



DELAGE
COGNAC, FRANCE - 1941

SUSTAINABILITY REPORT 2022

TAPI GROUP

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Letter to stakeholders

Dear Stakeholders,

2022 has been another year characterized by unpredictable and complex geopolitics, macroeconomics and health security dynamics. At the same time, consumers returned to conduct social lives as in pre-pandemic ways.

The spirits consumption trends have been maintained at a conspicuous level throughout 2022; noting the increasing ESG oriented customer choices: products related to responsible consumption, health and wellness – such as low and zero-alcohol spirits, and low-calorie and low-sugar spirits and products with low environmental impact, including environmentally friendly packaging materials.

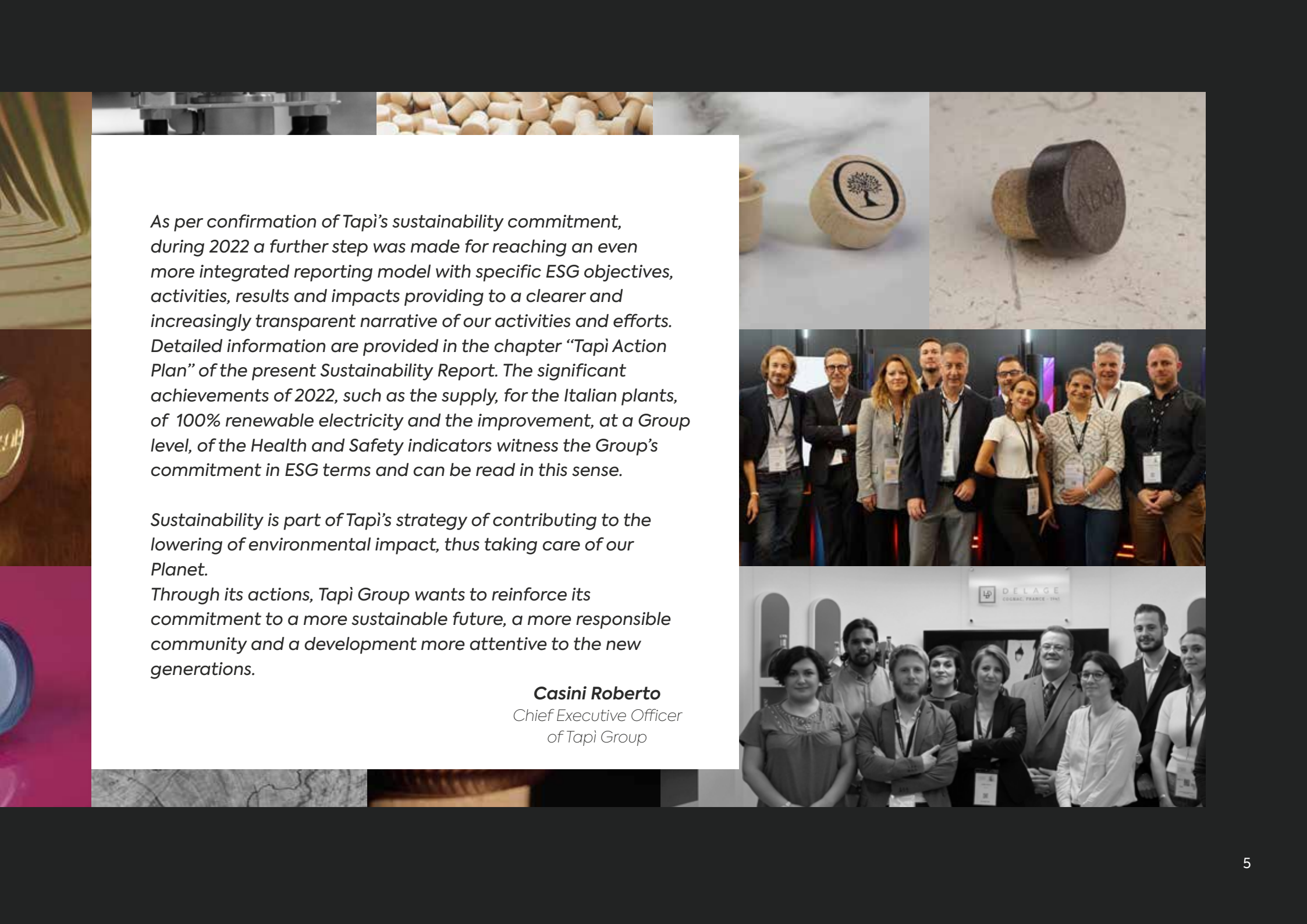
In general, consumers prefer high-quality products made with ingredients that take into consideration the impact on people's health and well-being but also on the surrounding environment. Thus, the trend of “premiumization” that has occurred in past years, involving both the product and its packaging, persists.

Additionally, Tapi operates directly in the Premium, Super Premium and Luxury sectors through its subsidiary Les Bouchages Delage, which is therefore characterized by high quality products that are also increasingly innovation-oriented in terms of the ecological requirements of recyclability and reuse.

The Company commitment in terms of innovation, response to the market scenarios, integration of ESG elements in the management model, lead Tapi to achieve good economic and financial results, contributing to create value for all the Group's stakeholders.

The key numbers, which sum up our 2022 are:

- Consolidated revenue of €121.3 million (+27% compared to 2021);*
- Consolidated net profit of €12.4 million.*



As per confirmation of Tapi's sustainability commitment, during 2022 a further step was made for reaching an even more integrated reporting model with specific ESG objectives, activities, results and impacts providing to a clearer and increasingly transparent narrative of our activities and efforts. Detailed information are provided in the chapter "Tapi Action Plan" of the present Sustainability Report. The significant achievements of 2022, such as the supply, for the Italian plants, of 100% renewable electricity and the improvement, at a Group level, of the Health and Safety indicators witness the Group's commitment in ESG terms and can be read in this sense.

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

Through its actions, Tapi Group wants to reinforce its commitment to a more sustainable future, a more responsible community and a development more attentive to the new generations.

Casini Roberto
Chief Executive Officer
of Tapi Group



Methodological note

Tapì Group's¹ second Sustainability Report is a tool to describe, in a transparent and articulate way, the main economic, social and environmental results achieved during the 2022 financial year (from January 1 to December 31, 2022). The Report also shows the commitment and the initiatives undertaken towards sustainability, with the objective of creating value not only for Tapì 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 and long term.

This Report, which will be published annually, has been prepared in accordance with the "Global Reporting Initiative Standards" updated to the new version in 2021, published by the Global Reporting Initiative (GRI). For more information on the reported disclosures and their references within the document, 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 Tapì Group and its stakeholders; for the details on the materiality analysis carried out, please refer to the section "Materiality Analysis" of this document. Considering that the Tapì highest governance body is responsible for reviewing and approving the reported information – including the organization's material topics – the materiality analysis approved by the Board of Directors on March 4, 2022 – referred to Tapì Sustainability Report 2021 – is still valid for this document, it still reflects the actual and potential impacts across its activities and business relationships.

The identification and reporting of the contents of the Sustainability Report took into account the sustainability context and completeness as a principle; the GRI principles of balance between positive and negative aspects, comparability, accuracy, timeliness, clarity and verifiability were also applied in defining the information quality criteria and reporting scope. The process of collecting data and information for the purpose of drafting this document has been managed in collaboration with Tapì's corporate functions, with the aim of enabling clear and precise disclosure of material information. Specifically, the information included herein were taken both from the IT system of the Group, used for management and internal accounting, and from the sustainability reporting package (data collection sheets and narrative collection forms).

¹ Hereinafter also referred to as the "Company", "Tapì" or the "Group".

The scope of economic and financial data and information corresponds to Tapi S.p.A.'s consolidated financial statements as of December 31, 2022; the same reporting period stands for this Sustainability Report . 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 as irrelevant to ensure the understanding of the Group's business activities and impact. For the list of all the entities included in this Sustainability Report please refer to the Group scope of the consolidation contained in the management Report on the consolidated financial statement as of 31.12.2022; furthermore, there are no differences between the list of entities included in Tapi's financial reporting and the list included in this sustainability reporting.

Where available, the reported information provides a comparison the previous year. The use of estimates has been limited as much as possible, where present, they are appropriately reported and based on the best available methodologies. Restatements of information from previous reporting periods are appropriately indicated with reference to changes in measurement methodology.

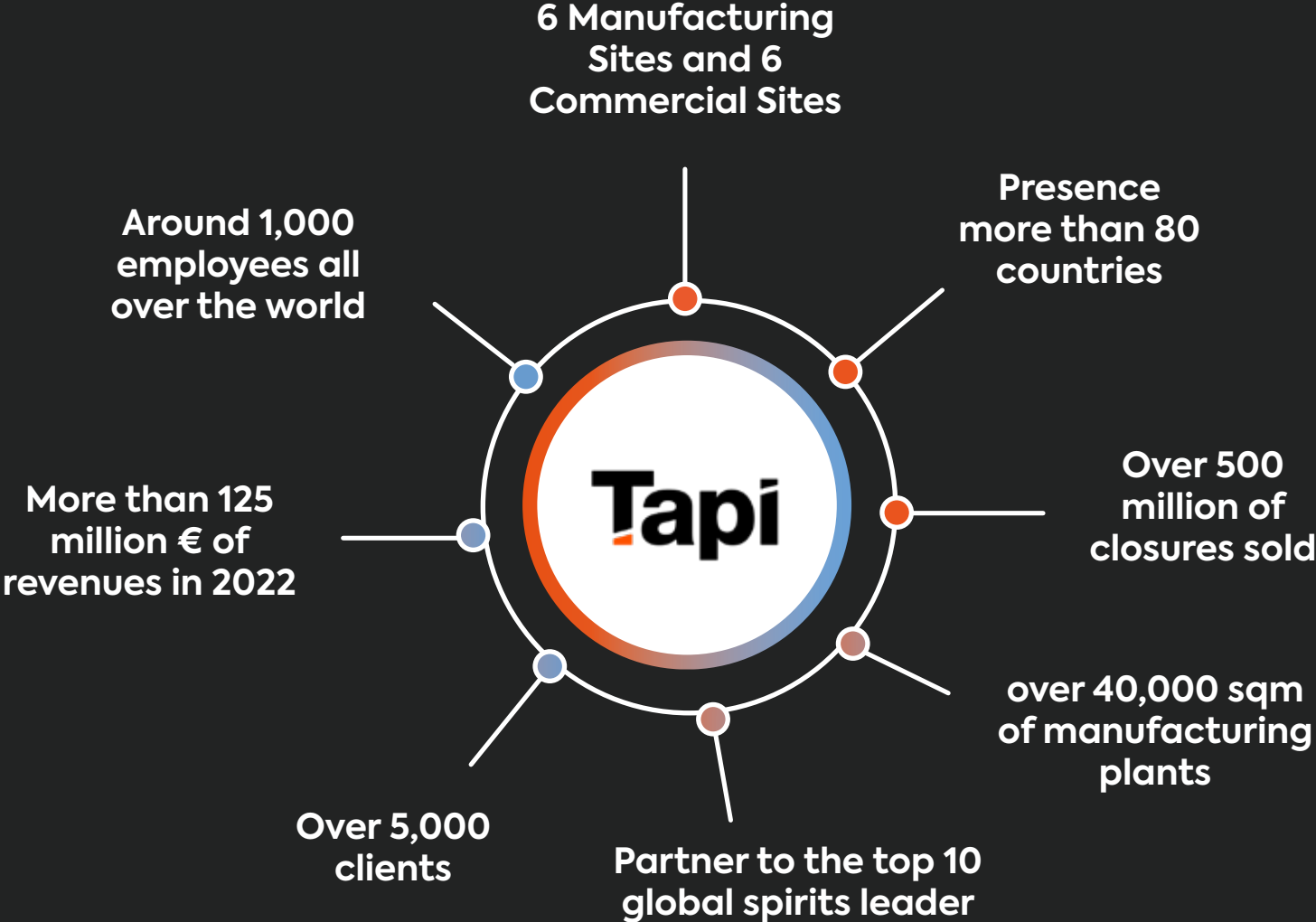
Note that in 2022 there were no significant changes in the organization's sectors, value chain, and other business relationships compared to the previous reporting period. This report was approved by the Board of Director of Tapi S.p.A. on 5th July, 2023.

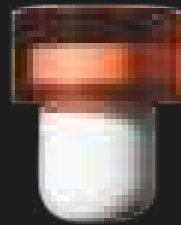
Tapi's highest governance body was involved in the engagement of Deloitte & Touche for the limited assurance of this Sustainability Report. On a general perspective, this document was submitted to compliance opinion ("limited assurance engagement" according to the criteria indicated by the ISAE 3000 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. The basis and the description of what has been assured and the relationship between Tapi and the Independent Auditor are also contained in this Report.

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 Tapi Group

1.1 Highlights





**Uniqueness
On Top.**

At Tapi we
believe a
closure is

not merely meant to
close. It is an opportunity
to make a bottle, every bottle,
different. That's why we constantly
develop pioneering solutions to
challenge the role of stoppages.
No matter if the innovation
is a never seen before shape, a
revolutionary sustainable material
or a groundbreaking new idea of
luxury. The goal, what's at the
top of our priorities and vision, is
exclusively one thing: *uniqueness.*

1.2 The Group profile

Tapì is an international Group specialized in the design, production and distribution of high-end technological closures for the premium and super premium beverage sectors. Tapì develops products for the spirits, wine, condiments, cosmetics, beer and soft drinks sectors.

With around 1,000 employees worldwide, providing support for over 3,500 active customers in 2022 and in over 80 countries, Tapì has consolidated its global presence with a series of production facilities, sales offices, R&D workshops and distributors in Europe and the Americas allowing the Group to guarantee its customer full Business Continuity Plan. Tapì operates with a business to business scheme, the main customers are distilleries, wineries and more generally producers or resellers.

With over 700 million of finished products produced each year, the facilities that are part of the Group are:



Headquarter
Massanzago (IT)

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; In 2023, Massanzago production activities will be transferred to a new plant located of over 8,000 square meters in the municipality of Campodarsego, also in the province of Padua.



Rossano Veneto (IT)

Tapi S.p.A.
High performance foamed closures manufacturing site, located at Rossano Veneto (Italy) with over 4,700 sqm.



Les Bouchages Delage
Cognac (FR)

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



Tapi America SA de CV
Mexico City (MEX)

Commercial offices (Santa Fe) 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 South America SA
Cordoba (ARG)

Commercial offices and manufacturing site located at Cordoba (Argentina) with over 5,000 sqm.



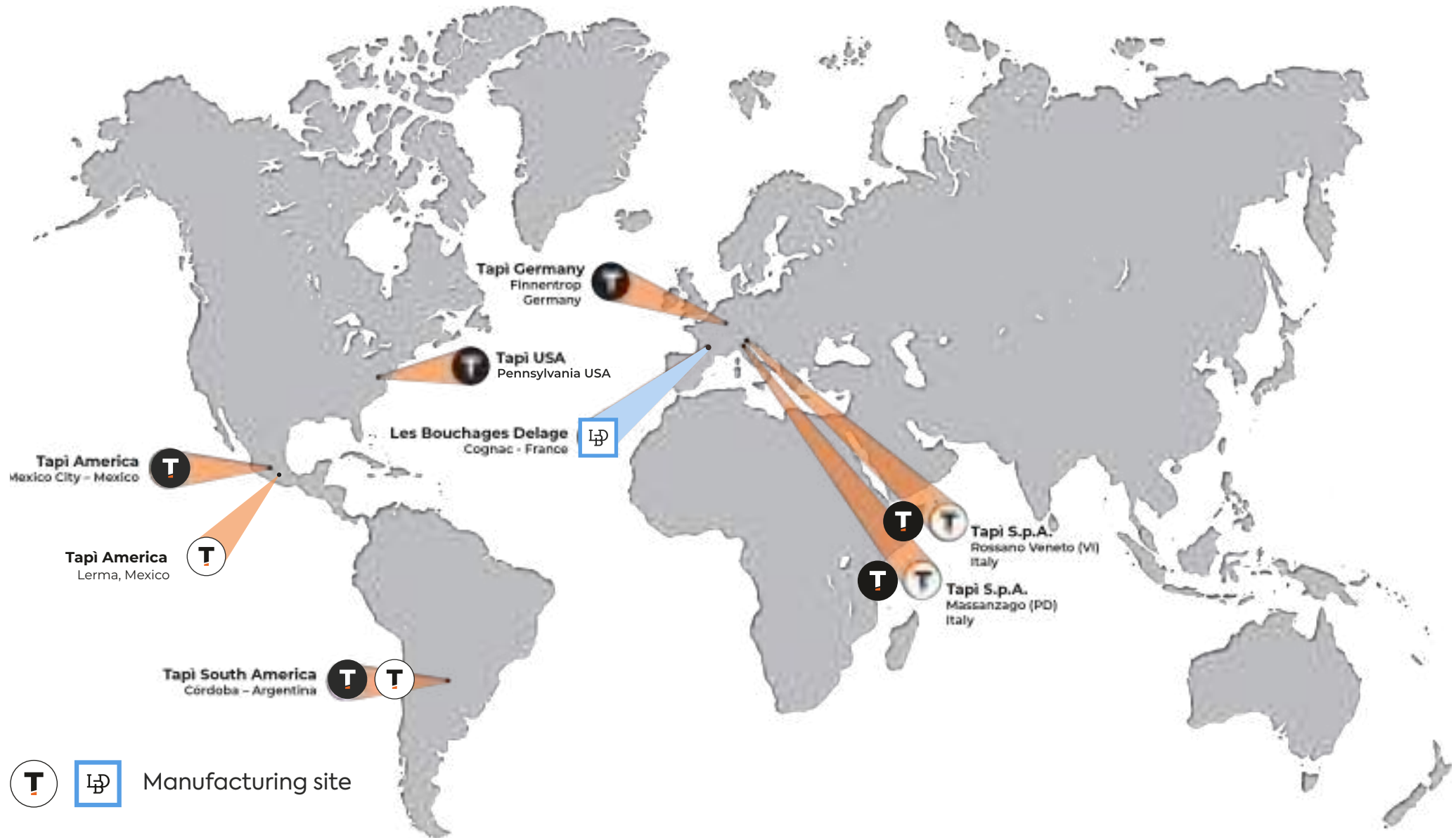
Tapi Germany GmbH

Commercial offices, located at Finnentrop (Germany).



Tapi USA LLC

Commercial offices, located at Norristown (USA)



  Manufacturing site

 Offices site



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 range of products offered by the Group is vast and can be divided into two brands: Tapi and Delage. Tapi's worlds are coherent ecosystems that represent a category of products with a familiar soul. **Materials, technique of production, and shapes are the main characteristics that define each world.** Tapi has five main lines, each one characterized by particular features which make it unique.





STATUS

A culture that values **beauty**, conveyed through **product design**. In **Status World** each closure transports you to a magical **atmosphere** capable of giving each product a taste of **luxury** and **elegance** thanks to the timeless beauty of materials such as **wood** and **ceramic**.

In this world, you will find highly **aesthetic closures** with ergonomic and innovative designs characterized by an incredible **charm** capable of transforming a simple closure into a **jewel** of rare beauty.



PLANET

Reducing consumption and waste production, **reusing** components to breathe new life into them, turning waste into **new materials**, rethinking packaging, and **respecting** the **environment** through natural materials: this is our commitment to developing pioneering **green solutions**. This is **Planet**.

We create closures using innovative systems that combine functionality, eye-catching aesthetics, and a focus on **sustainability**. Enter the **Planet World** and find all the closures made to **respect** the planet where we live.



STYLE

Style is something that can be interpreted in many different ways, it is how you express yourself to the world. We choose to show our **Style World** through high-tech, shimmering and vibrant closures.

Reflections, colors, and man-made materials are the best choice to better represent the essence of this world and to make every bottle **different** and **memorable**. Every closure tells a story made of **fun**, combinations of **highlights, colors, and radiance**. Style is a world capable of let go out and enhancing the **soul** of **every spirit**.



GOURMET

Talking about food, there is one word that can depict **quality, refinement, study,** and attention to detail: **Gourmet**. This world is made by closures capable of making us enter into a home reality where food enthusiasts are ready to live an incredible taste experience.

The closures of this world are **elegant** but **simple** and capable of bringing our attention to every single impeccable detail. Beauty and **minimal design** go hand in hand with **functionality** to create products that make the moment of pouring simply **unforgettable**.



CRAFT

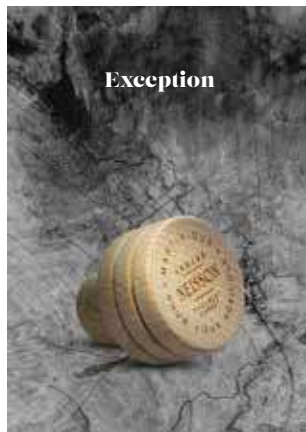
Passion, heritage and a taste of wildness: the **Craft World** is all about **suggestions** and **inspirations**. The closures of this world are made of a **retro, artisan style**, designed to enhance any product in a simple but **original** way.

Raw woods, aluminium, and man-made materials are the elements that shape incredible closure capable of bringing out numerous solutions and finishings such as embossing and debossing.

About Delage collections

Delage is a French Company founded in 1941 and based in the Cognac region. Delage's collections, are composed by high customizable closures designed to meet the highest standards.

Delage's collections are a mixture of beauty, ambition and elegance. High customizable closures designed to meet the highest of standards. Below the six main collections:





Extra

Beauty is in the details.
Luxury and **expertise** come together in this unique collection of **bespoke closures**.

Discover the apex of French savoir-faire: rare, delicate and **exceptional materials** used to create the most extraordinary designs.



Excellence

Design, quality, personality and sustainability: this is the ultimate **luxury**. The **Excellence collection** encloses bespoke and standard **premium plastic** closures, all created to enhance and represent the excellence of every **decanter individuality**.



Exception

Respect is the only way to elevate **nature** and reveal its **unequaled beauty**.

The **Exception collection** enhances this vision, through **premium wood closures**, all created from **superior quality raw materials**, with the **thoroughness** of an artisan and produced with **state-of-the-art technologies**.

The Exception collection was dreamt and designed to perfectly **preserve** and **personalise** your spirits.



Expression

Practical, functional, adaptable, but also **exclusive** and **premium**.

The **Expression collection** conveys plastic **bottle closures** and **GPI screw caps** in a highly customizable design.

A **unique closure** for your **unique spirits and liquors**: stoppers from the **Expression range** are thought to be fully **tailor-made**.



Experience

Matching the **pace** of the spirits packaging **industry**, the **Experience capsule** offers unique and unexpected **intelligent closures**, designed to provide brands with **traceability**, **Authentication** and **Marketing** solutions.



Explore

Innovation means making **choices** that make the **future better**.

This the essence of the **Explore capsule**: a new generation of ultra-premium closures with a lesser carbon footprint.

Transforming waste and secondary materials into **resources** reduces our dependence on virgin materials.

Key markets

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 2022 of 95%, followed by the wine (5%).

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.



Premium and Super Premium spirits



Wine



Condiments

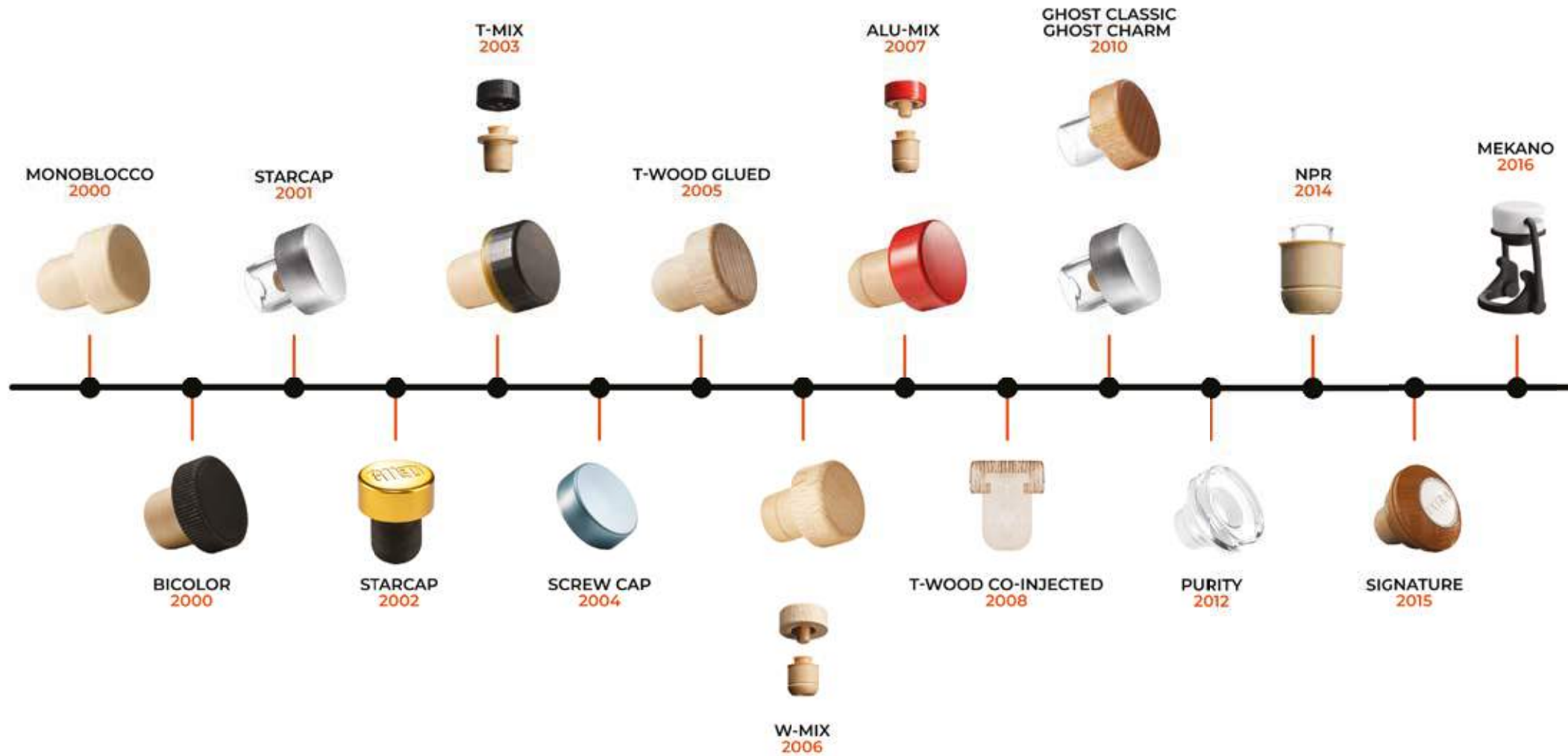


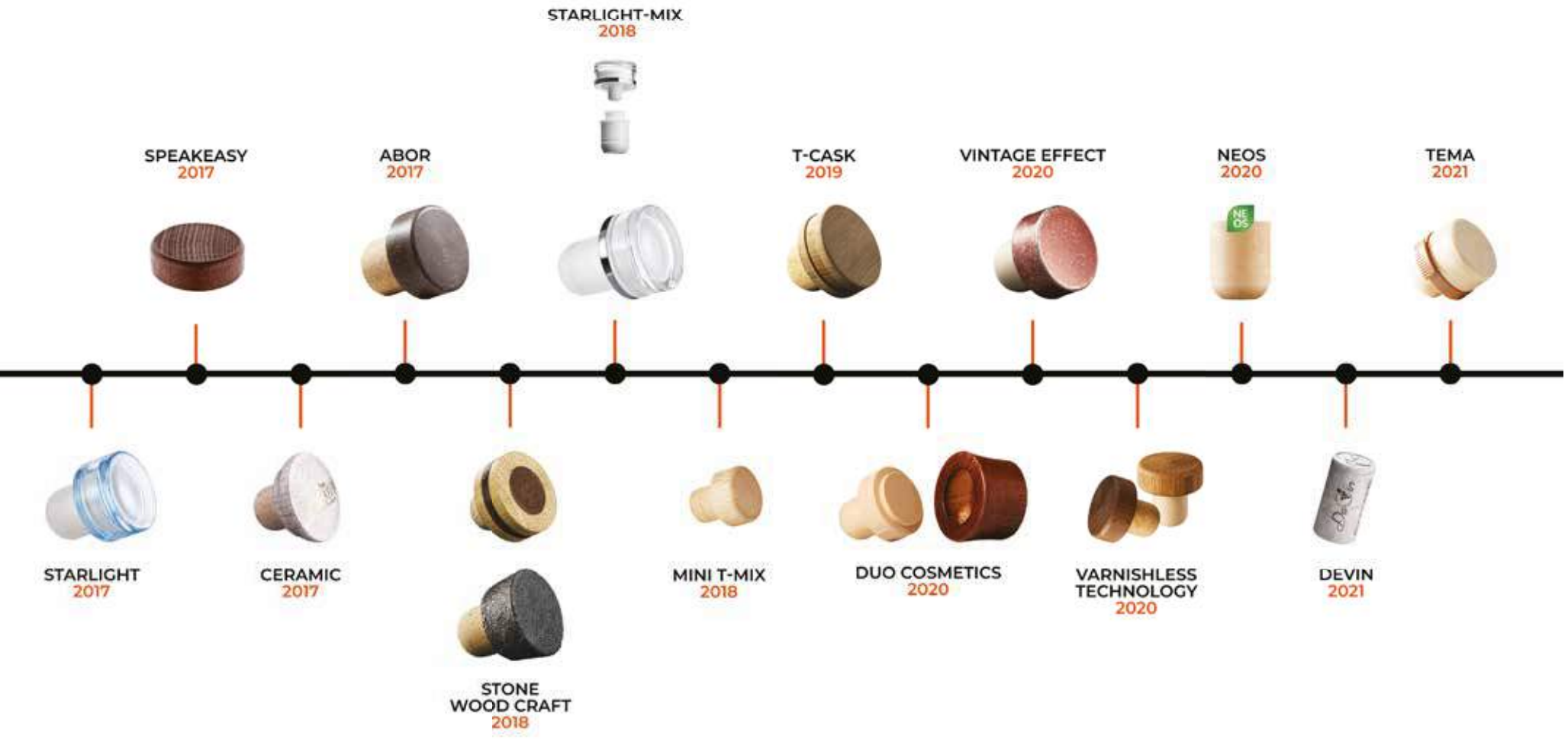
Cosmetics



Others

Product ranges timeline of Tapi





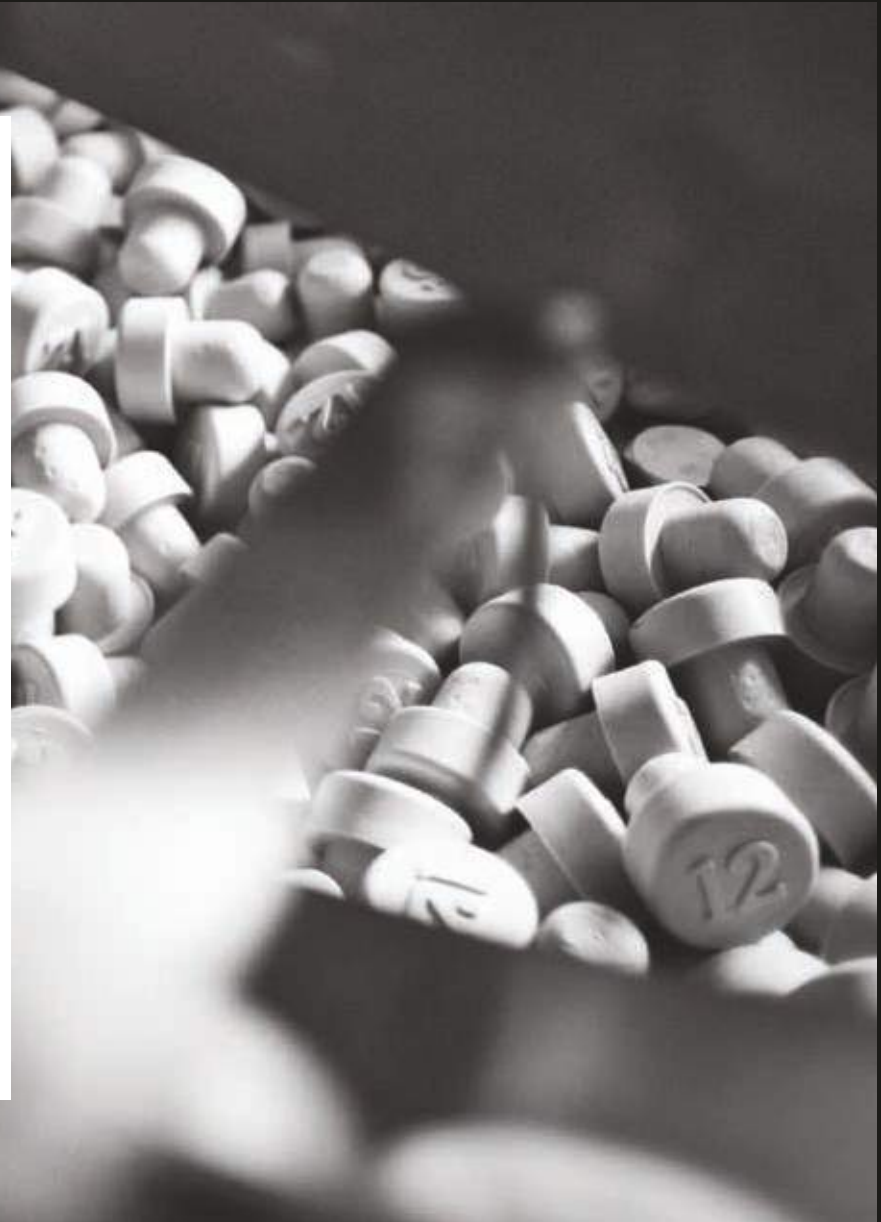
Product ranges timeline of Delage



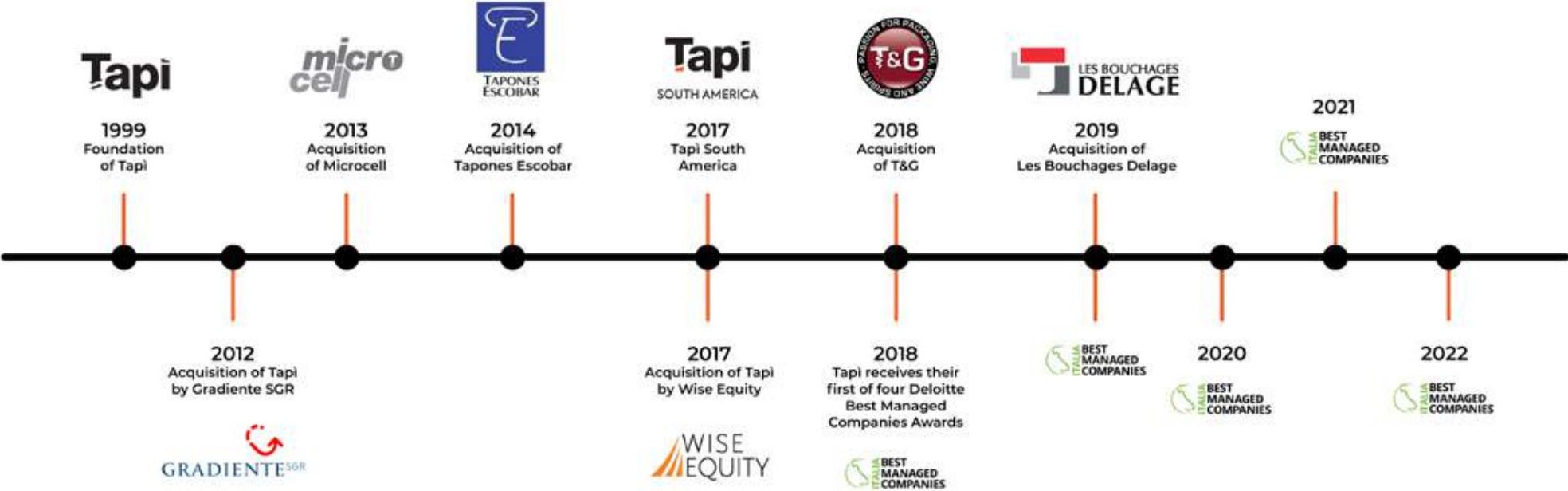
1.3 Story and evolution

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.



Tapi Group history



The 2012 can be considered the year when this international journey began, this thanks to the participation of the private equity fund **Gradiente SGR**. The increase in assets enabled Tapi to make two important strategic acquisitions: **the first one, completed in 2013, with the Italian company Microcell, and the second one in 2014 with Tapones Escobar**, a major Mexican player in business relationship with Tapi for some years. 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.

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 the 1st 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.

As recognition of the Company sustainability performances, in December 2022 the Company completed and received its first CDP Climate Change questionnaire score obtaining a "C" rating.

On 26th January 2023, the Company acquired the remaining 10% minority stake in the subsidiary Tapi South America S.A., for a value of Euro 2,000,000, thus becoming the sole shareholder of the subsidiary.

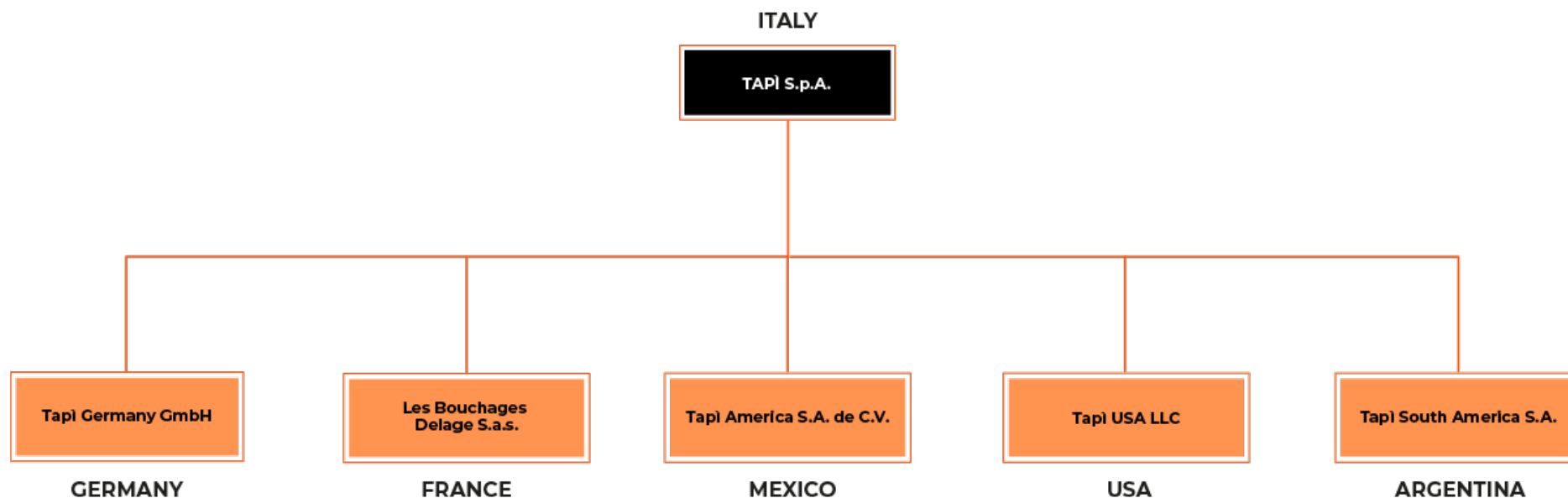
At the end of 2022, transfer transaction from Wise SGR S.p.A. to a different fund has begun.

For further information on the acquisition transaction, please refer to the notes to the separate financial statements.

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 31st December 2022 is the following:



The ownership of the Parent Company TAPÌ S.p.A. and its European subsidiaries TAPI Germany, Les Bouchages Delage and American subsidiaries TAPI America, TAPI USA and TAPI South America is held by five shareholders. As of 31st December 2022, TAPÌ S.p.A. owns the following participations:

COMPANY	%	COUNTRY	ACTIVITIES
Tapì America S.A. de C.V.	99.99%	Mexico	Manufacture of plastic caps and other closures made of synthetic material
Tapì USA LLC	100.00%	USA	Marketing of cork and synthetic closures
Tapì South America S.A.	90.00%	Argentina	Manufacture of plastic caps and other closures made of synthetic material
Tapì 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

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

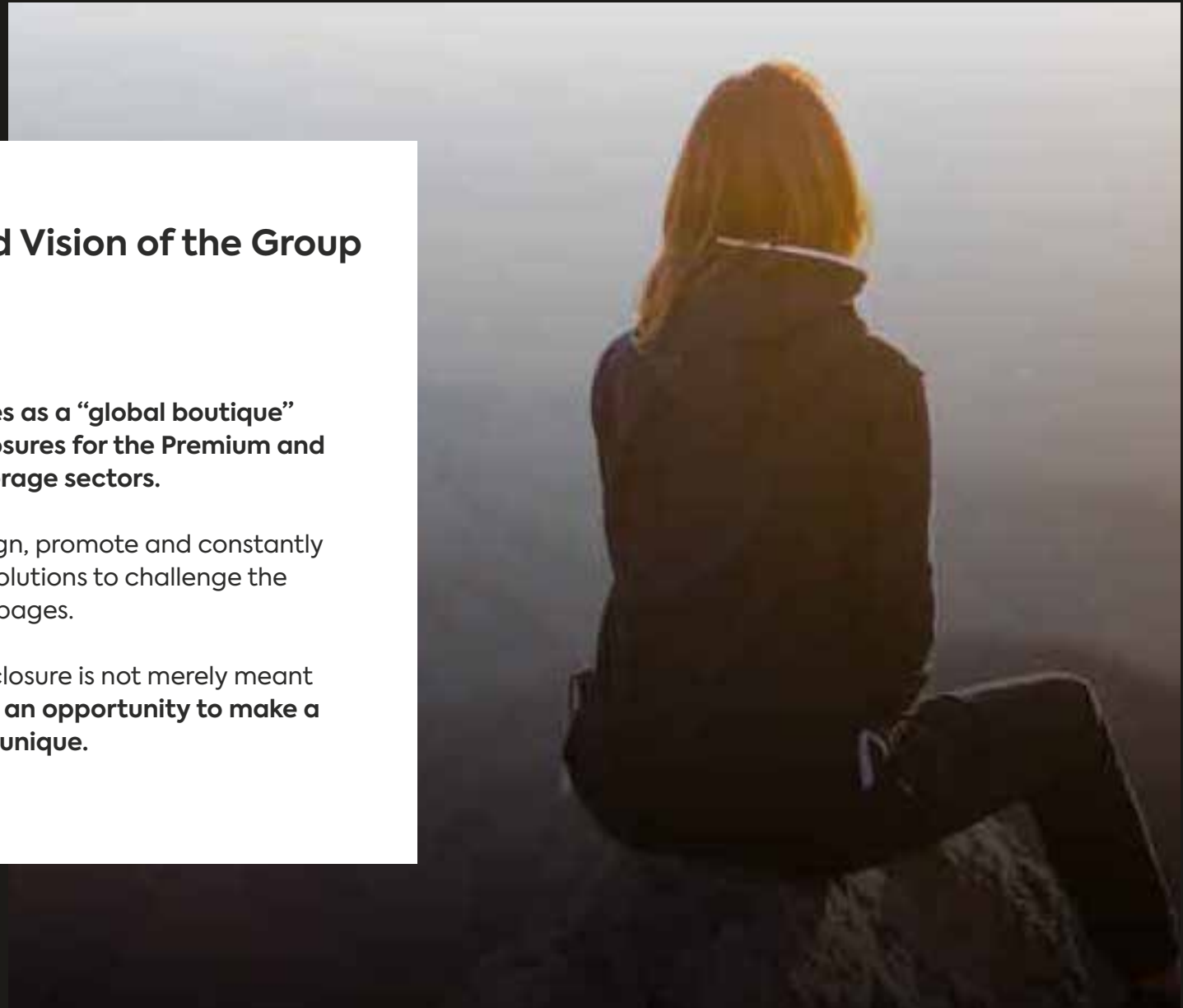
1.5 Mission and Vision of the Group

Mission

We position ourselves as a “global boutique” firm that designs closures for the Premium and Super Premium beverage sectors.

Our mission is to design, promote and constantly develop pioneering solutions to challenge the very own role of stoppages.

At Tapi we believe a closure is not merely meant to close. **It is more of an opportunity to make a bottle, every bottle, unique.**

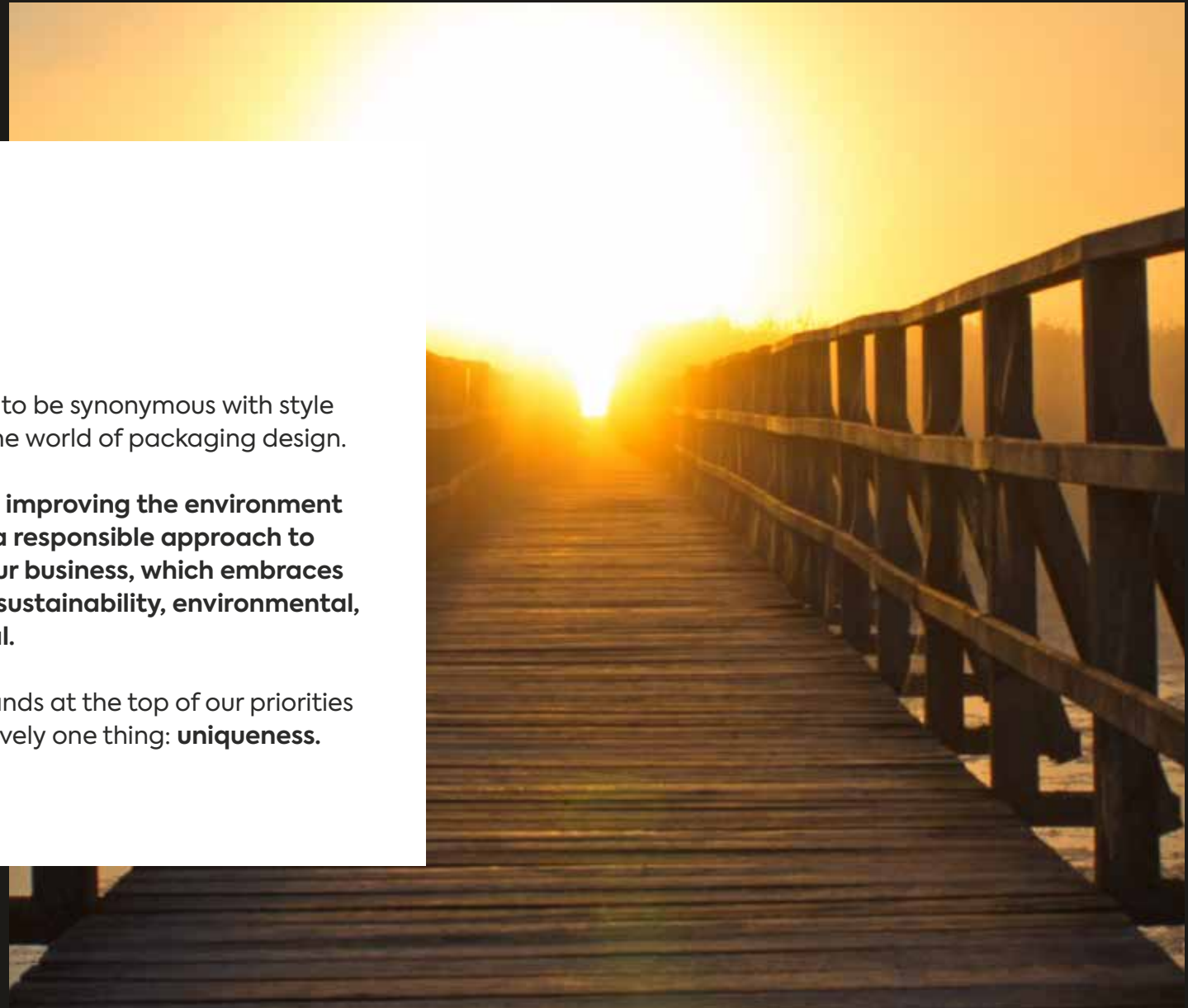


Vision

We want our brand to be synonymous with style and innovation in the world of packaging design.

We also commit to improving the environment we live in through a responsible approach to how we manage our business, which embraces the three areas of sustainability, environmental, social and financial.

The goal, what's stands at the top of our priorities and vision, is exclusively one thing: **uniqueness.**





2. Sustainability approach

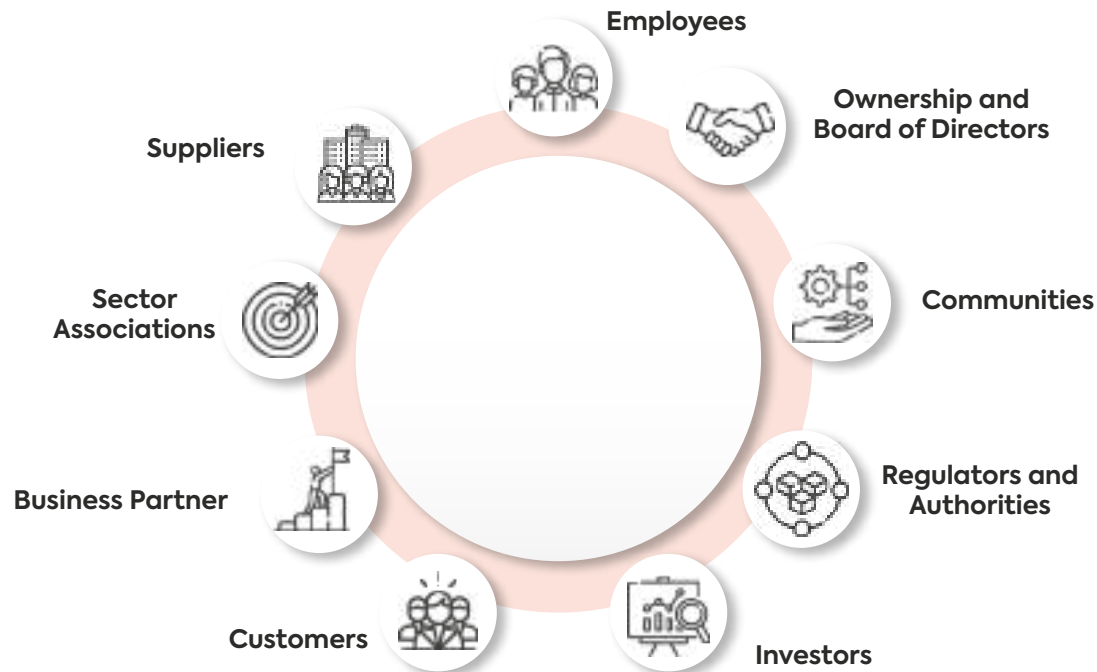
2.1 Stakeholder Engagement

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.

Tapi has identified the individuals or groups of individuals who have a relationship with the company and its activities, through a benchmark analysis that considered influence, responsibility and dependence.

This analysis was carried out considering 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 stakeholders’ involvement depends on the topics considered as relevant and on the discussion opportunities across the year. Through stakeholder engagement activities, key ESG 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;
	Projects of involvement in continuous improvement activities in the working environment;
	Corporate events;
	Yearly Global Meeting;
	Meetings of the Strategic Committee;
	Quarterly meetings of the Key Account Strategic Committee (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.
TRADE AND 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

Tapì Group is committed to manage the environmental, social and governance impacts of its activities, considering as a priority the responsible commitment towards its stakeholders.

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

In accordance with the GRI Reporting Standards, in 2022 the Group has carried out an analysis of the main impacts (positive and negative, actual and potential), on economic, environmental and social aspects – including human rights – which confirmed the list of material topics previously identified.































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 Tapì Group and from the perspective of the stakeholders. The table below shows the relevant topics for the Tapì 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

























The materiality analysis 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.

In addition, **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 
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							

Material topics

		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							

Tapi's commitment to sustainability



LEI – Low Environmental Impact – stands for the straightforward description of the Tapi 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.

Our 5r paradigm

REDUCE

Reducing consumption and waste production helps cut down on materials to be recycled or reused.

RECYCLE

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

REUSE

Reusing components to breathe new life into them repurposing for an altogether new use.
Doing so means rethinking packaging to make it reusable in its entirety.

RETHINK

Rethinking materials and packaging to make it reusable in its entirety.

RESPECT

Respecting the environment through the use of natural, sustainable materials, while working to reduce each product's Carbon Footprint.

The values underlying the Group's corporate mission are:

SMART E GREEN
DESIGN

TRASPARENCY

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 Tapi Action Plan

For better managing ESG matters, 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, coordinated by a Chief ESG Officer.

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 in 2021, later updated in 2022.

The action plan defines six Areas of Commitment and 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:

- **Environment,**
- **Occupational Health and Safety,**
- **Human Capital Development,**
- **Product Quality and Responsibility and Responsible Sourcing,**
- **Sustainable Product Design and R&D,**
- **Business ethics, Governance and Anti-Corruption.**

The six Areas of Commitment reinforces the willingness of the Company 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 Group business strategy, 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 includes detailed quantitative and qualitative KPIs based on the improvement of specific performance related to a sample of GRI reported in Tapi's Sustainability Report and other relevant matters.

In 2022, 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).

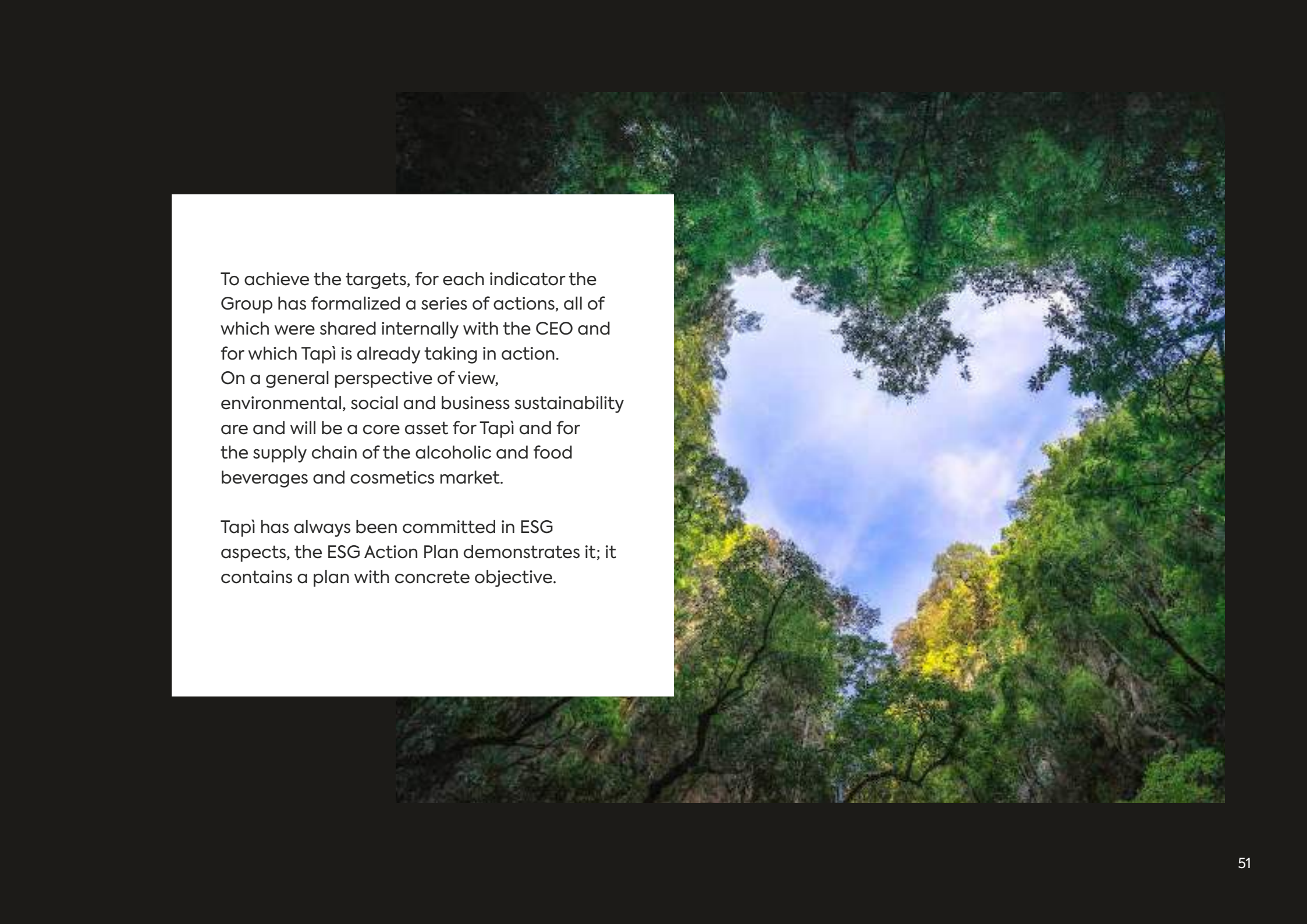
Below, it is reported the representation of **Tapi's ESG Action Plan KPIs, 2019 is considered as baseline and the objectives relates to 2030:**

Description	2019 Baseline	2022 Current year		2030 Objective		STATUS
ENVIRONMENTAL TARGETS						
Energy consumption intensity (GJ/Mpcs) [GRI 302-3]	79	66.14	-16%	≤ 63.3	-20%	●
Greenhouse Gas (GHG) emissions intensity (CO2/Mpcs), market based [GRI 305-4]	7	3.5	-50%	≤ 4.6	-33%	Achieved
	7	3.5	-50%	≤ 2.1	-70%	New target
Water withdrawal intensity (MI/Mpcs) [GRI 303-3]	0.0108 ²	0.0105	-3%	≤ 0.0104	-37%	●
Waste intensity (t/Mpcs) [GRI 306-3]	2.23	4.07	+83% ³	1.76	-21%	●
Life Cycle Assessment (LCA): training & done for all products	0%	100%	-	100%	-	Achieved
Qualitative Environmental KPIs: <ul style="list-style-type: none"> Annual compilation of CDP Climate Change questionnaire – recurring target: in 2022 Tapi Group has completed its first CDP Climate Change questionnaire obtaining in December 2022 its rating as “C”. 						Achieved in 2022
SOCIAL TARGETS						
Work-related injuries (#/200k working hours) [GRI 403-9]	5.4	4.22	-24%	<0.9	<-83%	●
Average hours of training per year per employee (hours/employee per year) [GRI 404-1]	6.55 ²	13.74	+110%	≥16.0	+144%	●

² The data have been restated as a result of improved calculation activities.

³ 2022 value is +83% vs 2019 due to increasing of production capacity and to internalization of wood processing activities in Mexican plant which produces wood as waste (non-hazardous), please note that 77% of group waste is wood that can be recycled.

Description	2019 Baseline	2022 Current year		2030 Objective		STATUS
% of women out of total employees [GRI 404-1]	46%	44.86%	-1.1 p.p.	≥47%	+2%	●
Incidents of non-compliance concerning the health and safety impacts of products (#) [GRI 416-2]	17	18	+6%	0	-100%	●
QUALITATIVE SOCIAL (PRODUCT QUALITY AND RESPONSIBILITY AND RESPONSIBLE SOURCING) KPIS:						
• Reaching the extension of food safety management systems certified FSSC 22000 in Tapi South America S.A. (Argentina) by 2023 and in Tapi SpA (Italy) and Tapi America SA de CV (Mexico) by 2025						●
• Maintenance of SMETA certification and ETI Code in all sites – recurring target						Achieved in 2022
• Maintenance of Systecode certification at Les Bouchages Delage – recurring target						Achieved in 2022
• Extension of ECOVADIS certification to Tapi America SA de CV (Mexico) and Tapi South America S.A. (Argentina)						New target
• Development of an integrated Corporate Policy on QHSE and Food Safety at Group level						New target
GOVERNANCE AND PRODUCT RELATED TARGETS						
New sustainable products/projects (#/year) – recurring target	-	3	-	≥2	-	Achieved in 2022
Volumes sell on total of sustainable products/projects (% on total)	-	-	2.59%	-	≥30%	●
Qualitative Governance KPIs:						New target
• Conducting an IT Risk Analysis for each business unit (at Group level) by 2023						New target
• Stakeholder engagement activities to update Tapi Group’s materiality matrix (list of material topics)						New target
















To achieve the targets, 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 are and will be a core asset for Tapi and for the supply chain of the alcoholic and food beverages and cosmetics market.

Tapi has always been committed in ESG aspects, the ESG Action Plan demonstrates it; it contains a plan with concrete objective.

2.4 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:

		TAPÌ S.P.A.	TAPÌ AMERICA S.A. DE C.V.	TAPÌ SOUTH AMERICA S.A.	LES BOUCHAGES DELAGE S.A.S
QUALITY MANAGEMENT SYSTEM		✓	✓	✓	
FOOD SAFETY					✓
ENVIRONMENTAL MANAGEMENT SYSTEM					✓
SEDEX MEMBERS ETHICAL TRADE AUDIT		✓	✓	✓	✓
CORPORATE SOCIAL RESPONSIBILITY					
MANAGEMENT OF SENSITIVE CORPORATE PROCESSES		✓			
ORGANIZATION MODEL	 ETHICAL CODE			✓	
CORPORATE POLICY (FOOD SAFETY, QUALITY, HEALTH & SAFETY AND ENVIRONMENT)	 CORPORATE POLICY			✓	
ENVIRONMENTAL SUSTAINABILITY				✓	
ENVIRONMENTAL SOCIAL GOVERNANCE				✓	



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 Italy.** The initiative was created to highlight the excellence of Made in Italy productions through an international award issued by Deloitte and reserved to companies that stand out for their organizational capacity, strategy and performance.

Tapì 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:

COUNTRY / MAIN TRADE ASSOCIATIONS	
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
	Atlanpack
GERMANY	German chamber of Commerce (Industrie- und Handelskammer Siegen)
	ITKAM - Italian Chamber of Commerce for Germany
MEXICO	Italian Chamber of Commerce in Mexico City
	COPARMEX (Confederation of employers of the Mexican Republic)
	Mexican Association of Human Resources management
ARGENTINA	CAIP-The Argentine Chamber of the Plastics Industry
	Italian Chamber of Commerce – Cordoba State
	Foro Productivo Zona Norte – Cordoba City

3. Governance, Business Ethics and Anti-corruption

3.1 Corporate Governance

The governance structure adopted by the Parent Company Tapì 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.

Board of Directors

The Board of Directors is vested with all powers for the ordinary and extraordinary management of the Company, is responsible for determining and pursuing the strategic objectives of the entire Group 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 appoints the Chairman and may proceed to appoint the Managing Directors with attribution of the relative powers. The Board of Directors is also responsible for the management of the economic, social and environmental impacts related to the activity of Tapì Group. And for the approval and update of the strategies, including mission and vision, of sustainable development.

The current Board of Directors of Tapì S.p.A. was appointed in May 2019 during the Shareholders' Meeting with the majorities required by law and in accordance with the procedures set out in the Articles of Association.

The members of the Board of Directors have been selected according to criteria related to previous professional experience, to knowledge of the industry and to the Company's operations; the appointment of the candidates has been preceded by a punctual verification of the members' professionalism and integrity requirements.

The Board of Directors as of 31.12.2022⁴ is composed as follows:

MEMBER	APPOINTMENT	GENDER	EXECUTIVENESS	ADDITIONAL INFORMATION
Casini Roberto ⁵	Chairman	M	Executive	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.
Ghetti Stefano	Vice-Chairman	M	Non Executive	
Semenzato Michele	Director	M	Non Executive	
Franceschini Valentina	Director	F	Non Executive	
Reggio Bruno Luigi	Director	M	Executive	

⁴ 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 2022; no independent member chairs the BoD.

⁵ It is specified that the Chairman of Tapi's BoD has also the role of CEO of the Company.

The remuneration of directors is determined annually during the appointment or confirmation of the composition of the Board of Directors at the same Shareholders' Meeting that approves the financial statements of the previous year. The remuneration is composed by a fixed portion and is distributed monthly. There are no entry or hiring bonuses or incentives for the appointment, termination payments, clawback or pension benefits (excluding severance pay according to Italian law).

In the context of ESG topics management, the Board of Directors, in addition to its role of approving the sustainability report and materiality analysis, through supporting the Chief ESG Officer activities exercises a supervisory role, and thus of managing the impacts of the Group's activities with respect to ESG matters. This dialogue leads the Directors to be informed about the key sustainability related topics. The BoD is also kept informed about the main Group's ESG activities and developments (included critical issues) by the Group's CEO, who is in steady consultation with Group's key corporate figures (i.e. ESG, Marketing, Procurement, Process, New Product Development, Commercial and the area general Managers, responsible for managing and improve their own areas of expertise. Due to the sake of completeness there are no processes for evaluating the performance of the highest governance body.

Board of Statutory Auditors

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.

Generally, 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 31.12.2022	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

Tapì 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

Tapí has adopted a **Group Code of Ethics** aimed at creating value for all its 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. 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, the welcome kit given to new employees contains information 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.

The eight principles of Tapi Group Code of Ethics



1. Legality

The policy pursued by the Tapi 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

Tapì 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 (last update in November 2020), with which the Company intends to strengthen its own organization and internal control safeguards.

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 16th November, 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 whistleblowing reports as of 31 December 2022 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 regularly performs training sessions on 231 Model to all employees and shift leaders of production departments, the last edition were delivered on November 23-25, 2021 via a dedicated webinar platform; in 2023 the Company will implement an update of the latter traing. As with the Code of Ethics, the last version of the Model 231 is also included in the welcome kit for new hires.

During 2022 no significant instances of non-compliance with laws and regulations were detected during the reporting period.

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. Tapì 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.

Tapì 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-mentioned 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 2022 no Group entity was subject to confirmed incidents of corruption.

Risk management for Tapi

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. This commitment has been reflected also during the implementation of the alternative ways of working adopted during Covid-19 period (ICT infrastructures, hardware and dedicated security policy and guidelines).

Tapi 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, in 2022 Tapi developed and carried out the following initiatives:

- **At the end of 2022, Tapi Group S.p.A. conducted a risk assessment on its technological infrastructure aiming at providing to the Company's management information on the adequacy of the current level of technological security and guidelines on the technological aspects that appeared to be more in need of attention.** The activity has been based on the best intentional standards: ISO/IEC 27001:2013, ISO/IEC 27002:2013 and ISO/IEC 27005:2018.
- **A new training tool, based on a cloud platform, on security awareness for continuous training (monthly) dedicated to all the employees of the Italian sites (Massanzago and Rossano Veneto) with a company account.** The trainings, which accounted for more than 561 viewed hours, focused on phishing, ransomware, and the avoidance of disclosure of private and sensitive information, have been dispensed monthly. At the end of the monthly courses, a report on the results of the training quizzes is produced and disseminated; the specific policy for firewall management, implemented in 2021, has continued to operate also in 2022;

- **The performing, on an annual basis, of a Vulnerability Assessment and Penetration Test, both on external and internal systems, implemented in 2021 has continued also in 2022;**

- **The update of the scope of the GDPR master policy with the contribution of an external law firm.** In this subject in 2022 no data leaks or incidents (except for the ones occurred without notification to the guarantor) have occurred in 2022. Furthermore, the GDPR Committee is still active;

- **The implementation, in 2022, of a data audit tool on suspicious conducts, which replaced the technical vademecum book, sponsored in 2021;**

- **The implementation of a SIEM system (Elastic) and internal and external perimeter guarding service via SOC (Cyberoo), services provided in SecAas 24/7 Automated assery inventory system;**

- **The implementation of an automated two-factor authentication system via an app, in 2022;**

- **In its intranet, Tapi 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;

- **Tapi has defined a disaster recovery plan in order to determine specific protocols to be applied in the event of specific crises;**

- **Tapi has joined, also in 2022, the “Cyber Security Angels”, a network of computer security experts.**

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.

These effects have continued also in 2022, a very difficult year in terms of procurement due to the war between Russia and Ukraine, which contributed and impacted strongly the costs of energy surcharges across all sectors, resulting in price hikes in all areas.

Nevertheless, 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.

From the point of view of demand, 2022 saw a significant increase in revenues, which rose from 98 million to 125 million euros, thanks to the sustained economic recovery, which has characterized the alcoholic beverages sector especially on the American markets.

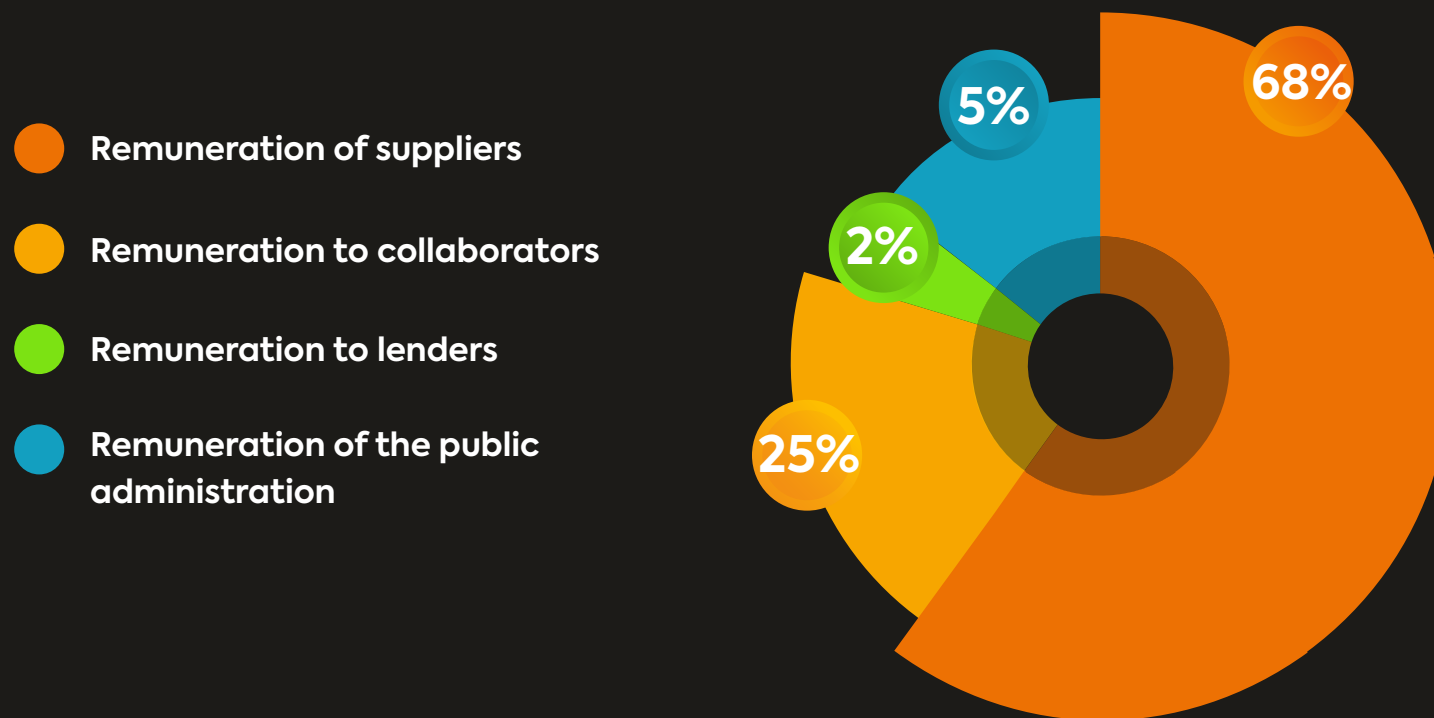
For further details on the Tapi Group's economic performance and financial position, please refer to the consolidated financial statements as of 31 December 2022.

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.**

GRI 201-1 DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (€/000)	2021	2022
Total Economic value generated	98,966	124,742
Economic value distributed	91,224	106,523
Operating costs – Remuneration to suppliers	55,268	72,259
Remuneration to personnel	21,049	26,455
Remuneration to lenders	2,117	2,612
Remuneration of the public administration	12,789	5,198
Economic value retained	7,743	18,219
Net Result	2,473	12,382

The economic value distributed amounts to 106.5 million Euros, 68% 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 25% of the economic value distributed while 2% of the economic value was lenders and 5% to public administration.

ECONOMIC VALUE DISTRIBUTED IN 2022





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. Moreover, **Tapi is committed to implement a supply contract template which includes references also to anti-corruption and anti-bribery elements.**

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. Starting from 2021, as a member of Sedex, the Tapi Group is using 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 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, first in May 2021 and then in 2022, EcoVadis awarded Tapi S.p.A. with the silver medal, a demonstration of the Group's commitment to ESG topics. 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, Tapì 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, Tapì 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, Tapì 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 sustainable and non-sustainable solutions, depending on customer requirements.

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 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.

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 2022, the country with the highest percentage is Argentina with 71.7% of the total budget, followed by Italy with 59.9%, France with 40% and finally Mexico with 38.5%. The high percentage of expenditure on local suppliers registered by the Argentinian plant is due to the opening of a wood processing site.**

PROPORTION OF SPENDING ON LOCAL SUPPLIERS IN % [GRI 204-1]⁶		
COUNTRIES	2021	2022
ARGENTINA	73.5%	71.7%
FRANCE	50.9%	40%
ITALY	63.2%	59.9%
MEXICO	41.3%	38.5%

In 2022 it can be observed that in each of the four countries the percentage of the spending on local suppliers has decreased. Compared to 2021 data, the absolute amount of money spent on local suppliers has generally grown, as well as the general spending amount.

⁶ The percentage considers suppliers as local based on the geographical region reported. Significant countries of operation are those countries where the Group is present with production facilities.

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 Tapì 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 Tapì 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 Tapì 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, Tapì has shared with its customers and employees the honey produced in the hives, the fruit of the magnificent work of the bees.**



For more information visit: www.3bee.com

5. Environmental responsibility

5.1 Circular Economy

Tapí Group, in full compliance with the law, is committed to responsibly carry out its activities for guaranteeing environmental and workers safety and ensuring that any negative effects on the environment are eliminated or reduced to technically and economically achievable minimum levels.

Les Bouchages Delage production plant is ISO 14001:2015 certified, an environmental management system certification that helps to minimize negative effects of the company operations on the environment and to comply with applicable laws, regulations, and other environmentally oriented requirements.

Tapí 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 (81%), natural cork (8%) and carton box (11%). Renewable materials currently make up around 44% (+ 14% compared to 2021) 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 (76%), plastic packaging (14%), adhesive (2%), metals (zinc, aluminum, and copper) and paints for the remaining 8%.

RENEWABLE MATERIALS USED [GRI 301-1] ⁷			
Type of material	Unit of measure	2021	2022
Wood	t	3,983	5,036
Cork	t	413	480
Carton Box	t	405	668
Pallet	t	55	42
NON-RENEWABLE MATERIALS USED			
Polymers	t	3,775	4,518
Plastic packaging	t	918	835
Adhesive ⁸	t	142	132
Metal (Zinc, Aluminum, Copper, Zamak)	t	256	281
Paint	t	158	214
TOTAL	t	10,116	12,210

⁷ Note that the data inserted in the table above referring to renewable materials used include, both for 2021 and 2022, pallet from the French production plant that correspond to 55 tons in 2021 and 42 tons in 2022 and were not included in 2021 Sustainability Report.

⁸ The data related to the total amount of wood and adhesive in 2021 have been restated as a result of improved calculation activities.

The increase of 20% in the material used reflect the production increase of Tapì Group. From the total materials used, it is important to highlight that 51% 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, Tapì 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 Tapì 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.



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 (all purchased from the grid and consumed internally by the organization), which accounts for 93% of energy consumption.**

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 2022 the total amount of electricity purchased by the Italian plant is certified 100% renewable and, moreover, starting from 2022 the Italian plants no longer use natural gas. In the table below, this portion of renewable energy falls under the total renewable energy consumption, it's amount results in 33% of the total electricity consumption. This purchase represents another important milestone for the Group in order to reach environmental sustainability, as defined into the 2030 ESG Action Plan.

Compared to 2021, in 2022 the Group's total consumption increased by 14.8%. The variation between 2021 and 2022 in the consumption of electricity reflects the increase of the production (+10% in terms of Group produced products) and to the Mexico plant extraordinary activities (the construction of a new plant). However, it is possible to state that in the Argentina plant energy consumption decreased in 2022 due to a significant fall of LPG consumption (LPG forklifts has been replaced with an electric track lift in plastic plant, which is intended to be used in the new manufacturing plant with minor operations); additionally, in the French plants specific energy efficiency initiatives were held: the replacement of a compressor, the substitution of the lightning system with LED technology and the installation of a bike shelter with battery racks and electrical outlets in substitution of the use of a standard cars.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION [GRI 302-1, 302-3]		
Fuel consumption	2021	2022
	Total GJ	Total GJ
Natural Gas	212	96
LPG (Liquefied Petroleum Gas)	862	174
Diesel (for heating or productive process)	121	111
Diesel (for company's vehicles)	1,616	2,059
Total Diesel	1,737	2,171
Gasoline (for company's vehicles)	374	764
Total Fuels consumption	3,185	3,206
Total Electricity purchased from national grid	37,269	43,250
Total non-renewable Electricity Consumption	32,512	28,859
Total renewable Electricity Consumption	4,757	14,391
Total energy consumption within the organization⁹	40,454	46,456
Energy intensity (GJ/Number of produced products)¹⁰	62.75	66.14

⁹ The conversion factors were taken from the DEFRA 2021 and DEFRA 2022.

¹⁰ Energy intensity was calculated as the ratio of absolute energy consumption in GJ to total products produced divided by 1,000,000.

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, **Tapi 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.**

The emissions generated by the Group are reported on the following page.

**DIRECT (SCOPE 1) GHG EMISSIONS AND ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS
[GRI 305-1, 305-2, 305-4]**

GHG Emissions - tCO ₂ eq		2021	2022
Scope 1 ¹¹	Direct emissions from combustion	214	224
	Emissions from refrigerant gas leaks	5	75
	Total Scope I	219	297
Scope 2 ¹²	Location-based	2,951.02	3,468.00
	Market-based	3,235.37	2,193.80
Total	Scope I and Scope II (Location-Based)	3,170.02	3,759.94
	Scope I and Scope II (Market-Based)	3,454.37	2,472.80
Emission Intensity ¹³	Emissions Intensity GHG – Scope 1 (tCO₂eq/Number of produced products)	0.34	0.42
	Emissions Intensity GHG – Scope 1 and Scope 2 (Location- Based) (tCO₂eq/Number of produced products)	4.89	5.36

¹¹ DEFRA 2022 emission factors have been used to calculate Scope 1 emissions. Scope 1 emissions are expressed in tonnes of CO₂ equivalent, where available.

¹² 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.

¹³ 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.

In 2022, direct emissions of the Group amounted to 279 tCO₂eq (Scope 1) and is mainly derived from LPG, diesel and gasoline. Those, in 2022, had an increase due also to an increasing use of the refrigerant gases at the French plant, the extraordinary need has been promptly recovered within the year.

Indirect emissions (Scope 2) instead, derived from purchased electricity, were 3,468.00 tCO₂eq based on the Location based calculation method; and 2,193.80 tCO₂eq 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 in the Italian plant.

Total emission (Scope 1 and Scope 2 Location-based) is 3,765.47 tCO₂eq (+18.8% compared to 2021) while the total emission with the Scope 2 Market-based is 2,491.27 tCO₂eq (-27.89% compared to 2021), testifying to the importance of the group's commitment to reduce emission by purchasing renewable electricity certificates.

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 WITHDRAWAL¹⁴ [GRI 303-3]					
Sources	Unit of measure	2021		2022	
		All areas	Areas with water stress	All areas	Areas with water stress
Third-party water (total)	Megaliters	6.74 ¹⁵	0.56	7.40	0.64
Freshwater (\leq 1,000 mg/L Total Dissolved Solids)	Megaliters	3.30	0.56	2.83	0.64
Other water ($>$ 1,000 mg/L Total Dissolved Solids)	Megaliters	3.44	-	4.57	-
Third-party water (total) per source of withdrawal	Megaliters				
Surface water	Megaliters	-	-	-	0.5
Groundwater	Megaliters	-	-	-	-
Sea water (total)	Megaliters	-	-	-	-
Produced water	Megaliters	-	-	-	-
Total water withdrawal	Megaliters	6.74	0.56	10.4	0.5

¹⁴ 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.

¹⁵ The Group’s water withdrawal figure for 2021 has been restated because the water withdrawal monitoring system of the Argentine plant has been improved - through the implementation of a meter - and this has improved the measurement accuracy, also for the year 2021.

Tapi is constantly looking for reducing water consumption in the various stages of production.

In 2022, the total water withdrawal of Tapi Group was equal to 7.4 mega liters (+9.8% vs 2022).

Among the initiatives in support of environmental sustainability it is important to point out that at the Rossano plant, Tapi irrigates the garden with meteoric water.

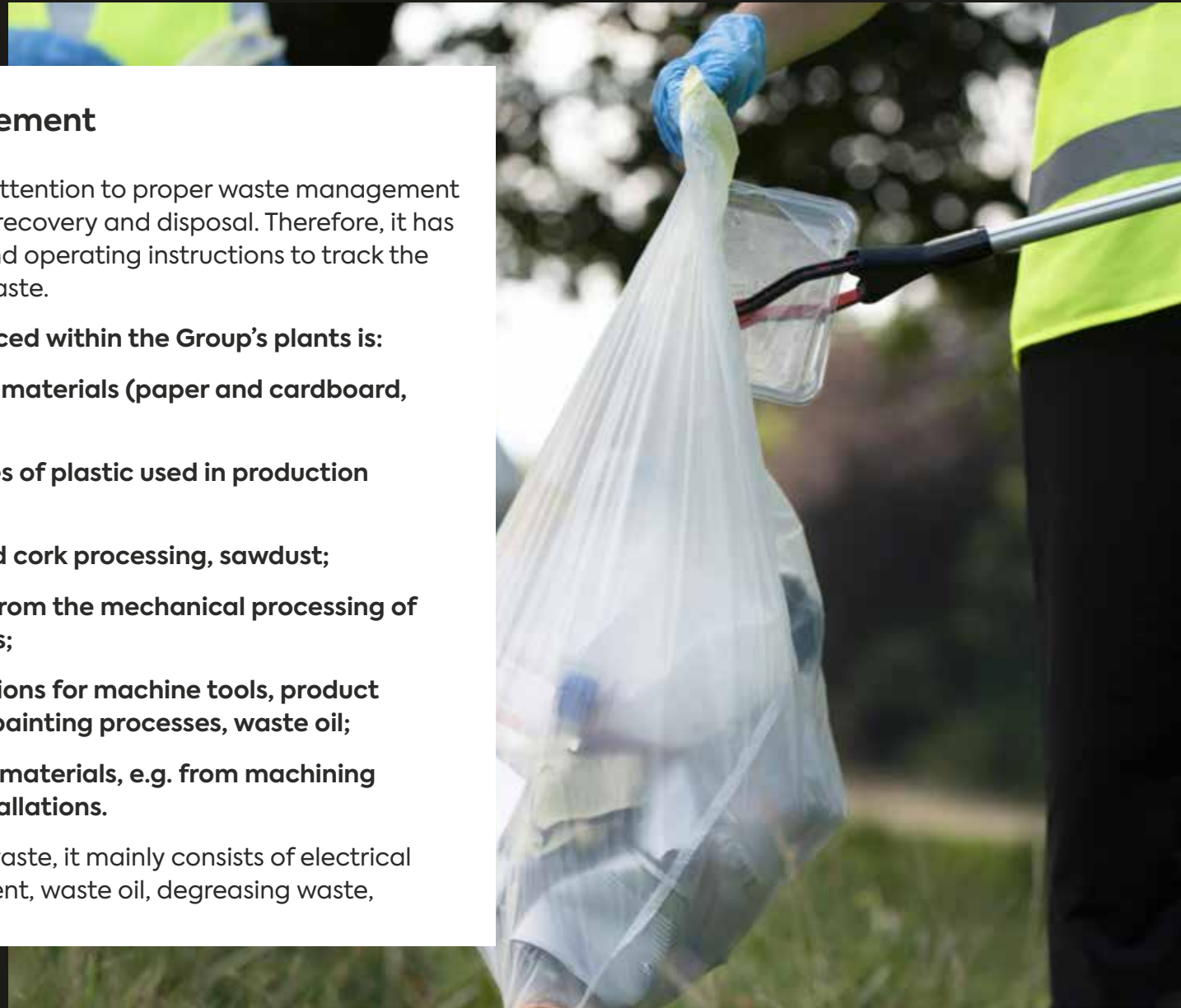
5.4 Waste management

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.**

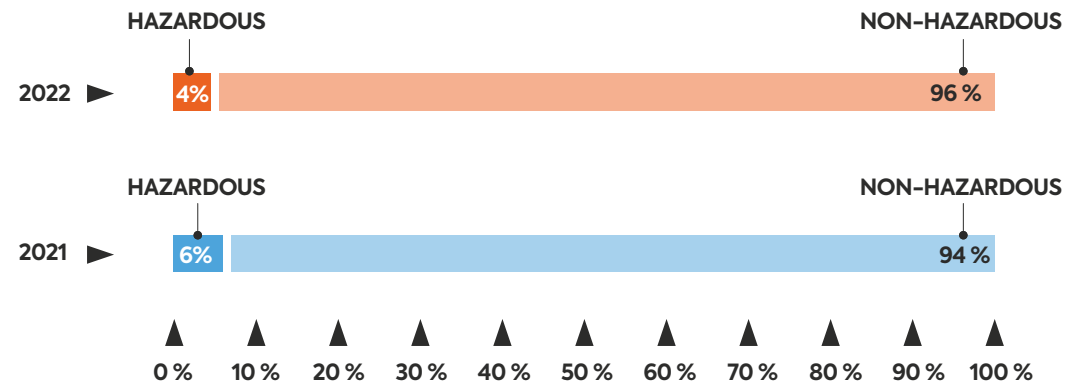
In addition, processes are in place to optimize machinery in order to reduce waste production. Specific internal procedures provide that the type and quantity of waste produced is constantly monitored (monthly), in order to identify improvement objectives and efficient waste management.

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 increase in waste production is mainly due to the internalization of wood processing activities in the Mexican plant and the increase in production activities, the number of produced products increased by more than 8% compared to 2021 data. Please note that the greater amount of generated waste in 2022 could be classified as non-hazardous (96%).

Waste by type



TOTAL WEIGHT OF WASTE GENERATED [GRI 306-3]

Waste composition	Unit of measure	2021			2022		
		Hazardous	Non hazardous	Total	Hazardous	Non hazardous	Total
Plastic: Polyolefin	t	-	81.12	81.12	-	3.44	3.44
Mixed material	t	3.1	165.79	168.89	8.0	349.39	357.39
Paper & cardboard	t	-	73.33	73.33	-	89.95	89.95
Plastic: PP & HDPE PS, ABS et PS/PE (thermoformed trays)	t	-	27.73	27.73	-	37.33	36.48
Non-hazardous liquids	t		15.82	15.82	-	19.90	19.90
Hazardous liquids	t	44.96	-	44.96	65.10	-	65.10
Hazardous waste	t	61.67	-	61.67	54.10	-	54.10
Zamak	t	-	1.72	1.72	-	4.66	4.66
Natural Cork	t	-	1.3	1.3	-	2.40	2.40
Iron and steel	t	-	25.9	25.9	-	22.48	22.48
Glass	t	-	6.54	6.54	-	0.30	0.30
Wood	t	-	1,153.90	1,153.90	-	2,198.67	2,198.67
Drywall & construction material	t		16.76	16.76		-	-
Electronic components	t		9.5	9.5		0.24	0.24
Organic	t					2.73	2.73
Total	t	109.73	1,579.41	1,689.14	127.20	2,731.49	2,858.69
Percentage	%	6%	94%	100%	4%	96%	100%

6. Social Responsibility

6.1 Tapi 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 Tapi 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. **Tapì 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 2022, the Tapì Group had a total of 932 employees. The majority of the Group employees are Blue Collars (591 people), followed by White Collar (299 people), Managers (38) and Executives (4). The number of total employees rises to 972 (an increase of 40 people), if external collaborators, not employed by the Group but with a different type of collaborative contract (contractors, interns, general manager, etc.), are also included. Please note that compared to what reported in 2021 Sustainability Report, the total number of employees in 2021 amount to 764 (instead of 783), the variation is caused by an improvement in calculation methods in Argentina country.

The breakdown by gender provides a better understanding of the Group, where male members of staff represent 55.1% (514) of the total, and female members 44.9% (418). As can be seen, between 2021 and 2022, the Group has maintained the same gender percentages in most cases, although it has increased its workforce by 168 new employees in total.

TOTAL NUMBER OF EMPLOYEES PER EMPLOYEE CATEGORY, REGION AND GENDER [GRI 405-1]

Number of employees	as of December 31st 2021			as of December 31st 2022		
	Men	Women	Total	Men	Women	Total
Region: Europe						
Executives	2	-	2	2	-	2
Managers	17	5	22	17	9	26
White Collars	51	69	120	40	71	111
Blue Collars	66	43	109	85	58	143
Total	136	117	253	144	138	282
Region: North America						
Executives	1	-	1	1	-	1
Managers	4	2	6	4	2	6
White Collars	81	50	131	103	63	166
Blue Collars	124	190	314	201	207	408
Total	210	242	452	309	272	581
Region: Central and South America						
Executives	1	-	1	1	-	1
Managers	3	3	6	3	3	6
White Collars	15	6	21	17	5	22
Blue Collars	31	-	31	40	-	40
Total	50	9	59	61	8	69
Executives	4	-	4	4	-	4
Managers	24	10	34	24	14	38
White Collars	147	125	272	160	139	299
Blue Collars	221	233	454	326	265	591
Total	396	368	764	514	418	932

Percentage	as of December 31st 2021			as of December 31st 2022		
	Men	Women	Total	Men	Women	Total
Executives	0.5%	0.0%	0.5%	0.4%	0.0%	0.4%
Managers	3.1%	1.3%	4.5%	2.6%	1.5%	4.1%
White Collars	19.2%	16.4%	35.6%	17.2%	14.9	32.1%
Blue Collars	28.9%	30.5%	59.4%	35.0%	28.4%	63.4%
Total	51.8%	48.2%	100.0%	55.2%	44.8%	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 540 employees (58% of the total), followed by the bracket of employees under 30 years of age which are 281 (30.1% of the total) and finally the bracket of employees over 50 years of age, 111 (11.9% of the total).

NUMBER OF EMPLOYEES BY CATEGORY, AGE GROUP AND REGION

Number of employees	as of December 31st 2021				as of December 31st 2022			
Region: Europe	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	-	1	1	2	-	1	1	2
Managers	1	16	5	22	-	18	8	26
White Collars	16	79	25	120	18	73	20	111
Blue Collars	32	51	26	109	40	69	34	143
Total	49	147	57	253	58	161	63	282

Region: North America

Executives	1	-	-	1	-	1	-	1
Managers	-	4	2	6	-	4	2	6
White Collars	35	77	19	131	45	105	16	166
Blue Collars	128	147	39	314	150	230	28	408
Total	164	228	60	452	195	340	46	581

Region: Central and South America

Executives	-	-	1	1	-	-	1	1
Managers	-	6	-	6	-	6	-	6
White Collars	2	18	1	21	3	18	1	22
Blue Collars	18	13	-	31	25	15	-	40
Total	20	37	2	59	28	39	2	69
Executives	1	1	2	4	-	2	2	4
Managers	1	26	7	34	-	28	10	38
White Collars	53	174	45	272	66	196	37	299
Blue Collars	178	211	65	454	215	314	62	591
Total	233	412	119	764	281	540	111	932

PERCENTAGE OF EMPLOYEES BY EMPLOYMENT CATEGORY AND AGE GROUP								
Percentuale	as of December 31st 2021				as of December 31st 2022			
	<30 years	30-50 years	>50 years	Total	<30 years	30-50 years	>50 years	Total
Executives	0.1%	0.1%	0.3%	0.5%	0.0%	0.2%	0.2%	0.4%
Managers	0.1%	3.4%	0.9%	4.5%	0.0%	3.0%	1.1%	4.1%
White Collars	6.9%	22.8%	5.9%	35.6%	7.1%	21.0%	4.0%	32.1%
Blue Collars	23.3%	27.6%	8.5%	59.4%	23.1%	33.7%	6.7%	63.4%
Total	30%	53.9%	15.6%	100.0%	30.2%	57.9%	11.9%	100%

With a view to growth, the Group increased its available resources during 2022. During 2022, a total of 968 new resources were hired across the Tapì Group. **The age group with the highest percentage of new hires in 2022 is the one between 30-50, which covers the 51% of the new hired.** It is important to note that the Group has managed boosting the number of new hires from 2021 to 2022, from a total of 562 in 2021 to 968 in 2022.

NUMBER AND RATE OF NEW EMPLOYEES HIRE, BY AGE GROUP, GENDER AND REGION

Number of employees	2021 (1st January to 31st December)					2022 (1st January to 31st December)				
Region: Europe	<30 years	30-50 years	>50 years	Total	Rate	<30 years	30-50 years	>50 years	Total	Rate
Men	19	15	4	38	27.9%	16	12	11	39	27.1%
Women	10	18	5	33	28.2%	13	19	3	35	25.4%
Total	29	33	9	71	28.1%	29	31	14	74	26.2%
Rate	59.2%	22.4%	15.8%	28.1%	-	50.0%	19.3%	22.2%	26.2%	-
Region: North America										
Men	124	78	5	207	99%	227	247	22	496	161%
Women	138	115	8	261	108%	149	209	24	382	140%
Total	262	193	13	468	104%	376	456	46	878	151%
Rate	160%	85%	22%	104%	-	193%	134%	100%	151%	-
Region: Central e South America										
Men	13	6	0	19	38%	9	4	0	13	21%
Women	1	3	0	4	44%	2	1	0	3	38%
Total	14	9	-	23	39%	11	5	-	16	23%
Rate	0.7%	24%	0%	39%	-	39%	13%	0%	23%	-
TOTAL										
Men	156	99	9	264	67%	252	263	33	548	107%
Women	149	136	13	298	81%	164	229	27	420	100%
Total	305	235	22	562	74%	416	492	60	968	104%
Rate	131%	57%	18%	74%	-	148%	91%	54%	104%	-

Taking into account the exits from the Group in 2022, 800 people left Tapi during the year. The total turnover rate stands at around 85.8%, higher than turnover rate in 2021. The age group most affected by this phenomenon is the one between 30-50, with a percentage of 51% of the total group.

NUMBER AND RATE OF TURNOVER, BY AGE GROUP, GENDER AND REGION										
Number of employees	2021 (1st January to 31st December)					2022 (1st January to 31st December)				
Region: Europe	<30 years	30-50 years	>50 years	Total	%	<30 years	30-50 years	>50 years	Total	%
Men	13	7	5	25	18.4%	11	16	4	31	21.5%
Women	7	7	6	20	17.1%	5	6	3	14	10.1%
Total	20	14	11	45	17.8%	16	22	7	45	16%
Rate	40.8%	12.0%	19.3%	17.8%	-	27.6%	13.7%	11.1%	16%	-
Region: North America										
Men	94	58	13	165	79%	174	197	25	396	128%
Women	87	90	10	187	77%	136	187	30	353	130%
Total	181	148	23	352	78%	310	384	55	749	129%
Rate	110%	65%	38%	78%	-	159%	113%	120%	129%	-
Region: Central e South America										
Men	1	2	0	3	6%	3	0	0	3	5%
Women	0	0	0	-	0%	2	1	0	3	38%
Total	1	2	-	3	5%	5	1	-	6	9%
Rate	0.05%	5%	0%	5%	-	18%	3%	0%	9%	-
TOTAL										
Men	108	67	18	193	48.7%	188	213	29	430	83.7%
Women	94	97	16	207	56.3%	143	194	33	370	88.5%
Total	202	164	34	400	52.4%	331	407	62	800	85.8%
Rate	86.7%	39.8%	28.6%	52.4%	-	117.8%	75.4%	55.9%	85.8%	-

GRI 2-7 TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT (PERMANENT AND TEMPORARY), BY GENDER AND REGION

Type of employment contract	as of December 31st 2021			as of December 31st 2022		
	Men	Women	Total	Men	Women	Total
Region: Europe						
Permanent	127	103	230	115	103	218
Temporary	9	14	23	29	35	64
Total	136	117	253	144	138	282
Region: North America						
Permanent	210	242	452	309	272	581
Temporary	-	-	-	-	-	-
Total	210	242	452	309	272	581
Region: Central and South America						
Permanent	50	9	59	61	8	69
Temporary	-	-	-	-	-	-
Total	50	9	59	61	8	69
TOTAL						
Permanent	387	354	741	485	383	868
Temporary	9	14	23	29	35	64
Total	396	368	764	514	418	932

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 2022, 1.3% used a type of part-time working time.

GRI 2-7 TOTAL NUMBER TOTAL NUMBER OF PART-TIME AND FULL-TIME EMPLOYEES BY GENDER						
Full-time / Part-time	2021			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Full-time	395	357	752	513	407	920
Part-time ¹⁶	1	11	12	1	11	12
Non-guaranteed hours employees	-	-	-	-	-	-
Total	396	368	764	514	418	932

For the sake of completeness, among its workforce, Tapi in 2022 had also 40 external workers (which supports mainly security services activities or internships). In the table below their main characteristics:

DISCLOSURE 2-8: WORKERS WHO ARE NOT EMPLOYEES						
Number of external workers by professional category and gender						
Types of worker	2021			2022		
	Men	Women	TOTAL	Men	Women	TOTAL
Contractors	19	5	24	16	2	18
Interns	-	7	7	1	1	2
Other temporary collaboration	18	2	20	11	9	20
Total	37	14	51	28	12	40

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 2022, 77% of all Tapi employees are covered by collective bargaining agreements.

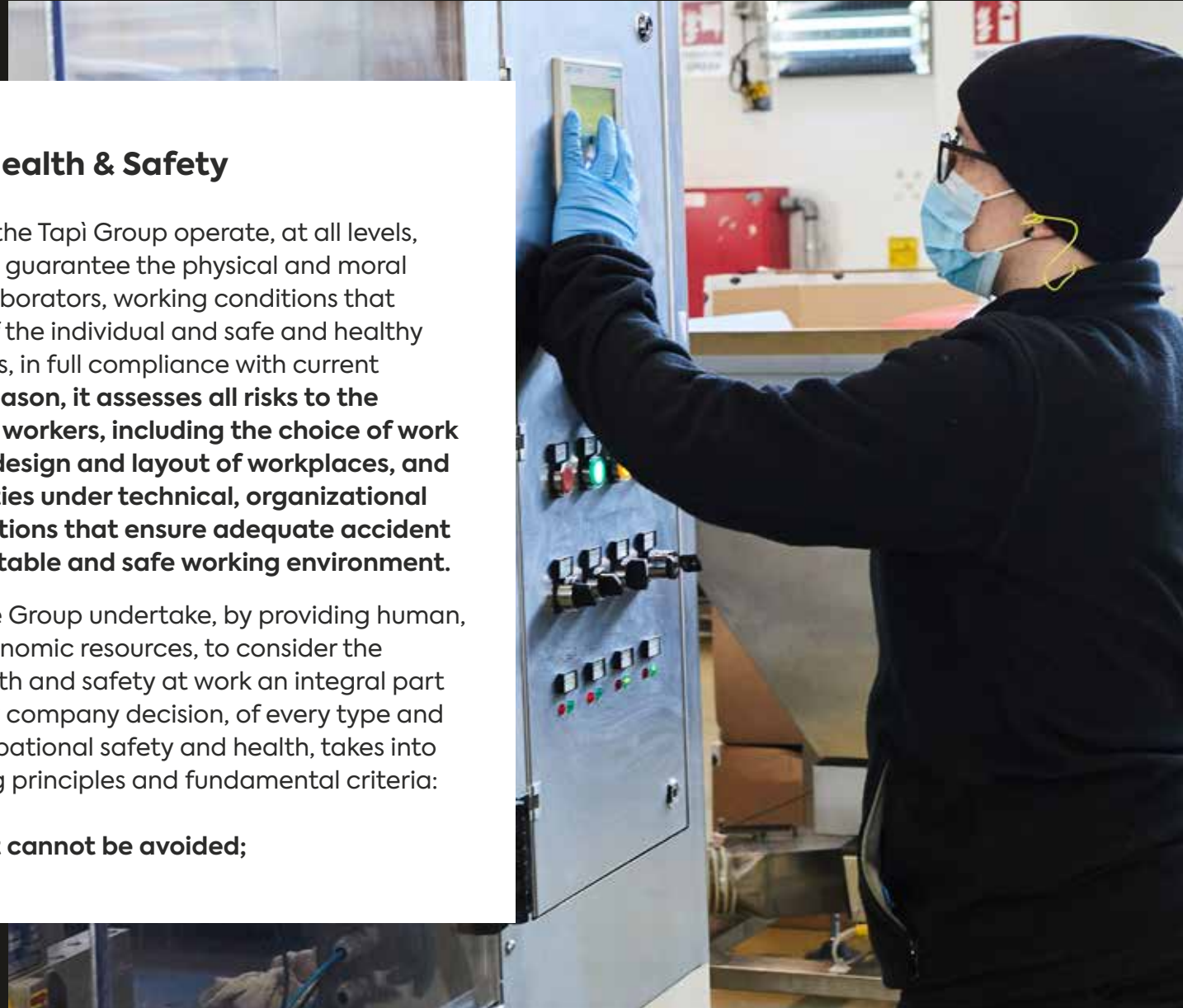
¹⁶ All the part-time employees (12 both for 2021 and 2022) are concentrated in Europe.

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. Concerning the covid emergency, in 2022, the gradual return to normalcy led the various plants of the Tapi Group to lighten the containment measures previously adopted, following the governmental regulations issued by the local authorities of each country.

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 consequent¹⁷ risks, the parent company Tapì 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 47 recordable work-related injuries at the level of employees belonging to the Group, 1 (occurred in France) with high-consequences¹⁷ for the employee involved. 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

¹⁷ 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.

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 2022.

Comparing the data for 2022 with the previous year 2021 in the table below, it is possible to note an increase in the overall absolute number of accidents but, due to the increase in the number of hours worked in 2022 and to the increase in the number of employees, the rate of recordable work-related injuries at a Group level has decreased by 33%. The decrease is mainly associated to HS activities held in America Region, in particular a specific training and awareness activities on hands safety held in Mexico.

WORK-RELATED INJURIES (EMPLOYEES) [GRI 403-9]		
Number of incidents	2021 (January 1st to December 31st)	2022 (January 1st to December 31st)
Total number of recordable work-related injuries	44	47
<i>of which: Total number of high-consequence work-related injuries (excluding fatalities)</i>	0	1
<i>of which: Total number of fatalities as a result of work-related injury</i>	0	0
Number of hours worked	1,285,361	2,222,931
Rate of recordable work-related injuries	6.35	4.25
Rate of high-consequence work-related injuries (excluding fatalities)	0.00	0.09
Rate of fatalities as a result of work-related injury	0.00	0.00

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 2022, the Group provided a total of 12,801 hours of training to its employees, of which approximately 44% was mandatory 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 56% of the training hours provided to employees comprise all non-compulsory training



courses, including courses on waste, quality, lean manufacturing and ethics.

The latter category also includes training on Tapi 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 Tapi; the Code of Ethics; company cases of application of the regulations; the controls and protocols introduced following the adoption of the Model itself.

Concerning the specific trainings carried out by the different plants, in 2022 the Argentinian site proposed to its employees a specific activity aimed at gathering inputs about how to reduce emissions; this initiative was well welcomed by the personnel, witnessed by a large participation.

In the Mexican plant in 2022 the training hours, especially the mandatory ones, grew in a very significant way. This is due to several reasons:

- **the relocation of the plant to Lerma which, according to the government agency, obliges the organization to implement mandatory trainings;**
- **the request, by the government agency, to provide the personnel with mandatory training programs;**

- **the need to provide the new hired with mandatory trainings on topics such as good Manufacturing Practices and food safety;**
- **HSE area specific training, a particular focus was held on care of hands, respect and good treatment, manual handling of loads. This growing attention in Health and Safety reflected in a decrease of the rate of recordable work-related injuries, which dropped by 35%.**

In 2022 also French company realized some specific ESG trainings dedicated both to employees and main partners. Concerning the Internal training, these initiatives included:

- **Visits of local waste organizations including in particular Calitom, the public waste service of the Charente that provides services for the prevention, collection and treatment of household waste;**
- **R&D, purchasing and quality, trainings regarding materials such as wood;**

- **a specific course to raise awareness on how to manage situations with high emotional stakes;**
- **an initiative dedicated to harassments on the workplace.**

In 2022 in the Italian plants the mandatory training hours grew by more than 3 times compared to 2021 and non-mandatory training hours increased by more than 4 times compared to 2021, due to a significant increase in the Cybersecurity and Language courses (over 430 hours).

GRI 404-1 - AVERAGE TRAINING HOURS PER GENDER		
Average Hours	2021¹⁸ (January 1st to December 31st)	2022 (January 1st to December 31st)
Executives	19.88	35.00
Managers	30.97	33.92
White collars	9.24	13.45
Blue collars	4.14	12.44
Total	7.23	13.74

GRI 404-1 - AVERAGE TRAINING HOURS PER GENDER		
Average Hours	2021¹⁸ (January 1st to December 31st)	2022 (January 1st to December 31st)
Male	9.50	15.68
Female	4.79	11.35
Average hours	7.23	13.74

¹⁸ The data related to the total number of employees in 2021 have been restated as a result of improved calculation activities.



7. Quality and Sustainability

Pursuing customer satisfaction and trust is a key activity here at Tapi. Our global quality strategy guides the Group towards achieving our objectives, improving our procedures and performance and ensuring full compliance with applicable laws and regulations.

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 of 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

In 2021, the Group launched its first innovation challenge. A project with an international vocation that aims to stimulate the creativity of all NPD and R&D team members to develop sustainable and innovative products.

Every year a brief is established to work on and all participants can propose one or more solutions working alone or in a team.

The 10 judges, selected from among the group's key managers, vote all the projects presented with a score from 1 to 10 for each of the following parameters:

- **product brief compliance**
- **creativity**
- **novelty**
- **market share**
- **production ease**
- **supply chain robustness**
- **sustainability of product & process**



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). 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.

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.

NEOS technology

NEOS by Tapi is an innovative technology that reduces a product's carbon footprint by adopting polymers from a renewable source.

At the root lies continuous research into new materials in which the oil source makes way for raw materials with comparable performance and food suitability and originate from eco-sustainable sources, like vegetables, biomass sources, and fermentation products.

NEOS is available in three different aesthetics: Neos, Neos+Alias and Neos+Replica.

The advantages of NEOS technology

- It reduces a product's carbon footprint.
- It promotes the use of raw materials from renewable sources on all levels.
- Product performance remains unaltered.

NEOS is the point of arrival for technology introduced by Tapi over 5-years ago, and confirms our vocation as groundbreakers in eco-sustainable solutions applied to the world of closures in the spirits industry. With NEOS technology, the use of bio-based polymers, derived from raw vegetable resources, is strongly encouraged as a sustainable alternative to fossil-based polymers, resulting in both lower



environmental impact and comparable mechanical performance to traditional polymers.

For years, sustainability has been the core of Tapi's values and strategy: **with NEOS technology, we are committed daily, to create environmentally friendly closure systems, reduce waste and increase efficiency.**

Gin Condesa chooses NEOS+ALIAS

The collaboration with Gin Condesa has been useful in implementing two of Tapi's most innovative sustainable technologies: **NEOS and ALIAS**. A great change to sustainable and natural polymer materials to reduce the environmental impact of the closure without altering its performance, aesthetic and price.

Gin Condesa: natural ingredients, natural soul.

Gin Condesa is a micro-batch gin, hand-formulated and distilled in México City. Inspired by their use in spiritual rituals and ceremonies, Condesa Gin's botanicals include palo santo, white sage, xoconostle and azahar. Each ingredient is hand-selected by the Maestra destiladora and celebrates México's rich biodiversity.



T-Cask

T-Cask is made through an innovative production process, where end-of-life ageing barrels are reused. The result is an exclusive, sustainable closure that incorporates deep, engaging storytelling, relating the origins of the products.

Tiffon chooses T-Cask

Tiffon is a traditional brand, focussed on producing genuine, superbly authentic cognac. Its flavours evoke yesteryear, steadfastly connecting with aromas from the past.

The VS, VSOP and Supreme Tiffon cognac ranges bring rich aromas with consistently well-rounded notes on the palate – qualities preserved by our unique T-Cask closure. **Reusing end-of-life ageing barrels showcases this brand's green design values.**



Varnishless

With the goal of limit the use of varnishes, Varnishless technology is an alternative process that uses heat treatment to develop a natural color in wood, without the need for varnish.



Abor

Abor is made of distillation waste products in order to reuse materials that would otherwise be disposed off. This way we can also reduce polymers consumptions.

Abor can be produced with scraps coming from grapes, agave, malt, sugar cane and corn distillation process.

Bio Grappa Barrique chooses Abor

The refinement in French oak barriques enhances the elegance of this precious grappa, obtained from organic grapes from Trentino. A spirit with a smooth, velvety, and at the same time captivating character.

The noble land of Trentino and the passion that distinguishes Distilleria Bertagnolli are reflected in their grappas. They highlight the distinctive qualities of the grape varieties used in their production.

Extraordinary and genuine, these grappas are meticulously crafted with precision, leaving nothing to chance.

For the two organic grappas, Distilleria Bertagnolli has chosen sustainable Tapi closures. In particular, **the use of Abor, a cork made from the residues of the grape skins, has been selected. It is employed in the production of the distillate itself when it reaches its natural end.**



Special custom projects

The oldest among the prestigious Cognac houses, Martell, was founded in 1715 by Jean Martell, a young man of only twenty years old from the island of Jersey. He was drawn to the already worldwide fame of the eaux-de-vie from the Charente region.

Today, Martell ranks as the second most important Cognac brand globally. The house controls the entire production process, from distillation to bottling, including blending and aging. They have chosen to develop Cognac using the four main designations of the region, giving a place of honor to Borderies, considered the third cru in the Cognac hierarchy, renowned for its elegance.

This expertise, combined with extended aging in oak barrels, imparts an exceptional refinement to the Cognac, with floral and fragrant notes. **These Cognac treasures are carefully preserved in bottles with elegant designs, transforming them into genuine jewels. Furthermore, to close the loop, Martell has initiated a recycling initiative by producing corks with heads made from 30% wood shavings. A beautiful gesture of sustainability.**



People and the planet are at the core of everything the Cazadores distillery does. In 1922, in Arandas, Mexico, Don Jose Maria Bañuelos looked out of the window at the gentle hills of blue agave. Amidst the red clay and towering agave, he saw a brave deer standing proudly in the center of the field.

Something about the deer's proud and confident beauty struck Don Jose: it was the perfect symbol for his new recipe of a smooth yet bold tequila. His legacy became "Cazadores," or "The Hunters," as it is called.

Cazadores lives by following only 100% Weber Blue agave, also known as tequilana agave. They do not add sugars or colorants. They remain true to reality and are committed to minimizing the carbon footprint for the future of the planet and its people.

For this reason, to seal their tequila bottles, they produce caps made up of 30% wood shavings and 70% recycled polymers from renewable sources.



GRI content Index

STATEMENT OF USE	Tapi Group has reported in accordance with the GRI Standards for the period 01/01/2022 – 31/12/2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
GRI 2: General Disclosures 2021	2-1 Organizational details	10-14, 148	
	2-2 Entities included in the organization's sustainability reporting	6-7	
	2-3 Reporting period, frequency and contact point	6-7	
	2-4 Restatements of information	6-7	
	2-5 External assurance	6-7, 141-144	
	2-6 Activities, value chain and other business relationships	6-7, 16-28	
	2-7 Employees	110-111	
	2-8 Workers who are not employees	112	
	2-9 Governance structure and composition	55-56	
	2-10 Nomination and selection of the highest governance body	55-56	
	2-11 Chair of the highest governance body	56	
	2-12 Role of the highest governance body in overseeing the management of impacts	57	
	2-13 Delegation of responsibility for managing impacts	48	
	2-14 Role of the highest governance body in sustainability reporting	6-7	
	2-15 Conflicts of interest	-	Not applicable to Tapi Group since it is an unlisted company and it is not required by law to report the following information

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	38-39	
	2-17 Collective knowledge of the highest governance body	57	
	2-18 Evaluation of the performance of the highest governance body	57	
	2-19 Remuneration policies	57	
	2-20 Process to determine remuneration	57	
	2-21 Annual total compensation ratio	-	Confidentiality constraints. Tapi does not disclose this information for Business related constraints
	2-22 Statement on sustainable development strategy	4-5	
	2-23 Policy commitments	48-54; 59; 69	
	2-24 Embedding policy commitments	48-51	
	2-25 Processes to remediate negative impacts	40-42	
	2-26 Mechanisms for seeking advice and raising concerns	38; 66-67	
	2-27 Compliance with laws and regulations	In 2022, there were no significant cases of non-compliance with laws or regulations	
	2-28 Membership associations	53-54	
	2-29 Approach to stakeholder engagement	37-39	
	2-30 Collective bargaining agreements	112	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
MATERIAL TOPICS			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	40-41	
	3-2 List of material topics	41	
ECONOMIC PERFORMANCE			
GRI 3: Material Topics 2021	3-3 Management of material topics	72	
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	73-74	
RESPONSIBLE SOURCING			
GRI 3: Material Topics 2021	3-3 Management of material topics	76-81	
GRI 204: Procurement practices	204-1 Proportion of spending on local suppliers	82	
BUSINESS ETHICS. GOVERNANCE & ANTI-CORRUPTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	58-60; 64; 66-68	
GRI 205 Anti-corruption	205-3 Confirmed incidents of corruption and actions taken	68	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
MATERIALS USED AND CIRCULAR ECONOMY			
GRI 3: Material Topics 2021	3-3 Management of material topics	85; 87	
GRI 301: Materials	301-1 Materials used by weight or volume	86	
ENERGY CONSUMPTION			
GRI 3: Material Topics 2021	3-3 Management of material topics	88	
GRI 302: Energy	302-1 Energy consumption within the organization	89	
	302-3 Energy Intensity	89	
WATER MANAGEMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	93-94; 96	
GRI 303: Water and effluents	303-1 Interactions with water as a shared resource	93-94	
	303-2 Management of water discharge-related impacts	93-94	
	303-3 Water withdrawal	95	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
CLIMATE CHANGE AND EMISSIONS			
GRI 3: Material Topics 2021	3-3 Management of material topics	90; 92	
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	91	
	305-2 Energy indirect (Scope 2) GHG emissions	91	
	305-4 GHG emissions intensity	91	
WASTE MANAGEMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	97-98	
GRI 306: Waste	306-1 Waste generation and significant waste-related impacts	97-98	
	306-2 Management of significant waste-related impacts	97-98	
	306-3 Waste generated	99-100	
PROMOTION OF EMPLOYMENT, DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 3: Material Topics 2021	3-3 Management of material topics	101-103	
GRI 401: Employment	401-1 New employee hires and employee turnover	108-109	
	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	
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	56; 104-107	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
OCCUPATIONAL HEALTH AND SAFETY			
GRI 3: Material Topics 2021	3-3 Management of material topics	113-115	
GRI 403: Occupational Health and Safety	403-1 Occupational health and safety management system	113-115	
	403-2 Hazard identification, risk assessment, and incident investigation	113-115	
	403-3 Occupational health services	114	
	403-4 Worker participation, consultation, and communication on occupational health and safety	114	
	403-5 Worker training on occupational health and safety	114; 117; 119	
	403-6 Promotion of worker health	113-115	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by	113-115	
	403-9 Work-related injuries	116	
HUMAN CAPITAL DEVELOPMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	117-119	
GRI 404: Training and education	404-1 Average hours of training per year per employee	120	

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
			REQUIREMENTS, REASON, EXPLANATION
HUMAN RIGHTS			
GRI 3: Material Topics 2021	3-3 Management of material topics	102-103	
GRI 406: Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination were reported in 2022	
PRODUCT QUALITY AND RESPONSIBILITY			
GRI 3: Material Topics 2021	3-3 Management of material topics	126	
GRI 416: Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	126	
SUSTAINABLE PRODUCT DESIGN, RESEARCH AND DEVELOPMENT			
GRI 3: Material Topics 2021	3-3 Management of material topics	122-124	

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, 2022.

Responsibility of the Directors for the Sustainability Report

The Directors of Tapi 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.

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:

- 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;
- comparison between the economic and financial data and information included in the paragraph titled "The Group economic impact and its supply chain" of the Sustainability Report with those included in the Group's financial statements;
- 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 interviews and discussions with the management of Tapi S.p.A. and with the personnel of Tapi 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:
 - 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;
 - 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. and Tapi America S.A. de C.V. which we selected based on their activities and their contribution to the performance indicators at consolidated level, we carried out site visit and 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, 2022, is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.



Monica Palumbo
Partner

Milan, Italy
July 11, 2023







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