

SUSTAINABILITY *REPORT*



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THE METHODOLOGICAL NOTE

Coveme S.p.A. **[GRI 2-1]** feels responsible for its own activity and knows that all processes and activities can impact sustainable development.

This year, the company is publishing its first Sustainability Report to demonstrate its commitment to a sustainable development plan and to provide information to all stakeholders clearly and transparently.

The principles set out in the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards), published by the Global Reporting Initiative (GRI) in 2016 under the "concerning" option, have been followed for the reporting. Indeed, the GRI Standards promote sustainability reporting based on public accountability for contributions to the goal of sustainable development.

At the same time, Coveme is guided by the action programme of the Sustainable Development Goals (SDGs), the 17 Sustainable Development Goals signed in 2015 by the governments of the 193 member countries of the United Nations. In this way, the company has identified significant economic, environmental and social impacts and communicated with all stakeholders according to globally recognised standards.

The period analysed for the first budget is 2022 **[GRI 2-3]**, so the document has no revisions from previous years **[GRI 2-4]**. The sustainability report will be updated annually **[GRI 2-3]** to provide accurate and up-to-date information on the company's sustainability performance. The document will not be subject to external assurance **[GRI 2-5]**.

The report's scope includes all mills belonging to the Coveme Group **[GRI 2-1]**. Coveme has its headquarters in Bologna. Production takes place between two sites: Gorizia in Italy and Zhangjiagang in China. The Group also includes SERF srl, based in Gorizia, which includes the cutting department for plastic films and laminates; Upco, based in Gorizia, which specialises in coatings and finishes, with a research centre in Germany.

The entities included in the sustainability reporting are the same as those in the financial reporting **[GRI 2-2]**.

For more details on objectives, indicators and performance or to comment on this document, please send a request to info@Coveme.com **[GRI 2-3]**.

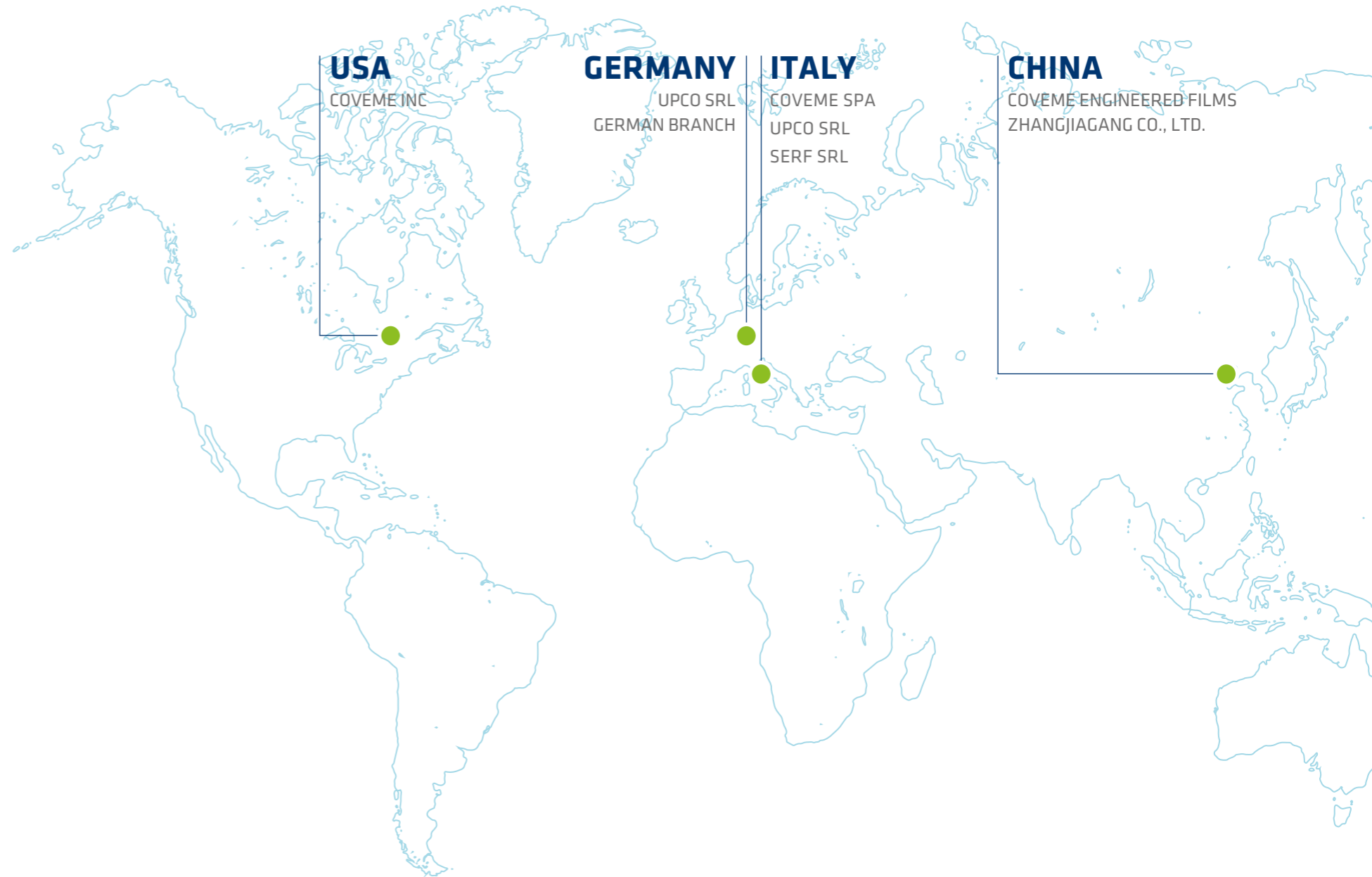
This document was released on Bologna, November 2023 **[GRI 2-3]**.

HIGHLIGHTS

Coveme group

- 2** Production sites in Italy and China
- 13** State-of-the-art production lines
- 60** Years of experience in PET film conversion
- 3** High-tech R&D laboratories
- 300** Workers in Italy and China
- 20.000** Tons of films moved every year

Coveme submitted to:



LETTER TO STAKEHOLDERS

Dear stakeholders,

We are pleased to present the first edition of Coveme Group's Sustainability Report, which summarises the **organisation's objectives, activities, impacts and results** towards its stakeholders.

This report is part of an **increasingly articulated and strategic Sustainability Path**, which aims at the progressive integration of ESG (Environmental, Social, Governance) issues in every aspect of the Group's business: optimisation of production processes from an eco-sustainable perspective of the two production plants located in Italy and China, with particular attention to key issues such as sustainable and eco-friendly products, LCA analysis and carbon footprint of products, and promotion of the Circular Economy project (EOL study of product life cycle and recycling).

The main pillars of the 2022 work were:

- The increase in capital expenditure from EUR 4.5m in FY2021 to EUR 9.5m in FY2022, financed partly by cash generation and partly by bank borrowings, enabled net financial debt to be maintained at last year's level. Investments were mainly made in the construction of a new shed and the start-up of a new production line, with the installation of photovoltaic panels and the incorporation of systems with reduced environmental impact, such as the installation of an energy recovery furnace using high-efficiency heat pumps;
- Obtaining IATF 16949:2015 Certification (automotive quality system);
- Obtaining ISO 14001 Certification (environmental management system) for a Group company (Upco Italy Srl);
- **Investment in IT security, identifying solutions to address system vulnerabilities and infrastructure renewal to adapt computing capacity;**
- The confirmation of EcoVadis' Silver Rating.

We believe that the milestone we have reached with this first sustainability report is the beginning of a journey towards an increasingly integrated approach to sustainability. Within our organisation, we will form a corporate function company (CSR - - Corporate Social Responsibility), responsible for the sustainable responsibility of the Coveme group in favour of the social context.

The next significant goal will be to obtain SA8000 Certification, a voluntary standard demonstrating our commitment to a safe working environment and a socially responsible approach.

On behalf of the Board of Directors, we would like to thank them all for the competence, sense of responsibility, dedication and commitment they bring to their work every day and from which our results are derived.

The President
Pier Luigi Miciano



The Managing Director
Amedeo Maccolini



01. COMPANY IDENTITY

History

Coveme is a privately owned company, founded in 1965 in Bologna, Italy, with 60 years of experience in surface treatment and polyester film conversion. Founded as a company specialising in the distribution of flexible insulation materials for the electrical and electromechanical industries, over the years, it has gradually expanded its activities throughout Europe and into new industrial sectors.

Coveme processes polyester film through treatment, coating, heat stabilisation and lamination, making it a versatile substrate for subsequent industrial processing.

The company also invested in an industrial start-up for next-generation coatings and developed a range of environmentally sustainable recycled polyester (rPET) products with a circular economy approach.

Entrepreneurial spirit and vision, combined with decades of know-how, have made Coveme a leader in the photovoltaic industry and the first European company in its sector to open a production plant in China in 2011, inaugurating new production lines with advanced technologies.

Today, Coveme has 2 production sites in Italy and China and has 3 research and development laboratories in Italy, China and Germany. Its 13 production lines feed a worldwide branched sales network [GRI 2-1].

Milestones

1965

ESTABLISHMENT OF Coveme

Coveme was founded in Bologna, Italy, and started as a distributor of flexible insulation materials for the electrical and electromechanical industries.

1976

PRODUCTION OF INSULATION MATERIALS

Start production of flexible laminates for electrical insulation and adhesives for the Italian and European markets.

1984

EXPANSION INTO THE EUROPEAN MARKET

Coveme expands its activities throughout Europe, distributing polyester film for the food and other industries.

1991

SPECIALISATION IN TCA TREATMENT

Installation of a TCA treatment line for producing film for prepaid cards and the reprographic industry.

1996

1998

NEW TECHNOLOGIES FOR A GLOBAL MARKET

The company invests human and financial resources in research projects that lead to the development of new production technologies to compete in a global market.

2000 - 2002

PRODUCT AND PROCESS INNOVATION 2018 HIGH TECH

Developing treated and heat-stabilised polyester film substrates for printing flexible circuit boards for automotive, biomedical and RFID applications.

2004

INCREASE IN PRODUCTION CAPACITY

Implementation of new production technologies and increase in production capacity. Development of new transfer release films for screen printing on fabric and flocking.

2007

INNOVATION/AFFIRMATION IN THE PHOTOVOLTAIC SECTOR

Launch of a revolutionary high-performance polyester film for the protection and insulation of photovoltaic modules.

1996

OPENING OF THE GORIZIA PLANT

Opening of the new plant in Gorizia, Italy, specialising in converting high-performance polyester film. Expansion into new market sectors: printed labels and projection transparencies.

2023

INAUGURATION LINE 11

In April 2023, the Gorizia plant inaugurated a new state-of-the-art production line with advanced solvent-free coating technology for various industrial sectors: automotive, biomedical, digital and screen printing, industrial printing and furniture.

2020

IMPORTANT LEADERSHIP IN ENVIRONMENTALLY SUSTAINABLE PRODUCTS AND THE CIRCULAR ECONOMY

Coveme launched a new range of ECO products made of recycled polyester (rPET) and developed an innovative coating free of formaldehyde, chromium stearate and phthalates. In addition, Coveme has activated a 'cradle to cradle' mechanism to collect internal and customer pet waste for conversion into recycled polyester rPET film, which is used as the base material for Coveme ECO products.

2018

INVESTMENT IN A NEW INDUSTRIAL START-UP

We invested in an industrial start-up dedicated to next-generation coatings. The research centre is based in Germany, where a specialised team develops new technologies, while production is located in the Gorizia plant.

2016 - 2018

IMPLEMENTATION OF SOPHISTICATED TECHNOLOGICAL SYSTEMS

Inauguration of two new production lines in Gorizia with the most sophisticated coating and heat-stabilising technologies in a protected chamber. Opening a sales office in India to follow the development of these fast-growing markets.

2011

OPENING OF THE PLANT IN CHINA FOR THE PRODUCTION OF BACK SHEETS

Coveme opens its second production plant in Zhangjiagang, near Shanghai; it is the first Chinese plant of a European company producing backsheets for solar panels.

Our Mission



PRODUCT AND PROCESS INNOVATION

Product and process innovation is Coveme's fundamental attitude. Constant innovation allows the company to serve increasingly broad and diverse markets, distributing new, high-performance products for fast-growing and evolving high-tech industries.



SUSTAINABILITY AND THE CIRCULAR ECONOMY

Coveme is at the forefront of creating a sustainable present and future inside and outside the company: the main market in which the company operates is renewable energy by producing back sheet films to protect photovoltaic panels. But the commitment to environmental protection concerns the type of products and how they are made. This is reflected in the production processes, the technologies adopted, and the relationships with partners.



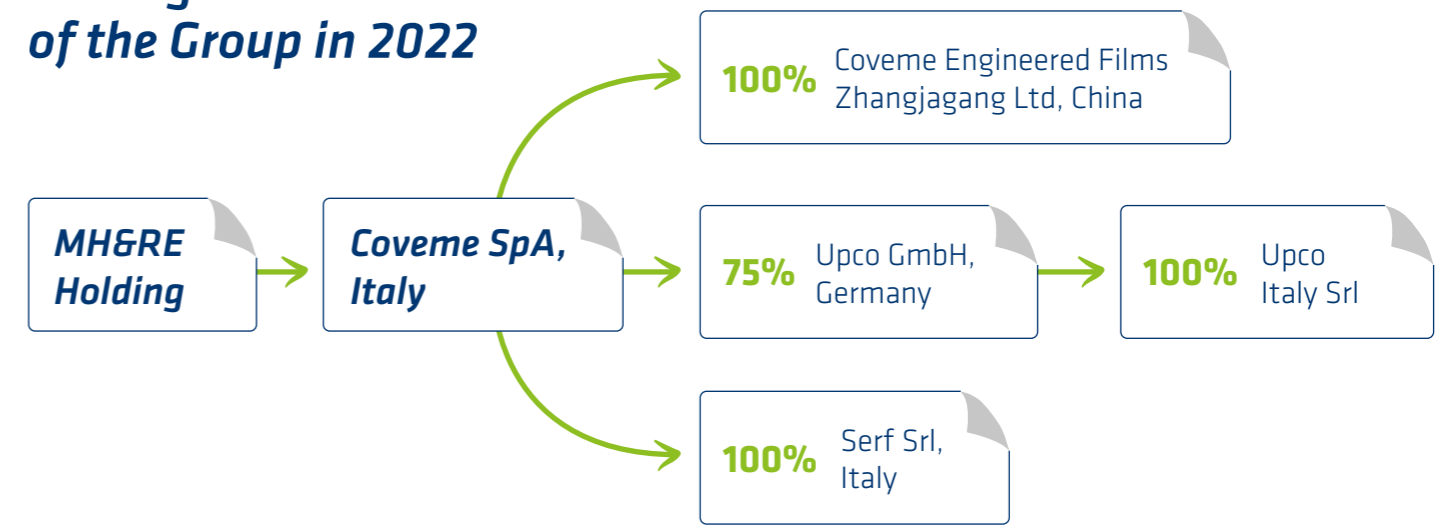
RELIABILITY AND SOLIDITY OF PARTNERSHIPS

As a company operating in a complex global environment, Coveme believes that strong partnerships with customers and suppliers are vital for successful joint growth. Innovation, care for the environment and strong partnerships strengthen Coveme's reliability, combining product quality, attention to environmental issues and sustainable development models.



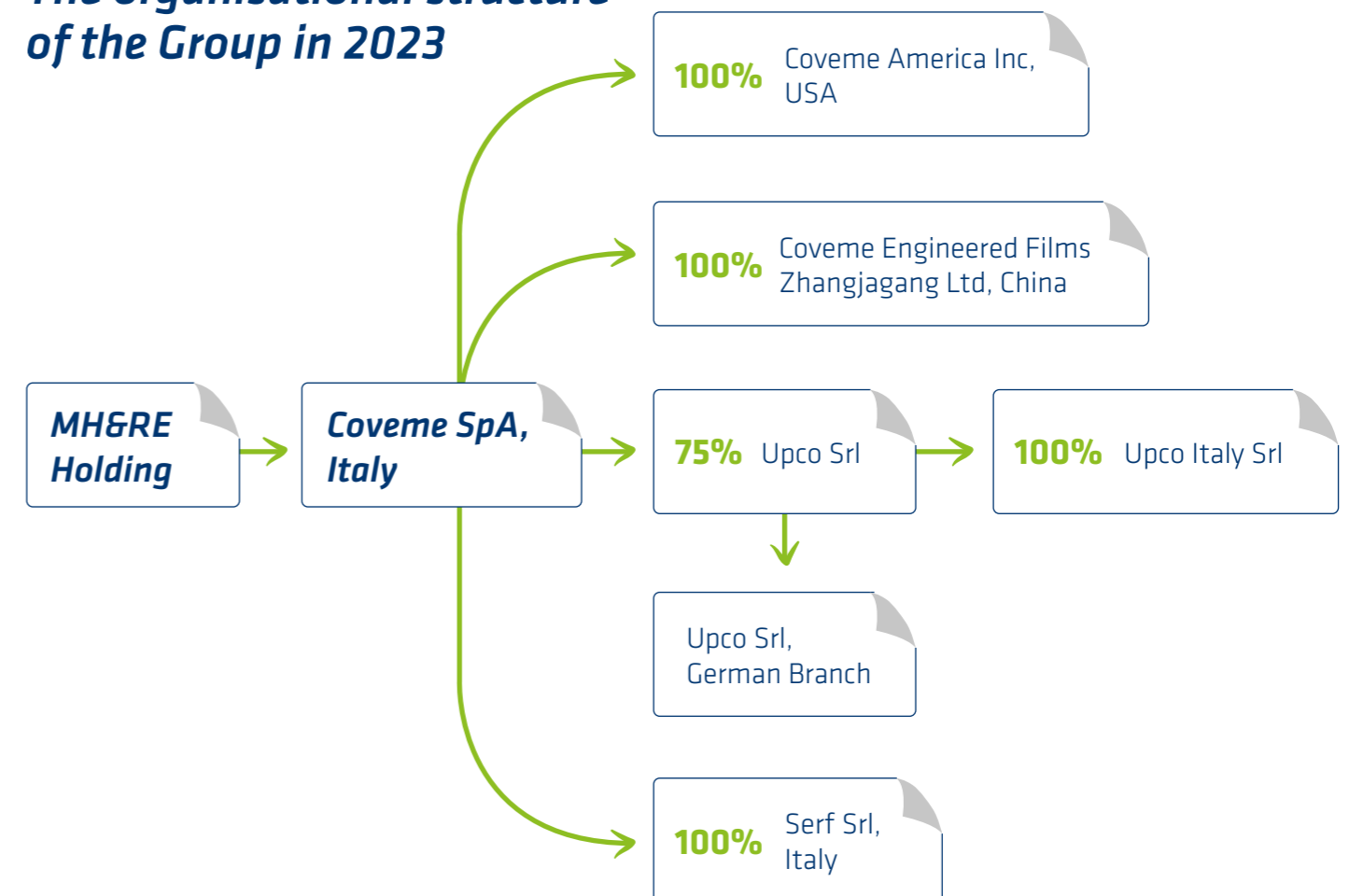
Bologna Operations Centre

The organisational structure of the Group in 2022



During 2023, the corporate reorganisation of Upco took place. Thus, the organisational structure has changed, as shown below.

The organisational structure of the Group in 2023



01. Company identity

Coveme S.p.A. is a subsidiary of the holding company MH&RE and is headquartered in Bologna, Italy.

Production is structured on 13 lines, divided between two sites and supported by three research and development laboratories and two pilot lines.

Coveme Epa is headquartered in Bologna and has a production plant in Gorizia, Italy, where nine production lines are installed, dedicated to manufacturing different types of products for very different end-use sectors. One of the research and development laboratories and a pilot line are also located in Gorizia. Also in Gorizia, next to Coveme, is Serf srl, which is Coveme's cutting department that cuts finished products when requested by the customer.

Coveme Engineered Films Zhangjiagang Ltd (a subsidiary of Coveme S.p.A.) is the second production site in Zhangjiagang, China. The plant houses four production lines, and its activity, which focuses on the photovoltaic sector, is complemented by a second research laboratory.

Upco srl is a company founded in 2018 to study and develop coated films to be used to produce furniture panels. Upco's headquarters and production lines are located in the Gorizia plant, while the R&D centre is based in Heroldstatt, Germany, where there is also a pilot line [GRI 2-2].

THE TWO PRODUCTION PLANTS



Gorizia production plant



Zhangjiagang production plant

The governance structure

Coveme is a company with an established organisational structure, whose system of administration and control is characterised by the presence of several key figures [GRI 2-9]:

- The Board of Directors deals with the ordinary and extraordinary management of the company. It defines the strategic guidelines, assesses the adequacy of the organisational, administrative and accounting structure, and monitors the company's overall performance. It also balances the members' interests with pursuing the common benefit.
- The Board of Directors delegates the Managing Director to manage the company's day-to-day business.
- The Board of Statutory Auditors plays a supervisory role in the activity of the directors. It monitors that management and administration activities comply with the law and the company's articles of incorporation.

Following applicable laws, the auditing of the accounts is entrusted to an external, independent auditing company. This ensures impartial and professional control over the company's financial operations.



02. OUR BUSINESS

Coveme is involved in the processing and transformation of polyester film to make it suitable for various industrial applications such as back protection of photovoltaic modules, electrical insulation of motors, generators and transformers, biomedical tapes, printing for image transfer on clothing, flexible printed circuit boards, surface finishing of furniture panels, durable labels, electrical insulation for electric car motors, industrial and automotive printing systems.

The 13 production lines distributed between the sites in Gorizia, Italy, and Zhangjiagang, China, allow the intrinsic characteristics of polyester film to be improved and modified through different types of processing: lamination, coating, surface treatments, thermostabilisation and cutting. Depending on the customer's requirements, these production processes impart various properties to the film, such as thermal resistance, mechanical strength, printability, surface adhesion, dimensional stability, hydrophilic, and antibacterial properties. All our production processes can be combined according to customer requirements to create a fully customised product with specific technical characteristics suitable for further industrial processing.

Continuous testing guarantees the quality of the materials, and the data of each batch produced is stored, preserved and traceable at all times, with samples retained for a minimum of three years (unless otherwise agreed with the customer). An automated, lean organisation system maximises production and quality results.

Plant activities are supported by 3 research and development laboratories with state-of-the-art machinery and expertise. Gorizia is home to the historic R&D laboratory, which is the main research centre and collaborates with the other two research centres: in China, the specialised scientists work mainly on products for the photovoltaic sector, while in Germany, the activities focus on the study and development of new technologies. [GRI 2-6].



Our production facilities and processes

PLANT OF GORIZIA

PRODUCTION PROCESSES

- 3** Laminators
- 2** Coating lines
- 2** Etching lines
- 3** Heat stabilisation furnaces
- 1** Coating UV/EB curing (Upco)

SLITTING

- 3** Cutting into formats
- 9** Cutting into reels

PLANT OF ZHANGJIAGANG

PRODUCTION PROCESSES

- 4** Laminators

SLITTING

- 1** Cutting into formats
- 5** Cutting into reels

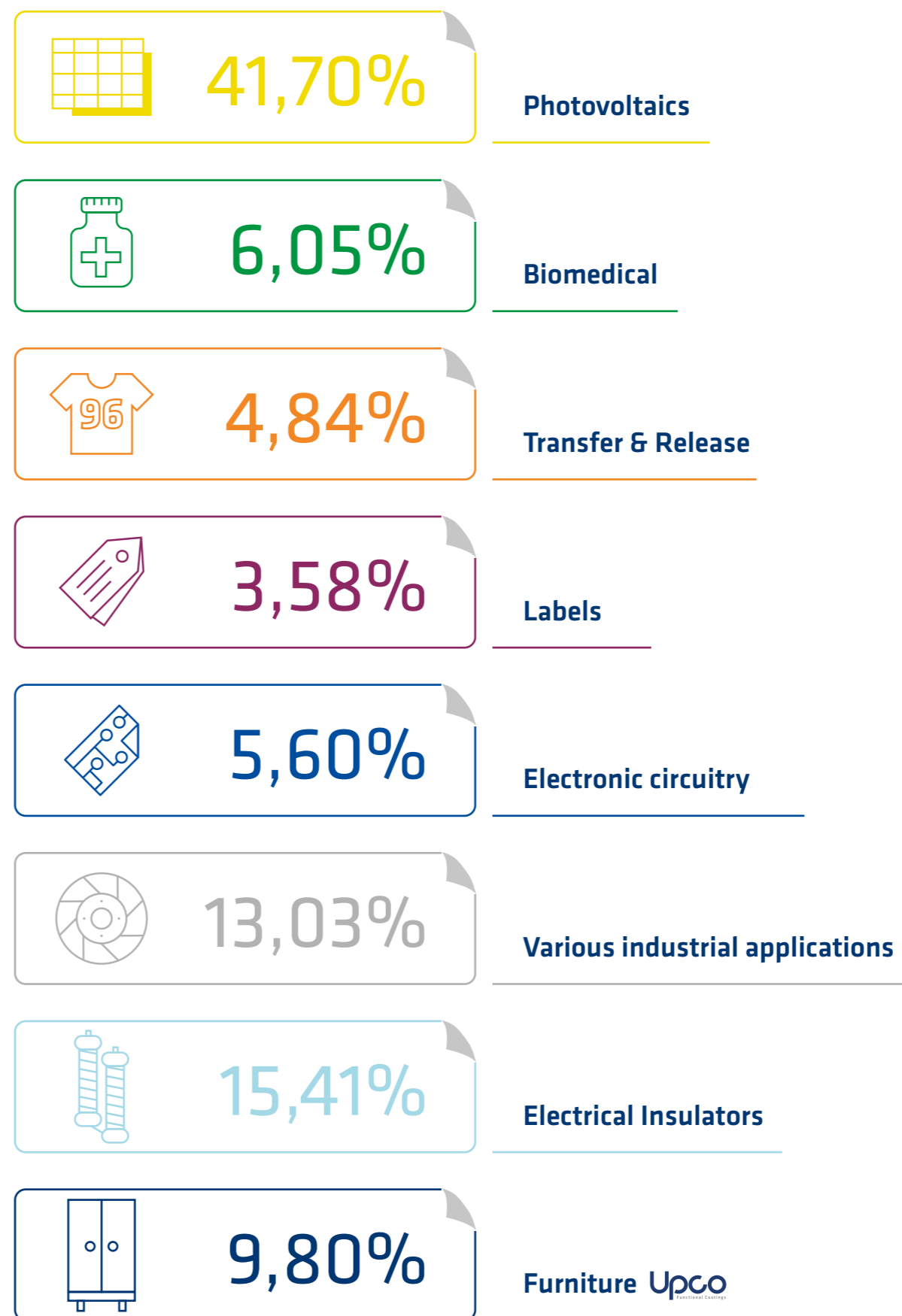
COATER WIDTH **UP TO 2250 mm**
 WIDTH OF LAMINATORS **UP TO 1800 µm**
 BASIC FILM THICKNESS **12-350 µm**
 THICKNESS OF THE FINISHED PRODUCT **UP TO 900 µm**

Note: A production line can have several types of production processes combined

Our products and brands

The Coveme Group has four different business units operating in a B2B environment: the Film Division, which targets 6 different market sectors; the Electrical Insulation Division, the Photovoltaic Division; and Upco, which, in addition to being a subsidiary of Coveme, is a business unit of the Group targeting a different market [CRI 2-6].

Intended for technologically advanced markets, polymer films are engineered for specific applications and, in some cases, developed in partnership with suppliers and customers.



Film Division

The Film Division covers different types of products and target end markets:



FLEXIBLE CIRCUITRY

Polyester films or laminates that support flexible circuits in FIM, NFC, RFID and FPC devices, ensuring flatness and stability and high adhesion to conductive inks. Coveme's flexible circuitry films are used in automotive electronics, avionics, consumer electronics, home appliances, home automation circuits, smart clothing, and wearable devices.



BIOMEDICAL

Printable polyester films with conductive and enzymatic inks hydrophilic films for producing electronic circuits and reaction points in biosensors. The films are incorporated in biomedical diagnostic devices, such as glucose measurement strips in diabetes kits, sensor strips for in vitro diagnostics and ECG/EKG electrodes.



LABELLING

High-performance printable polyester films designed to produce durable labels with high mechanical and chemical resistance. Applications range from the steel industry to dangerous materials drums, from fruit and vegetable and agricultural labels to household appliances, electronics and barcode printing labels.



TRANSFER & RELEASE

Transparent and reliant polyester films for digital and screen printing. Films are used as a carrier for printing and transferring images and decorations onto textiles or other media in various market sectors: fashion and sportswear, artificial leather for bags, shoes and accessories, and interior decoration.



VARIOUS INDUSTRIAL APPLICATIONS

Polyester films suitable for water, solvent and hot melt adhesives, resins and abrasive coatings. Applications range from decorative paper and film backing laminates to abrasive discs and tapes, also used as backing for splicing, printed electronic membranes, and adhesive tapes.



FLEXO & OFFSET

Films for industrial printing systems made from high-performance materials. Ideal for achieving maximum productivity with excellent print quality, they are used to produce mounting tapes, photopolymer plates, blankets and prepress films.



Photovoltaic Division

Coveme develops and produces multi-layer and single-layer polymer laminates, back sheets and front sheets to protect solar panels. These laminates ensure the proper functioning of the solar module for up to 30 years, protecting it from moisture and weathering and guaranteeing its electrical insulation.

These high-performance back sheets and front sheets protect solar modules in all types of photovoltaic module installations and with all cell types on the market today.

Coveme is the world's first manufacturer of backsheets made from recycled polyester film (rPET).

Electrical Insulation Division

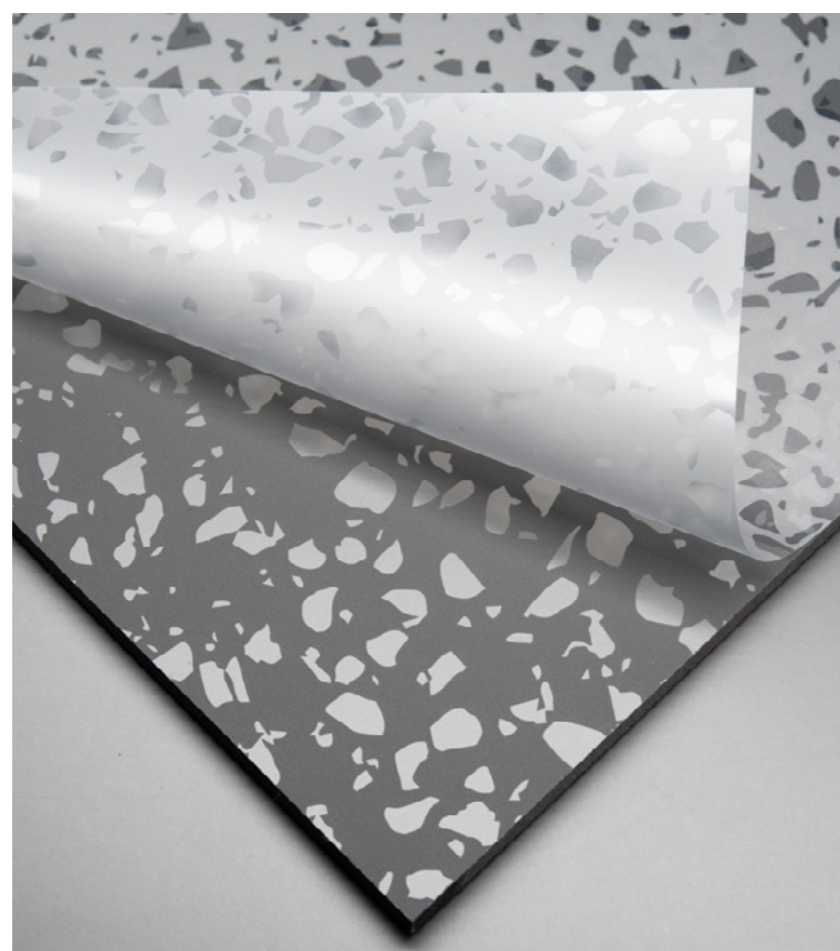
In the field of electrical insulation, Coveme was established in the early 1970s as a DuPont distributor for Nomex® and Kapton®. Subsequently, the close collaboration expanded into the industrial field, allowing Coveme to develop its own high-performance products, including films, laminates and pre-pregs for flexible electrical insulation of motors, generators and transformers. In recent years, research and development have focused on new products for the automotive sector, particularly motors for electric cars.



Upco






Founded in 2018, Upco is part of the Coveme Group and was created to research and develop coated films for producing furniture panels, giving the surfaces both aesthetic and functional characteristics.

The main characteristics given to surfaces by Upco products are scratch resistance, UV resistance, anti-microbial and anti-fingerprint properties, chemical resistance, anti-stain properties and others. The main target markets are furniture, kitchens, doors and flooring, and functional panels for construction and automotive.

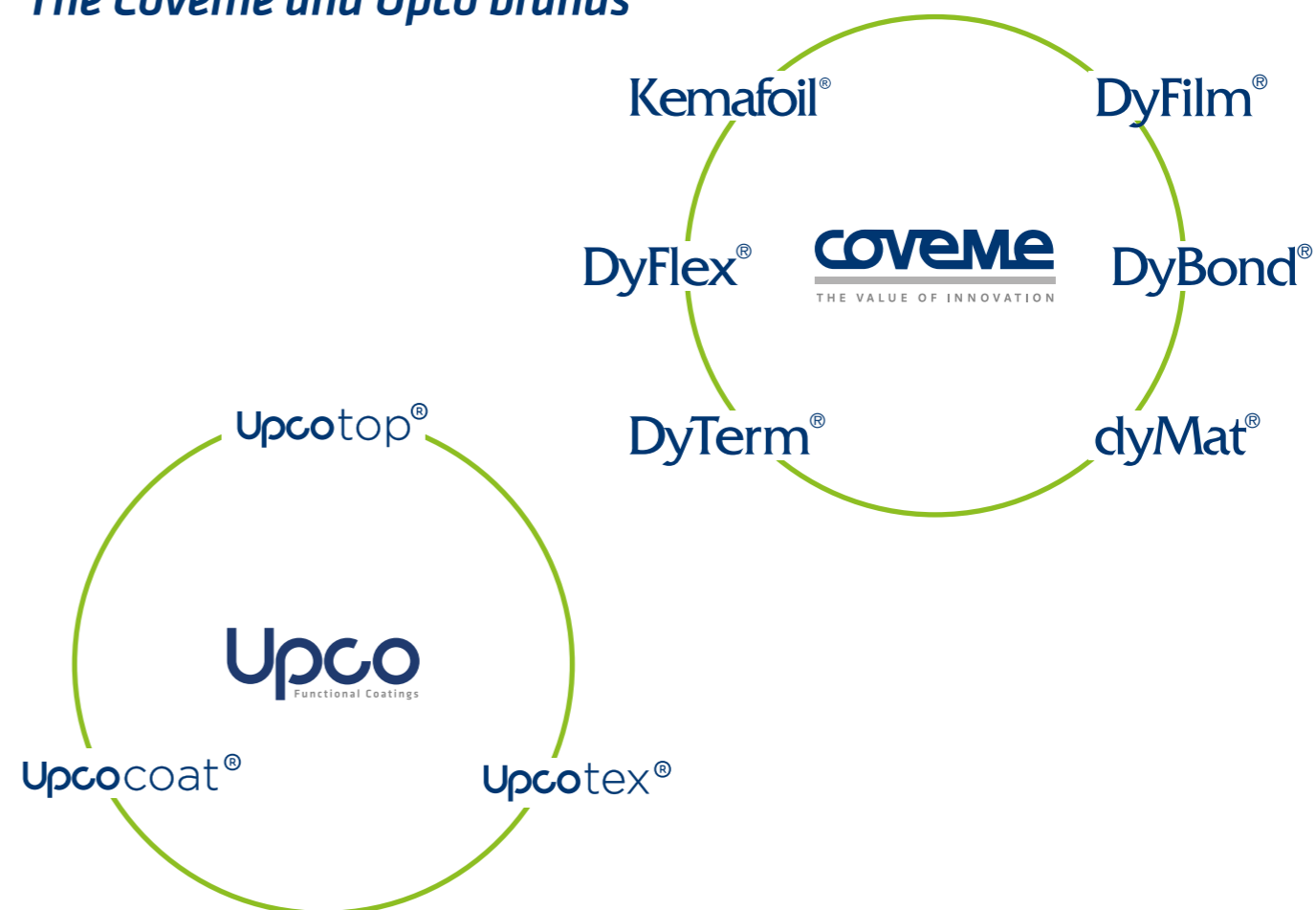


CERTIFICATIONS

Coveme and Upco products have international quality certifications specific to the target sectors of the materials:


	IATF certification for the automotive market
	UL certification for electrical insulation and photovoltaics
	Oeko-tex certification for the clothing market
	Prop 65, CPSIA and Vegan certification for the clothing market
	TÜV Rheinland and TÜV South certification for the photovoltaic market

The Coveme and Upco brands



Our markets and distribution network

Coveme's products serve very diverse market sectors. The main areas include [GRI 2-6]:

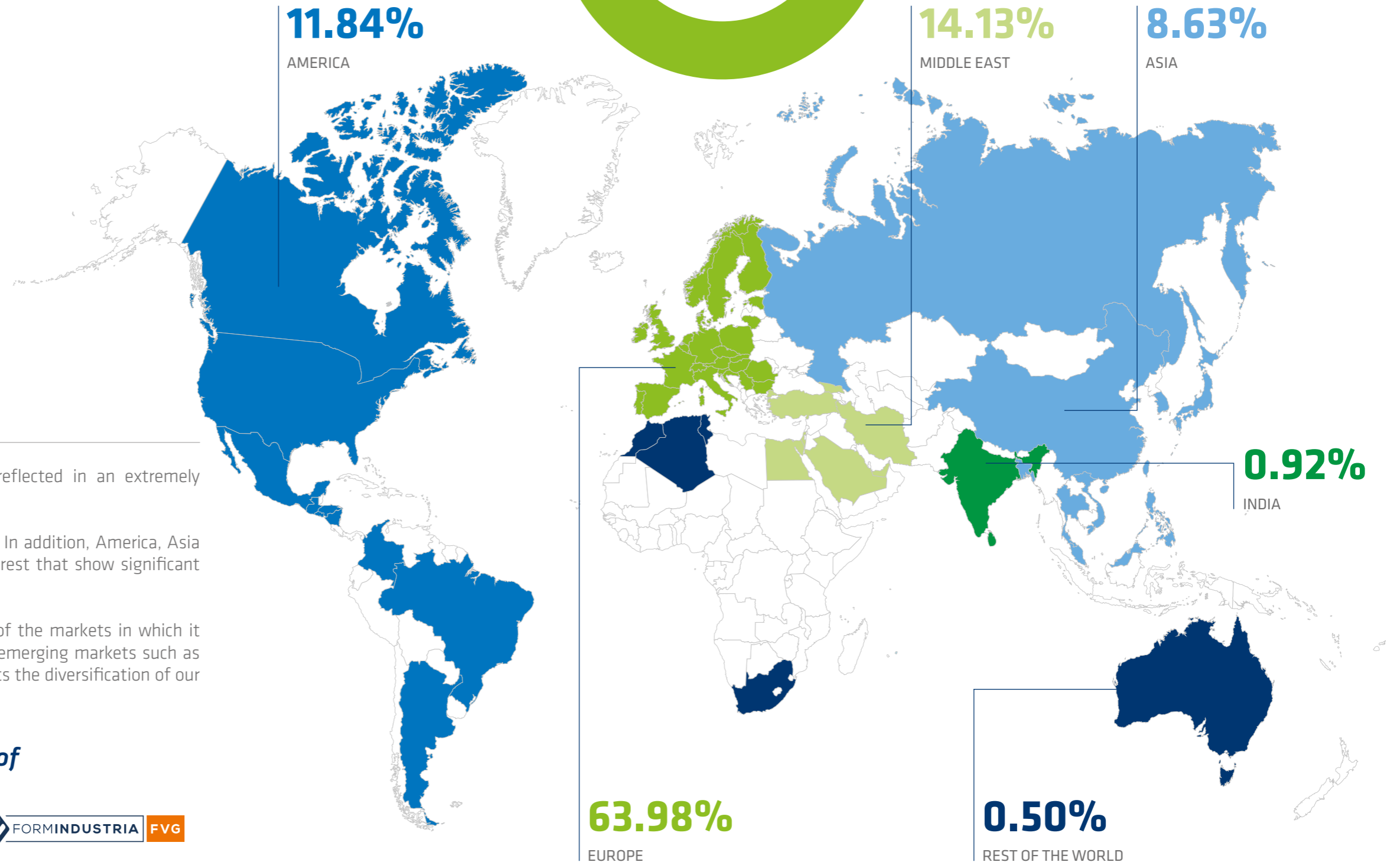
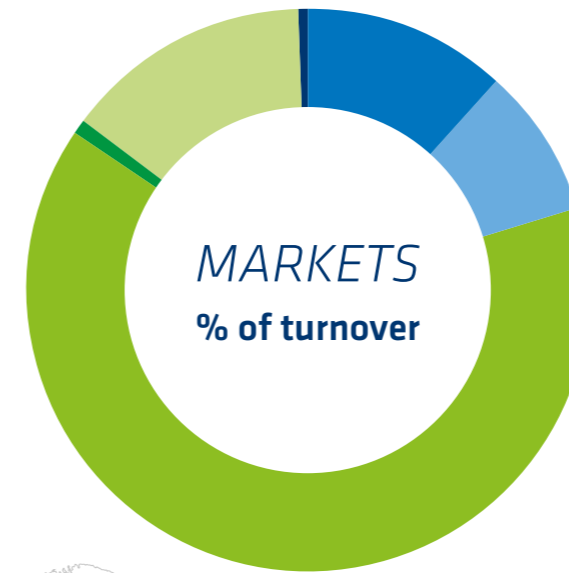
-  Renewable energies
-  Medical biosensors
-  Intelligent logistics systems
-  Automotive
-  Electromechanical industry
-  Interior design industry
-  Furniture industry
-  Consumer electronics
-  Home appliances
-  Construction and architectural engineering
-  Sports and fashion industry
-  Computer and industrial printing

Coveme's presence in very diverse markets is reflected in an extremely articulate global distribution of its products.

The market served the most is the European one. In addition, America, Asia and the Middle East are other areas of great interest that show significant growth potential.

Coveme continues to invest in the development of the markets in which it is present and, at the same time, is approaching emerging markets such as India. This geographical distribution of sales reflects the diversification of our business activities globally. [GRI 2-1].

Associations Coveme is a member of



03. OUR SUSTAINABILITY JOURNEY

As part of its commitment to a sustainable present and future, Coveme has, in recent years, embarked on a journey to promote sustainability both internally and externally. This commitment is realised through several environmental and social initiatives adopted by Coveme, which recognises the importance of integrated management of its business strategy to address the wider environmental, social and economic impacts of its activities.

Sustainability Standards

Coveme relies on international sustainability assessment standards and has achieved several certifications over the years.

CERTIFICATIONS



ISO 14001:2015

This certification, the result of the voluntary adoption of an environmental management system in 2012, testifies to Coveme's awareness that it wants and can contribute to a sustainable growth model that places the environment at the centre. The plants of Coveme SpA, Serf, Upco and Coveme Engineered Films Zhangjiagang are ISO 14001:2015 certified.



ISO 45001:2018 (SDGs 3, 8)

With a systemic approach, the certification guides the company in managing risk, managing legislative compliance, disseminating increasingly safer working practices and assessing worker health. It is a sign of an ongoing commitment to ensuring adequate working conditions that are attentive to the well-being of workers. The plants of Coveme SpA, Serf, Upco e Coveme Engineered Films Zhangjiagang are ISO 45001:2018 certified.



ISO 9001:2015

Coveme is certified in the quality management standard. The plants of Coveme, Serf, Upco and Coveme Engineered Films Zhangjiagang are ISO 9001:2015 certified.

THE RATINGS:



Ecovadis

From 2021, Coveme will undergo Ecovadis certification. The company received the silver medal in the certification, which evaluates the sustainability performance of companies. Based on 21 sustainability criteria across four macro areas (environment, labour practices and human rights, ethics and sustainable sourcing), Coveme was ranked in the top 10% of companies in its sector.



ESG Ecomate

In 2022, Coveme underwent the ESG Ecomate rating and was awarded the BBB level, a result that incorporates the company's assessment of eleven modules on ESG issues.

The sustainability team

The team operationally responsible for coordinating Coveme's sustainability initiatives and communicating them internally and externally is part of the management team.

In 2022, the Sustainability Team **[GRI 2-17]** was established, involving the heads of the organisation's strategic functions. The team reports continuously to the highest governing body on managing the organisation's impacts on the economy, the environment and people **[GRI 2-12]** **[GRI 2-14]**. A regular meeting was arranged for the comparison **[GRI 2-13]**.

The team collects and integrates existing sustainability initiatives into a process of organisation and control and coordinates and evaluates possible future developments to integrate sustainability issues into Coveme's global strategy.

The team also works to strengthen the company's awareness of sustainability and the necessary improvement actions to be taken.

The main needs that have led to these organisational choices are linked to Coveme's desire to re-evaluate its impact and to define its corporate responsibility in terms of improving the environment and the communities in which it operates as one of the world leaders in the sector.







What sustainable development means

Sustainable development aims to meet current needs without compromising the ability of future generations to meet their own needs. It is based on three pillars and the belief that they are deeply interconnected: the economy (profit), The environment (planet) and society (people). It is about promoting a balance between economic development, conservation of natural resources and social welfare, considering the long-term impacts of the actions of people, organisations and states. It is a holistic approach to creating a sustainable future for all.










The 2030 Agenda

The 2030 Agenda is a global plan of action adopted by the United Nations in September 2015. It consists of 17 Sustainable Development Goals (SDGs) and 169 related targets aimed at addressing some of the most urgent challenges the world faces by 2030.

The goals of the 2030 Agenda currently being pursued

SDGs	Actions
	Investing in machinery with high safety standards for workers
	Arrange health insurance
	Increase training courses
	Optimise inbound and outbound transport
	Develop base films made from recycled materials instead of virgin raw materials
	Use paper water bottles and paper cups instead of plastic objects

Coveme's future commitment

SDGs	Actions
	Increase flexibility on working hours/smart working
	Incentive initiatives related to physical well-being for employees
	Promote the development of soft skills through courses
	Arrange agreements with pre-schools
	Sensitise employees to save water
	Use undevelopable plots of land for the construction of solar fields
	Increase in-company work and apprenticeship cases by involving local universities/schools
	Exploite the opportunity for school/work collaboration
	Install charging stations for electric cars
	Encourage the use of bicycles for those who have the possibility
	Incentivise car sharing in Bologna/Gorizia transfers, fairs and other occasions
	Introduce the home office
	Promote products based on recycled or bio-based raw materials
	Reduce paper use in printers, favouring double-sided printing
	Standardise the use of recycled paper in printers, leaving virgin paper as an exception

04. THE MATERIALITY ANALYSIS PROCESS

Stakeholders

Coveme has identified several main areas in which to group its initiatives, which intersect with the three pillars of sustainable development (People, Planet, Profit) and the goals of the 2030 Agenda. These focus areas are based on the involvement of the people who contribute internally and externally to creating value for the Group.

People in Coveme are a key resource, and each individual plays a specific role. Corporate values are shared, and everyone actively contributes to the professional development of the Group. Coveme promotes a balanced working environment that fosters the well-being of its members by creating a positive and purposeful climate.

Raw material **suppliers** play an essential role in Coveme's value chain. The company promotes collaboration and the creation of long-term relationships with suppliers who share its values and goals.




Coveme sees product development **partners** as an essential channel for innovation and progress. The company actively promotes collaborations with universities, research institutions and in-house researchers to acquire specialised knowledge and maintain a leading position in the industry. These partnerships enable Coveme to draw on advanced technical and scientific expertise to develop new products and solutions and to implement more efficient and sustainable production processes.

Coveme's **customers** perceive the company as a reliable partner for developing their business, with high expectations in terms of quality and service. In addition to high-quality standards, they recognise Coveme's distinctive intangible value, consisting of character, history and fundamental principles. These distinctive elements consolidate Coveme's positioning and reinforce the trust of our customers.

The journey so far has led to the mapping of stakeholders in relation to Coveme, the study of their needs and the intersection of these with the actions and initiatives undertaken in the field of sustainability.

Below is a table representing the stakeholders mapped by Coveme, the communication channels used, and the sustainability issues addressed with each of them [GRI 2-29].

Communication channels and sustainability issues

STAKEHOLDER CATEGORY	COMMUNICATION CHANNELS	SUSTAINABILITY ISSUES
 Employees	<ul style="list-style-type: none"> • Meetings • Corporate notice board • Team building • Awareness Questionnaire • Social network • Anonymous e-mail to report problems by employees 	<ul style="list-style-type: none"> • Employee health and safety • Human rights and community relations • Managing the legal and regulatory environment • Employee involvement, diversity and inclusion • Energy Management
 Suppliers of raw materials	<ul style="list-style-type: none"> • Dating • Fair • Portal • Social network 	<ul style="list-style-type: none"> • Materials • Anti-corruption • Supply Chain Management • Product design and life cycle management • Employee health and safety • Greenhouse gas emissions
 Product Development Partners	<ul style="list-style-type: none"> • Collaborations with universities and research organisations • Collaboration with internal researchers 	<ul style="list-style-type: none"> • Employee health and safety • Product design and life cycle management • Materials • Managing the legal and regulatory environment
 Customers	<ul style="list-style-type: none"> • Dating • Fair • Portal • Webinar • Social network • Articles in Magazine • Communication through product packaging • Email • Phone calls • Messaging 	<ul style="list-style-type: none"> • Water and waste water management • Employee health and safety • Climate change • Employee involvement, diversity and inclusion • Energy Management • Human rights and community relations • Product design and life cycle management • Anticorruption • Supply Chain Management • Materials

STAKEHOLDER CATEGORY	COMMUNICATION CHANNELS	SUSTAINABILITY ISSUES
 Policy maker	<ul style="list-style-type: none"> Regular meetings for the Chinese context MISE - sharing research and development projects European Union - calls for research and development projects 	<ul style="list-style-type: none"> Water and waste water management Greenhouse gas emissions Employee health and safety Employee involvement, diversity and inclusion Energy Management Human rights and community relations Product design and life cycle management Anticorruption Supply Chain Management Materials
 Local Community	<ul style="list-style-type: none"> Social Network Sponsorships Solidarity marathons Internship Workshops in schools 	<ul style="list-style-type: none"> Talent attraction Human rights and community relations
 Banking and insurance	<ul style="list-style-type: none"> Dating Conferences Mail, miscellaneous messaging 	<ul style="list-style-type: none"> Water and waste water management Employee health and safety Climate change Involvement, diversity and inclusion of employees Energy Management Human rights and community relations Product design and life cycle management Anticorruption Supply Chain Management Materials
 Future generations	<ul style="list-style-type: none"> Collaborations with schools Sponsorships to sports teams Collaborations with universities Support actions for children and families 	<ul style="list-style-type: none"> Employee health and safety Human rights and community relations Brand reputation on environmental and social issues
 Media	<ul style="list-style-type: none"> Articles on sustainability in trade journals for the 4 business units Linkedin for Youth Engagement Association with trade fair magazines Feature-related fairs of the product 	<ul style="list-style-type: none"> Various social topics

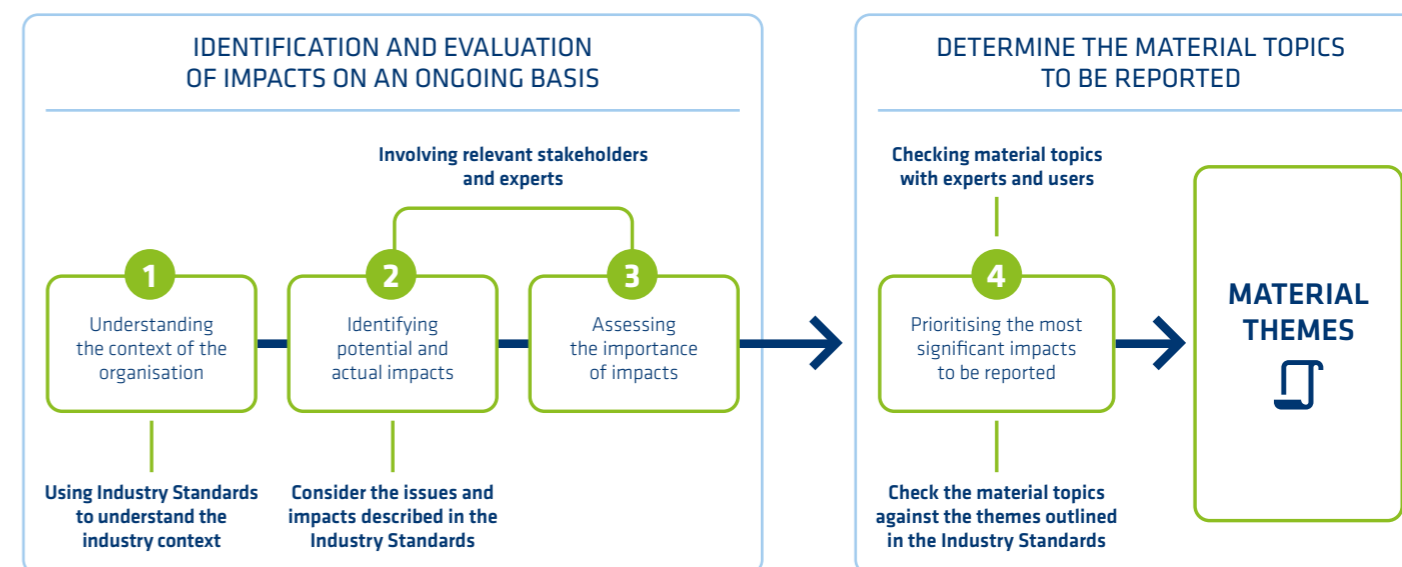
The Impacts of Business

In 2022, Coveme started the process of structuring the dual materiality analysis by conducting research and interviews with internal stakeholders. This process integrated the traditional view of financial materiality with impact materiality, recognising both as equally important perspectives.

The company defined a list of impacts in collaboration with internal and expert stakeholders, taking into account their feedback and the results of activities with members of the Sustainability Team, the Executive Board, Functional Managers and Market Managers.

Once the impacts had been identified, the company analysed their significance, both in terms of impact materiality and financial significance. Involving internal stakeholders and experts, certain sustainability issues' relevance to Coveme's business success and the company's impact on people and the environment was assessed.




The following table shows the most significant positive and negative impacts, potential and actual, and a brief description contextualised in Coveme. Each was associated with the ESG megatrend and the relevant material topic. In addition, the scope of the impact - whether potential or actual - and the issue's relevance for the company were specified.



Negative Impacts

TREND ESG	THEMES MATERIALS	IMPACT	ACTION EVALUATED	TPOLOGY AND RELEVANCE
 Environmental	Resource conservation	Environmental damage resulting from the use of non-renewable resources as raw materials	Use of non-renewable raw materials	Potential - ●●●●
			Obtaining all the raw materials needed for production from a single supplier (mono-supply)	Current - ●●●●
			Rising raw material costs due to increasing scarcity of non-renewable resources	Potenziale - ●●●●
	Climate change	Failure to contribute to the fight against climate change due to increasing CO2 emissions from the production process and the use of transport	Generation of air pollutant emissions from the production process	Current - ●●
			Generation of transport emissions (ship, road, air)	Current - ●●
	Waste Management	Increase in the amount of waste due to the inability of the business to implement practices recovery, recycling and/or re-use	Generation of waste due to the disposal of the product, as a series of measures such as recycling and/or reuse, cannot be implemented	Current - ●●●
	Water Management	Danno ambientale derivante da una gestione inadeguata delle acque	Failure to exploit raw materials from waste	Current - ●
			Failure to manage water properly can lead to its contamination, turning it into dangerous waste	Potential - ●●
			Use of energy from non-renewable sources that generates environmental impacts, such as the generation of emissions	Potential - ●●●●
	Energy Management	Environmental damage resulting from inadequate water management	Dependence on non-renewable sources (such as gas) leading to a possible shortage of resources	Potenziale - ●●
Rising gas and energy costs that increase operating costs and reduce profitability			Current - ●●●●	
 Social	Health and safety at work	Increase in the number of occupational accidents suffered by workers due to a lack of safety management and monitoring	Damage to the health of workers working with chemicals and from the use of machinery	Potential - ●●●
	Employee welfare	Decreased ability to retain talent in the company due to lack of equal opportunities and view of diversity as a strength	Loss of human capital skills due to non-valorisation of people	Potential - ●
	Diversity and inclusion		Loss of human capital skills due to discriminatory acts	Potential - ●
 Governance	Anticorruption	Loss of business ethics due to incomplete management practices	Existence of possible actions that could lead to corruption incidents	Potential - ●●
	Supply Chain Management	Damage to company business and workers Damage to the company's business and workers in the supply chain due to the lack of control over suppliers' environmental, social and human rights choices	Damage to the company and customers resulting from the choice of non-certified suppliers Employment damage on suppliers as a result of organisational contraction	Potential - ● Potential - ●

Positive Impacts

TREND ESG	THEMES MATERIALS	IMPACT	ACTION EVALUATED	TPOLOGY AND RELEVANCE
 Environmental	Innovative materials	Promoting and contributing to the fight against climate change by reducing of business process emissions	Collaboration with universities and research centres for new product developments	Current - ●●●
	Waste Management	Improved waste management through the implementation of packaging material reduction practices	Development of innovative products with less environmental impact	Current - ●●●
 Social	Contribution to local community development	Economic and social development (including respect for human rights) of the territory due to the company's relationship with the community and the company's action within it	Securing jobs for the population of the area	Current - ●●●●
			Positive impact from community support initiatives	Current - ●●●●
			Support from the organisation for research and development	Current - ●●●
			Building lasting economic relations in the territory	Current - ●●●
			Increased economic benefits for the local community	Current - ●●●
Education and Culture of Sustainability	Promote a culture of sustainability through community initiatives and internal training of employees	Raising employee and community awareness of sustainability issues (sustainability training and culture)	Current - ●●	
Employee welfare	Increased ability to retain talent in the company through the full valorisation of their professional and personal characteristics	Positive impact from the full utilisation of people	Current - ●	
 Governance	Supply Chain Management	Improved corporate reputation through the recognition of values such as honesty, fairness and health by our stakeholders	Active collaboration with different raw material suppliers, enabling new projects or improvements to existing products	Current - ●●●

Relevance of priorities

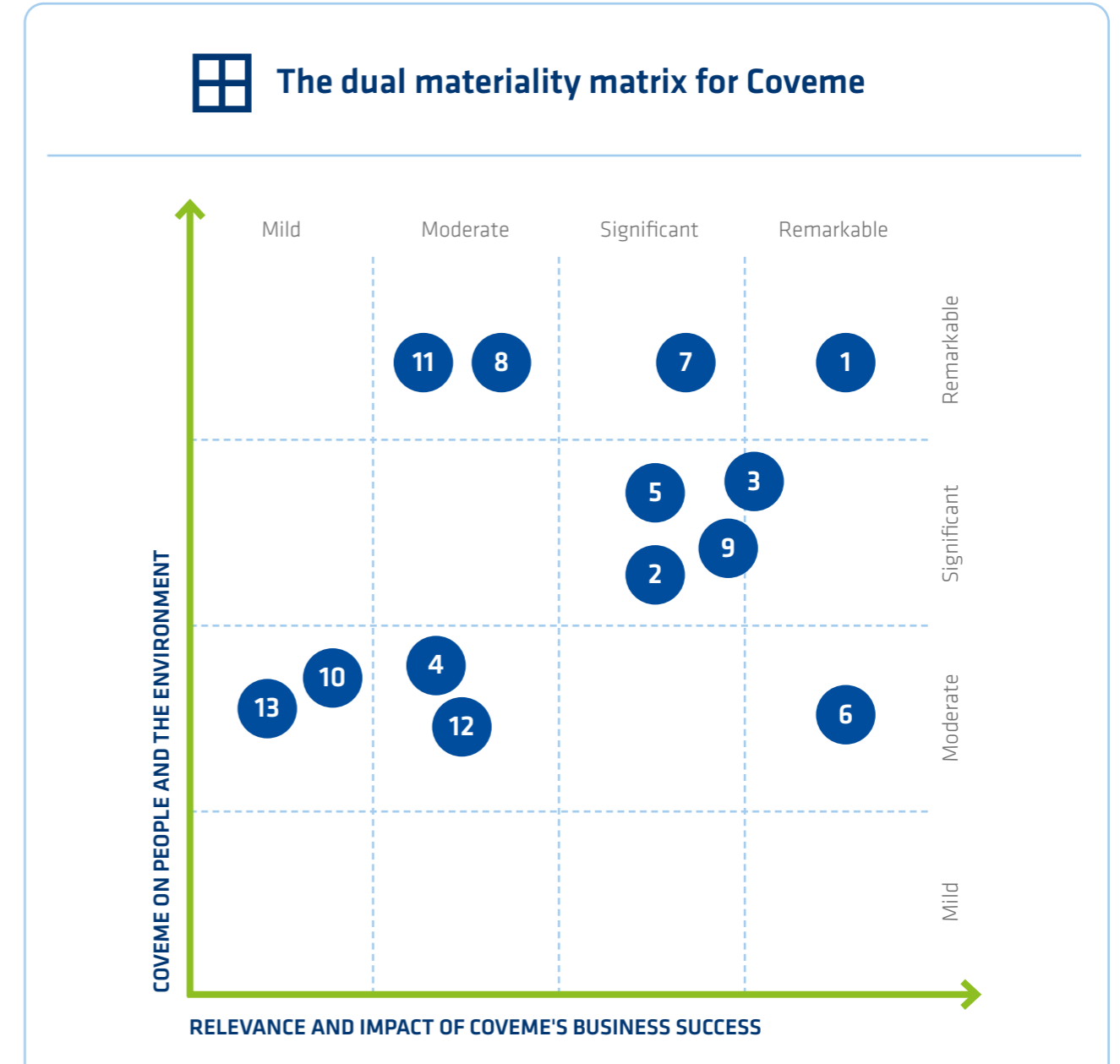
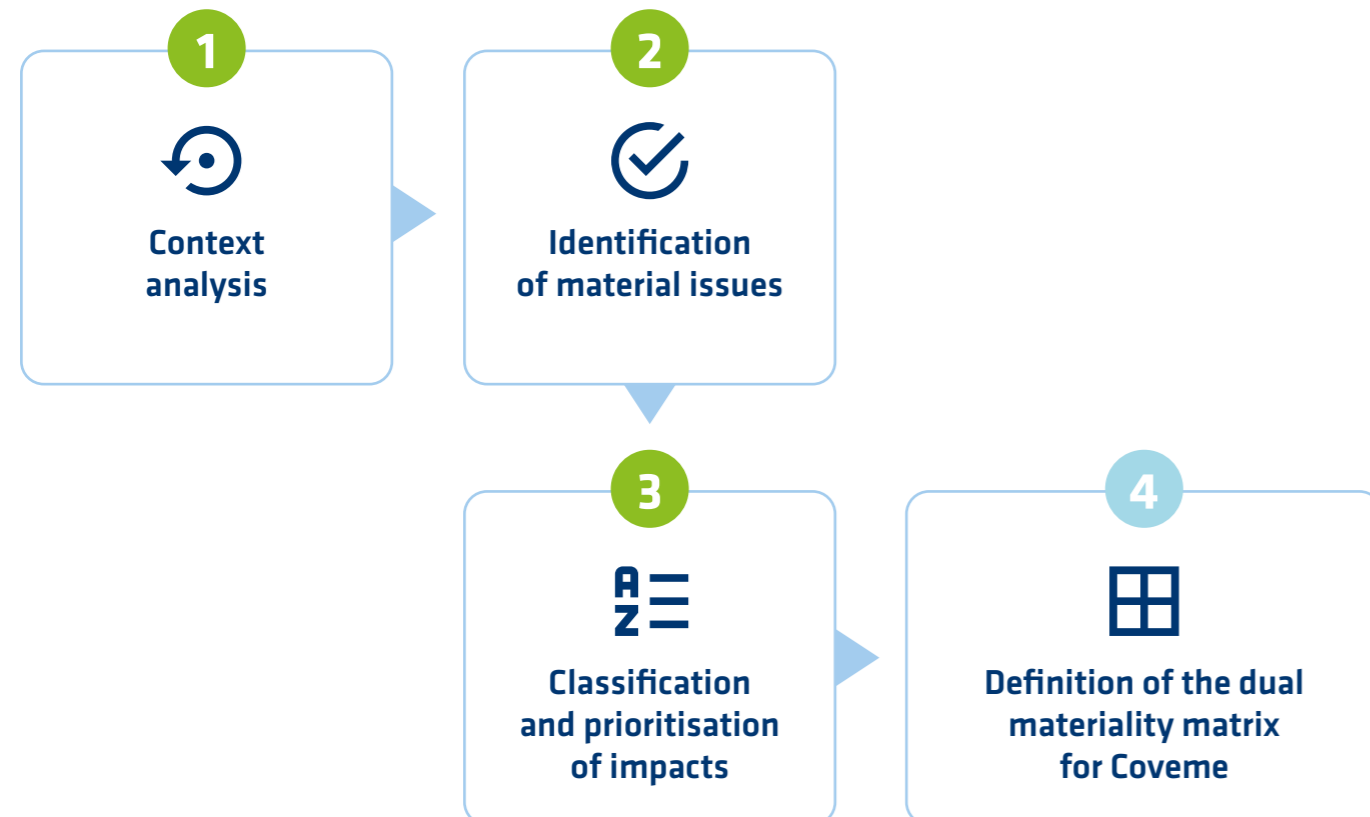
A rigorous due diligence process in line with GRI standards has identified relevant ESG issues, considering both current and potential positive and negative impacts.

This approach has enabled the Group to take a comprehensive and detailed view of the ESG issues affecting its operations. Through this analysis, it was possible to identify the key issues that required immediate attention and action by Coveme to promote positive and mitigate potential negative impacts.

Strategic priorities in the social and environmental areas, which will guide the company's future activities, have been defined based on the results obtained. Coveme is committed to actively working on these priorities, taking action to improve its ESG performance and contribute to social and environmental progress.

DUAL MATERIALITY

The materiality process followed in Coveme was as follows [GRI 3-1]:



- ### Identified Priorities
- | | |
|------------------------------|--|
| 1. Resource conservation | 8. Anticorruption |
| 2. Innovative materials | 9. Contribution to local community development |
| 3. Climate change | 10. Supply Chain Management |
| 4. Waste Management | 11. Education and Culture of Sustainability |
| 5. Health and safety at work | 12. Employee welfare |
| 6. Water management | 13. Diversity and inclusion |
| 7. Energy Management | |

Identified themes

The results of this initial materiality assessment will enable the company to focus its strategic sustainability decisions on the areas of greatest relevance. The materiality analysis was carried out following the **Enterprise Risk Management** methodology. This provided a comprehensive view of which issues are most relevant to Coveme.

The impact of the company's activities is constantly monitored and evaluated to take corrective action and continuously improve our sustainable performance.

Coveme is committed to pursuing these objectives by implementing targeted practices and policies, adopting innovative solutions and promoting a corporate culture favouring sustainability.

Sustainability is an ongoing journey, and Coveme is committed to maintaining a proactive approach in identifying new opportunities to reduce environmental impact and promote social welfare **[GRI 2-25]**.

05. GOVERNANCE

Integrity and ethics in business administration

Integrity and ethics in company administration are of paramount importance to Coveme. Organising activities according to an integrated management system that considers the operational context and the needs of stakeholders is essential for responsible and sustainable management.

Management carefully analysed the context in which the organisations operate to understand the external and internal factors that may influence the ability of the Integrated System to achieve the desired outcomes.

Coveme is committed to integrity and ethics in all business activities. This includes adopting policies and procedures that promote transparency, accountability, fairness and respect for all stakeholders, including employees, customers, suppliers and local communities, to create an ethical and inclusive working environment consistent with the company's values.

An integrated approach

The Integrated Manual, a fundamental document underpinning Coveme's Integrated Management System, provides guidelines and procedures for effectively managing company activities. Context analysis and process definition enable an assessment of risks and opportunities for improvement. These documents are reviewed annually and updated in the event of major changes.

The Management sets as key objectives:

- Address and meet the needs and expectations of customers and relevant stakeholders;
- Comply with its legal requirements and ensure a safe and healthy working environment;
- Minimise environmental impacts.



05. Governance

Further objectives are identified during the regular Management Review and are integrated into the continuous improvement plans for quality, environment and safety. To achieve them, the Management undertakes to:

- Provide customers with products that comply with agreed specifications, corporate social responsibility criteria, applicable standards and laws;
- Constantly monitor customer satisfaction to improve perceived quality and company performance;
- Communicate, understand and apply the Integrated Policy at all company levels and make it available to interested parties through the company website.
- Continuously improve the Integrated Management System following ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018;
- Ensure the availability of the necessary resources for the maintenance and improvement of the Integrated System, including the competence and awareness of people and technological upgrading in the relevant operational areas;
- Define the responsibilities and authorities necessary to ensure the effective implementation of the Integrated Management System;
- Regularly monitor compliance, adequacy and implementation of the integrated system through internal audits;
- Ensure compliance with the rules established by the Integrated Management System and the regulations in force;
- Support continuous improvement through activities and projects aimed at increasing customer satisfaction, improving environmental performance and maintaining healthy and safe working environments;
- Promote activities aimed at reducing environmental impacts, including product life cycle analysis;
- Monitor the performance of strategic suppliers to ensure compliance of products and services;
- Systematically maintain infrastructure, equipment and machines, ensuring their availability and safety;
- Guide and support staff, encouraging collaboration and active participation;
- Protect and support workers who report critical health, safety and environmental situations;
- Empower organisation members about the importance of their role in achieving the company's objectives.



The Organisation, Management and Control Model

Model 231, or the Organisation, Management and Control Model, is a fundamental corporate tool for preventing and countering risks arising from the responsibilities established by Legislative Decree 231/2001 **[GRI 2-27]**.

To ensure ethical and legally compliant management, Coveme has adopted Model 231 as an integral part of its corporate strategy **[GRI 205-2]**.

Adopted in December 2018, the model is regularly updated to consider organisational changes, processes and new types of offences within the scope of Decree 231/2001. The Board approved the last update of Directors on 3 July 2020.

05. Governance

Coveme, in its commitment to responsible and transparent business management, is committed to ensuring compliance and observance of the provisions set out in the Model, such as:

- Identify activities within which offences could occur.
- Provide specific protocols to implement the company's decisions concerning preventing offences.
- Establish ways of managing financial resources to prevent the commission of such offences.
- Provide for information obligations vis-à-vis the Supervisory Board, in charge of monitoring the functioning of and compliance with the Model.
- Provide one or more confidential channels through which senior persons or those subject to the direction or supervision of others may report the commission of unlawful conduct relevant under Decree 231/2001.
- Introduce a disciplinary system to sanction the addressees' failure to adhere to the measures indicated in the Model and the provisions of the Code of Ethics.



To assess the risk of committing offences in company processes, reference was made to the Risk Management principles defined in UNI ISO 31000:2018, ISO 73:2009 and ISO/IEC 31010:2009. Through the Risk Assessment process, risks were identified, their probability and severity of consequences analysed, and then assessed as a whole. Risks exceeding the threshold of acceptability were managed and dealt with. Should the level of risk remain high despite the measures taken, further preventive or protective measures were sought [GRI 205-1].

Training on the OMC 231 was conducted between 2019 in Gorizia and 2021 in Bologna, involving all employees, including those with technical roles.

Since the document came into force, every new employee, including blue-collar workers, has received specific training on the subject [GRI 205-2].

Code of ethics

The Coveme Code of Ethics:

- Is the company's 'Constitutional Charter' and defines the moral rights and duties of the organisation's members.
- Is the benchmark for promoting ethical behaviour and sets out the company's responsibilities towards its stakeholders.
- Embodies Coveme's concrete commitment to pursuing operational excellence and social responsibility, helping to build a sustainable and ethical future.

The Code of Ethics is the main tool for promoting ethics within the company, providing the principles to be adhered to in relations with each other and with other stakeholders. Recipients are bound to respect the values and principles of the Code of Ethics, protecting Coveme's image and the integrity of its assets.

The Code of Ethics has been distributed to all employees and can be consulted on the company's website [GRI 205-2].

The principles underlying the document are moral legitimacy, fairness and equality, protection of the individual, protection of the environment, diligence, transparency, honesty, confidentiality, impartiality and protection of health [GRI 2-15].

The Presidency is responsible for implementing, disseminating and understanding the principles of the Code of Ethics within the company, monitoring its reception, handling reports of violations and applying sanctions

The implementation methodology is defined through:


- Analysis of the corporate structure to understand the internal dynamics and integrate the principles in the different areas of responsibility;
- Internal discussions that foster adherence to and shared understanding of ethical principles;
- Standards of ethical behaviour and the adaptation of the company organisation.


06. THE CREATION AND THE DISTRIBUTION OF VALUE

Information on the generation and distribution of economic value provides a snapshot of the wealth created by Coveme to benefit stakeholders and the growth of local economies.

The economic value is calculated using the **C.B.S.** structure. (**Sustainability Reporting Study Group**), which considers the overall net added value from the company's core, ancillary or extraordinary activities.

From the economic value generated, the distribution of wealth in the different areas can be considered in the reporting year:

- 
1 Donations and membership contributions.
 Donations and sponsorships to non-profit organisations and associations that generate social value for communities by promoting social, cultural or environmental causes.
- 
2 Remuneration of risk capital.
 The return obtained by investors who provided risk capital to the company to finance its activities.
- 
3 Remuneration of credit capital.
 Interest is paid to financial institutions or creditors who have provided financing to the company through loans or other forms of debt.
- 
4 Remuneration of the P.A. (Public Administration).
 Fees and taxes paid to the public administration, such as income tax, VAT and local taxes, with which the company contributes to public revenue and the financing of services.
- 
5 Suppliers.
 Payments made to suppliers of goods and services to the company, economic value supporting the ecosystem of business partners.

- 
6 Staff remuneration.
 Remuneration, including salaries, wages, bonuses and benefits, paid to the company's employees. It is a fundamental form of wealth distribution because it contributes to employees' well-being and economic stability.

The areas show how Coveme creates and distributes economic value to various key players inside and outside the company and reflect the commitment to support the community, investors, suppliers, public administration and staff, contributing to the general welfare and sustainable development.

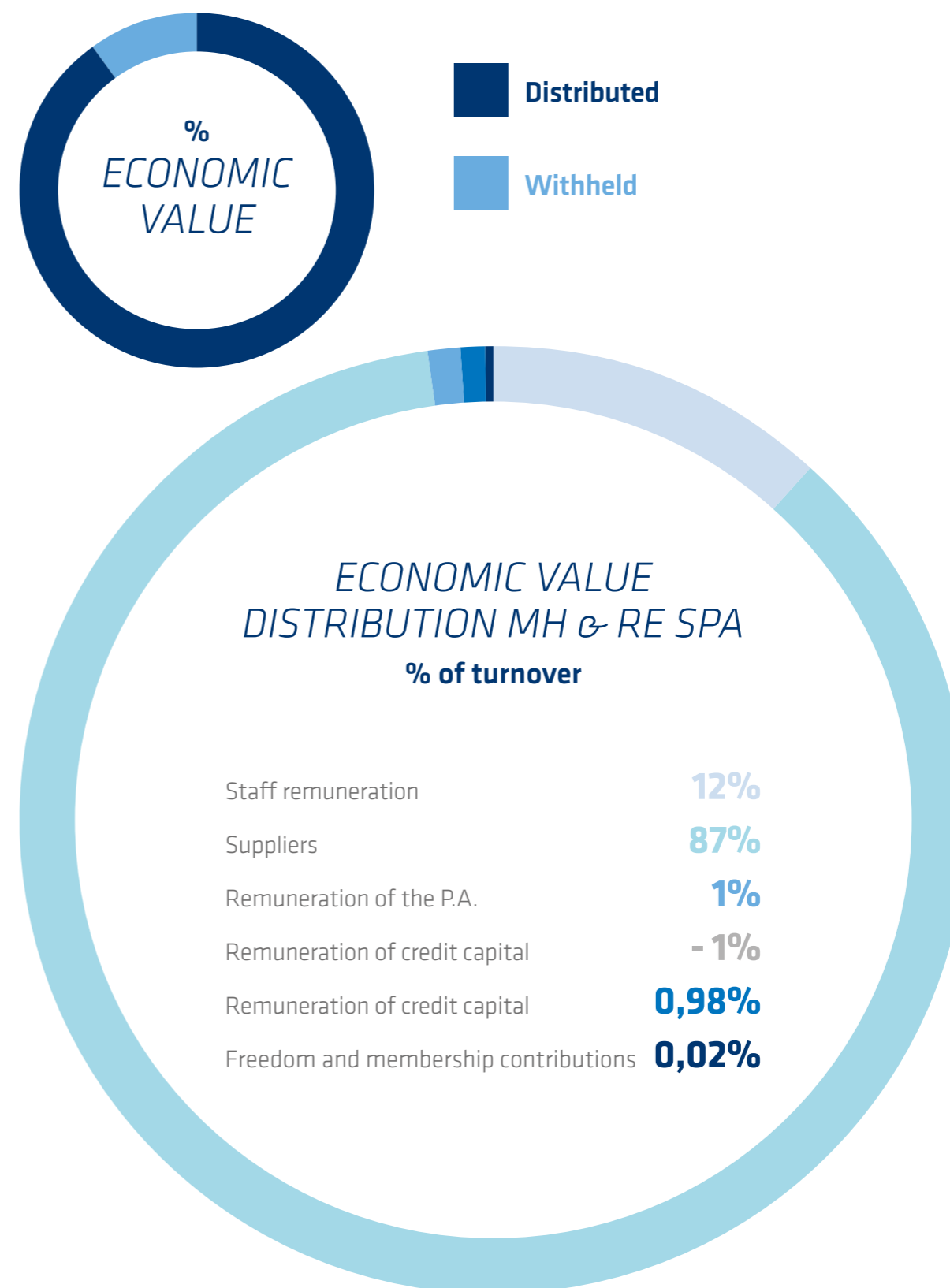
ECONOMIC VALUE GENERATED	2022 (Thousands of euros)
A) Production value	141.365
1. Sales revenue	141.365
2. Change in inventories of work in progress, semi-finished and finished products	-
3. Increases in fixed assets. Work in progress	-
4. Other revenues and income	3.181
Revenues from typical production	144.545
B) Accessory and extraordinary components	1.495
Total economic value generated	146.040

06. The creation and the distribution of value

DISTRIBUTED ECONOMIC VALUE	2022 (Thousands of euros)
A) Staff Remuneration	16.237
B) Suppliers	112.105
1. Consumption of raw materials, consumables, goods	79.971
2. Operating Costs	31.506
3. Lease and rental costs	629
C) Remuneration of the P.A.	903
D) Remuneration of credit capital	894
E) Remuneration of risk capital	1.480
F) Donations and membership contributions	24
Total economic value distributed	131.644
% economic value distributed	90%

ECONOMIC VALUE RETAINED	2022 (Thousands of euros)
A) Depreciation, Amortisation, Write-downs and Provisions	8.961
B) Undistributed profit	5.435
Total economic value retained	14.396
% economic value retained	10%

ECONOMIC VALUE MH & RE SPA 2022



07. THE SUPPLY CHAIN

The supply chain is a key element, and Coveme is committed to assessing its impacts on the economy, environment and people, also considering human rights.

Coveme is looking for suppliers close to the main production sites to support the local economy. During the past year, a significant percentage of the company's budget for activities at the Gorizia, Italy, and Zhangjiagang, China, sites was allocated to the purchase of products and services from local suppliers **[GRI 204-1]**.

Moreover, at Coveme, supplier selection is based on strict criteria, including the evaluation of company certifications. In particular, the company pays special attention to possessing ISO 14001 certification for environmental management **[GRI 308-2]** and ISO 45001 certification for occupational health and safety **[GRI 414-2]**. These choices promote a positive impact on the environment and the well-being of the people involved in the supply chain **[GRI 3-3]**.

The company recognises the importance of continuously monitoring the effectiveness of actions taken in supply chain management, although it does not currently have specific indicators to assess this effectiveness **[GRI 3-3]**.

Furthermore, to ensure comprehensive quality control, following the procedures defined in Coveme's Integrated Manual, in which rigorous raw material sourcing and production processes are implemented **[GRI 3-3]**. These include:

- the choice of the most reliable and competitive materials,
- collaboration with established suppliers to ensure constant quality and innovation,
- the use of sampling and control systems for incoming material,
- Online traceability of each raw material through a specific batch number.

During production, each batch is closely linked to a specific raw material and machinery set-up, and thorough checks are carried out, documented and evaluated to ensure compliance with material specifications. Finally, all necessary documents, including those requested by customers, are issued and sent to ensure compliance and transparency in product management.

Coveme is committed to a responsible approach to supply chain management to ensure product quality, respect for the environment and the well-being of the people involved in the process.

08. PEOPLE

People are a key element for Coveme. Each individual contributes to creating value through his or her own unique characteristics and specific competencies, assuming well-defined roles within the group to achieve objectives.

ITALIAN PLANT:

Total number of employees by contract type and gender in Italian plants **[GRI 2-7]**.

	Open-ended	Fixed-term	Full-time	Part-Time
Men	179	6	185	0
Women	41	1	36	6
Total	220	7	221	6

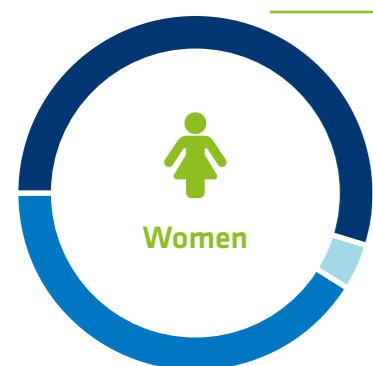
ZHANGJIAGANG ESTABLISHMENT:

Total number of employees by contract type and gender in the Zhangjiagang plant [GRI 2-7].

	Open-ended	Fixed-term	Full-time	Part-Time
Men	32	11	43	-
Women	22	7	29	-
Total	54	18	72	-

BREAKDOWN OF EMPLOYEES BY GEOGRAPHICAL AREA AND GENDER:

Total number of employees by gender and geographical region [GRI 2-7].

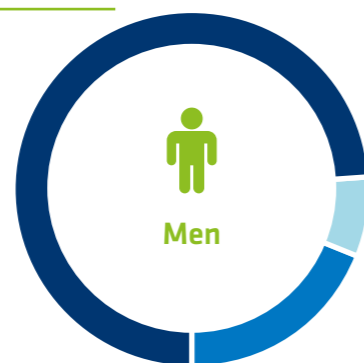


Women

Coveme	39
Upco	3
Coveme Engineered Films Zhangjiagang	29
Total	71

Men

Coveme	169
Upco	16
Coveme Engineered Films Zhangjiagang	43
Total	228



TOTAL NUMBER OF NEW EMPLOYEES HIRED

(FROM 01/01/22 TO 31/12/22):

Breakdown by age, gender and region [GRI 401-1].

	Under 30	30-50	Over-50
Coveme Women	1	2	1
Coveme Men	8	8	1
Upco Men	1	3	-
Coveme Engineered Films Zhangjiagang	2	3	-
Total	12	16	2

TOTAL NUMBER OF EMPLOYEES WHO LEFT THE ORGANISATION

(FROM 01/01/22 TO 31/12/22):

Breakdown by age, gender and region [GRI 401-1].

	Under 30	30-50	Over-50
Coveme Women	1	4	1
Coveme Men	1	7	4
Upco Men	-	2	-
Coveme Engineered Films Zhangjiagang	1	8	-
Total	3	21	4

Employees who have taken parental leave: 7 eligible women who have all returned to work, 6 of whom are still employed after 12 months; 1 eligible man who has returned to work but is no longer employed. The return-to-work rate is 100 per cent [401-3].

The company's external workers are considered suppliers and not non-employee workers [GRI 2-8].

08. People

The rules on the remuneration of members of the highest governing body, such as the CEO and President, are set by the BoD. Remuneration comprises a fixed part and a variable part linked to achieving objectives.

Remuneration rules for senior executives are closely linked to targets and performance in managing the organisation's impact on the economy, the environment and people, including sustainability KPIs. These standards include fixed and variable remuneration, with a Management by Objectives (MBO) approach for all managers.

In determining remuneration, market benchmarks are generally observed to determine the size of salaries. Market benchmarks assess the competitiveness of the remuneration offered within Coveme's industry **[GRI 2-19] [GRI 2-20]**.

09. EMPLOYEE WELFARE

Coveme's employees are a crucial resource for the business model. This is why their well-being is one of the objectives the company wants to focus on.

Coveme provides several benefits to its employees, particularly in the area of health. The Covid pandemic had a huge impact on people's lives. The company is aware of this and offers its employees a Covid insurance policy.

Sickness, disability and invalidity insurance are covered by the national collective agreement (CCNL), as is parental leave. **[GRI 2-30]**. Employees who retire are granted a productivity bonus compared to the previous year **[GRI 401-2]**.

10. HEALTH AND SAFETY AT WORK

Assessment of impacts

Coveme places the utmost importance on the safety and health of its workers, maintaining a constant commitment to providing optimal working conditions for the well-being and health of employees.

In the current organisational context, Coveme's activities have created wealth and increased employment by focusing on producing goods that favour renewable sources.

However, the negative impacts associated with health and safety are also considered in properly managing activities. First of all, the organisation pays particular attention to the potential risk of accidents and the occurrence of occupational diseases resulting from the organisation's activities. In addition, potential pollution situations that could occur in severe emergency scenarios, such as fire, increased traffic on local roads and possible noise emissions, have also been mapped **[GRI 3-3]**.

Managing impacts in Italian plants

To ensure effective management of health and safety impacts, the organisation has defined an internal policy set out in the Integrated Quality, Safety and Environment System Manual.

Management is committed to complying with regulatory requirements and meeting health, safety and environmental standards, considering the needs and expectations of customers and stakeholders. As part of the management review, it periodically assesses the objectives set and identifies the actions necessary for continuous improvement during the management review process.

10. Health and safety at work

PREVENTION ACTIONS

The organisation has implemented many actions to manage health and safety effectively, ensuring a safe and secure working environment.

During introducing new dangerous chemicals, the Risk Prevention and Protection Service (SPP) is consulted to assess environmental impacts and obligations related to environmental authorisations (AIA). Based on these assessments, any additional prevention and protection actions are considered, such as adopting new personal protective equipment (PPE) or modifying installations.

THE MONITORING SYSTEM

A regular monitoring system is adopted to assess the effectiveness of the actions taken in health and safety. Specifically, the indicators defined in the safety management system are monitored monthly. These include the number of reported near misses, dressings, and injuries, with their frequency and severity indices. Currently, the targets set for Coveme are at least 6 near-miss reports per year and for Serf, at least 2. In addition, there are targets concerning the frequency index (FI), which must be less than 20 and the severity index (GI), which must be less than 0.2.

Finally, the results of the indicators are checked monthly and published on the notice boards of the departments [GRI 3-3].



Managing impacts at the Zhangjiagang plant

For safety management and preventive actions, site safety inspections and registration and control of the use of special equipment are carried out in the Chinese factory under the requirements of the ISO 45001 system.

PREVENTION ACTIONS

Regular emergency drills are also organised, such as evacuation plans in case of fire, emergency management due to electric shocks and special equipment accidents, and specific emergency plans for chemical spills. Finally, the assessment, identification and control of the most significant risks in the company's plant is regularly conducted. Safety notices and warning signs are prominently displayed in production workshops.

New and outgoing employees must undergo medical examinations for occupational diseases upon joining the company. In addition, an annual monitoring of occupational risks in places where such risks are generated is carried out, and the monitoring results are disseminated to ensure that employees are properly and adequately informed on these issues.

THE MONITORING SYSTEM

In the case of actual negative impacts on health and safety, the causes of the incident are analysed, investigations are conducted, and a report is drawn up. Prompt corrections are implemented to solve the problems encountered. Finally, in-depth inspections of the units involved or suspected of producing the same negative impact are carried out. After rectification, education, training and evaluation activities are carried out for all employees to prevent the recurrence of such negative impacts.

10. Health and safety at work

The Chinese plant incorporates further objectives in addition to those already defined by the main Italian plant **[GRI 3-3]**:

- Establish occupational health and safety targets and conduct monthly follow-up evaluations to ensure that targets are under control;
- Conduct regular inspections and specific security audits;
- Special operations control: before being carried out, some special operations must undergo a supervision process by the Health and Safety Manager to identify possible risks of accidents.

Health and safety management

Coveme's plants located in Gorizia and Bologna, together with Serf, adopt an Occupational Health and Safety Management System in compliance with the ISO 45001:2018 standard. This international standard provides a framework for improving safety, reducing risks in the working environment and promoting the health and well-being of workers. The management system has been implemented in full compliance with the regulations in force, carefully considering the specific risks associated with the production site and the peculiarities of the organisational structure **[GRI 403-1]**.

Careful management of workers' tasks, activities and workplaces within the occupational health and safety management system enables the effective assessment and management of health and safety impacts, promoting a safe and sustainable working environment for all concerned.

Details of the tasks broken down for the different establishments can be found in the Appendix **[GRI 403-1]**.

Processes for hazard identification and risk assessment

Hazards within the working environment are identified through risk assessment, starting with knowledge of the production process and involving exposed persons.

Some relevant points include:

- The hazards introduced are assessed during the introduction of new equipment, and specific instructions are drawn up or existing ones updated/ implemented. Subsequently, information and training are provided to those involved. Company procedures/ instructions always define the roles of those who must implement and control.
- Operators are involved when drafting procedures and instructions to ensure their active involvement. The same principle is applied in the choice of work equipment.
- Defining organisational charts and formalising roles through specific appointments increases the awareness of the people involved. This defines the persons responsible for control roles.
- Performing internal and external audits of business processes contributes to monitoring the application of company procedures/ instructions and established rules. Audits provide indications of compliance with predefined rules.

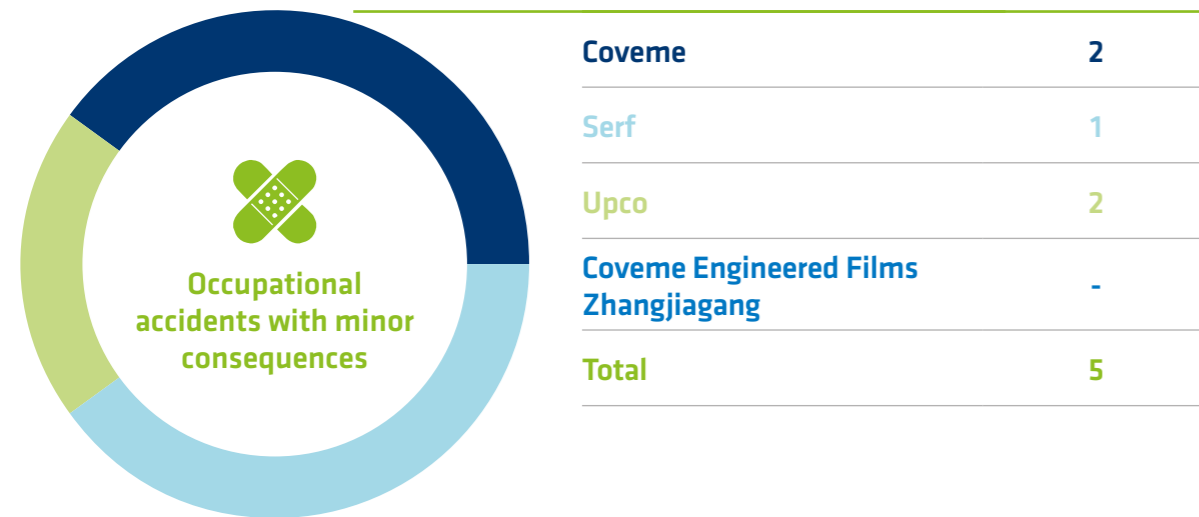
The system for reporting dangerous situations involves the communication of these by workers to supervisors, who then explicitly pass on the reports to the company departments. Notifying dangerous situations occurs via the company portal, e-mail or shift manager reports. To prevent possible retaliation, a whistleblowing procedure has been implemented within Coveme's MOG 231 **[GRI 2-26]**.

Following reported accidents, near misses and minor incidents, all persons involved are interviewed separately to reconstruct the specific event. Finally, an internal report is prepared, and the necessary corrective or improvement actions are evaluated, which are summarised in the improvement plan **[GRI 403-2]**.

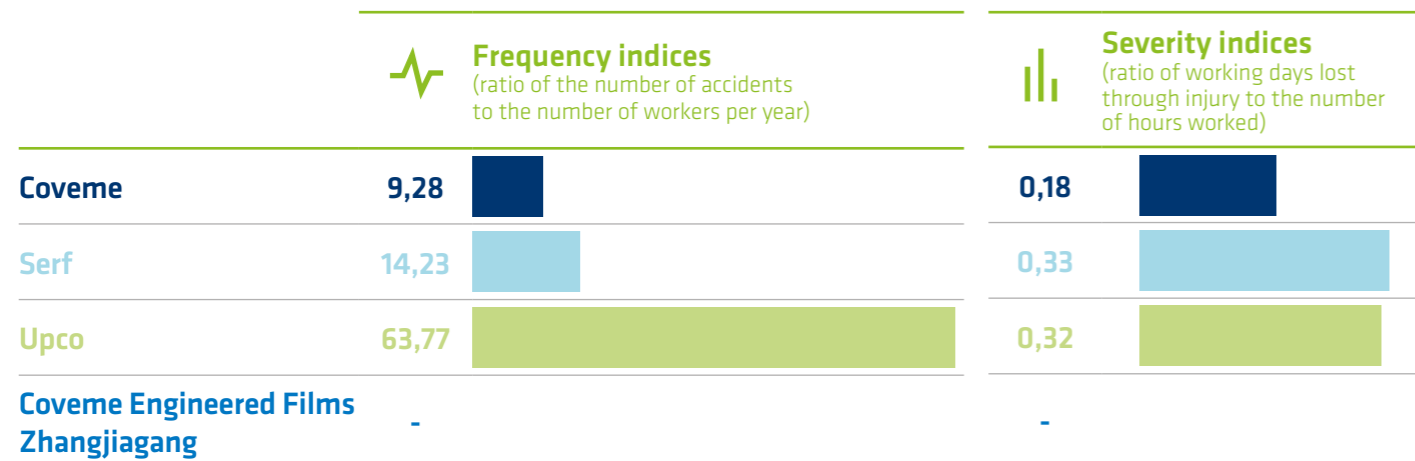
Analysis of occupational accidents and diseases

The main types of occupational injury that can occur to employees are contact with dangerous substances and mechanical hazards related to the use of work equipment. At the same time, some minor cases of respiratory and eye irritation have been reported at the Chinese plant.

Below is a breakdown of all locations concerning the number and type of accidents:



In 2022, Coveme's accident frequency and severity indices were calculated according to the UNI 7249 standard and are shown in the following tables [GRI 403-9].



Incident analysis allows the identification of security measures to be implemented. In particular, the management of chemicals used in the process is governed by an internal chemicals management procedure following the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), which regulates the management of dangerous substances, the introduction of new dangerous substances and compliance with obligations.

In addition, the factory in China regularly conducts risk identification and hidden problem investigation to eliminate the risk of safety incidents in production units, as well as physical examinations for occupational diseases and testing of occupational risk factors [GRI 403-7].

Dangers

Workplace hazards that present a risk of injury with serious consequences were identified through the management and analysis of safety data sheets and accidents that occurred in previous years. Based on this information, specific measures were taken to address these hazards and minimise risks using the hierarchy of controls.

In particular, these can be identified in the following categories [GRI 403-9]:



The dangers of using dangerous substances

The organisation decided to centralise some of the acid transport facilities to minimise plant hazard points and the number of people exposed. In addition, personal protective equipment (PPE) specific to each dangerous substance was provided, and operators received specific training.



The dangers of using chemicals

In particular, ethyl acetate, epoxy resins, and curing agents pose a risk of poisoning, fire and explosion. To prevent fires, explosions and leaks, preventive measures such as engineering techniques, emergency supplies and the appropriate use of PPE are taken to ensure the safety of employees.

10. Health and safety at work



Hazards associated with the use of work equipment

Occupational hazards that pose a risk of occupational disease, if not controlled, can be divided into two categories **[GRI 403-10]**:



The noise

Following an analysis of specific instrumental measurements, actions were taken to eliminate or minimise the risk, including providing appropriate personal protective equipment (PPE), staff training and education, and implementing collective protection measures such as soundproof booths.



The chemical risk

Again, instrumental surveys and risk assessments were carried out, resulting in similar preventive actions, including providing appropriate PPE, staff education and training, and implementing collective protection measures such as vacuum systems and enclosed cabins for handling dangerous chemicals.

Health Monitoring and Health Promotion

The choice of a competent doctor shared by the different locations made it possible to standardise health surveillance and adopt a common line. A health protocol has been developed, and regular visits are carried out to workers. The doctor actively participates, provides guidance on risk management during the risk assessment, and is always available to workers for any queries.

To ensure the confidentiality of workers' health information, the company implemented a personnel management system based on software called Safety by Zucchetti. Access to this software is restricted to the various corporate functions according to their roles, and only authorised personnel may access the section containing sensitive data. While in the Chinese plant, employee occupational health information is stored and locked centrally by the human resources department and can only be accessed by the employee himself.

This ensures that workers' health information is treated confidentially and protected appropriately **[GRI 403-3]**.

Coveme facilitates workers' access to out-of-work health and medical services through an agreement with Faschim (the health care fund).

This agreement allows workers to take advantage of health services outside the workplace, allowing them to access medical treatment and healthcare.

In addition, the organisation established a new initiative to increase workers' nutritional awareness and promote a balanced lifestyle. This refers to activating a new canteen service, which provides meals and information on the caloric intake of the chosen meals. At Coveme Engineered Films' Zhangjiagang plant, an activity room has been set up where employees can enjoy various recreational activities such as table tennis and badminton. **[GRI 403-6]**.

Employee involvement in health and safety issues

Health and safety training is provided during the recruitment process by the SPP, which is unique for Coveme, Upco and Serf.

This training includes general and specific content concerning company-specific topics, seeking to ensure better adherence to the tasks assigned to workers. In addition, training is updated periodically, especially when new substances or equipment are introduced.

At the Coveme Engineered Films Zhangjiagang plant, when new employees enter the factory, they are offered three levels of safety training, with each level lasting eight hours. Each year, the company provides employees with training on occupational hazards, dangerous chemicals, and fire and explosion incidents, with full employee participation **[GRI 403-5]**.

Involving employees in health and safety does not end with training alone. Indeed, in implementing new equipment, the people involved are involved in selecting and drafting the relevant instructions, on which they will then be trained.

In the Coveme Engineered Films Zhangjiagang plant, when management systems, operating procedures or other institutional documents involving the entire staff are developed, two employee representatives attend the meetings and sign the follow-up.

An environment and safety committee is established and meets periodically for the Gorizia and the China office. During these meetings, targets and improvement actions are defined, and participants raise environmental and safety issues **[GRI 403-4]**.

11. PROFESSIONAL TRAINING OF EMPLOYEES

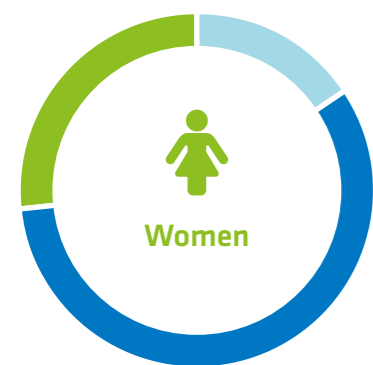
The company invests heavily in human capital because Coveme's employees and collaborators are a crucial resource, without whom it would not be possible to provide a quality product to customers, and it recognises the positive impact of this investment not only for the business but also for the professional and human growth of its people.

Among its many training initiatives, the group provides refresher courses on skills to improve and make the working environment more efficient, adopting the most up-to-date practices and best possible processes.

The training programmes cover management systems, technical analysis of production time and costs and updating on new software, and courses in accounting, management control and budget reading for new administrative staff [GRI 3-3].

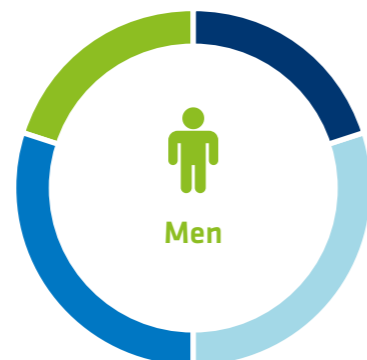
COVEME ITALY:

Average number of training hours per year per employee, by gender and category [404-1].



Workers	-
Employees	7
Managers	26
Executives	12

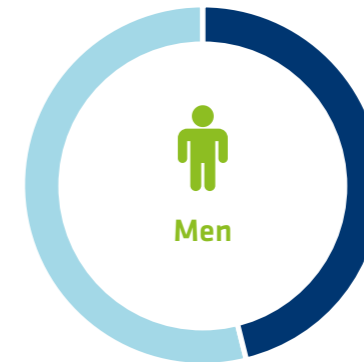
Workers	10
Employees	15
Managers	15
Executives	10



SERF:

Average number of training hours per year per employee, by gender and category [404-1].

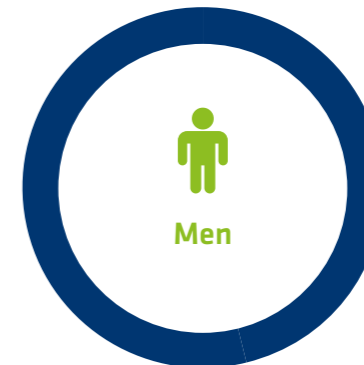
Workers	6
Employees	7



UPCO ITALY:

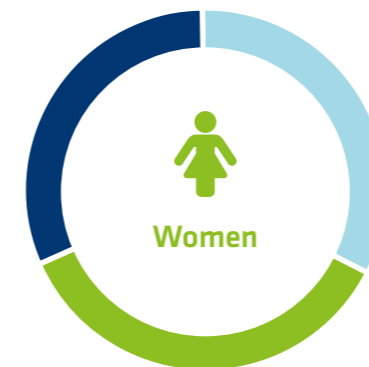
Average number of training hours per year per employee, by gender and category [404-1].

Workers	47
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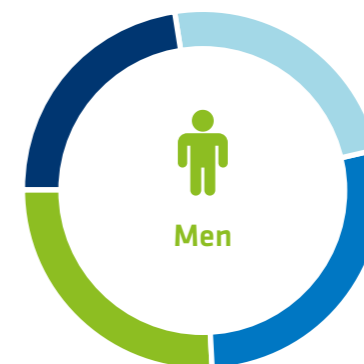
COVEME CHINA:

Average number of training hours per year per employee, by gender and category [404-1].



Workers	46
Employees	48
Managers	-
Executives	52

Workers	46
Employees	48
Managers	56
Executives	52



Monitoring and evaluation of skills acquired

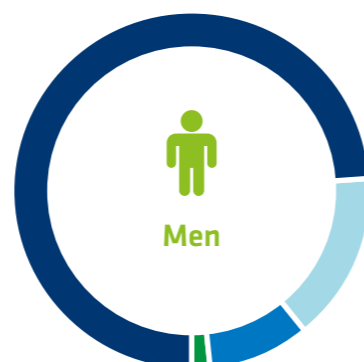
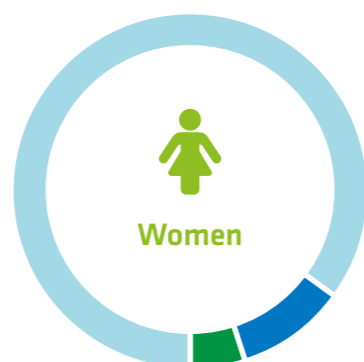
Coveme regularly monitors performance and professional development most independently and reliably possible.

Evaluating employees' performance and professional development makes it possible to monitor the effectiveness of the training offered and identify potential areas in which the company can grow and improve, as well as provide important feedback to track people's professional growth. Finally, monitoring the acquisition of new skills is an action related to the potential improved performance of the organisation.

COVEME ITALY:

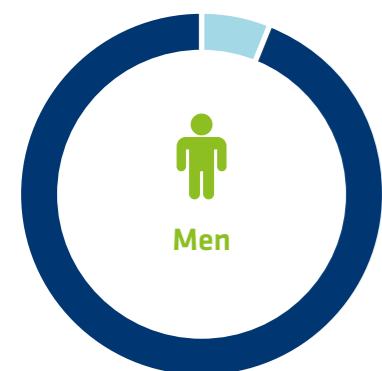
Employees receiving appraisals on their performance and professional development by gender and category [404-3].

	Women	Men	Total
Workers	-	103	103
Employees	34	21	55
Managers	4	13	17
Executives	2	2	4



SERF:

Employees receiving appraisals on their performance and professional development by gender and category [404-3].

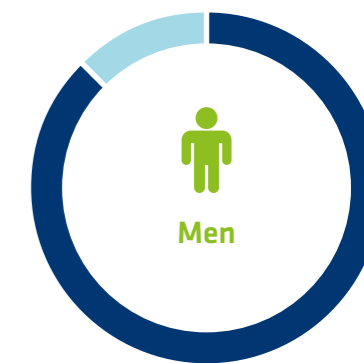
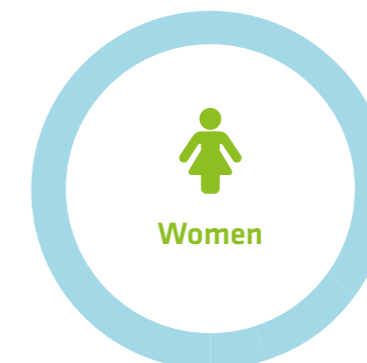


	Women	Men	Total
Workers	-	32	32
Employees	-	2	2

UPCO ITALY:

Employees receiving appraisals on their performance and professional development by gender and category [404-3].

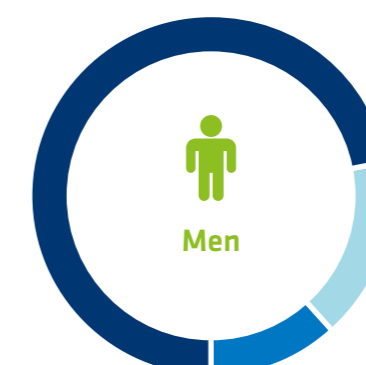
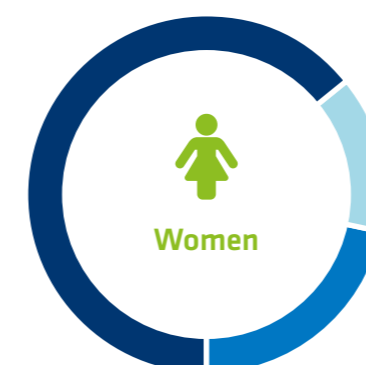
	Women	Men	Total
Workers	-	7	7
Employees	1	1	2



COVEME CHINA:

Employees receiving appraisals on their performance and professional development by gender and category [404-3].

	Women	Men	Total
Workers	18	31	49
Employees	4	7	11
Managers	6	5	11
Executives	-	-	-



12. ATTENTION AND SUPPORT FOR SOCIETY

Commitment to the territory and the community is one of Coveme's priorities. Attention to these aspects is an opportunity for a company to impact the territory in which it operates positively and the people who make up its social fabric. This commitment includes projects with non-profit associations, sponsorships of sports and schools, and support of wider communities, nationally and internationally.

In the Isonzo area, Coveme supports the Sant'Andrea district in Gorizia with various initiatives:



Because it believes strongly in the values of sport and what sport can give young people as they grow up, the company supports the local **Juventina** football team;



In the Slovene-speaking school district, with the help of Coveme, a colour printer was purchased due to the teachers' inability to find language texts;



The company cooperates with and supports the cultural association **'Skultura 2001'**, a symposium of volunteer artists who, from amorphous masses of wood, stone and marble, carve statues that not only embellish the St. Andrew's district, but are also present throughout the Gorizia region

In the Bologna area, since 2022 Coveme has been sponsoring the **BSL of San Lazzaro**, a basketball club near the Bologna headquarters. The BSL has several teams of all ages and through competence and fun provides children and young people with an opportunity to grow in sports. The Group strongly believes in this reality and is proud to sponsor it and concretely help the development and growth of the community in the area.

Another very important collaboration for the Group is the one with the **ANT foundation**, which provides social-health assistance at home to cancer patients. Coveme sponsored a special car operating in the San Lazzaro area of Bologna and equipped to transport patients in need to treatment centres.

Italian League for Cancer Research (Lilt), the **non-profit organisation Aiuto Materno - Luisa Valentini**, which assists families with small children in the Faenza area, and the **non-profit organisation Dishub**, a paediatric disability association operating at the Interior the Maggiore Hospital in Bologna.

Crossing social and environmental sustainability for about 3 years, the organisation has supported a non-profit association



in the Bologna area - **Reuse with Love** - dedicated to collecting and distributing used items and clothing to needy families. This collaboration represents an opportunity to involve the employees of the Bologna plant, as every six months, the workers participate directly in the harvesting phase, strengthening mutual human relations.

The Group not only supports the territories and communities surrounding its headquarters and factory but also contributes to projects at national and international levels. In fact, Coveme annually supports the initiatives of **Telethon**. This non-profit organisation finances research into rare genetic diseases and has sponsored Italian national beach volleyball team athlete **Daniele Lupo** for several years. At the international level, on the other hand, Coveme's commitment is to two different non-profit associations operating in Africa: **Save The Children**, with whom Coveme collaborates and with whom, in the last two years, it has opened two surface wells in Uganda to support local communities, and **James Non Morirà**, an association that works in Ethiopia helping orphaned and needy children in the village of Adwa.

Finally, during celebrations or special events, the Coveme Group always tries to choose products for giveaways that support non-profit and solidarity associations and realities, such as the **Cooperativa Contea**, a solidarity winery in the Gorizia area, the association **"Diamo un taglio alla sete"**, which donates to Kenya, or the **Association of Bone Marrow Donors (ADMO)** of Friuli-Venezia Giulia [GRI 2-28].



13. THE ENVIRONMENT

Coveme has implemented an internal procedure that aims to establish responsibilities and methods for identifying and periodically assessing significant environmental aspects and analysing the risks and opportunities associated with negative or positive environmental impacts in processes.

The direct environmental aspects considered include several areas, such as water, air emissions, energy consumption, consumption of raw materials and products, fire prevention, waste, noise, ozone layer and soil. In addition, other environmental aspects, such as induced vehicle traffic, construction sites and the activities of external suppliers, are identified.

The strategic approach adopted is based on the precautionary principle of managing the risks and opportunities arising from direct and indirect operations, ensuring they do not harm the environment or people. In particular, the identification of environmental aspects and their updating are carried out as part of the Environmental Analysis, which considers infrastructures and workplaces, business processes, warehouses and storage of materials, products and waste, service facilities and auxiliary activities, and atmospheric emission treatment plants.

Actual environmental impacts, risks and opportunities are assessed concerning the significance of environmental aspects and 'significant' and 'critical' environmental management aspects are identified. Operational instructions, improvement objectives and targets, and corrective or preventive actions are defined for significant environmental aspects. Aspects assessed as 'non-significant' are nevertheless analysed, and any operational control methods are established as part of the environmental management system [GRI 3-3].

Coveme supports the transition to a circular economy and the development of eco-sustainable products, recognising the importance of reducing the environmental impact throughout the life cycle of its products.

A **Life Cycle Assessment (LCA)** study was conducted to identify the emissions generated by the production of the back sheet film for solar panels.

14. MATERIALS

Coveme, aware of the impacts of using materials, carefully manages their selection and use. The company recognises the negative impact some materials can have on the environment and is committed to minimising this impact.

In line with this commitment, Coveme constantly seeks to source materials locally, thus reducing the impact of transport and benefiting the local economy. This choice makes it possible to limit the emission of greenhouse gases and to promote sustainability on a territorial level.

In addition, the company recognises that creating a safe working environment and reducing environmental impacts also depends on the appropriate choice of materials used. Therefore, Coveme is committed to selecting safe and environmentally friendly materials, thus promoting sustainability both within the organisation and globally.

Polyester is the most widely used material in our company. It is a versatile and durable polymer that finds applications throughout our product range for various industries. Coveme's polyester consumption is 11,488,000 tonnes.

To take into account and quantify the negative impact of purchased materials, the company analyses all materials through a legal document in which a chemical's health and environmental hazards are assessed. Any negative impacts are managed through the use of personal protective equipment and risk mitigation actions [GRI 3-3].

This approach enables Coveme to promote responsible material management and contribute to reducing environmental impact. The company is committed to working with its stakeholders, including suppliers and customers, to encourage selecting and using materials with better environmental criteria. By sharing best practices and complying with environmental regulations, Coveme promotes sustainability at an industry level and contributes to creating a more responsible production system.

TYPE OF MATERIALS MAINLY USED

Type	Material category
Renewable materials	wood for packaging
Non-renewable materials	polyester, chemical components, plastics for packaging

Transizione verso un'economia circolare

Sustainability and circular economy are key priorities in production and product design. The company is committed to developing environmentally sustainable products in partnership with customers and suppliers. It produces polyester film products with an innovative coating that makes them eco-friendly and develops products based on recycled polyester film (rPET).

The company is also exploring new circular economy processes, in cooperation with its suppliers and industrial partners, to recover its own and its customers' waste to recycle it into monomers from which virgin PET can be recreated.

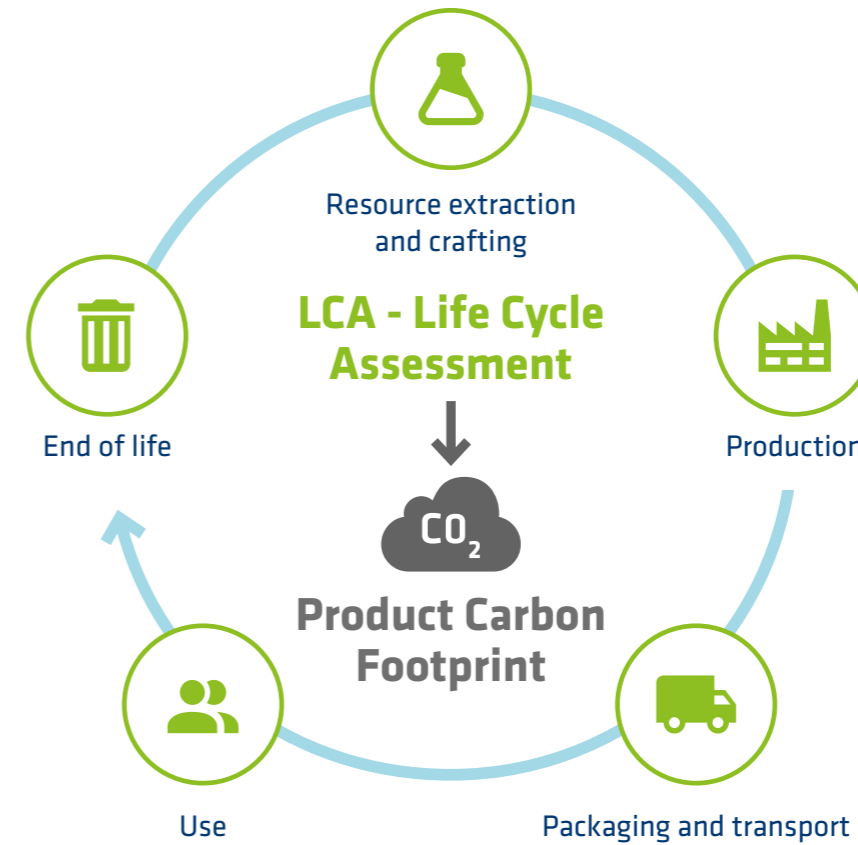
1. Coveme offers photovoltaic module manufacturers several sustainable solutions. It also promotes back sheets with a low carbon footprint that are recyclable at the end of their life cycle and can accommodate a recycled rPET component.

Furthermore, within the product range for the garment transfer decoration market, the company introduced Green products with innovative coating and ECO products made of recycled polyester (rPET).

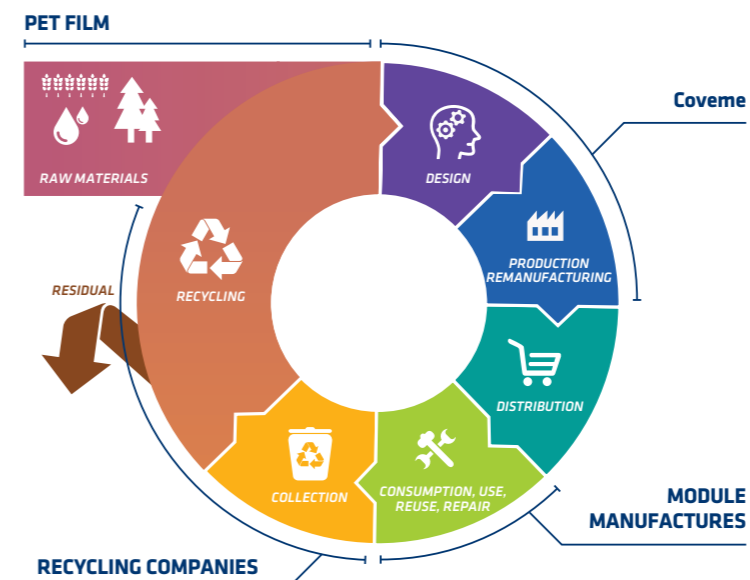


2. Coveme also conducted two product LCA (Life Cycle Assessment) studies, which, according to the definition of ISO14040, is a technique for assessing environmental aspects and potential impacts throughout the life cycle of a product or service. Through the LCA study, Coveme measured the carbon footprint, i.e. the greenhouse gas (GHG) emissions generated for the production of two different products: a laminate intended for the photovoltaic market and a TCA-treated film intended for various industrial uses. The main purpose of the analysis is to define the criticalities of the entire life cycle of the two products concerning greenhouse gas emissions and to identify solutions that can reduce and improve these emissions.

In this way, Coveme contributes to developing a production culture and practice that addresses the transition towards sustainability in a changing regulatory and market environment.



3. Finally, since mid-2021, together with 160 other players in the European photovoltaic industry, Coveme has joined the ESMC, European Solar Manufacturing Council. Coveme contributes to a working group dedicated to recycling, to develop environmentally sustainable materials for the solar industry and support, in collaboration with other players in the sector, the improvement and increase of European photovoltaic production.



15. ENERGY AND EMISSIONS

Coveme is committed to the production of renewable energy for self-consumption through the installation of solar panels.

At its Bologna site, the company covers 100% of its energy needs with solar energy, significantly reducing dependence on traditional energy sources and reducing greenhouse gas emissions.

However, the solar panels installed partially cover the energy needs at the Gorizia plant. Coveme's commitment is to increase this percentage by investing in renewable energy in the coming years.

This commitment reflects Coveme's vision of a sustainable and ecologically responsible future, highlighting the interest in transitioning to a low-carbon economy.

Coveme knows that renewable energy production is only part of the solution to tackle the climate crisis. Therefore, the company will continue to explore new technologies and innovative solutions to reduce its environmental footprint further and promote sustainability in all aspects of its business. Coveme's main objective is actively contributing to the transition to a low-carbon economy and pursuing responsible and environmentally friendly business growth [GRI 3-3].



INTERNAL ENERGY CONSUMPTION WITHIN THE ORGANISATION [GRI 302-1]

⚡ Electricity consumption

Coveme	52.985.135 MJ (14.718.093 kWh)	
Serf	2.539.746 MJ (705.485 kWh)	
Upco Italy	1.965.600 MJ (546.000 kWh)	

TOTAL FUEL CONSUMPTION FROM NON-RENEWABLE SOURCES DIVIDED BY PLANT [GRI 302-1]

🔥 Compressed natural gas

Coveme	11.797.200 MJ	
Serf	114.156 MJ	

TOTAL INTERNAL ENERGY CONSUMPTION WITHIN THE ORGANISATION [GRI 302-1]

🏭 Total energy consumption

Coveme	64.782.335 MJ	
Serf	2.653.902 MJ	
Upco Italy	1.965.600 MJ	

16. WATER CONSUMPTION

Water is a fundamental resource for society, and with this in mind, Coveme is very careful in water management, monitoring and consumption. Water management varies between establishments.

In the Italian plant, water is only drawn from the aqueduct and is used for three main activities:

- **The production of mixtures**, a process involving reverse osmosis treatment to create salt-free water;
- **The washing of plant and equipment**, which results in the production of liquid waste for purification;
- **The use on scrubber towers for exhaustion abatement**, also linked to the production of liquid waste that is then purified.

The following measures allow the environmental impact of rainwater in the plant area to be carefully managed and monitored, ensuring compliance with applicable environmental regulations and standards.

- Installation of two systems for collecting potentially polluted first rainfall.
- Water is temporarily stored and filtered to remove oily fractions before disposal in the sewage system.
- Second rainfall conveyed into the leaking wells for surface discharge.
- Forecourt areas not involved in the collection are used for subirrigation with drainage pipes under the pavement.
- Environmental impacts regarding subsoil pollution and possible contamination of the sewerage system.
- Annual discharge checks and emergency procedures to prevent undesirable situations.
- Monitoring of environmental impact to ensure compliance with ISO 14001 regulations and standards.

In Serf, Upco and Coveme Engineered FilmsZhangjiagang, water is used exclusively for sanitary facilities and is discharged directly into the sewage system. At the Serf plant, potential soil contamination from vehicle spills is considered, and therefore, periodic checks are carried out to monitor this impact. The company responsible for the discharges into the sewage system at Coveme Engineered Films Zhangjiagang regularly monitors harmful chemicals in the discharges.

These control and monitoring measures are taken to manage the environmental impacts of water use in sanitation adequately and to guarantee compliance with relevant environmental regulations and standards **[GRI 3-3]**.

In UPCO and Serf, no specific targets were defined, given the small amount of water consumed for service purposes only. For Coveme, the AIA decree provides for monitoring and introduces an indicator for water consumption per square metre of treated film. Therefore, it is necessary to install several partial meters, in particular, to monitor the most significant consumption. This indicator is monitored on a six-monthly scale and compared with previous years to assess progress **[GRI 303-1]**.



Coveme	63.048
Serf	615
Upco	0
Coveme Engineered Films Zhangjiagang	4.800
Total	68.463

Under the AIA (Integrated Environmental Authorisation) decree, the company monitors an indicator of water consumption per square metre of film treated. Any anomalous consumption is carefully monitored using partial meters and monthly readings to record and justify all consumption data concerning production trends **[GRI 303-2]**.

17. WASTE MANAGEMENT

Coveme's activities inevitably involve the production of waste. The company, aware of the negative impact this has on the environment, strives to manage them as best as possible. The waste generated by the company can be either dangerous or non-dangerous.

All production processes are such that waste is generated from receiving raw materials needed for the production cycle, such as mixed wood and paper or cardboard packaging.

Coated or laminated films specifically produce dangerous waste containing solvents, alcohol and other dangerous substances, and contaminated containers, such as packaging for chemical goods. The coating process of aqueous, acidic and alcoholic mixtures results in the production of wash water. At the Coveme Engineered Films Zhangjiagang plant, the types of waste are similar to those at other plants [GRI 3-3].

In general, the waste produced is directly related to the activities of the individual companies, except for packaging waste, the production of which depends on suppliers. On the other hand, the remaining part of waste depends directly on the production cycle [GRI 306-1].

Coveme's waste management procedures are linked to ISO 14001 certification, which includes the assessment of environmental impacts, including those related to waste generation and waste management (handling, storage, etc.)

In the handling and storage phase, company procedures are in place to handle a possible spillage. Special kits (cloths and absorbent materials) and inflatable balloons were also provided to intercept the drainage pipes. Finally, environmental emergency management operators who were adequately trained in the procedures to be followed were designated.

Waste production is monitored every six months, analysing the amount produced concerning production trends and calculating the tonnes of dangerous and non-dangerous waste per square metre of film produced.

oveme constantly strives to promote disposal solutions that allow for the recovery of materials through cleaning and recycling, thus promoting a circular approach. For contracts that generate waste, the company first clearly defines who is responsible for disposing of the materials. In addition, contractors on site must follow the company's waste management procedures for collection, sorting by EWC codes and temporary storage [GRI 306-2].

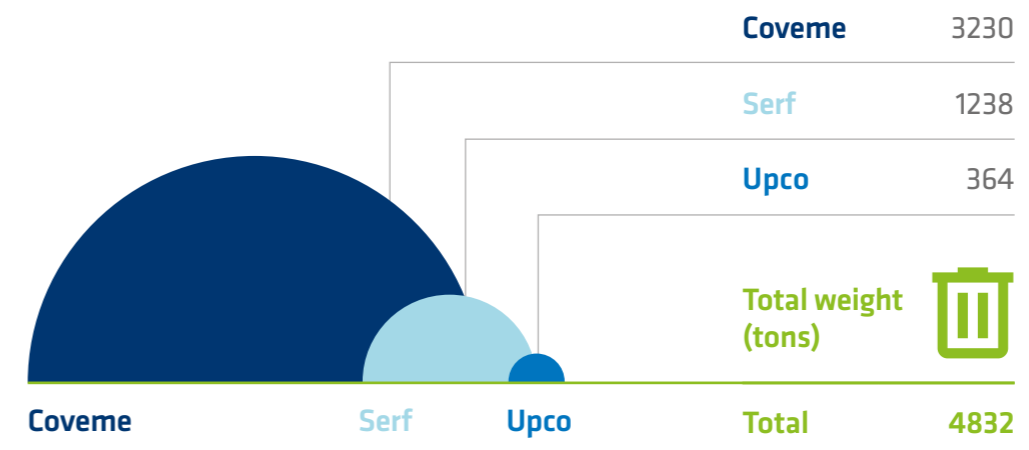
The Coveme Engineered Films Zhangjiagang plant follows the guidelines of ISO 14001 certification and national environmental protection regulations. The latter imposes very restrictive requirements on generating, storing, transporting and disposing dangerous waste. In particular, Coveme Engineered Films Zhangjiagang first handles this type of waste in a specially prepared warehouse following environmental prevention requirements for air, soil and water.

Coveme Engineered Films Zhangjiagang follows national regulations requiring a specific platform to monitor transport and disposal, including GPS monitoring during transport to ensure proper material disposal. The use of the platform is a national regulatory requirement in the context of environmental protection legislation.

In the same way as other plants, at Coveme Engineered Films Zhangjiagang, contractors operating within the site must comply with applicable company regulations [GRI 306-2].

Tables detailing the total weight of waste generated in tonnes and a breakdown of this total by waste composition are included in the Appendix.

Total weight of waste generated [GRI 306-3].

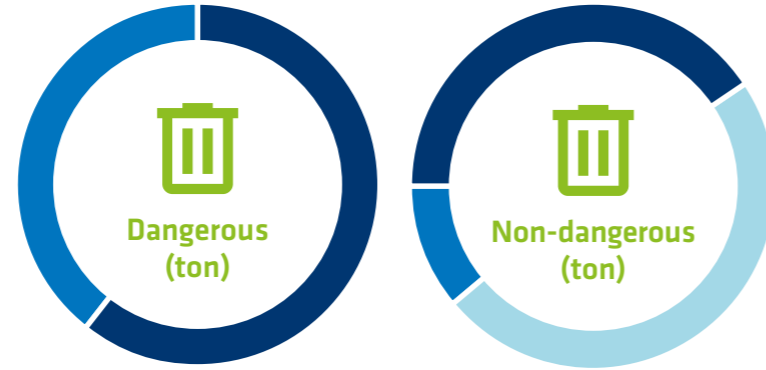


Nota:
In the overall calculation of the weight of waste generated, waste from the Coveme Engineered Films Zhangjiagang plant was not included, as some of the information available relates to pieces instead of tonnes.

17. Waste Management

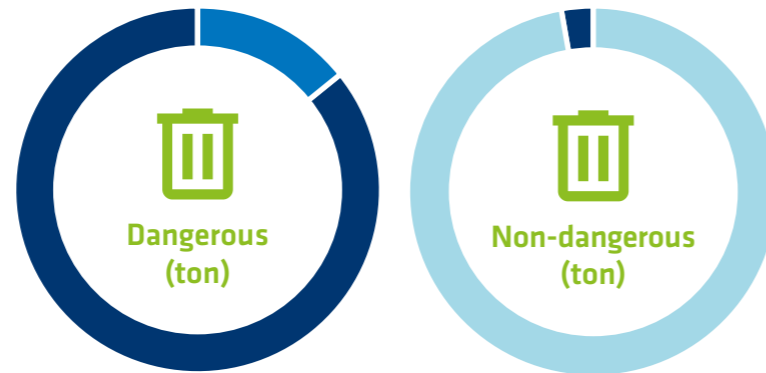
Total weight of waste for recovery **[GRI 306-4]**.

	Dangerous (ton)	Non-dangerous (ton)
Coveme	42	1034
Serf	-	1232
Upco	27,2	276
Total	69,2	2542

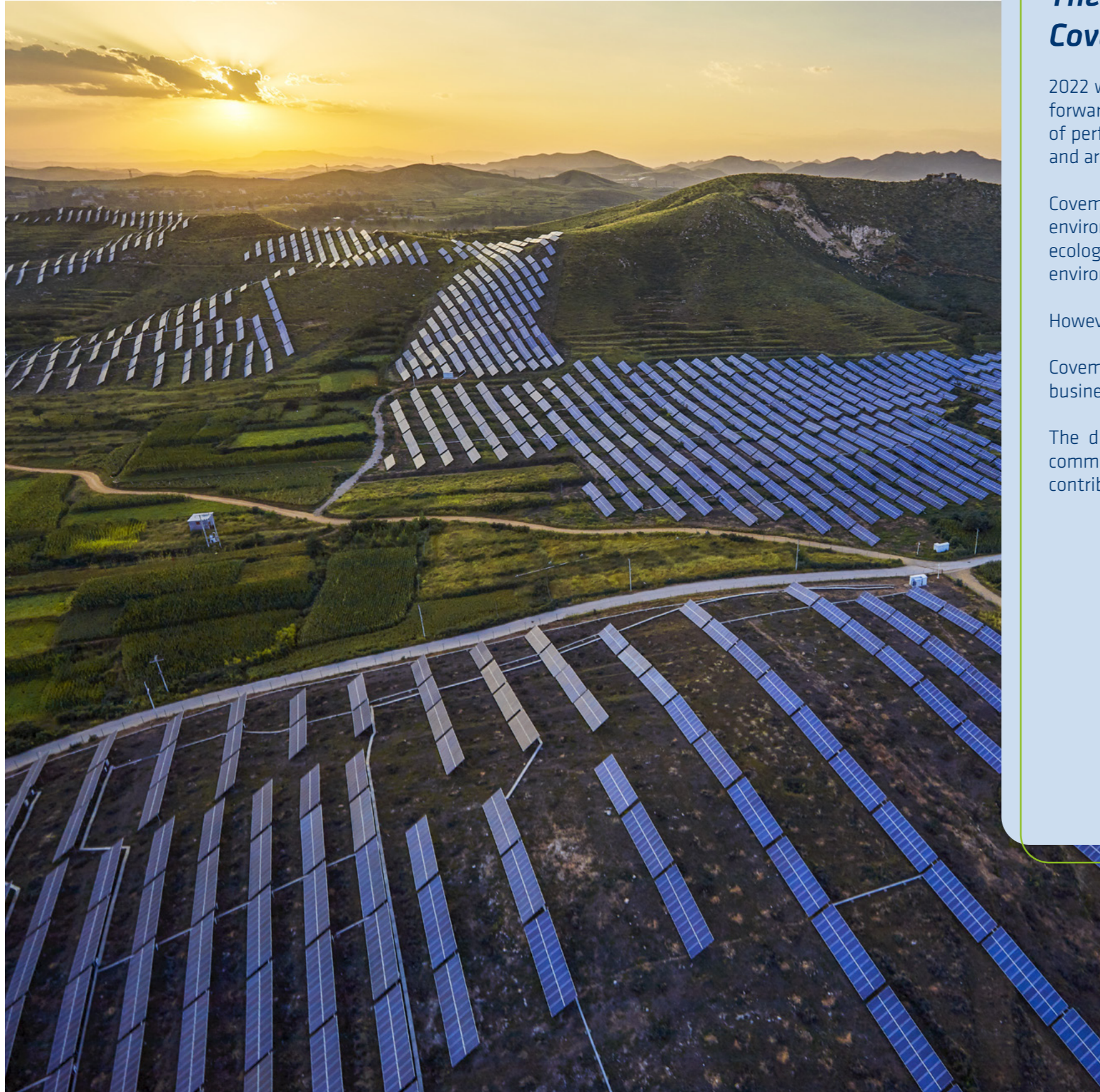


Total weight of waste for disposal **[GRI 306-5]**.

	Dangerous (ton)	Non-dangerous (ton)
Coveme	2153	1
Serf	0	6
Upco	61,3	0
Total	2214,3	7



In the overall calculation of the weight of waste generated, waste from the Coveme Engineered Films Zhangjiagang plant was not included, as some of the information available relates to pieces instead of tonnes.



The future is now, Coveme is committed

2022 was a year of awareness for Coveme, which took important steps forward in its commitment to sustainability. Through a detailed analysis of performance in ESG areas, the company clearly outlined its strengths and areas where it needs to improve.

Coveme's commitment will increasingly focus on reducing its environmental impact by constantly searching for sustainable and ecological solutions that contribute positively to society and the environment.

However, this represents only the beginning of the journey.

Coveme's future vision is to integrate ESG criteria into its governance and business strategy fully.

The direction Coveme is currently taking is towards a strengthened commitment to sustainability and increasing corporate responsibility, to contribute significantly to building a better future for future generations.



Nota:

The assessments for the Sustainability Report are based on 2022 data and contain updates to 2023.

Appendix Tasks

The tasks are described below, broken down for the different establishments [GRI 403-1].

Coveme	Serf	Upco	Coveme ENGINEERED FILMS Zhangjiagang
<ul style="list-style-type: none"> Reception, handling, loading and unloading of raw materials. Preparation of the mixtures used on production lines and management of the chemical warehouse. Production line management. Plant maintenance activities. Quality control by performing specific tests in the laboratory. Research and development in the laboratory to find innovative production solutions. Administrative activities. 	<ul style="list-style-type: none"> Unpacking, loading and setting of reels on the cutting machine in accordance to cutting specifications. Unloading, packaging and delivery of products cut to the Coveme warehouse for onward shipment. 	<ul style="list-style-type: none"> Preparation of the coating machine, loading the mixture and parameter setting. Monitoring and supervision of the coating process until the machined reels are unloaded. Cleaning of production lines and handling of rejects and waste. 	<ul style="list-style-type: none"> Reception, handling, loading and unloading of raw materials. Preparation of mixtures used on production lines and warehouse management of chemicals. Production line management. Plant maintenance activities. Quality control by performing specific tests in the laboratory. Research and development in the laboratory to find innovative production solutions. Administrative activities.

Appendix Waste

A table detailing the total weight of waste generated in tonnes and a breakdown of this total by waste composition for each of the plants is included in the Appendix.

Total weight of waste generated in tonnes and a breakdown of this total by waste composition - Coveme [GRI 306-3].

Waste description	Weight (ton)	Destination	Dangerousness
Aqueous washing solutions and mother lyes	822,16	D15	Dangerous
Other organic solvents, washing solutions and mother lyes	95,787	D15	Dangerous
Other organic solvents, washing solutions and mother lyes	14,04	R13	Dangerous
Aqueous washing solutions and mother lyes	712,28	D15	Dangerous
Aqueous washing solutions and mother lyes	511,09	D9	Dangerous
Other funds and reaction residues	6,502	D15	Dangerous
Waste paints and varnishes containing organic solvents or other dangerous substances	1,24	R13	Dangerous
Waste adhesives and sealants containing organic solvents or other dangerous substances	0,14	R13	Dangerous
Residues of blasting material other than those mentioned under previous headings	0,757	D15	Non-dangerous
Non-chlorinated mineral and heat-conducting oils	0,06	R13	Dangerous
Other emulsions	3,57	D15	Dangerous
Sludge or solid waste containing other solvents	1,2	R13	Dangerous
Paper and cardboard packaging	29,91	R3	Non-dangerous
Plastic packaging	2,26	R3	Non-dangerous
Plastic packaging	2,12	R13	Non-dangerous
Wood Packaging	368,33	R13	Non-dangerous
Mixed Material Packaging	311,62	R12	Non-dangerous

Waste description	Weight (ton)	Destination	Dangerousness
Mixed Material Packaging	283,06	R13	Non-dangerous
Packaging containing residues of or contaminated by dangerous substances	12,203	R13	Dangerous
Metal packaging containing dangerous solid porous matrices (e.g. asbestos), including empty pressure containers	0,09	R13	Dangerous
Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing contaminated with dangerous substances	1,1	D15	Dangerous
Absorbents, filter materials (including oil filters not otherwise specified), rags and protective clothing contaminated with dangerous substances	12,908	R13	Dangerous
Glass	0,099	R13	Non-dangerous
Discarded equipment containing dangerous components other than those mentioned under previous headings	0,23	R13	Dangerous
Discarded equipment other than those mentioned under previous headings	0,395	R13	Non-dangerous
Components removed from discarded equipment other than those under the previous headings	0,026	R13	Non-dangerous
Inorganic wastes other than those mentioned above	0,244	D15	Non-dangerous
Inorganic wastes other than those mentioned above	2,912	R13	Non-dangerous
Organic waste containing dangerous substances	0,04	R13	Dangerous
Organic waste, other than those mentioned under the previous headings	2,9	R13	Non-dangerous
Lead-acid batteries	0,005	R13	Dangerous
Nickel-cadmium batteries	0,01	R13	Dangerous
Other batteries and accumulators	0,001	R13	Non-dangerous
Glass	0,13	R13	Non-dangerous
Plastic	0,78	R13	Non-dangerous
Iron and steel	23,64	R13	Non-dangerous
Other insulation materials containing or consisting of dangerous substances	0,237	D15	Dangerous
Insulating materials other than those under the previous headings	0,126	R13	Non-dangerous
Rifiuti misti dell'attività di costruzione e demolizione, diversi da quelli di cui alle voci precedenti	5,675	R13	Non-dangerous

Total weight of waste generated in tonnes and a breakdown of this total by waste composition - Serf [GRI 306-3].

Waste description	Weight (ton)	Destination	Dangerousness
Plastic waste	333,66	R13	Non-dangerous
Other emulsions	4,46	D15	Non-dangerous
Paper and cardboard packaging	67,42	R3	Non-dangerous
Plastic packaging	7,98	R3	Non-dangerous
Plastic packaging	3,35	R13	Non-dangerous
Wood Packaging	222,62	R13	Non-dangerous
Mixed Material Packaging	353,29	R12	Non-dangerous
Mixed Material Packaging	243,4	R13	Non-dangerous
Aqueous liquid wastes other than those mentioned above	2	D15	Non-dangerous

Appendix

Total weight of waste generated in tonnes and a breakdown of this total by waste composition - Upco **[GRI 306-3]**.

Waste description	Weight (ton)	Destination	Dangerousness
Other organic solvents, washing solutions and mother lyes	8,91	R13	Dangerous
Other organic solvents, washing solutions and mother lyes	61,33	D15	Dangerous
Plastic waste	36,87	R13	Non-dangerous
Other solvents and solvent mixtures	0,04	R13	Dangerous
Mixed Material Packaging	233,1	R12	Non-dangerous
Packaging containing residues of or contaminated by dangerous substances	18,178	R13	Dangerous
Absorbents, filter materials, wiping cloths and protective clothing other than those mentioned in 15.02.02	5,31	R13	Non-dangerous
Glass	0,01	R13	Non-dangerous
Discarded equipment containing dangerous components other than those mentioned under previous headings	0,04	R13	Dangerous
Glass	0,01	R13	Non-dangerous
Plastic	0,75	R13	Non-dangerous

Total weight of waste generated in tonnes and a breakdown of this total by waste composition - Coveme Engineered Films Zhangjiagang **[GRI 306-3]**.

Waste description	Weight (ton)	Destination	Dangerousness
Organic solvents	29,60 ton	D10	Dangerous
Absorbents, filter materials, rags and protective clothing	1,18 ton	D10	Dangerous
Packaging (200L)	16 pezzi	-	Dangerous
Packaging (25L)	0,18 ton	-	Dangerous
Packaging films	8,00 ton	R3	Non-dangerous
Paper Packaging	58,76 ton	R3	Non-dangerous
Cardboard	0,82 ton	R3	Non-dangerous
Adhesive packaging films	6,68 ton	R3	Non-dangerous
Decommissioned pallets	4738 pezzi	R3	Non-dangerous
Plastic Containers	47 pezzi	R3	Non-dangerous
Plastic packaging	354,53 ton	R3	Non-dangerous

Destination legend:

- D9** Physical-chemical treatment
- D10** Incineration on land
- D15** Storage of waste for onward dispatch to other disposal stages
- R3** Recycling
- R12** Exchange of waste for submission to one of the recovery operations
- R13** Putting waste into storage to subject it to one of the recovery operations

GRI Table

Declaration of use	COVEME S.p.A. reported the information mentioned in this GRI content index from 1/01/2022 to 31/12/2022 concerning GRI Standards.
Used GRI 1	GRI 1 - Fundamental Principles - Version 2021

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 2: General Information 2021	2-1 Organisational Details	The methodological note History
GRI 2: General Information 2021	2-2 Entities included in the organisation's sustainability reporting	The methodological note The organisational structure of the Group
GRI 2: General Information 2021	2-3 Reporting Period, Frequency and Point of Contact	The methodological note
GRI 2: General Information 2021	2-4 Review of Information	The methodological note
GRI 2: General Information 2021	2-5 External Assurance	The methodological note
GRI 2: General Information 2021	2-6 Activities, Value Chain and Other Business Relationships	Our products and brands
GRI 2: General Information 2021	2-7 Employees	People
GRI 2: General Information 2021	2-8 Non-employees	People
GRI 2: General Information 2021	2-9 Governance Structure and Composition	The governance structure
GRI 2: General Information 2021	2-10 Appointment and selection of the highest governing body	The governance structure
GRI 2: General Information 2021	2-11 President of the highest governing body	The governance structure
GRI 2: General Information 2021	2-12 Role of the highest governing body in impact management control	The sustainability team
GRI 2: General Information 2021	2-13 Delegation of Responsibility for Impact Management	The sustainability team

GRI 2: General Information 2021	2-14 Role of the Highest Governance Body in Sustainability Reporting	The sustainability team
GRI 2: General Information 2021	2-15 Conflicts of Interest	The Ethical Code
GRI 2: General Information 2021	2-17 Collective knowledge of the highest governing body	The sustainability team
GRI 2: General Information 2021	2-19 Remuneration Rules	People
GRI 2: General Information 2021	2-20 Pay Determination Procedure	People
GRI 2: General Information 2021	2-22 Sustainable Development Strategy Statement	Letter to stakeholders
GRI 2: General Information 2021	2-23 Policy Commitment	The integrated policy
GRI 2: General Information 2021	2-24 Integration of policy commitments	The integrated policy
GRI 2: General Information 2021	2-25 Processes to Remedy Negative Impacts	The themes identified
GRI 2: General Information 2021	2-26 Mechanisms for requesting clarification and raising concerns	Processes for hazard identification and risk assessment
GRI 2: General Information 2021	2-27 Compliance with Laws and Regulations	Model 231
GRI 2: General Information 2021	2-28 Membership of associations	Attention and support for society
GRI 2: General Information 2021	2-29 Approach to stakeholder engagement	Stakeholders
GRI 2: General Information 2021	2-30 Collective Agreements	Employee welfare
GRI 3: Material Themes 2021	3-1 Process for Determining Material Subjects	Dual materiality

ANTI-CORRUPTION

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Model 231
GRI 205: Anticorruption 2016	205-1 Operations assessed to determine corruption risks	Model 231
GRI 205: Anticorruption 2016	205-2 Communication and training on anti-corruption regulations and procedures	Model 231 The Ethical Code

MATERIALS

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Themes materials - version 2021	3-3 Managing Material Themes	Materials
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Materials

ENERGY

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Energy and emissions
GRI 302: Energy 2016	302-1 Internal energy consumption within the organisation	Energy and emissions

ENERGY

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Themes materials - version 2021	3-3 Management of Material Issues	Energy and emissions
GRI 302: Energy 2016	302-1 Internal energy consumption within the organisation	Energy and emissions

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GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Water consumption
GRI 303: Water and effluents 2018	303-1 Interaction with water as a shared resource	Water consumption
GRI 303: Water and effluents 2018	303-2 Management of Water Discharge Impacts	Water consumption
GRI 303: Water and effluents 2018	303-3 Water withdrawal	Water consumption

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GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Waste Management
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Waste Management
GRI 306: Waste 2020	306-3 Waste generated	Waste Management
GRI 306: Waste 2020	306-4 Waste not landfilled	Waste Management
GRI 306: Waste 2020	306-5 Waste sent to landfill	Waste Management

THE SUPPLY CHAIN

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	The supply chain
GRI 204: Procurement practice 2016	204-1 Proportion of Expenditure on Local Suppliers	The supply chain
GRI 308: Environmental evaluation of suppliers 2016	308-2 Negative environmental impacts in the supply chain and measures taken	The supply chain
GRI 414: Social evaluation of suppliers 2016	414-2 Negative social impacts in the supply chain and actions taken	The supply chain

EMPLOYMENT

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 401: Employment 2016	401-1 Recruitment of new employees and employee turnover	People
GRI 401: Employment 2016	401-2 Benefits for full-time employees that are not available to fixed-term or part-time employees	Employee welfare
GRI 401: Employment 2016	401-3 Parental Leave	People

HEALTH AND SAFETY AT WORK

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Assessment of impacts Managing impacts in Italian plants Managing impacts at the Zhangjiagang plant
GRI 403: Health and Safety at Work 2018	403-1 Occupational health and safety management system	Health and safety management
GRI 403: Health and Safety at Work 2018	403-2 Hazard identification, risk assessment and accident investigation	Processes for hazard identification and risk assessment
GRI 403: Health and Safety at Work 2018	403-3 Occupational health services	Health Monitoring and Health Promotion
GRI 403: Health and Safety at Work 2018	403-4 Worker participation and consultation on occupational health and safety programmes and related communication	Employee involvement on health and safety issues
GRI 403: Health and Safety at Work 2018	403-5 Worker health and safety training	Employee involvement on health and safety issues
GRI 403: Health and Safety at Work 2018	403-6 Workers' Health Promotion	Health monitoring and health promotion
GRI 403: Health and Safety at Work 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relations	Analysis of occupational accidents and diseases
GRI 403: Health and Safety at Work 2018	403-9 Accidents at work	Analysis of occupational accidents and diseases
GRI 403: Health and Safety at Work 2018	403-10	Analysis of occupational accidents and diseases

TRAINING

GRI STANDARDS	INFORMATIVE REPORT	LOCATION
GRI 3 - Material Themes - version 2021	3-3 Managing Material Themes	Professional training of employees
GRI 404: Training and Education 2016	404-1 Average number of training hours per year per employee	Professional training of employees
GRI 404: Training and Education 2016	404-3	Monitoring and evaluation of skills acquired

