

SUSTAINABILITY REPORT

Tapi | UNIQUENESS INSIDE
BEAUTY ON TOP

2021

INDEX

Letter to stakeholders.....	5
Methodological note.....	6
1.THE TAPÌ GROUP.....	8
1.1 Highlights.....	11
1.2 The Group profile.....	12
1.2.1 The Group's markets and products.....	14
1.3 Story and evolution.....	26
1.4 The structure of the Group.....	28
1.5 Mission and Vision of the Group.....	30
2. SUSTAINABILITY APPROACH.....	32
2.1 Stakeholder Engagement.....	34
2.2 Materiality Analysis.....	36
2.3 Tapì Action Plan	44
2.4 Certifications and associations.....	50
3.GOVERNANCE, BUSINESS ETHICS AND ANTI-CORRUPTION.....	52
3.1 Corporate Governance.....	54
3.2 Ethics, Business Integrity and regulatory compliance.....	56
3.2.1 Code of Ethics.....	57
3.2.2 The Organization, Management and Control Model from Legislative Decree 231/01.....	62
3.3 Anti-corruption	64
3.4 Cybersecurity.....	66

4.THE GROUP ECONOMIC IMPACT AND ITS SUPPLY CHAIN.....	68
4.1 Creation of value for stakeholders.....	70
4.2 The Group supply chain.....	72
5. ENVIRONMENTAL RESPONSIBILITY.....	78
5.1 Circular Economy.....	80
5.2 Climate Change and Emissions.....	82
5.3 The conscious use of water.....	86
5.4 Waste Management	88
6. SOCIAL RESPONSIBILITY.....	90
6.1 The Tapi Group employees.....	92
6.2 Workplace Health & Safety.....	100
6.3 Human Capital Development.....	106
7. QUALITY AND SUSTAINABILITY.....	108
7.1 Sustainable Product Design and Research & Development.....	110
7.2 Product Quality and Responsibility.....	114
ANNEX.....	118
Topic boundaries.....	120
GRI Content Index.....	121
Independent Auditors' Report.....	127



Hi //

LETTER TO STAKEHOLDERS

Dear Stakeholders,

One of the most challenging years of the past decades has come to an end, one that saw the spread of the global pandemic due to COVID-19 disrupting the global landscape.

What guided us through this challenging period was resilience, a quality that enabled us to overcome difficulties, making us even closer to our employees, customers, suppliers and community.

For a company, being resilient means having the readiness to react to the environmental and social factors impacting on the organization, innovating and seizing the new growth opportunities offered by the renewed scenario.

Despite this and the pessimistic industry forecasts, Tapi has managed to achieve good economic and financial results, contributing to create value for all the Group's stakeholders.

The key numbers, which sum up our 2021 are:

- Consolidated revenue of €95.8 million (+9.28% compared to 2019);*
- Consolidated net profit of €2.4 million.*

The positive trend is also confirmed by the substantial investments in Research and Development that are oriented in the technological field and on product design, in order to make it more original and recognizable, as well as on the sustainability of the product itself.

Sustainability is part of Tapi's strategy of contributing to the lowering of environmental impact, thus taking care of our Planet.

In order to describe how we manage environmental, social and governance aspects and offer a prospective look at future commitments and objectives towards sustainable development, the Group is proud to present its first Sustainability Report.

In a year of great change, the Tapi Group wanted to reinforce its commitment to a more sustainable future, a more responsible community and a development more attentive to the new generations.



METHODOLOGICAL NOTE

The Tapi Group's¹ first Sustainability Report is a tool to describe, in a transparent and articulate way, the results achieved by the Group during the 2021 financial year (from January 1 to December 31) in the economic, social and environmental fields. The Report also shows the commitment and the initiatives undertaken towards sustainability, with the objective of creating value not only for Tapi Group, but also for its stakeholders.

The aim of the Sustainability Report is to provide a broad and comprehensible overview of the Group's position on sustainability topics, with a view regarding the corporate social responsibility over the medium to long term.

This Report, which will be published annually, has been prepared in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016 by GRI - Global Reporting Initiative, following the "in accordance - Core" option. With regard to the specific GRI Standards 303 (Water and Effluents) and GRI 403 (Occupational Health and Safety), the Group has adopted the most recent versions (2018), while, for the specific Standard GRI 306 (Waste), the most recent 2020 version has been used.

In order to provide an overview of the disclosures reported and their associated page numbers, please refer to the GRI Content Index in the annex of this document.

The selection of aspects and disclosures useful to define the contents of the Report has been carried out through a materiality analysis that considers the relevant topics to the Tapi Group and its stakeholders; for the details on the materiality analysis carried out, please refer to the section "Materiality Analysis" of this document. Note that the results of the materiality analysis process were examined and approved by the Board of Director at the meeting held on March 4, 2022.

In line with the reporting principle, the sustainability information presentation reflects the principle of materiality.

The process of collecting data and information for the purpose of drafting this document has been managed in collaboration with Tapi's corporate functions, with the aim of enabling clear and precise disclosure of material information, in accordance with the principles of balance, comparability,



accuracy, timeliness, clarity and reliability set out in the GRI Standards. Specifically, the information included herein were taken both from the IT system of the Group, used for the management and accounts, and from the sustainability reporting package (data collection sheets and narrative collection forms).

The scope for economic and financial data and information corresponds to the one of the Tapi S.p.A.'s consolidated financial statements as of December 31, 2021. With regard to qualitative information and quantitative data relating to human resources, including occupational health and safety aspects, the scope includes companies consolidated on a line-by-line basis in the consolidated financial statements. For the information relating to environmental and other social aspects, commercial companies are excluded, as they are considered irrelevant to ensure the understanding of the Group's business activities and impact.

Information for the reporting period is compared with the previous year, where available. In order to ensure the reliability of the data, the use of estimates has been limited as much as possible, which,

if present, are appropriately reported and based on the best available methodologies.

Note that in 2021 there were no significant changes to the organization and its supply chain.

This report was approved by the Board of Director of Tapi S.p.A. on 27 May, 2022.

This document was submitted to compliance opinion ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 Revised standard) by Deloitte & Touche S.p.A., which expresses, in a separate report, a certificate of compliance to the GRI Standards. The audit was carried out in accordance with the procedures indicated in the "Independent Auditors' Report", included at the end of this document.

For further knowledge on Tapi's social responsibility policies and on the information contained in this document, please write to: info@tapigroup.com or visit Tapi corporate website at Tapigroup.com



1.THE TAPÌ GROUP



A close-up photograph of a person's arm and hand pouring whisky from a bottle into a glass. The person has a tattoo on their forearm and is wearing a dark denim shirt. The scene is set on a rustic wooden table. A glass of whisky is in the foreground, and the bottle's cork lies on the table to the right. A semi-transparent orange rectangle is overlaid on the right side of the image, containing the text 'UNIQUE NESS ON TOP'.

UNIQUE NESS ON TOP

1.1 HIGHLIGHTS

OVER **27.000**
SQM OF
MANUFACTURING
PLANTS

MORE THAN **95**
MILLION € OF
REVENUES IN
2021

783 EMPLOYEES
ALL OVER THE
WORLD

5 MANUFACTURING
SITES AND
2 COMMERCIAL
SITES

PRESENCE IN
60 DIFFERENT
COUNTRIES

OVER **650**
MILLION OF
CLOSURES SOLD

WORLDWIDE
LEADERS IN
SYNTHETIC
BARTOPS

OVER
5.000
DIFFERENT
CLIENTS





1.2 THE GROUP PROFILE

Tapi is an international Group specialized in the design, production and distribution of high-end technological closures for the premium and super premium beverage segments. Tapi develops products for the spirits, wine, condiments, cosmetics, beer and soft drinks sectors. With over 780 employees worldwide, providing support for over 5.000 customers in over 60 countries, Tapi has consolidated its global presence with a series of production facilities, sales offices, R&D workshops and distributors in Europe and the Americas.

With over 647 million of finished products produced each year, the facilities that are part of the Group are:



Tapi S.p.A.:

- Headquarter of the Group, production site dedicated to assembling and customization and commercial offices, located at Massanzago (Italy) with over 2,100 sqm;
- High performance foamed closures manufacturing site, located at Rossano Veneto (Italy) with over 4,700 sqm;



Les Bouchages Delage:

- Commercial offices and manufacturing site, located at Cognac (France) with over 10,000 sqm;



Tapi Germany GmbH:

- Commercial offices, located at Finttentrop (Germany);

-  Manufacturing Sites
-  Commercial Sites



Tapi America SA de CV:

- Commercial offices and manufacturing site with wood working, wood painting and finishing, rigid and soft plastic injection, located at Lerma (Mexico) with over 10.400 sqm;



Tapi USA LLC:

- Commercial offices, located at Wilmington (USA);



Tapi South America SA:

- Commercial offices and manufacturing site located at Córdoba (Argentina) with over 3.700 sqm.



1.2.1 THE GROUP'S MARKETS AND PRODUCTS

In an environment where competition is always increasing and demands are constantly changing, packaging becomes the key to standing out. The closure, as well as the bottle, no longer acts as a mere functional device, but becomes a marketing and sales tool. Even more, it is important that the packaging be able to preserve the organoleptic characteristics of the product, without affecting them in any way.

The COVID-19 pandemic has affected not only the daily routine and working life, but also several global markets, including the alcoholic beverage industry. The trend in recent years was already towards a shift to premium, with greater sophistication in raw materials and the creation of innovative recipes, but with COVID-19 influencing developments in several sectors, this trend has become even more pronounced in the worlds of spirits, liqueurs and wine.

Going into detail, the global beverage market has changed a great deal in recent years. Products have changed - for example, vodka used to be very successful in the past but is now experiencing a slowdown. At the same time, there are products that are undergoing an exponential growth curve in sales. Examples of these include gin and tequila that have reached record sales. It's clear that the premium segment is on a continued, net upturn, even if it's evolving with very specific drivers. Whisky and Bourbon are going well. Some experts have declared the latter could be the spirit to see a major upturn in the coming year. All these statistics are directly affected by millennials' preference for craft distilleries and for their type of consumption in general. So far, you could say that there's a global desire to consume alcohol and spirits in a different way than in the past, particularly for western consumers. They prefer well-made products, with good-quality raw materials and made in a traditional or pseudo-traditional way.

In this sense, the Tapi Group operates directly in the premium and super premium sector, which is characterized by higher quality products, high pricing and increased attention to communication elements, including packaging. The luxury and premium spirits segments are the most important for the Group, with an impact on total sales in 2021 of 87%, followed by the wine (8%), condiments (3%), cosmetics (1%) and other (1%) segments.



Ranges //

Each type of beverage is assigned a product line, specially designed by the Group, in order to maximize the characteristics of the beverage and its packaging, thus meeting the demands of its customers.

The range of products offered by the Group is vast and can be divided into three main lines: Tapi Collection, Tapi Signature and Tapi Revò.

Tapi | collection

Tapi Collection is a line of bar-top closures that comprises little masterpieces outcome of continue innovation and creative design. Each Tapi stopper is the result of unfettered creative freedom resulting in a design that incorporates all the quality of cutting-edge raw materials, bearing testimony to Tapi persistent pushing of boundaries.

Tapi | SIGNATURE

The Signature project was born in France a few years ago, initially to meet the demands of certain premium markets, including Cognac, which needed to develop packaging that would enhance and bring out the intrinsic characteristics of the products it contained. What is beauty? Tapi Signature is a product line that combines beauty with simplicity, with the aim of communicating harmony, elegance and wonder. All the products are focused on the design, the technological innovation, the customization, and the use of different and innovative materials as fine woods, ceramic or stone.



Tapì | R E V Ò

Revò is the “Creative functional laboratory” of Tapì dedicated to the study of new technological and functional packaging solutions. Revò expresses a high propensity to innovation and design, in a quest for top technical performance and modern technology. The distinguishing feature of this product line is undoubtedly Mekano, a high-performance closure: organoleptic neutral, it is suitable for all types of bottles in the food sector and meets the strict quality standards of the industry.



Tapi | collection



Tapi | SIGNATURE



Tapi | R E V Ò





**WHY
MEKANO?**

McCafé



- Mekano is the swing top closure that brands were looking for, born out of the desire to implement technological innovation and create new aesthetic trends in the packaging design sector.
- Mekano is a product that has now found full expression in various sectors, such as spirits, beer, wine, olive oil and soft drinks, using a completely new concept in closures.



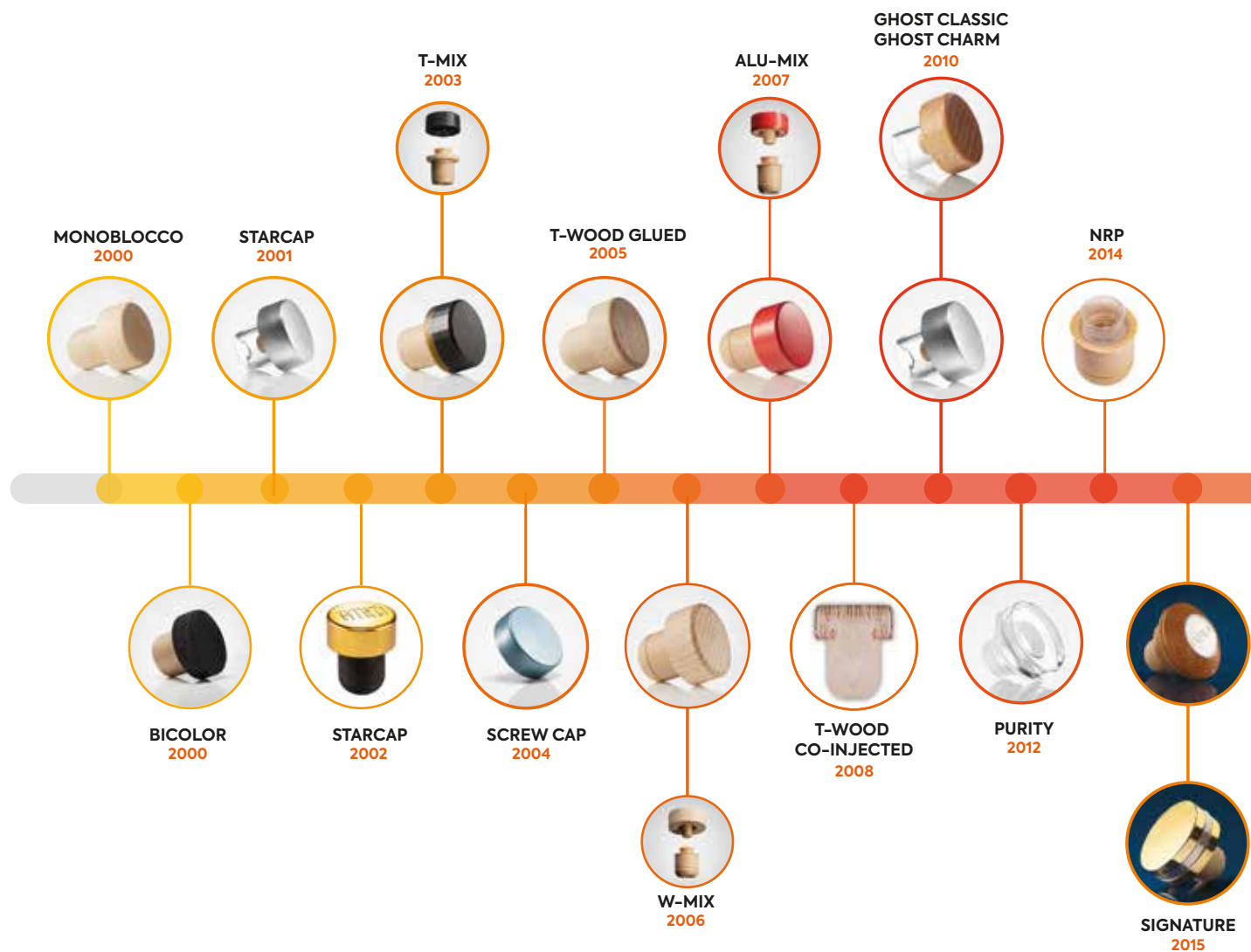
The combination of these three product lines and the Tapi Group's constant desire not only to satisfy its customers' demands, but also to anticipate them by carefully monitoring the beverage market, have convinced various multinationals in the sector over the years to rely on the Group's expertise.

Below the main Tapi Group top customers as key global players, considering that the Group operates with more than 5,000 customers worldwide.

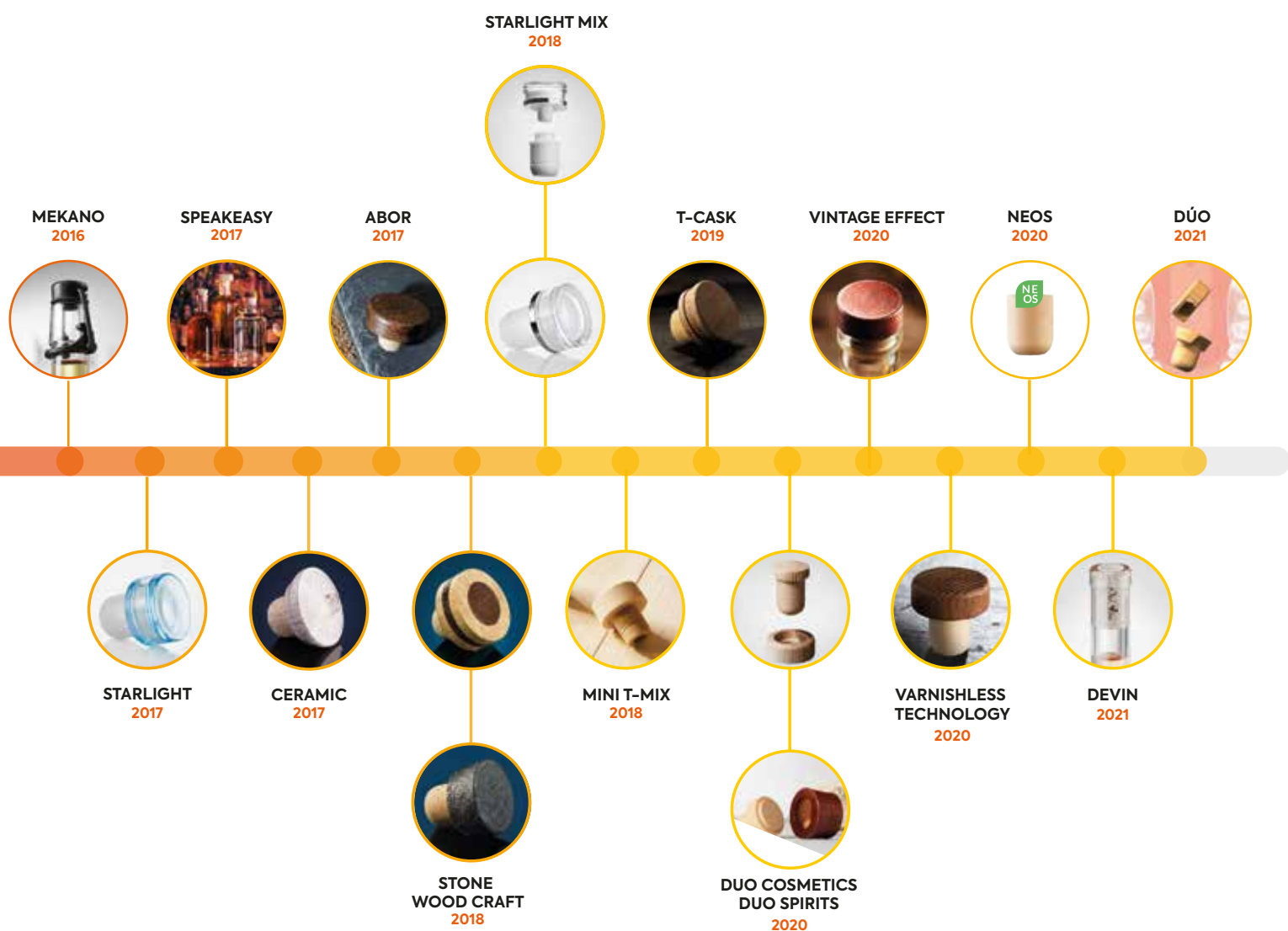
 BACARDI.	 Distillerie « Gayant	 DAL 1893 Carapelli FIRENZE	 NONINO Distillatori in Friuli dal 1897
 FERRAND COGNAC	 Pernod Ricard	CAMPARI.	 CAMUS INDEPENDENT SINCE 1843
 BROWN-FORMAN	 RÉMY COINTREAU	 BOTTEGA SpA Family Vintners Since 1835	LVMH
 Pietro Coricelli 1939	 WILLIAM GRANT & SONS INDEPENDENT FAMILY DISTILLERS SINCE 1867	 Dewar's. ESTD 1846	 gala conserva
Jose Cuervo	DIAGEO	 Beam SUNTORY	Stoli

In terms of product development, below an overview of the product ranges timelines focusing on the key milestone about a long history of product innovation of Tapi Group.

Ranges //



PRODUCT RANGES TIMELINE

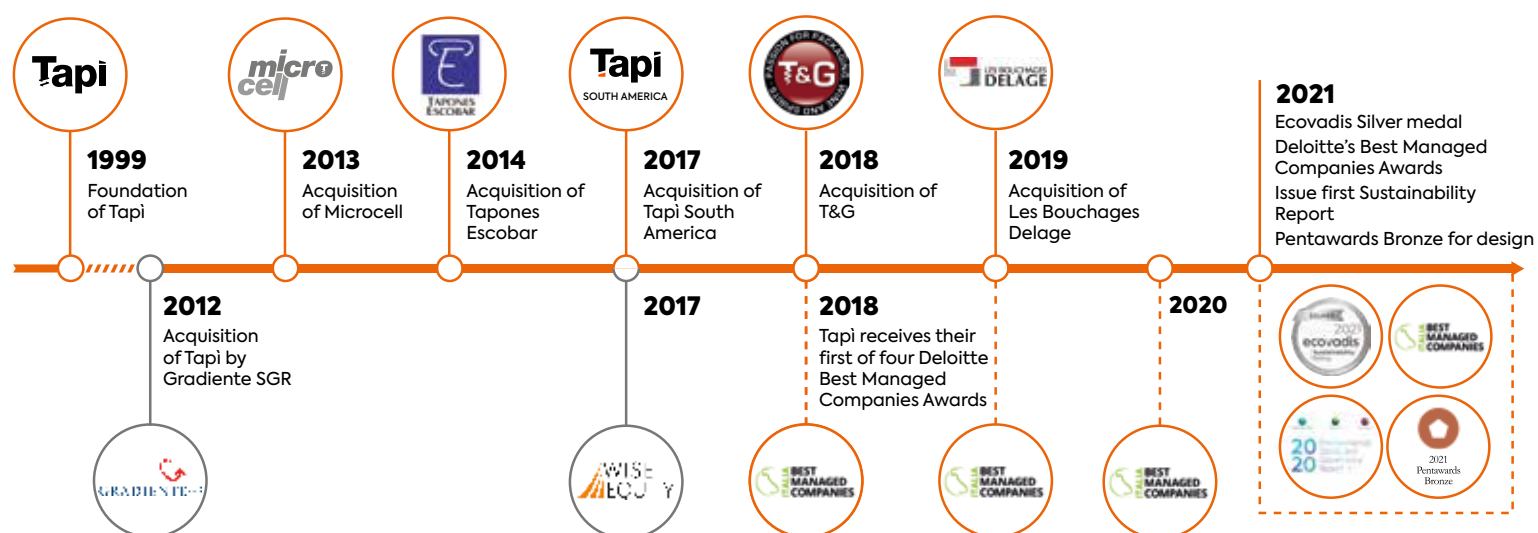


History //

1.3 STORY AND EVOLUTION

The idea of Tapi was born when two entrepreneurs met in 1999 and saw in synthetic closures the possibility of changing an entire business. From substance to form, they understood that design in the bottle was fundamental in all its parts, including the closure. Being so visible, a bartop closure could have been a characterising and differentiating element, adding substantial value to the bottle.

Getting into the world of vodkas, where the packaging is crucial in order to stand out from the crowd, marked the beginning of a great leap forward: millions of bottles began to be sealed with Tapi products, which were not only functional but also made in captivating shapes, colours and materials - innovations that were noticed by large international groups such as Bacardi, Campari and Martini. The collaboration with these companies made possible the transformation of Tapi into a global group with a strong presence not only in Italy, but all over the world.



The 2012 can be considered the year when this international journey began, thanks to the entry of the private equity fund Gradiente SGR. The capital increase enabled Tapi to make two important strategic acquisitions: the first was completed in 2013 with the Italian company Microcell, and the second in 2014 with Taponés Escobar, a major Mexican player with whom Tapi had been doing business for some time. These transactions transformed Tapi into a fully-fledged multinational group.

Three years later, in 2017, another private equity fund, Wise Equity, decided to acquire the majority control of the Group. This change set the definitive milestone for a decisive change of pace and a new entrepreneurial style, which was put into practice with the acquisitions in 2017 of the South American company Tapi Argentina and in 2018 of the German company T&G GmbH. This last operation allowed Tapi to increase its commercial presence, increasing its product distribution range in a high-potential market such as Continental Europe.

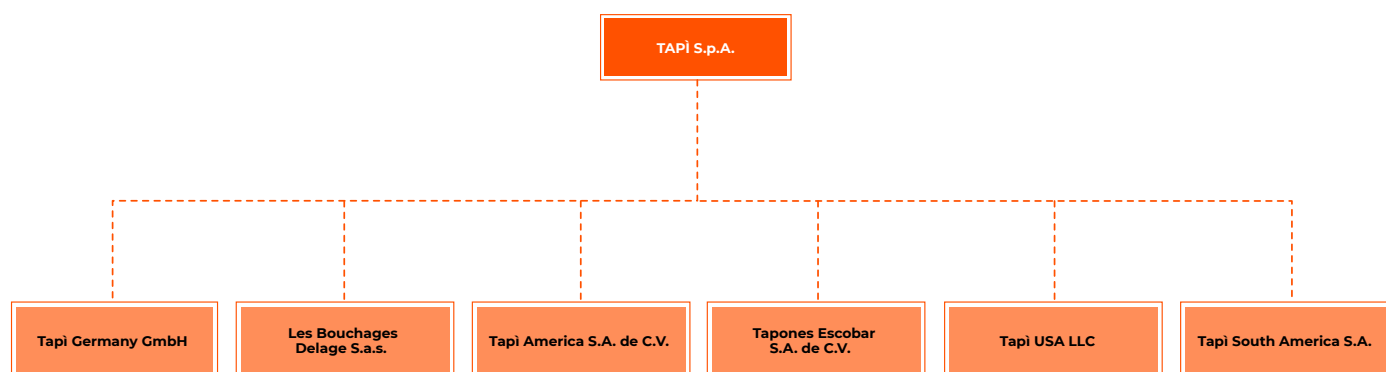
Recently, in 2019, the Tapi Group completed the acquisition of the French company Les Bouchages Delage, thus becoming the Group with the most complete portfolio of closures dedicated to premium and super-premium spirits. This operation represented a perfect union between two brands specialised in the production of high quality products, with complementary commercial offers. Tapi's specialised know-how in plastics and aluminium, as well as its wood sourcing and production, has been seamlessly integrated with Delage's metallised plastics production and metalworking, with significant benefits across the Group.

Despite its twenty-year history, the Group's mission has remained the same every day: to bring the culture of the value of beauty to the world, expressed in the products it designs.



1.4 THE STRUCTURE OF THE GROUP

The structure of the Group as of 31 December 2021 is the following:



The ownership of the Parent Company Tapi S.p.A. and its European subsidiaries Tapi Germany, Les Bouchage Delage and American subsidiaries Tapi America, Tapones Escobar, Tapi USA and Tapi South America is held by five shareholders, who have contributed to a total of € 16,532,540 as share capital of the Group.

As of 31 December 2021, Tapi S.p.A. owns the following participations:



ENTITY	%	COUNTRY	ACTIVITIES
Tapones Escobar S.A. de C.V.	99.99%	Mexico	Out-sourcing services
Tapi America S.A. de C.V.	99.99%	Mexico	Manufacture of plastic caps and other closures made of synthetic material
Tapi USA LLC	100.00%	USA	Marketing of cork and synthetic closures
Tapi South America S.A.	90.00%	Argentina	Manufacture of plastic caps and other closures made of synthetic material
Tapi Germany GmbH	100.00%	Germany	Marketing of cork and synthetic closures
Les Bouchages Delage S.a.s.	100.00%	France	Manufacture and marketing of cork and synthetic closures

On 31 December 2021 the subsidiary Tapones Escobar S.A. de C.V. was merged into Tapi America S.A. de C.V. with legal and accounting effect from 1 January 2022. As a result of this transaction, Tapi America S.A. de C.V. remains 99.99% controlled by Tapi S.p.A. and the remaining 0.01% is held by the General Manager of Mexican nationality Ivan Pelayo.

On 27 October 2021, the liquidation process of the company Tapi Closures OOO, 100% controlled by Tapi S.p.A., was completed.

On 13 October 2020, an agreement was signed for the acquisition by TAPI' of the remaining 20% stake in the share capital of Tapi Germany GmbH held by General Manager Mario Conoscenti.

With regard to the governance structure within the Tapi Group, please refer to chapter 3.1 "Corporate Governance" in which the subject will be discussed in greater detail.

1.5 MISSION AND VISION OF THE GROUP



MISSION

The Group's mission is to design and promote the sale of closures characterized by high design content and performance intended for the global beverage industry

To this end we are committed to developing products that are perceived by our customers as original, because they increase the value of their packaging, thanks to a high aesthetic, ergonomic and innovative content.

Innovation implies the attribution of a value system that makes them unique in the eyes of our customers and increases their satisfaction over time.

The mission is shared across everyone in Tapi and their commitment is supported by the organization, its processes and structures to ensure the continuous improvement of products and services – and a profitable course of business.



VISION

Tapì wants its brand to be synonymous with style and innovation in the world of packaging design. Tapì does not follow – it leads. It does not copy – it invents. Tapì challenges established views and research more efficient ways of working.

The Group is ready to take up any challenge because every challenge makes it find new solutions that are not yet available within the reference market. Tapì strongly believes in collaboration and in cross-pollination between the teams, as it lets the Group innovate in a way that others do not.

Different ideas and cultures are a valuable asset to the company. The Group aims for excellence in all its business activities. And it honestly admits its own mistakes and has the courage to change.

Tapì is also committed to improving the environment it lives in through a responsible approach to how the Group manages the business, which embraces the three areas of sustainability (environmental, social and financial).



2.SUSTAINABILITY APPROACH

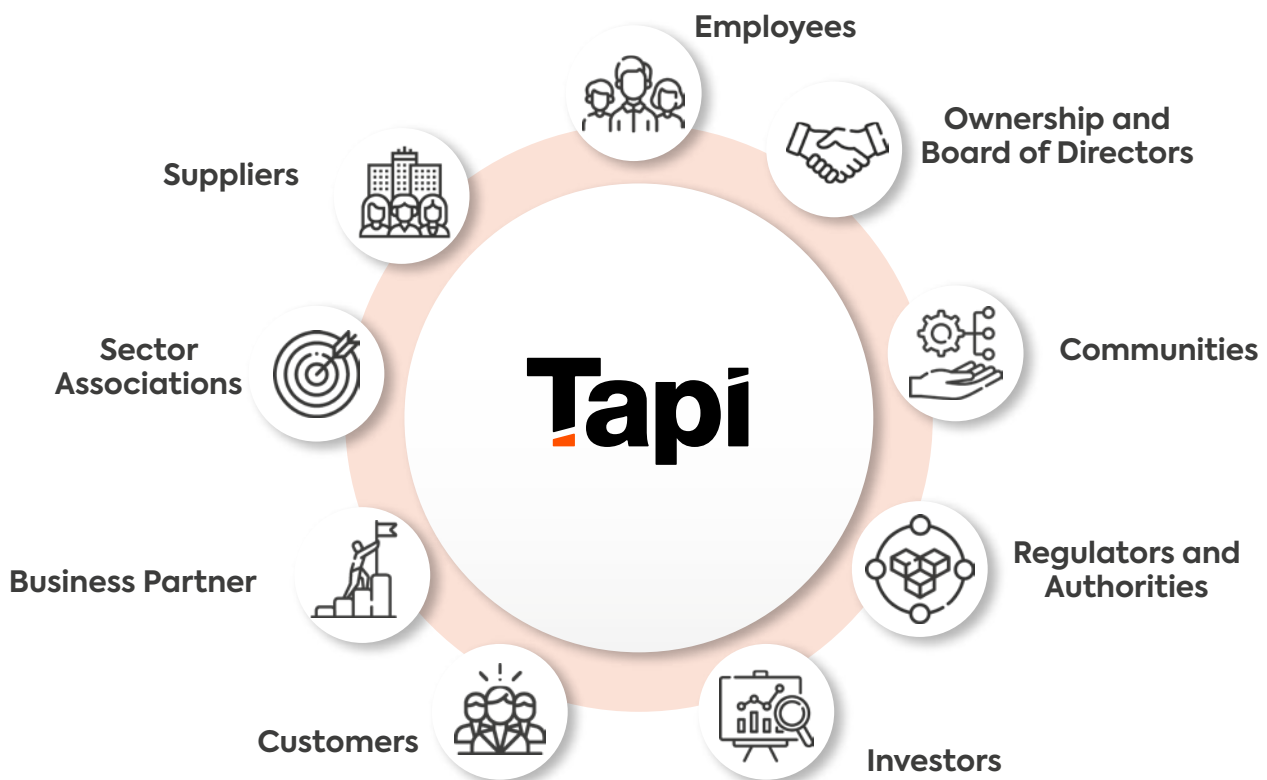


2.1 STAKEHOLDER ENGAGEMENT

In the Group's path of growth and sustainable development, stakeholders play a role of primary importance. Tapi is committed to taking their needs and expectations into consideration when defining and implementing its business strategies.

For this first Sustainability Report, Tapi identified the individuals or groups of individuals who have a relationship with the company and its activities, through an analysis that considered influence, responsibility and dependence. This analysis was carried out taking into account the principles of the GRI Standards and with focus on the reference sector with a specific benchmarking activity.

The Group's main stakeholders are:



The Group adopts practices of dialogue and involvement of the main stakeholders. The methods and frequency of stakeholder involvement vary depending on the topics considered relevant and the opportunities for discussion during the year. Through stakeholder engagement activities, key topics and concerns have not been raised.

The main channels of dialogue and interaction by stakeholder category are summarized in the table below:

Employees	Induction Programs For New Hired;
	Training activities on safety in the working environment and training for the development of professional skills;
	Job posting to foster professional growth;
	Smart working to promote a better work-life balance for employees;
	Tapink, company newsletter to foster internal communication;
	Projects of involvement in continuous improvement activities in the working environment;
	Corporate events;
	Yearly Global Meeting;
	Monthly meetings of the Strategic Committee;
	Quarterly meetings of the KASC.
Ownership and Board of Directors	Discussion forums organized during the year.
Communities	Participation in events promoted by local associations;
	Projects supporting social initiatives.
Regulators and Authorities	Discussion meetings with representatives of local institutions;
Investors	Periodical financial information;
	Institutional communication (website);
	Periodic meetings.
Customers	Periodic meetings (visits to clients, discussion of technical projects);
	Trade fairs;
	Audits at subsidiaries' plants;
	Continuous dialogue via website and company magazine;
	Training workshops on Group products;
	Invitations to company events.
Business Partner	Regular meetings.
Sector Associations	Participation in regulatory committees, seminars, conferences;
	Discussions on market trends and needs.
Suppliers	Periodic meetings;
	Quality audits and assessments.

2.2 MATERIALITY ANALYSIS

The materiality analysis aims to identify aspects that reflect the significant economic, environmental and social impacts of the organization that could substantially influence the assessments and decisions of the Group's stakeholders.

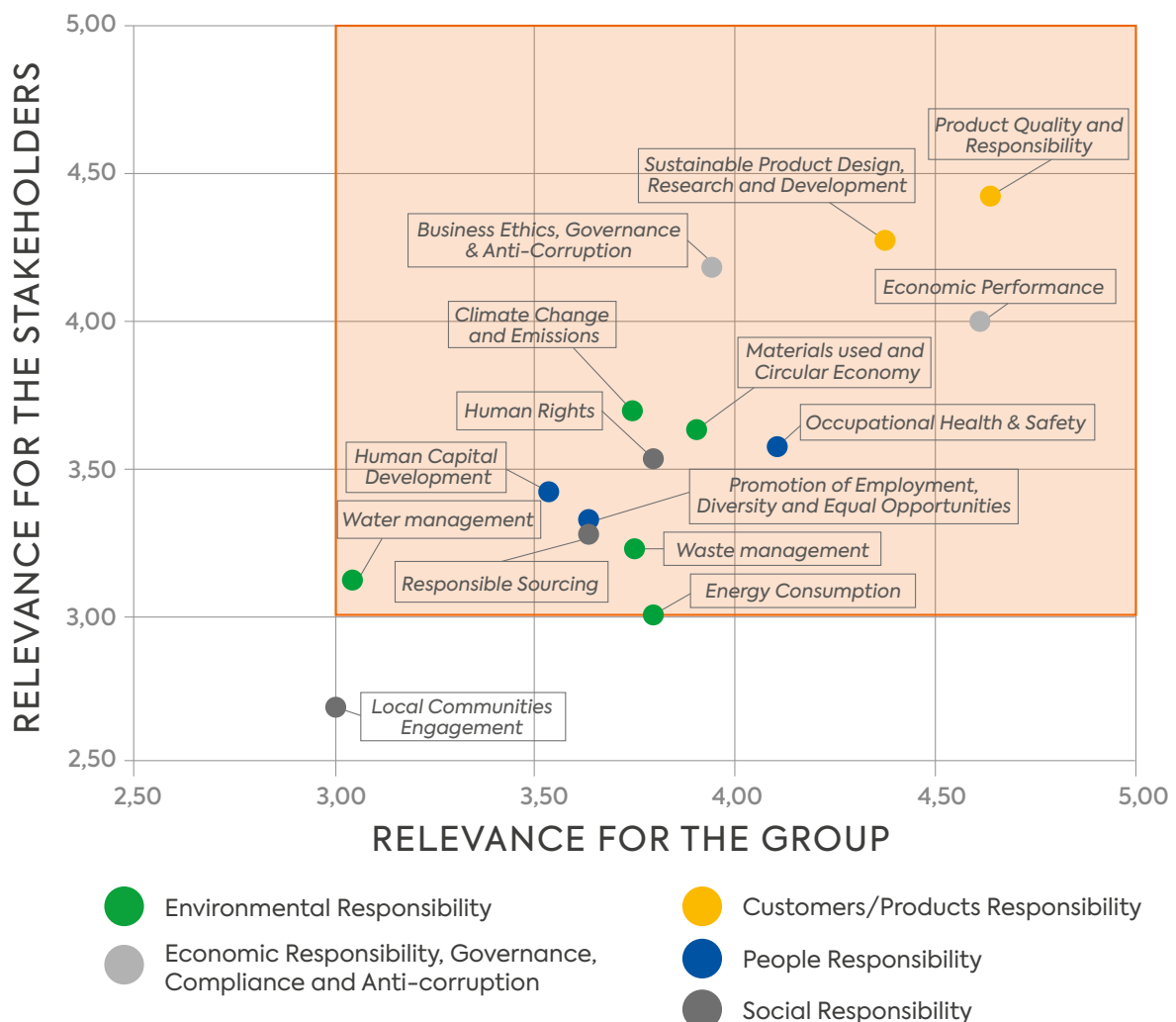
In accordance with the GRI Reporting Standards, the Group has carried out an initial materiality analysis with the aim of defining the sustainability topics that are relevant to the Group and its stakeholders, which will be reported in this Sustainability Report.

This analysis initially involved a benchmarking activity that reviewed the sustainability topics reported by the main players and the topics identified in the main sector publications. Subsequently, these sustainability topics were voted by the Group's managers, who were asked – during an interactive workshop – to express a valuation in terms of relevance, both from the perspective of the Tapi Group and from the perspective of the stakeholders. The results of this vote were then processed in order to identify the material topics, which will drive disclosure in this report. Note that the results of the materiality analysis process were examined and approved by the Board of Director at the meeting held on March 4, 2022.

The assessments resulting from the processing of the collected data are shown in the table below and in the materiality matrix below. The table shows the relevant topics for the Tapi Group and its stakeholders, with the identification of the material ones (highlighted in orange).

MATERIAL TOPICS	
1	Product Quality and Responsibility
2	Sustainable Product Design, Research and Development
3	Economic Performance
4	Business Ethics, Governance & Anti-Corruption
5	Occupational Health & Safety
6	Materials used and Circular Economy
7	Climate Change and Emissions
8	Human Rights
9	Waste Management
10	Promotion of Employment, Diversity and Equal Opportunities
11	Responsible Sourcing
12	Human Capital Development
13	Energy Consumption
14	Water Management
15	Local Communities Engagement

MATERIALITY MATRIX OF THE TAPÌ GROUP
























The materiality matrix confirms the centrality, for both the Group and its stakeholders, of the topics of **Product Quality and Responsibility, Sustainable Product Design and Research & Development, Economic Performance, Occupational Health & Safety, and Business Ethics, Governance & Anti-corruption**. These themes concern aspects of primary importance that are fully consolidated in the company's dynamics and recall the strategy implemented so far by the Group.

With the materiality analysis the Group also conducted an internal analysis of the best practices implemented by its customers with regard to sustainability. In detail, the main key customers of each Tapi Group company were interviewed, asking them to answer a five-question assessment concerning their ESG activities, the presence of policies and certifications. From this comparison, it emerged that Tapi customers are very interested in choosing products that are increasingly sustainable from an environmental point of view.

In addition, the Tapi Group has aligned its material topics with 14 out of 17 Sustainable Development Goals, defined by the 193 Member States of the United Nations. The table below shows the connection between the material topics and the SDGs.

MATERIAL TOPICS		Health and Well-being	Excellence in training	Gender equality	Clean water and hygiene	Clean and accessible energy	Dignified work and economic growth	Industry, Innovation and Infrastructure	Reducing inequalities	Sustainable cities and communities	Responsible consumption and production	Acting for the climate	Life below water	Life on land	Peace, justice and strong institutions
															
1	Product Quality and Responsibility														
2	Sustainable Product Design, Research and Development														
3	Economic Performance														
4	Business Ethics, Governance & Anti-Corruption														
5	Occupational Health & Safety														
6	Materials used and Circular Economy														
7	Climate Change and Emissions														
8	Human Rights														
9	Waste Management														
10	Promotion of Employment, Diversity and Equal Opportunities														
11	Responsible Sourcing														
12	Human Capital Development														
13	Energy Consumption														
14	Water Management														



TAPÌ'S COMMITMENT TO SUSTAINABILITY



LEI – Low Environmental Impact – stands for the straightforward description of the Tapì company's mission. That is, to reduce the impact on the environment, so the Group can look after the planet.

LEI also conveys the personification of Mother Earth – the one who takes care of the world and teaches the society to respect the beautiful surrounding environment.



REDUCE

Reducing production and consumption. Waste reduction helps cut down on material to be recycled or reused.



REUSE

Reusing components to breathe new life into them, including for purposes other than those they were originally intended for. Doing so means rethinking packaging to make it reusable in its entirety.



RECYCLE

Processing and disposing of objects or waste properly, turning them into new raw material to create fresh products and packaging. A shared approach to ensure efficient recycling at a global level.



RETHINK

Rethink the materials and the packaging to make it reusable in its entirety.



RECYCLE

Respect the environment using natural and sustainable material. Work to reduce the Carbon Footprint of products.



The values underlying the Group's corporate mission are:

SMART E GREEN
DESIGN

TRANSPARENCY

CUSTOMER
SATISFACTION

SUSTAINABILITY

These values are necessary to improve the planet from an ecological point of view, and thus put into practice Tapi's commitment to increasingly sustainable management.

Since many years ago, the Group has been committed to providing the most sustainable production methods, supply chains and manufacturing processes through the adoption of renewable energy sources and continuing to invest in research and innovation. Today, Tapi designs and produces sustainable closures that have minimal impact on the environment, in line with the green design requirements of its customer's reference market.



2.3 TAPÌ ACTION PLAN

In order to better manage sustainability, at the governance level, the Group has defined an ESG Team composed of two ESG contact persons for each of the Group's Business Units, including the business units in USA and Germany. The interaction of the ESG Team and the desire to further develop the Group's medium-to-long term vision have resulted in the first **ESG Action Plan**.

The action plan defines six Areas of Commitment – Environment, HS, Training, HR, Food Safety, Green themes on products and volumes and it consists of more than 100 sustainability projects distributed over a multi-year time horizon – until 2030 – that will be achieved thanks to the involvement of multiple company departments, enabling the Group to embark on a path of sustainable development.

Through the definition of the six Areas of Commitment, the Company also reinforces its willingness to actively contribute to the achievement of some of the Sustainable Development Goals (SDGs) defined by the United Nations 2030 Agenda.

In order to guarantee constant alignment with the evolution of the business strategy pursued by the Group, the ESG Action Plan has been developed in such a way as to allow constant monitoring of the progressive achievement of the defined objectives.

The ESG Action Plan has several very detailed quantitative KPIs, based on the improvement of specific performance related to a sample of GRI reported on the first Tapì Sustainability Report. This sample of indicators has been chosen because it is representative of the group's environmental, social and production performance. Quantitative targets were then chosen for each GRIs to be achieved within the defined time horizon.

These quantitative objectives concern environmental topics, such as the reduction of energy consumption intensity by 20% (GRI 302-3) and the reduction of Greenhouse Gas (GHG) emissions intensity by 35% (GRI 305-4) compared to the value recorded in 2019, as well as social issues, such as the reduction in the rate of employees work-related injuries by at least 83% (GRI 403-9), the increase in the

average hours of training per year per employee by 75% (GRI 404-1) compared to the value recorded in 2019 and the achievement of 47% of women out of total employees (GRI 405-1).

In 2021, Tapi Group also engaged in maintaining the certifications in place at its different subsidiaries (e.g., ISO 14001, FSSC 22000, ISO 9001, EcoVadis and SEDEX).

It is important to highlight that the Group is aware of the importance of reducing the footprint of its products, reason why it has developed specific objectives in order to track this commitment over the long term. In fact, by 2030, Tapi Group aims to develop at least 2 new products/projects with green concepts per year and reach at least 30% of the total volumes sold deriving from the sales of green products.

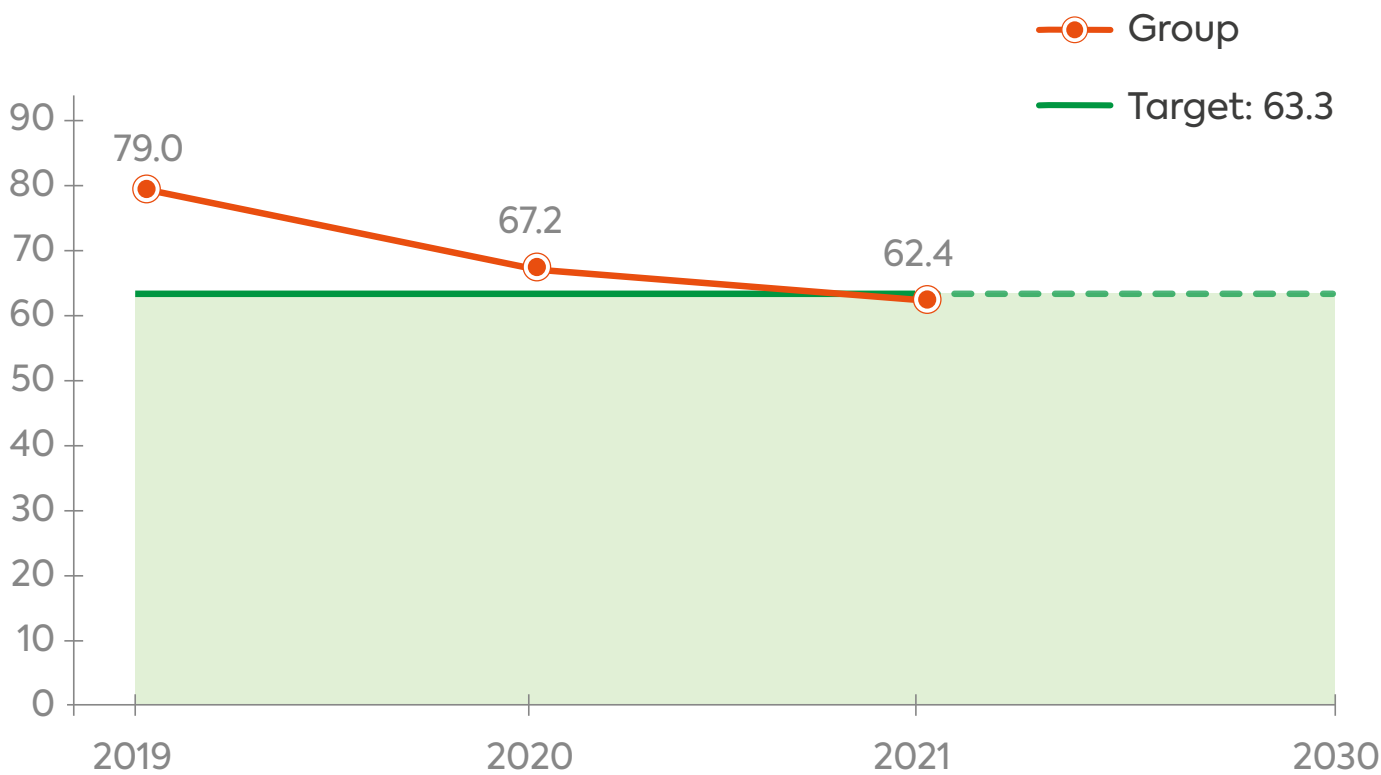
Below, it is reported the representative table of the Tapi ESG Action Plan, with focus to GRI KPIs chosen, the 2019 as baseline and the relative objectives to 2030.

GRI	DESCRIPTION	2019	2030	DELTA
GRI 302-3	Energy consumption intensity (GJ/Mpcs)	79	63.3	-20%
GRI 305-4	Greenhouse Gas (GHG) emissions intensity (tCO ₂ eq/Mpcs)	7	4.6	-35%
GRI 303-3	Water withdrawal intensity (MI/Mpcs)	0.0125	0.0121	-4%
GRI 306-3	Waste intensity (t/Mpcs)	2.23	1.76	-21%
Not a GRI KPI	Life Cycle Assessment (LCA): training & done for all products	0%	100%	Within 2022
GRI 403-9	Work-related injuries (#/200k working hours)	5.4	<0.9	<-83%
GRI 404-1	Training (hours/employee)	15.5	27.0	+75%
GRI 405-1	Women (% on total)	46	47	+2%
GRI 416-2	Incidents of non-compliance concerning the health and safety impacts of products (#/year)	17	0	-100%
Not a GRI KPI	New products/projects developed with green concepts (#/year)		≥2	
Not a GRI KPI	Volumes sell on total of green concepts (% on total)		≥30	

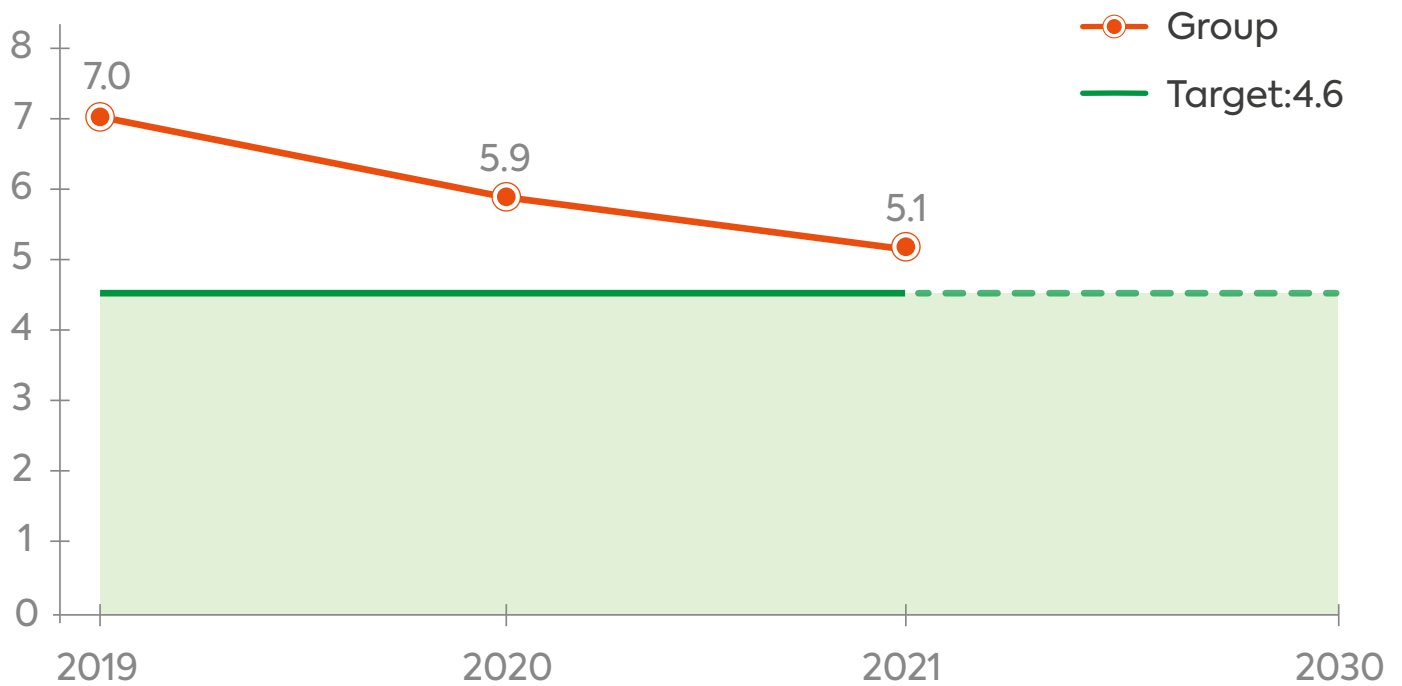
In relation to the environmental and social aspects, below it is reported a detailed graphical representation of the above mentioned GRI performance indicators with reference to the target defined by Tapì Group within 2030.

ENVIRONMENTAL

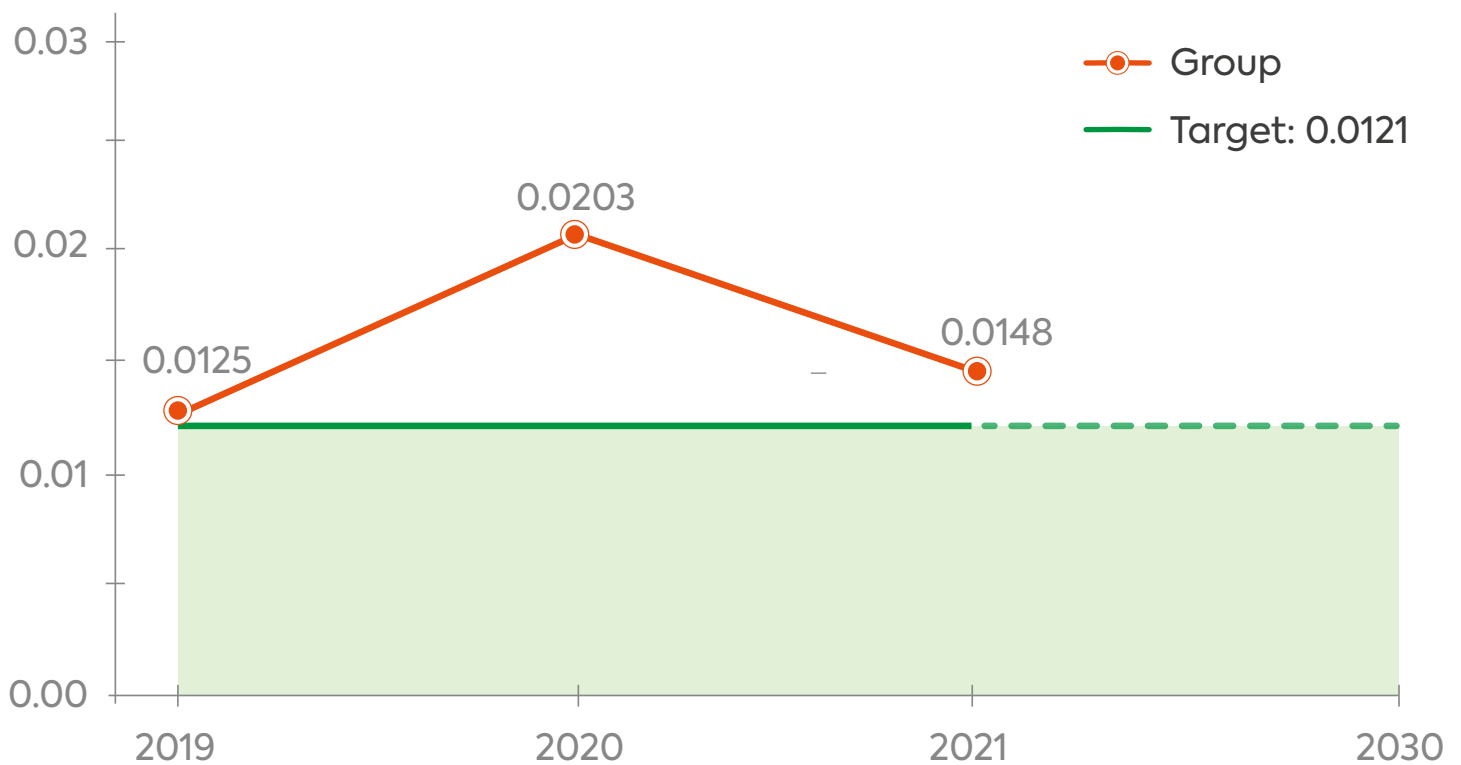
ENERGY INTENSITY [GJ/Mpcs]



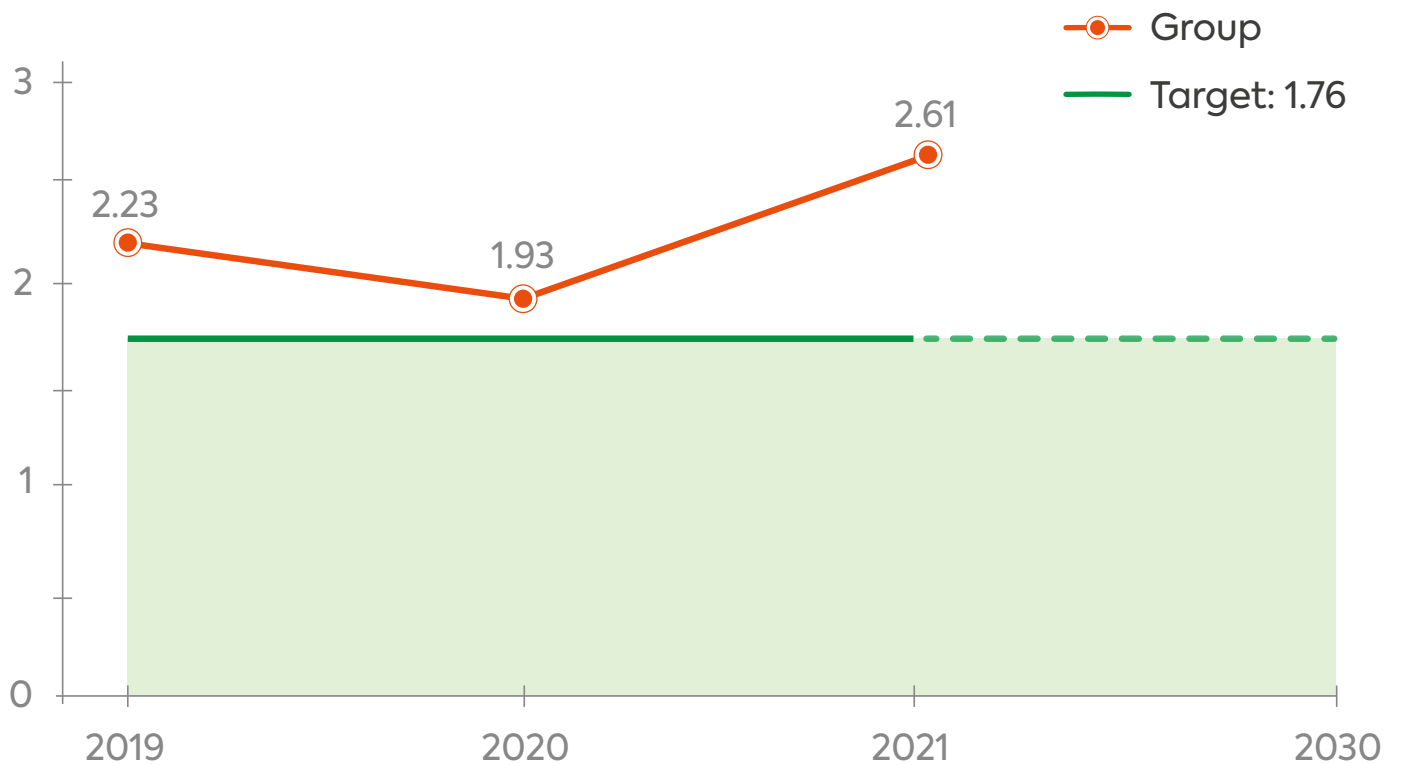
GHG EMISSIONS INTENSITY (SCOPE 1 AND 2) [tCO₂e/Mpcs]



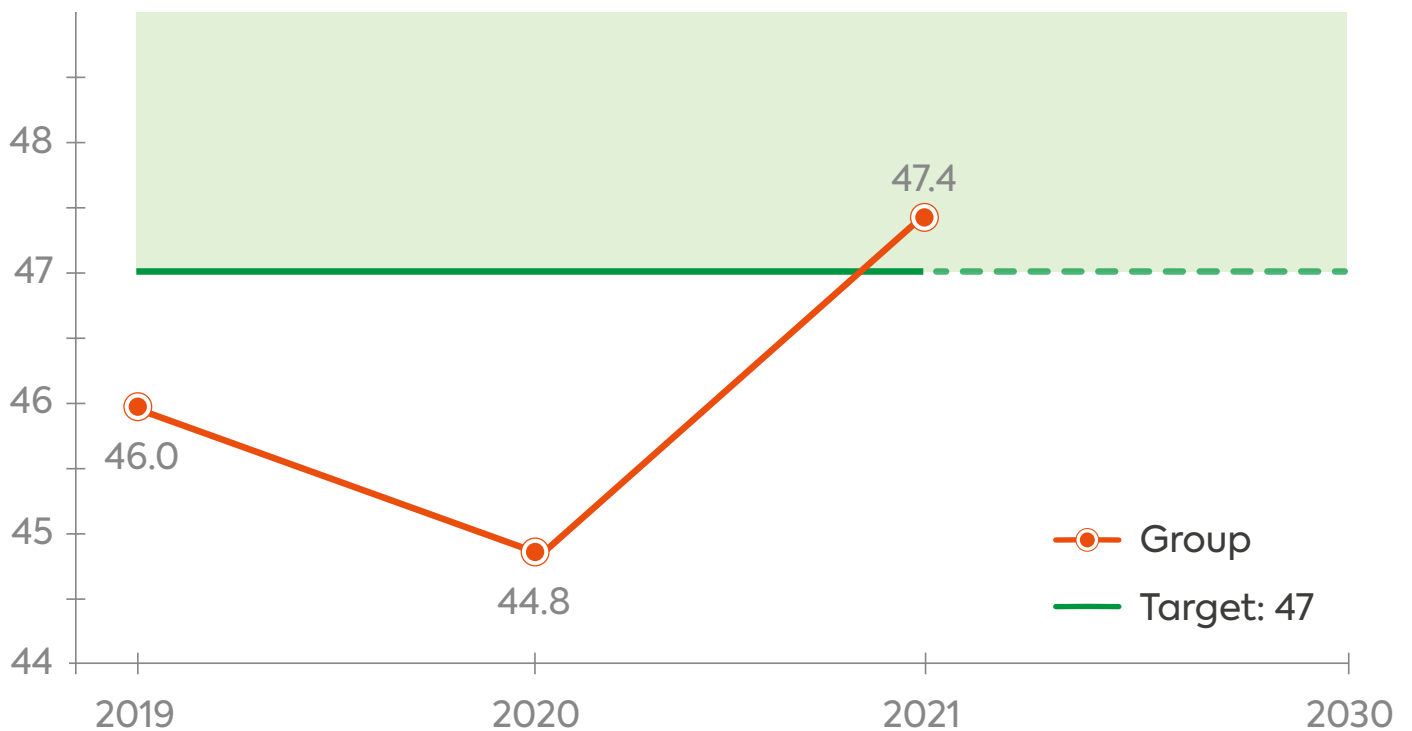
WATER WITHDRAWAL INTENSITY [MI/Mpcs]



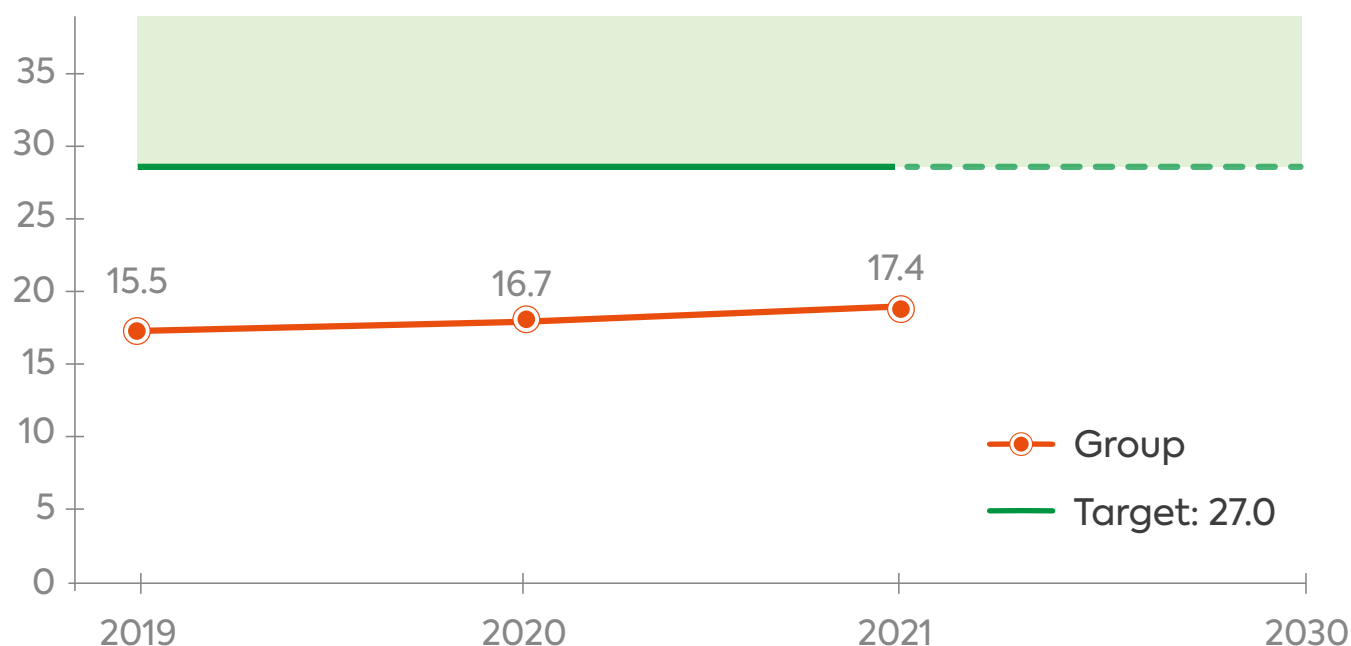
WASTE INTENSITY [t/Mpcs]



SOCIAL WOMEN [%]



TRAINING [HOURS/EMPLOYEE]



To achieve the 2030 target, for each indicator the Group has formalized a series of actions, all of which were shared internally with the CEO and for which Tapi is already taking in action.

On a general perspective of view, environmental, social and business sustainability is and will be a core asset for Tapi and for the supply chain of the alcoholic and food beverages and cosmetics market. This is because all related activities go in the direction of respect for the environment, human rights and legality.

Tapi has always been committed to following these aspects and, with the ESG Action Plan, has taken the opportunity to formalize a plan containing concrete objective required for the development of the ESG performance of the whole group.

In addition to ethics, with the formalization of this plan the Group aspires to gain a competitive advantage as the plan can be a powerful tool to access certain markets and funding.

2.3 CERTIFICATIONS AND ASSOCIATIONS

Tapì has obtained a series of corporate certifications over time attesting to the creation, application and maintenance of the Integrated Management System. Then, the Group aims to achieve clearly defined shared objectives, thus organizing the company's work needs in a transparent set of rules and procedures known as the Integrated Management System.

Below are reported the main certifications obtained by the Group:

CERTIFICATION	DESCRIPTION	PRODUCTIVE SITE
ISO 14001 	Certification to guarantee an environmental management system	Les Bouchage Delage
FSSC 22000 	Certification for food safety management systems assurance	Les Bouchage Delage
ISO 9001 	Certification for the guarantee of a quality management system concerning the production and marketing of packaging products for the food beverage sector.	Tapì S.p.A. Tapì South America Tapì America S.A. de C.V.
	Certification to guarantee that all cork closures produced are made according to the control standards drawn up by C.E.LIÈGE, the European Cork Federation.	Les Bouchage Delage
	Certification to guarantee responsible sourcing with respect to source products and services ethically and sustainably, throughout each tier of the supply chain.	Tapì S.p.A. Tapì South America Tapì America S.A. de C.V. Les Bouchage Delage
	Ecovadis actionable scorecards provide benchmarks, insights, and a guided improvement journey for environmental, social and ethical practices.	Tapì S.p.A. Les Bouchage Delage

In addition to the certifications listed, the Group's commitment and quality are confirmed by the Best Managed Companies awards, received in 2018, 2019 and 2021 from Deloitte.

This initiative was created to highlight the excellence of Made in Italy through a prestigious international award issued by Deloitte and reserved to companies that stand out for their organizational capacity, strategy and performance. These are companies that have proved to be solid in terms of their ability to structure long-term strategies devoted to innovation, internationalization and playing an active role in the ecosystem in which they operate.

In Italy, the organization of the award is supported by Confindustria, Elite (a London Stock Exchange Group project that supports the development and growth of high-potential companies) and Altis Università Cattolica which, alongside Deloitte, worked to adapt the methodology for selecting companies to the Italian socio-economic fabric.

This important recognition for the Tapi Group represents a motivational boost towards the Group's continuous growth and the pursuit of excellence in the design and production of closures.

The Tapi Group is also part of a vast network of trade associations and organizations, which allow fruitful exchanges of ideas, knowledge and different points of view. The main trade associations are the following:

ITALY	Confindustria
	Federazione Gomma Plastica
	IBC – Associazione Industrie Beni di Consumo
	AIDP – Associazione Italiana per la Direzione del Personale
FRANCE	Cetie – International Technical Center For Bottling
	French cork federation
	Cork documentation technical center
	ELIPSO (plastic and flexible packaging companies)
	French Business Climate Pledge
GERMANY	ITKAM – Italian Chamber of Commerce for Germany;
MEXICO	Italian Chamber of Commerce in Mexico City
ARGENTINA	CAIP-The Argentine Chamber of the Plastics Industry





3. GOVERNANCE, BUSINESS ETHICS AND ANTI-CORRUPTION

3.1 CORPORATE GOVERNANCE

The governance structure adopted by the Parent Company Tapi S.p.A. follows the traditional model defined by the Italian Civil Code, which provides two different corporate bodies: the Board of Directors and the Board of Statutory Auditors, with governance and control functions respectively.

The Board of Directors is vested with all powers for the ordinary and extraordinary management of the company. The Board appoints the Chairman and may proceed to appoint the Managing Directors with attribution of the relative powers.

The control function is assigned to a Board of Statutory Auditors, which has the task of supervising, pursuant to art. 2403 of the Italian Civil Code, the adequacy of the organizational, administrative and accounting structure adopted by the Group and its actual functioning.

Pursuant to the law, the statutory audit is entrusted to the Auditor, who is appointed by the Shareholders' Meeting in compliance with the law and regulations and on the basis of a reasoned proposal by the Board of Statutory Auditors.

BOARD OF DIRECTORS

The Board of Directors of Tapi S.p.A. was appointed by the Shareholders' Meeting with the majorities required by law and in accordance with the procedures set out in the Articles of Association. It is responsible for determining and pursuing the strategic objectives of the company and the entire Group. In carrying out its activities, the Board provides for the ordinary and extraordinary management of the Company and defines the strategic guidelines, the assessment of the adequacy of the organizational, administrative and accounting structure and the general evaluation of the management performance. The Board of Directors currently in office will end its term of office on the date of approval of the Financial Statements as of 31 December 2021.

The Board of Directors in office at the date of this Report is composed as follows:

BOARD OF DIRECTORS AS OF 31.12.2021	APPOINTMENT
Casini Roberto	Chairman
Ghetti Stefano	Vice-Chairman
Semenzato Michele	Director
Franceschini Valentina	Director
Reggio Bruno Luigi	Director

The 20% of the members of the Board of Directors are female while 80% are male. Looking at the age range, 20% belong to the 30-50 age group, while the remaining 80% are over 50 years old.

BOARD OF STATUTORY AUDITORS

The Board of Auditors is called upon to supervise (i) compliance with the law and the deed of incorporation, as well as compliance with the principles of proper administration in the performance of corporate activities; (ii) the adequacy of the Group's organizational structure, internal control and risk management system and administrative-accounting system; (iii) risk management; and (iv) the statutory audit and the independence of the auditor.

The Board of Statutory Auditors of Tapi S.p.A., appointed in the 29th May 2020, is composed of five regular members and two alternates and will remain in office until the approval of the consolidated financial statements as of 31 December 2022.

BOARD OF STATUTORY AUDITORS AS OF 31.12.2021	ASSIGNMENT
Sazbon Guido	Chairman
Zecca Antonio	Standing auditor
Pagliarello Manuela Paola	Standing auditor
Bettoni Stefania	Alternate auditor
Zoani Luca	Alternate auditor



3.2 ETHICS, BUSINESS INTEGRITY AND REGULATORY COMPLIANCE

The Tapi Group recognizes as a fundamental principle the guarantee that each of its activities is carried out in compliance with the law, with the regulations in force in all the countries in which it operates, as well as with the principles and procedures established for this purpose.

Every operation and transaction must be legitimate, authorized, consistent and congruous, in compliance with the laws in force and with the provisions of the Code of Ethics, of the voluntary codes of adherence to which the Group has adhered, as well as with company regulations and procedures. In particular, when carrying out its activities, the Group undertakes to act in full compliance with national and international laws and regulations, including tax and fiscal laws, laws on the protection of industrial property and privacy, competition and antitrust regulations.



3.2.1 CODE OF ETHICS

Tapi has adopted a Group Code of Ethics aimed at creating value for all stakeholders. In this sense, the Code of Ethics is a summary of the essential values held by the Group.

The Code of Ethics was approved by the Board of Directors on 20th December 2018 and applies to all Group companies, both Italian and foreign. The principles and values set out in the Code must be complied with by the corporate bodies and their members, employees, collaborators (including temporary collaborators), external consultants, suppliers, customers, contractors, agents, business brokers and other persons acting in the name and/or on behalf of all Group companies on the basis of a mandate or other contractual relationship.

As regards the internal dissemination of the Code of Ethics, this document is shared on the company intranet and posted on the company notice board. The Company has also placed on its corporate website. In order to always spread principles contained in the Code of Ethics, it should also be noted that in the welcome kit given to new employees, there are information slides on the principles contained in the Group's Code of Ethics. Therefore, in this sense it is important to state that the Group intends to disseminate it to all key stakeholders.

Values //

THE EIGHT PRINCIPLES OF TAPÌ GROUP CODE OF ETHICS



1. Legality

The policy pursued by the Tapì Group provides for the promotion of high standards of integrity through honest and ethical management of company affairs. Therefore, the Company undertakes to comply with current and applicable Laws and Regulations, with voluntary codes of adherence to which the Group has adhered as well as with company regulations and procedures, and with generally recognized practices. The Group ensures the implementation of appropriate training, information and continuous awareness activities regarding the provisions of the Group's Code of Ethics and its concrete application.



2. Loyalty and transparency

All the activities carried out in the name and on behalf of the Group are based on the principles of loyalty and transparency, fairness and good faith, in the main sense of loyalty to the values, references and principles of the Group.



3. Social equity and value of the person

The Group respects the fundamental rights of the people with whom it interacts, protecting their physical and moral integrity. The Group rejects all forms of discrimination, including those based on age, gender, sexual orientation, state of health, disability, race, nationality, cultural background, political opinions and religious beliefs, membership of associations and trade unions. Phenomena such as racism, xenophobia, denial of crimes against humanity, in whatever form they are manifested, are absolutely repudiated and condemned. Harassment can take many forms, including physical acts, verbal or written comments and visual representations. The Group strictly prohibits any act of harassment, whether by employees or any third party.



4. Diligence and professionalism

The members of the corporate bodies, employees and collaborators are committed to performing their services with diligence and professionalism, paying the utmost attention to the constant creation of products of excellence, conceived and continuously innovated through research aimed at guaranteeing:

- consumer safety and well-being,
- the economy and durability of the product,
- the highest possible level of environmental compatibility of production.



5. Confidentiality

Information is an important corporate asset and the majority of what concerns the business activities of Group companies is confidential or recorded. The Group protects the confidentiality of the information and data in its possession, operating in compliance with the relevant laws and regulations.



6. Image protection

Compliance with the principles and values specified in the Code of Ethics is a fundamental requirement in the creation and maintenance of a good reputation, as well as a factor that contributes decisively to the pursuit of the Group's objectives and success, favoring relations with investors, customers, suppliers and the community in general.



7. Environmental protection

The Group conducts its business in an environmentally sustainable manner in order to minimize its impact on the environment, committing itself to reduce and, if possible, eliminate the use of any substance or material that may cause environmental damage, to contain the production of waste and to dispose of it in a safe and responsible manner, taking into account the development of scientific research and the best environmental experience, in order to respect the territory, prevent pollution and protect the environment and landscape.



8. Customer care

In order to satisfy its customers' requests, the Group is committed to ensuring professionalism, punctuality, availability, courtesy, cooperation and high-quality standards, offering the highest level of service.



Each Group Company identifies the body responsible for monitoring compliance with the Code of Ethics. In the case of the Parent Company, which has adopted the Organization, Management and Control Model pursuant to Legislative Decree 231/2001, the body responsible for monitoring compliance with the Code of Ethics is the Supervisory Board appointed pursuant to the Legislative Decree 231/2001 and consistent with the provisions of the Model.

Violations or suspected violations of the Code of Ethics shall be promptly reported to the appointed body of each company, which shall assess the reports received with discretion and responsibility. Once the reports have been investigated, this body will justify its decision in writing and will in any case inform the Board of Directors in accordance with the provisions of the Organization, Management and Control Model (as far as Tapi S.p.A. is concerned).

3.2.2 THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL FROM LEGISLATIVE DECREE 231/01

Tapi S.p.A. adopted, by resolution of the Board of Directors on 20 December 2018, its own Organization, Management and Control Model pursuant to Legislative Decree 231/01, with which the Company intends to strengthen its own organization and internal control safeguards. Note that the latest update of Tapi S.p.A.'s Model is referred to November 2020.

In relation to this last update, the activities carried out became necessary following (i) the significant regulatory changes introduced by the legislator (i.e., “Tax Crimes”) and (ii) a Control & Risk Self-Assessment and Gap Analysis performed by the Supervisory Board, in order to identify improvement actions in relation to the internal control system.

The Model, formed by a general part and several special parts, represents a formalization of already existing safeguards, procedures and controls and is part of the internal control system envisaged by the Company in compliance with the applicable legislative and regulatory provisions.

The Supervisory Board, with reference to the Organizational Model issued by the Entity, has the task of: (i) monitoring compliance with the provisions contained therein by all Recipients; (ii) analyzing and assessing the effectiveness of the same in preventing the commission of offences; (iii) carrying out periodic checks on the main operations or acts carried out in the areas at risk of offence (iv) collecting, processing and storing all information relevant to the performance of its duties; (v) reporting to the top management any violations of the rules of conduct set out in the Model (vi) proposing to the Board of Directors the updating of the Model according to changes in the corporate organizational structure or in the regulatory framework. In order to carry out its assigned tasks, the Supervisory Board has all the powers of initiative and control over all company activities and staff levels and reports to the Board of Directors to which it reports through its Chairman at least once a year.

Tapì S.p.A.'s Supervisory Board is composed of two members, one external, autonomous and independent with respect to the company and one internal, appointed by resolution of the Company's Board of Directors on 20 December 2018.

The Company provides an e-mail address (odvtapigroup@gmail.com) aimed at allowing the reporting to the Supervisory Board of any irregularities of which the recipients of the Model may have become aware in compliance with the provisions of the most recent regulations on the subject of "whistleblowing".

With reference to the reporting mechanism, on November 16, 2021 the Parent Company sent to its employees a communication concerning the internal procedure so-called "whistleblowing", that it needs to report of potential unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model. Therefore, the system for reporting alleged or actual unlawful conduct pursuant to Legislative Decree no. 231/2001, based on precise and consistent facts (the so-called whistleblowing system), was integrated by the preparation of an ad hoc procedure for the receipt and management of reports that was sent to employees. This procedure is designed to ensure the confidentiality of the reporter and the confidentiality of the information received, as well as its validity.

No grievances as of 31 December 2021 has been sent to the Supervisory Board inbox. As regards the internal dissemination of the Model within the Company, the latter has been shared by the Group on the company intranet and posted on company notice boards. Moreover, this Model had already been sent to all the e-mail addresses of managers, employees and department managers for the production area. Tapì then placed the latest updated version of the 231 Model (General Part) in the dedicated Intranet folder.

In addition, Tapì has performed training sessions on 231 Model aimed at all employees and shift leaders of production departments, which were delivered on November 23-25, 2021 via a dedicated webinar platform. As with the Code of Ethics, the last version of the Model 231 is also included in the welcome kit for new hires.

3.3 ANTI-CORRUPTION

With regard to corruption issues, the Group has adopted a series of methods and tools designed to mitigate the risks associated with business activities which, by their own nature, present a greater exposure to the risk of commission of offences.

The Tapi Group does not tolerate any form of corruption, whether active or passive, and is committed to complying with the anti-corruption laws in all the countries in which it operates.

Tapi has therefore adopted a control and monitoring system, aimed at ensuring compliance with the main anti-corruption regulations, both at national and international level.

The following are examples of the main controls at the basis of the above control and monitoring system:

- the Code of Ethics;
- the set of Group Procedures, Policies and Operating Guidelines, understood as the procedures to be followed by those in charge of carrying out the activities relating to a particular process. These procedures, policies and guidelines represent direct or indirect controls (e.g. methods of managing the Suppliers' Register) of the control and monitoring system;
- the Organization, Management and Control Model as per Legislative Decree No. 231/2001;
- the system of Delegations and Powers, which accurately defines the roles and responsibilities within the corporate organizational structure.

Although the safeguards set up represent adequate tools for mitigating the risks associated with corruption offences, also in relation to their actual significance, the Group continues to promote and invest in initiatives aimed at making the internal control environment increasingly effective and efficient.

It should be noted that during 2021 no Group entity was subject to confirmed incidents of corruption.



RISK MANAGEMENT FOR TAPÌ

The Group constantly monitors the evolution of the economic and financial effects of the pandemic on the reference markets and the main stakeholders in order to mitigate the consequent risks.

The main risk categories identified are:

Cyber security risk, a phenomenon that is growing worldwide and as such requires constant monitoring by the Group. IT and data processing systems are fundamental for the operational continuity of the company's business. Significant damage to systems due to human error, system malfunction or security breach could have a significant impact on the company's operations, even if only temporarily compromising its correct functioning. All Group companies are implementing new protocols and new security measures aimed at increasing the protection of their systems from both malfunctions and external attacks.

External risks related to the external environment that may impact the Group's ability to achieve its strategic and operational objectives.

Business risks related to activities and critical aspects of the business.

Risks related to the efficiency and effectiveness of business processes with impact on the Group's performance.

3.4 CYBERSECURITY

The protection of the integrity, availability and confidentiality of data and information is a primary objective of the Tapi's ICT function and digital strategy, increasing in importance also with the new ways of working in times of the Covid-19.

In fact, Tapi reacted in a fast and structured way when the pandemic spread at the beginning of 2020, and within a month the ICT function delivered capability and resources to allow more than 80% of staff to remote work. In addition, the ICT enhanced collaboration software, reviewed the bandwidth of the connection and provided equipment to support specific needs. An internal security policy to better adapt all employees to the context of smart working, was implemented by Tapi at the beginning of the first lockdown. Specific guidelines were defined and applied to standardize hardware and software, in order to address and reduce related risks.

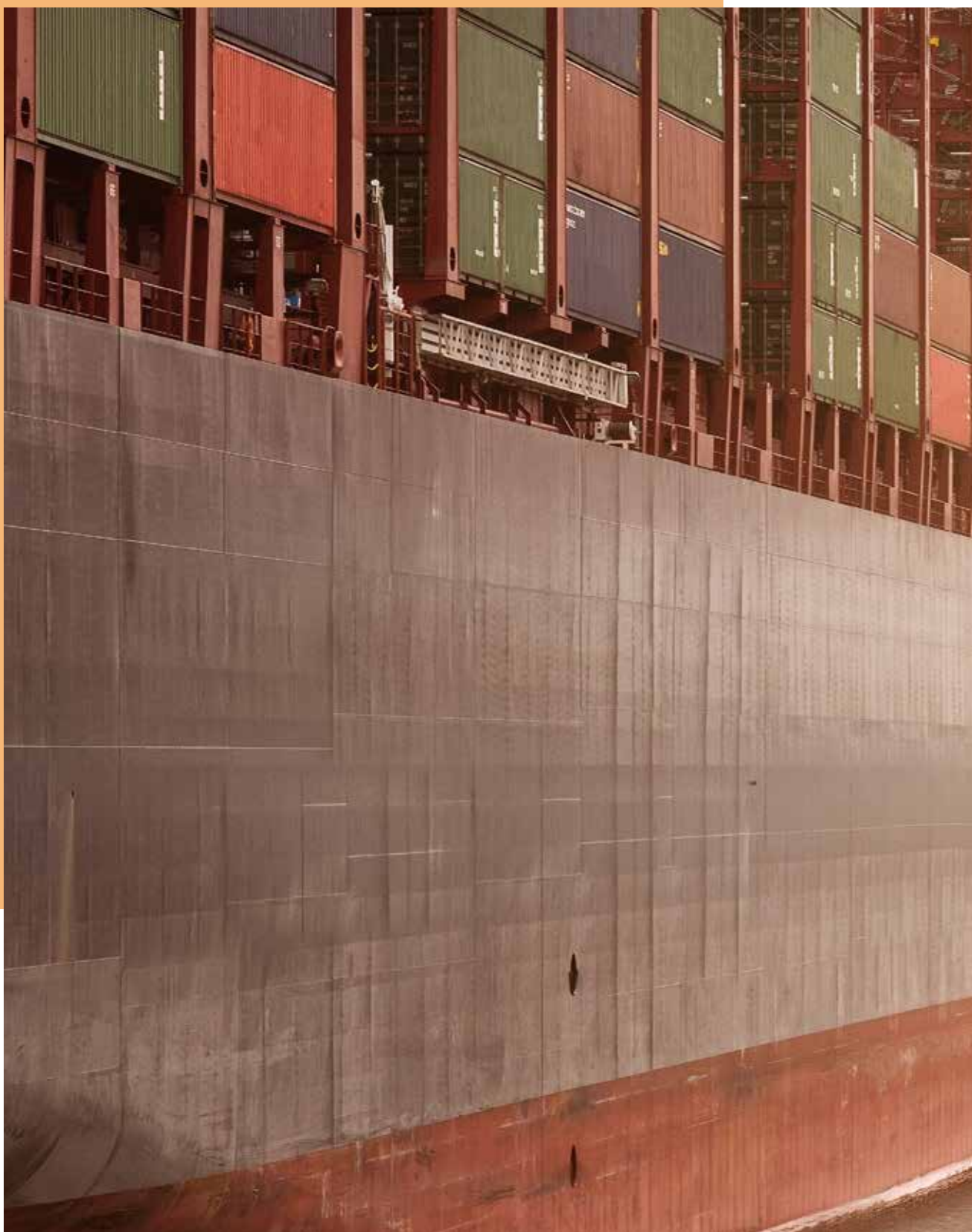
Tapi also works constantly to ensure the best protection of ICT systems and data, to monitor risks associated with cyber threats and to increase security through initiatives involving technology, systems, process and human resources. In addition, a GDPR Committee has been set up within the company, consisting of the Administrative Manager, the ICT Manager and the CEO, to prevent any possible data breach attacks.

In relation to the security measures already in place, Tapi began further initiatives:

- a specific policy has been made for the management of the firewall;
- performing, on an annual basis, a Vulnerability Assessment and Penetration Test, both on external and internal systems.
- Tapi has sponsored a specific book (technical vademecum), sold on amazon, which talks about techniques to prevent phishing. Moreover, this book was given to all employees in the Christmas package at the end of the year 2021, in order to help employees, recognize the threats that phishing can cause.



- In its intranet, Tapì has created two newsletters. One concerns the ICT department, with more technical notions. The second one is dedicated to all employees, in which news concerning points of attention for information security of a more general nature.
- Tapì has defined a disaster recovery plan in order to determine specific protocols to be applied in the event of specific crises.
- Cyber security awareness courses were held in 2021 by an ethical hacker who trained in groups of 5 employees and it had excellent feedback from users.
- Tapì has joined in 2021 a “Cyber Security Angels”, who is a network of computer security experts.



A large container ship is shown from a side-on perspective, moving across a body of water. The ship's hull is white with a red stripe at the bottom. The upper decks are filled with stacks of colorful shipping containers in shades of green, blue, and red. The ship is leaving a white wake behind it. In the background, the horizon is visible under a sky with soft, warm light from the setting or rising sun, creating a hazy, orange-tinted atmosphere. A few small sailboats are visible in the distance on the water.

4. THE GROUP ECONOMIC IMPACT AND ITS SUPPLY CHAIN

4.1 CREATION OF VALUE FOR STAKEHOLDERS

2021 was an overall positive year for the Tapi group, despite the difficulties linked to the persistence of the pandemic.

The recovery of economic activities, which has marked many industrial sectors including ours, has generated a substantial shortage of raw materials and an extremely critical logistical situation.

Demand exceeding supply has substantially increased the cost of polymers, while the recovery of China - US trade, which has been very strong since the first months of the year, has meant that a large part of ship traffic is moved on the routes of the Pacific, leaving the routes between Europe and the Americas unguarded.

The consequences were not only a difficulty in finding space on container ships, with consequent delays in the procurement of raw materials and semi-finished products, but also a very strong surge in transport costs.

The group was able to cope with these increases thanks to the procurement policies implemented during 2020 and which led to the storage of raw materials in sufficient quantities to reduce the effect caused by the increase in prices on the contribution margin.

2021 was also a year of investments to increase the group's production capacity and cope with the increase in demand.

From the point of view of demand, 2021 saw a significant increase in revenues, which rose from 73 million to 98 million euros, thanks to the sustained economic recovery, which has characterized the alcoholic beverages sector especially on the American markets

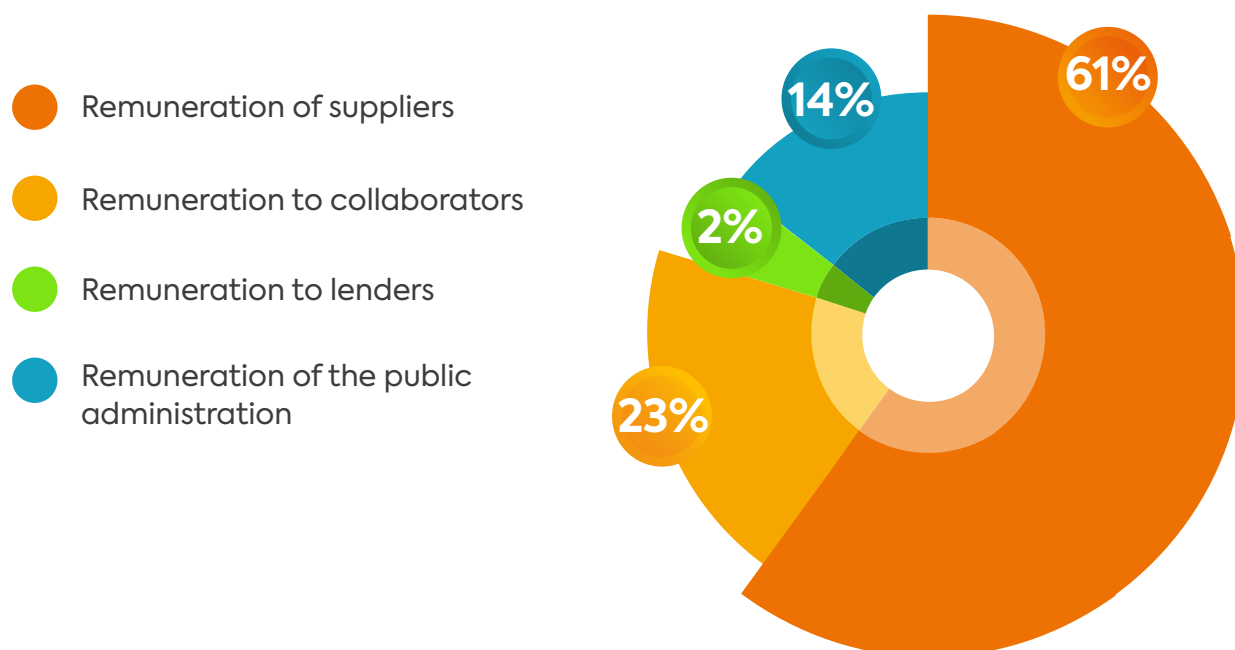
For further details on the Tapi Group's economic performance and financial position, please refer to the consolidated financial statements as of 31 December 2021.

The economic value directly generated and distributed shows how the Tapi Group has created value for all its stakeholders. The creation and distribution of value is an ongoing commitment of the Tapi Group, which, through its activities, contributes to the growth of the context in which it operates.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (€/000) [GRI 201-1]	2021	2020
Total Economic value generated	98,966	82,275
Economic value distributed	91,224	64,756
Operating costs – Remuneration to suppliers	55,268	42,327
Remuneration to personnel	21,049	16,782
Remuneration to lenders	2,117	2,296
Remuneration of the public administration	12,789	3,351
Economic value retained	7,743	17,519
Net Result	2,473	12,462

The economic value distributed amounts to 91.2 million Euros, 61% of which derives from the remuneration to suppliers that is composed of the costs for raw materials, for services, for use of third-party assets, for variation of inventory, for internal building. Collaborator's remuneration represents almost 23% of the economic value distributed while 2% of the economic value was lenders and 14% to public administration.

ECONOMIC VALUE DISTRIBUTED IN 2021



4.2 THE GROUP SUPPLY CHAIN

Purchasing processes are marked by the search for the highest value for the Tapi Group and by the granting of equal opportunities for each supplier, with particular attention to pre-contractual and contractual behaviors kept in view of an indispensable and mutual loyalty, transparency and cooperation.

Every supplier of the Tapi Group is bound to comply with the Code of Ethics published by the Group, and if a company of the Group notices a supplier's behavior that is not in line with the fundamental ethical principles, it is entitled to take appropriate measures up to the point of precluding any further opportunities for collaboration. The employees of the companies of the Group are directly or indirectly responsible for the purchasing process, as well as for the negotiation of any type of service, and when choosing suppliers, they are obliged to be objective, basing themselves on the most advantageous conditions in terms of price, quality and characteristics of the goods and services.

The Tapi Group firmly believes that the following key points are necessary for the establishment of an optimal relationship inside and outside the company:

- Defining clear policies and standards within the relationship between the company and its suppliers;
- Ensure fairness and ethics towards suppliers by developing administrative controls within the company in order to avoid unethical conduct;
- Developing information and internal control mechanisms to prevent the commission of unlawful acts by both suppliers and the company;
- Encourage commercial exchanges with companies that operate in an ethical context.
- Ensure that suppliers employ workers of not less than the minimum legal age in each country;
- Ensure that the holidays, rest periods, working conditions, leave of absence, expectations and benefits of production workers comply with local regulations, laws and international conventions;

- The guarantee by each supplier that all forms of production are carried out using processes that protect the health of workers in an appropriate and adequate manner for the production processes actually used.

Furthermore, when choosing suppliers, each Group company is required to make objective assessments of the skills, competitiveness, quality, fairness, respectability, reputation and price of the goods/services received, and to ensure that each supplier, in carrying out its activities, operates in accordance with the principles set out in the Group's Code of Ethics.

Environmentally, ethically and socially responsible sourcing is a key issue for the Tapi Group. As further confirmation of this commitment, all Tapi Group companies have recently registered their production facilities at Sedex.

Sedex is a non-profit organization committed to advancing ethical principles throughout global supply chains and is, to date, Europe's largest platform for collecting and processing data on ethical business behavior. Being a member of this

organization helps and will help the Group in the future to have greater visibility of its supply chain, identifying industry-specific risks related to suppliers in advance and taking action to ensure a responsible supply chain without additional ethical and business risks. From 2021, as a member of Sedex, the Tapi Group will use the social audit tool SMETA (Sedex Members Ethical Trade Audit) to conduct assessments of its suppliers using social criteria.



Further confirmation of Tapi's commitment to the supply chain is the registration of all Group companies to the Base Code, published by the Ethical Trading Initiative (ETI). ETI is an association of companies, trade unions and voluntary organizations that share a commitment to improving working conditions throughout the supply chain. Tapi's adherence to the ETI Code ensures compliance with the principles set out in the ETI Code in order to better control its production processes and suppliers. The Tapi Group's demonstration of compliance with the ETI standards provides the Group's customers with the security of fair and ethical sourcing.

In addition, on the topic of responsible sourcing, starting from 2020 the Tapi Group turned to the world's largest and most trusted provider of corporate sustainability assessments, EcoVadis. After careful analysis and verification of all required processes and parameters, in May 2021, EcoVadis awarded Tapi S.p.A. with the silver medal,



as confirmation of the Group's commitment to ESG. This award is given to the 25% most virtuous companies according to a number of criteria, including environmental, human rights and ethical parameters.

The additional support provided by EcoVadis through ratings and monitoring tools has enabled Tapi to manage risks and incorporate eco-innovations into its global supply chain, thus improving its environmental and social ratings.

Participating in the EcoVadis rating and obtaining a silver medal was a priority objective for Tapi to continue to strengthen the quality, efficiency, transparency and sustainability of its production methods, services and products rendered to its customers and to promote this culture throughout the Group.



Another important milestone for the Group is that in April 2021, Les Bouchages Delage received the gold medal from Ecovadis, confirming the LBD' ongoing commitment towards corporate social responsibility. On a general perspective of view, this Tapi



'entity has a management system based on objectives and indicators, deployed at all levels and formalized for each process. This is reflected through the EcoVadis overall score that verified the quality of the company's sustainability management system at the time of the assessment. As gold member, Ecovadis ranked LBS in the top 5% most virtuous companies.

About the sustainable supply chain, it is important to emphasize that the wood used by the Group in its production process can be FSC® certified, i.e., from a responsibly managed forest and supply chain, at the

request of the customer. Thanks to this certification, Tapi can guarantee its customers the origin of the wood used and thus demonstrate its active contribution to responsible forest management in a correct, transparent and controlled manner. With this, Tapi products also include the use of certified materials for products coming from forests or plantations managed in an eco-sustainable way according to FSC® principles and criteria. Through these materials, Tapi can produce FSC® certified products when requested by customers, demonstrating its commitment to not being directly or indirectly involved:



- in the illegal logging and trade of illegal wood or forest products;
- in the violation of traditional and human rights in forestry operations;
- in the destruction of high conservation values in forest operations;
- in the significant transformation of forests into plantations or other non-forest uses;
- in the introduction of genetically modified organisms in forestry operations;
- violation of any ILO Core Convention as defined in the ILO Declaration on Fundamental Principles and Rights at Work.



Not only wood certified, because on a general perspective of view, Tapi Group has a large supplier base that covers both green and non-green solutions, depending on customer requirements. Giving on detail, more than 50% of the products that go into the BOM can include green solutions.

The materials Tapi Group handle are very complex such as natural products like wood and cork, with modest suppliers. Then the Group has also large multinational suppliers – such as supplier from the plastics world. Tapi Group employees working with the Procurement and Supply Chain Function have a strong knowledge of materials, in order to try to best meet all the requirements that suppliers demand and to guarantee a superior quality product. In this sense, Procurement and Supply Chain function, R&D and Quality work together to have an integrated approach have an integrated approach in the search for a product that best matches the customer's requirements.

In addition, in order to meet company requirement, the Group has developed four specific procedure (i) procedure checklist approval flow chart, (ii) procedure for certifying new suppliers, (iii) procedure for auditing suppliers and (iv) procedure for the planning of audit and monitoring of the suppliers. These procedures for the Group are the basis of the selection of suppliers, that it must not be limited to a purely economic choice but must take into account multiple factors.

In terms of policies and internal document, the Group is preparing a supply agreement, which will be ready in the first half of 2022, with the target for the next FY for the Group that all suppliers will have to sign it.

The table below shows the percentages of the procurement budget used for the significant operating sites that are spent on the local suppliers of these sites. In 2021, the country with the highest percentage is Argentina with 73.5% of the total budget, followed by Italy with 63.2%, France with almost 50.9% and finally Mexico with 41.3%.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS IN % [GRI 204-1] ²		
COUNTRIES	2021	2020
ARGENTINA	73.5%	84.3%
FRANCE	50.9%	46.5%
ITALY	63.2%	66.1%
MEXICO	41.3%	33.5%

The decrease of 13% in local procurement budget in Argentina is due that Tapi South America has been buying a lot from different provinces that not considered local for the reference KPI. The other countries have a trend in line with last year except for Mexico, which shows a 23% increase in local purchases, thanks to an increase in production of about 52%, a fact reflected in the quantity purchased.

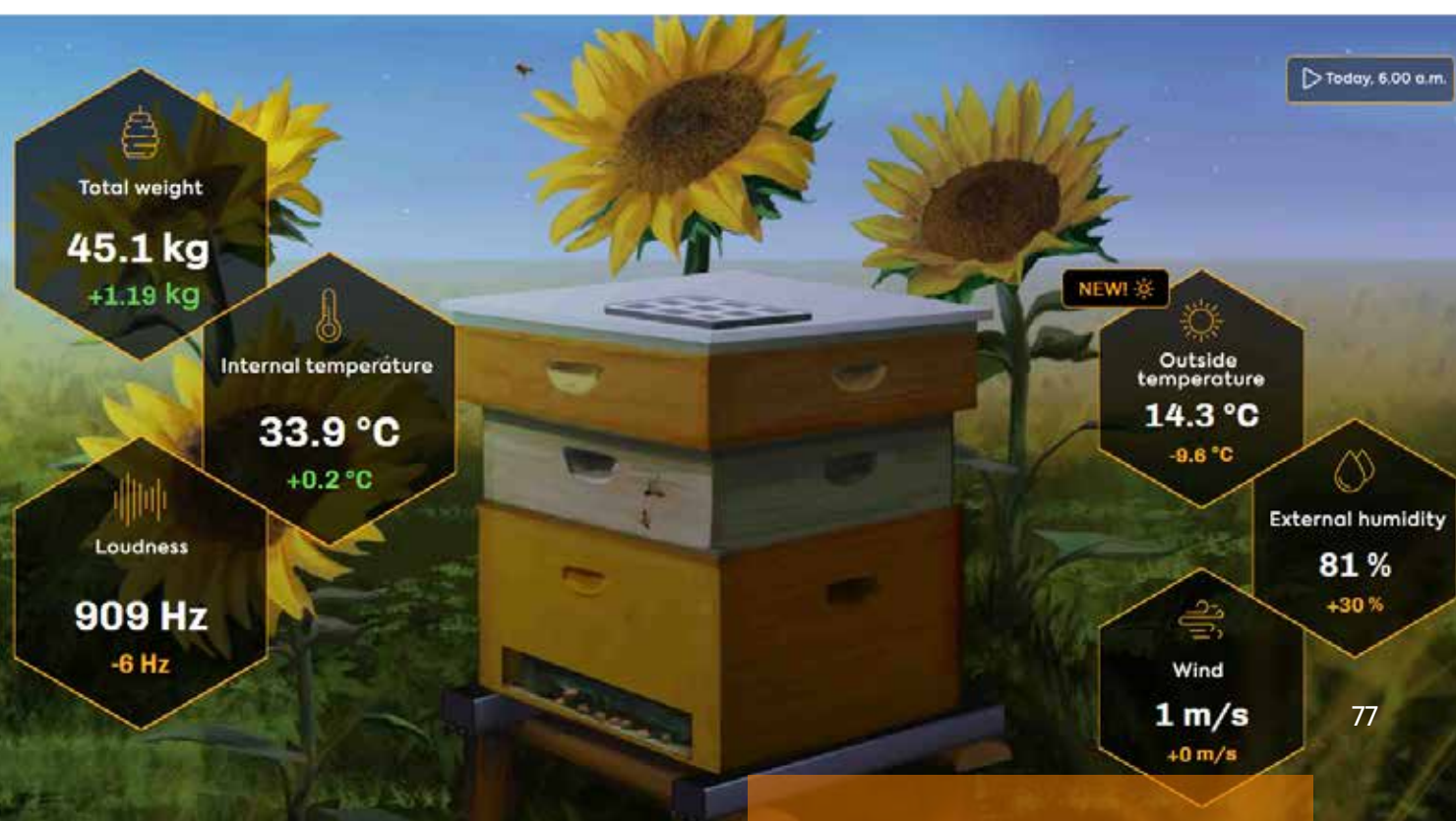
3BEE TAPÌ

"Giving back the right value to food, respecting those who produce it, in harmony with the environment and ecosystems, thanks to the knowledge of which territories and local traditions are custodians."

From this reflection in Tapi was born the idea of celebrating Christmas and the arrival of 2022, sharing together with our customers and partners an initiative entirely dedicated to the Planet.

This is a program aimed at preserving bees and their precious ecosystem, which includes the creation of the Tapi corporate hive. With this action more than 300,000 bees will be protected and more than 300,000,000 flowers will be pollinated.

The parent company has thus created the Tapi oasis, in collaboration with the 3bee.com portal; a local sustainability project that starts from Italy with the aim of having an impact on a global level: in 2022, in fact, Tapi will share with its customers the honey produced in the hives, the fruit of the magnificent work of the bees.





5. ENVIRONMENTAL RESPONSIBILITY



5.1 CIRCULAR ECONOMY

The Tapi Group, in full compliance with the law, is committed to responsibly carrying out its activities in a manner that guarantees the safety of the environment and its workers and ensures that any negative effects on the environment are eliminated or reduced to the minimum levels that are technically and economically achievable.

Les Bouchages Delage production plant is ISO 14001:2015 certified. Such certification is related to environmental management and it helps to minimize how company operations negatively affect the environment and to comply with applicable laws, regulations, and other environmentally oriented requirements.

Tapi has implemented a system that defines specific monitoring and control procedures, assigns clear roles and responsibilities, and maintains active communication with interested parties and the competent authorities. Each year the production plants define initiatives to improve environmental performance, based on a number of defined KPIs.

Of great importance are the provisions defined in the Group's sites to ensure immediate action in situations of potential environmental emergency. They guarantee a prompt reaction in the event of an accident in order to avoid or minimize environmental impact.

The Parent Company's responsibility has taken the form of drawing up an Environmental Policy, through which it undertakes to:

- Maintain full legislative compliance with reference to legal and other requirements;
- Adopting active pollution prevention and environmental protection policies and thus reducing the company's negative impact on the external environment;
- Involve and make all personnel aware of environmental issues connected with the company's activities.

The areas in which Tapi S.p.A. is most committed are:

- Waste management;
- Reduction in the consumption of electricity, gas and water;
- Impact of the finished product on the environment;
- Communication of environmental values.

At present, the Tapi Group does not recycle materials internally for food safety reasons, with the exception of sprues that are used in the molding process, both expanded and compact. In fact, the plastic from the sprues is conveyed to a grinding cabin where it is ground and recovered in subsequent productions, with a view to a circular economy.

As regards the use of materials, the main renewable materials used by the Group are wood (83%), natural cork (9%) and carton box (8%). Renewable materials currently make up around 30% of the total materials used to produce and package the organization's primary products and services during the reporting period. Non-renewable materials are polymers (63%), plastic packaging (15%), adhesive (15%), metals (zinc, aluminum, and copper) and paints for the remaining 7%.

RENEWABLE MATERIALS USED [GRI 301-1] ³			
Type of material	Unit of measure	2021	2020
Wood	t	3,993.3	1,409.7
Of which wood tops from Mexican plant	t	10.3	3.79
Cork	t	413.1	361.5
Carton Box	t	404.8	296.4
NON-RENEWABLE MATERIALS USED			
Polymers	t	3,774.7	3,494.8
Plastic packaging	t	917.9	758.7
Adhesive	t	929.0	557.2
Metal (Zinc, Aluminum, Copper)	t	256.4	150.6
Paint	t	158.1	119.5
TOTAL	t	10,847.2	7,148.5

The increase of 51% in the material used reflect the production increase of Tapi Group. From the total materials used, it is important to highlight that 44% are renewable.

Note that the reporting standards definition of renewable material is a material that is derived from plentiful resources that are quickly replenished by ecological cycles or agricultural processes, so that the services provided by these and other linked resources are not endangered and remain available for the next generation. **In line with this, Tapi is committed as a worldwide Group to increasing the percentage of renewables in the use of its materials for the benefit of future generations.**

In addition, it should be mentioned that the Tapi Group has been committed to a paperless approach for several years, so reducing dependence on paper allows the Group to create a more sustainable business.

³ Note that the data inserted in the table above do not include pallet from the French production plant that correspond to 55 tons of renewable materials in 2021 because the same data is not available for 2020. For the same reason, 0.9 tons of lubricant does not include in 2021 as non-renewable material.

5.2 CLIMATE CHANGE AND EMISSIONS

Tapi's energy consumption consists of electricity, natural gas, LPG, petrol and diesel. The main source of energy used by the Group is electricity, which accounts for 92% of energy consumption. It should be noted that electricity is all purchased from the network and consumed internally by the organization.

Starting from November 2021, the Parent Company purchased certificates of guarantee of origin from the GSE for the supply of electricity from the grid of renewable energy. In addition, also the French subsidiary starting from March 2021 has signed a contract with ENGIE for the supply of renewable energy from the grid. In the table below, this portion of renewable energy falls under the total renewable energy consumption, that looking at 2020 does not continue to be zero. These purchased represent another important milestone for the Group in order to reach environmental sustainability, as defined into the 2030 ESG Action Plan.

Compared to 2020, the Group's total consumption increased by 12.5%. The variation between 2021 and 2020 in the consumption of electricity reflects the increase of the production.

Particularly important is the reduction in the energy intensity values between 2020 and 2021 (-7%), a number that testifies the Group's commitment to making its production processes more efficient. In other words, the increase in production from 2021 to 2020 was so pronounced that it offset the energy intensity ratio, even though energy consumption increased slightly: the delta in energy consumption is 12.5% while the delta in number of produced products is 21%, both increasing.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GRI 302-1, 302-3]

Fuel consumption	2021	2020
	Total GJ	Total GJ
Natural Gas	212	446
LPG (Liquefied Petroleum Gas)	862	759
Diesel (for heating or productive process)	121	17
Diesel (for company's vehicles)	1,616	1,285
Total Diesel	1,737	1,302
Gasoline (for company's vehicles)	374	186
Total Fuels consumption	3,185	2,693
Total Electricity purchased from national grid	37,269	33,245
Total non-renewable Energy Consumption	32,512	35,938
Total renewable Energy Consumption	4,757	-
Total energy consumption within the organization⁴	40,454	35,938
Energy intensity (GJ/Number of produced products)⁵	62.45	67.25

In the Argentina plant the energy consumption increased in 2021 compared to 2020 due to the installation of a new wood head manufacturing plant. In Mexico, the increase of electricity consumption is directly related to the increase of production, considering that the rise of 39% in the number of produced products.

On the sustainable mobility front, the Group is evaluating hybrid pool cars, as a pilot project launched in Italy. Thus, the first pooled hybrid car will arrive shortly at the parent company. Moreover, as part of energy efficiency initiatives, the Parent Company will discontinue the use of diesel for heating, as the purchase of a new electrically-powered cooling and heating system is under consideration.

In order to report greenhouse gas emissions, Tapì has adhered to the Greenhouse Gas (GHG) Protocol, which divides emissions into categories or "Scope":

- Scope 1: direct emissions, associated with sources owned or controlled by the Company, such as fuels used for heating and operating means necessary for the Company's activities;
- Scope 2: indirect emissions, deriving from the consumption of electricity purchased by the Company. Specifically, in compliance with GRI reporting standards, they are calculated according to Location and Market based methodologies, using appropriate emission factors.

⁴ The conversion factors were taken from the DEFRA 2021 and DEFRA 2020.

⁵ Energy intensity was calculated as the ratio of absolute energy consumption in GJ to total products produced divided by 1,000,000.

The emissions generated by the Group are shown below.

DIRECT (SCOPE 1) GHG EMISSIONS AND ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS [GRI 305-1, 305-2]			
GHG Emissions – tCO₂eq		2021	2020
Scope 1⁶	Direct emissions from combustion	214	179
	Emissions from refrigerant gas leaks	5	33
	Total Scope I	219	212
Scope 2⁷	Location-based	2,951.02	2,763
	Market-based	3,235.37	3,157
Total	Scope I and Scope II (Location-Based)	3,170.02	2,975
	Scope I and Scope II (Market-Based)	3,454.37	3,369
Emission Intensity⁸	Emissions Intensity GHG – Scope 1 (tCO₂eq/Number of produced products)	0.34	0.39
	Emissions Intensity GHG – Scope 1 and Scope 2 (Location- Based) (tCO₂eq/Number of produced products)	4.89	5.56

In 2021, direct emissions of the Group amounted to 219 tCO₂ (Scope 1) and is mainly derived from LPG, diesel and gasoline. Indirect emissions (Scope 2) instead, derived from purchased electricity, were 2,951.02 tCO₂ based on the Location based calculation method; and 3,235.37 tCO₂ based on the Market based methodology. The reduction in amount of emission expressed on Market Based methodology is due to the purchase of certificates of guarantees of origin for the purchase of 100% renewable electricity.

Total emission (Scope 1 and Scope 2 Location-based) was 3,170.02 tCO₂ (+ 6.5% compared to 2020) while the total emission with the Scope 2 Market-based was 3,454.37 tCO₂ (+2.5% compared to 2020), testifying to the importance of the group's commitment to reduce emission by purchasing renewable electricity certificates.

⁶ DEFRA 2021 emission factors have been used to calculate Scope 1 emissions. Scope 1 emissions are expressed in tonnes of CO₂ equivalent, where available.

⁷ For the calculation of Scope 2 emissions, in line with the GRI Sustainability Reporting Standards, both calculation methods were used. The Market-based methodology is based on the CO₂ emissions emitted by the energy suppliers from which the organization purchases electricity through a contract and can be calculated by considering: guarantee of origin energy certificates and direct contracts with suppliers, supplier-specific emission factors, emission factors related to the "residual mix", i.e. energy and emissions not monitored or claimed. (AIB2021 - European Residual Mixes 2020). The location-based method is based on average emission factors related to power generation for well-defined geographical boundaries, including local, sub-national or national boundaries (Terna). Scope 2 emissions are expressed in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalent) as can be seen from the relevant technical literature.

⁸ Emission intensity was calculated as the ratio between the types of GHG emissions in tonnes of CO₂ equivalent (Scope 1 and Scope 2 - Location Based) and the total number of products produced divided by 1,000,000.



5.3 THE CONSCIOUS USE OF WATER

The consumption of water in the Tapi Group's factories, as well as meeting civil needs (toilets, changing rooms and canteens), also meets industrial needs related to production processes. At present, the Group only draws water from the aqueduct, while water for civil use is discharged through the normal public sewage systems.

The Italian and Mexican plants draw their water entirely from the aqueduct for civil use and discharge it into the public sewage system. At the Argentine company, the water is taken from the aqueduct and used for the most part for civil use and a small part for cleaning and cooling the production plant. In order to make efficient use of the water resource, Tapi Argentina has drawn up a specific procedure. This procedure provides for environmental impact assessments to be carried out in order to monitor the quality of the water withdrawn and discharged, the quantity, availability, duration, intensity and to establish possible targets for improvement. There are no industrial discharges as cooling takes place in a closed circuit. Discharges are into a septic tank, which is regularly inspected according to local regulations.

The French plant only consumes water for sanitary use and it is discharged into the nature, after being treated by a sand filtration system, in compliance with the local discharge regulations. Discharges are monitored every half hour to ensure compliance with local legal parameters. It should be noted that the French plant is located in a water-stressed area and that the water taken by third parties comes from a neighboring river.

WATER WITHDRAWAL ⁹

Sources	Unit of measure	2021		2020	
		All areas	Areas with water stress	All areas	Areas with water stress
Third-party water (total)	Megaliters	9.0	0.6	10.4	0.5
Freshwater ($\leq 1,000$ mg/L Total Dissolved Solids)	Megaliters	5.6	0.6	4.0	0.5
Other water ($> 1,000$ mg/L Total Dissolved Solids)	Megaliters	3.4	-	6.4	-
Third-party water (total) per source of withdrawal	Megaliters				
Surface water	Megaliters	-	0.6	-	0.5
Groundwater	Megaliters	-	-	-	-
Sea water (total)	Megaliters	-	-	-	-
Produced water	Megaliters	-	-	-	-
Total water withdrawal	Megaliters	9.0	0.6	10.4	0.5

Tapì is constantly looking for reducing water consumption in the various stages of production. In 2021, the total water withdrawal of Tapì Group was equal to 9 mega liters (-13% vs 2020). Among the initiatives in support of environmental sustainability it is important to point out that at the Rossano plant, Tapì irrigates the garden with meteoric water.

⁹ In order to identify water stress areas, the Aqueduct Tool developed by the World Resources Institute (WRI) was used. The WRI tool is available online at: <https://www.wri.org/aqueduct>. The results in the “water stress” column were taken into account for the analysis.

5.4 WASTE MANAGEMENT

The Group pays great attention to proper waste management in terms of production, recovery and disposal. Therefore, it has adopted procedures and operating instructions to track the correct treatment of waste.

The main waste produced within the Group's plants is

- packaging of various materials (paper and cardboard, plastic, mixed);
- waste of various types of plastic used in production processes;
- waste from wood and cork processing, sawdust;
- metal waste mainly from the mechanical processing of semi-finished products;
- liquids from oil emulsions for machine tools, product washing processes or painting processes, waste oil;
- used filters and filter materials, e.g. from machining machines or other installations.

As regards hazardous waste, it mainly consists of electrical and electronic equipment, waste oil, degreasing waste, solvents and/or their mixtures, packaging containing residues of hazardous substances.

The waste is generated internally with some exceptions, such as the different types of packaging received from suppliers.

The recovery and disposal of waste produced at the Group's plants is managed by third parties, in accordance with the regulations of each country. Group companies have undertaken to find specialized suppliers who can recycle production waste and packaging materials. For example, Tapi America has entered into a partnership with a supplier specializing in the recovery of wood processing waste, which reuses sawdust as a natural fertilizer for crops.

In addition, processes are in place to optimize machinery in order to reduce waste production.

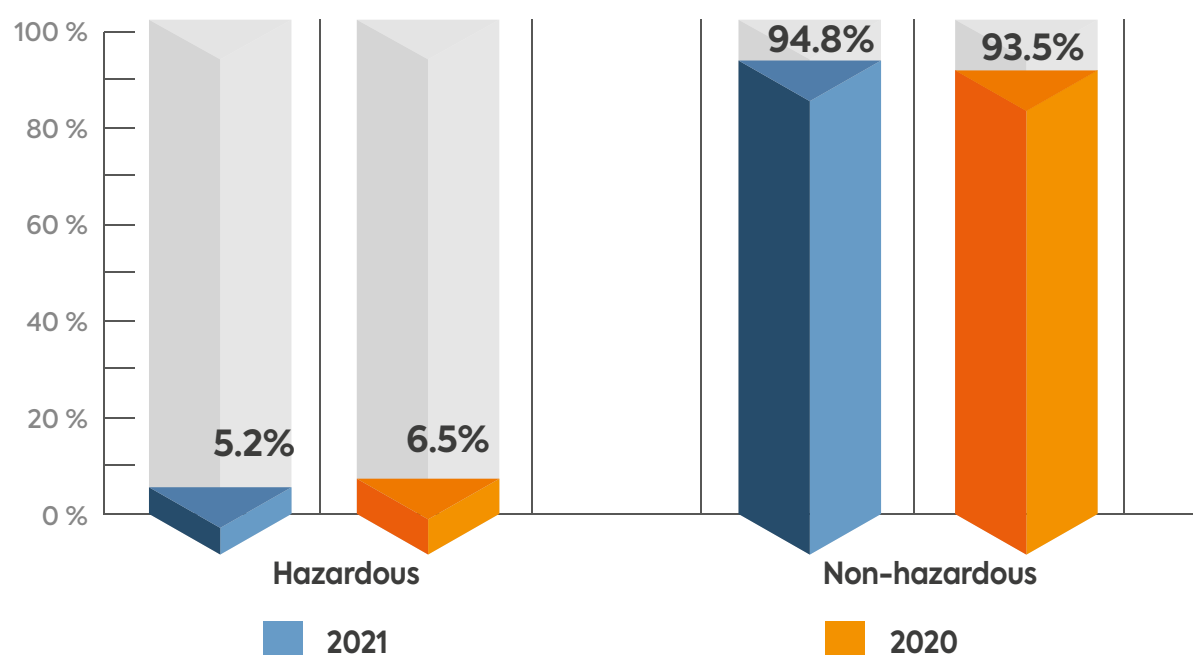
Specific internal procedures provide that the type and quantity of waste produced is constantly monitored (monthly), in order to identify improvement objectives and efficient waste management.

With reference to the information on waste generated, the main categories of hazardous and non-hazardous waste by type are shown below, with the aim of understanding and communicating to all stakeholders what the waste generated by the Group consists of.

The data have been presented according to the methodology set out in the new GRI Standard 306 Waste (2020).

TOTAL WEIGHT OF WASTE GENERATED [GRI 306-3]							
Waste composition	Unit of measure	2021			2020		
		Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
Plastic: Polyolefin	t	–	81.12	81.12	–	52.25	52.25
Mixed material	t	3.1	165.79	168.89	1.2	106.46	107.66
Paper & cardboard	t	–	73.33	73.33	–	51.32	51.32
Plastic: PP & HDPE PS, ABS et PS/PE (thermoformed trays)	t	–	21.87	21.87	–	21.79	21.79
Non-hazardous liquids	t		69.51	69.51	–	14.4	14.4
Hazardous liquids	t	47.42	–	47.42	65.88	–	65.88
Hazardous waste	t	37.64	–	37.64	1.82	–	1.82
Zamak	t	–	1.72	1.72	–	0.4	0.4
Natural Cork	t	–	1.3	1.3	–	1.11	1.11
Iron and steel	t	–	25.9	25.9	–	12.49	12.49
Glass	t	–	6.54	6.54	–	1.43	1.43
Wood	t	–	1,153.90	1,153.90	–	728.63	728.63
Total	t	88.16	1,600.98	1,689.14	68.9	990.28	1,059.18
Percentage	%	5.22%	94.78%	100.00%	6.48%	93.52%	100.00%

WASTE BY TYPE





6. SOCIAL RESPONSIBILITY



6.1 THE TAPÌ GROUP EMPLOYEES

Human capital is considered a primary factor in achieving the Group's objectives by virtue of the professional contribution made by each employee in a relationship based on loyalty, fairness and mutual trust.

This strong consideration on the part of the Tapì Group was also confirmed by the materiality analysis conducted, which proved the importance of developing human capital, supporting employment and diversity and equal opportunities as material issues, both from the Group's and the stakeholders' point of view.

Respect for the freedom and personal dignity of workers and all employees is one of the Group's founding values.

The Group undertakes to comply with current legislation and national labor contracts, as regards working hours, holidays and leaves of absence. It also undertakes to pay workers' salaries that are proportionate to the quality and quantity of the work performed, and in any case in line with the provisions of applicable collective bargaining. The staff is hired with a regular employment contract; no form of irregular work is tolerated.

When the employment relationship is established, each worker receives accurate information regarding:

- characteristics of the function and tasks to be performed;
- regulatory and salary elements, as regulated by the national collective labor agreement, as well as on the disciplinary practices set out in the national contract;
- rules and procedures to be adopted in order to avoid possible health and safety risks associated with the work activity.

Relations between the different hierarchical levels (related to the different levels of responsibility existing within each Group company) must be based on loyalty, fairness and correctness, according to the principles set out in the Group's Code of Ethics.

The use of child labor is absolutely forbidden and considered unacceptable. The age of workers cannot be lower than the minimum legal age allowed in each country where the Group operates, and in any case not less than 14 years. The Group rejects any form of exploitation of the state of need of all workers and refrains from any relationship with intermediaries who are even suspected of recruiting laborers by taking advantage of this state of need.

The assessment of the staff to be hired is carried out on the basis of the correspondence of the candidates' profiles with those expected and with the company's needs, in compliance with equal opportunities for all the persons concerned. Within the limits of available information, the selection department adopts appropriate measures to avoid favoritism, nepotism or forms of patronage in the selection and recruitment phases.

The Group, being a multinational with subsidiaries in different continents, is obviously characterized by different nationalities, genders and cultures which constantly cooperate in an atmosphere of mutual respect. Tapi is committed to ensuring the most inclusive approach possible within its companies, to stimulate the creativity and innovation that a diverse and multinational context can bring. The Group avoids any form of discrimination against its employees and collaborators, offering equal opportunities in employment and professional advancement. In the context of personnel management and development processes, as well as in the selection phase, decisions made are based on the correspondence between expected profiles and the profiles possessed by employees and collaborators (e.g. in the case of promotion or transfer) and/or on considerations of merit (e.g. allocation of incentives based on results achieved). Access to roles and positions is also determined on the basis of skills and abilities.

Personnel assessment is carried out in a broad and documented manner involving managers, the competent personnel function and, as far as possible, persons who have entered into relations with the assessed person. The Group condemns the use of degrading or potentially dangerous working conditions, supervision methods or housing situations, which are deemed totally unacceptable.

As of 31 December 2021, the Tapi Group had a total of 783 employees. The largest category is that of Blue Collars with 470 people, followed by White Collars with 275 people, Managers with 34 and Executives with a total of 4. The number of total employees rises to 815 (+32 units), if external collaborators, not employed by the Group but with a different type of collaborative contract (contractors, interns, general manager, etc.), are also included.

The breakdown by gender provides a better understanding of the Group, where male members of staff represent 52.6% (412) of the total, and female members 47.4% (371). As can be seen, between 2020 and 2021, the Group has maintained similar same gender percentages in most cases, although it has increased its workforce by 181 new employees in total.

NUMBER OF EMPLOYEES BY CATEGORY, GENDER AND REGION

Number of employees	2021			2020		
	Men	Women	Total	Men	Women	Total
Region: Europe						
Executives	2	-	2	2	-	2
Managers	17	5	22	16	7	23
White Collars	51	69	120	47	63	110
Blue Collars	66	43	109	59	33	92
Total	136	117	253	124	103	227
Region: North America						
Executives	-	1	1	1	-	1
Managers	4	2	6	8	8	16
White Collars	81	50	131	35	17	52
Blue Collars	124	190	314	129	138	267
Total	209	243	452	173	163	336
Region: Central and South America						
Executives	1	-	1	1	-	1
Managers	3	3	6	3	3	6
White Collars	16	8	24	12	1	13
Blue Collars	47	-	47	19	-	19
Total	67	11	78	35	4	39
Executives	3	1	4	4	-	4
Managers	24	10	34	27	18	45
White Collars	148	127	275	94	81	175
Blue Collars	237	233	470	207	171	378
Total	412	371	783	332	270	602

NUMBER OF EMPLOYEES % [GRI 405-1]	2021			2020		
	Men	Women	Total	Men	Women	Total
Executives	0.4%	0.1%	0.5%	0.7%	0.0%	0.7%
Managers	3.1%	1.3%	4.3%	4.5%	3.0%	7.5%
White Collars	18.9%	16.2%	35.1%	15.6%	13.5%	29.1%
Blue Collars	30.3%	29.8%	60.0%	34.4%	28.4%	62.8%
Total	52.6%	47.4%	100.0%	55.1%	44.9%	100.0%

Considering the division of the Group's employees by age bracket, it can be seen that the predominant bracket is that between 30 and 50 years of age with 53% of the total employees, followed by the bracket of employees under 30 years of age with 31.5% and finally the bracket of employees over 50 years of age with 15.5%.

NUMBER OF EMPLOYEES BY CATEGORY, GENDER AND REGION

Number of employees	2021				2020			
Region: Europe	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives		1	1	2	-	2	-	2
Managers	1	16	5	22	1	17	5	23
White Collars	16	77	27	120	19	67	24	110
Blue Collars	32	51	26	109	30	44	18	92
Total	49	145	59	253	50	130	47	227

Region: North America

Executives	-	1	-	1	-	-	1	1
Managers	-	4	2	6	1	12	3	16
White Collars	35	77	19	131	7	39	6	52
Blue Collars	128	147	39	314	78	145	44	267
Total	163	229	60	452	86	196	54	336

Region: Central and South America

Executives	-	-	1	1	-	-	1	1
Managers	-	6	-	6	-	6	-	6
White Collars	5	18	1	24	2	10	1	13
Blue Collars	30	17	-	47	7	12	-	19
Total	35	41	2	78	9	28	2	39

TOTAL

Executives	-	2	2	4	-	2	2	4
Managers	1	26	7	34	2	35	8	45
White Collars	56	172	47	275	28	116	31	175
Blue Collars	190	215	65	470	115	201	62	378
Total	247	415	121	783	145	354	103	602

NUMBER OF EMPLOYEES % [GRI 405-1]	2021				2020			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	0.0%	0.3%	0.3%	0.5%	0.0%	0.3%	0.3%	0.7%
Managers	0.1%	3.3%	0.9%	4.3%	0.3%	5.8%	1.3%	7.5%
White Collars	7.2%	22.0%	6.0%	35.1%	4.7%	19.3%	5.1%	29.1%
Blue Collars	24.3%	27.5%	8.3%	60.0%	19.1%	33.4%	10.3%	62.8%
Total	31.5%	53.0%	15.5%	100.0%	24.1%	58.8%	17.1%	100.0%

With a view to growth, the Group increased its available resources during 2021. During 2021, a total of 593 new resources were hired across the Tapi Group. The age group with the highest percentage of new hires in 2021 is the under -30s, with 129% of all new hires. It is important to note that the Group has managed boosting the number of new hires from 2019 to 2020, from a total of 122 to 593 in 2021.

NUMBER AND % OF THE NEW HIRED BY GENDER, AGE GROUP AND REGION [GRI 401-1]										
Number of employees	2021					2020				
Region: Europe	<30 years	30-50 years	>50 years	Total	%	<30 years	30-50 years	>50 years	Total	%
Men	19	15	4	38	28%	17	10	4	31	25%
Women	10	18	5	33	28%	13	17	3	33	32%
Total	29	33	9	71	28%	30	27	7	64	28%
%	59%	23%	15%	28%	-	60%	20%	14%	28%	-
Region: North America										
Men	124	78	5	207	99%	23	3	1	27	16%
Women	138	115	8	261	107%	27	27	0	54	33%
Total	262	193	13	468	104%	50	30	1	81	24%
%	161%	84%	22%	104%	-	58%	15%	2%	24%	-
Region: Central and South America										
Men	25	22	0	47	70%	4	4	1	9	26%
Women	3	4	0	7	64%	0	0	0	-	0%
Total	28	26	-	54	69%	4	4	1	9	23%
%	80%	63%	0%	69%	-	44%	14%	50%	23%	-
TOTAL										
Men	168	115	9	292	71%	-	17	6	23	7%
Women	151	137	13	301	81%	40	44	3	87	32%
Total	319	252	22	593	76%	40	61	9	110	18%
%	129%	61%	18%	76%	-	28%	17%	9%	18%	-

Taking into account the exits from the Group in 2021, 412 people left Tapi during the year. The total turnover rate stands at around 52.6%, higher than turnover rate in 2020. The age group most affected by this phenomenon is the under-30s, with a percentage of almost 50% of the total group.

NUMBER AND % OF TURNOVER BY GENDER, AGE GROUP AND REGION [GRI 401-1]										
Number of employees	2021					2020				
Region: Europe	<30 years	30-50 years	>50 years	Total	%	<30 years	30-50 years	>50 years	Total	%
Men	13	8	5	25	18%	2	11	3	16	13%
Women	7	7	6	20	17%	7	8	9	24	23%
Total	20	14	11	45	18%	9	19	12	40	18%
%	41%	10%	19%	18%		18%	15%	26%	18%	
Region: North America										
Men	94	58	13	165	79%	26	1	1	28	16%
Women	87	90	10	187	77%	27	21	-	48	29%
Total	181	148	23	352	78%	53	22	1	76	23%
%	111%	65%	38%	78%		62%	11%	2%	23%	
Region: Central and South America										
Men	4	11	0	15	22%	0	1	0	1	3%
Women	0	0	0	-	0%	0	0	0	-	0%
Total	4	11	-	15	19%	-	1	-	1	3%
%	11%	27%	0%	19%		0%	4%	0%	3%	
TOTAL										
Men	111	76	18	205	50%	28	13	4	45	14%
Women	94	97	16	207	56%	34	29	9	72	27%
Total	205	173	34	412	53%	62	42	13	117	19%
%	83%	42%	28%	53%		43%	12%	13%	19%	

The Group's commitment to stable and lasting employment relationships is confirmed by the high percentage of employees with a permanent contract of about 94%, as shown in detail in the table below.

NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT FOR GENDER AND REGION [GRI 102-8]						
Employment Contract	2021			2020		
	Men	Women	Total	Men	Women	Total
Region: Europe						
Permanent	127	103	230	112	88	200
Temporary	9	14	23	12	15	27
Total	136	117	253	124	103	227
Region: North America						
Permanent	209	243	452	151	132	283
Temporary	0	0	-	22	31	53
Total	209	243	452	173	163	336
Region: Central and South America						
Permanent	50	9	59	35	4	39
Temporary	17	2	19	-	-	-
Total	67	11	78	35	4	39
TOTAL						
Permanent	386	355	741	298	224	522
Temporary	26	16	42	34	46	80
Total	412	371	783	332	270	602

In accordance with the general work efficiency, Tapi pays particular attention to flexibility in the organization of work that facilitates the management of maternity, paternity and childcare in general. Of the total number of employees in 2021, 1.5% used a type of part-time working time.

NUMBER OF EMPLOYEES BY EMPLOYMENT TYPE BY GENDER [GRI 102-8]						
Full-time / Part-time	2021			2020		
	Men	Women	TOTAL	Men	Women	TOTAL
Full-time	411	360	771	330	257	587
Part-time	1	11	12	2	13	15
Part-time %	0.2%	3.0%	1.5%	0.6%	4.8%	2.5%
Total	412	371	783	332	270	602

As stated in the Code of Ethics, the Group respects the human rights and those of its workers, guaranteeing free association in trade unions and collective bargaining organizations. In 2021, 77% of all Tapi employees are covered by collective bargaining agreements.

6.2 WORKPLACE HEALTH & SAFETY

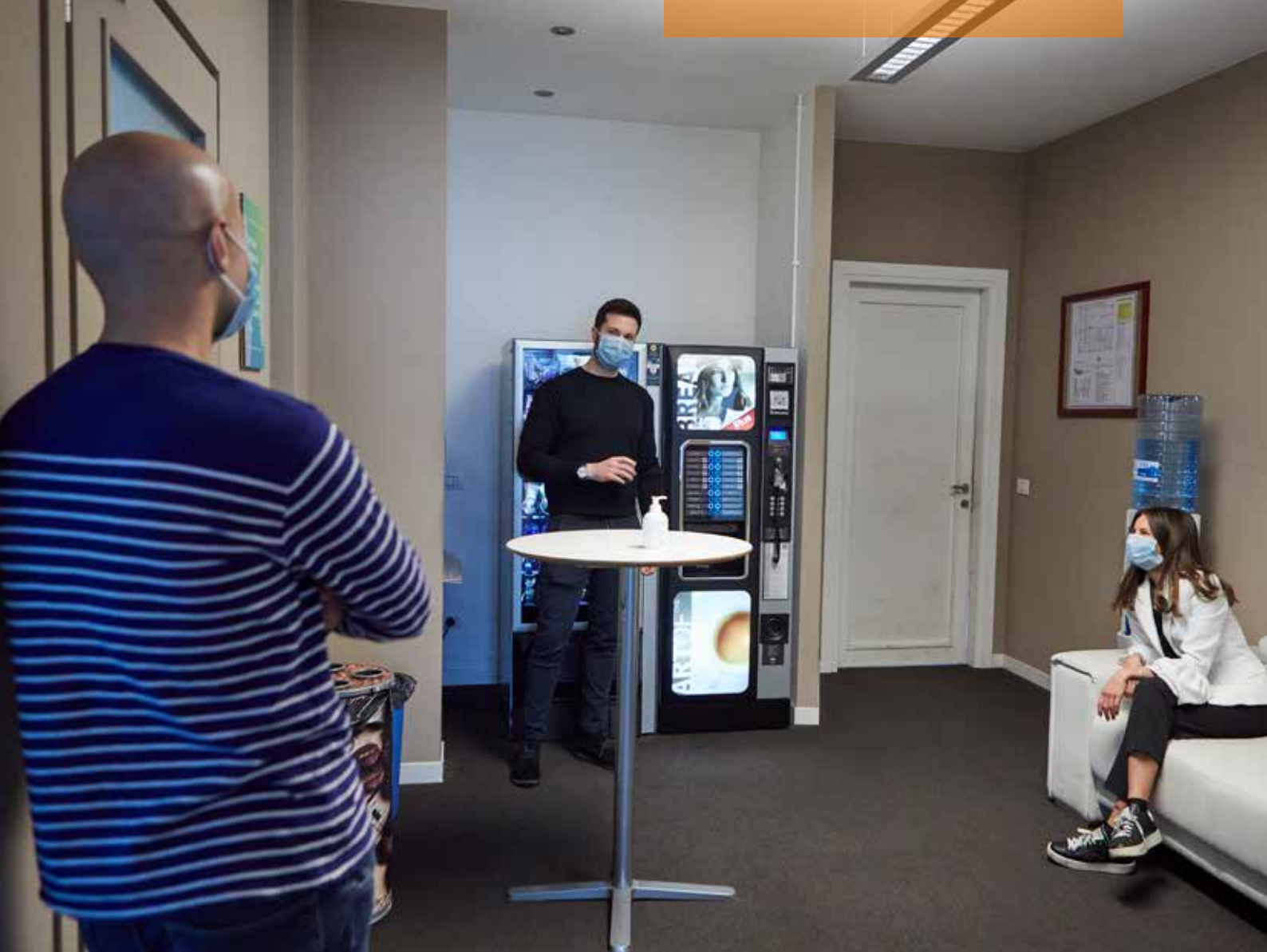
All the companies of the Tapi Group operate, at all levels, in order to constantly guarantee the physical and moral integrity of their collaborators, working conditions that respect the dignity of the individual and safe and healthy working environments, in full compliance with current legislation. For this reason, it assesses all risks to the safety and health of workers, including the choice of work equipment and the design and layout of workplaces, and carries out its activities under technical, organizational and economic conditions that ensure adequate accident prevention and a suitable and safe working environment.

The companies of the Group undertake, by providing human, instrumental and economic resources, to consider the management of health and safety at work an integral part of their activity. Every company decision, of every type and level, regarding occupational safety and health, takes into account the following principles and fundamental criteria:

- avoiding risks;
- assessing risks that cannot be avoided;
- fighting risks at source;
- adapting the work to the individual, particularly as regards the choice of work equipment and working and production methods, in particular to alleviate monotonous and repetitive work and to reduce its effects on health
- monitoring the degree of technical progress;
- replacing what is dangerous with what is not or is less dangerous;
- planning prevention, aiming at a coherent whole integrating technology, organization of work, working conditions, social relationships and the influence of factors in the working environment;
- giving collective protective measures priority over individual protective measures;
- giving appropriate instructions to workers.

The Group defines a series of programs for the implementation of the fundamental principles, with the aim of creating a coherent framework integrating technology, organization, working conditions, social relations and the influence of factors in the working environment.

Health and safety in the workplace is fundamental for the Group, which is committed to spreading and consolidating a safety culture among all its employees and collaborators, developing risk awareness and promoting responsible behavior by all parties involved. An important tool in this sense is the training of workers, which is targeted to the task performed, provides adequate instructions and consultation with workers and their representatives.



Tapi Group's response to the COVID-19 pandemic

The 2020 and part of 2021 was characterized by the rapid spread of the COVID-19 virus worldwide and consequently by the measures taken by national authorities to contain the rapidly advancing pandemic. These had a major impact not only on the social life of communities, but also on the world economy, creating a climate of general uncertainty.

In response, the Group immediately took all necessary measures to ensure the safety of its employees, in line with the directives issued by the relevant government authorities and national health bodies, ensuring the continuity of the Group's production activities in compliance with country-specific restrictions. In particular, Tapi has introduced specific protocols in its Group companies to prevent the spread of the virus in order to ensure the safety of its employees in the various plants, promoting remote working wherever possible.

In some plants, it has been necessary to use social safety nets during lockdown periods and to suspend production activities with pay for those employees considered to be fragile and at greater risk.

All professional categories, together with the Prevention and Protection Service Manager (RSPP), the competent doctor and the workers' safety representative, contribute to the process of risk prevention and health and safety protection for themselves, their colleagues and third parties. Suppliers are sensitized to also participate in this prevention process.

The Tapi Group, in the various subsidiaries in which it operates, is committed to maximum collaboration and transparency with the public and control bodies of the respective countries in which the plants are located.

The work equipment used in the work cycle must be subject to specific maintenance in order to ensure that the minimum safety requirements are maintained over time. Each contact person, identified as the "employer" in each of the companies belonging to the Tapi Group, is in charge of performing

- Periodic inspections: carried out by qualified internal staff according to the frequency established on the basis of the manufacturer's instructions or, in the absence of these, inferable from codes of good practice. The interventions are then recorded on a specific document.
- Extraordinary checks: carried out by qualified external personnel in the event of extraordinary events such as accidents, repairs, long periods of inactivity. These interventions are also recorded in a specific document.

For a correct identification of the sources of danger and for the assessment of the consequent risks, the parent company Tapi S.p.A. usually proceeds with the following method

- analysis of the work activity;
- analysis of the available technical documentation;
- assessment of individual risks and compilation of specific documents;
- communication of the results to an external specialized company in order to identify the most suitable technical solutions to reduce all the risks present;
- verification of the new situation and detailed compilation of risk sheets.

In the risk assessment sheets, subdivided by task, all the risks to which the specific role may be exposed are assessed, because of the task carried out and because of the risks inherited from the workplaces where the task is carried out. In the first case, the assessment of the risk factors inherent to the task is more oriented to the human factor and to characterize the need for individual protection devices, training, health surveillance and procedures; in the second case, the analysis of

the risk factors of the workplaces is more oriented to the environment and to characterize the need for collective protection devices and collective technical measures.

During 2022, there were 44 recordable work-related injuries at the level of employees belonging to the Group, of which none were fatal and none with high-consequences for the employee involved. An accident with high consequences is defined as an injury from which the employee cannot recover, does not recover or is not realistically expected to recover fully and return to his or her pre-accident state of health within 6 months. The most frequent type of injury is to the hand, which is the most vulnerable component of the worker due to the use of machinery during the production process. Most accidents occur at the Group's Mexican site, Tapi America. After each accident recorded, the possible causes are analyzed in depth and a remediation plan is drawn up to avoid similar accidents at the same workplace in the future, defining possible corrective actions. As far as workers outside the Group are concerned, no accidents at work were recorded during 2021.

Comparing the data for 2021 with the previous year 2020 in the table below, it is possible to note an increase in the overall number of accidents and the accident rate due to the higher in production plants of products and due to the increase in the number of employees.



WORK-RELATED INJURIES (GROUP EMPLOYEES) [GRI 403-9] ¹⁰	2021 TOTAL	2020 TOTAL
Total number of recordable work-related injuries	44	31
<i>of which: total number of high-consequence work-related injuries (excluding fatalities)</i>	-	7
<i>of which: total number of fatalities as a result of work-related injury</i>	-	-
Number of hours worked	1,391,446	1,363,215
Rate of recordable work-related injuries	6.32	4.55
Rate of high-consequence work-related injuries (excluding fatalities)	-	1.03
Rate of fatalities as a result of work-related injury	-	-

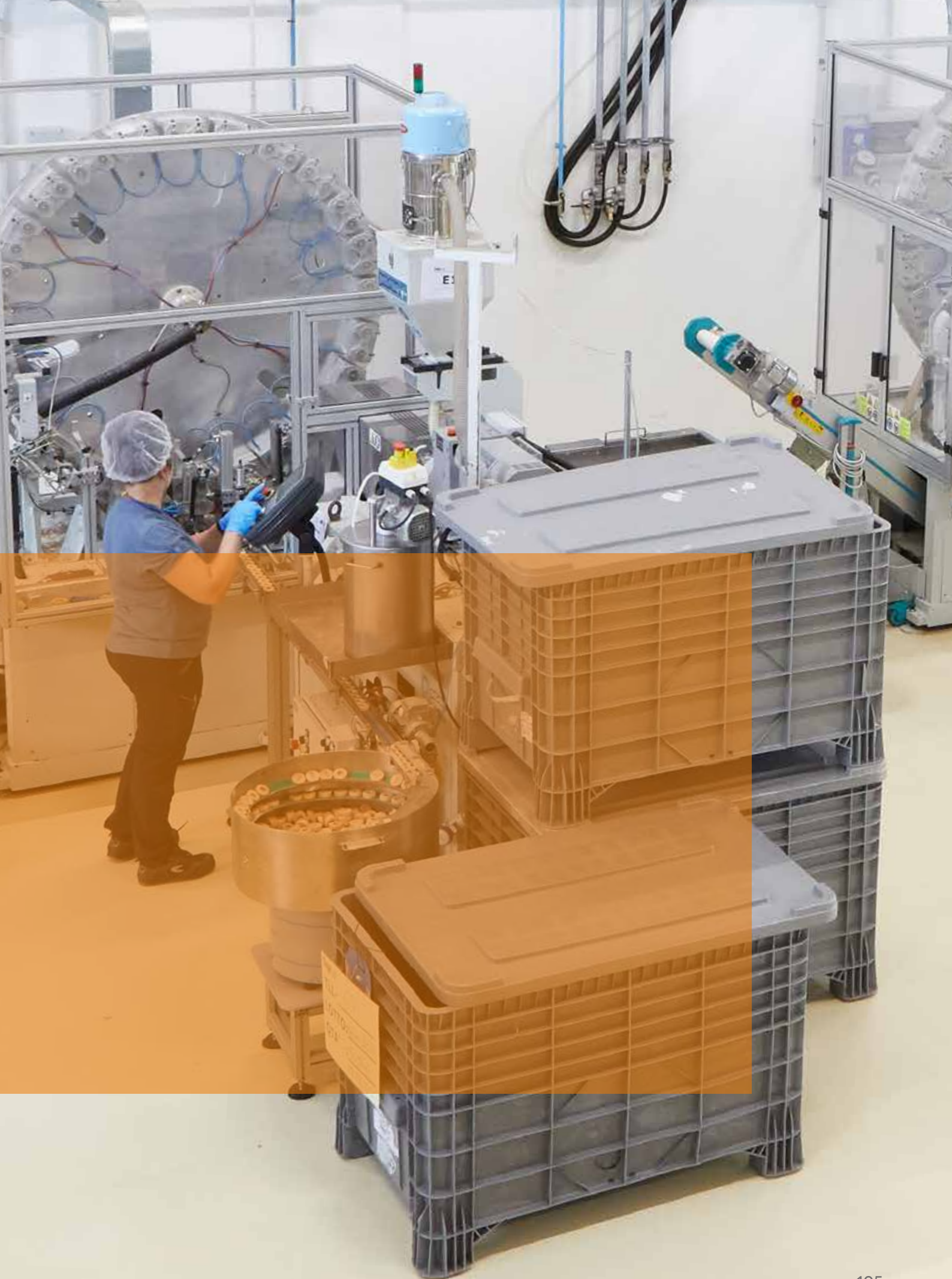
WORK-RELATED INJURIES (EXTERNAL WORKERS) [GRI 403-9] ¹¹	2021 TOTAL	2020 TOTAL
Total number of recordable work-related injuries	-	-
<i>of which: total number of high-consequence work-related injuries (excluding fatalities)</i>	-	-
<i>of which: total number of fatalities as a result of work-related injury</i>	-	-
Number of hours worked	84,712	48,238
Rate of recordable work-related injuries	-	-
Rate of high-consequence work-related injuries (excluding fatalities)	-	-
Rate of fatalities as a result of work-related injury	-	-

An important innovation in the field of health and safety was the securing of all work machines in Italian production plants in 2021. With the support of an external consultant, a Gap Analysis was carried out on the CE marking of work machines in Italian plants. This Gap Analysis also has focused on risk assessment activities on: machines, repetitive movement, vibration, asbestos, noise, load movement, cancer, chemical, stress, lightning, micro climate in order to reduce the residual risk.

As a result of this activity, it was found that none of the examined machines needed a new CE marking, i.e. the machines complied with all the EU regulations for their use. Note that thanks to this innovation, at the Rossano Plant (Tapi S.p.A.) the number of hand injuries is still decreasing from 2019.

¹⁰ Rate of work-related injuries for Group employees: (number of work-related injuries/total number of hours worked) x 200,000.

¹¹ Rate of work-related injuries for external workers: (number of work-related injuries/total number of hours worked) x 200,000.



6.3 HUMAN CAPITAL DEVELOPMENT

For the Tapi Group, people and their various skills and professionalism are fundamental to the company's development and the achievement of business objectives. The sustainable growth of the Group can only be strongly influenced by the necessary personal and professional development of Tapi's employees, the true driving force of the Group.

The Tapi Group strongly believes that this development can be stimulated through training and devotes particular attention to this issue, so that it is specific and suitable for each employee of the Group.

In 2021, the Group provided a total of 6,113 hours of training to its employees, of which approximately 24% was compulsory training as required by the legislation of each individual country. The main topics of compulsory training are as follows: health and safety in the workplace, first aid and the safe use of certain production machinery.

The remaining 76% of the training hours provided to employees comprise all non-compulsory training courses, including courses on waste and scrap management, ethics, quality and lean manufacturing.



The latter category also includes training on Tapì S.p.A.'s Organizational, Management and Control Model pursuant to Legislative Decree 231/01 and on the Group's Code of Ethics, with particular attention paid to the training of new recruits. In order to ensure that they are fully aware of the Model and the procedures that must be followed in order to carry out their duties correctly, specific training activities are planned for staff, depending on the activities managed and the associated risk profiles. Staff training for the purposes of implementing the Model is the responsibility of the Managing Director, who identifies the resources within or outside the Company to be entrusted with its organization. These resources organize the training sessions, in coordination with the Supervisory Board, which assesses their effectiveness in terms of planning, content, updating, timing, methods and identification of participants. Participation in the aforementioned training activities by the identified persons shall be deemed mandatory: consequently, failure to participate shall be sanctioned pursuant to the Disciplinary System contained in the Model. The training must provide information at least with reference to: the regulatory framework (Legislative Decree 231/2001 and Confindustria Guidelines); the Model adopted by Tapì; the Code of Ethics; company cases of application of the regulations; the controls and protocols introduced following the adoption of the Model itself.

AVERAGE HOURS OF TRAINING PER EMPLOYEE [GRI 404-1]						
Average hours per employee	2021			2020		
	N. Hours Man	N. Hours Women	N. Hours Total	N. Hours Man	N. Hours Women	N. Hours Total
Executives	19.88	-	19.88	17.00	-	19.00
Managers	23.80	44.54	30.70	7.28	13.83	9.90
White Collars	12.86	7.28	10.26	3.54	2.31	2.96
Blue Collars	7.48	1.68	4.63	9.39	3.02	6.45
Total	10.41	4.92	7.81	7.63	3.52	5.76





7. QUALITY AND SUSTAINABILITY

7.1 SUSTAINABLE PRODUCT DESIGN AND RESEARCH & DEVELOPMENT

Tapi's Research and Development area is dedicated to the search for new technical solutions, new materials and new production processes. In a dynamic sector such as packaging, this division is fundamental, not only in responding to customer requests but, above all, in anticipating them. To this end, the Group has set up an organisational structure with an R&D department at each production site and a cross-group team responsible for coordinating the various units. This horizontal and flexible organisation makes it possible to give shape and substance to customers' ideas and turn them into reality, to receive input and turn it promptly into products. In addition to the purely technical aspects, a large part of the Group's efficiency derives from the close collaboration with other departments, from production to quality. Rapid, essential and shared communication is absolutely essential in order to achieve a synergy of timing and intent, with the aim of taking as little time as possible from start to finish to create a product.

The average life span of products is no more than 5 years, which means that it is a very fast-moving market that poses new needs and new challenges every day. This means that Tapi needs to be flexible and open to new solutions, improve traditional production processes and optimise customised processes, which sometimes include complex craftsmanship.

More than 1,000 requests for new products are processed every year: each new machine and each new process becomes an integral part of Tapi's corporate know-how: this is the Group's true asset, **anticipating needs that customers do not yet know they have.**

A major technological investment has recently been made, namely the implementation of various 3D printers that can produce product samples using plastic components similar to the final product. In this way, not only is time optimized, but also other production processes are not interrupted.

The Tapi Group's R&D department also works closely with a number of universities, such as the Milan Polytechnic. This allows it to guarantee its customers the most technologically advanced materials and processes, because they are tested directly in university laboratories that are at the forefront from a scientific point of view.

TECNOLOGICAL FOCUS



T-Cask is a design that supports the environment and helps to reduce our impact on it.

An innovative production process means we can reuse barrels used for ageing that are at the end of their lifecycle.

The main plus of T-Cask:

- Reuse of residual end-of-life materials
- Rethink the materials to make it reusable in its entirety
- Respect the environment using natural and sustainable material
- Customizable with laser



Abor is our first design to make use of distillation waste products, in complete synergy with the circular economy.

Abor is the result of an eco-friendly concept that supports all of Tapi Group's commitments to excellence and sustainability.

The main advantages Abor:

- Reuse of raw materials
- Made from biopolymers
- Rethink the materials to make it reusable in its entirety
- Respect the environment using natural and sustainable material
- Customizable with laser

TAPÌ INNOVATION CHALLENGE 2021

In 2021, the Group launched its first innovation challenge. A project with an international vocation that has given an opportunity to sustainable ideas and solutions to the development of BARTOP or GPI working on standard bottles. For each company of the Group (Tapi SpA, LBD, ect.) a team of 5/6 people was selected and involved in this challenge.



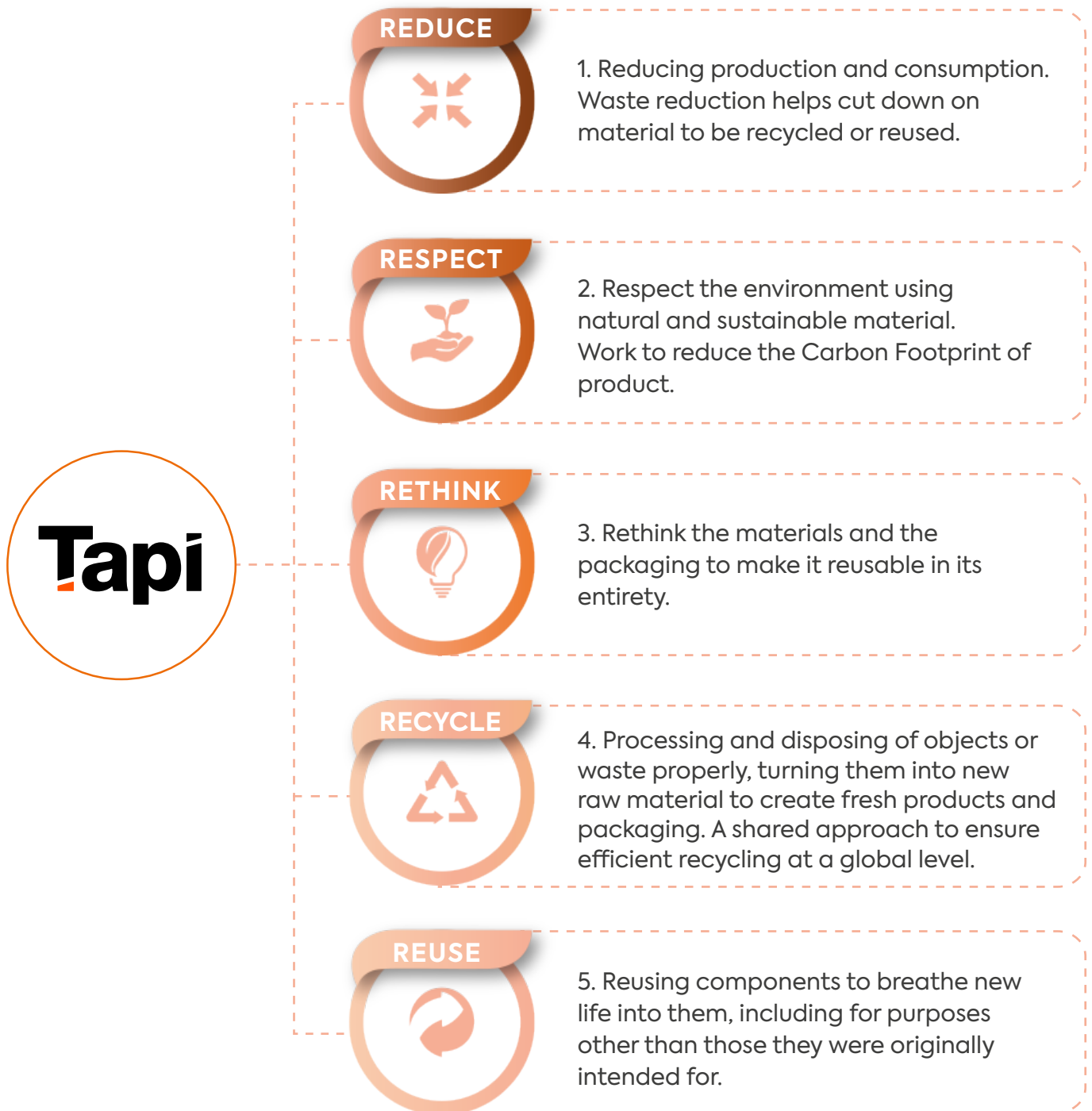
The 10 judges, selected from among the group's key managers, voted on the best project that met the requirements described above. Scores were given on a scale of 1 to 10 with respect to product brief compliance; creativity; novelty; market share; production ease and supply chain robustness.

The winning project was won by a four-person team from Tapi America and Tapi South America.

Also, in 2022 will start with the new edition of the innovation challenge: stay tuned!

5 R'S PARADIGM

The Tapi Group's strategy is based on the 5 R's paradigm:



7.2 PRODUCT QUALITY AND RESPONSIBILITY

Pursuing customer satisfaction and trust is fundamental to the Tapi Group. The global Quality strategy guides the Group towards achieving its objectives, improving its procedures and performance and ensuring full compliance with applicable regulations and laws.

At a technical level, Tapi performs quality controls on finished products using both objective methods (with spectrometers and other instruments) and subjective methods (with arrays of products shared with customers). At the technical level, Tapi performs quality control on finished products using both objective methods (with spectrometers and other instruments) and subjective methods (with product arrays shared with customers). But it is upstream that the real battle is played out: product control means process control, the end result of a project which, to be effective, must be able to translate the customer's needs into reality. This also means using materials suitable for food contact (or FCM): in fact, Tapi's products must comply with the regulations in force in which the Group operates. 100% of Tapi products destined for the food market are assessed on the basis of health and safety aspects.

The Tapi S.p.A., Tapi South America and Tapi America S.A. de C.V. plants have completed the ISO 9001 certification process and the Group has become a member of SEDEX, which aims to disseminate and support ethical principles within global supply chains.

Tapi's philosophy is that quality control of processes and products should anticipate problems upstream, not solve them downstream.



The Group's objective is to offer products that combine functionality with a high aesthetic impact, without forgetting the environmental impact that has become critical for current and future generations. It is in this context that the Group is formalizing a Group Quality Policy.

The main initiatives in the field of product sustainability that best interpret the principles expressed by the 5 R's paradigm are described below.

NEOS TECHNOLOGY

NEOS by Tapi is a cutting-edge technology that reduces a product's carbon footprint, through the use of polymers from renewable sources.

At its heart is the ongoing search for new elements that drive down the use of non-petroleum-based raw materials and come from sustainable sources while offering the same performance levels and suitability for food and drink products.

Neos promotes the use of raw materials from renewable sources and maintains product performance levels and aesthetics: changing the origin of the raw materials, not their effectiveness.



PURE

Polyurethane-free is the new trend in the closure world for spirits: Natural beauty and innovative characteristics.

Pure is a polyurethane-free closure made from a blend of polymers from renewable sources – Neos Technology – and natural cork micro granules.

The presence of micro granules within the polymer structure gives background to a product that looks natural and that has no impact in terms of taste and smell.

It was designed for distillate producers looking for a traditional look, but who wanted innovation through high-performance, sustainable packaging elements.



ABOR

Abor was created to reuse distillation waste such as agave, malt, sugar cane and corn. This process makes it possible to reuse materials that would otherwise be disposed of and to reduce polymer consumption. This process has been made possible by perfecting special techniques in cooperation with the distillate producers.



T-CASK

The idea behind Tapi's T-Cask was to reuse barrels used for ageing spirits, beer and wine to create closures, resulting in an innovative manufacturing process. The result of this process is a range of specialized, customizable and exclusive closures that can convey a profound and engaging storytelling.



NO VARNISH WOOD

In order to limit the use of varnishes, Tapi has initiated a process of wood smoking, which allows the wood to be colored both internally and externally.



DUO SPIRITS E DUO COSMETICS

Duo is a solution for both the spirits and cosmetics markets and allows you to have two closures in one. In addition, the fact that the components of the closure are separated makes it easier for the end user to recycle the materials from which it is made.





ANNEX



TOPIC BOUNDARIES

The following table shows the activities and/or the group of activities that have been defined as material for the Tapi Group. For these topics, the column “Perimeter of material topics” shows the subjects that can generate an impact with respect to each topic, both internally and externally to the Group. In addition, the column “Type of impact” indicates the role of the Group in relation to the impact generated with respect to each material theme, i.e. whether the organization directly causes the impact, contributes to its generation or is directly connected to the impact through a commercial relationship.

MATERIAL TOPICS	GRI TOPICS	SCOPE OF MATERIAL TOPICS	TYPE OF IMPACT
Economics performance	Economics performance	Tapi Group	Generated by the Group
Business Ethics, Governance & Anti-Corruption	Anti-corruption Environmental compliance Socioeconomic Compliance	Tapi Group	Generated by the Group and directly connected to its activities
Occupational Health & Safety	Occupational Health & Safety	Employees of the Group	Generated by the Group
Human Capital Development	Training and education	Tapi Group	Generated by the Group
Human rights	Non-discrimination	Tapi Group	Generated by the Group
Promotion of Employment, Diversity and Equal Opportunities	Employment Diversity and equal opportunities	Tapi Group	Generated by the Group
Materials used and Circular Economy	Materials	Tapi Group	Generated by the Group
Waste Management	Waste	Tapi Group	Generated by the Group
Energy Consumption	Energy	Tapi Group	Generated by the Group
Climate Change and Emissions	Emissions	Tapi Group	Generated by the Group and directly connected to its activities
Water Management	Water and Effluents	Tapi Group	Generated by the Group
Responsible Sourcing	Procurement practices	Tapi Group	Generated by the Group
Product Quality and Responsibility	Customer Health and Safety	Tapi Group, clients	Generated by the Group and directly connected to its activities
Sustainable Product Design, Research and Development	N/A	Tapi Group, clients	Generated by the Group and directly connected to its activities

GRI CONTENT INDEX

The following table of contents summarizes the qualitative and quantitative information reported in the materiality analysis, with references to the relevant sections of the document.

The approach to topics management and the specific standard topics covered have been prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards of 2016, with the exception of the specific Standards: GRI 303 (Water and Water Discharge) and GRI 403 (Occupational Health and Safety) published in 2018 and GRI 306 (Waste) published in 2020. This Report has been prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” defined in 2016 by GRI – Global Reporting Initiative, according to the “in accordance – Core” option.



GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND NOTES	OMISSION
GRI 102: GENERAL DISCLOSURES			
ORGANIZATIONAL PROFILE			
102-1	Name of the organization	Pag. 12	
102-2	Activities, brands, products, and services	Pag. 12 - 13	
102-3	Location of headquarters	Pag. 12	
102-4	Location of operations	Pag. 12 - 13	
102-5	Ownership and legal form	Pag. 28 - 29	
102-6	Markets served	Pag. 12 - 13	
102-7	Scale of the organization	Pag. 11, 70 - 71	
102-8	Information on employees and other workers	Pag. 94 - 99	
102-9	Supply chain	Pag. 72 - 77	
102-10	Significant changes to the organization and its supply chain	Pag. 6-7	
102-11	Precautionary Principle or approach	Pag. 65	
102-12	External initiatives	Pag. 39	
102-13	Membership of associations	Pag. 51	
Strategy			
102-14	Statement from senior decision-maker	Pag. 5	
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Pag. 56 - 61	
Governance			
102-18	Governance structure	Pag. 54 - 55	
Stakeholder engagement			
102-40	List of stakeholder groups	Pag. 34 - 35	
102-41	Collective bargaining agreements	The 77% of the employees is covered by collective bargaining agreements	
102-42	Identifying and selecting stakeholders	Pag. 34 - 35	
102-43	Approach to stakeholder engagement	Pag. 34 - 35	
102-44	Key topics and concerns raised	Pag. 34 - 35	
Reporting practice			
102-45	Entities included in the consolidated financial statements	Pag. 6 - 7	
102-46	Defining report content and topic Boundaries	Pag. 34 - 35, 120	
102-47	List of material topics	Pag. 37	
102-48	Restatements of information	This document is the first Sustainability Report of the Tapi Group	
102-49	Changes in reporting	This document is the first Sustainability Report of the Tapi Group	
102-50	Reporting period	From January 1 to December 31, 2021	

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND NOTES	OMISSION
102-51	Date of most recent report	This document is the first Sustainability Report of the Tapi Group	
102-52	Reporting cycle	Pag. 6 - 7	
102-53	Contact point for questions regarding the report	Pag. 6 - 7	
102-54	Claims of reporting in accordance with the GRI Standards	Pag. 6 - 7, 121	
102-55	GRI content index	Pag. 121 - 126	
102-56	External assurance	Pag. 127 - 130	
GRI 200: ECONOMIC			
Topic: Economic Performance (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 70 - 71	
103-3	Evaluation of the management approach	Pag. 70 - 71	
GRI 201: Economic Performance			
201-1	Direct economic value generated and distributed	Pag. 71	
Topic: Procurement Practices (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 72 - 77	
103-3	Evaluation of the management approach	Pag. 72 - 77	
GRI 204: Procurement Practices			
204-1	Proportion of spending on local suppliers	Pag. 76 - 77	
Topic: Anti-corruption (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 62 - 64	
103-3	Evaluation of the management approach	Pag. 62 - 64	
GRI 205: Anti-corruption			
205-3	Confirmed incidents of corruption and actions taken	Pag. 64	
GRI 300: ENVIRONMENTAL			
Topic: Materials (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 -39, 120	
103-2	The management approach and its components	Pag. 80 - 81	
103-3	Evaluation of the management approach	Pag. 80 - 81	
GRI 301: Materials			
301-1	Materials used by weight or volume	Pag. 81	

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND NOTES	OMISSION
Topic: Energy (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 82 – 83	
103-3	Evaluation of the management approach	Pag. 82 – 83	
GRI 302: Energy			
302-1	Energy consumption within the organization	Pag. 83	
302-3	Energy intensity	Pag. 83	
Topic: Water and Effluents (2018)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 86 – 87	
103-3	Evaluation of the management approach	Pag. 86 – 87	
GRI 303: Water and Effluents			
303-1	Interactions with water as a shared resource	Pag. 86 – 87	
303-2	Management of water discharge-related impacts	Pag. 86 – 87	
303-3	Water withdrawal	Pag. 86 – 87	
Topic: Emission (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 82 – 84	
103-3	Evaluation of the management approach	Pag. 82 – 84	
GRI 305: Emission			
305-1	Direct (Scope 1) GHG emissions	Pag. 84	
305-2	Energy indirect (Scope 2) GHG emissions	Pag. 84	
305-4	GHG emissions intensity	Pag. 84	
Topic: Waste (2020)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 88 – 89	
103-3	Evaluation of the management approach	Pag. 88 – 89	
GRI 306: Waste			
306-1	Waste generation and significant waste-related impacts	Pag. 88 – 89	
306-2	Management of significant waste-related impacts	Pag. 88 – 89	
306-3	Waste generated	Pag. 89	
Topic: Environmental Compliance (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 80 – 89	
103-3	Evaluation of the management approach	Pag. 80 – 89	
GRI 307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	No cases of non-compliance with environmental laws and regulations were reported in 2021.	

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND NOTES	OMISSION
GRI 400: SOCIAL			
Topic: Employment (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 92 - 99	
103-3	Evaluation of the management approach	Pag. 92 - 99	
GRI 401: Employment			
401-1	New employee hires and employee turnover	Pag. 96 - 97	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	With regard to employee benefits, there is no distinction according to the contractual formula (part time/full time) but the benefits provided vary according to the geographical area and the regulations applied.	
Topic: Occupational Health and Safety (2018)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 57 - 59	
103-3	Evaluation of the management approach	Pag. 57 - 59	
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Pag. 57 - 59	
403-2	Hazard identification, risk assessment, and incident investigation	Pag. 57 - 59	
403-3	Occupational health services	Pag. 100 - 104	
403-4	Worker participation, consultation, and communication on occupational health and safety	Pag. 57 - 59	
403-5	Worker training on occupational health and safety	Pag. 57 - 59	
403-6	Promotion of worker health	Pag. 57 - 59	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pag. 57 - 59	
403-9	Work-related injuries	Pag. 104	
Topic: Training and Education (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 106 - 107	
103-3	Evaluation of the management approach	Pag. 106 - 107	
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Pag. 107	
Topic: Diversity and Equal Opportunity (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 - 39, 120	
103-2	The management approach and its components	Pag. 92 - 99	
103-3	Evaluation of the management approach	Pag. 92 - 99	

GRI STANDARD	DISCLOSURE	PAGE NUMBERS AND NOTES	OMISSION
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	Pag. 94, 98	
Topic: Non-discrimination (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 59	
103-3	Evaluation of the management approach	Pag. 59	
GRI 406: Non-discrimination			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 59	
103-3	Evaluation of the management approach	Pag. 59	
GRI 406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported in 2021.	
Topic: Customer Health and Safety (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 114 – 117	
103-3	Evaluation of the management approach	Pag. 114 – 117	
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	In 2021, the 100% of Tapi products destined for the food market are assessed under health and safety impacts.	
Topic: Socioeconomic Compliance (2016)			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 52 – 57, 62 – 63	
103-3	Evaluation of the management approach	Pag. 52 – 57, 62 – 63	
GRI 419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	No cases of non-compliance with laws and regulations in the social and economic area were reported in 2021.	
MATERIAL TOPIC NOT RELATED TO GRI STANDARD TOPIC SPECIFIC DISCLOSURE			
Topic: Sustainable product design, Research and Development			
GRI-103: Management Approach			
103-1	Explanation of the material topic and its Boundary	Pag. 36 – 39, 120	
103-2	The management approach and its components	Pag. 110	
103-3	Evaluation of the management approach	Pag. 110	

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Tapi S.p.A.

We have carried out a limited assurance engagement on the sustainability report ("Sustainability Report") of Tapi Group and its subsidiaries (hereinafter also "Group") as of December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Tapi Group S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI - *Global Reporting Initiative* ("GRI Standards"), which they have identified as reporting framework as specified in the "Methodological note" paragraph of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group's objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies *International Standard on Quality Control 1* (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the *"International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information"* (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 *Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- 1) analysis of the process relating to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- 2) comparison between the economic and financial data and information included in the paragraph titled "Creation of value for stakeholders" of the Sustainability Report with those included in the Group's financial statements;
- 3) understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out remote interviews and discussions with the management of Tapì S.p.A. and with the personnel of Tapì America S.A. de C.V. and we carried out limited documentary verifications in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the Group's level:
 - a) with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for Tapi S.p.A., which we selected based on its activities and its contribution to the performance indicators at consolidated level, we carried out remote meetings, during which we met the management and gathered supporting documentation on a sample basis with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Tapi Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological note" of the Sustainability Report.

Other aspects

The data for the year ended December 31, 2020, presented for comparative purposes in the Sustainability Report, have not been subject to a limited or to a reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.



Monica Palumbo

Partner

Milan, Italy
May 30, 2022

NOTES

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



Tapi S.p.A.

via Cornara Est, 2/F

35010 Massanzago (PD) - Italy

T. +39 049 579 73 00 - F. +39 049 936 01 87

 tapigroup.com