

guzzini 





Sustainability Report 2020



Contents

1. An all-Italian story
2. Letter to stakeholders
3. Sustainable innovation
4. Sustainable design
5. Customer focus
6. People
7. Methodology appendix

An all-Italian story

A strong bond with our home Marche region, the continual search for new, innovative design and the creation of a sustainable production model have been the foundations of Fratelli Guzzini's operations for more than a hundred years. It is with immense pride that we present to you our second Sustainability Report, a tool that has proved fundamental for the authentic, honest communication of our commitment in this area.

Authenticity, passion for excellence, social responsibility and courage are the values that guide everything we do, now as in the past, and will continue to do so in the future. Our company believes strongly in the creation of value shared with all stakeholders, starting from the people within our organisation. In fact, the core values of our business would not have flourished if we had not created a healthy, pleasant daily working environment.

Aware that our products are used inside your homes every day, becoming part of your everyday activities, we place quality, safety, innovation and sustainability at the centre of our policies and our operations. Therefore, this commitment on the part of our whole organisation is expressed in

the creation of a useful, attractive, ecosustainable product, that enables us not only to maintain a close bond with the environment and build a positive legacy for the future, but also to conserve the Italian design that has always distinguished us worldwide. To prove this concrete commitment, we have now been engaged for years on the Circle programme, embracing all products that originate from the recycling of post-consumer plastic packages that would otherwise pollute the land and sea. With Circle, we clean up and regenerate nature, conserving new resources and relieving the stress on the environment. We are thus able to give materials new life, to create durable objects ready for a new use in contact with foods and drinks. This is possible thanks to complete control and in-depth knowledge of the post-consumer recycled material supply chains, the company's expertise in technologies for the transformation of primary and secondary materials, and the network of contacts created due to Fratelli Guzzini's leading role within the industry's circular supply chains. Our values and commitment would be in vain if we did not have a constant, constructive dialogue with our customers and suppliers. We prioritise their care, satisfaction and trust, working to guarantee and conserve them every day.

We view environmental protection and sustainability as a set of challenges and opportunities able to generate benefits for our business and for the community.

For us, constructing a sustainable business is not just a matter of reputation but also one of economic success, a choice based on sound values that guide our strategies and our daily decision-making.

It is an aim we have been pursuing for over a hundred years, which drives us to do well today and to keep doing better to preserve our tomorrow.

Domenico Guzzini, Chairman.



Letter to stakeholders

It is with great pleasure and pride that I introduce the second Fratelli Guzzini sustainability report, which presents the results achieved and the efforts made in 2020 in economic, social and environmental terms. In a year of great challenges and changes at the global level, sustainability was the aspect which gave distinction to our innovative solutions, and the essential factor through which we ensured competitiveness, positioning ourselves as industry leader in product ecosustainability.

Like all Italian manufacturers, in 2020 we had to face up to a previously unknown enemy, which we first combated and then learnt to live with. The Company immediately adopted impressive safety measures with the aim of restricting the spread of the virus in the workplace and ensuring social distancing. Our work to prevent the spread of COVID-19 was not only addressed to our employees: we also helped to design and produce mask and mask holders right from the early days of the pandemic, when it was almost impossible to source them on the market. In spite of the pandemic, we still succeeded in maintaining and even improving the previous year's results, exceeding the best expectations and achieving ambitious secondary raw material production

targets. The integration of sustainability into our business has provided us with a driver for further increasing the value of our products, which have always been famed for their extremely high quality and outstanding design. At the same time, we pursued responsible production in line with our corporate philosophy based on the values of justice, honesty, people-centredness, and fairness in employment and business.

We continue to view sustainability as the key to understanding, interpreting and responding to social and environmental changes and to people's lifestyles. It is a continual challenge that guides our constant research and innovation and our decisions when creating new product lines. All our products have always been famed on the market as multi-functional, recyclable and amazingly durable, all characteristics guaranteed by genuine, always ground-breaking Italian design, choice quality materials, and state-of-the-art technologies, which also enable us to eliminate all waste from our raw material processing.

The writing of the Sustainability Report, involving all functions within the company, has given us an opportunity to strengthen our in-house culture and consolidate our appro-

ach to running our business. Caring for and satisfying our customers and suppliers, the fulfilment of our staff and our strong bond to our local Marche region are amongst the topics covered in the document. I hope it will help our consumers and stakeholders to fully understand the context in which Fratelli Guzzini operates, and its sustainability policy and strategy and the results achieved, to reinforce their trust in our company and our products, the authentic expression of Italian design worldwide.

Enjoy,

Sergio Grasso, CEO.



Sustainable innovation

Authentic expression of Italian design
From this land, worldwide
Sustainable value
Business model
Long-term innovation
The design idea
The Designers



Authentic expression of Italian design

Fratelli Guzzini is an Italian company which has been working for over a century to offer multi-functional, durable, eco-sustainable, always leading-edge design objects to improve the quality of everyday life. Thanks to its partnership with top designers and architects from all over the world, Fratelli Guzzini is a respected, well known ambassador for distinctive Made in Italy manufactured goods, internationally admired for their creativity, inventiveness, style, quality and sustainability.

Thanks to about 2,500 distribution partners, the company covers the global market with its three main lines of products and appliances:

- **Kitchen:** intelligent solutions to organise spaces and improve preparation, serving and cleaning, all practical, user-friendly and efficiency.
- **Table:** stylish, attractive, functional objects and accessories for everyday use, to bring beauty to the everyday.
- **Home:** indoor accessories and small furnishings designed for time and space.

In 2020, our Recanati plant processed about 2,566 tonnes of raw material to create more than 13 million products. Total turnover, of 37.3 M€, was about 30% higher than in 2019. This impressive result, driven by the Re-Generation marketing campaign run by a top retail chain, is thanks to the combination of the high quality standards for which Fratelli Guzzini products have always been famed together with the growing interest in the manufacture of ecosustainable products.



Products sold



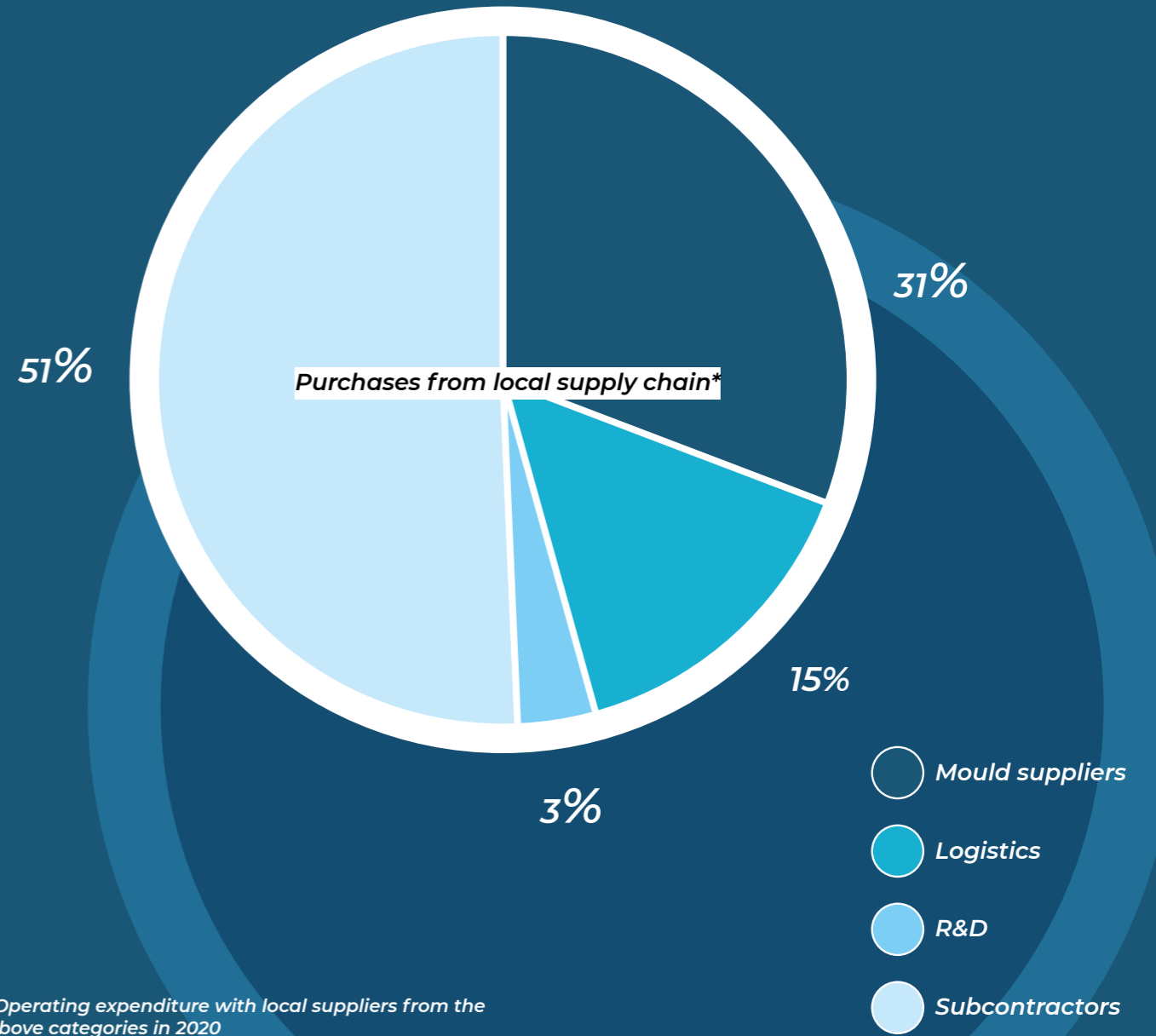
Turnover
32% export



From this land, worldwide

Ever since its origins, Fratelli Guzzini has conducted its manufacturing operations from its plant at Recanati, in the Marche region of Italy, in a historic landscape home to communities of innovators who share an innate passion for the future. In fact, the local People have been the driving force behind the company's growth, contributing their know-how and research to increase the competitiveness of Italian-manufactured products worldwide. These competitive advantages have enabled the company to dream big, without using aggressive growth strategies and without moving away from what Fratelli Guzzini knows and does best.

Ownership of the factory, the transformation technology and the moulding machines are the main factors which guarantee Fratelli Guzzini full, direct control of the entire production process, from the selection and management of the raw materials used to the quality of the finished products right through to logistics, enabling highly efficient Customer service. Today, Fratelli Guzzini employs 125 people and has a strong bond to the local community, which has always been reflected in industrial synergies and partnerships with local service companies and subcontractors with specialist skills rooted in the local area, such as industrial mould production, in which the Marche region has long been outstanding. In 2020, the increase in volume sales intensified these bonds, reflected in a 95% expansion in purchases from local subcontractors, which grew from 2.8 to about 5.5 million Euro.



*Operating expenditure with local suppliers from the above categories in 2020

Sustainable value

Fratelli Guzzini's approach to business management aims to grow its capital by making the right investments, to make its business sustainable and durable over time, and to create shared value for the community with products that respond to the environmental challenges of our century.

The fundamentals of this strategy are the intellectual capital generated by continual innovation and the registration of ornamental and utility models to protect the brand and Italian style and ingenuity. The responsible use of natural capital and the promotion of human and relational capital are equally important, and the company cultivates them through stakeholder engagement, including in-house communication, assessment processes and meetings to share results with staff, consumer market surveys, external communications, meetings with distribution partners and participation at industry shows, technical forums with local and regional institutions, and partnerships with universities. 2020 saw the intensification of engagement via digital channels, especially the social media, which are playing a more and more central role in the communication of the Company's results and strategies to its stakeholders.

STAKEHOLDER MAP



Company Code of Ethics and Values

Human and social values are the foundations of all Fratelli Guzzini's operations. To share and spread these principles, in 2017 the company decided to issue a Code of Ethics, disseminated to all employees and external associates, compliance with which is overseen via appropriate prevention and monitoring tools.

The Company's Core Principles enshrined in its Code of Ethics are legality, respect for human rights, liberty and freedom, equality, non discrimination, transparency in communication and business relationships, fair competition, and integrity and honesty in relationships with the public sector, associations and trade unions, to ensure the lawfulness of operations and the promotion of activities with social, moral, scientific and cultural aims.

Business model (I/II)

SUPPLY CHAIN

Control of the supply chain is a central factor for product quality and sustainability. Materials, components, finished products and services are only purchased from companies registered on the List of Qualified Suppliers, by means of a specific operating procedure which enforces appropriate measures to ensure high quality, conformity and adequacy standards. In order to be included in the system, suppliers are evaluated on the basis of sample products, previous supplies and information obtained using specific questionnaires, which assess technical, design and manufacturing capabilities, qualification of processes and equipment, staff qualification and certifications. Audits are also performed at the locations of the most important suppliers, to verify the adequacy of their Quality Systems and the implementation of any corrective actions agreed previously. These audits include an inspection of the production site and the writing of a report for the Fratelli Guzzini management, which flags up any issues encountered during the audit. In fact, it is company policy to establish lasting, transparent, cooperative relationships with its suppliers, capable of constantly promoting growth in quality and efficiency. The company

aims to implement supplier evaluation criteria in accordance with environmental and social aspects, and to introduce sustainability-related contractual clauses. This new evaluation procedure will also include a procurement risk management method based on the Kraljic matrix for supplier segmentation and the mapping of potential risks that an unforeseen event in the supply chain may impair the proper conduct of the company's business.

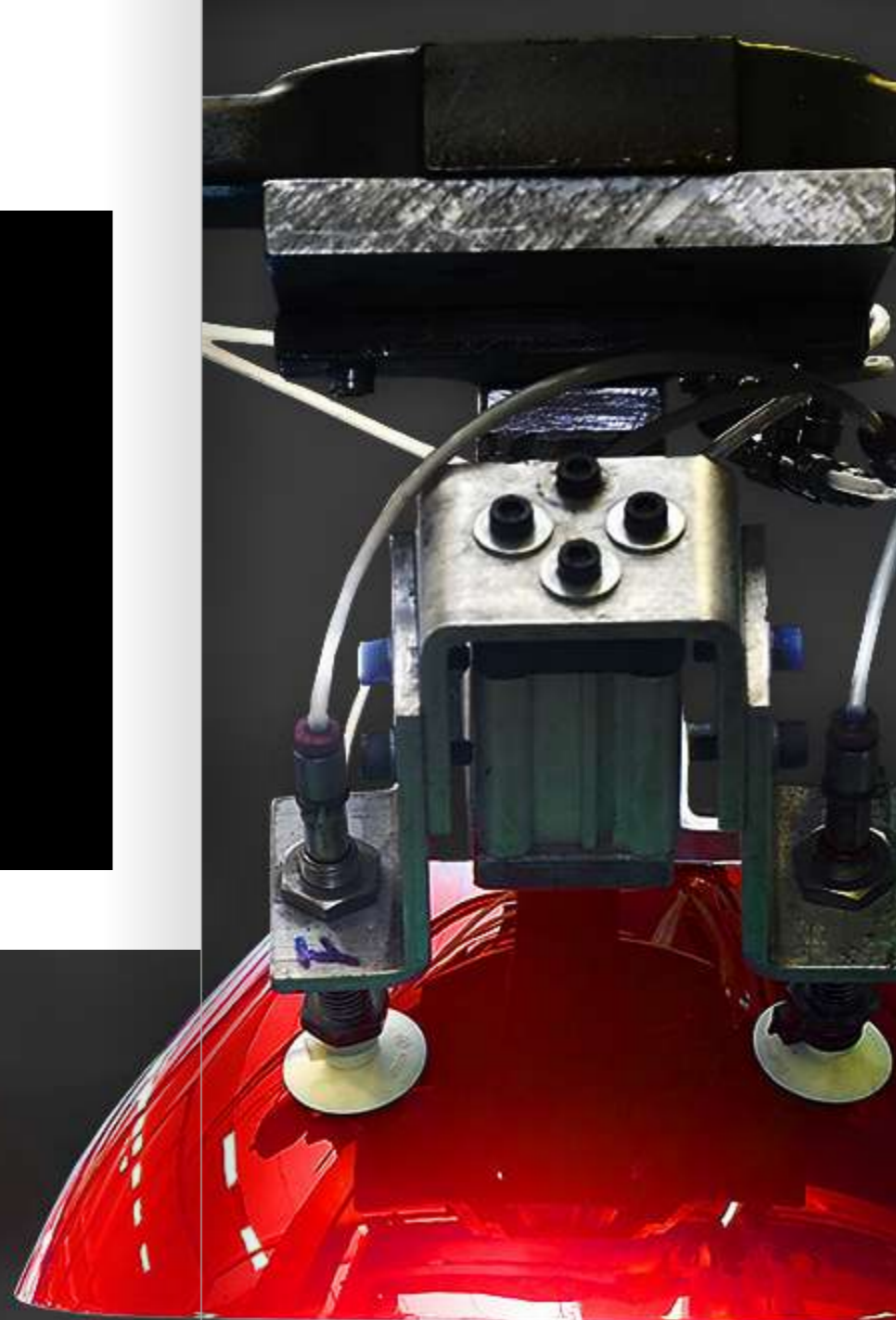
To ensure the highest levels of safety at work, during 2020 a specific protocol addressed to suppliers for the restriction of the spread of Covid-19 was introduced. This protocol, sent to suppliers in advance, informed them regarding the safety measures to be adopted when working or providing services at the Fratelli Guzzini plants.



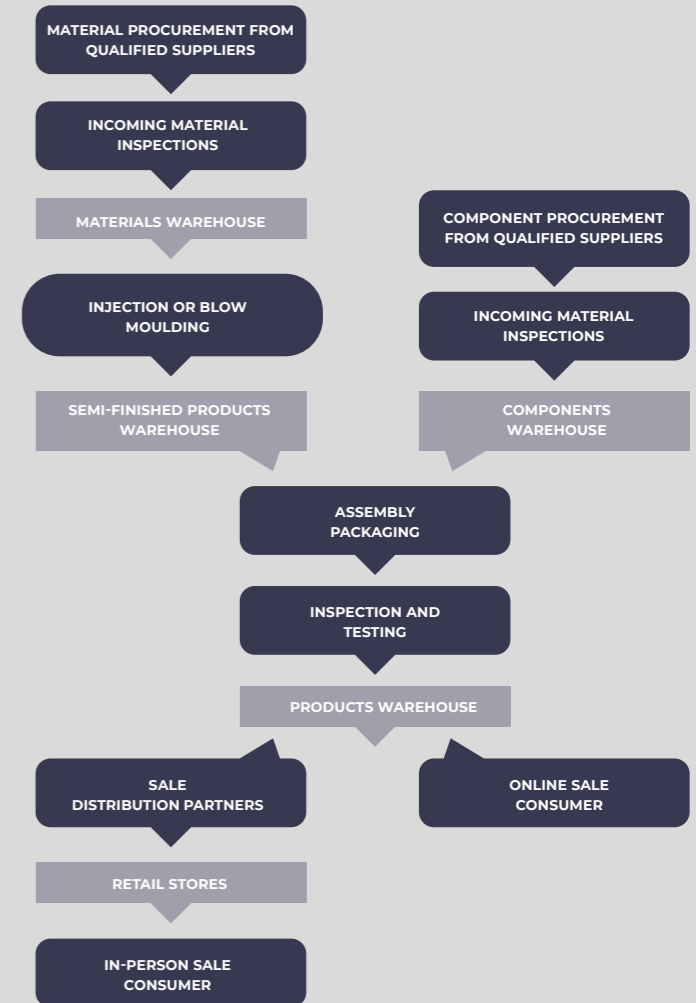
Business model (II/II)

PRODUCTION PROCESS

At its Recanati plant, Fratelli Guzzini uses the best moulding techniques currently available. The main technology used is injection moulding: the acrylic granules are heated and injected into the mould. Inside it, the material is pressed at high pressure, and once it has cooled the moving part of the mould is lifted to allow the finished article to be removed. With the aim of expanding the company's technical capabilities, a new energy-saving blow moulding machine was introduced in 2020.



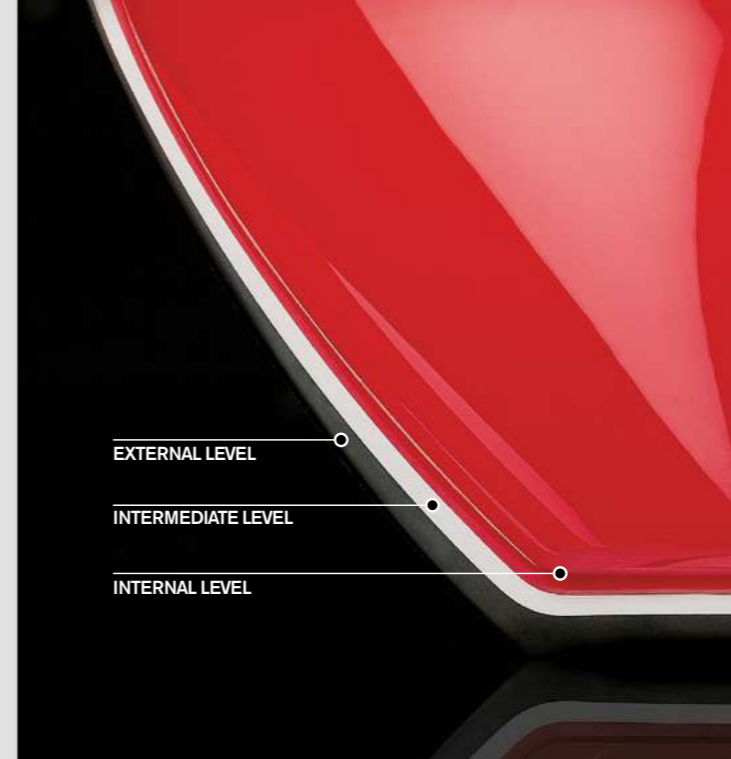
During the last few years the entire production process has been reviewed, also with an Industry 4.0 approach, with the adoption of various automation solutions in its plant, including an articulated robot for laser cutting and a 3D printer for product prototype production. The next goals with regard to automation are the introduction of automatic bagging and labelling machines and another 3 collaborative robots for product handling.



Long-term innovation

The story of Fratelli Guzzini started way back in 1912 at Re-canati, when Enrico Guzzini drew on his varied working experience abroad and began to produce exquisite objects from ox horn; he was truly an “early adopter” in the use of natural biodegradable materials! These visionary ideas were then followed by more innovations, rendered fertile by the know-how of the hundreds of people who have worked for the company, writing a history of quality and innovation. The company was one of the first to introduce Plexiglas into the manufacture of household products in 1938, and the same applied to injection moulding acrylics in the 1960s, the moulding of two-colour acrylic sheets in the 1980s, the gas-assisted injection moulding in the 1990s, 3-colour-tech

injection and, today, research into new eco-sustainable plastics and the production of designer household products in recycled plastic. In order to offer products constantly at the leading-edge, the company has established a “Product Development and Industrialisation” function, which handles design and material definition phases with inputs from associations with Universities and technical development partners. In spite of the difficulties linked to the pandemic period, even in 2020 this innate commitment to innovation was reflected by concrete action on the part of Fratelli Guzzini, which invested a total of 200 thousand euro in research and development, about twice the amount invested the previous year.



3-COLOUR-TECH

The 3-colour-tech technology symbolises technological innovation in Fratelli Guzzini design, and it is still unrivalled at the global level. The complexity of this process enables the achievement of a product it is extremely difficult to reproduce, with a very attractive, highly distinctive three-colour effect. Fratelli Guzzini has been the only company in the world to succeed in innovating this moulding mode with new techniques permitting the co-injection of several colours/materials simultaneously, as in the case of all 3-COLOUR-TECH materials.

Over a hundred years ago we had an idea worth cultivating, followed by another, and then more and more. We've always been the design sector's leading innovators.

<p>1912 The origins. Foundation of the Fratelli Guzzini Company. Manufacturing of horn items.</p>	<p>1950 The coloured methacrylate and the two-tone technology. First company in the world to manufacture acrylic two-coloured items using thermoforming technology.</p>	<p>1960 First company in the world to make injection moulding items of coloured plastic materials for household use.</p>	<p>1980 Innovation in the kitchen with the introduction of a design and colour-coordinated collection.</p>	<p>1986 First object in the world, in design plastic products for the home, with two-color effect by using Bi-injection moulding technology.</p>	<p>1996-1999 First porcelain and steel items in the world with two-coloured acrylic handles.</p>	<p>2014 Grace Collection.</p>	<p>2016 DESIGN PLUS Winner 2016 3-COLOR TECH</p>	<p>CIRCLE With future inside!</p>						
<p>1938 The first technological innovation: the methacrylate. First company in the world to manufacture plexiglas items for everyday use.</p>	<p>1955 First company in the world to introduce design in plastic items for household use.</p>	<p>1970 First complete design tableware systems with coordinated colours and decor.</p>	<p>1990 Design and colour for an innovative interpretation of the world of small household appliances.</p>	<p>2002 First collection in the world made of transparent two-coloured plastic materials by using injection moulding technology.</p>	<p>2016 First object in the world, in design plastic products for the home, with three-color effect 3-COLOR TECH</p>	<p>CIRCLE First company in the world to introduce items for household use made from recycled plastic 100% post consumer.</p>								
1912	1938	1950	1955	1960	1970	1980	1986	1990	1996	1999	2002	2014	2016	T O D A Y

The design idea

Beauty and the ability to accompany individuals and families in all the major or minor changes in their habits, lifestyles and expectations are the distinctive features of what design means to Fratelli Guzzini. This vision does not stop with research into the object's function alone, but extends to embrace creative design, which transforms these items into products that enrich families' daily life. In this era of environmental challenges, the company has achieved another step forward, springing from its desire to design products in harmony with nature. To give genuine strength and power to these ideas, we must create products rooted in a new convergence of different disciplines, where the role of design is of primary importance because it is the company's means for promoting responsible practices and solutions in the processing and use of plastics. This mission involves innovators, visionary technical experts and change-makers, capable of interpreting this change by working to identify

new materials and processes that include the reuse of materials from products' end-of-life, and, above all, society's new needs. Through this philosophy, Fratelli Guzzini has become a world leader in producing new beauty from recycled materials, giving objects a new life and a new identity. It is partly thanks to its history that the company has easily moved into the era of technological innovation, in a process still ongoing today, with constant research into the materials, functions and tools of tomorrow, while still retaining the colours, lines and shapes typical of the Italian excellence and identity which Fratelli Guzzini is proud to convey to the designers it works with, and which is still central to the creation of successful products that are constantly right for the present time, seamlessly evolving in their functions and design.



Design and environment: partnership with Green Pea



The Fratelli Guzzini Circle line has been accepted, together with a small number of brands selected for the environmental impact of their products, for membership of the innovative Green Pea format, the brainchild of Oscar Farinetti. Green Pea is the first Green Retail Park totally focused on sustainability issues, which offers for sale high quality products, designed for responsible use and manufactured in harmony with Nature. To underline the strategic importance of this partnership, Fratelli Guzzini has supplied all the Green Retail Park's employees with the steel thermal water bottle specially customised with the Green Pea logo and colours.

The Designers

Fratelli Guzzini products originate from stories of relationships, partnerships and friendships with designers - close, intense relationships, rarely ending with the design of just one object but generally lasting over time. Artists of form, who live within the company and are familiar with its production and technological processes, and who work with Fratelli Guzzini to develop innovation, striving to evolve new processes, new responses to needs and original formal solutions, to set the trends of tomorrow. For designers, Fratelli Guzzini is a real experimental testing-ground, which places the best technologies for shaping plastics and for the combination of different materials at the service of creativity. For each object, the direction to be taken is decided in partnership, while the designer is given complete freedom, enabling their creativity to express itself to the full. The Designer is thus a real partner of Fratelli Guzzini: his or her name features on the products created, and he/she attends exhibitions and launch events with the company. Some of the top names in the international design world have chosen, and continue to choose, to work with Fratelli Guzzini: from Robin Levien, Ross Lovegrove, Ettore Sottsass, Karim Rashid, Marc Sadler and Sebastian Conran to Carlo Colombo, Ora Īto, Pio & Tito Toso, Sinem Sissi Egunay, Spalvieri & del Ciotto, Yvonne Roe, Brogliato Traverso, Lorenzo Marini, Continuum and Antonio Citterio.




Awards

Anno d'iscrizione all'ADI - 1968

 1991 2004
Compasso d'Oro ADI

 16 Segnalazioni Compasso d'Oro ADI
16 Compasso d'Oro ADI Nominations

 2011 2016
Menzione d'onore Compasso d'Oro ADI

 7 Segnalazioni ADI Design Index
7 ADI Design Index Nominations

 reddot design award
winner 2009  reddot design award
winner 2014

 2003 2009 2014 2017 2018

DESIGN PLUS 2002 2009 2010 2016

 product design award
2004 2006 2009 2016

 GERMAN DESIGN AWARD SPECIAL WINNER 2017  GERMAN DESIGN AWARD SPECIAL WINNER 2018  GERMAN DESIGN AWARD SPECIAL WINNER 2018

 beverage innovation awards 2009 WINNER **Stille di Acqua Lurisia** "Miglior bottiglia in vetro dell'anno"
Progetto: Studio Sottsass - Tappo in materiale plastico Guzzini
Acqua Lurisia Stille "Best glass bottle of the year"
Project: Studio Sottsass - Plastic top made by Guzzini

 Victoria and Albert Museum - Londra

 NY NOW Best New Product Awards

 **MoMA**
Museum of Modern Art - Moma New York

Sustainable design

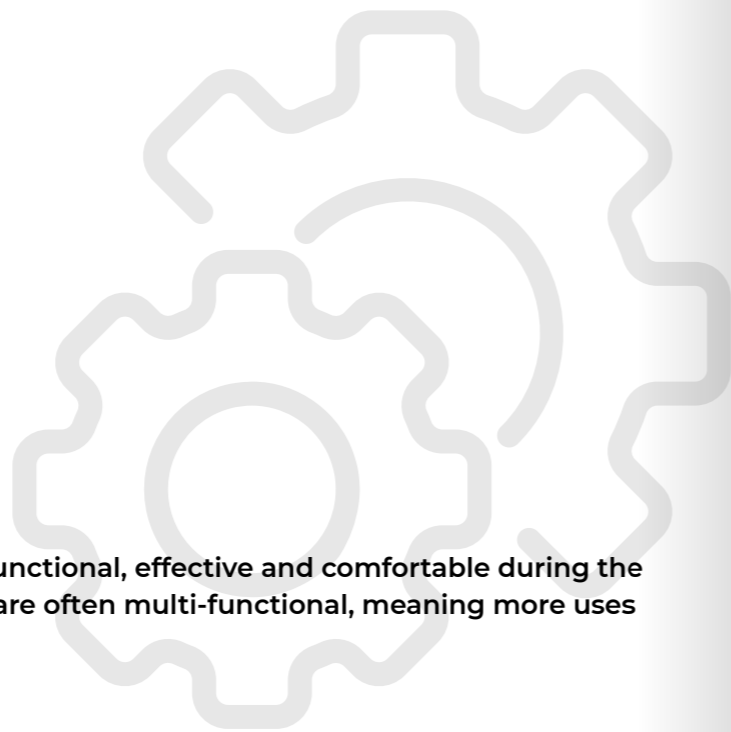
The sustainability factors of Guzzini products
Examples of sustainable design
Make lives happen
Circle Programme
Sustainability in packaging
Sustainable production



The sustainability factors of Guzzini products

Functionality

Products *designed to be used*, meaning to be functional, effective and comfortable during the user experience. Many kitchen range products are often multi-functional, meaning more uses can be made of each single object.



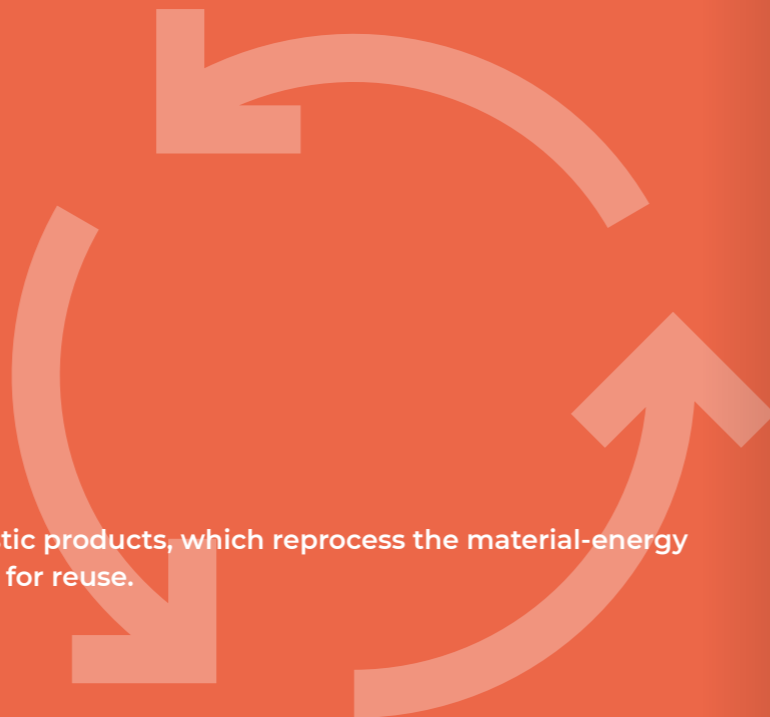
Durability

Products which combine constantly contemporary styling with a quality providing durability comparable with equivalent articles in glass, ceramic or metal, profoundly different in nature from “disposable” plastic objects.



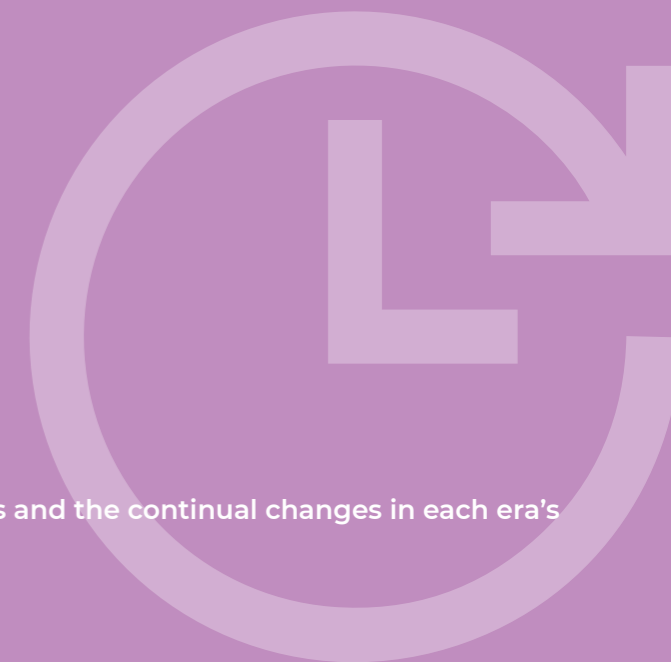
Circularity

Increasingly large portfolio of recycled plastic products, which reprocess the material-energy by recovering it after use and readapting it for reuse.



Design for new lifestyles

Products created to respond to people's needs and the continual changes in each era's demands and lifestyles.



Examples of sustainable design

Eco-Bag

Bag made from 100% post-consumer recycled plastic, recyclable in its turn. Versatile, indestructible and extremely functional, not just perfect for the beach but also ideal for the daily shopping trip.



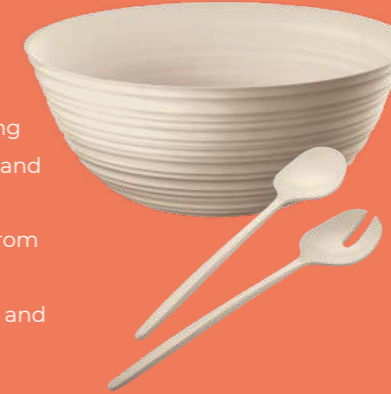
Re-generation

Water bottle made from at least 50% recyclable post-consumer recycled plastic. It avoids the use of disposable recipients, encouraging a more sustainable lifestyle. Durable, 100% recyclable product. Dismantlable and mono-material.



Tierra

Collection designed by Pio and Tito Toso enabling users to consume foods and drinks without using disposables, produced from single-material 100% post-consumer recycled and recyclable materials.



Sustainable design

Pocket case

Face mask holder made from an innovative plastic able to reduce bacteria proliferation. It facilitates the correct, hygienic use of face masks and helps to avoid discarding in the environment. Durable, 100% recyclable product. Dismantlable and mono-material.



Spin&Drain

Innovative multi-purpose product for washing, draining, serving and, if necessary, even defrosting. With a special spin system, it uses the force of gravity to speed up kitchen tasks. Durable, 100% recyclable product. Dismantlable and mono-material.



Twist

Collection designed by Setsu and Shinobu Ito for enjoying foods without using disposables. Made from 50% post-industrial plastic. Durable, 100% recyclable product.



Spin&Store

A truly outstanding salad spinner. The extra-fast rotation dries salad to perfection. Durable, dismantlable, 100% recyclable product.



2021 goals

To launch new kitchen product lines that combine ecosustainable and safety features, with materials that reduce the proliferation of bacteria.

Make lives happen

In the last sixty years, about 8 million tonnes of disposable plastic has been produced globally, reflecting a model based on the unrestricted exploitation of natural resources and irresponsible consumption. Only 9% of this immense amount of plastic has been recycled and 12% incinerated; the rest has been dumped in the environment. Unlike these single-use plastics, which are still polluting our planet, Fratelli Guzzini's output consists entirely of items with similar lifetime to the equivalents made in other materials such as glass, ceramic and metals. The production of these items derives from the company's awareness that these days what we produce are not consumer goods, but life cycles. Fratelli Guzzini is com-

mitted to creating people- and environment-friendly plastic products that guarantee sustainability throughout their period of use. As well as the durability that has always been intrinsic to its products, Fratelli Guzzini has decided to commit fully to the processing of recycled plastics and to raising the awareness of the entire community regarding the responsible use of environmental resources and the correct management of waste, by offering genuine ideas for people and nature: positive daily opportunities.

MADE FOR NATURE: REUSE, DON'T WASTE

Everything Fratelli Guzzini does is intended to be good for Nature. Through every business decision, we are committed, every day, to producing reusable containers, utensils and household tools that have an infinite life cycle and can also be recycled if necessary. What's more, the Company uses its design expertise and unrivalled knowledge of production processes to manufacture products that last over time, sometimes made from recycled materials, and also recyclable in their own right. Nature does not produce waste, and we must take care not to produce it, as well. Waste is energy we direct against Nature.

Acting responsibly means designing products so that they use less material and energy, can perform their intended functions for the longest possible time and are easily recyclable once their life cycle ends, allowing economically feasible recovery of their constituent matter so that it can be reproduced for reuse, in an eternal, virtuous, cyclic process.

Polypropylene, Acrylonitrile Styrene, Methyl Methacrylate Styrene and modified Polyesters: the new frontier of materials derived from chemical recycling

Through the collection, sorting and pyrolysis of plastic waste, it is possible to produce an "oil" that can be used in the refining and synthesis plants of large chemical multinationals, allowing the conversion of recycled plastic into basic monomers, the starting point for the production of new polymers. Currently, the percentage of recycled material verified by the ISCC (International Sustainability & Carbon Certification) system per unit of volume may vary between 50% and 80% by as early as the end of 2022



Research and University partnership

Research is the sound foundation of the innovation that has always been central to all Fratelli Guzzini products. Under a partnership of many years' standing, Fratelli Guzzini cooperates with the Science and Technology School of the University of Camerino by funding research in pioneering fields relating to the possible industrial applications of sustainable

plastics. Responding to society's new needs and demands generated by the pandemic, Fratelli Guzzini decided to focus its 2020 research activity on two main streams relating to safety and hygiene in the use of plastics.

Functional barrier

Research undertaken with the University of Camerino concentrated on the development of a functional barrier suitable for contact with foods, which would also enable the broad use of recycled material for all food contact products. An overmoulding process involves the initial injection of a shell of virgin material (the functional barrier), over which the recycled material is then moulded. The result is a two-colour object with a high percentage of recycled material which meets all food contact requirements. The aim of the research conducted with the University was to identify any harmful volatile compounds which might have migrated from the recycled material to the virgin polypropylene. To identify all volatile and semi-volatile components,

the samples underwent HS-SPME/GC-MS (Solid Spectrum MicroExtraction (SPME)/Gas Chromatography(GC)- Mass Spectrometry (MS)). Gas Chromatography combined with Mass Spectrometry (GC-MS) is an analytical investigation technique that combines the characteristics of gas-liquid chromatography with mass spectrometry to identify the widest possible variety of analytes present in complex matrices. The results showed that no samples of virgin material had been adulterated with harmful compounds, proving that the products were fully suitable for food contact.



Natural antibacterial additives

The use of inorganic additives consisting of extremely small, low-solubility silver ion particles to reduce microbe loads on the surface of polymer products was tested. In fact, when bacteria come into contact with a surface protected by the additive, the silver ions are able to prevent them from growing and reproducing. The additive also has good resistance to high temperatures (up to 600°C), which makes it an excellent choice for products processed using heat. Laboratory tests performed in accordance with the ISO 22196 standard on products containing the additive showed a reduction in bacteria activity of more than 99% just two hours after treatment.

The treatment also complies with the key standards on biocides, including the Biocidal Products Regulation and the regulations of the Environmental Protection Agency (EPA) and the Food and Drug Administration (FDA). Tests have also shown that the use of these additives does not alter either the physical properties or the appearance of the plastic. So far, use of the additives has only been tested on products not intended for food contact.



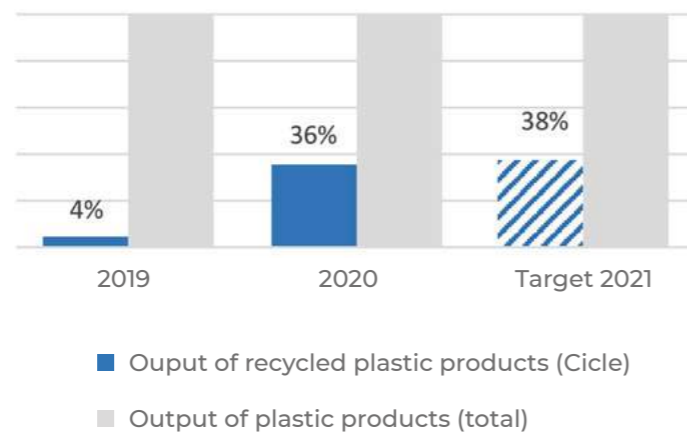
*Nature does not produce waste.
And neither do we, if we are careful not to.*

Circle Programme (I/II)

With the Circle Programme, the company has adopted a strategy that gives new beauty to recycled material, using research, technology and design to create new objects of fine design, produced using minimal natural resources. Circle consists of eco-sustainable products, with improved functional performances, resulting from a complex, high-precision procedure which processes secondary raw materials. With Circle, Fratelli Guzzini is integrating sustainability into its business model to an even greater extent, adding a circularity approach to the durability and recyclability that have always been key characteristics of its range. 2020 saw the consolidation and acceleration of the use of recycled materials, made possible by the further improve-

ment of the technology and new commercial partnerships, formed in response to the latest market trends, in which consumers are seeking more and more sustainable products. In spite of the pandemic, Fratelli Guzzini succeeded in achieving its targets in terms of output of recycled plastic products as a percentage of the total, reaching a quota of 36% compared to an estimate of about 40% in 2019, during the pre-covid era. For 2021, the aim is for recycled plastic to account for 38% of all plastic output.

Plastic production



RECOVERING

USED PET AND PP DISPOSABLE BOTTLES ARE COLLECTED, SORTED AND PRELIMINARILY WASHED



TRANSFORMATION

BOTTLES ARE REDUCED IN FLAKES AND STILL WASHED



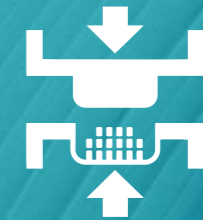
SANITIZATION

FLAKES ARE SANITISED TO GUARANTEE FOOD-CONTACT STANDARDS.



EXTRUSION OF PLASTIC FLAKES

FLAKES ARE MELTED AND EXTRUDED TO BECOME PLASTIC PELLETS



MATERIAL INJECTION MOLDING

PELLETS ARE TRANSFORMED INTO PRODUCTS BY INJECTION MOLDING



CREATION OF A NEW CIRCLE PRODUCT



MATERIAL REGENERATION



Circle Programme (II/II)

New recycled plastics were added to the Circle line in addition to the PET already in use, including polyethylene and polypropylene, which have enabled the trialling and production of new items. The outcome of this wide-ranging research and development activity was brought together in the first Fratelli Guzzini Circle Catalogue, consisting entirely of products with high percentages of 100% post-consumer recycled plastic, to which more products with high ecosu-

stainability performances will be added in 2021. The sustainability of Fratelli Guzzini Circle line products is guaranteed by short, controlled supply chains. Currently almost all the recycled plastic used is sourced from Italy. In the next few years, the company intends to create closed supply chains and consolidated networks to enable it to bring together suppliers of secondary raw material and the company's own transformative capacity.

Retail chain partnership

In 2020, Fratelli Guzzini launched a major partnership with a leading Italian retail chain, which selected the company's products for daily use within its loyalty programme. All partnership products have a high (50% to 70%) 100% post-consumer recycled plastic content and are extremely functional and durable. This association has enabled Fratelli Guzzini to make full use of its production capabilities and to bring the sustainability of its range of products in recycled material to the attention of a very large audience.



Regeneration Design

Origin of recycled PET



Origin of recycled PP



Origin of recycled LDPE



MATERIAL REGENERATION

Sustainability in packaging

Packaging is an important sustainability factor of the entire Fratelli Guzzini offering. All Fratelli Guzzini products have primary and secondary packaging that conserves their integrity throughout the supply chain, ensuring that the consumer receives them with all their original quality intact. As far as product protection allows, the company strives to reduce the environmental impact of packaging via design that aims to use as little packaging material as possible and to minimise bulk during transport. During 2020, Fratelli Guzzini used about 135 tonnes of certified and 100% recycled

paper for the packaging of its products. In order to reduce raw material consumption and shipping volume, in 2020 lighter cardboard packaging was adopted for all new products. The graphics were also simplified to reduce the amount of ink, while soya inks compatible with the compostability standards of the entire Circle line continued to be used where possible.



By developing more responsible, environment-friendly packaging, Fratelli Guzzini engages with consumers, encouraging them to play an active role in a major shift towards the conservation of natural resources.



100% recycled paper

All Fratelli Guzzini paper informative and marketing materials (magazines, leaflets, catalogues, banners and brochures) are made using certified paper, produced with wood from forests properly managed in accordance with high environmental, social and economic standards. Moreover, the company's growing presence on all digital channels is also enabling the gradual reduction of the number of pages printed, in favour of digital multimedia.

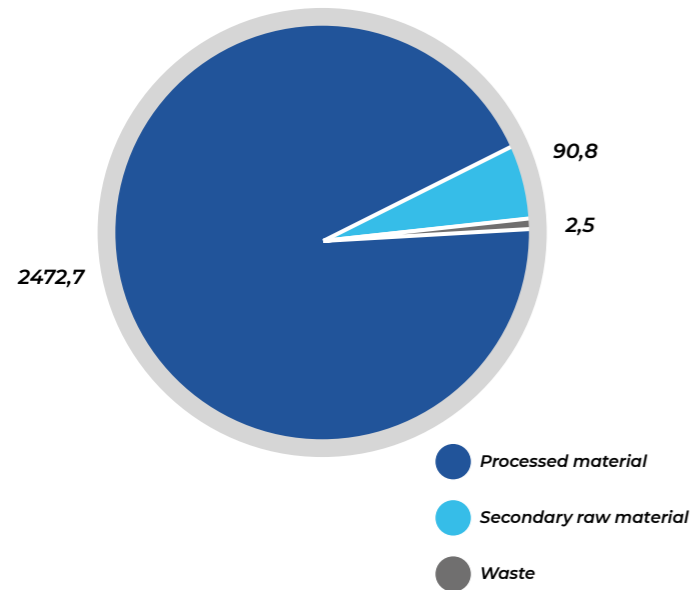
Sustainable production (I/II)

NO PRODUCTION WASTE

The application of circular economy principles to its value chain has enabled Fratelli Guzzini to reduce waste from its Recanati plant to almost nothing.

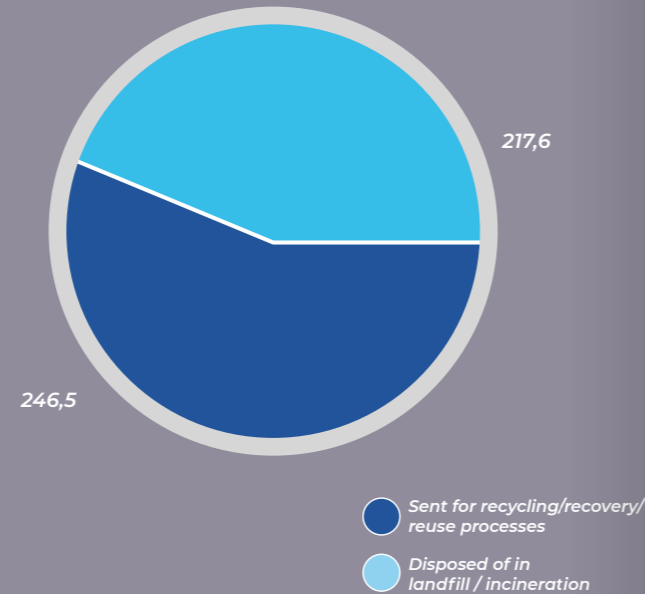
Production waste is equivalent to about 4% of the 2,566 tonnes of plastic raw material used in the production process. However, almost all of it is sold and used as secondary raw material by companies in other sectors (mainly automotive) to create new products. The remainder, only 0.1% of the incoming raw material, becomes waste because it is not reusable in other industrial processes; this minimal part is the material involved in the physiological machinery start-up, end-of-run and material change and colour change processes.

Plastic raw material used in 2020 [tonnes]



All waste generated during 2020, including the waste from all activities carried out at the plant, amounts to about 464 tonnes, consisting almost totally (98%) of non-hazardous waste. 53% of waste is sent for recycling, recovery or reuse processes, while the remainder is disposed of in landfill or through incineration.

Waste by destination [tonnes]



Office waste

To reduce the use of paper and phase out consumption of disposables, the Circle Experience Guide, a programme which raises employees' awareness of good environmental practices, has been introduced within the company. Water dispensers have been installed and all workers have also received a kit comprising a water bottle, beaker, and coffee cup and spoon, to replace disposable plastic.



Sustainable production (II/II)

ENERGY EFFICIENCY

Fratelli Guzzini is aware of the importance of its energy use in terms of the environmental impact of its operations. Therefore, to make the Recanati plant into a high-efficiency complex, the Company has introduced a large number of energy saving measures, including:

- Relamping of the entire site, replacing neon lamps with high-efficiency LEDs, combined with presence sensors to optimise their efficiency. This has also eliminated the impact of the disposal of the neon light fittings;
- Installation of inverters on the machinery of the compressed-air station;
- Adoption of a system to regulate the rpm of the hydraulic pumps of the injection moulding machines.
- Adoption of a closed-cycle system for the process cooling water, which is treated and returned to circulation in the plant, avoiding the need to take in fresh water.

Over time, this has enabled the company to reduce energy and water consumption and emissions of carbon dioxide, the main culprit in global warming. Currently, the company's energy consumption is about 24,775 GJ, of which 76%

is electricity, 85% of which is used to power the production plants, while the rest is natural gas for room heating purposes.

RENEWABLE ENERGY

As well as working to reduce energy consumption, Fratelli Guzzini has also introduced measures to cover some of its energy needs from renewable sources.

The company installed a photovoltaic system with nominal power of 800 kWp on the roof of the Recanati plant in 2010 and 2011.

This system covers about 13% of annual electricity consumption and avoids the emission by Fratelli Guzzini of 235 tonnes of carbon dioxide every year. The surplus electricity produced and sold to the national grid amounts to 1,135 GJ.

Photovoltaic (PV) power generation data

PV electricity consumed in-house



Electricity consumption covered by PV



Emissions avoided



Paperless warehouse management

The company is paperless with regard to all in-house documentation: the warehouse is managed by wireless handling terminals, and the management files are saved in the servers with no need to print them out. To improve the quality of communication and simplify the work of warehouse staff, in 2020 the company invested in new Bluetooth terminals for finished product logistics.

The company is also aiming for dematerialisation for external suppliers working at the warehouse.



Customer focus

Product health, safety and quality
Services and customer care
Listening to Customers



Product health, safety and quality (I/II)

Guaranteeing the highest quality and safety standards is one of Fratelli Guzzini's main commitments to its customers and consumers, and its products and packaging undergo multiple evaluation procedures covering both the origin of the materials and the controls performed throughout the production chain. Particular attention is focused on products destined for contact with food, which means virtually the company's whole product range. For these

products 89 analyses, simulating contact with foods, were performed by specialist laboratories in 2020 alone. Thanks to the meticulous selection of their constituent materials, most Table and Kitchen range products, including recycled plastic products, are microwave safe and can be washed in the dishwasher with no loss of their mechanical or quality characteristics (dishwasher safe*).

Batches checked and inspected		
	2019	2020
Incoming packaging	49%	45%
Finished products processed by external subcontractors (outsourcing of processes)*	61%	38%
Incoming components	39%	50%
Incoming finished or semi-finished products	54%	49%
Outgoing products	34%	33%

* Adopted for all products from external departments during 2020: an outsourcing partnership model which enables production batches to enter on a Free Pass system.



In-depth inspections and laboratory tests throughout the production chain to guarantee the utmost safety and hygiene for final customers

Product health, safety and quality (I/II)

CERTIFICATIONS

The quality of Fratelli Guzzini products is guaranteed by the quality of the processes performed at the Recanati plant, for which the company has adopted a management system certified under the international ISO:9001 standard.



Certifying the sustainability of recycled plastic

Fratelli Guzzini has received new certifications that guarantee the minimum content of recycled plastic from post-consumer sources within a selection of product lines.



CSI is the international certification and testing Centre which provides state-of-the-art tools for technological research, testing and voluntary certification, including product environmental labels by which companies prove their commitment to improving environmental impact to customers and consumers. Certification involves the classification of secondary raw materials deriving from the recycling of plastic waste, in accordance with art. 184ter of Legislative Decree 152/06 and UNI 10667 on plastics, referred to in Ministerial Decree dated 05/02/98.



UL is world leader in the science of safety, protection and sustainability, and supplies tests, inspections, certifications, training and consulting and risk management services to companies that make innovation their distinguishing feature. UL certifies the recycled plastic of Fratelli Guzzini's Re-generation Collection with a view to reducing the impact of global waste and plastics.

Services and customer care

The satisfaction of business customers and final consumers is Fratelli Guzzini's main aim and is achieved through continual monitoring of all services, with constant improvements that also enable identification of customers' constantly evolving needs. It is vital for us to know our customers, their motivations, their aesthetic tastes, and their expectations in terms of product adequacy and safety and quality of service, with regard to price and delivery times

and procedures. To accompany customers in all phases of the experience, the company offers both before-sales and after-sales services. The Fratelli Guzzini sales network delivers before-sales services to retailers via training, communication and the provision of suitable documentation, constantly updated to cover new lines and new products.

Quality of service and customer care		
	2019	2020
Nonconforming products	0,055%	0,019%
Returns/replacements	1898	955
Number of complaints	202	173
Complaint management time	0,45 gg	0,16 gg

Multimodal communication

The increase in e-commerce sales during 2020 expanded the modes of customer engagement, enabling multichannel communication, for example. Most of customers' queries were processed via instant messaging channels, which have enabled Fratelli Guzzini to establish immediate, efficient contacts with its customers.



FOCUS ON OUR CUSTOMERS

Fratelli Guzzini gives great importance to the needs of its Distribution Partners, supporting them with the most suitable branding tools and helping them to display the products correctly. It offers final consumers technical assistance throughout the product's useful life. Fratelli Guzzini also provides replacements in response to any verified complaints received by the retailer or the company itself. Accessibility, efficacy and rapid response are key factors in quality of service, customer satisfaction, and thus also the company's reputation.



Listening to customers

Fratelli Guzzini monitors changes in society and lifestyles and transforms them into products, by adopting new technologies and styles, and by designing articles destined to set new trends. For the structuring of its product plan and thus its marketing activities, Fratelli Guzzini uses the services of external consultants integrated in its communication team, to analyse consumers' new attitudes. It also continually monitors market trends via contact with distribution

channels, participation at industry shows worldwide, meetings with major buyers, and business meetings with large chains, which generate reporting. The company also uses its website and social media channels to communicate directly and closely with its customers worldwide.

Number of cases of nonconformity on marketing communication



% of products with disposal information on labelling



% of products with safe use information on labelling



% of products with hazardous substance content info on labelling



% of products with material origin info on labelling

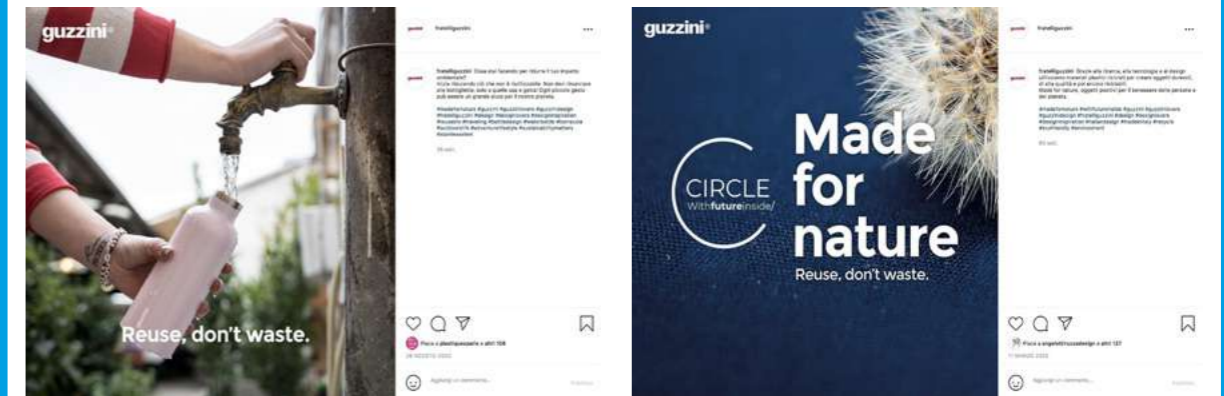


% of products with BPA free info on labelling



Social Media

2020 was a year of rapid growth for Fratelli Guzzini in terms of social media interactions with its customers. The creation of contents on the company's website and the main social media channels and the use of newsletters were the main communication channels that enabled the Company to reach users effectively and also to broadcast its messages on sustainability, its latest initiatives and its new products on a large scale. Fratelli Guzzini has also launched a digital flip magazine to render its interactive contents more user-friendly and flexible. What's more, via the Company's social media channels every user can ask questions, submit suggestions and have their say on topics regarding the brand's design and activities. To maintain inclusiveness and openness and guarantee positive, constructive dialogue, in 2020 Fratelli Guzzini adopted a Social Media Policy which sets the rules for moderation on the social media channels. Under the Policy, any vulgar, libellous, slanderous, offensive, violent, obscene, misleading, discriminatory or humiliating contents, or any which incite hate and racism or judge people on the basis of race, ethnicity, religion, political opinions or gender will be blocked.



People

Respect and bonding
Promotion of human capital
Health, safety and well-being



Respect and bonding

Fratelli Guzzini has always based its success on its access to high level professional inputs from all staff, in a context of profound mutual respect. Behind the quality of every Fratelli Guzzini product is the passion and hard work of people, recognised as the essential factor for the company's competitiveness, with whom the company establishes relationships based on fairness and mutual trust, grounded in respect, individual freedom and dignity of employment. The Company

offers the best working conditions to motivate people to do their jobs to the best of their abilities. The motivation of all employees is also guaranteed through regular informative meetings on company strategies and the sharing of the results achieved together and future goals.



DIVERSITY AND INCLUSION

Fratelli Guzzini is committed to providing a working environment where everyone can express their potential to the full, regardless of gender or any other type of individual characteristic. At present, one third of the workforce are women and the remainder men, with percentages varying depending on category and duties. In terms of workforce size, in 2020 the company employed 20 contracted self-employed workers, used to cover production peaks during the months when the pandemic was at its height.

Employees by contract type			
		2019	2020
Permanent contract	Women	41	40
	Men	81	84
	Total	122	124
Temporary contract	Women	1	0
	Men	3	1
	Total	4	1
TOTAL		126	125

Employees by type of employment			
		2019	2020
Full-time	Women	28	27
	Men	82	83
	Total	110	110
Part-time	Women	14	13
	Men	2	2
	Total	16	15
TOTAL		126	125

1.808 Days of remote working in 2020

Promotion of human capital

Expanding its employees' skill capital and the ability to renew and respond to the main innovative trends is the means by which Fratelli Guzzini ensures the continuity of its business. The company supports employees' growth and professional development through specific training programmes on topics such as raw material research and management and the application of innovative Industry 4.0 technologies. A great deal of importance is also given to the development of soft skills, marketing and customer relations techniques, digitali-

sation and English language. Due to the pandemic in 2020, almost all training courses were delivered remotely, enabling more flexibility in their use. There is also regular performance assessment for executive and managerial staff, on the basis of the level of achievement of the company's planned targets.

OPPORTUNITIES

From the moment when they join the company, every employee contributes added value which Fratelli Guzzini recognises. New employees, hired further to the selection procedure normally involving formal contact with the HR department, are offered training programmes which include initiation and guidance courses, courses on safety and quality control, and specific training for their intended roles. Further to the introduction of Industry 4.0 solutions, Fratelli Guzzini has also created reskilling programmes for its older employees to assist their adaptation to the new, more innovative production models, which involve a high degree of digitalisation. This approach reflects the company's commitment to fulfilling every employee's potential regardless of age, gender, rank or type of duties.

Areas for growth and skill enhancement

Circular economy



Technical skills



English language



Health, safety and well-being

Fratelli Guzzini has always been committed to producing accurate risk assessments and, at the same time, to raising the awareness of its employees with regard to occupational health and safety issues. The company also runs programmes to promote and consolidate a safety culture, growing awareness of risks and encouraging responsible behaviours on the part of all staff and external associates who work on the Company's premises. Health and safety training is delivered with regard to firefighting and first aid at a frequency above that legally required, and also covers non-compulsory activities, including specific courses on the highest-risk processes. In addition, Fratelli Guzzini has signed up for the Marche Region WHP programme, which aims to ensure that workplaces encourage the adoption of healthy lifestyles and the prevention of chronic diseases. The programme covers the topics of nutrition, the avoidance of tobacco smoking and alcohol abuse, and the promotion of physical exercise. In this context, the Preventive Medicine Department of the Marche Health Trust and the company's medical officer provide guidance on methods and organisation.

To minimise accident rates, Fratelli Guzzini has introduced technical and organisational measures including the adoption of a management system verified and certified by external bodies in accordance with the international ISO 45001:2018 standard, renewed in December 2020, which covers all staff and includes:

- Regular updating of types of risks and hazards
- Communication and verification of internal policies and procedures
- Specific training in the classroom and in the field
- Regular management review

Contractors and subcontractors working on the company's sites are also required to submit the interference risk assessment necessary under Italian law (DUVRI).

Work-related injuries		
	2019	2020
Injuries requiring registration*	3	1
Confirmed occupational diseases	0	0
Work-related injury rate**	16,48	5,09
Rate of injuries at work with severe consequences**	0	0
Hours worked	182.076	196.497

* Not including injuries during commute.
 ** Rates calculated per 1,000,000 hours worked.

Management of Covid-19 risks

In the early months of the pandemic, Covid-19 caused the closure of the Recanati plant. Reopening was subsequently made possible by a huge investment plan on the part of Fratelli Guzzini, introducing solutions to combat infection in the workplace and prevent contacts with anyone carrying the disease in general. The solutions adopted were thermal scanners at the main entrances, tunnels channelling people through the entrances and specific changing-rooms for workers. Last but not least, to regulate behaviour company protocols were introduced for the canteen, for suppliers and for customers, describing the practices to combat infection to be adopted within the Recanati plant.

Methodology appendix



Note on Methodology

The Fratelli Guzzini Sustainability Report 2020 contains the results achieved during year 2020 (from 1 January to 31 December). Where possible, the data of the previous three-year period are provided for comparison.

The Sustainability Report, issued annually, is intended to illustrate Fratelli Guzzini S.p.A.'s sustainability strategies, its governance model, its operating results and objectives, and their quantitative and qualitative impact on the economic, social and environmental context. The reporting perimeter consists of Fratelli Guzzini S.p.A.

The Sustainability Report for 2020 has been drawn up in accordance with the "GRI Sustainability Reporting Standards" (2016), using the "in accordance-Core" reporting option.

The information and data in this document refer to year 2020 and performance trends to 2018-2020 (when available). Qualitative and quantitative data were gathered with the assistance of the company's various departments. The data were processed via precise extraction, aggregation and calculations, with the production of estimates where specifically stated.

No specific activities were excluded from the reporting. No significant changes to the nature of the business were recorded during the reporting year.

The appendix contains the tables of the GRI indicators reported, with reference to the sections of the report and a table linking the material topics, the related GRI aspects and the parameter of the impacts, to provide guidance for readers.

In accordance with the GRI Standard materiality principle, the drafting of the document involved the identification of the most significant factors ("material topics") with the aid of the materiality analyses performed in 2019, bearing in mind the pandemic's main impacts during 2020 on the industry in which Fratelli Guzzini operates. The management was involved in the identification of significant environmental, economic and social factors, through a participatory process.

This document has not undergone independent third-party review.

For further information and suggestions contact / Visit website / Write to: info@fratelliguzzini.com

Our stakeholders

Stakeholders	Engagement methods
Employees and trade unions	<ul style="list-style-type: none"> • Annual meeting for presentation of results and strategy • Internal communication activities • Performance assessment process • Periodic meetings
Customers	<ul style="list-style-type: none"> • Website • Magazine • Commercial documentation • Before-sales service • Industry shows
Consumers	<ul style="list-style-type: none"> • Website • Social Media • Magazine • Customer satisfaction surveys • After-sales service • Complaint management
Community	<ul style="list-style-type: none"> • Website • External communication activities • Sponsorships and charitable giving
Suppliers	<ul style="list-style-type: none"> • Website • Specific meetings • Quality audits at plants • Industry shows
Local Government	<ul style="list-style-type: none"> • Meetings and events • Technical contacts • Meetings with local authorities • Meetings with local and regional government
Industry associations	<ul style="list-style-type: none"> • Industry shows • Industry events and meetings
Universities	<ul style="list-style-type: none"> • Institutional events • Research sponsorships



Materiality analysis

The contents and indicators reported in this report were decided on the basis of the materiality analysis performed in 2019 and the relative update in 2020. The materiality matrix is the outcome of a structured process comprising several phases, which started from a study of the external scenario, to gain an understanding of stakeholders' viewpoints and their main pressures and also involved the Guzzini management, in order to identify the priority topics for the company.

The process was structured in the following phases.

Phase 1. IDENTIFICATION OF MATERIAL TOPICS

Identification of potentially material topics for the company and stakeholders, through the following analyses:

- Benchmark analysis: the documents and sustainability and social responsibility reports published by Household Products industry companies were analysed to identify the topics considered significant by companies comparable to Guzzini;
- Media analysis: web and print media articles on the company and the main stakeholders were surveyed with the aid of keywords;
- Industry trend analysis: the non-financial/sustainability topics identified as significant for the sector were mapped. In particular the publications of international organisations and a selection of relevant standards and guidelines were analysed;
- Stakeholder pressure analysis: critical reading of documents reflecting

the interests of the company's stakeholders, including analysis of the priorities of consumers and interests groups on the global scale, leading to identification of the priority topics for these categories;

- Analysis of the company's internal priorities: critical reading of the main company documents and identification of the main areas where it invests resources, where it focuses attention, where it has stated commitments and which may constitute risks.

All the topics in these analyses were classified as material for the company and were then grouped together into general thematic areas.

Phase 2. PRIORITISATION OF MATERIAL TOPICS

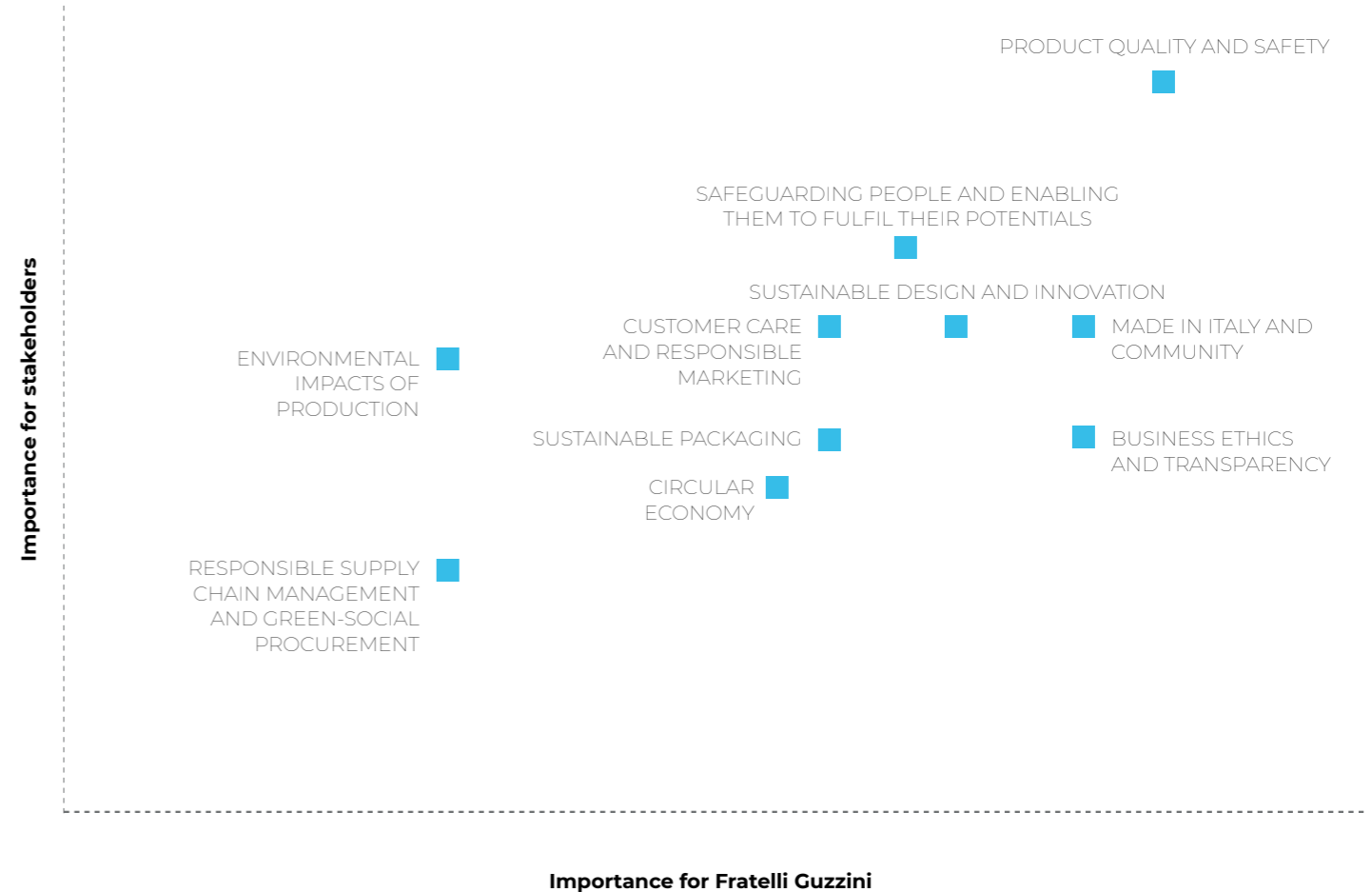
The material topics identified were prioritised on the basis of the following criteria:

1. Internal prioritisation: topic's impact on the business, its associated risks and the company's related commitments
2. External prioritisation: stakeholder pressures and expectations and the importance to the company of the stakeholder impacted by the topic concerned.

Once the priorities had been assigned to the material topics, the materiality matrix was validated: the material topics are those included in the materiality matrix provided in the Figure below.

Materiality Matrix

Material issues
Made in Italy and community
Sustainable design and innovation
Circular economy
Environmental impacts of production
Business ethics and transparency
Product quality and safety
Customer care and responsible marketing
Safeguarding people and enabling them to fulfil their potentials
Responsible supply chain management and green-social procurement
Sustainable packaging






Material topics for the company (1/4)

Material topic	Description of the topic and its relevance for Fratelli Guzzini	Related GRI Standard topic	Boundary of impacts*	Tipologia degli impatti	Goal SDGs	Target SDGs
Made in Italy and community	Express the best of Italian manufacturing in its products' production and style, keeping know-how and production continuity in Italy and maintaining the bond with the territory through the economic impact on the supply chain and local community initiatives, including territorial promotion.	-	Fratelli Guzzini	Generated by the Group		<p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p> <p>8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries.</p> <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>
Sustainable design and innovation	Design products in accordance with sustainability criteria which enable regenerability, multifunctionality and reduction in the raw material needed, conceived to fulfil their function over a period of time similar to, if not longer than, that of similar objects. Innovate by developing new materials and processes based on the "Design out waste and pollution" concept, create products that cater for new lifestyles.	Materials	Fratelli Guzzini	Caused by the Group		<p>Goal 12: Ensure sustainable consumption and production patterns</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>
Circular economy	Use post-consumer recycled materials, regenerating them and transforming them into new, stylish, eco-sustainable products. Promote waste as a resource, recycle resources in the production process, and render them suitable for new applications	Materials	Fratelli Guzzini	Directly connected to the Group's operations		<p>Goal 12: Ensure sustainable consumption and production patterns</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p> <p>12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>


Material topics for the company (2/4)

Material topic	Description of the topic and its relevance for Fratelli Guzzini	Related GRI Standard topic	Boundary of impacts*	Type of impacts*	Goal SDGs	Target SDGs
Environmental impacts of production	<p>Minimise the effects of production on the environment by generating renewable energy in-house, using high-efficiency plants and innovating production processes to use less energy.</p> <p>Reduce production-related waste and climate-changing gas emissions.</p>	<p>Energy Emissions</p> <p>Environmental compliance</p> <p>Wastewater discharges and waste</p>	Fratelli Guzzini	Caused by the Group	 	<p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>7.3 By 2030, double the global rate of improvement in energy efficiency</p> <p>Goal 12: Ensure sustainable consumption and production patterns</p> <p>12.2 By 2030, achieve the sustainable management and efficient use of natural resources</p>
Product quality and safety	<p>Satisfy customers' current and potential expectations, especially with regard to products' fitness for purpose, looks, durability, price, functionality and quality. Ensure products' health through a certified, approved management system which includes constant controls and analyses both at origin of materials and throughout the production chain, to guarantee products' safety in use</p>	<p>Customer health and safety</p>	Fratelli Guzzini	Caused by the Group and directly related to its activities		<p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p> <p>3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.</p>
Customer care and responsible marketing	<p>Always consider the final consumer when assessing performances, also bearing in mind the needs of distribution partners. Build up a relationship of trust with the customer by providing precise, complete, truthful information and adopting a communication style based on efficiency, collaboration and courtesy. Promote sustainable consumption models with customers and consumers, and also with employees, the company's primary ambassadors in relation to the outside world.</p>	<p>Marketing and labelling</p>	Fratelli Guzzini	Caused by the Group and directly related to its activities		<p>Goal 12: Ensure sustainable consumption and production patterns</p> <p>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p>

Material topics for the company (3/4)

Material topic	Description of the topic and its relevance for Fratelli Guzzini	Related GRI Standard topic	Boundary of impacts*	Type of impacts*	Goal SDGs	Target SDGs
Business ethics and transparency	Prevent and combat unlawful behaviours, adopt and promote the ethical conduct of business to guarantee the maximum legal and regulatory compliance in all business processes.	Socioeconomic compliance Anti-corruption	Fratelli Guzzini	Caused by the Group and directly related to its activities		Goal 12: Ensure sustainable consumption and production patterns 12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle
Safeguarding people and enabling them to fulfil their potentials	Identify the best talents, offer training paths and strategies to enable professional growth, guarantee equal career and development opportunities. Maximise people's satisfaction and wellbeing and protect occupational health and safety.	Training and education Occupational health and safety Non-discrimination	Fratelli Guzzini	Caused by the Group and directly related to its activities	 	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
Responsible supply chain management and green-social procurement	Guarantee ethical behaviours within the supply chain, with regard in particular to legal compliance, measures to combat fraud and corruption, employment and health and safety conditions, human rights and environmental issues. Integration of sustainability criteria and requirements into the various types of purchases.	Supplier social assessment Supplier environmental assessment	Fratelli Guzzini	Caused by the Group and directly related to its activities		Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

Material topics for the company (4/4)

Material topic	Description of the topic and its relevance for Fratelli Guzzini	Related GRI Standard topic	Boundary of impacts*	Type of impacts*	Goal SDGs	Target SDGs
Sustainable packaging	Reduce packaging volume and prefer packagings from more sustainable, recycled and recyclable materials, in order to minimise environmental impact.	Materials	Fratelli Guzzini	Caused by the Group and directly related to its activities		Goal 12: Ensure sustainable consumption and production patterns 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

GRI Content Index ^(1/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
STANDARD GENERAL INDICATORS				
GRI 102 GENERAL DISCLOSURES 2016	102-1 Name of the organization	-	Front cover of this Report	-
	102-2 Activities, brands, products and services	-	pag. 12-13	-
	102-3 Location of the organization's headquarters	-	pag. 12-13	-
	102-4 Location of the organization's operations	-	pag. 12-13	-
	102-5 Ownership and legal form	-	pag. 12-13	-
	102-6 Markets served	-	pag. 12-13	-
	102-7 Scale of the organization	-	pag. 12-13	-
	102-8 Information on employees and other workers	-	pag. 62-63 / 100-101	-
	102-9 Supply chain	-	pag. 18-21	-
	102-10 Significant variations to the organization and its supply chain	-	pag. 18-21	-
	102-11 Method of application of the precautionary principle or approach	-	pag. 16-17	-
	102-12 External initiatives	-	pag. 24-27	-
	102-13 Membership of associations	-	pag. 26-27	-
	102-14 Statement from senior decision-maker	-	pag. 6-9	-
	102-16 Values, principles, standards and norms of behaviour	-	pag. 16-17	-
102-18 Governance structure of the organization	-	pag. 16-17	-	
102-40 List of stakeholder groups	-	pag. 16-17	-	

GRI Content Index (2/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
STANDARD GENERAL INDICATORS				
GRI 102 GENERAL DISCLOSURES 2016	102-41 Collective bargaining agreements	All employees are covered by collective bargaining agreements.	-	-
	102-42 Identifying and selecting stakeholders	-	pag. 16-17 / 72	-
	102-43 Approach to stakeholder engagement	-	pag. 16-17 / 72	-
	102-44 Key topics and concerns raised	-	pag. 16-17	-
	102-45 Entities included in the consolidated financial statements	Fratelli Guzzini SpA	-	-
	102-46 Defining report content and topics. Boundaries	-	pag. 70-71 / 74-75	-
	102-47 List of material topics	-	pag. 70-71 / 74-75	-
	102-48 Restatement of information included in previous reports	-	-	-
	102-49 Changes in reporting	-	-	-
	102-50 Reporting period	2020 calendar year	-	-
	102-51 Date of most recent report	2019	-	-
	102-52 Reporting cycle	Annual	-	-
	102-53 Contact points and addresses for questions regarding the Sustainability Report	-	pag. 70-71	-
	102-54 Claims of reporting in accordance with the GRI Standards	-	pag. 70-71	-
	102-55 GRI Content Index	-	pag. 86-99	-
	102-56 External assurance	-	pag. 70-71	-

GRI Content Index (3/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
GRI 200 – ECONOMIC DISCLOSURES				
Anti-corruption				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 16-17 / 78-85	-
	103-2 The management approach and its components	-	Pag. 16-17 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 16-17 / 78-85	-
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	No incidents of corruption were confirmed within Fratelli Guzzini during the years 2018, 2019 and 2020	-	-
GRI 300 – ENVIRONMENTAL DISCLOSURES				
Materials				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 40-45 / 78-85	-
	103-2 The management approach and its components	-	Pag. 40-45 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 40-45 / 78-85	-
GRI 301: Materials 201	301-1 Materials used by weight or volume	-	Pag. 40-45 / 102-105	-
	301-2 Recycled input materials used	-	Pag. 40-45 / 102-105	-
Energy				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 48-49 / 78-85	-
	103-2 The management approach and its components	-	Pag. 48-49 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 48-49 / 78-85	-
GRI 302: Energy 2016	302-1 Energy consumption within the organization	-	Pag. 48-49 / 106-107	-

GRI Content Index (4/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
GRI 300 – ENVIRONMENTAL DISCLOSURES				
Emissions				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 48-49 / 78-85	-
	103-2 The management approach and its components	-	Pag. 48-49 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 48-49 / 78-85	-
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	-	Pag. 48-49 / 106-107	-
	305-2 Energy indirect (Scope 2) GHG emissions	-	Pag. 48-49 / 106-107	-
Wastewater discharges and waste				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 46-47 / 78-85	-
	103-2 The management approach and its components	-	Pag. 48-49 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 48-49 / 78-85	-
GRI 306: Wastewater discharges and waste 2016	306-2 Waste by type and disposal method	-	Pag. 48-49 / 108-109	-
Environmental compliance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 46-49 / 78-85	-
	103-2 The management approach and its components	-	Pag. 46-49 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 46-49 / 78-85	-
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	No fines or non-pecuniary penalties were imposed on the company in 2018, 2020 or 2020 due to non-compliance with environmental laws and/or regulations	-	-

GRI Content Index (5/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
GRI 300 – ENVIRONMENTAL DISCLOSURES				
Supplier environmental assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 18-21 / 78-85	-
	103-2 The management approach and its components	-	Pag. 18-21 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 18-21 / 78-85	-
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Environmental criteria were not applied when assessing suppliers during 2018, 2019 and 2020	-	-
GRI 400 – SOCIAL DISCLOSURES				
Occupational health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 66-67 / 78-85	-
	103-2 The management approach and its components	-	Pag. 66-67 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 66-67 / 78-85	-
GRI 403: Occupational health and safety 201	403-1 Occupational health and safety management system	-	Pag. 66-67	-
	403-5 - Worker training on occupational health and safety	-	Pag. 66-67	-
	403-6 - Promotion of worker health	-	Pag. 66-67	-
	403-9 - Work-related injuries	-	Pag. 66-67 / 108-109	-
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 64-65 / 78-85	-
	103-2 The management approach and its components	-	Pag. 64-65 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 64-65 / 78-85	-
GRI 404: Training and education 2016	404-2 Programmes for upgrading employee skills and transition assistance programme	-	Pag. 64-65	-

GRI Content Index (6/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
GRI 400 – SOCIAL DISCLOSURES				
Non-discrimination				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 62-63 / 78-85	-
	103-2 The management approach and its components	-	Pag. 64-65 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 64-65 / 78-85	-
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination occurred during 2018, 2019 and 2020	-	-
Supplier social assessment				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 18-21 / 78-85	-
	103-2 The management approach and its components	-	Pag. 18-21 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 18-21 / 78-85	-
GRI 414: Supplier social assessment 2016	416-1 Assessment of the health and safety impacts of product and service categories	Social criteria were not applied when assessing suppliers during 2018, 2019 and 2020	-	-
Customer health and safety				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 52-55 / 78-85	-
	103-2 The management approach and its components	-	Pag. 52-55 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 52-55 / 78-85	-
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-	Pag. 52-55 / 110-111	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance concerning the health and safety impacts of products and services occurred in 2018, 2019 and 2020	-	-

GRI Content Index ^(7/7)

GRI Standard	Indicators	References, links and notes	Page	Omissions
GRI 400 – SOCIAL DISCLOSURES				
Marketing and labelling				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 58-59 / 78-85	-
	103-2 The management approach and its components	-	Pag. 58-59 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 58-59 / 78-85	-
GRI 417: Marketing and labelling	417-2 Incidents of non-compliance concerning product and service information and labelling	Number of cases of non-compliance concerning product and service information and labelling	-	-
	417-3 Incidents of non-compliance concerning marketing communications	Number of cases of nonconformity on marketing communication	-	-
Socioeconomic compliance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	-	Pag. 16-17 / 78-85	-
	103-2 The management approach and its components	-	Pag. 16-17 / 78-85	-
	103-3 Evaluation of the management approach	-	Pag. 16-17 / 78-85	-
GRI 419: Socioeconomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	No fines or non-pecuniary penalties were imposed on the company in 2018, 2019 or 2020 due to non-compliance with laws and/or regulations in the social and/or economic area	-	-

Data tables (1/6)

GRI 102-8: Information on employees and other workers					
Employees	Type of contract	Gender	2018	2019	2020
Breakdown of employees by type of contract and gender	Permanent contract	Women	38	41	40
		Men	83	81	84
	Temporary contract	Women	3	1	0
		Men	1	3	1
Breakdown of employees by type of employment and gender	Full-time	Women	27	28	27
		Men	81	82	83
	Part-time	Women	14	14	13
		Men	3	2	2
Employees and other workers			2018	2019	2020
Total employees			125	126	125
Total apprentices			1	3	0
Total interns			3	0	0
Total contracted self-employed workers			10	2	20
Total			139	131	145

Data tables (2/6)

GRI 301-1: Materials used by Fratelli Guzzini by weight or volume					
Materials for production	Unit of measurement	Renewability	2018	2019	2020
Plastic	kg	No	1446983	1650933	2500123
of which ABS	kg	No	186898	254832	220623
of which PA	kg	No	5511	1599	20729
of which PC	kg	No	51317	83602	68042
of which PCTA	kg	No	1889	3470	8931
of which PE	kg	No	95363	64514	99754
of which PMMA	kg	No	39621	22955	11279
of which POM	kg	No	0	16	20
of which PP	kg	No	270117	332014	499697
of which PPO	kg	No	682	4293	2970
of which PS	kg	No	13366	3101	26441
of which SAN	kg	No	363145	536857	396500
of which SEBS	kg	No	814	344	688
of which SMMA	kg	No	417487	325320	212039
of which PET	kg	No	0	0	38545
of which TPE	kg	No	774	18018	31750
of which r-PET	kg	No	0	73392	473637
of which r-PP	kg	No	0	0	297963
of which r-PE	kg	No	0	0	75820
of which r-ABS	kg	No	0	0	14695
Glass	kg	No	44802	35224	45334
Porcelain	kg	No	61182	45988	7860
Aluminium	kg	No	6053	4897	642
Steel	kg	No	41186	160575	1721
Materials for packaging	Unit of measurement	Renewability	2018	2019	2020
Plastic	kg	No	35802	38938	103385
of which PE	kg	No	35802	38938	103345
of which Biopolymer	kg	Si	0	505	40
Paper (FSC)	kg	Si	0	13000	132439
Paper (not FSC)	kg	Si	237577	234650	167132
Cardboard	kg	Si	455633	441772	553800
GRI 301-2: Recycled input materials used by Fratelli Guzzini					
Recycled materials	Unit of measurement		2018	2019	2020
Percentage of materials for production recycled	%		0	4	34
Percentage of materials for packaging recycled	%		95	95	88

Data tables (3/6)

GRI 301-1: Materials used by Fratelli Guzzini suppliers by weight or volume					
Materials	Unit of measurement	Renewability	2018	2019	2020
Materials for production (including semi-processed materials and finished products)			nd	nd	394.444
Plastic	kg	No	nd	nd	225.564
<i>of which PA</i>	kg	No	nd	nd	1.581
<i>of which PE</i>	kg	No	nd	nd	3.700
<i>of which PP</i>	kg	No	nd	nd	48.000
<i>of which PU</i>	kg	No	nd	nd	37.573
<i>of which PVC</i>	kg	No	nd	nd	2.710
<i>of which r-PET</i>	kg	No	nd	nd	61.000
<i>of which r-PP</i>	Kg	No	nd	nd	71.000
Glass	Kg	No	nd	nd	9.529
Porcelain	Kg	No	nd	nd	43.351
Aluminium	Kg	No	nd	nd	16.000
Steel	Kg	No	nd	nd	100.000
Materials for packaging (including paper, cardboard and plastic)	Unit of measurement	Renewability	2018	2019	2020
Plastic	Kg	Partially	nd	nd	14.000
<i>of which PE</i>	Kg	No	nd	nd	14.000
Paper (not FSC)	Kg	Yes	nd	nd	54.000
Paper (not FSC)	Kg	Yes	nd	nd	69.000
GRI 301-2: Recycled input materials used by Fratelli Guzzini suppliers					
Recycled materials	Unit of measurement		2018	2019	2020
<i>Percentage of materials for production recycled</i>	%		nd	nd	33
<i>Percentage of materials for packaging recycled</i>	%		nd	nd	90

Data tables (4/6)

GRI 302-1: Energy consumption within the organization		2018	2019	2020
Energy consumption	Unit of measurement			
Energy consumption from non-renewable sources				
Diesel	GJ	2	1	1
Natural gas	GJ	5661	6202	5980
Consumption of electricity purchased from the grid	GJ	13069	13872	16278
Electricity consumption produced by photovoltaic system and consumed in-house		2303	2484	2515
Energy sold		2018	2019	2020
Sale of energy produced from renewable sources				
Electricity produced from renewable sources and sold to the grid	GJ	1134	1169	1135

GRI 305-1: Direct (Scope 1)* GHG emissions		2018	2019	2020
GRI 305-2: Energy indirect (Scope 2) GHG emissions				
Emissions	Unit of measurement			
Direct emissions (Scope 1)	tCO ₂	316,78	347,53	336,28
Indirect emissions (Scope 2)	tCO ₂	1306,95	1383,36	1519,30
Total	tCO ₂	1623,73	1730,89	1855,58

*The emission factors used for diesel and natural gas consumption are taken from the standard national parameter table issued by the Ministry of the Environment and Land and Sea Protection - figures for 2018, 2019, 2020.

**The emission factors used for electricity consumption purchased from the grid were taken from Terna International Comparisons on Enerdata figures- figures for 2016, 2017 and 2018.

Data tables (5/6)

GRI 306-2: Waste by type and disposal method		2018	2019	2020
Waste	Unit of measurement			
Hazardous waste	Kg	3949	6072	10710
<i>of which recovered</i>	kg	3949	6072	10710
Non-Hazardous waste	Kg	333324	369684	453427
<i>of which reused</i>	kg	71397	104925	130686
<i>of which recycled</i>	kg	67101	83275	105121
<i>of which incinerated</i>	kg	119176	106724	153690
<i>of which sent to landfill</i>	kg	75650	74760	63930

GRI 403-9: Work-related injuries		2018	2019	2020
Employees	Unit of measurement			
Hours worked	h.	201225	182076	196497
Total number of work-related injuries subject to registration	h.	2	4	1
<i>of which injuries during commute</i>	h.	0	1	0
<i>of which injuries at work with severe consequences</i>	h.	0	0	0
<i>of which fatal</i>	h.	0	0	0
Work-related injury rate	-	9,94	16,48	5,09
Rate of injuries at work with severe consequences	-	0	0	0
Rate of fatal injuries	-	0	0	0

Data tables (6/6)

GRI 416-1: Assessment of the health and safety impacts of product and service categories		2018	2019	2020
Category	Unit of measurement			
Input inspections				
Incoming semi-finished or finished products	% batches	54,58	49,38	33,1*
Incoming materials - Packaging components	% batches	53,70	48,95	45,1
Output inspections				
Output products from internal department	% batches	32,88	33,89	33,4

** In 2020, the Outsource partnership model which enables production batches to enter on a Free Pass system was adopted with all external production departments.*

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