG issues.

However, in 2022, a dedicated team of senior managers was formed to address the organisation's social and environmental impact. The team is composed of the Executive Managers of the various departments and its work is monitored by the Board of Directors, which is responsible for supervising the work and defining Crocco's sustainable development strategies.

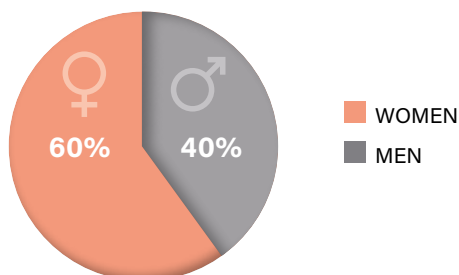
To date, the committee does not meet on a regularly scheduled basis.

The two most senior members of the team also have operational roles in the organisation (production and sales). Their roles have not yet been officially recorded.

Board of directors

Bruno Crocco	<i>Chair and MD</i>
Renato Stefano Zelcher	<i>MD and Member of the Board</i>
Luciana Scortegagna	<i>Deputy Chair and Member of the Board</i>
Roberta Crocco	<i>Member of the Board</i>
Anna Crocco	<i>Member of the Board</i>

BREAKDOWN OF THE BOARD OF DIRECTORS BY GENDER



Board of statutory auditors

Paola Campagnolo	<i>Chair</i>
Alberto Neri	<i>Statutory Auditor</i>
Alberto Matteazzi	<i>Statutory Auditor</i>
Giuseppe Mannella	<i>Alternate Statutory Auditor</i>
Martina Faggionato	<i>Alternate Statutory Auditor</i>

External statutory auditing firm

Roberto La Lampa S.A.S.



OFFICES AND FACILITIES

Crocco has four production sites in Italy and a sales subsidiary in Germany, with a total area of 65,000 square metres. This extensive production capacity, combined with its flexibility in responding to market needs, enables the company to meet the quality and cutting-edge demands of its numerous customers both in Italy and in the 40+ countries around the world where its packaging solutions are distributed.



CROCCO DEUTSCHLAND GMBH
Fully owned subsidiary
Headquarters: Reichshof (Germany)
Share capital € 100.000

T&T S.R.L.
Fully owned subsidiary
Headquarters: Cornedo Vicentino
Share capital € 93.600

Head office:

Via Monte Ortigara 37, Cornedo Vicentino (VI)

Subsidiaries:

- **CROCCO DEUTSCHLAND GMBH (wholly-owned)**
Plant facility in Germany
- **T&T S.R.L. (wholly-owned)**
Generic waste and plastic waste reclamation company

Other manufacturing facilities:

- **SPLANT FACILITY B**
Località Campagna 59, Valdagno
- **PLANT FACILITY C**
Via Tezze di Cereda 17, Cornedo Vicentino
- **PLANT FACILITY D**
Località Campagna 53, Valdagno



CROCCO'S INTERNATIONAL CUSTOMERS

ITALY
SLOVAKIA
GERMANY
GREECE
FRANCE
GUADALOUPE
SPAIN
BELGIUM
SWITZERLAND
MALTA
AUSTRIA
AUSTRALIA
CROATIA
CANADA
ROMANIA
UNITED STATES

POLAND
FINLAND
REPUBLIC OF SAN MARINO
NORWAY
NETHERLANDS
INDIA
SLOVENIA
IRELAND
TURKEY
LUXEMBOURG
REPUBLIC OF NORTH MACEDONIA
PERU
CHILE
SAUDI ARABIA
SERBIA AND MONTENEGRO
HUNGARY

GREAT BRITAIN
TUNISIA
CYPRUS
DEM. REP. OF SAO TOMÉ AND PRÍNCIPE
RUSSIA
UKRAINE
RÉUNION
PORTUGAL
ALGERIA
SWEDEN
CZECH REPUBLIC
UNITED ARAB EMIRATES
ALBANIA
ICELAND
BULGARIA
DENMARK

PRODUCTS

In terms of turnover, Crocco's most important product categories are shrink film (30% of turnover) and stretch film (19%). The other types can be summarised as follows:

- ALIPROT® food-safe neutral and printed stretch film
- PIÛSTRETCH® pre-stretched film Neutral and printed elastic tubing
- Technical films
- Skin packaging
- Biodegradable, compostable and oxo-degradable film

OUR SERVICES

For Crocco, relationships with our customers go beyond simply being innovative and providing highly competitive products. Achieving complete customer satisfaction is paramount, and we pursue this aim with continuous support and assistance, including during the use of our products. That is why we offer a comprehensive range of services.

STANDARD AND CUSTOMISED PRODUCTS

Over the years, we have developed an increasingly advanced and structured approach to customer care; this enables us to act as a true partner and not just a supplier. Our goal is also to provide **customised and tailor-made solutions** that meet the specific needs of our customers. We are aware that each end use and each application of our films requires different specifications and requirements, which is why we are able to offer solutions adapted to each individual situation.

At Crocco, we are proud to be an ideal partner, capable of offering customised solutions, complying with regulations and guaranteeing safe, innovative and constantly evolving products. Our priority is the satisfaction of our customers, and this is reflected in their choice to continue working with us. We are grateful for their trust and will always do our best to keep it.

ALL-ROUND CONSULTANCY

Crocco is committed not only to offering customised solutions to its customers but also to providing tailored advice that allows companies to benefit from the company's technical expertise and know-how in order to find the product that best suits their needs.

To meet this commitment, Crocco has created the first Italian **Customer Service** in the sector, consisting of a team of technicians who assist customers before, during and after the sale. This service provides advice and samples to customers and makes **targeted visits to plant** facilities to monitor the correct use of products, provide professional advice and promptly respond to requests.

Crocco also drafts written reports to record the monthly visits made by Customer Service to customers' plants, thus demonstrating the seriousness and advanced level of the service provided.

- >> Technical consultancy
- >> Consulting to the Sales Department
- >> Consulting to the Press Department
- >> Consulting on Production Processes
- >> Consulting on product sustainability

AFTER-SALES SERVICE

In line with our commitment to offer comprehensive support to our customers throughout all phases of product selection, purchase and use, we at Crocco ensure that our packaging offers the best possible performance and can completely fulfil the functions for which it was designed, including after it has left our premises.

To this end, we rely on a **skilled and helpful sales network**, qualified technical support and an excellent, timely and reliable service that accompanies the customer over time, beyond the mere choice of product, to meet their every need.

SECTORS

The main sectors in which Crocco operates:



FOOD&BEVERAGE



CERAMICS



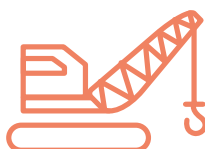
LARGE-SCALE RETAIL



GLASSWARE



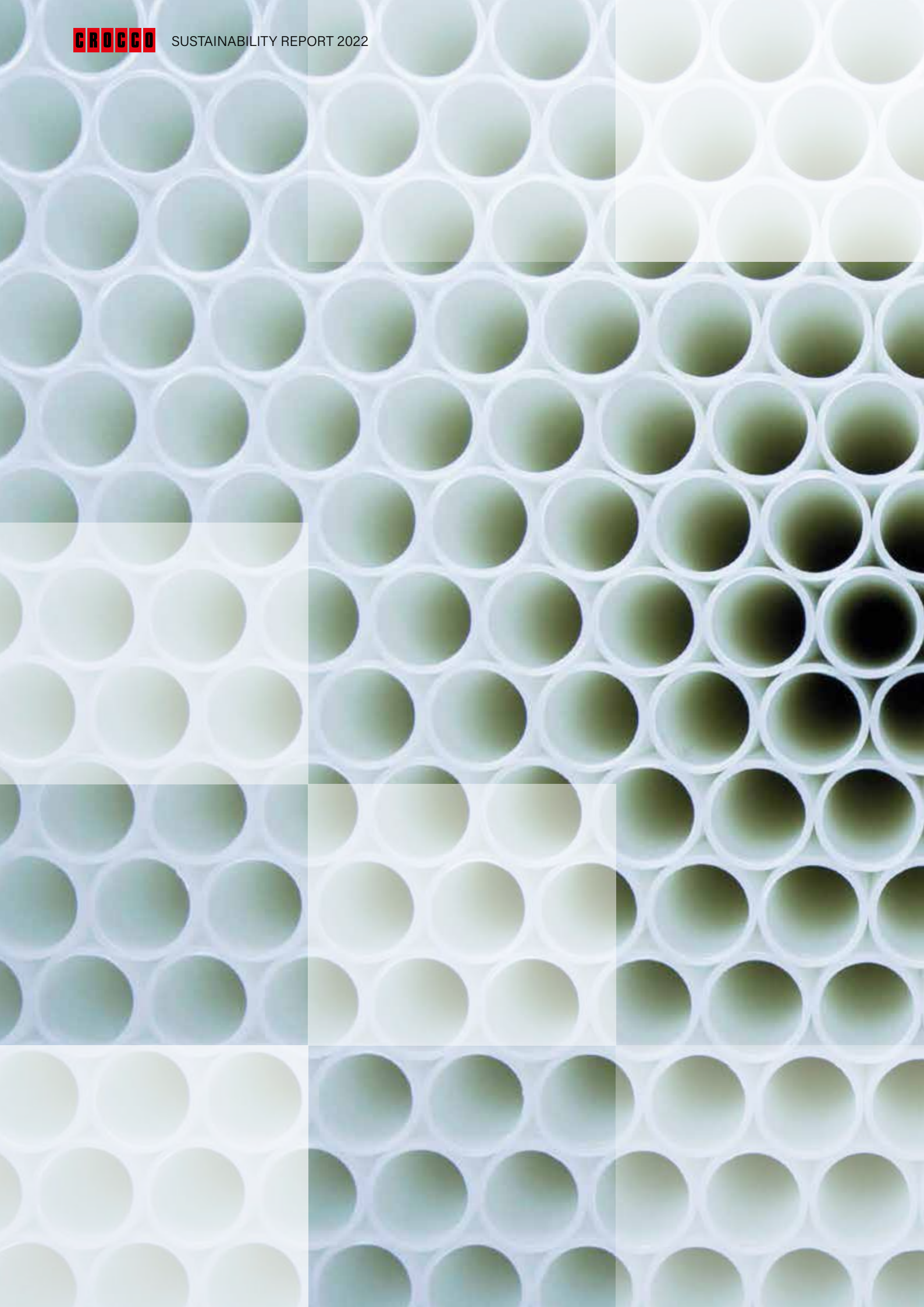
TRANSPORT AND LOGISTICS



CONSTRUCTION

Other sectors:

- >> Agriculture
- >> Paper mills and paper processing
- >> Mechanical engineering
- >> Distribution
- >> Electrical and electronics
- >> Public bodies and charitable entities
- >> Food packers
- >> Granular products
- >> Wholesalers
- >> Hospitality and catering
- >> Wool, weaving and fashion
- >> Metalworking
- >> Woodworking
- >> Binding and publishing
- >> Medical
- >> Furniture
- >> Chemicals
- >> Plastics





ONE STEP AHEAD

Our approach
to sustainability

STAKEHOLDER ENGAGEMENT AND MATERIALITY ANALYSIS

At Crocco, we have consistently recognised the importance of relationships with our collaborators, both internal and external, and their involvement is an integral part of our sustainability strategy. Suppliers and customers, in particular, have always been involved in our work through continuous exchange, qualification questionnaires and customer satisfaction assessments.

Thanks to the drafting of our Sustainability Report, this engagement has taken on a new dimension and structure, allowing for more extensive and in-depth dialogue with Crocco's various stakeholders. Indeed, this process set the groundwork for defining Crocco's material topics and impact scenarios.

The result of the stakeholder engagement undertaken for our 2021 report enabled us to obtain, for the first time, the definition of material topics related to our impact on the environment, economy and people.

As a first step, we considered Crocco's context: we looked inward, but also outward. During this time, we shared our sustainability strategy, our business model and our relationships with our employees, thus defining all the categories of stakeholders we work with and who are subject to, or can influence, our impacts on the environment, the economy and people.

Below is a summary of the sample of selected stakeholders who were subsequently involved in order to acquire information useful for correctly defining the materiality analysis. For each category, we selected a significant reference set that would be representative of the total.



CATEGORIES INVOLVED

- | | |
|---------------------------------------|-----------------------------|
| >> Customers | >> Suppliers |
| >> Company management | >> Shareholders |
| >> Owners | >> Employees |
| >> Press officers | >> External advisers |
| >> Environmental associations | >> Trade associations |
| >> Local authorities and institutions | >> Schools and universities |

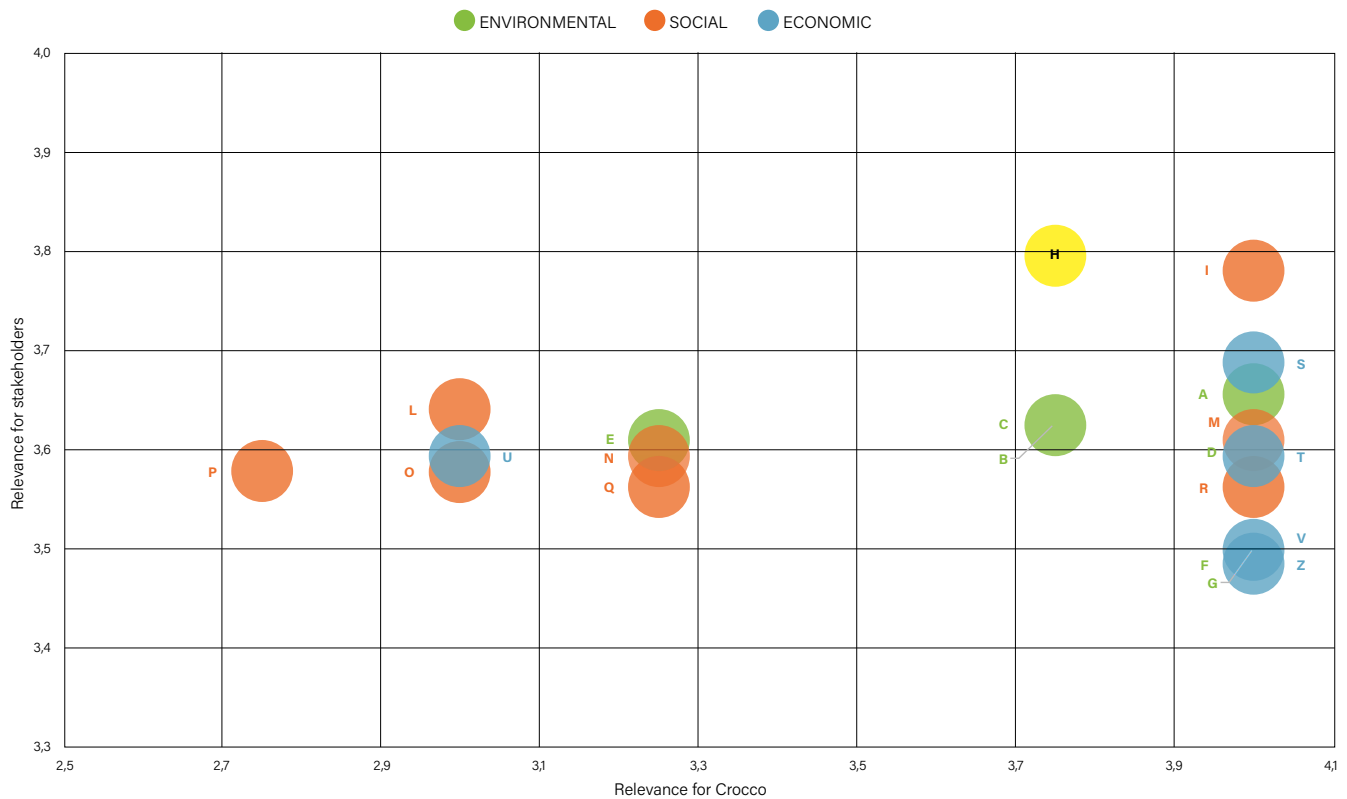
We subsequently conducted an online survey with the identified sample. In this survey, we explored selected impacts and topics arising from contextual analyses, discussions and feedback regarding the company's internal processes to ascertain their significance for stakeholders. The relevance of the identified topics was evaluated for both Crocco's internal and external stakeholders through an online questionnaire sent out to 145 contacts. Relevance was evaluated using a scale of 1 to 4, where 1 corresponds to "Not very relevant" and 4 to "Very relevant".

Finally, we decided to examine the results of the questionnaire further by means of interviews. This method has the added value of providing a detailed qualitative analysis that, in turn, provides subjective data and enables an open exchange of information with the involved stakeholders that goes beyond the relevance expressed in the survey. In particular, targeted "one-to-one" interviews conducted by external consultants to avoid any possible bias or distortion in the results enabled us to engage with all stakeholder categories and experts in the field (trade association representatives, external consultants, civil society representatives) on the core issues that mark the present historical period and future challenges, and how these relate to our impacts and commitments.



We subsequently outlined a scale of priorities linked to the questionnaire results, delving deeper into the company's perceived impacts and grouping them together to establish Crocco's material topics.

MATERIALITY MATRIX



- | | | | |
|--|-----------------------------------|-------------------------------------|--|
| A Products with low environmental impact | G Energy Consumption | N Non-discrimination | S Product quality |
| B Environmental compliance | H Product safety | O Corporate transparency | T Product innovation |
| C Waste management | I Workplace health and safety | P Ethics and integrity | U Anti-corruption |
| D Atmospheric emissions and their reduction | L Diversity and equal opportunity | Q Protection of workers' right | V R&D investments |
| E Traceability of raw materials and products | M Staff training and education | R Customer satisfaction and loyalty | Z Collaborative relations with suppliers and costumers |
| F Water discharge management | | | |

As a goal for 2023, we will extend our stakeholder engagement to confirm or assess a new impact materiality, also moving towards the concept of dual materiality, as will be required by the new European CSRD (Corporate Sustainability Reporting Directive) reporting obligations.

MATERIAL TOPICS AND IMPACTS

MATERIAL TOPICS IN ORDER OF IMPORTANCE	RELATED IMPACTS	POSITIVE OR NEGATIVE	CURRENT OR POTENTIAL
WORKPLACE HEALTH AND SAFETY	Reduction of absence due to illness or injury	+	Potential
	Safe working environment	+	Current
	Increased injuries due to incorrect management	-	Potential
	Reputational and image risks	-	Potential
PRODUCT QUALITY	Innovative solutions and technologies	+	Current
	Products safe for consumer health	+	Current
	Reputational and image risks	-	Potential
	Fines and penalties for non-compliance	-	Potential
	Increased costs for non-compliance	-	Potential
PRODUCTS WITH LOW ENVIRONMENTAL IMPACT	Increased purchases of recycled raw material	+	Current
	Reduced purchases of virgin plastic material	+	Current
	Lower environmental impact on business and customer processes	+	Current
	Competitive advantages in the market	+	Current
ATMOSPHERIC EMISSIONS AND THEIR REDUCTION	Quantification of emissions as a basis for setting up a mitigation plan	+	Current
	Avoidance of greenwashing	+	Current
	Reputational risk in the event of incorrect information	-	Potential
	Air pollution	-	Current
STAFF TRAINING AND EDUCATION	Employee development	+	Current
	Professional growth	+	Current
	Updating of skills	+	Current
	Allocation of financial resources	-	Current
PRODUCT INNOVATION	Innovative solutions and technologies	+	Current
	Lower environmental impact	+	Current
	Economic and reputational advantages	+	Current
CUSTOMER SATISFACTION AND LOYALTY	Consolidation of relationships	+	Current
	Attracting new buyers	+	Potential

MATERIAL TOPICS IN ORDER OF IMPORTANCE	RELATED IMPACTS	POSITIVE OR NEGATIVE	CURRENT OR POTENTIAL
PRODUCT SAFETY	Greater product competitiveness	+	Current
	Risk of non-compliance	-	Potential
	Risk of loss of image and competitiveness	-	Potential
ENERGY CONSUMPTION	Atmospheric emissions associated with energy consumption	-	Current
	Use of renewable energy	+	Current
	Increased energy costs	-	Current
R&D INVESTMENTS	Development of innovative technologies	+	Current
	Allocation of financial resources	-	Current
WATER DISCHARGE MANAGEMENT	Reuse of cooling water	+	Current
	Rainwater harvesting and treatment	+	Current
	Exceeding legal discharge limits	-	Potential
COLLABORATIVE RELATIONS WITH SUPPLIERS AND CUSTOMERS	Consolidation of relationships	+	Current
	Supplier awareness	+	Potential
ENVIRONMENTAL COMPLIANCE	Reputational and image risks in the event of false or incorrect information	-	Potential
	Sanctions and fines	-	Potential
WASTE MANAGEMENT	Reduction in the amount of waste	+	Potential
	Disposal of by-product as waste and purchase of the same as regranulate (circular economy)	+	Current
	Incorrect waste management can lead to penalties	-	Potential
TRACEABILITY OF RAW MATERIALS AND PRODUCTS	Supply chain governance	+	Potential
	Compliance with regulatory requirements	+	Current
	Obtaining supply chain certifications	+	Potential
NON-DISCRIMINATION	Creating the best working environment	+	Potential
	Reputational and image risks	-	Potential
PROTECTION OF WORKERS' RIGHTS	Creating the best working environment	+	Potential
	Reputational and image risks	-	Potential
DIVERSITY AND EQUAL OPPORTUNITY	Creating the best working environment	+	Potential
	Reputational and image risks	-	Potential
ANTI-CORRUPTION	Reputational and image risks	-	Potential
CORPORATE TRANSPARENCY	Consolidation of internal and external relations	+	Potential
ETHICS AND INTEGRITY	Application of model 231	+	Current
	Creating the best working environment	+	Current

OUR GOALS FOR 2023

Since Crocco S.p.A. decided to make sustainability and the fight against climate change one of its corporate priorities, we have constantly put resources and commitment into improving our performance. This is why we have created an Improvement Plan that sets out the goals we consider strategic in order to increase our performance.

The Plan is also a central document within the Integrated Management System that is efficient, effective and in line with international ISO standards. Within the Plan, we have identified the company's general and specific goals, specifying between interventions of different kinds (structural, organisational-procedural, plant engineering) and defining a series of performance indicators (KPIs) relating to certain aspects we consider relevant.

These measures pertain to areas of technical, procedural and organisational oversight as well as good practice and take into account the results of the environmental performance analysis and assessment, conformity assessment and internal audits we have carried out.

In addition, we have set specific targets to improve our performance and increase our sustainability commitments.

ENERGY

- Construction of a new photovoltaic system in Plant Facility C.
- Implementation of the energy management system according to ISO 50001

CLIMATE CHANGE

- Annual quantification of greenhouse gas (GHG) emissions at the organisational level according to ISO 14064-1
- Use of the Carbon Footprint Systematic Approach calculation model, updated with data for 2022, as a tool for designing new products

ENVIRONMENT

- Link a bonus to goals associated with reducing hardcopy printing in offices
- Reduce the tonnes of solvent used in the printing department

GOOD GOVERNANCE AND SOCIAL RESPONSIBILITY

- Complete the legal transition to Benefit Company status and define specific common benefit purposes
- Measure the company's sustainability performance by completing the BIA – B Impact Assessment
- Prepare the Sustainability Report for the third year, and have it validated by a third-party body

A GLOBAL COMMITMENT: THE UNITED NATIONS SDGS

We are actively committed to pursuing the Sustainable Development Goals (SDGs) proposed by the United Nations.

Of the 17 global goals, we consider 12 applicable to Crocco:

- 3 Good health and well-being
- 4 Quality education
- 5 Gender equality
- 6 Clean water and sanitation
- 7 Affordable and clean energy
- 8 Decent work and economic growth
- 9 Industry, innovation and infrastructure
- 10 Reduced inequalities
- 11 Sustainable cities and communities
- 12 Responsible consumption and production
- 13 Climate action
- 17 Partnerships for the goals



The material topics addressed by Crocco in this Sustainability Report are aligned with the relevant reference SDGs. Indeed, this step is crucial in aligning our impacts, on a more local scale, with the major challenges that involve all actors globally engaged in achieving the Sustainable Development Goals.

PARTNERSHIPS AND ALLIANCES FOR SUSTAINABILITY



At Crocco, we are aware of the impact caused by our industry and the impact the packaging industry has on the planet, particularly on our seas. At the same time, in recent years we have seen the spread of an increasingly negative image of plastic. This concern was repeatedly expressed in interviews with stakeholders. In particular, we noted a significant, twofold aspect.

On the one hand, we are aware that we are under close scrutiny as a leading company in the **plastics industry**. On the other hand, we are determined to counteract this perception and are committed to minimising the impact that plastic packaging can have on the environment. We want to respond to stakeholders' expectations and seriously address all challenges related to sustainability. For some time now, we have been committed to seriously quantifying the climate footprint of our products and the company itself, in order to offer concrete answers and sustainable solutions in terms of sustainability.

To achieve this, we also collaborate with various **institutions at the local, national and international levels**. We strive to involve the entire supply chain and actively participate in trade associations to promote sustainable engagement.

WE BELONG TO THE FOLLOWING ASSOCIATIONS AND NETWORKS:

- >> **Confindustria** (*General Confederation of Italian Industry*)
- >> **GIFLEX** (*Flexible Packaging Group*)
- >> **EuPC** (*European Plastic Converters*)
- >> **Unionplast** (*Plastic Rubber Federation*)
- >> **IPPR** (*Institute for the Promotion of Recycled Plastics*)
- >> **COREPLA** (*National Consortium for the Collection, Reclamation and Recycling of Plastic Packaging*)

Building on the efforts undertaken in this direction, we are confident that the entire industry can achieve concrete results and help raise awareness of the importance of plastic film. At the same time, we want **to promote education on recycling and the correct product disposal practices**.

We sincerely trust that the actions taken throughout the supply chain will generate interest and promote meaningful change, involving not only customers and suppliers but also the community at large. This can start with our employees and their families, creating widespread awareness of the importance of sustainability and the adoption of responsible practices.

At Crocco, we believe that the collaboration and commitment of all the actors involved will help promote a sustainable culture and contribute to **a better future for industry and the environment**.

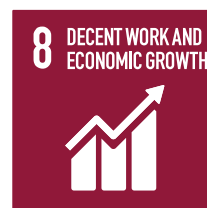




SUSTAINABILITY IN ECONOMIC MANAGEMENT AND GOVERNANCE

CREATED AND DISTRIBUTED VALUE

GRI 201-1



THOUSANDS OF €	2021	2022
Revenues	135.474	155.537
Change in inventory of finished products	2.130	423
Other income	1.857	4.842
Net financial income and charges	104	191
Income from equity investments	100	0
Currency exchange differences	1,6	-0,6
Value adjustments to tangible and intangible assets	-4.835	-5.306
(A) TOTAL ECONOMIC VALUE GENERATED	134.831	155.685
Supplier remuneration and operating costs	117.716	131.269
Personnel costs	11.798	12.074
Remuneration of financing lenders	1.122	1.813
Change in inventory of raw materials	-3.115	757
Payments to public administration bodies	1.562	1.698
Gifts and donations	15	22
(B) TOTAL ECONOMIC VALUE DISTRIBUTED	129.098	147.633
(A-B) ECONOMIC VALUE RETAINED	5.733	8.052

With its significant growth, 2022 was an important year for the Crocco Group. We achieved, and in some cases exceeded, the goals we had set ourselves: the results obtained are further confirmation of the soundness of our adopted strategies.

Thanks to the investment policy we implemented and the actions we took to focus on sustainability and environmental impact, we enhanced our competitive edge and consolidated our role as a top player in the industry.

As a more than solid undertaking, the Crocco group operates on the market today with sustainable and innovative business models, ready to face future challenges and seize opportunities.

Revenues show a consolidated trend of continuous growth: we stabilised our market position even further this year as we recorded revenue growth in excess of 15%.

The results achieved carry an even greater weight in a scenario of national and global inflation and rising energy and raw material costs. The Group's performance testifies to the solidity of its industrial system and its ability to react and adapt to complex challenges, as already demonstrated during the pandemic period.

ETHICS AND INTEGRITY

We approved **Crocco's Code of Ethics** on 1 October 2019. This document sets out our core values and is the cornerstone of our management policy. At the same time, we issued a **Code of Business Conduct**, a set of behavioural standards that applies to all the company's employees and executives, which was later extended to all suppliers with whom we do business.

We call for respect of the following themes:

- >> Compliance with laws and regulations
- >> Honesty, equality and fairness in supplier relationships
- >> Prevention of conflicts of interest
- >> Prevention of corruption
- >> No forced labour
- >> No child labour
- >> No harassment
- >> Fair wages
- >> Fair working hours
- >> Non-discrimination
- >> Health, safety and sustainability
- >> The environment
- >> Freedom of association and collective bargaining
- >> Safeguard of Crocco's assets

As listed above, one of the principles enforced by the Code of Ethics is the **Prevention of conflicts of interest**.

Crocco's executives, employees and suppliers must always act in the best interests of the group. Therefore, any situation that may lead to a conflict of interest



(actual or perceived) with the company must be avoided. This applies, in particular, to all information and data provided by Crocco, which must be treated in strict confidence (unless publicly available) and may not be used for personal gain or disclosed to persons not authorised to receive it.

The prevention of conflicts of interest is governed by the Code of Ethics.

Crocco's shareholders are all members of the Board of Directors. Two are also members of the boards of the other subsidiaries.

The above is public domain information as disclosed in the Chamber of Commerce records.

The Code of Ethics is public and shared within the company. It is not disseminated externally, but is available on the website. The Code of Ethics governs corporate procedures for handling complaints and other negative impacts.

Other procedures are not currently formalised but are managed internally.

During the reporting period, there were no significant instances of non-compliance with laws and regulations, nor were any monetary or non-monetary penalties paid. No cases of corruption were recorded during the reporting period.

MODEL 231 AND THE SUPERVISORY BOARD

In February 2021, we adopted the **Organisation, Management and Control Model** in accordance with Italian Legislative Decree 231/2001. This organisational model establishes an internal control system and specific rules of conduct to prevent offences committed by the company's executives, employees and collaborators.

As established in Annex 5 of the Model, a **Code of Conduct** serves to identify sanctionable conduct that could put the organisation at risk. The Board of Statutory Auditors acts as the relevant **Supervisory Board**. In an annual report, it notifies any violations of the Model to the Board of Directors, which will take the necessary corrective measures.

The Model also includes **whistleblowing** procedures and mechanisms to enable anyone to report offences anonymously. Such reports can be sent to the dedicated email address or placed in the whistleblowing box, which is available to employees. Internal training and communication activities are carried out to disseminate knowledge of the Model to all employees and executives.

The adoption of the Model has helped the company to **prevent environmental offences, meet regulatory deadlines and avoid administrative sanctions**, ensuring compliance at all times.

Model 231 regulates anonymous notifications to the Supervisory Board. No critical issues were raised or reported during the reporting period. Conduct-related matters may be reported through the Supervisory Board.

Pertinent reports can be made to the Human Resources Office. In addition, special forms are available to employees for reporting cases of environmental non-compliance.

REPORTS AND NON-COMPLIANCE	2021	2022
Number of reports to the Supervisory Board – whistleblowing	none	none
Number of cases of corruption	none	none
Number of cybersecurity incidents	none	none

PRODUCT TRACEABILITY: OUR SUPPLY CHAIN

GRI 204-1

To be able to define ourselves as a sustainable company, not only must we be aware of the impact of our own actions, but we must also understand the values and operations of our suppliers.

One of our commitments has been to share the Code of Ethics with all our suppliers. Indeed, all suppliers who wish to work with Crocco are required to approve all the Principles of Good Conduct enshrined in it. This preliminary activity enables us to monitor and ensure formal acceptance of international human rights principles, as well as generally accepted labour and worker protection good practices – a key aspect when considering new business relationships.

Furthermore, although we do not currently have a policy that identifies specific criteria for selecting suppliers, we are committed to mapping their commitments. In fact, new suppliers are given an **assessment questionnaire** aimed at exploring their adopted policies and actions in the following areas:

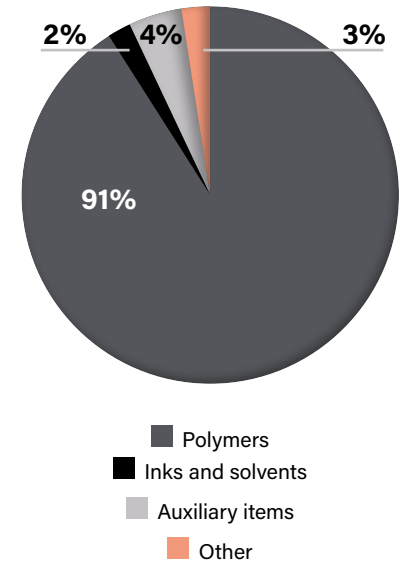
- >> Quality and Hygiene
- >> Environment and Safety
- >> Sustainability.

The results of completed questionnaires assign each new supplier a score, which reflects the extent of their commitments. We then assess preferential channels based on the results in order to enhance collaboration with those suppliers who are already aligned with our values and sustainability commitments.

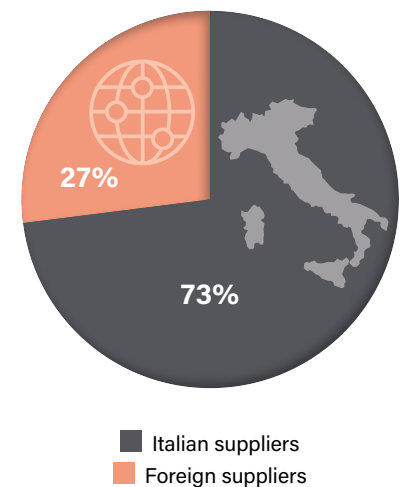
The materials we buy are mainly plastic raw materials (granules), which we source directly from manufacturers. This category represents 91% of our total materials input, a breakdown in line with the previous year. The remaining materials are inks and solvents for printing, as well as auxiliary materials for packaging and shipping (tubes, boxes, pallets, labels).

The producers we source from are mainly local, i.e. located in Italy. Indeed, no less than 73% of procurement expenditure is domestic. The remaining

PURCHASES 2022



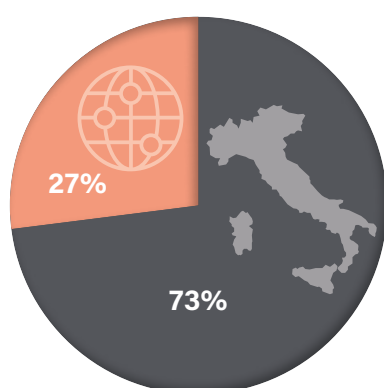
2022



27% is spent mainly within the European Union. International procurement is mostly from Belgium, Austria, France, Germany and Slovakia.

Also with regard to raw materials (plastic granules), almost three quarters of the expenditure is allocated to local suppliers. The figure is in line with the previous year and denotes a continuity in the approach adopted by Crocco in the search for new collaborations.

Raw Materials 2022



■ Italian suppliers
■ Foreign suppliers

Polymers



Foreign suppliers

2021	27%
2022	27%

Italian suppliers

2021	73%
2022	73%

HEALTH AND SAFETY OF CUSTOMERS AND CONSUMERS

GRI 416-2



At Crocco, we are committed to ensuring the quality and safety of the products we offer: careful management of this issue is essential to avoid non-compliance and loss of competitiveness. We adopt policies and commitments to produce safe, high-quality products that comply with the regulations of destination countries.

To manage food safety, we formed a **HARA team**, which is charged with analysing the risks and hazards associated with the products. This analysis is reviewed every year, together with the management system. In the event of non-compliance or complaints, we assign multidisciplinary teams to handle the situation, identify the root causes and implement specific procedures.

Management periodically assesses the food quality and safety system by examining data on production, reject rates, complaints and other performance indicators.

We engage consultants and conduct internal audits and monitoring campaigns to assess the effectiveness of the actions taken. In addition, customer feedback is collected through questionnaires and then carefully analysed.

Finally, we assess the food safety impact of all food contact films to ensure compliance with regulations – including the REACH Regulation.

The safety of food contact films is fully guaranteed for all products in this category by means of global and specific laboratory migration tests, according to EU Regulation No. 10/2011. These tests assess the risk of transferring the plastic material contained in the products to foodstuffs and are essential to guarantee all our customers a safe film that does not pose a health risk to consumers. Microbiological tests are carried out on a sample basis and are accompanied by specific analyses to determine the degree of ink set-off.

These measures and processes underpin **our commitment to safeguard the health and safety of our customers and the end users of our products** by continuously improving film quality and maintaining safety regulation compliance. As a confirmation of this commitment, we have not experienced any non-compliance incidents in the two years 2021-2022.







ENVIRONMENTAL SUSTAINABILITY

An evergreen commitment

As we always say, we have placed the protection of our environment at the heart of our operations.

We have always lived in close contact with nature, and the only business model we can imagine – the one we aspire to – is predicated on manufacturing in full respect of our home planet.

This is why, starting with the implementation of an Environmental Management System (ISO 14001), we have aligned all processes and production facilities to certain certified procedures, rules and guidelines for responsible management of all our environmental impacts.

In addition, this system enables us to act in a targeted and timely manner on individual impacts – such as waste production, water discharge, energy consumption and emissions into the atmosphere.

In addition to this, we are committed to the research and development of consistently innovative products that can reconcile the specific needs of customers and consumers with the global environmental challenges we collectively face, a commitment that has always been enshrined in our vision.

THE FIGHT AGAINST CLIMATE CHANGE

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4



Among the challenges we collectively face, one of the most urgent is climate change. The fate of the earth is in the hands of each and every one of us, and even in our own small way, we are convinced that we can promote global change.

As early as 2020, we started quantifying the emissions generated by our production in accordance with the ISO 14067 standard for calculating the Carbon Footprint. In particular, Crocco has developed the Systematic Approach Product Carbon Footprint model, an innovative approach that enables the quantification **of greenhouse gas (GHG) emissions throughout the life cycle** for multiple product types. Furthermore, in support of this ongoing commit-

ment, we have extended the company's environmental policy to include a reference to monitoring and promoting the calculation of CFP using the systematic approach.

This approach applies the **LCA (Life Cycle Assessment)** methodology and enables us to identify primary GHG emission impact mechanisms in a scientific and quantitative manner. We can thus implement solutions to reduce emissions related to our production.

Two key points:



ECO DESIGN

focused on finding raw material solutions with a lower environmental impact, for example, by using recycled plastic material and reducing film thickness



ECO EFFICIENZA

focused on making the production process efficient and optimising energy consumption to reduce the production-related impact

The creation of an elaborate model, built with data from the company's products and processes, also enables us to quickly and efficiently track the emissions generated by each individual product.

In this way, we can provide our customers with two types of qualified information: transparent supply chain disclosure to inform them about raw material sources and the impact of the plastic film we sell to them in terms of CO₂ equivalence.

With the same commitment, in 2021, we quantified the **organisation's GHG emissions inventory** for the first time, according to the ISO 14064-1:2018 standard. This study comprised an in-depth analysis to learn how emissions are distributed along our entire value chain, not only in relation to our plant facilities (Scopes 1 and 2) but also quantifying indirect Scope 3 emissions. To calculate organisation level emissions, we integrated information from the product Carbon Footprint model, resulting in a system that provides easy access to all the necessary data on the company's emissions.

The data is based on emission factors obtained from SimaPro, the reference

CARBON FOOTPRINT ITALY



CFI is the Italian carbon management programme dedicated to reporting the results of the quantification of greenhouse gas (GHG) emissions related to products and organisations.







Participation in the programme is open to all organisations and products in possession of an accredited third-party certificate that quantifies their GHG emissions.

Carbon Footprint software platform.







The inventory has been updated with data from 2022. The updated model was subjected to third-party verification, both in 2021 and 2022.

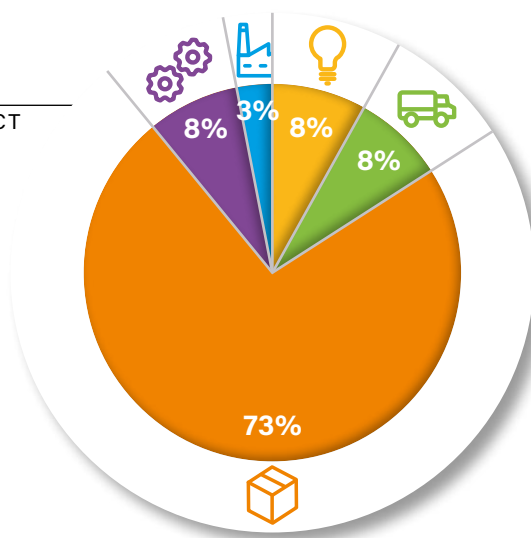
The adoption of ISO 14064-1 and its subsequent verification also qualified Crocco for inclusion in the [Carbon Footprint Italy \(CFI\)](#) register, which ensures that our results are disclosed in a transparent manner.

CROCCO'S GHG INVENTORY¹

ISO 14064-1			2020 tCO ₂ e <small>baseline year</small>	2021 tCO ₂ e	2022 tCO ₂ e
	Category 1	Direct GHG emissions and removals	3.575	3.809	4.206
	Category 2	Indirect GHG emissions from imported energy	8.854	8.387	11.759
	Category 3	Indirect GHG emissions from transport	11.841	38.670	13.072
	Category 4	Indirect GHG emissions from products used by the organisation	114.380	109.961	109.469
	Category 5	Indirect GHG emissions from products made by the organisation	11.411	15.268	11.835
	Category 6	Indirect GHG emissions from other sources	0	0	0
EMISSIONI TOTALI			150.061	176.095	150.341




SIGNIFICANT
DIRECT AND INDIRECT
GHG EMISSIONS




-  Category 1
-  Category 2
-  Category 3
-  Category 4
-  Category 5
-  Category 6



The calculation of Scope 3 emissions considers the ISO 14064-1 macro-categories 3, 4 and 5. In particular, we found it significant to quantify all emissions from transport, investigating the impact of the movement of incoming materials, finished products, home-to-work commuting, customer/visitor transport and business travel itself.

In addition, in relation to category 4 we counted emissions from purchased goods – certainly the largest impact among the various categories considered – and emissions from waste generation and management. In order to carry out comprehensive and transparent work towards our stakeholders, emissions from the end-of-life of our products have also been included.

"LOCATION-BASED" APPROACH ²			2020 baseline year tCO ₂ e	2021 tCO ₂ e	2022 tCO ₂ e
	SCOPE 1	Direct emissions generated by the company	3.575	3.809	4.206
	SCOPE 2	Indirect emissions generated by energy purchased and consumed by the company	8.854	8.387	11.759
	SCOPE 3	Indirect emissions generated by the company's value chain	137.632	163.899	134.376
EMISSIONI TOTALI			150.061	176.095	150.341

"MARKET-BASED" APPROACH ³			2020 anno di baseline tCO ₂ e	2021 tCO ₂ e	2022 tCO ₂ e
	SCOPE 1	Direct emissions generated by the company	3.575	3.809	4.206
	SCOPE 2	Indirect emissions generated by energy purchased and consumed by the company	0	0	0
	SCOPE 3	Indirect emissions generated by the company's value chain	137.632	163.899	134.376
EMISSIONI TOTALI			141.207	167.708	138.582

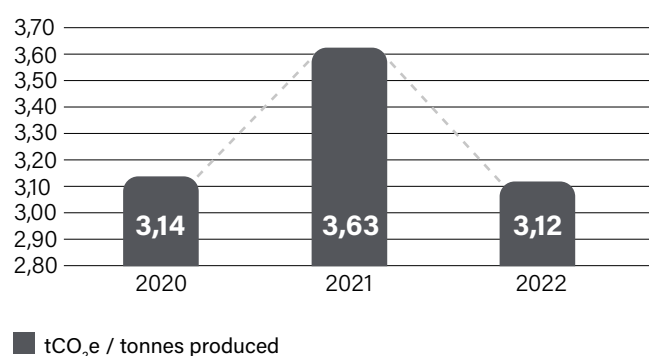
In line with the ISO 14064-1 standard, we defined a baseline against which to compare our emissions reduction pathway, which is the year 2020.

When analysing the change between 2022 and 2020, the total emissions of the plant facility are almost the same. Compared to tonnes produced, the value of emissions shows a slight but significant reduction in the identified KPI (tCO₂e/tonnes produced).

However, the 2021 greenhouse gas inventory figure is not comparable with the historical trend due to the use of an incorrect emission factor (kgCO₂e/kgkm) for the calculation of indirect emissions from transport activities.

KPI

EMISSIONS AGAINST PRODUCTION



[1] To calculate the inventory of organisation-related GHG emissions, the following sources were used: - AIB 2021, the SimaPro 9.3.0.2 software application (PRè, 2021) and, in particular, the Ecoinvent 3.8 databases. It should be noted that the data were later validated by an accredited third-party body.

[2] Location-based: this considers the average intensity of GHG emissions from the networks on which energy consumption occurs, mainly using data relating to the average emission factor of the network.

[3] Market-based: provides for the use of emission factors defined on a contractual basis with the electricity supplier. The market-based calculation also includes the use of a residual mix if the intensity level of the organisation's emissions is not specified in its contractual instruments.

THE GREENSIDE MODEL

13 CLIMATE ACTION



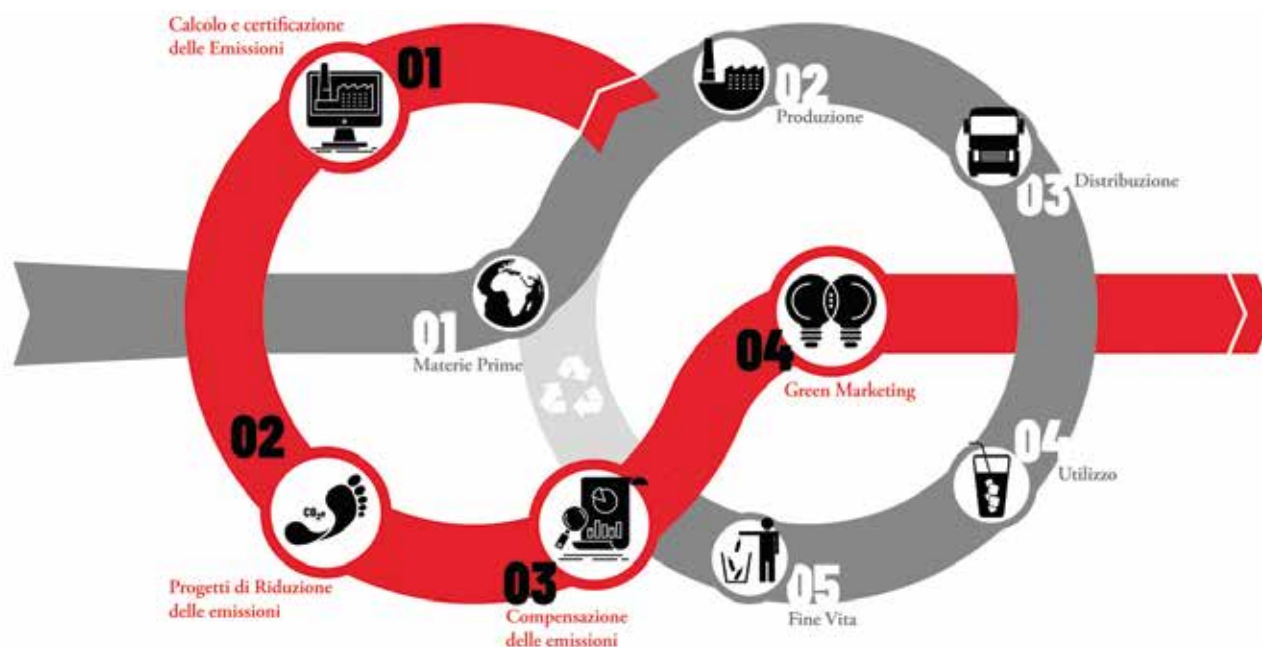
For years, we at Crocco have made the global goal of sustainability our own, fully embedding it within our corporate strategies. 2018 saw the achievement of a further milestone on this roadmap: in line with our goals, we signed a special Voluntary Agreement with the **Ministry of the Environment and Energy Security** to reduce and neutralise our emissions; this agreement is still ongoing.

This new philosophy led to the creation of **Greenside**, a design method for creating flexible packaging that respects the latest production paradigms based on the Circular Economy and the reduction of greenhouse gas emissions.



MINISTERO DELL'AMBIENTE
E DELLA SICUREZZA ENERGETICA

Through this **Sustainable Innovation** model, we support our customers in designing products with certain characteristics, contributing to reducing emissions along the product life cycle. From emission calculations to the joint design of low-emission packaging, we accompany our customers along all stages of product definition with a view to a truly **green partnership**.



>> We enter our customers' production process by providing CO₂eq neutralised packaging, helping to reduce emissions throughout the life cycle of their product.

>> Our customers more easily achieve their environmental impact reduction targets by partially adopting carbon-neutral offset packaging in their product life cycle.

RESEARCH AND DEVELOPMENT OF PRODUCTS WITH LOW ENVIRONMENTAL IMPACT: RAW MATERIALS

GRI 301-1, GRI 301-2, GRI 301-3



We offer a wide range of flexible packaging products to meet every need. Our offer includes different product categories suitable for various industries and uses. We are committed to continuously investing in research and development of advanced solutions that are resilient, sustainable and cost-effective for the environment, society and the economy.

Our philosophy, an integral part of our corporate policy, is based on the utmost care for the environment and the ecosystem. To meet our customers' needs as well as our own, we are committed to purchasing certified raw materials, paying particular attention to their origin. In addition, we are progressively increasing the supply of **Post-Consumer Recycled content (PCR)**.

Building on experience already established over the years, we implemented some new projects in 2022 to increase our product offering. For certain categories of film, we are undertaking projects aimed at **delamination**, i.e. reducing the thickness of the film and introducing **PCR**, i.e. recycled raw material.

Other products, on the other hand, have been **completely redesigned** to improve and facilitate recycling, with the aim of replacing PA or PET in multi-material laminated packaging: an example is EVA-free coverstretch, or certain PE films developed with high rigidity and transparency characteristics.

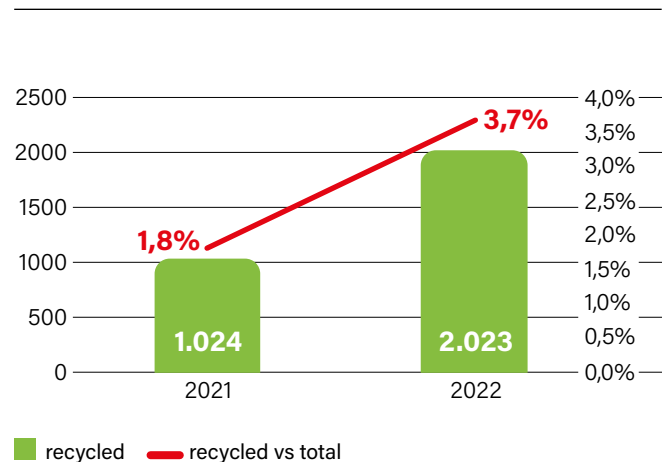
Operational since 2005, our Environmental Management System also enables us to monitor data on the purchase of raw materials from recycling, guaranteeing reliable and easily accessible information via internal management software. Other internal data is processed by the environment and safety department or the technical department.

Thanks to this continuous monitoring, we can easily access data showing that the purchase of recycled raw material has increased dramatically over the last few years: the figure almost doubled from 2021 to 2022, **from 1,024 tonnes to 2,023 tonnes** of material used from recycling.

When proportioned to the total purchase of raw materials, this rises from 1.8% to 3.7%, effectively doubling the amount of recycled raw material purchased.

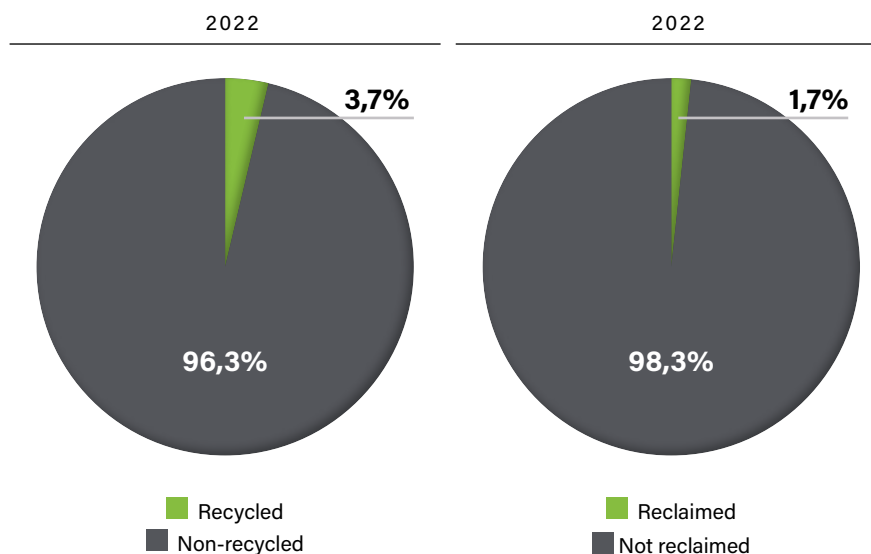
Another interesting indicator reflects the use of reclaimed products and related packaging materials: these

RECYCLED MATERIAL USED (tonnes)



are **rejected end products that are reused in the production process** and therefore not considered as waste (such as film trimmings or regranulated non-compliant material).

In this case, the reclaimed percentage remained unchanged, a figure in line with the previous situation – considering that there were no significant changes in Crocco's production during the last year.



As far as impact management is concerned, there are both positive and negative effects to consider.

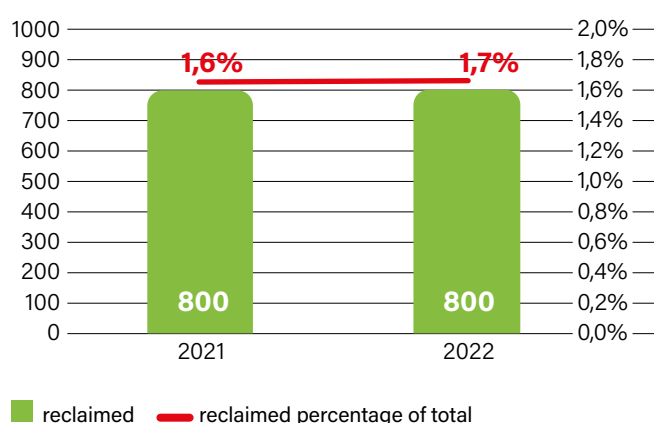
Among the **positive impacts**, we can include the increase in the acquisition of recycled raw material and reduced procurement of virgin raw material. These measures have a positive impact on the environment, reducing the extraction of natural resources and promoting the use of existing materials.

However, there are also some **negative impacts** to consider, including the increase in the purchase of virgin raw material in the event of no supply of recycled raw material. In addition, the fluctuation of costs can represent a further negative impact for the company. However, we are constantly committed to **monitoring these impacts** and **taking the necessary measures** to minimise their negative effects.

On the other hand, for a global vision of the materials used to make and package our products, we have listed a breakdown of all the materials used.

RECLAIMED PRODUCTS

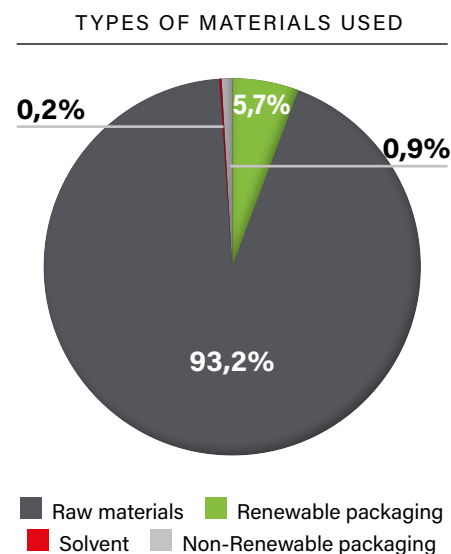
(tonnes)



301-1 MATERIALS USED (tonnes)		2021	2022
RENEWABLE ORIGIN	renewable packaging	3.332	3.161
NON-RENEWABLE ORIGIN	raw materials	52.682	51.466
	maintenance	176	129
	non-renewable packaging	382	489
TOTAL		56.572	55.245

Thanks to the continuous monitoring carried out through the Environmental Management System, the CFP Systematic Approach model and the GHG emissions inventory, materials-related data is easily available.

Specifically, with regard to materials of renewable origin (5.7% of the total), these are packaging such as boxes, cardboard tubes and pallets; compared to materials of non-renewable origin, almost all is represented by the purchase of raw material, while only a minimal part consists of packaging or solvents used for maintenance.



ENERGY CONSUMPTION

GRI 302-1, GRI 302-2, GRI 302-3



In addition to focusing on the eco-design of our production, at Crocco we have made a commitment to **ensuring better energy performance** per unit of product manufactured year-on-year in order to reduce the impact on our surrounding environment and achieve economic savings due to reduced consumption.

Since we are classified as an energy-intensive company, the effort we put into mitigating our energy-related impacts is crucial. Indeed, reducing energy consumption is part of Crocco's environmental policy, and we are committed to managing this issue as best we can, first and foremost through continuous monitoring.

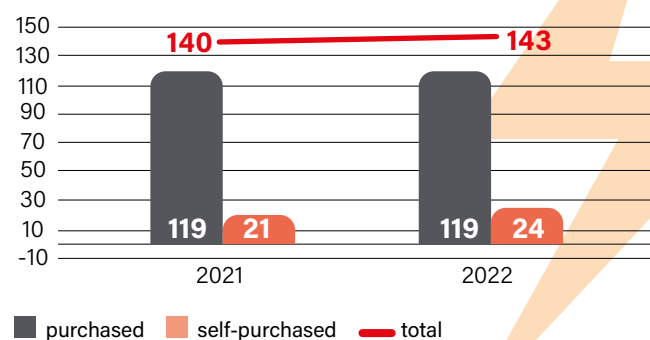
We log our electricity and natural gas meter reading on a monthly basis and the data is shared with the external energy management consultant.

We also have a 1 MW trigenerator for self-generating electricity from gas, refrigeration and heat for the production process.

With regard to electricity consumption, it is important to emphasise the 17% increase recorded in the share of self-generated electricity, which is also a consequence of Crocco's strategy to increase photovoltaic energy production.

ELECTRICITY

(TJ)



In 2021, we installed a 1 MW photovoltaic plant and in 2022 we completed another 640 kW plant, with the goal of extending its power to 2.4 MW by 2024. Furthermore, in order to meet our environmental targets, **since 2021 we have purchased Guarantees of Origin on every portion of energy sourced from the grid.**

We have also implemented a monitoring system that enables us to track each machine's energy consumption and are working on defining energy performance management KPIs.

To align all our efforts in terms of energy management, we have set ourselves the goal of obtaining **ISO 50001** certification by 2023. We thereby commit ourselves to a path of continuous improvement of our energy performance towards an ever greater awareness of our impacts and the pursuit of energy efficiency.

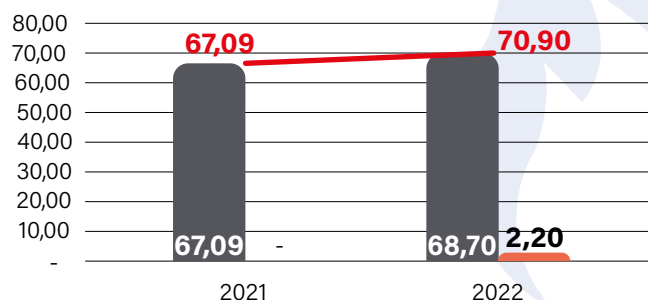
Natural gas is used in all our plant facilities for purposes not related to production, i.e. for heating. However, Plant Facility A is equipped with a trigeneration unit with a capacity of 1 MW, which, as mentioned above, serves to produce electricity for our production processes.

Natural gas consumption in 2022 increased by 6% compared to 2021, despite production remaining virtually constant. This slight increase in the KPI is due to the increase in gas used for power generation by the trigeneration plant.

Finally, we recorded energy consumption deriving from fuel use during travel with company cars. This increased significantly in 2022, by about 30% and 20% respectively. This increased consumption is due to the fact that business travel, which had dropped dramatically during the most impactful years of the Covid-19 pandemic, has now returned to previous levels.

NATURAL GAS

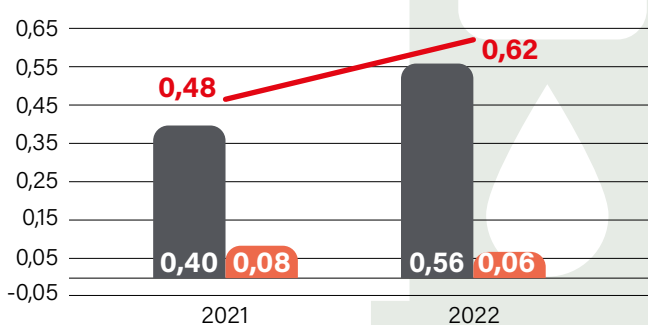
(TJ)



■ production uses ■ non-production uses — total

DIESEL

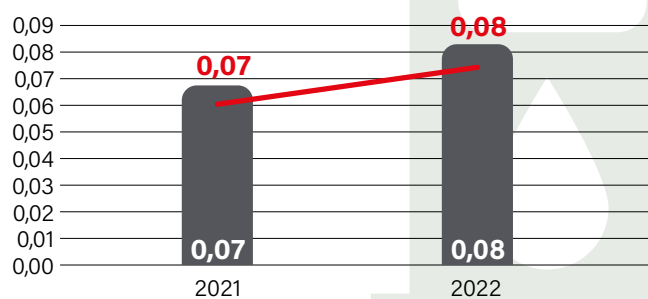
(TJ)



■ company cars ■ freight — total

PETROL

(TJ)



■ company cars — total

Below, we summarise the data relating to Crocco's energy consumption.

TYPE	2021	2022	VARIAZIONE
NON-RENEWABLE ENERGY SOURCES			
NATURAL GAS (TJ)	67,09	70,90	+6%
DIESEL (TJ)	0,48	0,62	+31%
PETROL (TJ)	0,07	0,08	+23%
ELECTRICITY PURCHASED FROM THE GRID			
ELECTRICITY (TJ)	119,24	118,58	-1%
OF WHICH FROM RENEWABLE SOURCES (with GO)	119,24	118,58	-1%
SELF-PRODUCED ELECTRICITY			
ELECTRICITY (TJ)	20,85	24,29	+17%
OF WHICH FOR SELF-CONSUMPTION	20,85	24,29	+17%
TOTAL ENERGY CONSUMPTION	207,73	214,48	+3%

WATER DISCHARGE MANAGEMENT

GRI 303-3, GRI 303-4, GRI 303-5



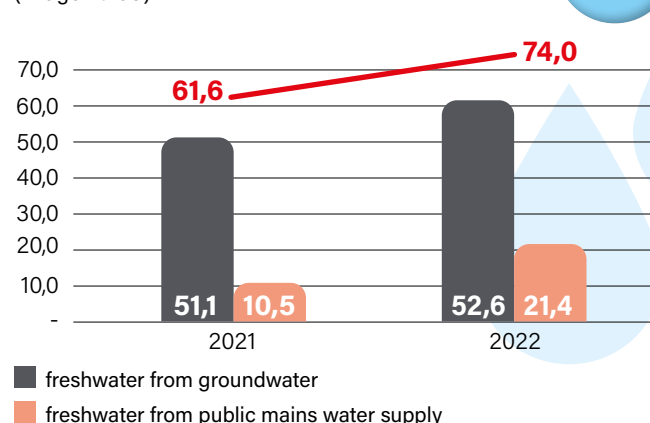
Although we do not need a lot of water for our production, we are very careful about how the resource is managed. In fact, water discharge management is part of the company's environmental policy. Monthly meter readings are taken and recorded on a special form in our Environmental Management System. Here, specific KPIs that enable us to assess the effectiveness of the actions implemented are defined. The management of these processes is internal and does not involve stakeholders.

As required by regulations, Plant Facility A is equipped with a rainwater collection system which collects first and second rainwater and treats it before discharging it into the sewer system. Plant cooling is implemented using a closed recirculation system. In Plant Facility A, water is drawn from a well, while in the other plants, it is drawn from the public mains water supply.

The Crocco plant facilities are not located in water-stressed areas⁴.

Data collected reveal that the amount of water withdrawn for Crocco's production needs from groundwater

WATER WITHDRAWAL
(megalitres)



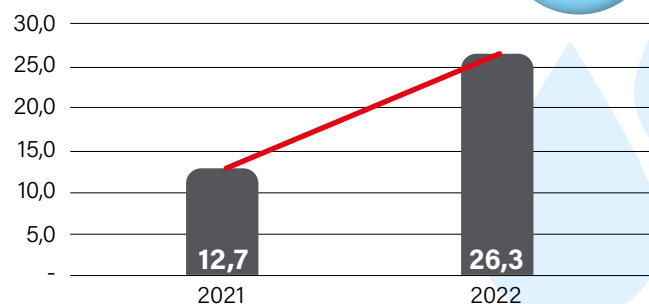
[4] Assessment carried out according to the European Report on water stress areas and the Aqueduct Water Risk Atlas (World Resources Institute).

is in line with the previous year, while there is a significant increase in water drawn from the public mains water supply.

Surface water discharge, on the other hand, shows a significant increase, with water discharges more than double those of the previous year. This change is mainly concentrated at Plant Facility B, where the flushing of the evaporation towers has increased.

WASTEWATER DISCHARGE

(megalitres)



■ freshwater from surface water

WASTE MANAGEMENT

GRI 306-3, GRI 306-4, GRI 306-5



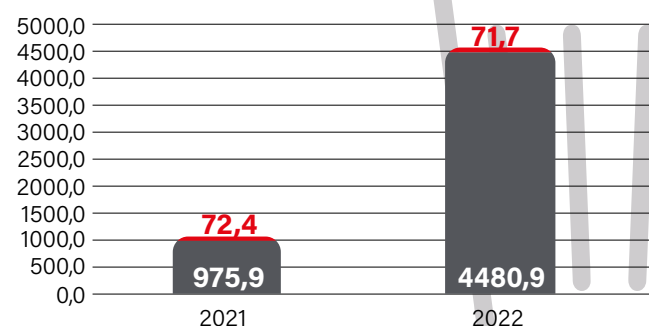
For a packaging production company like Crocco, waste management is a major issue, given the significant impact it entails.

In order to manage and reduce the amount of waste produced as much as possible, we are committed to disposing of the by-product as waste and then purchasing it as regranulate, thus decreasing our carbon footprint.

We are committed to managing this issue with full respect for the environment and regulations to avoid both environmental and reputational damage. For these reasons, reducing the waste produced is part of our environmental policy. This is managed by means of an internal software application (RISOLVO), in which we enter all the information needed to process the waste categories, such as quantities, destination facilities and freight information. These practices ensure that we can also obtain statistical information about the waste we generate.

WASTE PRODUCED

(tonnes)



■ non-hazardous ■ hazardous

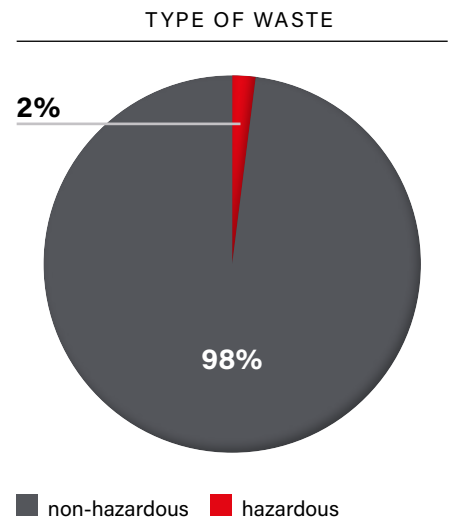
Comparing the figures for 2021 and 2022, we immediately notice a considerable increase in non-hazardous waste – more than four times the initial figure – while hazardous waste remains almost the same (with a slight decrease of 1%).

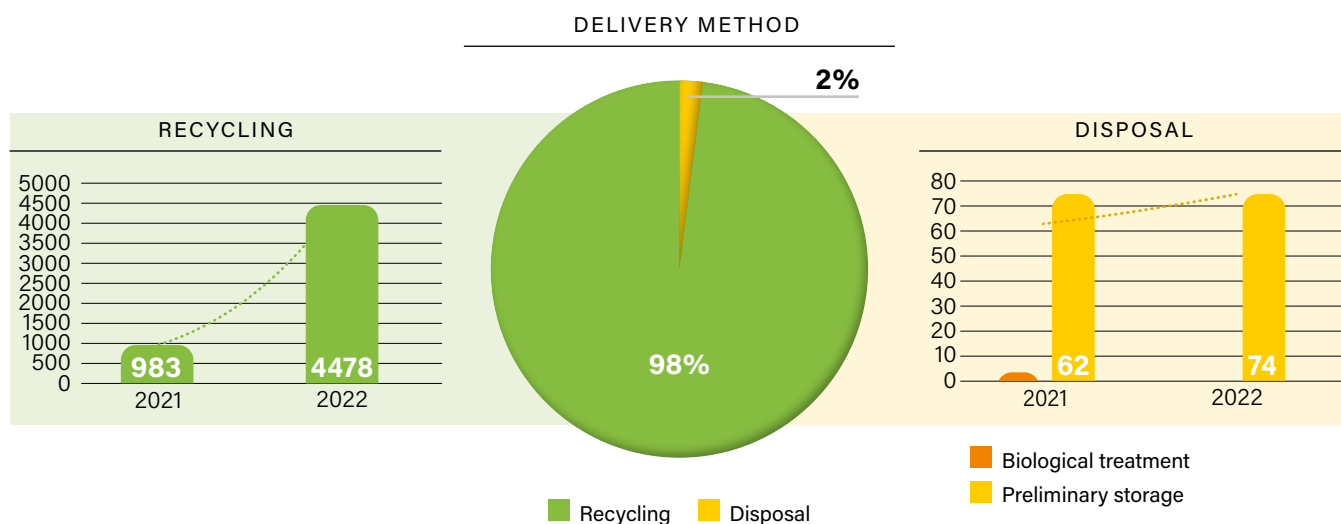
This figure is due to a change in tracking waste from the extrusion department, such as film from plant activation or non-compliant film reels. As of 1 January 2022, in fact, production scraps are disposed of as waste, contrary to previous years when they were considered a “by-product” – and consequently not tracked by means of the form. This explains the considerable increase in non-hazardous waste produced.

This type of plastic waste is transferred to the subsidiary T&T, which is located in the vicinity of Crocco and deals with the regeneration of plastic scraps and waste: **a perfect circular economy model.**

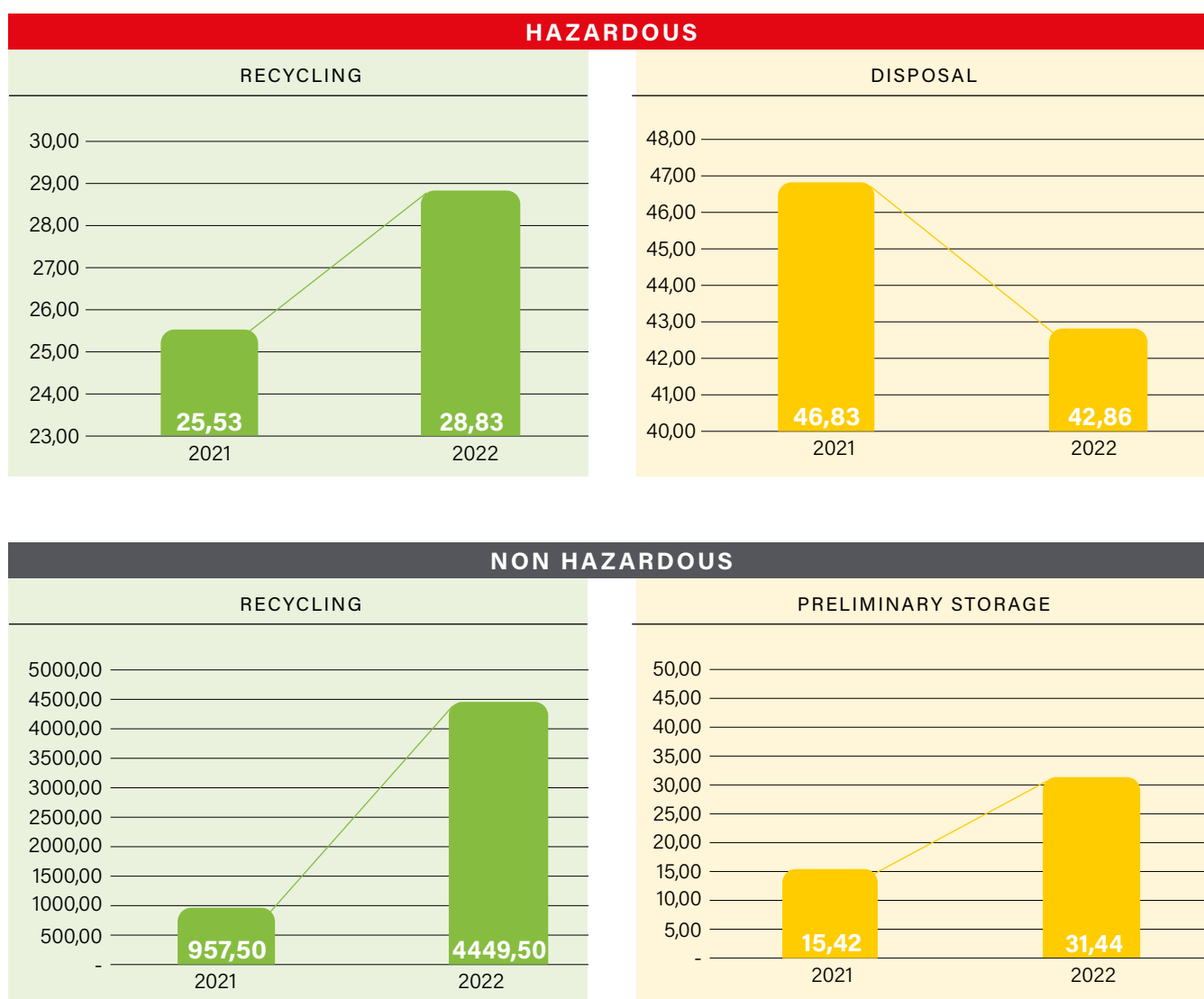
There, waste film is shredded and reduced to very small fragments, after which it is extruded again in the form of pellets. This new raw material is effectively a recycled raw material, and it is also of very high quality since it comes from an industrial environment and from films that have not yet been sold for use. This granulate can be incorporated into our production process as part of composition mixes that always contain a certain percentage of recycled material.

As for the disposal methods, then, most of the waste is destined for recycling. The remaining 2%, i.e. waste destined for definitive disposal, is entirely transferred following preliminary storage. It should be noted that most of the disposal companies are located in the province of Vicenza.





Crocco is also required to manage a quantity of hazardous waste (waste from solvents) that must be handled according to ADR regulations and must, therefore, comply with the applicable legislation.



For further information on the waste produced and its disposal, please refer to the tables in the appendix.

ACCOLADES AND AWARDS

Once again, in 2022, we were recognised by Kon Group and Credit Suisse as one of Italy's **100 most sustainable companies**. For the second edition of the Sustainability Award, promoted with the media partnership of Forbes, the two groups honoured the 100 Italian companies with the highest ESG ratings. The achievement is a testament to Crocco's ongoing commitment to sustainability.



In 2022, Crocco received the **"Friend of the Consumer"** award, assigned by CODACONS, the Italian Consumers' Association, to companies, organisations and individuals who have distinguished themselves in their civic engagement and action to safeguard the community.



Held at the Auditorium Parco della Musica in Rome, the award ceremony honoured 55 companies that have shown commitment to the environment, climate change mitigation and sustainability issues in recent years. Crocco was one of the nominees for the **"Sustainability and Environmental Protection Award"** as a "friend of the consumer" for its commitment to improving the environment and reducing CO₂ emissions.

Crocco is among the **1,000 best performing companies** in the province of Vicenza for 2022.

The distinction was awarded on the basis of a survey conducted by the **ItalyPost** Research Centre. This survey recognised the companies that, on average over the past three years, have strived to produce not only economic profit aimed at individual growth, but also determined growth and financial solidity conducive to reviving the local area and communities.



For the second year in a row, we received a mention in the **CompraVerde Veneto Award**, the award given to the best green practices adopted at different levels for projects in line with the objectives set by the NRRP and in synergy with those of the 2030 Agenda.

This year, the recognition acknowledged Crocco's **Greenside** sustainable innovation model: the mention was awarded in the **"Green Revolution and Ecological Transition"** category of the "Large Companies" section.



For the second year in a row, we were again among the winners of the **Eco-tool** for Eco-design call for entries launched by **CONAI**, Italy's National Packaging Consortium, aimed at rewarding the most sustainable packaging solutions put on the market in the 2021–2022 period. The award-winning innovative packaging solution is **ELABAG®**, a new bag for compost packaging that, unlike the traditional “big bag”, increases compost containment capacity and streamlines shipment while representing a single-material and 100% recyclable packaging alternative.

Also in 2022, we participated in and qualified as one of the finalists of the **Radici Future 2030** Championship, a real contest organised by Confindustria Vicenza in which companies had the opportunity to showcase their best projects in the fields of sustainability, circular economy and business ethics. We participated by presenting **Greenside**, our model for sustainable packaging innovation.



CERTIFICATIONS ACHIEVED

At Crocco, we strongly focus on the quality of our products and processes and therefore consider it important to obtain verifiable and certified results. We are dedicated to obtaining recognised certifications as one way to ensure our commitment to quality, safety and sustainability. This is why we are committed to following strict control procedures and adopting **international standards** to ensure that our products and services meet the highest quality levels.

Crocco's Plant Facility B, where the company produces stretch films and Aliprot food film, has successfully renewed its **BRC Global Standard for Packaging Materials** certification. This certification attests to the solidity of Crocco's product quality and safety management system. The grade obtained (AA) is the maximum that can be achieved.

ALL THE CERTIFICATIONS AWARDED TO CROCCO

ISO 9001:2015	Quality Management System
ISO 14001:2015	Environmental Management System
ISO 45001:2018	Occupational Health and Safety Management System
BRC GS 6	Global Standard for Packaging Materials (Plant Facility B)
ISO 14067:2018	Carbon Footprint of Products – Requirements and guidelines for quantification
ISO 14064-1:2018	Greenhouse gases – Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals
PSV MXE	Product certification for recycled plastics from ECO MIX
PSV RD	Product certification for recycled plastics from sorted collection
ISCC+	Product certification for plastics from recycled or renewable sources
SMETA 4-Pillars	System certification on labour standards, environmental management, corporate integrity, health and safety

For the second year in a row, Crocco has also been awarded the Green Label PRS 2022. PRS Pooling has been organising the controlled reuse and shared use of CP-type pallets for the European polymer industry for over 20 years. **PRS GreenLabel** is the recognition awarded to all parties involved in the reuse process.



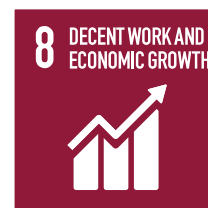


SOCIAL SUSTAINABILITY

Building a fair and responsible
future together

PEOPLE

GRI 2-7



Crocco, a company at the forefront of its sector, attaches enormous importance to the role of human resources in achieving its success. Indeed, it is vital for us to recognise our employees as one of our most valuable resources, as they are the key players in the pursuit of our sustainable development goals: we invest in our people because it means investing in the future and in the growth of the company itself.

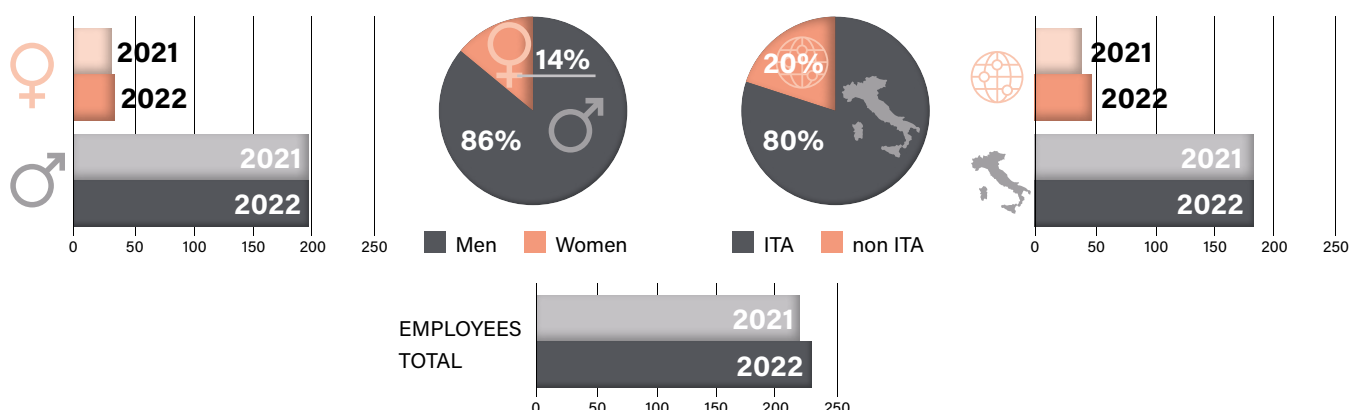
To maintain a highly motivated workforce aligned with company policies, trends and goals, we devote time and energy to continuous education and training of employees. Through professional development programmes, training courses and internal learning opportunities, we strive to ensure that every employee is always equipped with the skills and knowledge needed to meet the challenges in an ever-changing environment.

The enhancement of human resources has always been one of Crocco's fundamental pillars for maintaining a competitive edge in the market. Through incentive policies, well-being programmes and a stimulating work environment, we want to create a positive climate where employees can feel appreciated, motivated and involved in achieving common goals. This HR-centric approach is reflected in Crocco's success and ongoing commitment to building a team of highly skilled and enthusiastic professionals. No incidents of discrimination were recorded during the reporting period.

EMPLOYEES

To monitor employee performance trends, the human resources department has equipped itself with a special attendance tracking system, which has been incorporated into the company's dedicated management system. In line with the approach adopted in the previous year, headcount data stated in the Sustainability Report was recorded at 31/12/2022, i.e. the close of the reporting period.

Crocco's workforce is constantly expanding, with 2022 showing an increase of **4.1%**, i.e. from 221 employees to 230.



86% of employees are male. 100% of employees are deployed at the Italian sites, i.e. within the reporting scope of this report. The breakdown by nationality, on the other hand, sees a slight increase in the number of non-Italian employees, a sign of the company's successful inclusion of workers from other countries.

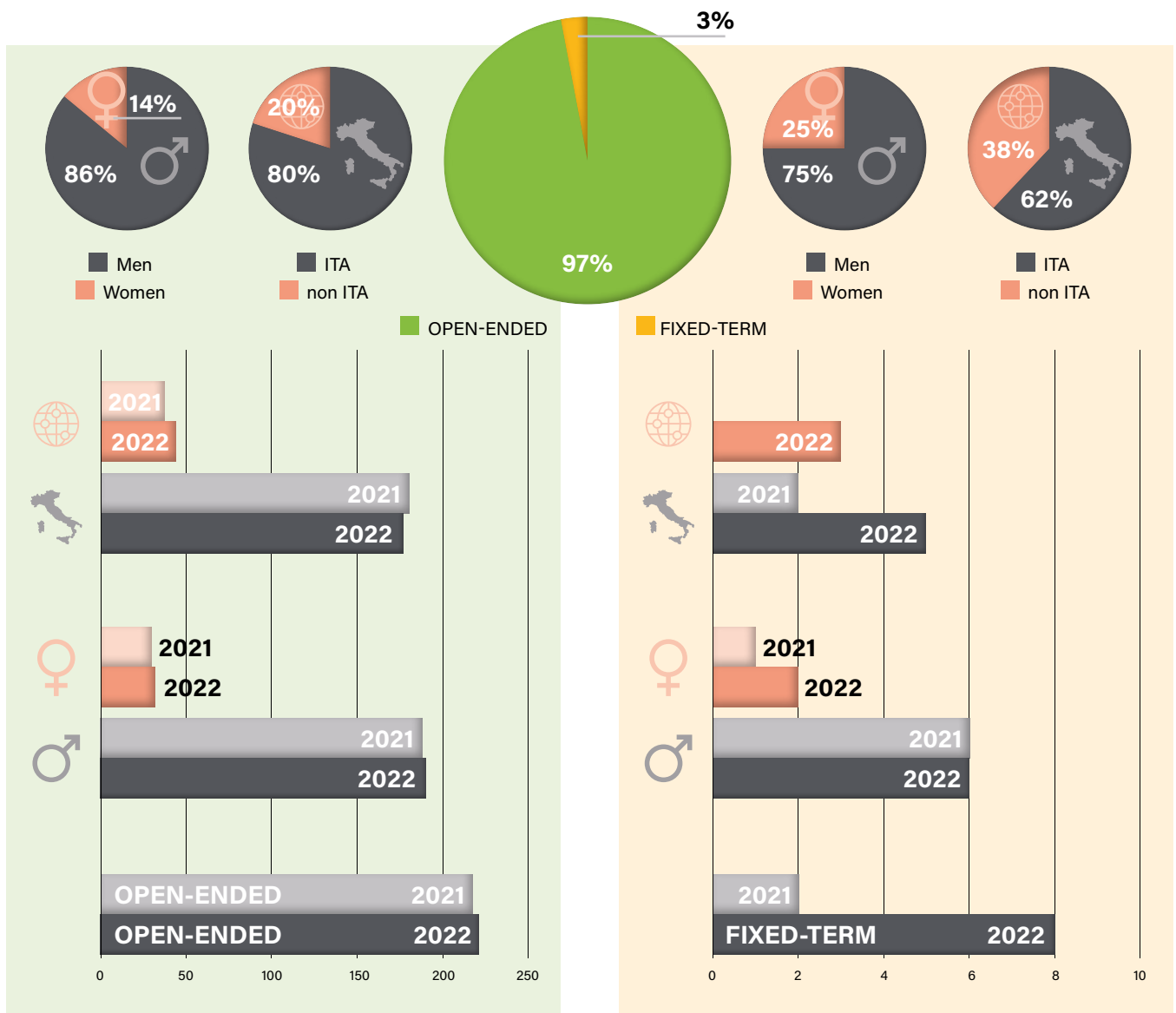
In any case, the figures are in line with those of the previous year, with moderate growth in all categories.

TYPES OF EMPLOYMENT CONTRACT

With regard to the workforce breakdown by contract, there is a significant increase in fixed-term contracts, which rose from 2 to 8. This significant increase in temporary contracts is attributable to a change in how **new resources are managed**. Compared to previous years, a company policy decision was made to favour shorter fixed-term contracts with direct hiring by the company rather than recourse to employment agencies, followed by a transition to permanent contracts within a few months.

This innovation was introduced as it was deemed more effective by the new recruits for evaluating the task undertaken and the related work shifts.

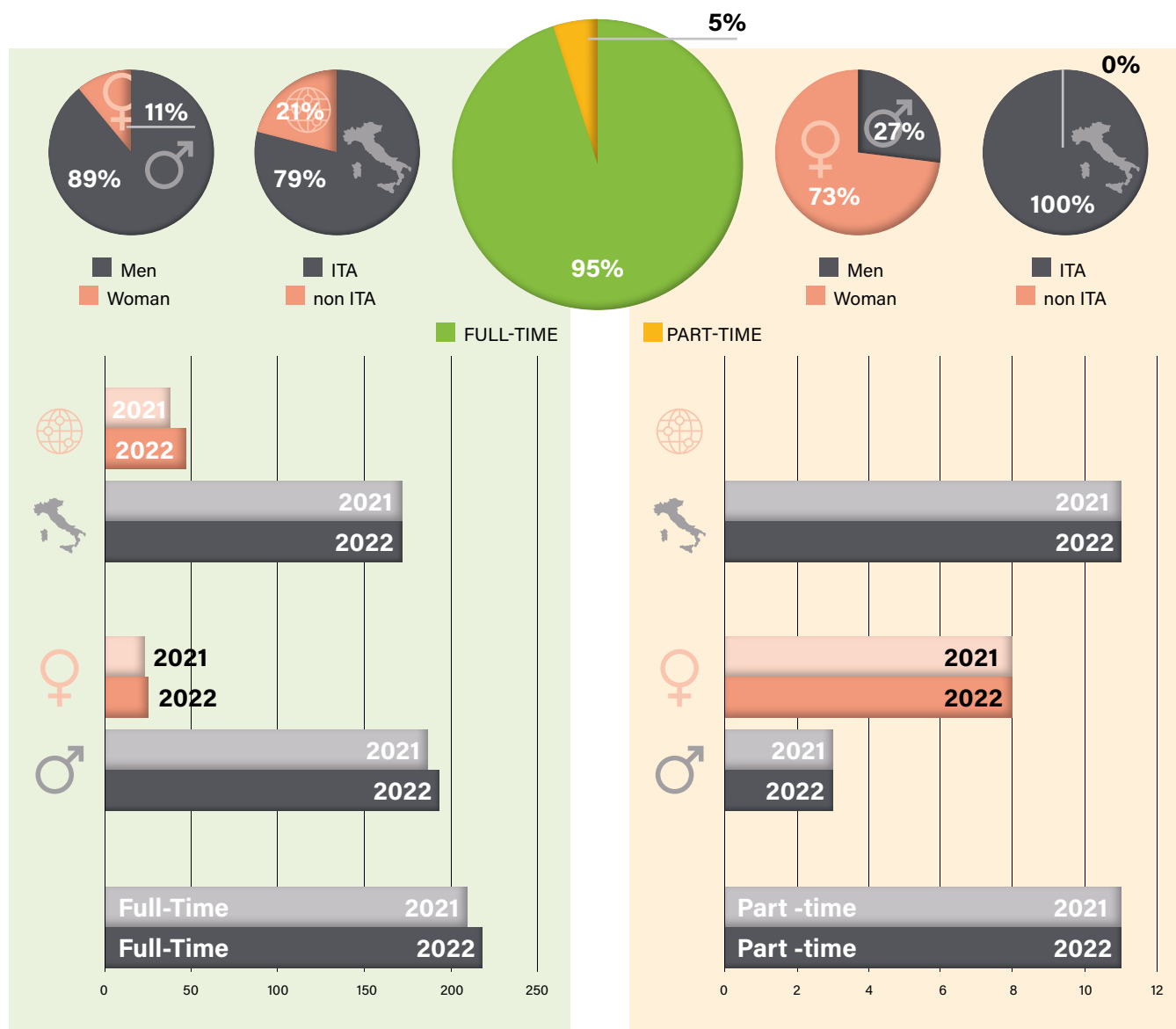
TYPE OF CONTRACT



WORKING HOURS

As regards contract type in relation to working hours, it is immediately apparent that the figures are in line with 2021. The new recruits all had access to full-time contracts, while part-time contracts remain the same as in 2021.

WORKING HOURS



INDIRECT COLLABORATORS GRI 2-8

External employees, hired by the company through employment agencies, are key resources for us. They are not hired on a seasonal basis or for production requirements; instead, we rely on employment agencies to select personnel who temporarily join Crocco for a trial period.

At the end of this period, if the employee wishes to continue their experience, we arrange proper induction into the company and they become part of Crocco's workforce in all respects.

We are committed to selecting temporary workers only in line with this policy of stabilising external resources.

CROCCO HAD THREE EXTERNAL COLLABORATORS IN 2022:

 2 woman |
  1 man |
  1 italian |
  2 non-italian

All in the 30–50 age group

All with full-time contracts

All on trial in the production department, with a view to direct hiring

DIVERSITY AND EQUAL OPPORTUNITY

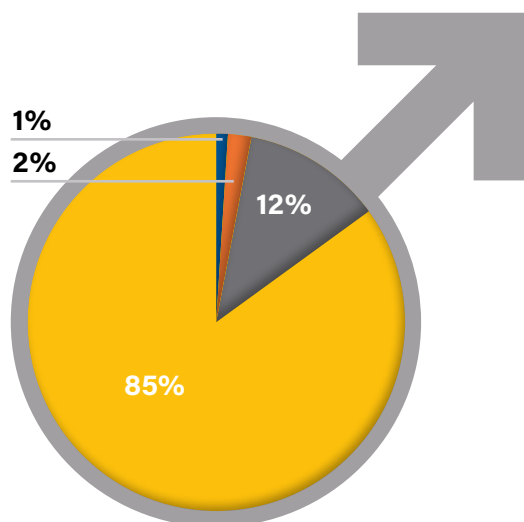
GRI 405-1, GRI 405-2



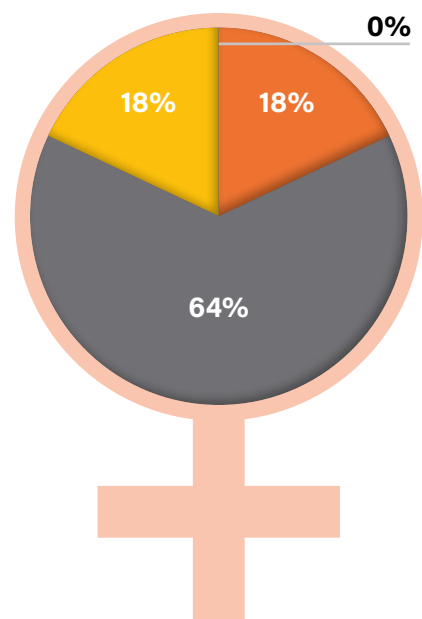
At Crocco, employees are valued irrespective of their professional role or category, gender or origin because we know how each one contributes to achieving common goals.

This is why we consider it important to represent the distribution of the different categories in detail to give a complete picture of the team, highlighting the heterogeneity and diversity of skills that distinguish the company.

MEN



WOMAN



■ Executive
 ■ Middle managers
 ■ White collar workers
 ■ Blue-collar workers

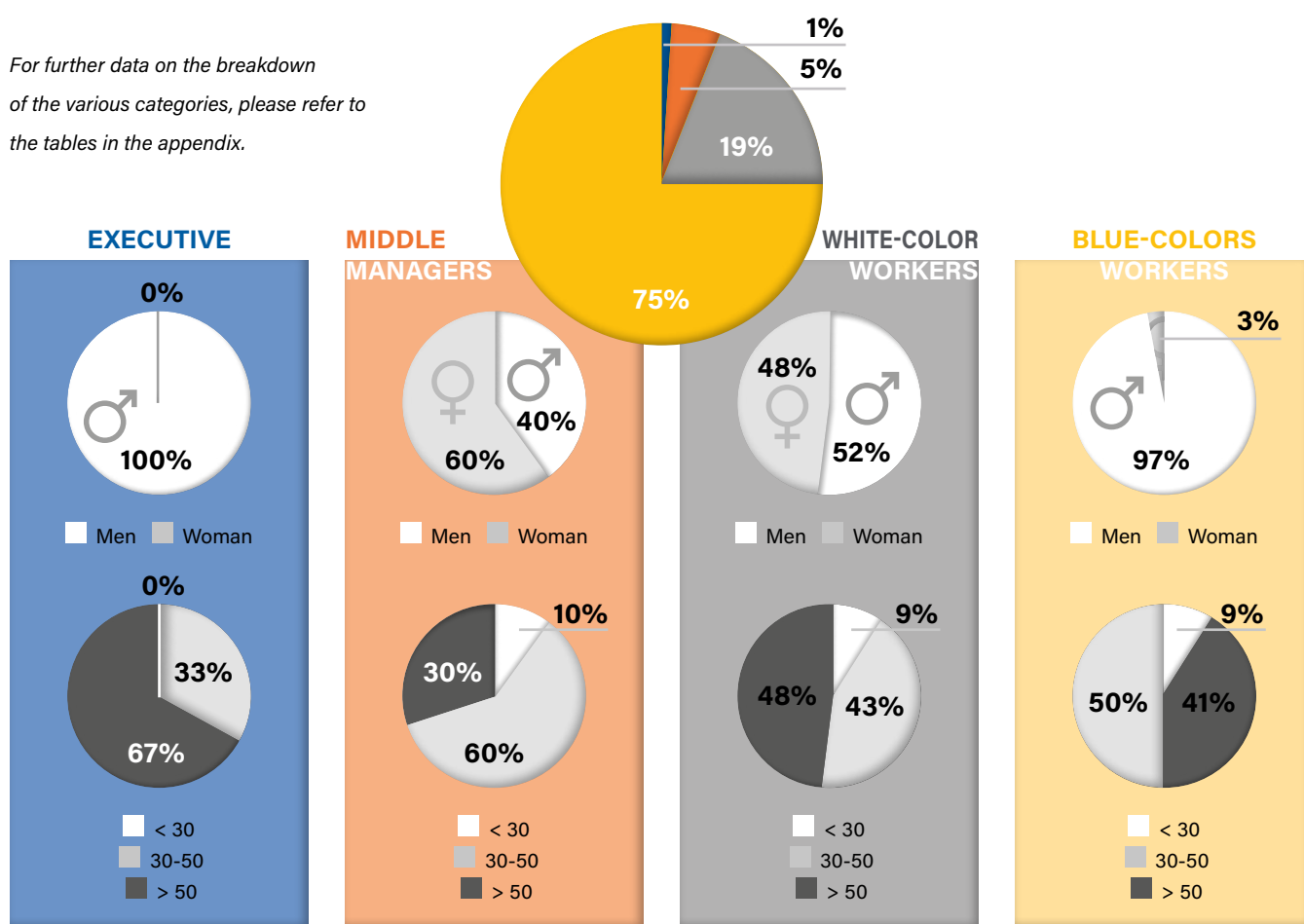
CATEGORIES AND ROLES

Blue-collar workers, who make up 75% of our employees and engage in their work with dedication and commitment, are the driving force of our company. The gender breakdown is still largely male-dominated, despite the fact that concrete action is being undertaken to attract more and more women in this sector.

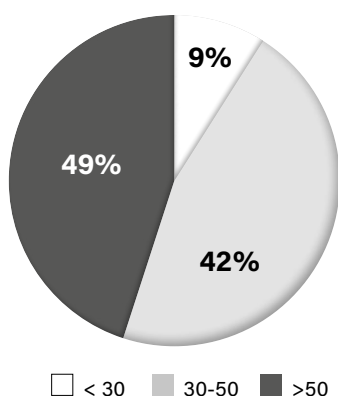
Greater parity can be found in the middle management and white-collar categories, where employees are more equally divided between men and women.

As far as the breakdown by age is concerned, however, a similar distribution can be seen across all categories, with the majority of employees in the 30–50 or over-50 age group.

For further data on the breakdown of the various categories, please refer to the tables in the appendix.



BREAKDOWN OF EMPLOYEES BY AGE



PROTECTION OF WORKERS' RIGHTS

GRI 401-1, GRI 401-2, GRI 401-3

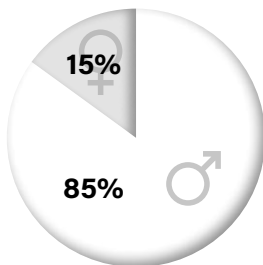


NEW HIRES

In 2022, the company hired 26 new employees and recorded a turnover of 17. As can be seen from the charts, most of them are men and half of all new recruits were aged between 30 and 50.

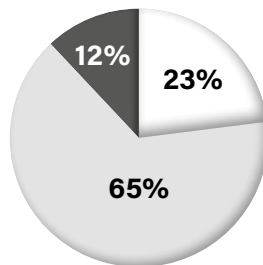
A significant figure is that 38% of new hires were non-Italians.

BY GENDER



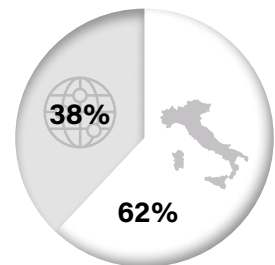
□ Men ■ Women

BY AGE



□ < 30 ■ 30-50 ■ > 50

BY NATIONALITY

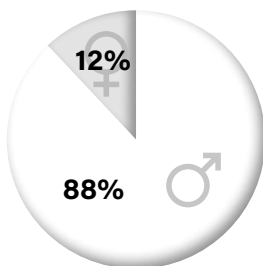


□ ITA ■ non ITA

PERSONNEL TURNOVER

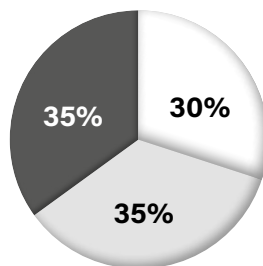
With regard to turnover, on the other hand, there is a rather even split across the different age groups. Nevertheless, turnover is higher among young people under 30.

BY GENDER



□ Men ■ Women

BY AGE



□ < 30 ■ 30-50 ■ > 50

BY NATIONALITY



□ ITA ■ non ITA

This increased trend in recent years is also a consequence of the retirement of many staff who had been working in the company for more than 30 years. We are very aware that sourcing and retaining new personnel may be a cause for concern in the onboarding of incoming staff. It is therefore in our interest to recognise the changes underway in the labour market and pursue solutions that make work more stable for the benefit of all company employees.

One of the projects we propose to undertake is creating themed focus groups with different categories of employees, to examine any internal problems in greater depth and formulate possible solutions together.

Thanks to a dedicated web portal managed by a Payroll Centre, our HR department can easily process all personnel-related information and at the same time convey and share information with employees. Employee details can be accessed to obtain data and statistics on workforce age, nationality, gender and turnover.

For further information on recruitment and turnover, please refer to the tables in the appendix.

TURNOVER 2021		TURNOVER 2022	
BY GENDER		BY GENDER	
♂ Men	6%	♂ Men	8%
♀ Women	3%	♀ Women	6%
PER ETÀ		PER ETÀ	
< 30	11%	< 30	24%
30-50	3%	30-50	6%
> 50	7%	> 50	5%
TOTAL	6%	TOTAL	7%

BENEFITS

Crocco does not currently have a corporate benefit system in place, but a **pilot project** has been launched to acquire specific insights and understand how to proceed in this direction. We want to conduct a thorough evaluation of the appropriate tools to adopt and then share them with the workforce. It is crucial to involve employees in this process to ensure that such initiatives

are properly understood and supported, allowing the best possible measures to be taken for everyone's benefit.

In any case, Crocco already makes certain benefits and assistance measures available internally within the company with the aim of increasing employee well-being and facilitating the work/life balance. There are no differences in benefits between part-time and full-time workers; however, some differences do apply in relation to certain factors,



including the different professional categories of employees.

COMPANY BENEFITS RESERVED FOR CERTAIN CATEGORIES OF WORKERS

>> Life insurance

>> Healthcare

COMPANY BENEFITS APPLICABLE TO ALL WORKERS

>> Parental leave

>> Social security system

Almost all of our employees, 98.7% of the total, are covered by the Rubber and Plastics Sector National Collective Labour Agreement, thus enjoying the benefits, working hours, pay and benefits provided by the national collective bargaining system. For three executives, on the other hand, the Executives Contract is applied, which therefore excludes them from national bargaining.

The ratio between the highest salary and the average salary is 4.70%. There is a procedure for the remuneration of members of the Board of Directors. For executives, there is no regulated procedure; the parties adhere to the agreements entered into when the respective contracts are signed. A variable remuneration component is determined on an MBO basis, where each executive agrees on objectives and amounts each year. Among the benefits, the contract provides for a supplementary pension fund. There are no internal procedures. Remuneration is defined with reference to the relevant National Collective Labour Agreement.

STAFF TRAINING AND EDUCATION

GRI 404-1, GRI 404-2



At Crocco, we recognise the central importance of training as a tool for management and improvement of the skills of our employees and collaborators. We constantly invest in continuous training, offering learning and professional development opportunities that allow new knowledge, skills and abilities to be acquired. In fact, we believe that a well-trained and skilled workforce is a fundamental pillar for business success and for meeting challenges in an everchanging context.

Training not only stimulates individual growth but also contributes to a stimulating, contemporary work environment where everyone is motivated to reach their full potential. The Human Resources team is conducting a process of skills analysis and consequently proposing improvement plans that can meet everyone's needs. The subject of training is also addressed in the **company policy**, the **Code of Ethics** and the various **management systems** (Quality/Safety/Environment), which include training plans. These are compiled annually and then revised during the training review.

WHICH FIGURES MANAGE TRAINING?

>> Head of HSE (health and safety/environment/sustainability)

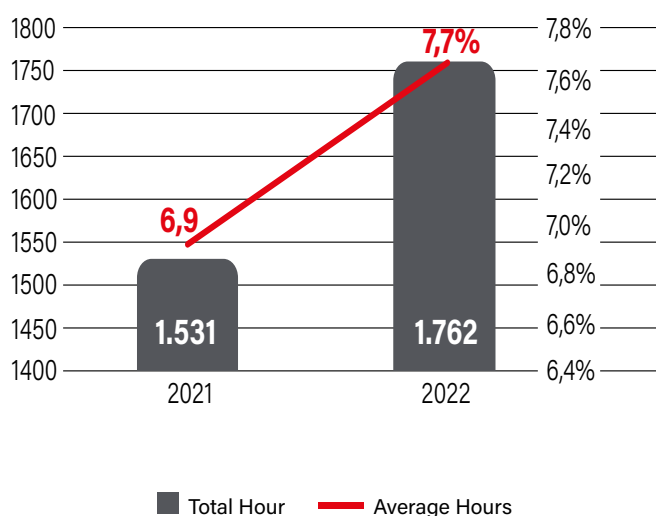
>> Head of Quality Control (quality and hygiene/product safety/technical performance)

>> Head of Human Resources (soft training and all other forms of training)

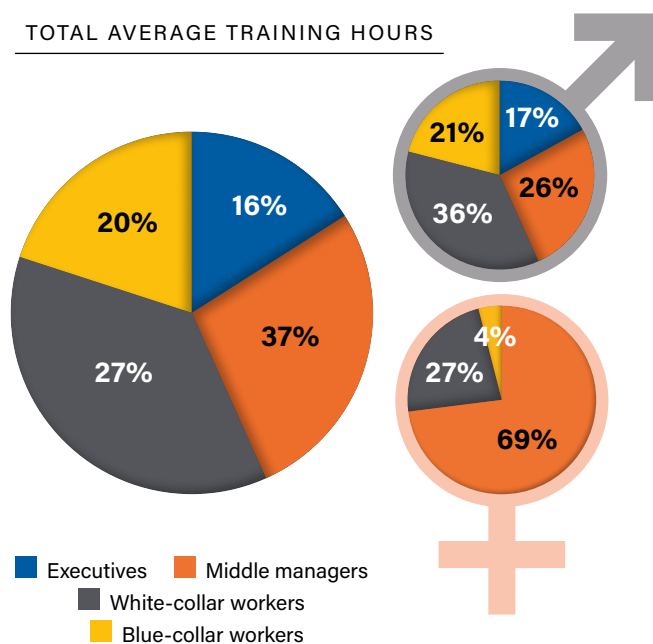
2022 is also confirmed as a positive year for the company's internal training. With a total of 1,762 hours of training provided – 7.7 on average per employee – this corresponds to a growth of 15% compared to 2021.

Most of the training hours were devoted to the management team, although there is an evident near-equal average distribution between the various categories.

TRAINING HOURS PROVIDED



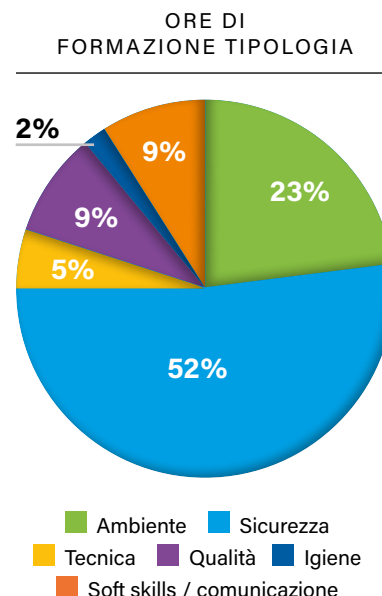
TOTAL AVERAGE TRAINING HOURS



TYPES OF TRAINING

As mentioned above, the responsibility for training is vested in different figures, in terms of areas of competence and types. As can be seen from the graph, much of the training is mandatory and more than half is related to safety.

Despite this, an important **innovation introduced in 2022** is a new type of soft training, which represents as much as 9% of the total. This ongoing project aims to provide skills and knowledge on the changing world of work, soft skills and the value assessment of cross-skills; it involves top and middle management figures, as they are the ones most affected by the aforementioned changes.



ACTIVITIES FOR NEW HIRES

To ensure adequate inclusion of new hires, we have provided specific training activities at Crocco.



- >> **In the production departments**, new recruits are mentored by a department manager for a period of a few months. During this phase, training is documented by means of a “Scorecard”, which records the training courses undertaken – with a strong focus on work safety.
- >> **For new hires in the offices**, on the other hand, we organise targeted training sessions based on the position that the recruits will cover. In this way, we ensure that each new team member has the necessary preparation to perform their responsibilities to the best of their ability.

COLLABORATIONS WITH SCHOOLS AND UNIVERSITIES

We have been collaborating with schools for several years now, from **secondary schools to universities**. We believe that investing in future generations is one of the best investments we can make.

One of the ways we do this is by organising targeted meetings for **lower secondary school students**. We make them aware of new technologies that can create more sustainable packaging and educate them on the importance of films in preventing product spoilage. This helps combat food waste and promotes sustainability.

For **upper secondary school students**, in particular those who attend vocational colleges with an economics spe-

cialism, we organised a meeting focused on corporate management control and drafting the Sustainability Report.

With regard to universities, we highlight Crocco's participation in an event organised by the **University of Vicenza** entitled "Flexible food packaging: knowing it to use it conscientiously". The National Secretary of **Giflex**, the trade association for flexible packaging, also took part in this conference as a speaker.

In addition, we open the doors of our production facilities to **young students from the local area** for them to see first-hand how Crocco operates and discuss the most pressing issues of the moment, ranging from product development to resource optimisation and corporate sustainability management.

At Crocco, we also host secondary school students for specific **"school-work internships"** (the Italian Alternanza Scuola-Lavoro scheme), opening our workshops and offices to local schools that specialise in technical and socio-economic studies to enhance their educational programmes.

Finally, this year we also supported the production of the book **"Re Cycle 2"**, written by children from the **Cornedo primary school**. The proceeds from the book were donated to the Vicenza hospital, thus contributing to the promotion of significant social initiatives.

2022 also saw the publication of the comic book **Paolino di Riciclandia**, an initiative promoted by Agno Chiampo Ambiente and supported by other local companies. The comic strip is intended for secondary school students, with the aim of raising awareness of proper **waste separation** and **environmental protection** in general. An entire page is dedicated to Crocco's Greenside model, explaining how our company can make a positive contribution to reducing emissions and to the circular economy.



HEALTH AND SAFETY

GRI 403-1, GRI 403-2, GRI 403-5, GRI 403-8, GRI 403-9, GRI 403-10



At Crocco, we have always been committed to ensuring the well-being and protection of our employees in all occupational contexts. We adopt national and international best practices, complying with occupational health and safety regulations.

As early as 2011, we established a specific **Occupational Health and Safety Policy**, managed by the **Health and Safety Team**, which comprises several professionals.

THE HEALTH AND SAFETY TEAM CONSISTS OF:

- >> a Function Delegate
- >> the Health and Safety Officer
- >> four Workers' Safety Representatives, one for each plant facility
- >> a Company Doctor
- >> the Head of Production



These figures meet regularly to detect, monitor and manage **non-conformities, accidents and statistics**, and to implement appropriate corrective actions. Sessions are held every four months, plus the annual session on the occasion of the periodic meeting, as envisaged in Article 35 of Italian Legislative Decree 81/08.

In conjunction with the adoption of the internal policy, we obtained the OSHAS 18001 Occupational Health and Safety Management System certification, which was later changed to **ISO 45001:2018 certification in 2020**. This commitment quantifies our results in this area and constantly monitors our KPIs. An internal audit is carried out annually to assess the compliance and effectiveness of the occupational health and safety management system. The management review is then held early in the year, an important occasion when the relevant key performance indicators (KPIs) are discussed with the executive management team. The RISOLVO internal software application is used to monitor statutory deadlines and regulatory compliance, as well as the relevant training obligations.

We carry out a periodic assessment to assess and determine the risks and dangers to which workers are exposed, which is then used to determine structural and staff training improvement actions.

PERIODIC ASSESSMENTS OF THE MAIN RISKS TO WHICH WORKERS ARE EXPOSED:

- >> Fire risk
- >> Risk of explosion
- >> Risks related to machines

The Risk Assessment Document, updated with every change in working practice and reviewed every year at the Periodic Meeting, also includes all the other risk assessments conducted:

- | | |
|---|--|
| >> assessment of risk from explosive atmospheres | >> assessment of risk from work at height |
| >> assessment of biological risk | >> assessment of fire risk |
| >> assessment of electrical risk | >> assessment of risk from work in confined spaces |
| >> assessment of noise risk | >> assessment of vibration risk |
| >> assessment of chemical risk | >> assessment of risk from electromagnetic fields |
| >> assessment of risk from manual handling of loads | >> assessment of risk from work-related stress |
| >> assessment of risk from work using video terminals | >> assessment of risk for working mothers |

Finally, we provide ongoing health and safety training for our employees, organising specific courses for new recruits and requiring general and specific training certificates for existing employees. As required by law, we arrange a course **within 60 days of hiring**. Workers are then assigned the **personal protective equipment (PPE)** required for their level of job risk.

OCCUPATIONAL SAFETY TRAINING

- >> General training
- >> Specific training (depending on the level of risk)
- >> Training on the use of equipment
- >> Training on the supplied PPE
- >> Training on safety procedures
- >> Mentored training alongside the shift supervisor ("Scorecard")
- >> Training on the Internal Emergency Plan (**IEP**)

ACCIDENTAL INJURIES

Consistent with previous years, no serious accidents occurred in the Crocco plant facilities in 2022. Although the number of injuries was higher than in the previous year, they were limited and minor. Specifically, the causes of the accidents were cuts and injuries to hands and feet.

However, there is an increase in both calculated indices compared to the previous year: the **LTAR** (or frequency index) indicates a slightly higher incidence of injuries, while the **Severity Rate**, which has almost tripled since 2021, represents a higher loss of accident-related working hours.

EMPLOYEE WORK-RELATED INJURIES		
	2021	2022
RECORDED INJURIES	9	11
of which fatal - -	-	-
of which with serious consequences ⁵	-	-

FREQUENCY INDICES OF EMPLOYEE INJURIES		
	2021	2022
LTAR – LOST TIME ACCIDENT RATE ⁶	4,85	6,04
occupational accident death rate ⁷	-	-
serious occupational accident rate ⁸	-	-

EMPLOYEE INJURY SEVERITY RATE		
	2021	2022
SEVERITY RATE ⁹	52,31	144,33
hours worked by employees	370.892	364.441
days of absence due to injury	97	263

As for external collaborators, there were no cases of injury in the two years 2021–2022.

[5] "Injury with serious consequences" refers to injuries that have caused more than 180 days of absence.

[6] The Lost Time Accident Rate is calculated using the ratio between the number of accidents and the product of hours worked and the value 200,000 (average hours worked by an employee in a year): **it represents the number of accidents per 100 employees.**

[7] The occupational accident death rate is calculated as the ratio of the number of occupational accident deaths divided by the number of hours worked, multiplied by 200,000.

[8] The serious occupational accident rate is calculated as the ratio of the number of serious occupational accidents divided by the number of hours worked, multiplied by 200,000.

[9] The Severity Rate is calculated using the ratio between the number of days of absence per accident and the product of hours worked and the value 200,000: **it represents the days of absence per accident per 100 employees.**





APPENDIX

GRI 306 – WASTE

TONNES	2021			2022		
	HAZARDOUS	NON-HAZARDOUS	TOTAL	HAZARDOUS	NON-HAZARDOUS	TOTAL
Recycled	25,53	957,50	983,03	28,83	4.449,50	4.478,33
Treated	-	3,00	3	-	-	-
Stored	46,83	15,42	62,25	42,86	31,44	74,30
TOTAL	72,36	975,92	1.048,28	71,70	4.480,94	4.552,63

GRI 401 – NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

		GENDER			AGE			
		MEN	WOMEN	TOTAL	UNDER 30	30-50	OVER 50	TOTAL
2021	New hires	14	2	16	8	5	3	16
	Turnover	12	1	13	3	3	7	13
2022	New hires	22	4	26	6	17	3	26
	Turnover	15	2	17	5	6	6	17

GRI 404-1 – AVERAGE TRAINING HOURS BY GENDER AND CATEGORY

TYPE	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Executives	1,3	-	1,3	5,7	-	5,7
Middle managers	2,8	14	8,4	8,6	19	14,4
White-collar workers	5,6	1,1	3,6	12,2	6	9,2
Blue-collar workers	8,1	2,7	7,9	8,2	5,3	8,1
TOTAL	7,6	3,2	6,9	8,5	8,2	8,5

GRI 404-2 – EMPLOYEE SKILLS REFRESHER PROGRAMMES

TYPE	2021			2022		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
The environment	469	21	490	583	29	612
Safety	1.077	21	1.098	1.354	34	1.388
Technical performance	61	-	61	115	6	121
Quality	304	9	312	226	21	247
Hygiene	33	-	33	60	-	60
Soft skills and communication	-	-	-	156	72	228
TOTAL	1.944	51	1.994	2.493	161	2.654

GRI 405 – BREAKDOWN OF EMPLOYEES BY ROLE, GENDER AND AGE

CATEGORY		GENDER			AGE			
		MEN	WOMEN	TOTAL	UNDER 30	30-50	OVER 50	TOTAL
2021	Executives	3	-	3	-	1	2	3
	Middle managers	4	4	8	1	5	2	8
	White-collar workers	25	20	45	4	20	21	45
	Blue-collar workers	158	7	165	22	65	78	165
	TOTAL	190	31	221	27	91	103	221
CATEGORIA		GENDER			AGE			
		MEN	WOMEN	TOTAL	UNDER 30	30-50	OVER 50	TOTAL
2022	Executives	3	-	3	-	1	2	3
	Middle managers	4	6	10	1	5	3	10
	White-collar workers	23	21	44	4	19	21	44
	Blue-collar workers	167	6	173	16	70	87	173
	TOTAL	197	33	230	21	96	113	230

GRI CONTENT INDEX

RELEVANT INDUSTRY STANDARDS	To date, there are no industry standards relevant to Crocco.
STATEMENT OF USE	Crocco submitted a report “with reference” to the GRI Standards for the period from 1 January to 31 December 2022.
GRI 1 USED	GRI 1 – Fundamental Principles – 2021 version

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
GRI 2 – General Disclosures (2021)	2-1 Organisational details				5; 9-11
	2-2 Entities included in the organisation's sustainability reporting				5
	2-3 Reporting period, frequency and contact person				5

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
	2-4 Review of information				Review of data relating to employees and indirect collaborators for the reporting year 2021, due to a previous incorrect calculation.
	2-5 External assurance				6
	2-6 Assets, value chain and other business relationships				11-13; 24-25
	2-7 Employees				47-49
	2-8 Non-employee workers				49
	2-9 Governance structure and composition	c-vi. Underrepresented social groups c-viii. Stakeholder representation	c-vi. Not applicable c-viii. Not applicable	No social groups external to the company are represented within the Board of Directors and committees.	9-10
	2-10 Appointment and selection of the highest governance body	b. Criteria used for the selection of the highest governance body	b. Not applicable	There are no criteria for the selection of the highest governance body; the decision is taken internally by the company. To date, there is no procedure for the appointment; the decision is taken internally by the Company. The appointment is filed with the Chamber of Commerce.	
	2-11 Chair of the highest governance body				9

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
	2-12 Role of the highest governance body in the control of impact management	c. Role of the highest governance body in the review of processes	c. Not applicable	There is no procedure for reviewing the effectiveness of the organisation's processes.	5; 9
	2-13 Delegation of responsibility for impact management				9
	2-14 Role of the highest governance body in sustainability reporting				5
	2-15 Conflicts of interest				23
	2-16 Disclosure of critical issues				23-24
	2-17 Collective knowledge of the highest governance body				15

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
	2-18 Evaluation of the performance of the highest governance body	a. Performance evaluation procedures b. Independence of evaluations c. Actions taken	a., b., c. Incomplete or unavailable information	Currently, a procedure is being implemented to assess the performance of the highest governance body on the management of ESG impacts. The procedure is not yet completed.	
	2-19 Remuneration rules			There is a procedure for the remuneration of members of the Board of Directors. For executives, there is no regulated procedure; the parties adhere to the agreements entered into when the respective contracts are signed. A variable remuneration component is determined on an MBO basis, where each executive agrees on objectives and amounts each year. Among the benefits, the contract provides for a supplementary pension fund.	
	2-20 Remuneration determination procedure			There are no internal procedures. Remuneration is defined with reference to the relevant National Collective Labour Agreement.	

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
	2-21 Total annual remuneration ratio				The ratio of the highest wage to the average wage is 4.70%. The percentage increase is not relevant to the current year, as this figure is reported for the first year. During the reporting period, there were no significant cases of non-compliance with laws and regulations, nor were any monetary or non-monetary penalties paid.
	2-22 Sustainable development strategy statement				4
	2-23 Commitment in terms of policy	b. Commitments in terms of specific policies regarding human rights	b. Not applicable	To date, there are no specific public commitments regarding human rights.	
	2-24 Integration of commitments in terms of policy				22-24
	2-25 Processes aimed at remedying negative impacts	d. Stakeholder engagement	d. Not applicable	d. Stakeholders are not involved in the definition of recall procedures.	22-24
	2-26 Mechanisms for requesting clarification and raising concerns				22-24
	2-27 Compliance with laws and regulations				Durante il periodo di rendicontazione non si sono verificati casi significativi di non conformità a leggi e regolamenti, né sono state pagate sanzioni monetarie o non monetarie.
	2-28 Membership in associations				21

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
GENERAL DISCLOSURES					
	2-29 Approach to stakeholder engagement				14-15
	2-30 Collective bargaining agreements				53
MATERIAL TOPICS					
GRI 3 – Material Topics – 2021 version	3-1 Process for determining material topics				14-16
	3-2 List of material topics				16-18
WORKPLACE HEALTH AND SAFETY					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				59-60
GRI 403 – Occupational Health and Safety (2018)	403-1 Occupational Health and Safety Management System				59
	403-2 Hazard identification, risk assessment and accident investigation				60
	403-3 Occupational health services				59-60
	403-5 Training of workers on occupational health and safety				60
	403-9 Work-related injuries				61
PRODUCT QUALITY					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				26; 46

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
QUALITÀ DEI PRODOTTI					
GRI 416 – Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories				26
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services				26
PRODUCTS WITH LOW ENVIRONMENTAL IMPACT					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				33-35
GRI 301 – Materials (2016)	301-1 Materials used				33-35
	301-2 Recycled input materials used				33-34
	301-3 Reclaimed products and their packaging materials				34
ATMOSPHERIC EMISSIONS AND THEIR REDUCTION					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				28-30
GRI 305 – Emissions (2016)	305-1 Direct (Scope 1) GHG emissions				29-30
	305-2 Energy indirect (Scope 2) GHG emissions				30-31
	305-3 Other indirect (Scope 3) GHG emissions				30-31

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
ATMOSPHERIC EMISSIONS AND THEIR REDUCTION					
	305-4 GHG emissions intensity 30				30
STAFF TRAINING AND EDUCATION					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				54
GRI 404 – Training and Education (2016)	404-1 Average hours of training per year per employee				55
	404-2 Programs for upgrading employee skills and transition assistance programs				56
PRODUCT SAFETY					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				24-25
GRI 416 – Customer Health and Safety (2016)	416-1 Assessment of the health and safety impacts of product and service categories				24-25
ENERGY CONSUMPTION					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				35-36
GRI 302 – Energy (2016)	302-1 Energy consumption within the organisation				35-37
R&D INVESTMENTS					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				30-31
“Greenside” model	There is no GRI indicator; however, reference is made to Crocco's specific “Greenside” project				30-31

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
WATER DISCHARGE MANAGEMENT					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				38
GRI 303 – Water and Effluents (2018)	303-2 Management of water discharge-related impacts				38
	303-3 Water withdrawal				38
	303-4 Water discharge				38-39
COLLABORATIVE RELATIONS WITH SUPPLIERS AND CUSTOMERS					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				12
GRI 204 – Procurement Practices (2016)	204-1 Proportion of spending on local suppliers				23-24
ENVIRONMENTAL COMPLIANCE					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				45
GRI 2 – General Disclosures (2021)	2-27 Compliance with laws and regulations				70
WASTE MANAGEMENT					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				41-42
GRI 306 – Waste (2020)	306-1 Waste generation and significant waste-related impacts				41-42
	306-2 Management of significant waste-related impacts				41-42

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
WASTE MANAGEMENT					
	306-3 Waste generated				41
	306-4 Waste diverted from disposal				42-43
	306-5 Waste directed to disposal				42-43
TRACEABILITY OF RAW MATERIALS AND PRODUCTS					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				24-25
GRI 204 – Procurement Practices (2016)	204-1 Proportion of spending on local suppliers				24-25
GRI 301 – Materials (2016)	301-1 Materials used				33-35
	301-2 Recycled input materials used				33-34
	301-3 Reclaimed products and their packaging materials				34
NON-DISCRIMINATION					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				23
GRI 406 – Nondiscrimination (2016)	406-1 Incidents of discrimination and corrective actions taken				No cases of discrimination were recorded during the reporting period
PROTECTION OF WORKERS' RIGHTS					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				52-53
GRI 401 – Employment (2016)	401-1 New employee hires and employee turnover				52-53

GRI STANDARD	DISCLOSURE	OMISSION		EXPLANATIONS	SOURCE AND PAGE
		REQUIREMENTS OMITTED	REASON		
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				50-51
GRI 405 – Diversity and Equal Opportunity (2016)	405-1 Diversity of governance bodies and employees				50-51
CORPORATE TRANSPARENCY					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				14-15
GRI 2 – General Disclosures (2021)	2-29 Approach to stakeholder engagement				14-15
GRI 401 – Employment (2016)	401-1 Turnover rate				53
ANTI-CORRUPTION					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				23-24
GRI 205 – Anticorruption (2016)	205-3 Confirmed incidents of corruption and actions taken				No cases of corruption were recorded during the reporting period
ETHICS, INTEGRITY AND REGULATORY COMPLIANCE					
GRI 3 – Material Topics (2021)	3-3 Management of material topics				23-24
GRI 2 – General Disclosures (2021)	2-16 Disclosure of critical issues				23-24
	2-27 Compliance with laws and regulations				70

MATERIAL TOPICS EXTRA GRI

PRODUCT INNOVATION		
	DISCLOSURE	SOURCE AND PAGE
GRI 3 – Material Topics (2021)	3-3 Management of material topics	11; 30
CUSTOMER SATISFACTION AND LOYALTY		
	DISCLOSURE	SOURCE AND PAGE
GRI 3 – Material Topics (2021)	3-3 Management of material topics	12-14



ASSURANCE



Dichiarazione di assurance indirizzata agli stakeholder di CROCCO SPA

1. INTRODUZIONE

Bureau Veritas Italia S.p.A. ("Bureau Veritas") ha ricevuto da CROCCO SPA l'incarico di condurre una verifica indipendente (assurance) del proprio Bilancio di Sostenibilità 2022, con l'obiettivo di fornire conclusioni in merito a:

- *Accuratezza e qualità delle informazioni rese pubbliche sulle proprie performance di sostenibilità;*
- *Grado di adesione ai principi di rendicontazione della Global Reporting Initiative secondo il livello di applicazione "con riferimento agli Standard GRI" previsto dalla versione 2021 dei GRI Universal Standards.*

2. RESPONSABILITÀ, METODOLOGIA E LIMITAZIONI

La responsabilità di raccogliere, analizzare, consolidare e presentare le informazioni e i dati del Bilancio è stata esclusivamente di CROCCO SPA. La responsabilità di Bureau Veritas è stata di condurre una verifica indipendente rispetto agli obiettivi individuati e di formulare le conclusioni contenute in questo rapporto.

La verifica è stata condotta come una Limited Assurance ai sensi dello standard ISAE 3000, attraverso l'applicazione a campione di tecniche di audit, tra cui:

- *Verifica di politiche, mission, valori, impegni;*
- *Riesame di documenti, dati, procedure e metodi di raccolta delle informazioni;*
- *Interviste a membri del gruppo di lavoro per la stesura del Bilancio;*
- *Interviste a rappresentanti aziendali di varie funzioni e servizi, oltre che di membri dell'Alta Direzione;*
- *Verifica complessiva delle informazioni e in generale riesame dei contenuti del Bilancio di Sostenibilità 2022.*

Le attività di verifica sono state condotte presso la sede di CROCCO SPA sita in Via Monte Ortigara nr. 37 a Cornedo Vicentino (VI), riteniamo di aver ottenuto sufficienti e adeguate evidenze per sostenere le nostre conclusioni.

La verifica ha avuto ad oggetto l'intero Bilancio di Sostenibilità 2022 per la parte riguardante CROCCO SPA, con le seguenti precisazioni: per le informazioni di natura economico-finanziaria, Bureau Veritas si è limitata a verificarne la coerenza con i Bilanci d'esercizio; per le attività condotte al di fuori del periodo di riferimento (1 Gennaio 2022 – 31 Dicembre 2022) e per le affermazioni di politica, intento ed obiettivo, ci si è limitati a verificarne la coerenza con i presupposti metodologici di riferimento.



3. CONCLUSIONI

A seguito delle attività di verifica condotte e descritte sopra, non sono emerse indicazioni negative in merito ad affidabilità, accuratezza e correttezza di informazioni e dati riportati nel Bilancio di Sostenibilità 2022. A nostro parere, il Bilancio fornisce una rappresentazione attendibile delle attività condotte da CROCCO SPA durante il 2022 e dei principali risultati raggiunti. Le informazioni sono riportate in maniera generalmente chiara, comprensibile ed equilibrata; tutti i dati ed indicatori sono risultati raccolti e analizzati con precisione, ciò è stato riportato in maniera trasparente. Nell'illustrazione di attività e risultati, in particolare, CROCCO SPA ha prestato attenzione ad adottare un linguaggio neutro, evitando per quanto possibile l'auto-referenzialità.

Per quanto riguarda i principi di rendicontazione, a nostro parere sono stati osservati i principi di garanzia della qualità. Si conferma inoltre che il Bilancio soddisfa i requisiti GRI per un grado di applicazione di tipo "con riferimento" che le nostre attività di verifica soddisfano a loro volta i requisiti dello standard in materia di assurance.

CROCCO SPA ha riportato nel proprio Bilancio i temi materiali individuati a seguito di un processo di materialità d'impatto che esplicita con chiarezza le tematiche individuate e considerate rilevanti a seguito di un processo di identificazione dei rischi e dei principali impatti risultante anche dal coinvolgimento di stakeholder interni ed esterni per determinarne la significatività. Per il futuro, si raccomanda a CROCCO SPA di riportare, in relazione agli obiettivi di breve periodo riportati nel documento, target specifici e indicatori di prestazione (KPI) per la misurazione dei risultati.

4. DICHIARAZIONE DI INDIPENDENZA, IMPARZIALITÀ E COMPETENZA

Bureau Veritas è un'organizzazione specializzata in attività indipendenti di verifica, ispezione e certificazione, con oltre 190 anni di storia, 82.000 dipendenti ed un volume d'affari di oltre 5,6 miliardi di Euro (ricavi 2022).

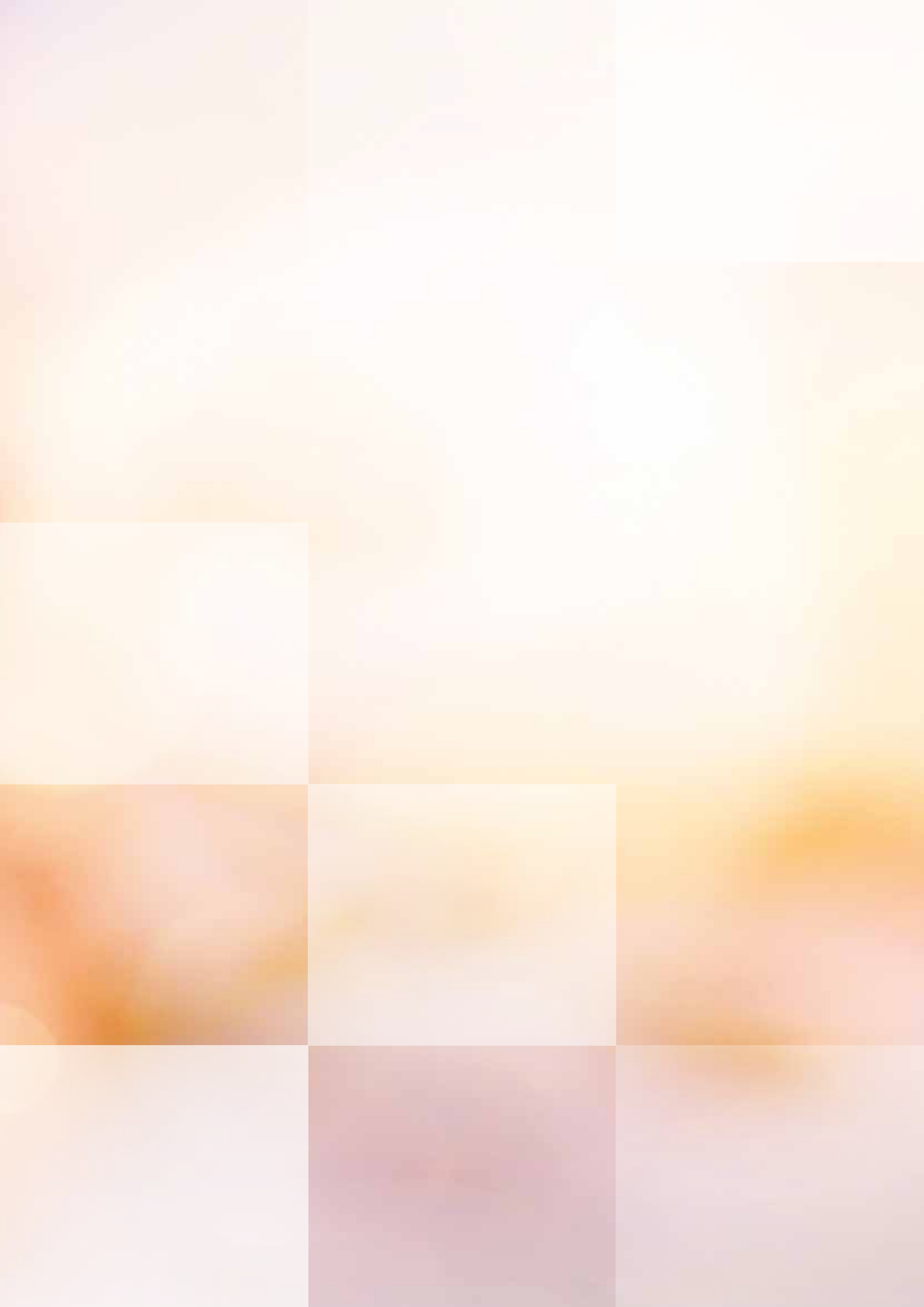
Bureau Veritas applica al proprio interno un Codice Etico e riteniamo che non sussista alcun conflitto di interesse tra i membri del gruppo di verifica e CROCCO SPA.

Bureau Veritas Italia S.p.A.

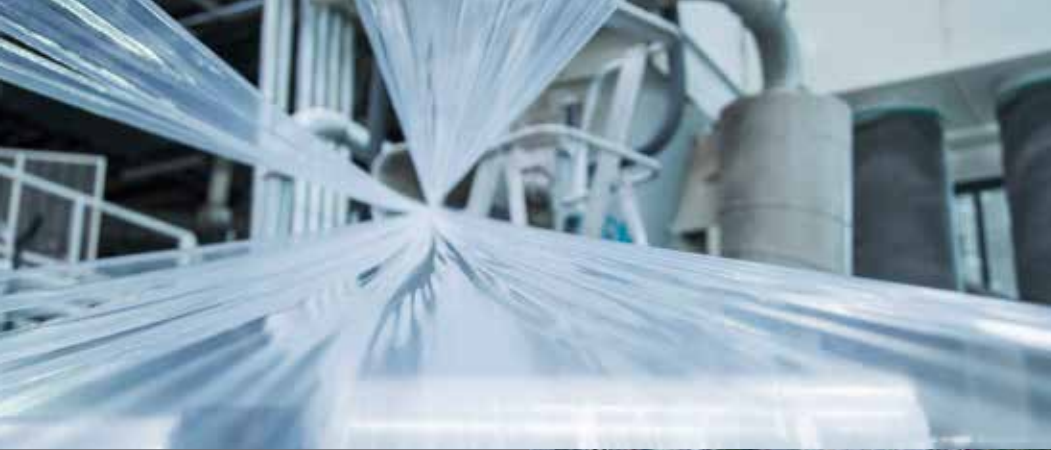
Milano, 22 Settembre 2023

Giorgio Lanzafame

Local Technical Manager







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